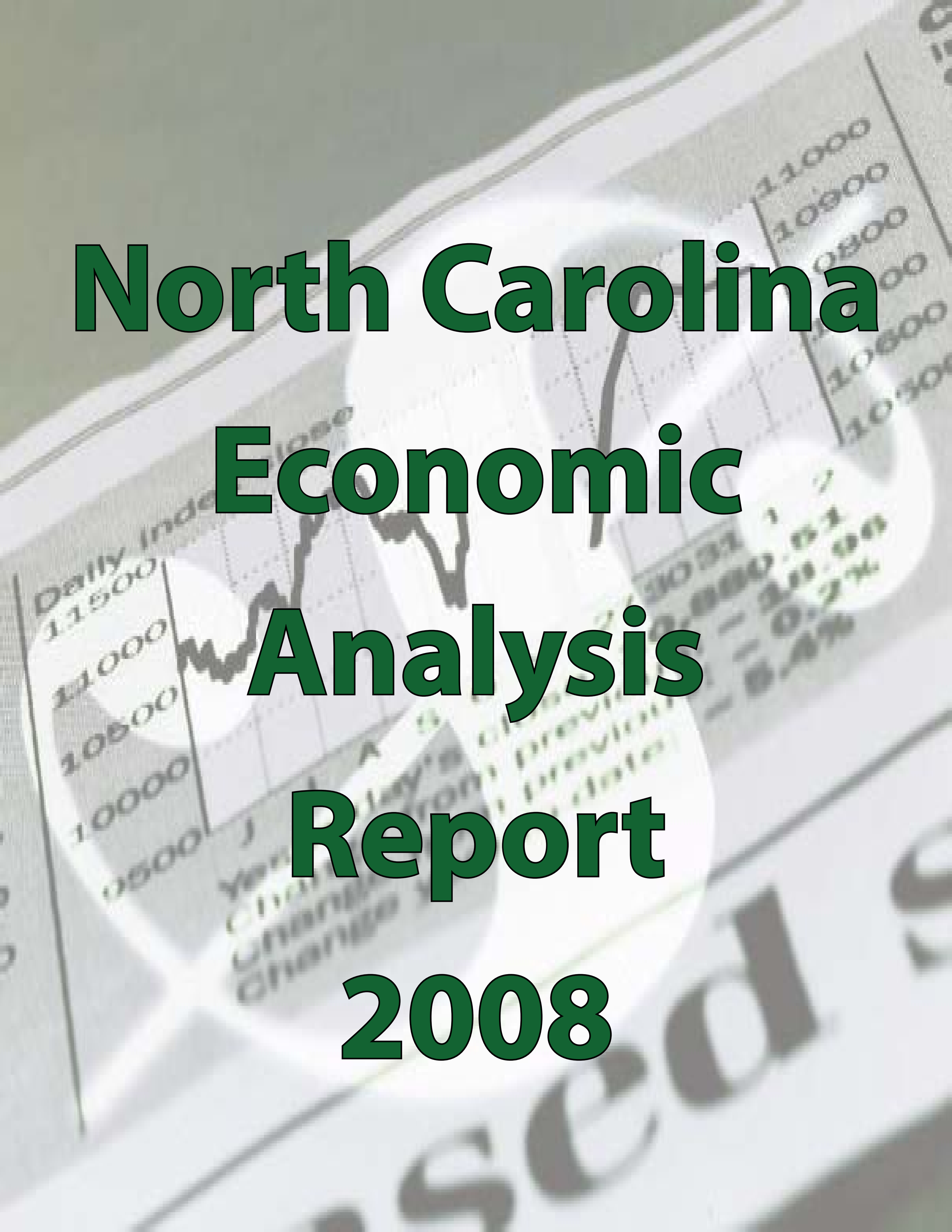

North Carolina Economic Analysis Report 2008

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National and Southeast Regional Economies

The National Bureau of Economic Research declared the official start of a national recession as of December 2007 and by September 2009 it had entered its 21st month. Several economic shocks including high commodity prices (in particular oil and food staples); the "sub-prime" mortgage issues; the rupture of the housing bubble; the ensuing credit crisis; and the lack of consumer confidence have all played significant roles in this current recession. In 2008, the growth in U.S. Real Gross Domestic Product (GDP) slowed from 2.14 percent in 2007 to 0.44 percent, and during the first two quarters of 2009, the U.S. Real GDP dropped by nearly 2.0 percent.

Most sectors of the U.S. economy have been negatively impacted by the deteriorating economic conditions. The U.S. Total Nonfarm employment peaked in December 2007, and from December 2007 to September 2009, employment has experienced a net decrease of 7.2 million jobs. This equates to about 1 in 20 jobs lost. Employment in the Goods Producing industries (Manufacturing, Construction, and Natural Resources & Mining) has declined 3,578,000, down 1.5 million in Construction and 2.0 million in Manufacturing. Among these Goods Producing industries, Manufacturing is the supersector that has been hit the hardest and lost the most employment. Employment in the Service Providing industries has also decreased by 3,627,000. The largest losses have occurred in Trade, Transportation & Utilities (-1.6 million) and Professional & Business Services (1.5 million). Only Education & Health Services and Government experienced employment gains, adding 741,000 and 34,000, respectively.

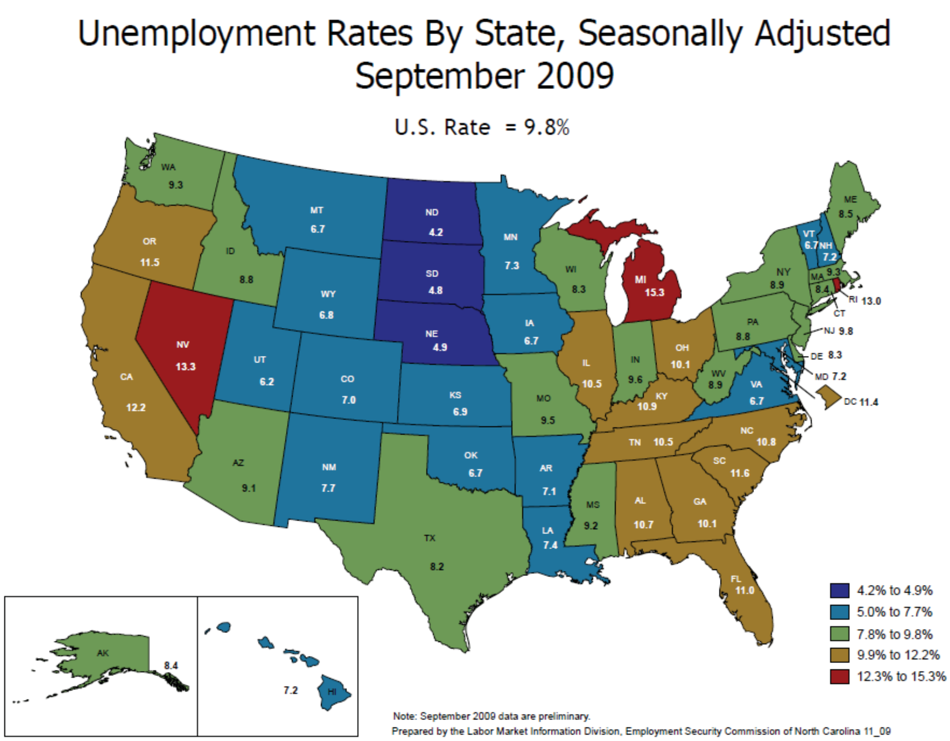
United States Labor Froce
December 2007-September 2009
(Seasonally Adjusted)

	December 2007[B]	September 2009[P]	Net Change	Percent Change
Labor Force	153,836,000	154,006,000	170,000	0.1%
Employment	146,294,000	138,864,000	-7,430,000	-5.1%
Unemployment	7,541,000	15,142,000	7,601,000	100.8%
Unemployment Rate	4.9	9.8	4.9	XXX

[B] Benchmarked [P] Preliminary

Over this same period, the U.S. unemployment rate has climbed from 4.9 percent in December 2007 to 9.8 percent in September 2009, unemployment has increased by 7,601,000, and employment has decreased by 7,430,000.

The recession's negative impact has been felt across the nation. Since September of 2008, all states have recorded statistical significant increases in jobless rates and 46 states recorded statistical significant decreases in levels of employment. Michigan experienced the greatest increase (6.4 percentage points) and North Dakota has the smallest rate of increase (0.9 of a percentage point). North Carolina's jobless rate increased four percentage points over the same period. The largest declines in employment occurred in California (-732,700), Florida (-360,400), Michigan (-308,800, Illinois (-306,900), Texas (-303,700), Ohio (-258,100), New York (-256,100) and Georgia (-245,400). The smallest declines occurred in South Dakota (-7,900) and Montana (-8,400). North Carolina employment decreased 210,200.



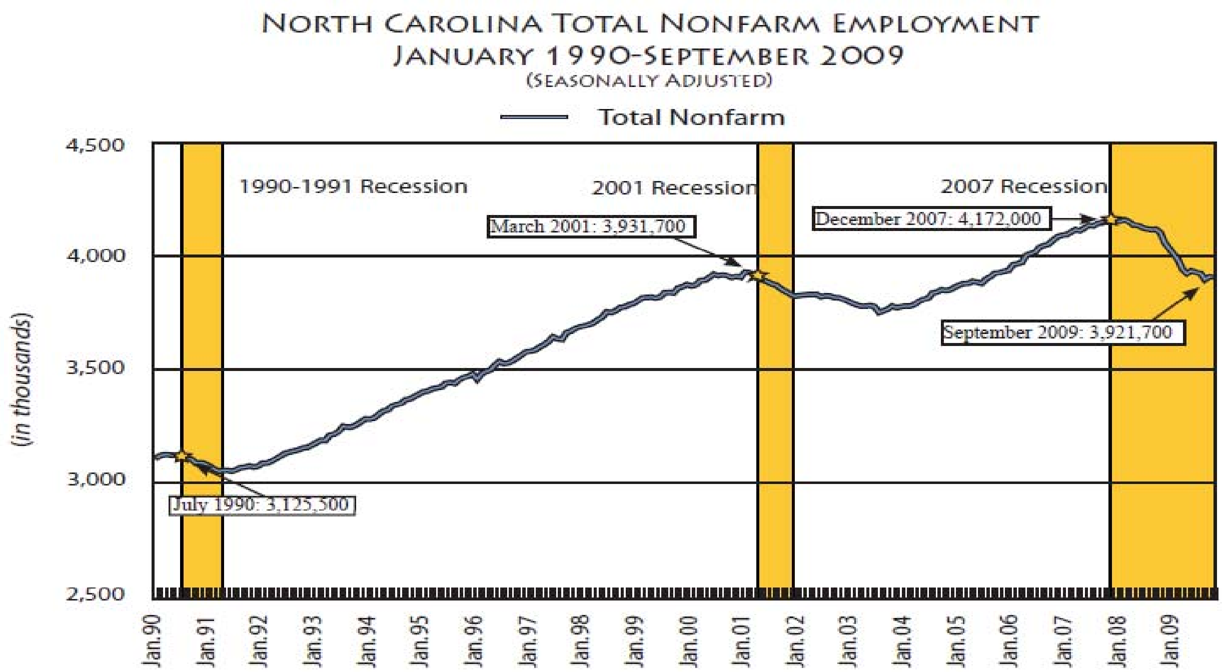
Of the eight Bureau of Economic Analysis (BEA) regions, the Southeast[1], in particular, has felt the influence of the deteriorating conditions. Not only has this region slowed from little growth (0.9%) in Real GDP in 2007 to no growth in 2008, the region also experienced a 1.49 million (23.0%) decrease in Total Nonfarm seasonally adjusted employment over the year[2].

1. Southeast Bureau of Economic Analysis Regions include the following states: AL, AR, FL, GA, KY, LA, MS, NC, TN, VA and WV.
2. August 2008 to September 2009

North Carolina's Economy

After a significant period of growth, North Carolina, like the rest of the nation, has felt the impact of deteriorating economic conditions. Over the period from 1997 to 2006, North Carolina's Real GDP grew at an average annual rate of 4.0 percent. The growth rates for 2007 and 2008 fell to 0.68 percent and 0.1 percent, respectively.

Between January 2000 and December 2007, North Carolina added 290,400[3] Total Nonfarm jobs; however, this total employment increase masked some fundamental changes that were occurring in North Carolina's economic industrial employment base.



Source: CES, LMI of ESC
Note: September 2009 data are preliminary, all other 2009 data are revised, while 1990-2008 data are benchmarked.
Recession periods documented in above graph represent the dates July 1990-March 1991, March 2001-November 2001 and December 2007 to present.

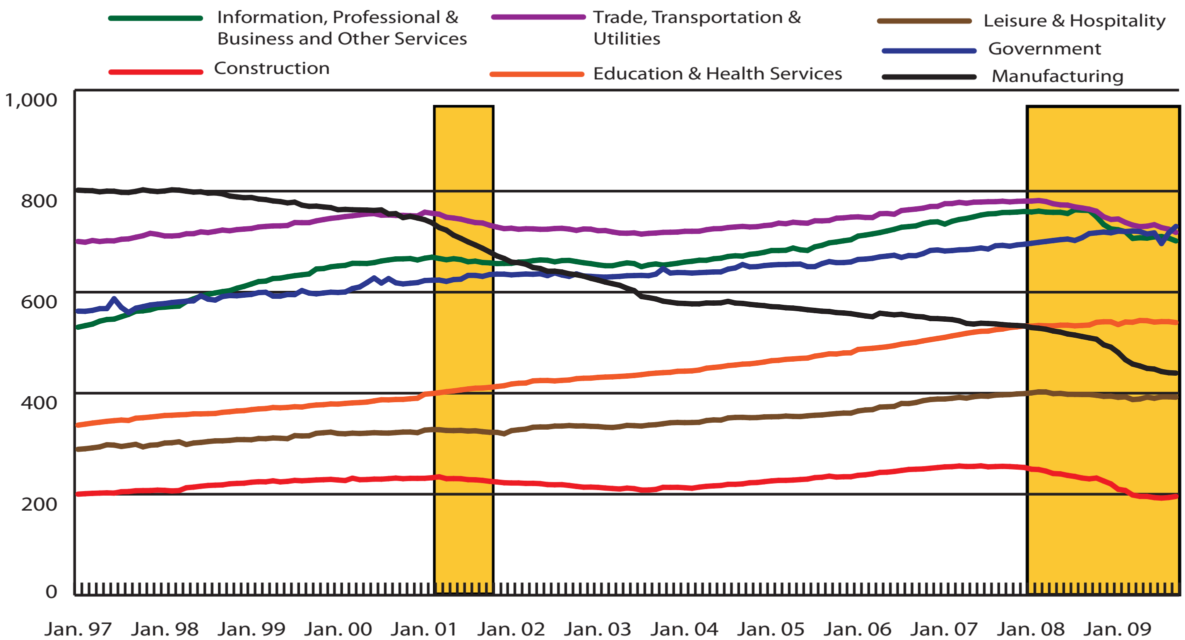
In January 2000, North Carolina's Goods Producing industries (Manufacturing, Construction, and National Resources & Mining) accounted for more than 1 million or 32.0 percent of all jobs. By December 2007, Goods Producing industries comprised 792,900 or 19 percent of all jobs. Manufacturing experienced a decline of 230,000 jobs, a 30.1 percent decrease over the period. In January 2000, Manufacturing accounted for 19.7 percent of all jobs, compared to just 12.7 percent in December 2007. Some of the largest decreases were experienced in North Carolina's traditional manufacturing industries including Textiles, Apparel and Furniture. These manufacturing job losses were somewhat offset by growth in the state's Construction industries (24,800 jobs or 10.9% increase).

While North Carolina's Manufacturing industries were experiencing significant job losses, the state's Service Providing industries (Trade, Transportation & Utilities; Information; Finance; Professional & Business Services; Education & Health Services; Leisure & Hospitality; Other Services; and Government) were showing substantial growth. Service Providing industries added 497,200 jobs between January 2000 and December 2007, representing a 17.3 percent increase. Education & Health Services had the largest net increase, with 154,700 (40.8%) jobs. Government added 95,400 (16.0%) jobs and Professional & Business Services added 88,000 (20.9%) jobs. Leisure & Hospitality added 79,000 jobs (24.7%); Trade Transportation & Utilities added 32,600 jobs (4.4%); Finance gained 27,500 jobs (14.9%); and Other Services gained 20,700 (13.0%) jobs.

Since the early 1990's, the North Carolina economy has been experiencing this structural shift and moving toward a service providing industrial-based economy. The long-term erosion of North Carolina's manufacturing jobs, concurrent with the rapid growth of Service Providing jobs, is similar to the experience of Northeastern and Midwestern states that started in the 1970s and was largely completed by the early 1990s. However, this deindustrialization trend arrived somewhat later to the Southeast and North Carolina.

3. Seasonally Adjusted

North Carolina Sector Employment
January 1997-September 2009
(Seasonally Adjusted)

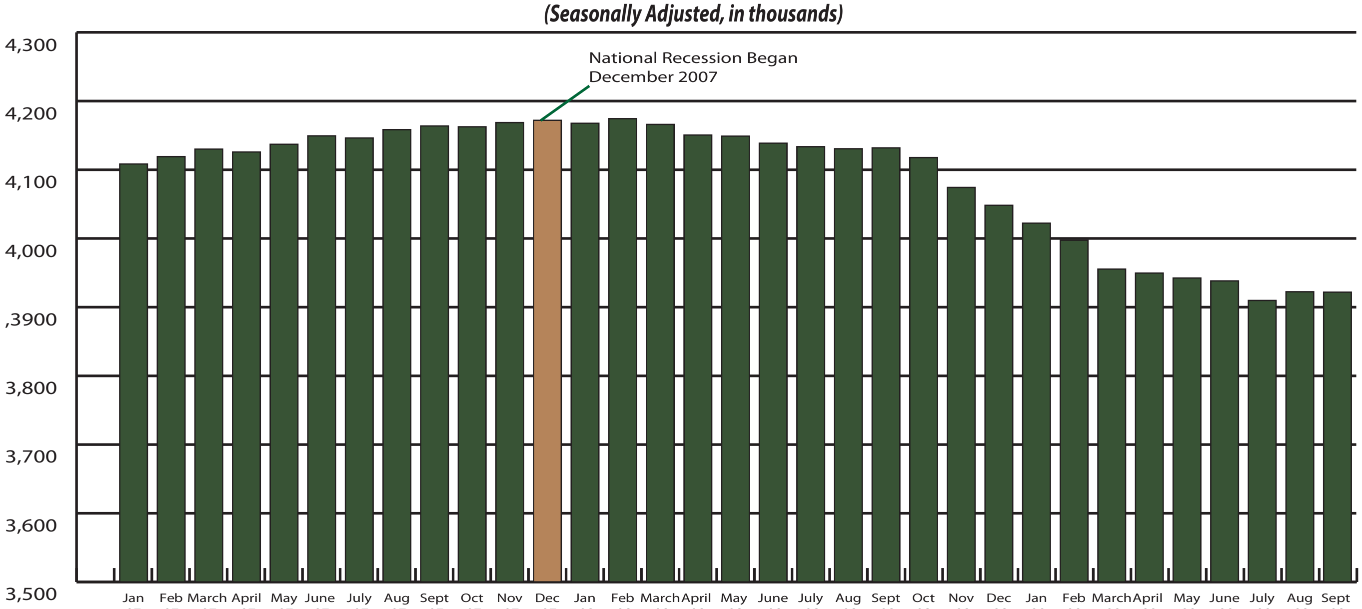


Note: September 2009 data are preliminary, all other data are revised while 1990-2008 data are benchmarked. Recession periods documented in above graph represent the dates, March 2001-November 2001 and December 2007 to present.

While North Carolina is inextricably linked to the national economy and shares in its fortunes and misfortunes, the current recessionary pressures have had some varying impact on the state's economy. North Carolina's employment decline lagged the start of the recession approximately three to four months, and the increase in the number of regular Unemployment Insurance claims lagged another three to four months. Like many other areas of the county, North Carolina is experiencing a rise in the number of mortgages falling into delinquency[4] and the number of foreclosure[5] filings, as well as a slump in homes sales. Despite these difficulties in the housing market, average home prices have not been as severely impacted as in other parts of the country.

However, like the nation, North Carolina has seen many jobs gained in the previous eight years eroded by the recent recessionary blows. From December 2007 to September 2009, Total Nonfarm employment decreased by 250,300, declining from 4,172,000 to 3,921,700 (6.1%).

Nonfarm Employment
January 2007-September 2009
(Seasonally Adjusted, in thousands)



4. Rising to 3.0 percent in the 2nd quarter of 2009 more than doubling the 1.4 percent share in the 4th quarter of 2007.

5. The September 2009 home sales were 20 percent less than those of September 2007.

The Good Producing industries lost 151,200 (19.1%) jobs from December 2007 to September 2009, and the Service Providing industries lost 99,100 (2.9%) jobs. Since the beginning of the recession, job losses have been reported in all major industry supersectors with the exception of Education & Health Services, which added 6,800 (1.3%) jobs and Government, which added 35,400 (5.1%) jobs.

Within Good Producing, the Manufacturing sector experienced the largest decline, down 93,300 (17.5%) jobs; Construction dropped by 57,300 (22.7%) jobs and Natural Resources & Mining remained mostly unchanged, down only 600 (8.7%) jobs. The majority of manufacturing employment decrease came from Durable Goods, which declined by 64,700 (22.5%) jobs. Nondurable Goods manufacturing decreased by 28,600 (11.6%) jobs.

Among the Service Providing industries, Trade, Transportation & Utilities reported the largest decline, down 62,000 (7.9%) jobs. The Retail Trade accounted for the majority of the decrease, losing 31,600 (6.7%) jobs since the start of the national recession. Professional & Business Services reported the second largest drop in employment with a decline of 45,600 (9.0%) jobs. A large majority of theses losses were due to employment declines within the Temporary Help industry.

The Financial Activities sector experienced a loss of 13,800 (6.5%) jobs; Leisure & Hospitality reported a loss of 7,100 (1.8%) jobs; Other Services decreased by 6,500 (3.6%) jobs; and Information lost 6,300 (8.7%) jobs. While Education & Health Services reported an increase, the rate of growth has slowed considerably since the start of the recession with the majority occurring in the Health Care & Social Services supersector.

North Carolina Industry Employment
December 2007-September 2009
(Seasonally Adjusted, in thousands)

Industry	December 2007[B]	September 2009[P]	Net Change	Percent Change
Total Nonfarm	**4,172.0**	**3,921.7**	**-250.3**	**-6.0%**
Goods Producing	792.9	641.7	-151.2	-19.1%
Service Providing	3,379.1	3,280.0	-99.1	-2.9%
Natural Resources & Mining	**6.9**	**6.3**	**-0.6**	**-8.7%**
Construction	**252.9**	**195.6**	**-57.3**	**-22.7%**
Manufacturing	**533.1**	**439.8**	**-93.3**	**-17.5%**
Durable Goods	287.1	222.4	-64.7	-22.5%
Nondurable Goods	246.0	217.4	-28.6	-11.6%
Trade, Transportation & Utilities	**780.2**	**718.2**	**-62.0**	**-7.9%**
Wholesale Trade	182.8	169.5	-13.3	-7.3%
Retail Trade	469.2	437.6	-31.6	-6.7%
Transportation, Warehousing & Utilities	128.2	111.1	-17.1	-13.3%
Information	**72.3**	**66.0**	**-6.3**	**-8.7%**
Financial Activities	**212.1**	**198.3**	**-13.8**	**-6.5%**
Finance & Insurance	157.8	149.5	-8.3	-5.3%
Real Estate & Rental Leasing	54.3	48.8	-5.5	-10.1%
Professional & Business Services	**507.2**	**461.6**	**-45.6**	**-9.0%**
Professional, Scientific & Technical	187.8	178.5	-9.3	-5.0%
Management of Companies	74.8	75.2	0.4	0.5%
Administrative & Waste Management	244.6	207.9	-36.7	-15.0%
Education & Health Services	**533.1**	**539.9**	**6.8**	**1.3%**
Educational Services	77.1	78.9	1.8	2.3%
Health Care & Social Services	456.0	461.0	5.0	1.1%
Leisure & Hospitality Services	**399.1**	**392.0**	**-7.1**	**-1.8%**
Arts, Entertainment & Recreation	52.7	51.4	-1.3	-2.5%
Accommodation & Food Services	346.4	340.6	-5.8	-1.7%
Other Services	**180.3**	**173.8**	**-6.5**	**-3.6%**
Government	**694.8**	**730.2**	**35.4**	**5.1%**
Federal	63.8	67.6	3.8	6.0%
State	197.3	197.9	0.6	0.3%
Local	433.7	464.7	31.0	7.1%

[B] Benchmarked [P] Preliminary

The economic challenges and pressures North Carolina has recently faced are also reflected in the state's unemployment rate and associated labor force statistics. The unemployment rate increased 5.8 percentage points over the period, and the unemployment increased by 265,871 (more than double the number of unemployed in December 2007). North Carolina's unemployment rate rose from 5.0 percent and peaked at 11.1 percent in May 2009. The September 2009 rate of 10.8 percent is the 10th highest rate nationally and the 2nd highest regionally.

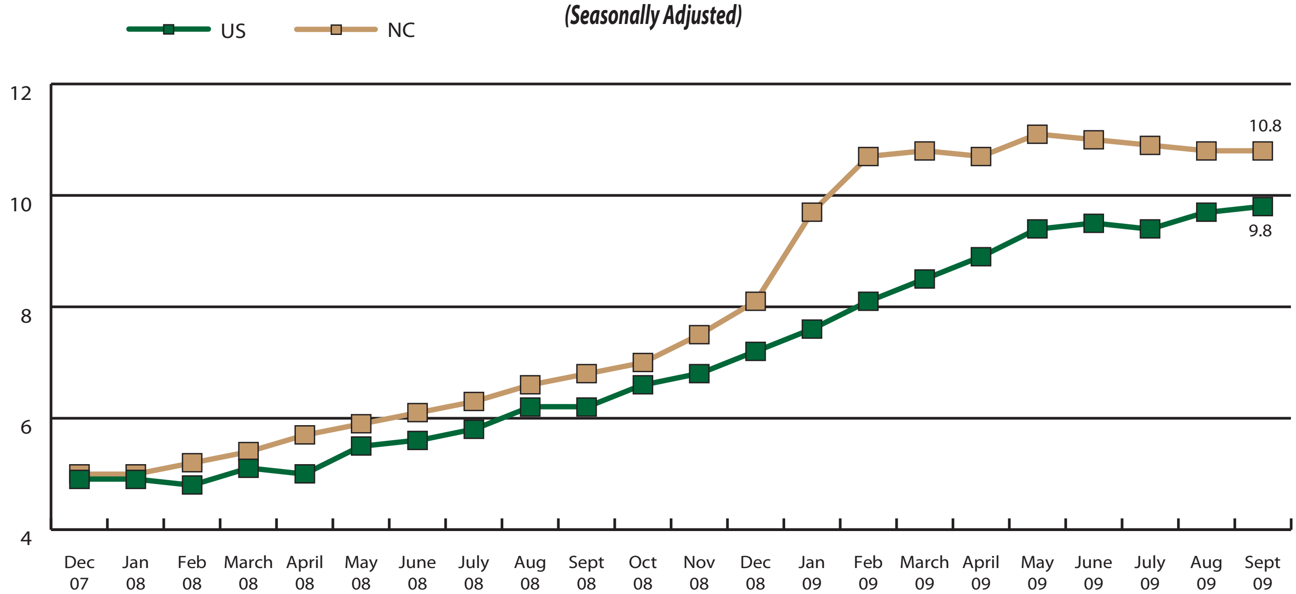
North Carolina Labor Froce
December 2007-September 2009
(Seasonally Adjusted)

	December 2007[B]	September 2009[P]	Net Change	Percent Change
Labor Force	4,525,570	4,534,063	8,493	0.2%
Employment	4,299,675	4,042,297	-257,378	-6.0%
Unemployment	225,895	491,766	265,871	117.7%
Unemployment Rate	5.0	10.8	5.8	XXX

[B] Benchmarked [P] Preliminary

In December 2007, North Carolina's unemployment rate was only 0.1 of a percentage point above the national average of 4.9 percent; however, as recessionary pressures grew, the gap between the North Carolina rate and the U.S. rate widened. The greatest differences occurred during the eight month period from January 2009 through August 2009.

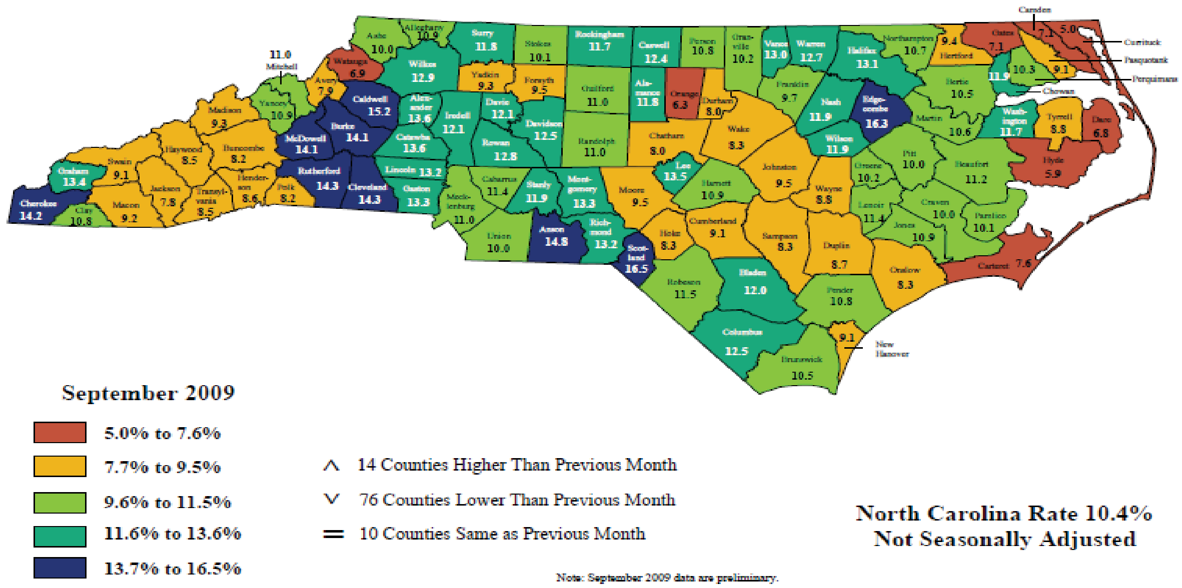
North Carolina Unemployment Rates
December 2007-September 2009
(Seasonally Adjusted)



September 2009 data are preliminary, all other 2009 data are revised while 2007 and 2008 data are benchmarked.

All counties across North Carolina have experienced the impact of the eroding economic conditions. The 2008 annual average not seasonally adjusted county unemployment rates show that three counties had rates at 10 percent or above, 90 had rates between 5.0 percent and 10.0 percent, and seven had rates below 5.0 percent. By May 2009, 72 counties had rates at 10 percent or above, 28 had rates between 5.0 percent and 10.0 percent, and none had a rate below 5.0 percent. Most recently, the September 2009 figures showed that 64 counties had rates at 10 percent or above, 35 had rates between 5.0 percent and 10.0 percent, and one county had a rate below 5.0 percent.

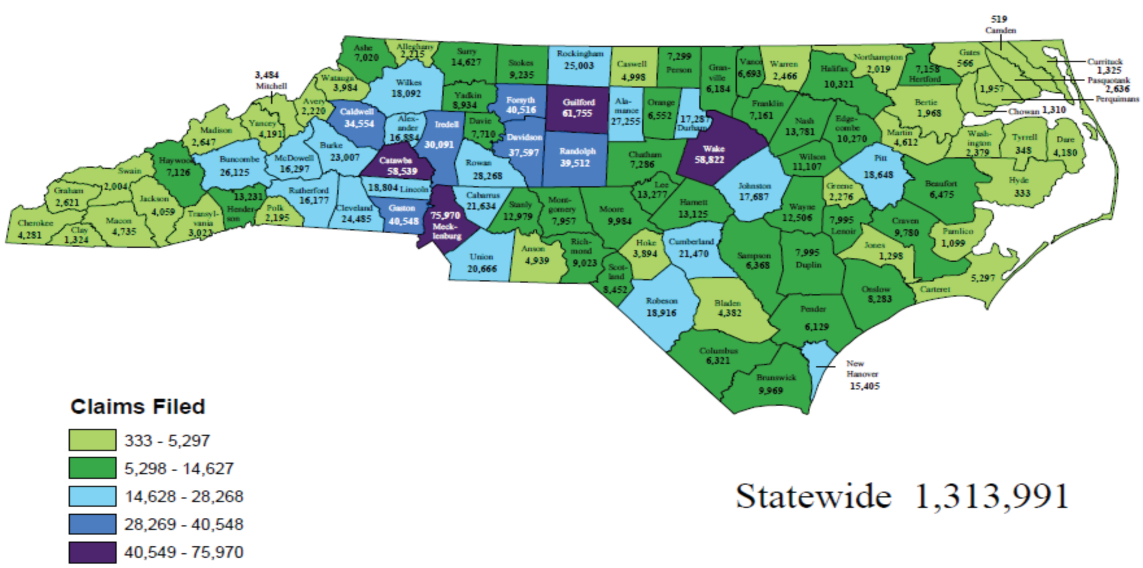
North Carolina Unemployment Rates by County
September 2009



Note: September 2009 data are preliminary.
Prepared by the Labor Market Information Division, Employment Security Commission of North Carolina 10_2009

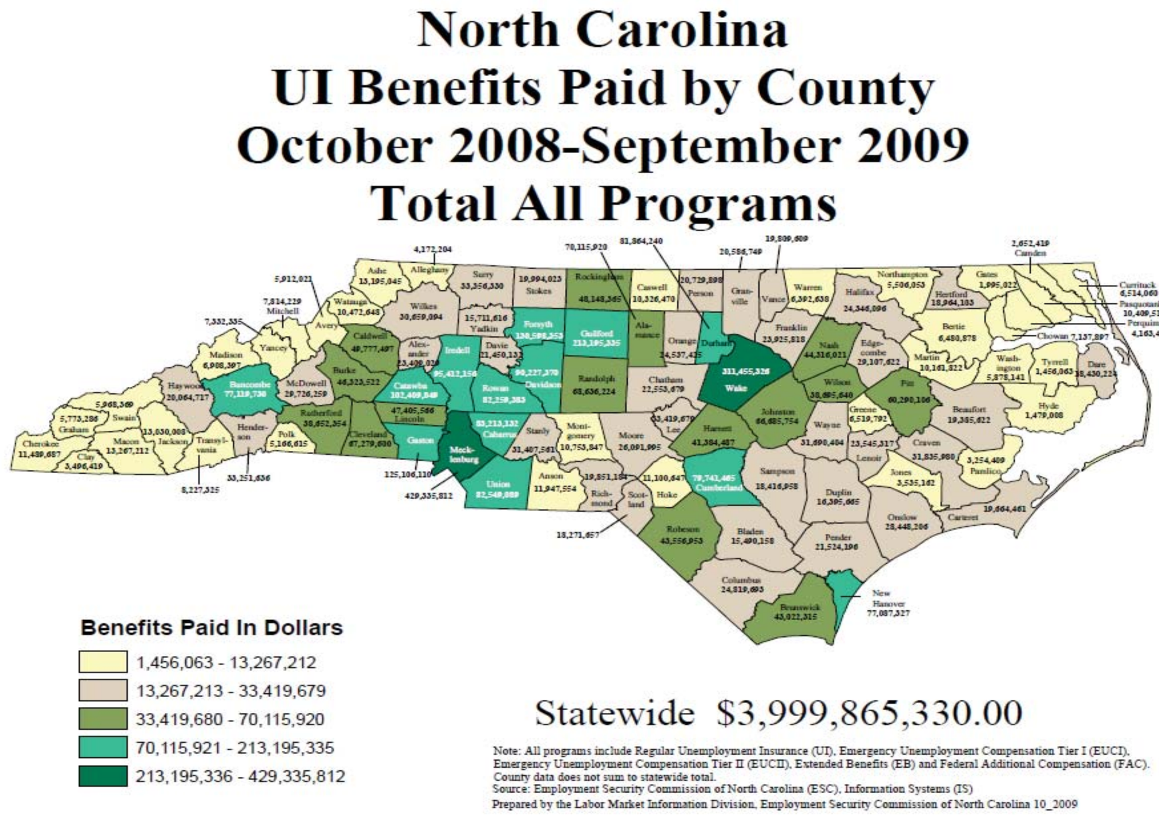
North Carolina's workforce development system has been strained by the current economic situation. The Employment Security Commission (ESC) has experienced an increasing demand for services including unprecedented levels of claims activities. Since the start of the recession, the monthly regular activity peaked with a high of 158,659 in January 2009. Septembers 2009's Regular Initial Claims totaled 77,312. Over the 12-month period (October 2008 through September 2009), the ESC processed 1,313,991 Regular Initial Claims for Unemployment Insurance (UI) benefits.

North Carolina
Initial Claims Filed by County
October 2008-September 2009



Source: ETA Reporting
Prepared by the Labor Market Information Division, Employment Security Commission of North Carolina 10_2009

During this same time period, the ESC paid out nearly $4 billion in total benefits from all UI programs, including Regular UI, Emergency Unemployment Compensation Tier I (EUCI), Emergency Unemployment Compensation Tier II (EUCII), Extended Benefits (EB) and Federal Additional Compensation (FAC).



The state's Wagner-Peyser program served nearly 995,235 individuals from July 2008 through June 2009. This is an increase of more than 150,000 individuals from the previous program year. The North Carolina Community College System (NCCCS) also experienced dramatic enrollment increases across the state's 58 campuses. For the Fall 2008 semester, the NCCCS had a increase in enrollment of 17,235 students over the Fall 2007 semester and for Fall 2009 semester, the enrollments increased by another 12,125 (14%) students. The NCCCS has also reported a decrease in the number of students employed while enrolled and an increase in the number of students receiving Pell Grants.

North Carolina continues to be challenged by the growing population of unemployed workers. This current recession has significant impacts on all aspects of the state's labor force. Over the recessionary period, 924,161 individuals filed initial claims for Regular Unemployment Insurance Benefits. The majority of these workers were male (nearly 58%); 58.3 percent were white; 31.28 percent were black; and 6.33 percent were of Hispanic Origin. The age distribution of the individuals shows that most working age cohorts have experienced an impact due to economic conditions. Of the 924,161 claimants, 12.7 percent were less than 25 years of age; 24.4 percent were between the ages of 25 and 34; 25.1 percent were between 35 and 44; 22.9 percent were between 45 and 54; and 15.0 percent were 55 years or older. The majority of claimants (nearly 40 percent) had an educational attainment level of a 12th grade education, 14.6 percent had less than a 12th grade education, nearly 23 percent had some college education, and nearly 11 percent had 16 years or more of education.

The occupations in which claimants were employed is another indicator of the breadth of this economic recession. Significant numbers of claimants, prior to layoff, were employed in the following occupational groupings: Professional, Technical & Managerial (17.8%); Clerical and Sales (16.6%); and Other Services (11.0%). More than 21 percent of the remaining claimants had been employed in either Machine Trade, Benchwork or Structural Work occupational groups.

The recessionary conditions have left North Carolina's economy with more available workers than employer job openings. Antidotal reports suggest that employers have experienced and continue to experience large numbers of job applicants for positions they seek to fill. The Conference Board's[6] September 2009 report indicated that over 85,600 online advertisements for positions in North Carolina existed.

6. The Conference Board is a nonprofit organization that publishes information and analysis, assesses economic trends and produces economic forecasts.

Recent trend analysis conducted by the Conference Board on job advertisements revealed that the total number has fluctuated little since April 2009. The majority of postings were classified in the Professional & Related occupations at 43.0 percent, followed by Sales & Office at 20.1 percent; Management and Business/Financial at 15.3 percent; Service at 10.4 percent; Production and Transportation at 4.6 percent; and Construction and Maintenance occupations at 4.6 percent. This consistent level of job advertisements given the high unemployment level does suggest some mismatch between skills the unemployed possess and skills employers seek. Workers with skill sets associated with occupations not in demand (i.e. traditional manufacturing/production occupations) are likely to face increasing employment challenges without additional training and/or skill development.

North Carolina's Metropolitan Economies

North Carolina's 14 Metropolitan Statistical Areas (Metros) have also seen recent growth eroded by the recession. From 2001 through 2006, the North Carolina's Real GDP for all Metros grew at an average annual rate of 3.3 percent. However in 2007, that growth slowed significantly to 1.8 percent, and in 2008 it decelerated even further (increased only 0.5%). In 2008, 11 of the Metros experienced declines in real GDP and three experienced increases. The two Metros with the largest increases, Fayetteville and Jacksonville, are both locations of large military installations.

Over the period from January 2000 to December 2007, employment in the Metros increased by 454,100, Service Providing employment added 536,900, and Goods Producing employment dropped by 85,200. Prior to the start of the recession, the 2007 annual average unemployment rates for the Metros ranged from 3.6 percent (Asheville and Raleigh-Cary) to 6.1 percent (Rocky Mount).

Over the year, employment in all 14 Metros fell. The Charlotte/Gastonia/Concord Metro reported the largest employment decline, down 47,500, and the Goldsboro Metro reported the smallest decline, down 1,900. In September 2009, five Metros had unemployment rates higher than the statewide rate (10.4%); the lowest unemployment rate among the Metros was 7.7 percent (Durham/Chapel Hill) and the highest was 14.1 percent (Hickory/Lenoir/Morganton). Across the Metros, the two most common supersectors that reported employment increases over the year were Education & Health Services and Government.

Asheville	**Over-the-Month Employment Change**	**(1,900)**	**1.1%**	**Over-the-Year Employment Change**	**(-7,900)**	**-4.5%**
Metro	**Industry**	**Change**		**Industry**	**Change**	
	Government	2,200	9.2%	Educational & Health Services	800	2.6%
	Educational & Health Services	300	1.0%	Financial Activities	-300	-5.1%
Total	Nat. Resources, Mining & Const.	100	1.1%	Other Services	-400	-5.1%
Nonfarm	Professional & Business Services	100	0.7%	Professional & Business Services	-1,100	-6.7%
Employment	Trade, Transp. & Utilities	-100	-0.3%	Leisure & Hospitality	-1,200	-5.1%
Sep-09	Manufacturing	-100	-0.6%	Trade, Transp. & Utilities	-1,300	-4.0%
	Other Services	-100	-1.3%	Nat. Resources, Mining & Const.	-1,300	-12.0%
168,500	Leisure & Hospitality	-500	-2.2%	Government	-1,400	-5.1%
				Manufacturing	-1,700	-8.6%
Rate = 8.4%						
Burlington	**Over-the-Month Employment Change**	**(500)**	**0.9%**	**Over-the-Year Employment Change**	**(-2,900)**	**-4.8%**
Metro	**Industry**	**Change**		**Industry**	**Change**	
	Government	900	13.0%	Educational & Health Services	400	4.0%
	Educational & Health Services	100	1.0%	Other Services	-100	-5.9%
Total	Trade, Transp. & Utilities	-100	-0.9%	Information	-100	-16.7%
Nonfarm	Manufacturing	-100	-1.1%	Leisure & Hospitality	-200	-3.1%
Employment	Professional & Business Services	-100	-1.5%	Financial Activities	-200	-10.5%
Sep-09	Leisure & Hospitality	-100	-1.6%	Professional & Business Services	-500	-7.0%
	Financial Activities	-100	-5.6%	Nat. Resources, Mining & Const.	-500	-14.7%
57,900				Trade, Transp. & Utilities	-600	-5.2%
				Manufacturing	-1,100	-10.6%
Rate = 11.8%						
Charlotte/	**Over-the-Month Employment Change**	**(5,900)**	**0.7%**	**Over-the-Year Employment Change**	**(-47,500)**	**-5.5%**
Gastonia/	**Industry**	**Change**		**Industry**	**Change**	
Concord	Government	9,000	7.9%	Government	4,600	3.9%
Metro	Educational & Health Services	500	0.6%	Educational & Health Services	1,100	1.4%
	Nat. Resources, Mining & Const.	100	0.2%	Information	-1,100	-5.2%
Total	Other Services	-100	-0.3%	Leisure & Hospitality	-1,600	-1.9%
Nonfarm	Information	-100	-0.5%	Other Services	-2,300	-6.1%
Employment	Professional & Business Services	-500	-0.4%	Financial Activities	-4,900	-6.6%
Sep-09	Financial Activities	-800	-1.1%	Manufacturing	-9,400	-11.8%
815,800	Trade, Transp. & Utilities	-1,000	-0.6%	Nat. Resources, Mining & Const.	-9,400	-17.5%
	Leisure & Hospitality	-1,200	-1.4%	Trade, Transp. & Utilities	-11,800	-6.7%
Rate = 11.6%				Professional & Business Services	-12,700	-9.2%

Note: Major industry sectors in each Metro with no significant employment change for the period are not listed. All September 2009 data are preliminiary.

Durham/	**Over-the-Month Employment Change**	**(3,000)**	**1.1%**	**Over-the-Year Employment Change**	**(-10,000)**	**-3.4%**
Chapel Hill	**Industry**	**Change**		**Industry**	**Change**	
Metro	Government	3,600	6.4%	Government	1,700	2.9%
	Educational & Health Services	400	0.7%	Educational & Health Services	1,100	1.9%
Total	Other Services	-100	-0.5%	Information	-200	-5.0%
Nonfarm	Financial Activities	-100	-0.8%	Leisure & Hospitality	-500	-2.3%
Employment	Nat. Resources, Mining & Const.	-100	-1.1%	Financial Activities	-700	-5.2%
Sep-09	Trade, Transp. & Utilities	-200	-0.6%	Nat. Resources, Mining & Const.	-1,100	-11.1%
	Leisure & Hospitality	-200	-0.9%	Other Services	-1,600	-7.8%
285,400	Professional & Business Services	-300	-0.9%	Trade, Transp. & Utilities	-2,200	-6.4%
				Professional & Business Services	-2,400	-6.8%
Rate = 7.7%				Manufacturing	-4,100	-10.1%

Fayetteville	**Over-the-Month Employment Change**	**(1,900)**	**1.5%**	**Over-the-Year Employment Change**	**(-4,000)**	**-3.0%**
Metro	**Industry**	**Change**		**Industry**	**Change**	
	Government	2,700	7.4%	Government	1,200	3.1%
	Educational & Health Services	100	0.6%	Educational & Health Services	300	2.0%
Total	Professional & Business Services	-100	-0.8%	Other Services	-200	-3.8%
Nonfarm	Nat. Resources, Mining & Const.	-100	-2.0%	Financial Activities	-200	-4.4%
Employment	Financial Activities	-100	-2.3%	Information	-200	-9.1%
Sep-09	Trade, Transp. & Utilities	-300	-1.4%	Leisure & Hospitality	-400	-2.9%
	Leisure & Hospitality	-300	-2.2%	Professional & Business Services	-800	-6.1%
127,200				Nat. Resources, Mining & Const.	-900	-15.3%
				Manufacturing	-1,100	-10.7%
Rate = 9.0%				Trade, Transp. & Utilities	-1,700	-7.5%

Goldsboro	**Over-the-Month Employment Change**	**(500)**	**1.2%**	**Over-the-Year Employment Change**	**(-1,900)**	**-4.2%**
Metro	**Industry**	**Change**		**Industry**	**Change**	
	Government	700	6.4%	Government	-300	-2.5%
	Educational & Health Services	*		*Educational & Health Services*	*	
Total	*Financial Activities*	*		*Financial Activities*	*	
Nonfarm	*Information*	*		*Information*	*	
Employment	*Leisure & Hospitality*	*		*Leisure & Hospitality*	*	
Sep-09	*Manufacturing*	*		*Manufacturing*	*	
	Nat. Resources, Mining & Const.	*		*Nat. Resources, Mining & Const.*	*	
43,400	*Other Services*	*		*Other Services*	*	
	Professional & Business Services	*		*Professional & Business Services*	*	
Rate = 8.8%	*Trade, Transp. & Utilities*	*		*Trade, Transp. & Utilities*	*	

Greensboro/	**Over-the-Month Employment Change**	**(2,300)**	**0.7%**	**Over-the-Year Employment Change**	**(-21,400)**	**-5.8%**
High Point	**Industry**	**Change**		**Industry**	**Change**	
Metro	Government	3,800	9.1%	Educational & Health Services	100	0.2%
	Educational & Health Services	400	0.9%	Leisure & Hospitality	-100	-0.3%
Total	Nat. Resources, Mining & Const.	-100	-0.7%	Government	-300	-0.7%
Nonfarm	Information	-100	-1.8%	Information	-600	-10.0%
Employment	Trade, Transp. & Utilities	-200	-0.3%	Other Services	-800	-5.3%
Sep-09	Manufacturing	-200	-0.4%	Financial Activities	-900	-4.1%
	Other Services	-200	-1.4%	Nat. Resources, Mining & Const.	-3,700	-20.2%
346,600	Professional & Business Services	-500	-1.1%	Trade, Transp. & Utilities	-4,200	-5.7%
	Leisure & Hospitality	-600	-1.8%	Professional & Business Services	-4,400	-9.1%
Rate = 11.1%				Manufacturing	-6,500	-10.9%

Greenville	**Over-the-Month Employment Change**	**(1,000)**	**1.3%**	**Over-the-Year Employment Change**	**(-2,400)**	**-3.1%**
Metro	**Industry**	**Change**		**Industry**	**Change**	
	Government	1,500	6.6%	Government	500	2.1%
	Trade, Transp. & Utilities	-100	-0.9%	Educational & Health Services	200	1.8%
Total	Professional & Business Services	-100	-1.7%	Financial Activities	-100	-4.0%
Nonfarm	Financial Activities	-100	-4.0%	Information	-100	-9.1%
Employment	Leisure & Hospitality	-200	-2.4%	Leisure & Hospitality	-300	-3.6%
Sep-09				Professional & Business Services	-400	-6.3%
				Trade, Transp. & Utilities	-600	-5.3%
75,500				Nat. Resources, Mining & Const.	-700	-17.9%
				Manufacturing	-900	-12.9%
Rate = 10.0%						

Note: Major industry sectors in each Metro with no significant employment change for the period are not listed. All September 2009 data are preliminiary.

Hickory/	Over-the-Month Employment Change	(800)	0.5%	Over-the-Year Employment Change	(-11,200)	-7.1%
Lenoir/	**Industry**	**Change**		**Industry**	**Change**	
Morganton	Government	1,600	6.8%	Educational & Health Services	500	2.7%
Metro	Educational & Health Services	100	0.5%	Financial Activities	-100	-2.8%
	Leisure & Hospitality	-100	-0.9%	Information	-100	-10.0%
Total	Professional & Business Services	-100	-1.0%	Nat. Resources, Mining & Const.	-600	-11.8%
Nonfarm	Other Services	-100	-1.5%	Leisure & Hospitality	-900	-7.4%
Employment	Manufacturing	-200	-0.5%	Trade, Transp. & Utilities	-1,100	-3.9%
Sep-09	Trade, Transp. & Utilities	-400	-1.5%	Government	-1,100	-4.2%
146,500				Professional & Business Services	-1,200	-10.6%
				Manufacturing	-6,600	-14.5%
Rate = 14.1%						

Jacksonville	Over-the-Month Employment Change	(300)	0.7%	Over-the-Year Employment Change	(-2,400)	-5.1%
Metro	**Industry**	**Change**		**Industry**	**Change**	
	Government	500	4.2%	Government	-1,300	-9.5%
	Educational & Health Services	*		Educational & Health Services	*	
Total	Financial Activities	*		Financial Activities	*	
Nonfarm	Information	*		Information	*	
Employment	Leisure & Hospitality	*		Leisure & Hospitality	*	
Sep-09	Manufacturing	*		Manufacturing	*	
	Nat. Resources, Mining & Const.	*		Nat. Resources, Mining & Const.	*	
45,100	Other Services	*		Other Services	*	
	Professional & Business Services	*		Professional & Business Services	*	
Rate = 8.3%	Trade, Transp. & Util.	*		Trade, Transp. & Util.	*	

Raleigh/	Over-the-Month Employment Change	(100)	0.0%	Over-the-Year Employment Change	(-15,300)	-2.9%
Cary	**Industry**	**Change**		**Industry**	**Change**	
Metro	Government	2,500	2.7%	Government	2,700	2.9%
	Educational & Health Services	700	1.2%	Educational & Health Services	1,100	1.8%
Total	Manufacturing	-100	-0.3%	Other Services	200	0.7%
Nonfarm	Nat. Resources, Mining & Const.	-100	-0.3%	Information	-500	-2.9%
Employment	Financial Activities	-100	-0.4%	Financial Activities	-600	-2.2%
Sep-09	Information	-100	-0.6%	Trade, Transp. & Utilities	-2,200	-2.4%
	Leisure & Hospitality	-500	-1.0%	Manufacturing	-3,400	-10.5%
506,400	Trade, Transp. & Utilities	-600	-0.7%	Professional & Business Services	-4,100	-4.8%
	Other Services	-600	-2.1%	Nat. Resources, Mining & Const.	-8,500	-22.6%
Rate = 8.6%	Professional & Business Services	-1,000	-1.2%			

Rocky	Over-the-Month Employment Change	(0)	0.0%	Over-the-Year Employment Change	(-2,500)	-3.9%
Mount	**Industry**	**Change**		**Industry**	**Change**	
Metro	Government	500	4.5%	Government	200	1.7%
	Professional & Business Services	-100	-1.9%	Educational & Health Services	100	1.4%
Total	Leisure & Hospitality	-100	-2.0%	Trade, Transp. & Utilities	-200	-1.3%
Nonfarm	Trade, Transp. & Utilities	-600	-3.8%	Leisure & Hospitality	-200	-3.8%
Employment	Financial Activities	*		Professional & Business Services	-500	-8.6%
Sep-09	Information	*		Nat. Resources, Mining & Const.	-500	-16.7%
	Other Services	*		Manufacturing	-1,200	-11.8%
61,700				Financial Activities	*	
				Information	*	
Rate = 13.4%				Other Services	*	

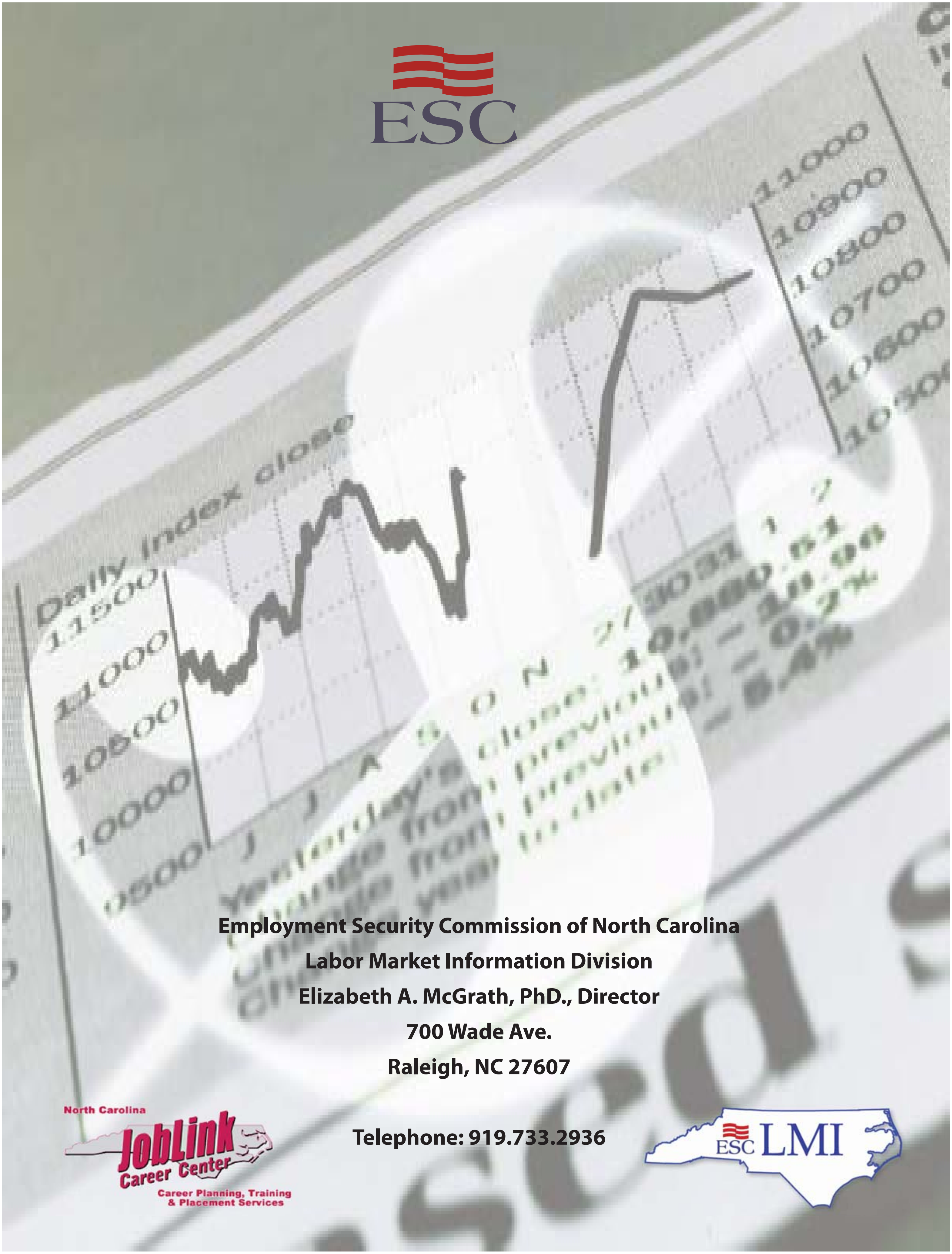
Wilmington	Over-the-Month Employment Change	(0)	0.0%	Over-the-Year Employment Change	(-5,100)	-3.5%
Metro	**Industry**	**Change**		**Industry**	**Change**	
	Government	1,600	6.4%	Educational & Health Services	500	3.1%
	Financial Activities	-100	-1.4%	Other Services	-100	-1.4%
Total	Other Services	-100	-1.4%	Information	-100	-3.2%
Nonfarm	Professional & Business Services	-200	-1.3%	Government	-300	-1.1%
Employment	Trade, Transp. & Utilities	-300	-1.1%	Professional & Business Services	-300	-2.0%
Sep-09	Leisure & Hospitality	-900	-4.1%	Leisure & Hospitality	-400	-1.9%
				Financial Activities	-400	-5.6%
141,800				Manufacturing	-700	-7.4%
				Trade, Transp. & Utilities	-1,400	-4.7%
Rate = 9.7%				Nat. Resources, Mining & Const.	-1,900	-17.4%

Winston-Salem	Over-the-Month Employment Change	(1,300)	0.6%	Over-the-Year Employment Change	(-6,000)	-2.8%
Metro	**Industry**	**Change**		**Industry**	**Change**	
	Government	2,800	11.8%	Educational & Health Services	2,400	5.4%
	Manufacturing	-100	-0.4%	Government	800	3.1%
Total	Financial Activities	-100	-0.8%	Leisure & Hospitality	100	0.5%
Nonfarm	Nat. Resources, Mining & Const.	-100	-1.1%	Other Services	-200	-2.1%
Employment	Trade, Transp. & Utilities	-200	-0.6%	Information	-200	-9.5%
Sep-09	Other Services	-200	-2.1%	Financial Activities	-500	-3.7%
	Professional & Business Services	-400	-1.6%	Nat. Resources, Mining & Const.	-1,300	-13.1%
212,000	Leisure & Hospitality	-400	-1.9%	Professional & Business Services	-1,500	-5.7%
				Trade, Transp. & Utilities	-2,800	-7.3%
Rate = 9.8%				Manufacturing	-2,800	-10.2%

Note: Major industry sectors in each Metro with no significant employment change for the period are not listed. All September 2009 data are preliminiary.

The impacts of this current economic crisis cannot be fully tallied at this point and it is likely that there are still significant economic challenges confronting the state. It is unclear what North Carolina's economy will look like when it emerges from the recession. Most economists expect difficult conditions will persist for some time, both at the national and state levels and that the intensity of recovery will depend how quickly and to what extent demand increases. Employment is not expected to increase significantly until employers see a consistent and sufficient growth in demand. Credit restrictions are expected to remain tough, which could hamper consumer spending and business creation and/or expansion.

The American Recovery and Reinvestment Act (ARRA) of 2009 designed to help stabilize state government budgets and stimulate the economy has resulted in increased expenditures within the state. Much of the North Carolina ARRA money has been targeted for construction and infrastructure projects throughout the state. It is anticipated that funds spent on these projects will absorb some of the state's surplus labor in the construction industries. The ARRA money used to assist with the budget crisis is targeted to ease the impact on state education, transportation and social service agencies.



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