

## NORTH CAROLINA

### September Summary

Reports on North Carolina's economy were fairly positive in recent months as payroll employment increased and the unemployment rate held steady, however, housing market activity softened.

**Labor Markets:** North Carolina employers added 10,500 jobs (0.2 percent), on net, in July, as employment grew in the majority of state's industries. The most jobs were added in trade transportation, and utilities (3,100 jobs or 0.4 percent) in the month, while the largest percentage gain was in "other" services (1.3 percent or 2,100 jobs). Meanwhile, employment fell in leisure and hospitality (1,500 jobs or 0.3 percent), construction (700 jobs or 0.3 percent), and mining and logging (100 jobs or 1.8 percent). Compared to last July, North Carolina payroll employment increased by 1.7 percent (75,700 jobs). The greatest contributor to year-over-year growth was the trade, transportation, and utilities industry, which added 25,600 jobs (3.1 percent), accounting for more than a third of the net gain. The highest year-over-year percentage increase was in "other" services (4.0 percent or 6,200 jobs). The only industries to cut jobs over the year were manufacturing (2,500 jobs), construction (200 jobs) and mining and logging (400 jobs).

**Household Conditions:** The unemployment rate in North Carolina was unchanged at 4.2 percent in July and was 0.4 percentage points above the rate reported in July 2018. In the second quarter of 2019, the share of North Carolina mortgages with payments 90 or more days past due declined 0.1 percentage points to 1.2 percent. The delinquency rate for fixed rate loans held steady in the second quarter at 1.0 percent while the delinquency rate for adjustable rate loans was unchanged at 1.8 percent. In the first quarter of 2019, real personal income in North Carolina rose 0.6 percent and was up 3.2 percent since the first quarter of 2018.

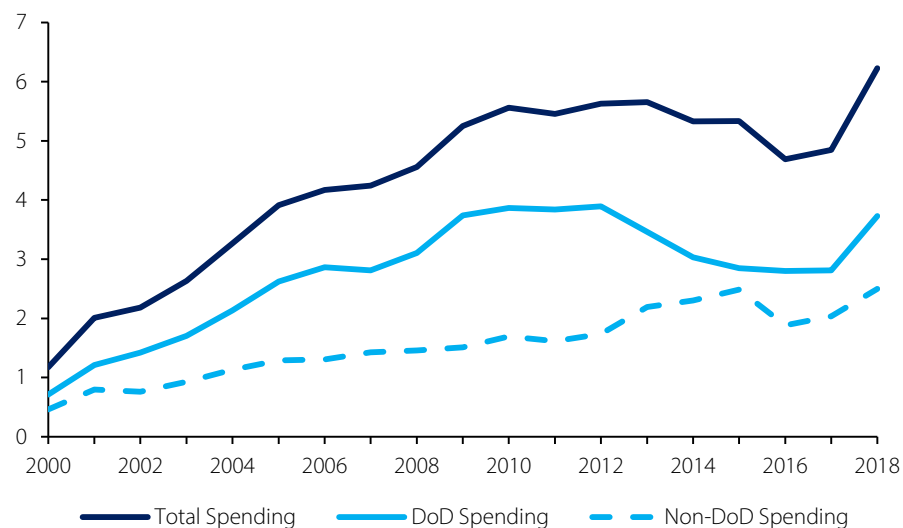
**Housing Markets:** North Carolina issued 5,746 new residential permits in July, down 6.0 percent from the prior month and down 5.1 percent from July 2018. Permitting activity picked up in the month in every MSA except Charlotte, Raleigh, and Wilmington. North Carolina housing starts totaled 56,600 in July, a 20.5 percent decrease from June and a 13.4 percent decrease since July of 2018. According to CoreLogic Information Solutions, home values in North Carolina appreciated 0.1 percent in June and 4.1 percent, since June 2018. At the metro level, house prices increased in the month in every MSA except for Charlotte.

### A Closer Look at... Federal Contract Spending

FedSpendTop, a data product provided by Chmura Economics and Analytics, takes data from the Federal Procurement Data System and reallocates contract dollars based on the location of a subcontractor, where applicable, and divides contract amounts evenly over the years for which the contract endures. This allows for an approximation of the amount of money spent to fund work in a given year and place. According to the data, in Fiscal Year 2018:

- Total spending for North Carolina was \$6.23 billion, slightly higher than the \$6.16 billion using USAspending data. This was 28.5% more spending than in 2017.
- 3.7 billion dollars, 59.9% of total spending, were allocated to the Department of Defense, 32.6% more than were allocated in 2017
- 25.0 billion dollars, 40.1 % of the total, were allocated to all other departments within the Federal government, 22.9% more than were allocated in 2017.

North Carolina Federal Contract Spending  
Billions of Dollars



**NORTH CAROLINA**

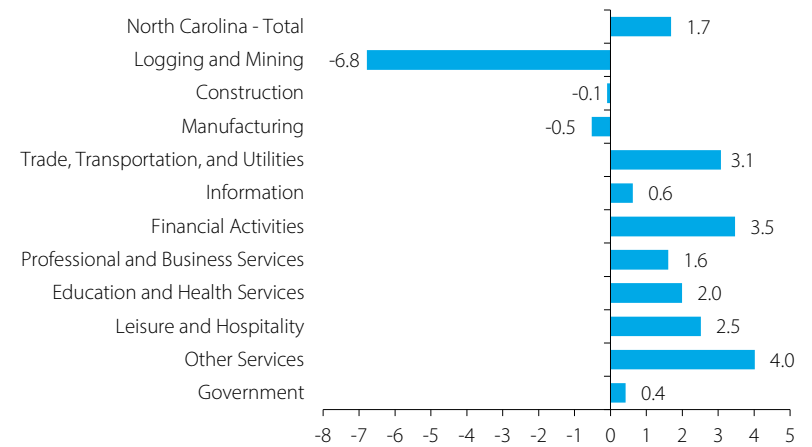
Labor Market Conditions

Payroll Employment (SA)	Period	Level (000s)	MoM % Change	YoY % Change
United States - Total	July	151,431.0	0.11	1.51
Fifth District - Total	July	15,068.5	0.09	1.01
North Carolina - Total	July	4,572.2	0.23	1.68
Logging and Mining	July	5.5	-1.79	-6.78
Construction	July	220.1	-0.32	-0.09
Manufacturing	July	473.4	0.36	-0.53
Trade, Transportation, and Utilities	July	858.2	0.36	3.07
Information	July	80.4	0.00	0.63
Financial Activities	July	247.8	0.12	3.47
Professional and Business Services	July	645.7	0.31	1.61
Education and Health Services	July	624.8	0.26	1.99
Leisure and Hospitality	July	517.3	-0.29	2.52
Other Services	July	160.4	1.33	4.02
Government	July	738.6	0.27	0.42

Metro Payroll Employment (NSA)	Period	Level (000s)	YoY % Change
Asheville MSA - Total	July	201.2	4.30
Charlotte MSA - Total	July	1,228.4	2.64
Durham MSA - Total	July	314.8	1.55
Fayetteville MSA - Total	July	129.9	2.04
Greensboro-High Point MSA - Total	July	355.0	0.57
Raleigh-Cary MSA - Total	July	645.5	2.09
Wilmington MSA - Total	July	132.0	1.23
Winston-Salem MSA - Total	July	269.4	2.63

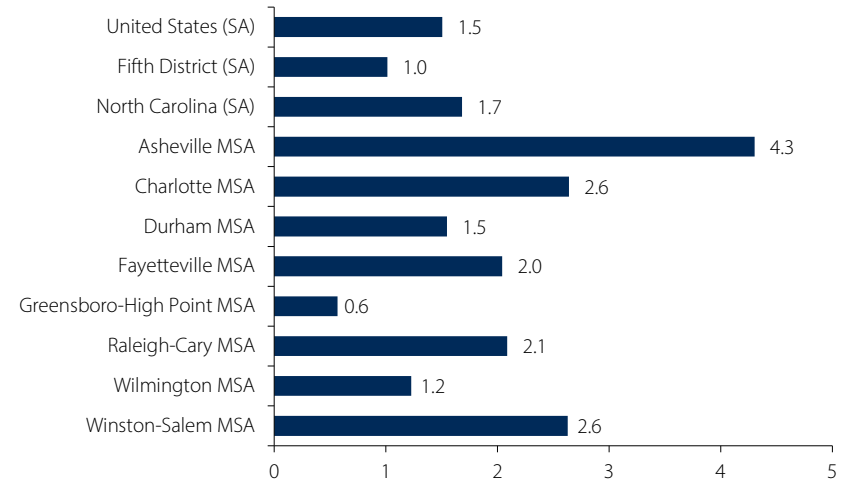
North Carolina Payroll Employment Performance

Year-over-Year Percent Change in July 2019



North Carolina Total Employment Performance

Year-over-Year Percent Change in July 2019



# SNAPSHOT

# A MONTHLY UPDATE OF THE FIFTH DISTRICT ECONOMY

September 2019

FEDERAL RESERVE BANK OF RICHMOND

## NORTH CAROLINA

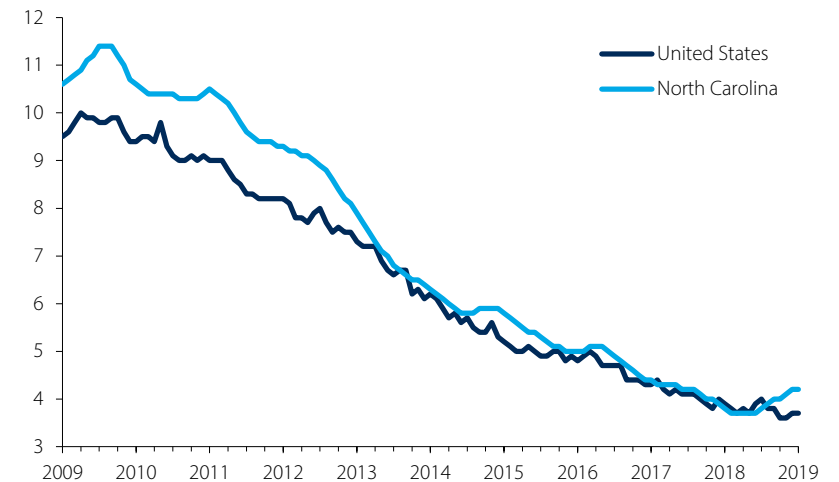
### Labor Market Conditions

Unemployment Rate (SA)	July 19	June 19	July 18
United States	3.7	3.7	3.9
Fifth District	3.7	3.7	3.6
North Carolina	4.2	4.2	3.8
Asheville MSA	3.3	3.3	3.1
Charlotte MSA	3.8	3.8	3.5
Durham MSA	3.7	3.7	3.4
Fayetteville MSA	5.3	5.4	5.0
Greensboro-High Point MSA	4.3	4.3	4.0
Raleigh-Cary MSA	3.6	3.6	3.3
Wilmington MSA	3.9	3.9	3.7
Winston-Salem MSA	3.9	3.9	3.6

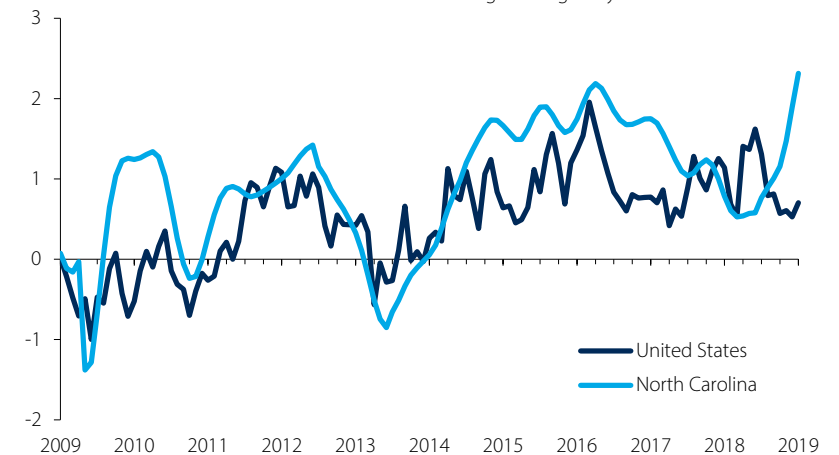
Civilian Labor Force (SA)	Period	Level (000s)	MoM % Change	YoY % Change
United States	July	163,351	0.23	0.70
Fifth District	July	16,306	0.29	1.82
North Carolina	July	5,098	0.37	2.31
Asheville MSA	July	243	0.33	4.56
Charlotte MSA	July	1,377	0.53	3.06
Durham MSA	July	304	0.36	2.05
Fayetteville MSA	July	151	0.33	2.23
Greensboro-High Point MSA	July	372	0.13	1.39
Raleigh-Cary MSA	July	729	0.44	2.25
Wilmington MSA	July	153	0.26	2.07
Winston-Salem MSA	July	334	0.33	2.39

Initial Unemployment Claims (NSA)	Period	Level	MoM % Change	YoY % Change
United States	July	938,776	5.34	-2.21
Fifth District	July	56,040	5.90	1.79
North Carolina	July	13,820	7.62	20.25

North Carolina Unemployment Rate  
Through July 2019



North Carolina Labor Force  
Year-over-Year Percent Change through July 2019



# SNAPSHOT

# A MONTHLY UPDATE OF THE FIFTH DISTRICT ECONOMY

September 2019

FEDERAL RESERVE BANK OF RICHMOND

## NORTH CAROLINA

### Household Conditions

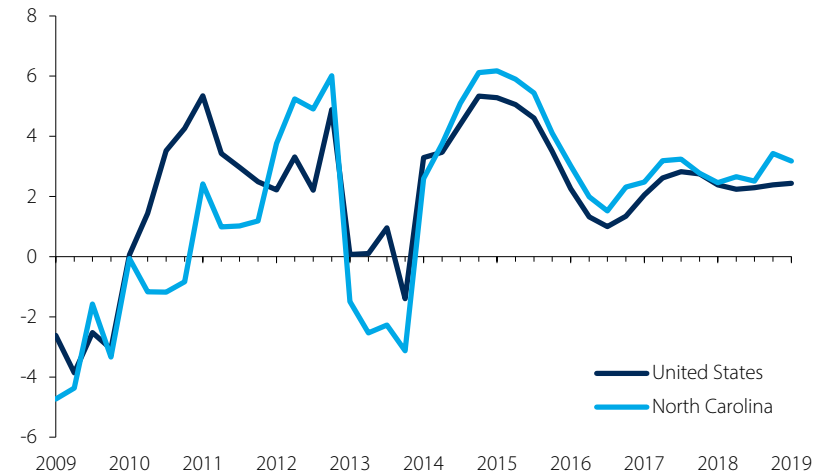
Real Personal Income (SA)	Period	Level (\$mil)	QoQ % Change	YoY % Change
United States	Q1:19	16,494,940	0.75	2.44
Fifth District	Q1:19	1,589,617	0.80	2.62
North Carolina	Q1:19	449,038	0.56	3.18

Median Family Income	Period	Level (000s)	QoQ % Change	YoY % Change
Asheville MSA	Q1:19	66.4	8.32	8.32
Charlotte MSA	Q1:19	79.0	6.61	6.61
Durham MSA	Q1:19	84.8	5.21	5.21
Fayetteville MSA	Q1:19	54.9	2.62	2.62
Greensboro-High Point MSA	Q1:19	61.3	1.32	1.32
Raleigh-Cary MSA	Q1:19	93.1	10.44	10.44
Winston-Salem MSA	Q1:19	61.9	-0.96	-0.96

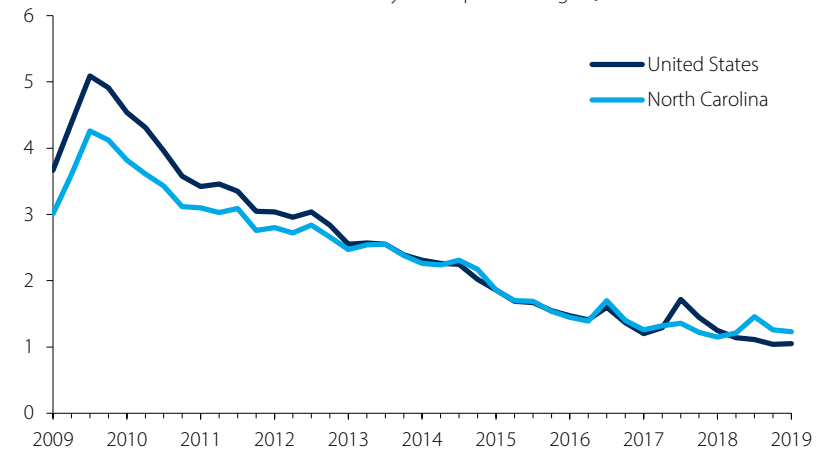
Non-Business Bankruptcies	Period	Level	QoQ % Change	YoY % Change
United States	Q2:19	200,540	7.74	0.19
Fifth District	Q2:19	16,588	3.85	-0.99
North Carolina	Q2:19	3,410	7.84	-4.83

Mortgage Delinquencies (% 90+ Days Delinquent)	Q2:19	Q1:19	Q2:18
United States			
All Mortgages	1.05	1.04	1.25
Conventional - Fixed Rate	0.79	0.76	0.94
Conventional - Adjustable Rate	1.67	1.73	1.97
North Carolina - All Mortgages			
All Mortgages	1.23	1.26	1.15
Conventional - Fixed Rate	0.98	0.95	0.86
Conventional - Adjustable Rate	1.77	1.79	1.67

North Carolina Real Personal Income  
Year-over-Year Percent Change through Q1:19



North Carolina Mortgage Delinquencies  
Percent 90+ Days Delinquent through Q2:19





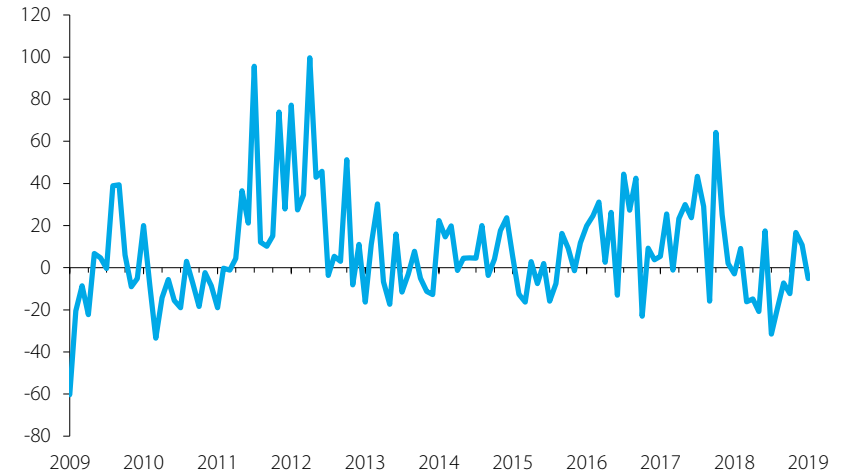
**NORTH CAROLINA**

Real Estate Conditions

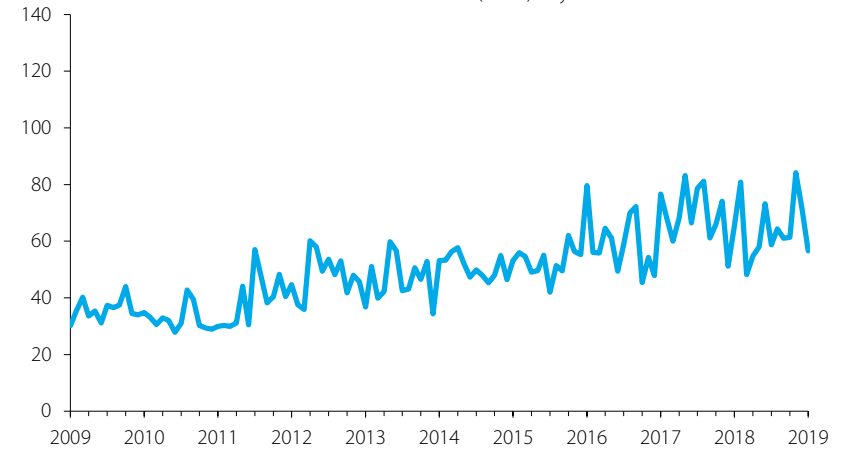
Permits: New Private Housing Units (NSA)	Period	Level	MoM % Change	YoY % Change
United States	July	118,777	7.00	5.08
Fifth District	July	14,699	5.29	4.41
North Carolina	July	5,746	-6.02	-5.10
Asheville MSA	July	277	49.73	26.48
Charlotte MSA	July	1,772	-17.85	-1.17
Durham MSA	July	448	13.13	6.16
Fayetteville MSA	July	133	16.67	72.73
Greensboro-High Point MSA	July	157	3.29	-34.03
Greenville MSA	July	66	13.79	-9.59
Hickory MSA	July	11	25.00	---
Jacksonville MSA	July	172	156.72	44.54
Raleigh-Cary MSA	July	1,420	-19.55	-22.11
Wilmington MSA	July	124	-14.48	20.39
Winston-Salem MSA	July	217	11.86	9.05

Total Private Housing Starts (SAAR)	Period	Level (000s)	MoM % Change	YoY % Change
United States	July	1,191	-4.03	0.59
Fifth District	July	145	-10.98	-4.75
North Carolina	July	56.6	-20.54	-13.43

North Carolina New Housing Units  
Year-over-Year Percent Change through July 2019



North Carolina Housing Starts  
Thousands of Units (SAAR) July 2019



**NORTH CAROLINA**

Real Estate Conditions

House Price Index (2000=100)	Period	Level	MoM % Change	YoY % Change
United States	June	210	0.42	3.44
Fifth District	June	208	0.25	3.28
North Carolina	June	166	0.11	4.12
Asheville MSA	June	225	0.38	3.20
Charlotte MSA	June	173	-0.03	4.26
Durham MSA	June	176	0.79	4.97
Fayetteville MSA	June	130	0.59	3.07
Greensboro-High Point MSA	June	138	0.94	4.77
Greenville MSA	June	134	0.20	1.34
Hickory MSA	June	166	1.70	8.43
Jacksonville MSA	June	155	0.37	4.61
Raleigh-Cary MSA	June	164	0.41	4.20
Wilmington MSA	June	193	0.67	6.01
Winston-Salem MSA	June	154	0.86	4.89

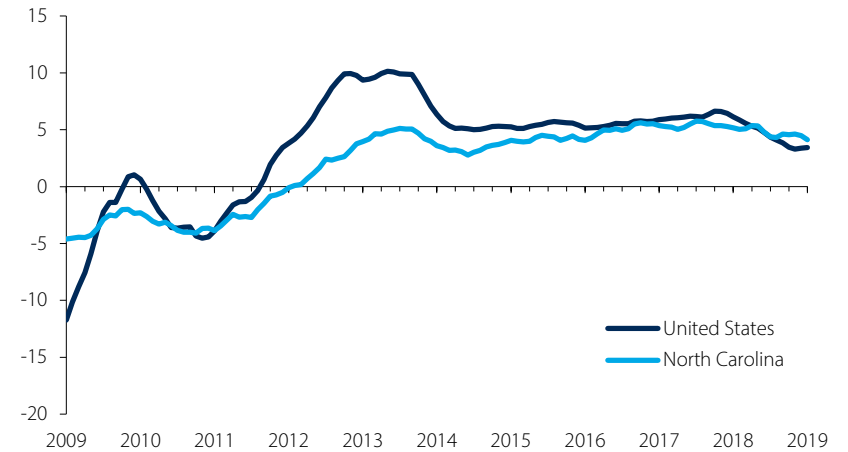
Median Home Sales Price - NAR (NSA)	Period	Level (\$000s)	QoQ % Change	YoY % Change
Charlotte MSA	Q2:19	266	12.18	5.43
Durham MSA	Q2:19	314	14.54	8.94
Greensboro-High Point MSA	Q2:19	182	10.63	9.24
Raleigh-Cary MSA	Q2:19	297	6.91	2.17

Median Home Sales Price - NAHB	Period	Level (\$000s)	QoQ % Change	YoY % Change
Asheville MSA	Q1:19	255	-4.85	-1.92
Charlotte MSA	Q1:19	235	1.29	2.17
Durham MSA	Q1:19	262	3.15	2.34
Fayetteville MSA	Q1:19	127	-5.22	-1.55
Greensboro-High Point MSA	Q1:19	160	-7.51	1.91
Raleigh-Cary MSA	Q1:19	303	-3.81	6.32
Winston-Salem MSA	Q1:19	159	-5.92	4.61

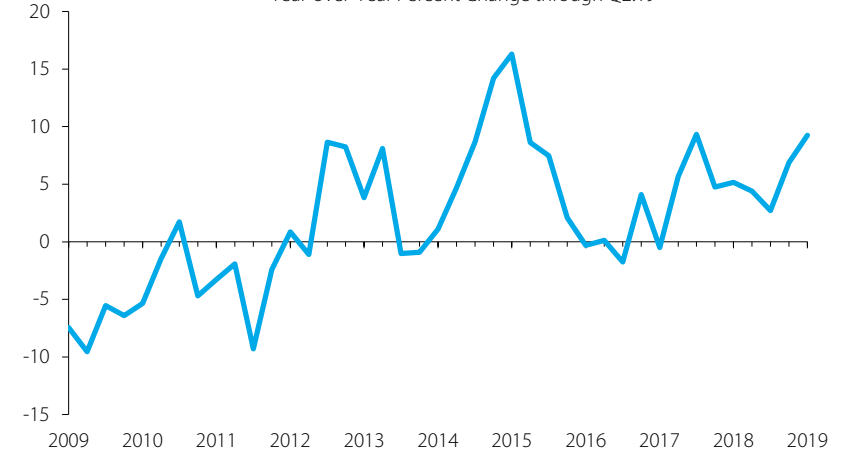
North Carolina House Price Index (CoreLogic)

Year-over-Year Percent Change through June 2019



Greensboro MSA Median Home Sales Price (NAR)

Year-over-Year Percent Change through Q2:19



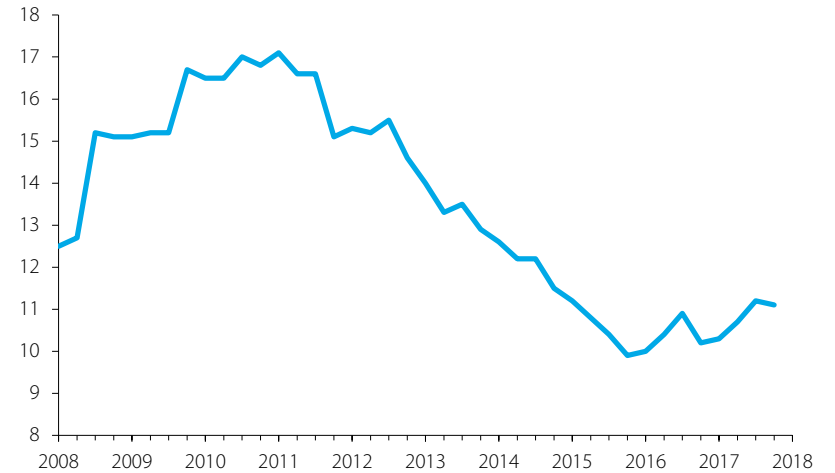
**NORTH CAROLINA**

Real Estate Conditions

Housing Opportunity Index (%)	Q1:19	Q4:18	Q1:18
Asheville MSA	60.1	46.7	54.1
Charlotte MSA	71.3	66.1	69.0
Durham MSA	70.1	65.9	67.4
Fayetteville MSA	79.6	76.8	76.8
Greensboro-High Point MSA	72.6	68.0	74.2
Raleigh-Cary MSA	69.0	55.2	68.5
Winston-Salem MSA	79.3	74.7	79.9

Commercial Vacancy Rates (%)	Q2:18	Q1:18	Q2:17
<b>Office Vacancies</b>			
Raleigh/Durham	7.7	8.3	7.2
Charlotte	11.1	11.2	10.2
<b>Retail Vacancies</b>			
Raleigh/Durham	4.4	4.9	4.9
Charlotte	5.1	5.1	5.4
<b>Industrial Vacancies</b>			
Raleigh/Durham	7.0	7.1	7.0
Charlotte	7.4	7.7	7.0

Charlotte MSA Office Vacancy Rate  
Through Q2:18



Raleigh/Durham CSA Industrial Vacancy Rate  
Through Q2:18

