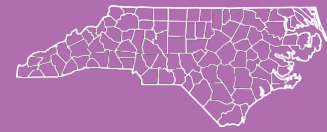




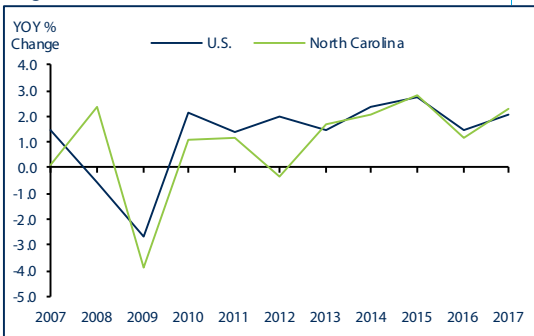
# Regional Profiles



## Economic Profile – North Carolina

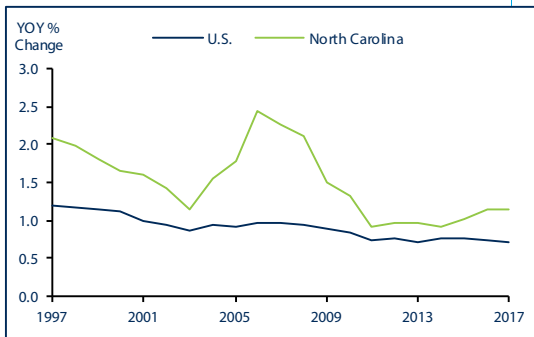
The economy of North Carolina grew strongly in 2017, with levels and growth rates generally outperforming the U.S. North Carolina’s real total output grew faster than national GDP, as did its total employment. While real per capita income remained below national averages, income growth outpaced the nation. The state’s unemployment rate fell from the previous year and the jobless rate decreased in every metro area. Residential real estate conditions improved, with high levels of home value appreciation, housing starts, and permitting activity.

Figure 1: Real GDP



SOURCE: Bureau of Economic Analysis/Haver Analytics

Figure 2: Population



SOURCE: U.S. Census Bureau/Haver Analytics

### Economic Contribution

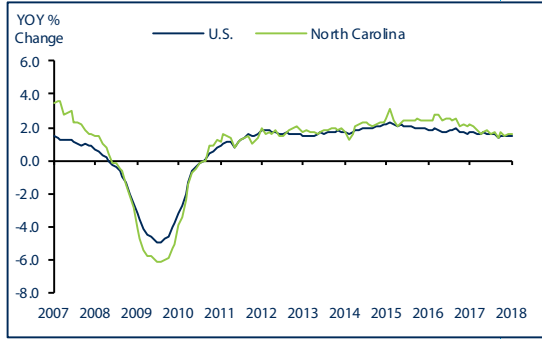
- In 2017, North Carolina was the largest economy in the Fifth District, with a nominal GDP of \$538.3 billion. This made up 2.8 percent of national output and 28.8 percent of Fifth District output.
- North Carolina experienced real GDP growth of 2.3 percent in 2017, which was higher than the national and Fifth District growth rates of 2.1 percent and 2.0 percent, respectively.
- The manufacturing and financial services industries made up the largest shares of North Carolina’s real GDP, accounting for 19.0 percent and 18.0 percent, respectively. Manufacturing expanded 2.7 percent in 2017 and the financial services industry increased by 1.7 percent.
- The transportation and warehousing industry grew the most in 2017 at 5.3 percent, followed by wholesale trade at 4.7 percent. The natural resources and mining industry saw the largest decline in real output of 5.0 percent.
- In 2016, the most recent year of data available, Charlotte was the largest MSA in North Carolina and had real output of \$163.6 billion, or 30.7 percent of the state’s GDP. The fastest growing MSA was Raleigh, with a 5.3 percent increase. Rocky Mount faced the largest decline at 6.2 percent.

### Population

- North Carolina had a population of 10.3 million in 2017, making it the largest jurisdiction in the Fifth District. The state accounted for 31.8 percent of the Fifth District population and 3.2 percent of the national population.
- The population of North Carolina grew 1.1 percent in 2017, higher than both the national and Fifth District growth rates of 0.7 percent and 0.8 percent, respectively.

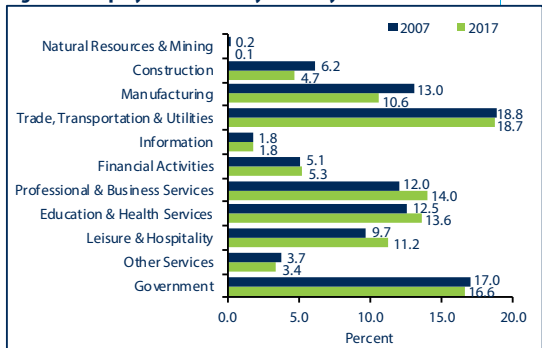
## ECONOMIC PROFILE

**Figure 3: Payroll Employment**



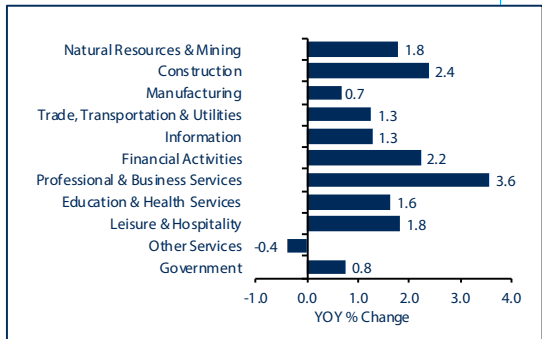
SOURCE: Bureau of Labor Statistics/Haver Analytics

**Figure 4: Employment Share by Industry**



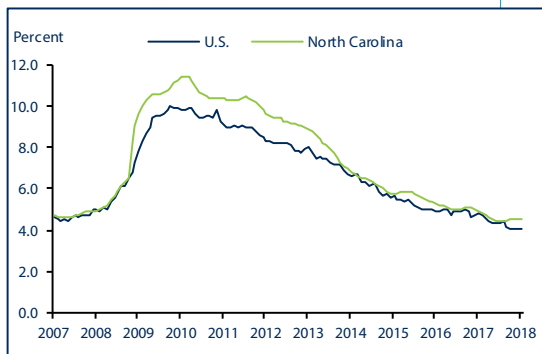
SOURCE: Bureau of Labor Statistics/Haver Analytics

**Figure 5: Change in Employment by Industry (Dec 17)**



SOURCE: Bureau of Labor Statistics/Haver Analytics

**Figure 6: Unemployment Rate**



SOURCE: Bureau of Labor Statistics/Haver Analytics

- Net migration to North Carolina was estimated at 86,213 people, with 76.6 percent domestic and 23.4 percent international.
- Charlotte was the most populous MSA in North Carolina in 2017, with 24.6 percent of the state population, and grew by 2.0 percent. Raleigh, the second largest MSA, experienced the highest population growth of 2.3 percent for 2017. Rocky Mount posted the largest population decline in 2017, shrinking by 0.4 percent.
- Mecklenburg County, which is part of the Charlotte MSA, was the most populous county in 2017 with a population of 1.1 million. Brunswick County experienced the highest growth rate at 3.6 percent and Hyde County faced the greatest decline in population with a 2.1 percent decrease.
- In 2017, the working-age population of North Carolina (16 to 64 years old) grew by 0.8 percent. The retirement-age population, 65 and above, shrunk by 2.8 percent.

## Labor Market Conditions

- North Carolina had 4.4 million workers in December 2017, the most of any Fifth District jurisdiction. This accounted for 30.1 percent of Fifth District payroll employment and 3.0 percent of national payroll employment.
- On a year-over-year basis in December 2017, North Carolina's nonfarm payroll employment grew 1.6 percent, which was slightly over the national rate of 1.5 percent.
- The trade, transportation, and utilities industry remained the largest industry in North Carolina in 2017, supporting 18.7 percent of employment; the government sector was the second largest employer at 16.6 percent. The smallest industry was mining and logging, accounting for 0.1 percent of employment.
- Every industry except "other" services posted employment growth in 2017, with professional and business services growing the fastest at 3.6 percent.
- Among the MSAs in the state, employment in Raleigh grew the most from December 2016 to December 2017, with payroll growth of 2.4 percent. In the same period, multiple MSAs experienced declines in employment, with Rocky Mount seeing the greatest decline of 1.4 percent.

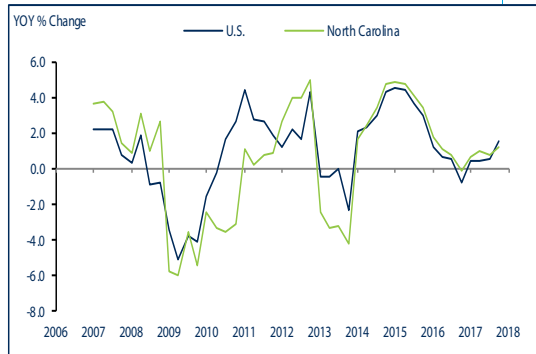
## ECONOMIC PROFILE

**Figure 7: Unemployment Rate by Metro Area**



SOURCE: Bureau of Labor Statistics/Haver Analytics

**Figure 8: Real Per Capita Income**

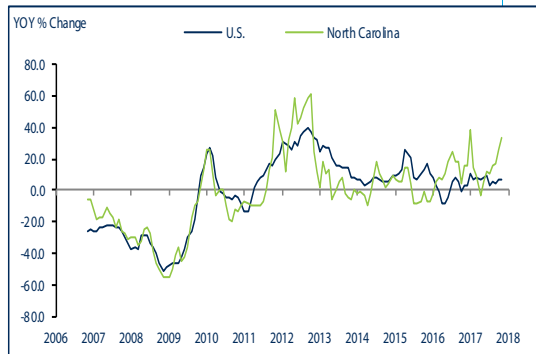


**Figure 9: Nominal Per Capita Income by County (2017)**

| Highest Per Capita Income |                        |              | Lowest Per Capita Income |                        |              |
|---------------------------|------------------------|--------------|--------------------------|------------------------|--------------|
| County                    | Per Capita Income (\$) | YoY % Change | County                   | Per Capita Income (\$) | YoY % Change |
| Orange                    | 58,438                 | 1.6          | Cherokee                 | 29,512                 | -0.6         |
| Mecklenburg               | 54,087                 | 2.6          | Tyrrell                  | 29,449                 | 0.2          |
| Wake                      | 54,063                 | 1.5          | Hoke                     | 29,215                 | 1.7          |
| Chatham                   | 53,342                 | 0.6          | Warren                   | 29,190                 | 3.3          |
| Dare                      | 49,248                 | 0.9          | Robeson                  | 27,717                 | 1.8          |

SOURCE: Bureau of Economic Analysis/Haver Analytics

**Figure 10: Building Permits Issued**



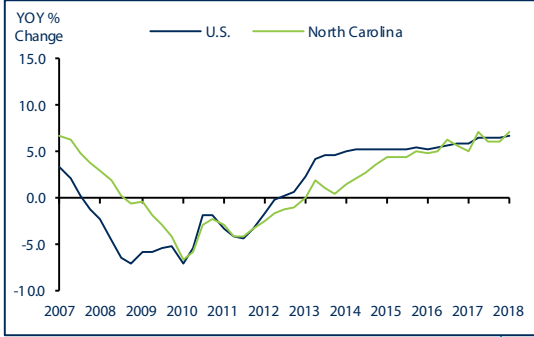
SOURCE: U.S. Census Bureau/Haver Analytics

## Household Conditions

- North Carolina's nominal per capita income was \$43,303 in 2017, below the national average of \$50,392 and the Fifth District average of \$49,180. North Carolina had the 12th lowest per capita income in the nation.
- Real per capita income in North Carolina grew 0.9 percent in 2017, slightly above the Fifth District rate of 0.8 percent.
- In 2016, the most recent year of data available, the Raleigh MSA had the highest nominal per capita income among the state's metro areas, measured at \$50,444. Hickory-Lenoir-Morgantown had the lowest nominal per capita income at \$36,526.
- Of the state's counties, Orange County had the highest nominal per capita income at \$58,438 while Robeson County had the lowest at \$27,717 in 2016, the most recent year of data available.
- North Carolina had an unemployment rate of 4.5 percent in December 2017, which was above the national rate of 4.1 percent and was a 0.5 percentage point decline from December 2016.
- The number of residents unemployed in North Carolina decreased by 10.1 percent on a year-over-year basis in December 2017, which was less than the national decrease of 12.3 percent.
- The Rocky Mount MSA had the highest jobless rate in North Carolina, at 6.6 percent in December 2017. Asheville had the lowest unemployment rate at 3.7 percent. Unemployment decreased in all the state's metro areas in 2017.
- At 61.4 percent, the North Carolina labor force participation rate was below both the national rate of 62.7 percent and the Fifth District rate of 62.8 percent in December of 2017.
- Non-business bankruptcy filings decreased to 14,277 in 2017 from 14,893 in the previous year.
- On average, 1.4 million individuals per month participated in the Supplemental Nutritional Assistance Program in Fiscal Year 2017, representing 13.3 percent of North Carolina's population. This participation rate was a 2.5 percentage points decline from the previous year.
- In 2016, the most recent year of data available, 13.6 percent of North Carolina residents lived below the poverty level, meaning North Carolina had the 18th highest poverty rate in the nation.

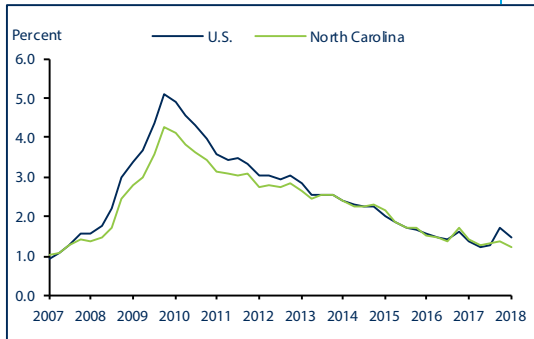
## ECONOMIC PROFILE

**Figure 11: House Price Index**



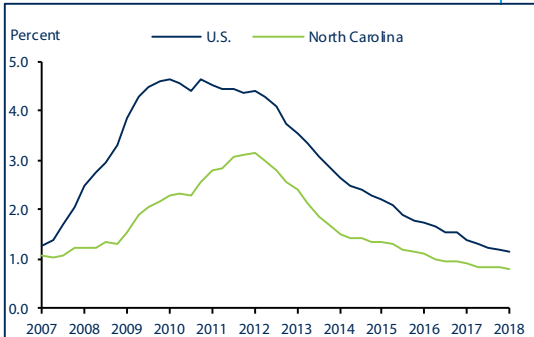
SOURCE: Federal Housing Finance Agency/Haver Analytics

**Figure 12: 90+ Day Mortgage Delinquency Rate**



SOURCE: Mortgage Bankers Association/Haver Analytics

**Figure 13: Foreclosure Inventory Rate**



SOURCE: Mortgage Bankers Association/Haver Analytics

## Real Estate Conditions

- A total of 65,009 new residential building permits were issued in North Carolina in 2017, a 13.9 percent increase from 2016. In the nation, the number of permits issued increased by 6.2 percent.
- Home values appreciated 6.1 percent in North Carolina on a year-over-year basis in the fourth quarter of 2017, while the national values appreciated 6.4 percent.
- The Wilmington MSA saw the greatest appreciation in home values, rising 9.5 percent on a year-over-year basis in the fourth quarter of 2017. Goldsboro experienced the greatest depreciation, falling 6.5 percent.
- Housing starts in North Carolina increased by 11.1 percent, while nationally they increased 2.5 percent.
- The share of mortgages with payments more than 90 days past due decreased slightly from the previous year, ending at 1.4 percent in the fourth quarter of 2017.
- In the final quarter of 2017, the share of mortgages in foreclosure was 0.8 percent, which was lower than the national rate of 1.2 percent.

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