

Economic Indicators Newsletter

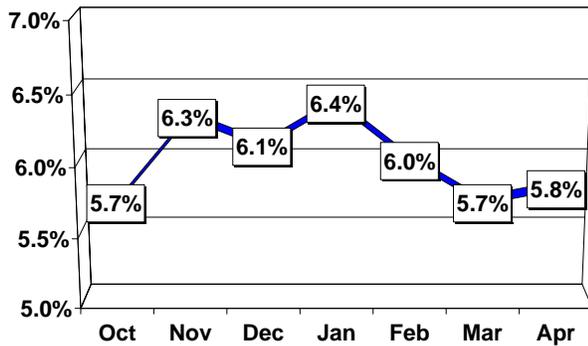
Reporting Economic Trends in the Hickory-Morganton-Lenoir NC Metropolitan Statistical Area (MSA)

Civilian Labor Force

After rising to 6.4% in January 2007, the Hickory Metro unemployment rate dropped to 5.8% by April 2007 (Figure 1). The number of unemployed workers during the same period shrank by 9.4% from 11,332 persons to 10,263. The Hickory Metro's unemployment ranking versus other NC Metro Areas remained unchanged at 13th out of 14 MSAs for the seventh consecutive quarter (Table 1). Statewide from January to April, the unemployment rate decreased from 5.0% to 4.5%. The 0.6% decrease in the Hickory Metro's unemployment rate was slightly stronger than the drop in the statewide average (0.5%). County unemployment rates for April 2007 were Alexander 5.1%, Burke 5.5%, Caldwell 7.3% and Catawba 5.3%.

Figure 1.

MSA Unemployment, Oct. 2006 – Apr. 2007



Source: NC Employment Security Commission, 2007.

Table 1.

MSA Unemployment Rate, April 2007

Raleigh-Cary	3.4%
Asheville	3.4%
Wilmington	3.5%
Durham	3.6%
Jacksonville	4.1%
Winston-Salem	4.1%
Goldsboro	4.3%
Charlotte-Gastonia-Concord	4.4%
Greensboro-High Point	4.5%
Burlington	4.8%
Greenville	4.9%
Fayetteville	5.0%
Hickory-Morganton-Lenoir	5.8%
Rocky Mount	6.0%

Source: NC Employment Security Commission, 2007.

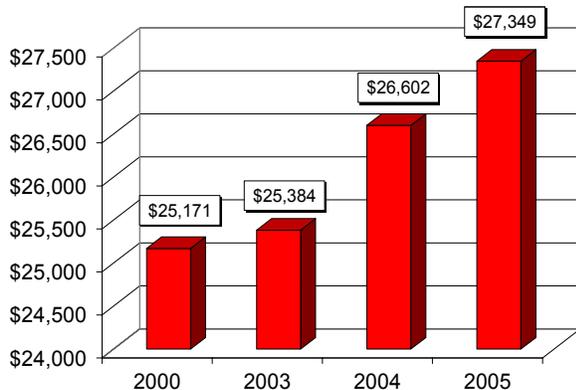
Per Capita Personal Income

Between 2000 and 2005, per capita personal income (PCPI), as measured by the US Bureau of Economic Analysis, rose by \$2,178 in the Hickory Metro, or 8.7% (Figure 2). During the same period, the national rate of inflation was 13.2% (US Census, 2007). As a percentage of national per capita income, earnings in the Hickory Metro from 2000-2005 have fallen. In 2000, the region's PCPI was 84.3% of the national average of \$29,843. By 2005, the region's average had dropped to 79.3% of the national PCPI of \$34,471. In the year 2000, the Hickory MSA ranked 196th highest out of the nation's 361 metro areas in PCPI. By 2005, the

region had fallen to 280th in per capita income in the US. This drop may be due in part to lost high-paying manufacturing jobs.

Figure 2.

MSA Per Capita Personal Income, 2000 - 2005



Source: US Bureau of Economic Analysis, 2007.

From 2000 to 2005, PCPI growth rates in three Hickory Metro Counties nearly matched inflation: Alexander, 10.4%; Burke, 12.8%; Caldwell, 12.2%. Growth in Catawba County was slow, rising 4.1%. Despite this, Catawba County has the highest PCPI in the Hickory Metro at \$28,598 (Table 2).

Table 2.

Per Capita Personal Income 2000 – 2005

County	2000	2003	2004	2005
Alexander	\$24,240	\$24,598	\$26,233	\$26,760
Burke	\$22,995	\$23,841	\$25,113	\$25,945
Caldwell	\$23,895	\$25,148	\$26,411	\$26,814
Catawba	\$27,475	\$26,632	\$27,681	\$28,598

Source: US Bureau of Economic Analysis, 2007.



“EIN Spotlight”

The Economics of Gender in the Greater Hickory Metro

Gender in the Workforce

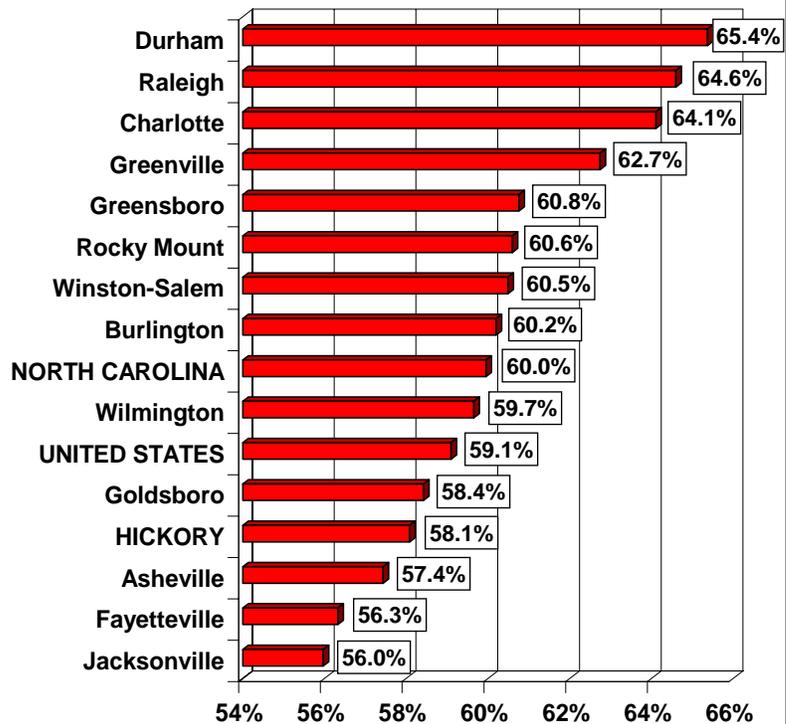
From 1980 through 2000, the percentage of the female population (age 16 and over) in the Hickory Metro who were in the labor force led both the national and state average. As late as the 2000 Census, 61.7% of Hickory Metro adult women were in the labor force, compared with 59.0% of women in North Carolina and 57.5% of women nationwide. By 2005, however, the region’s percentage of the adult females in the labor force had dropped significantly, to 58.1%, even while the percentage of women in the state and the nation in the workforce continued to rise, to 60.0% and 59.1%, respectively (Figure 3).

The loss of textile manufacturing jobs from 1999 to 2005 affected women in the region more strongly than it did men. In 1999, women composed 49.3% of the textile workforce. By 2005, women made up only 42.9% of the textile workforce (NCESC, 2007). The proportion of women in the region’s other manufacturing industries, however, remained about the same from 1999-2005. Overall as of 2005, women constitute a minority of the Hickory Metro workforce (49.1%). Among NC Metro areas, only three other areas (Charlotte, Raleigh and Greensboro) had a minority of their workforces composed of women.

As can be seen in Table 3, the percentage of women in the workforce varies greatly by industry. Fields that traditionally have been staffed by women, such as health care and education, remain primarily female. Industries which have in the past been dominated by males, such as construction and trucking, still retain a workforce composed of over 80% men. It is the manufacturing sectors, however, which likely account for the high percentage of men in the Hickory MSA workforce overall. In 2005, the four largest manufacturing sectors (Furniture, Textile, Machinery and Telecom) all employ between 57% to 76% males. As noted in the most recent EIN (Winter 2007, Table 3), the Hickory Metro has a much higher percentage of its workforce employed in manufacturing (33.3%) than all other NC MSA’s. As a result, the Hickory Metro’s unique and continuing reliance on manufacturing employment may be a factor in its lower percentage of females in the total workforce.

While examining the data, it is interesting to note that over time, the proportion of the workforce composed of women has grown. During the last fifteen years the percentage of women in the Hickory workforce has slowly increased, from 46.7% in 1991 to 49.1% in 2005.

Figure 3.
Percent of Female Population (Age 16+) in the Labor Force, by NC Metro Area (4th Qtr, 2005)



Source: US Census, American Community Survey 2005

Table 3.
Percentage of Women in Hickory Metro Workforce, by Industry (4th Quarter 2005)

Industry	Female
Long Term Care	86.2%
Education	74.6%
Hospitals	71.4%
Banking	70.6%
Restaurant	61.6%
Retail Sales	52.4%
ALL INDUSTRIES	49.1%
Entertainment	43.6%
Textile Mfg	42.9%
Furniture Mfg	40.0%
Telecom Mfg	35.2%
Machinery Mfg	23.6%
Trucking	15.1%
Construction	14.4%

Source: US Census, Local Employment Dynamics, 2007

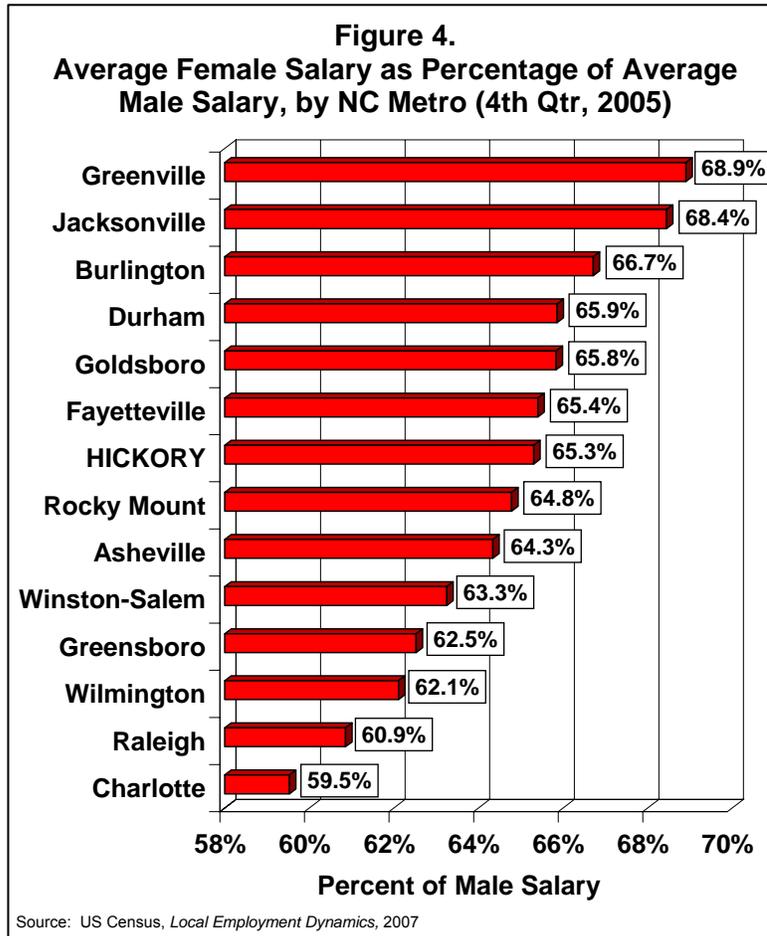


Gender in the Hickory Metro Workforce

Gender and Salary

Across North Carolina, female workers earn considerably lower average annual salaries than male workers (Figure 4). Average salaries for females in the state's MSA's range from a high of 68.9% of male salaries in Greenville to a low of 59.5% in the Charlotte Metro. All NC Metro averages, however, are below the national percentage of 70.1% (2007 *Statistical Abstract of the United States*, Table 684).

In NC Metro areas, there appears to be a correlation between lower salaries for females compared to males and percentage of women in the workforce. As noted above, workforces in the state's largest urban areas – Charlotte, Raleigh and Greensboro – have the state's smallest proportion of women in the total workforce. Figure 4 indicates that these regions also pay women the least in the state compared to men in the same regions. Regions with military bases and regions in the eastern portion of the state tend to have higher percentages of women in the workforce and also pay women higher salaries in relation to men.



The Hickory Metro, however, seems to be an exception to this trend. Though the region has one of the state's lowest proportions of women in its workforce, its average pay for women is 65.3% of the average pay for men – about average among the state's MSA's. The reason for this ranking may be the region's large manufacturing workforce. Though men outnumber women in manufacturing in the Hickory MSA, 21,318 women in the region are employed in the industry, a much higher proportion of its female workforce in manufacturing than any other NC Region. Because women in most manufacturing industries tend to make higher salaries than women do in other sectors (Table 4), these female manufacturing workers may be the reason for higher overall female wages relative to male wages for the region. In fact, over 40% of the women working in all manufacturing are employed in the Hickory Metro's furniture manufacturing industry, where women make the highest wages relative to men of all major manufacturing sectors in the region (76.7%).

Table 4 does not appear to indicate an easily-recognizable pattern of industries in which pay for women is more or less equitable to men. The most equitable pay is found in Long Term Care, which is traditionally female, but the second-most equitable industry is Construction, which is traditionally male. Industries paying relatively high salaries, such as telecom manufacturing, do not appear to be any more likely than lower-paying sectors, such as retail sales, to pay women more equitably to male salaries in the same field.

Table 4.
Average Female Salary as a Percentage of Male Salary in Hickory Metro, by Industry (4th Quarter 2005)

Industry	Percent of Male Salary
Long Term Care	84.4%
Construction	80.6%
Education	77.8%
Furniture Mfg	76.7%
Trucking	75.7%
Hospitals	73.7%
Machinery Mfg	72.3%
Restaurant	71.4%
Textile Mfg	68.3%
ALL INDUSTRIES	65.3%
Telecom Mfg	61.1%
Retail Sales	59.4%
Banking	46.4%
Entertainment	42.1%

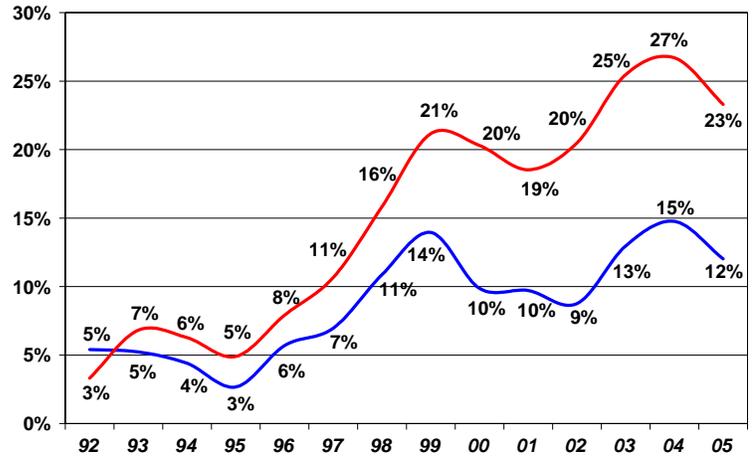
Source: US Census, *Local Employment Dynamics*, 2007



Gender in the Hickory Metro Workforce

Despite continuing low pay relative to men, women’s income in the Hickory Metro has risen substantially since 1992. Figure 5 indicates the amount of change in average wages in the Hickory MSA for each gender, adjusted for inflation, from 1992 to 2005. During this time, the average salary of women in the Metro increased by 23%, compared with a growth of only 12% for men. After the economic growth of the 1990s, however, the increase in women’s salaries, adjusted for inflation, has been much slower. From 1999 to 2005, women’s salaries rose by only 2%, while men’s wages fell by 2% during the same period (adjusted for inflation). Most recently, the noticeable downturn in both genders’ real wages from 2004 to 2005 is largely due to an increased rate of inflation in 2005 compared to other years (3.3% in 2005 compared with 1% to 2% in most other years since 1992).

Figure 5.
Cumulative Percentage Change in Average Wages for Hickory Metro Workers by Gender, Adjusted for Inflation (1992-2005)



Source: US Census
Local Employment Dynamics, 2007;
US Bureau of Economic Analysis, 2007

Though overall pay has been growing faster for women than men, newly-hired women in the workforce continue to receive lower salary increases over their career than their male counterparts. One way to measure this effect is to examine each gender for the average salaries of “new hires” versus average salaries overall. The average salary among men in the Hickory Metro grew from \$24,540 for “new hires” to \$40,920 for male workers overall, an increase of 66.7%. The average salary among the Metro’s women grew from \$20,952 for “new hires” to \$30,588 for Hickory MSA female workers overall, an increase of 48.5%. Thus, the current rate of career salary increase for Hickory Metro women is 77.0% of the rate of increase for men (that is, 48.5% / 66.7% = 77.0%). Another way of saying this is that, as of 2005, women’s salaries grow 23% more slowly over a career than do men’s salaries in the region, a statistic here denoted as the women’s Salary Growth Deficit rate. The greater the deficit, the more slowly women’s salaries grow compared to men’s. Table 5 indicates salary growth deficit rates for women in North Carolina and all the state’s Metro regions. The effects of these growth deficits are compounded by the fact that women tend to begin their careers with lower salaries than men, and thus slower growth rates of women’s salaries result in lower growth in wages than the deficit rate alone would suggest.

Table 5.
Women’s Salary Growth Deficit Rates by NC Metro (2005)

Metro Area	SGD Rate
Jacksonville	39.6%
Asheville	33.1%
Charlotte	30.9%
Greensboro	30.8%
Winston-Salem	30.4%
Rocky Mount	29.8%
Fayetteville	28.2%
North Carolina	25.6%
Raleigh	24.4%
Goldsboro	24.1%
Burlington	23.1%
Hickory	23.0%
Greenville	21.0%
Wilmington	17.6%
Durham	14.2%

Source: US Census, Local Employment Dynamics, 2007

As seen in Figure 5, women in the Hickory region do not experience as great a salary growth deficit rate compared to men (23.0%) as they do in most metro areas of the state. For the state as a whole, women’s salaries grow 25.6% more slowly than men’s wages. The Jacksonville Metro has the highest gender discrepancy, where women’s salaries over their careers grow 39.6% more slowly than the earnings of men there. It is also important to keep in mind that starting salaries for both genders are lower in the Hickory Metro than in most areas of the state.

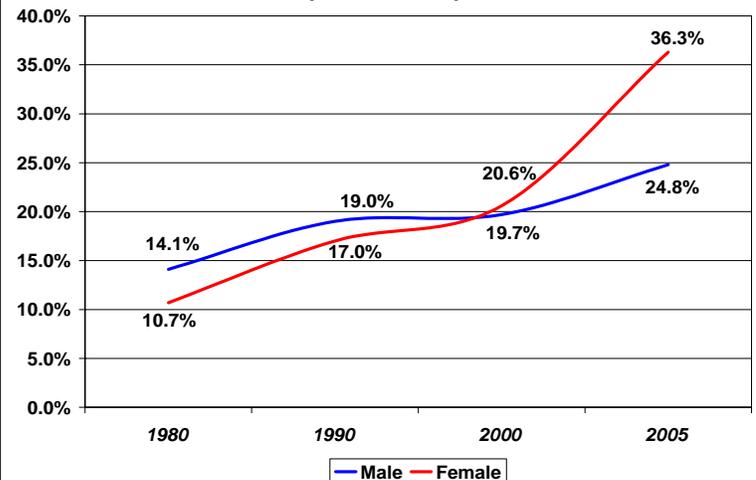


Gender and Educational Attainment

Overall salaries for women, though still low relative to males, have been rising faster than those of men in the Hickory Metro since 1992 (Figure 5, above). This growth may be related to the increased amount of education that women in the region are now attaining (education statistics are from US Census, 1980-2000 and the *American Community Survey*, 2005). Since 1980, the percentage of men in the Hickory Metro who have earned an associate's degree or higher increased from 14.1% to 24.8% of the adult male population (Figure 6).

The increase in education for women has been much higher than for men. Since 1980, the percentage of females in the region earning an associate's degree or higher increased from 10.7% to 36.3%. If all ages are averaged together, high school and college attainment rates in the Hickory Metro for both genders are generally equivalent. This overall parity, however, masks a dramatic change in the education level of each gender according to age. In the past, women in the Hickory Metro were significantly behind men in both high school and secondary education. For example, of men in the region age 65+, 64.2% completed high school and 13.6% have earned a bachelor's degree. Of women age 65+, 60.3% have completed high school and only 6.4% have earned a bachelor's degree. Thus, women 40 or more years ago were less than half as likely as men to graduate from a 4-year school. Over time this has changed. Of Hickory Metro men age 25-34, 76.6% have graduated from high school and 15.1% have earned a four-year degree. Women in the region age 25-34 are much more educated: 83.8% have graduated from high school and 21.4% have earned a four-year degree. Thus, young women are now earning bachelor degrees at a rate over triple that of their grandmothers, and almost 50% more often than their male peers.

Figure 6.
Percentage of Hickory Metro Population Age 25+ with College Degree (Associate or Higher), by Gender (1980-2005)



Source: US Census (1980, 1990, 2000), *American Community Survey* (2005). Figures for 1980 are partially estimated due to changes in nomenclature. Figures for 2005 do not include group quarters.

Women-Owned Businesses

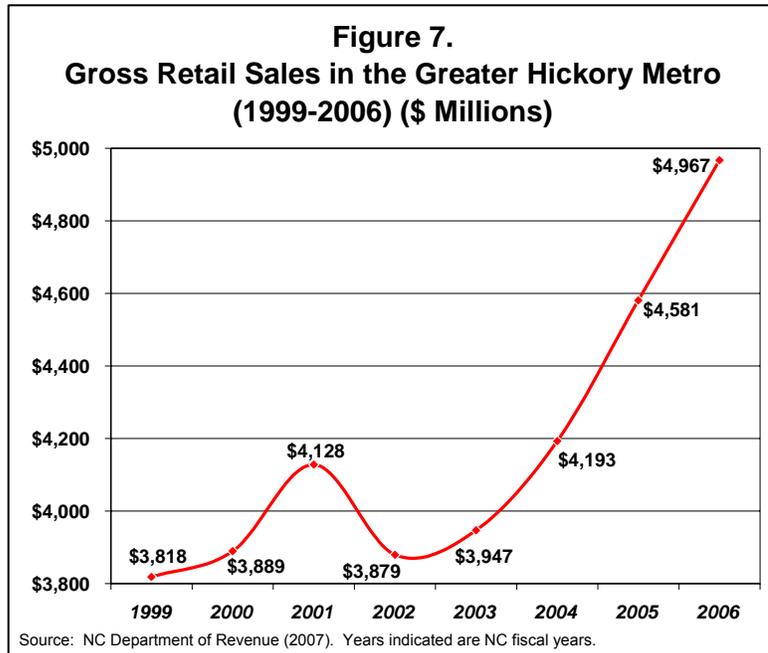
Women-owned businesses account for 6,932 firms in the Hickory Metro, or 26.4% of the total 26,274 businesses in the region (data for women-owned businesses comes from US Census Bureau, *Local Employment Dynamics*, 2007). Though comprising over a quarter of the region's businesses, female-owned firms employ only 7% of the workforce. They are much more likely to be one-person firms than male firms, as the average number of employees per women-owned business in the region is only 1.5 workers. In comparison, the region averages 5.7 employees in all its businesses. Many of these one-person women businesses are personal-service firms, such as house-cleaning and house-sitting services. Revenue, too, is much lower for female firms. The average Hickory Metro business generates annual revenue of \$919,804. Annual revenues for women-owned businesses in the region average only \$367,599. Though small compared with male businesses, female-owned firms in the Hickory Metro fare better than in other regions, employing more persons per business (1.5) than women-owned businesses in NC (1.3) or the USA (1.1), and accounting for more than twice the proportion of the region's revenue (10.5%) as in the state (4.4%) or the nation (4.2%).

In summary, female employees in the Hickory Metro make up an increasing proportion of the region's workforce. They struggle not only with the region's overall low wages compared to the rest of the state, but also with lower wages than men in the same fields and smaller prospects for personal economic advancement. Despite this, women's salaries have grown faster than those of men since 1992, and growth in female educational attainment bodes well for the future.

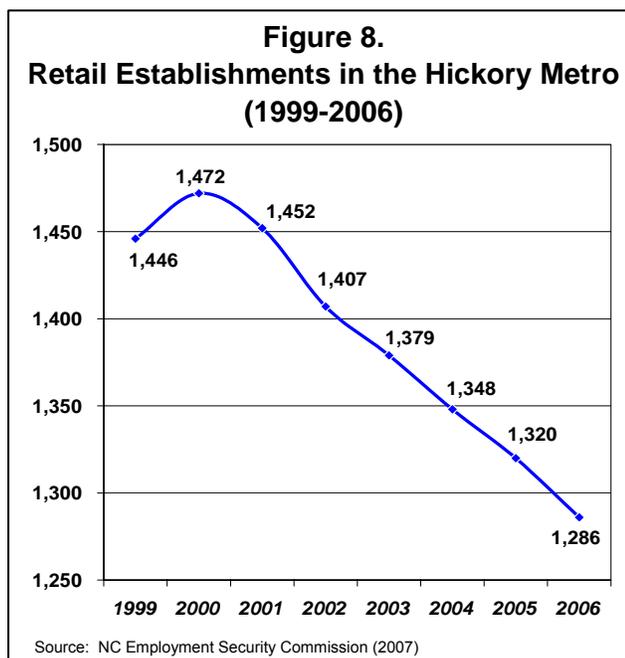
The Retail Industry in the Greater Hickory Metro

The retail sales industry in the Hickory Metro has undergone significant change since 2000, in certain aspects declining and in others flourishing. This article will examine the history and trends of regional sales.

Figure 7 displays gross retail sales in the Hickory Metro from 1999-2006. The economic growth that the region experienced during the 1990s continued through 2001, when retail spending reached \$4.13 billion. A nationwide economic downturn following September 11, 2001, as well as heavy losses in manufacturing employment, affected the region in 2002-03 and retail sales fell by \$300 million during that time. Since then, however, spending by Metro residents has grown strongly, increasing by 25.8% from 2002 to 2006, when sales totaled \$4.97 billion. This 25.8% growth in spending from 2002-06 was over double the amount of inflation experienced during the same four-year period (11.5%). As of 2006, retail spending in the region represented \$14,001 for each resident in the region, or \$30,967 in annual spending for every employed person. The average annual wages earned per worker in the Hickory Metro in 2006 was \$31,304. Thus, nearly all (98.9%) of reported income in the region (\$5.02 billion) was spent on retail purchases that year (sources: NC Department of Revenue, NC Employment Security Commission (NCESC) and the US Census Bureau).



While retail sales in the region have rebounded since 2002-03, the number of retail establishments has experienced a steady decline. After peaking at 1,472 firms in 2000, the industry has averaged a loss of 31 businesses per year from 2000 to 2006, for a six-year reduction of 186 retail firms, or 12.6% (Figure 8). The number of retail employees, too, has dropped steadily since 2000 in the Hickory Metro (Figure 9). Regional losses in sales positions since 2000 total 2,144 jobs, an average of 357 per year. From 2005 to 2006, retail employment declined by 3.5%, the largest annual percentage loss in the decade, and the lowest number of retail workers in the Hickory Metro since 1994.



The simultaneous trends of fewer retail stores and higher retail revenues could be resulting from a shift away from many small firms to large chain retailers, resulting in more sales from fewer stores and requiring fewer employees. This conclusion appears to be supported by data found in Table 6, which displays the change in number of retail businesses in the Hickory Metro from 1999 to 2006, by store type. During these years, only one category of retail business experienced a significant increase in number: general merchandise stores grew by 13 stores, or 19.7%. With the exception of pharmacies, which experienced a small gain, all other types of retail stores shrank in number. Furniture stores suffered the greatest loss of businesses, in terms of both percentage (-21.5%) and number of closings (28). This may reflect the region's loss of jobs in furniture manufacturing, as well as inroads made into furniture sales by large general merchandise retailers.

Employment in the region's retail sales industry from 1999 to 2006 decreased by 1,559 positions, or 8.9%. Only 3 sectors gained in employees, with the largest increase in number of workers, 204, experienced by the Pharmacy sector (Table 7). This may be due to the increasing number of elderly residents in the region. Grocery stores saw the largest decrease in number of employees in the region, losing 1,034 jobs – over a quarter of its workforce. This loss may be largely due to the actions of the Winn-Dixie chain, which closed seven stores in the Hickory Metro in 2005. As a result, grocery stores, which constituted the largest retail employer in 1999, fell to second behind General Merchandise retailers, and just above Automobile Dealers. Though experiencing the region's highest rise in number new stores, employment in the General Merchandise sector dropped during the period by 210 jobs, or 6.3%.

Figure 10 indicates the average annual wages for the region's retail workers from 1999-2006, as well as what increases would have been expected if retail wages had only kept pace with inflation. Average salaries for sales workers in the Hickory Metro have increased each year since 1999, consistently outpacing the rate of inflation. Thus, sales workers who have been fortunate enough to keep their jobs appear to be faring well.

Table 6.
Growth/Decline in Number of Retail Businesses in the Hickory Metro, by Retail Sector (1999-2006)

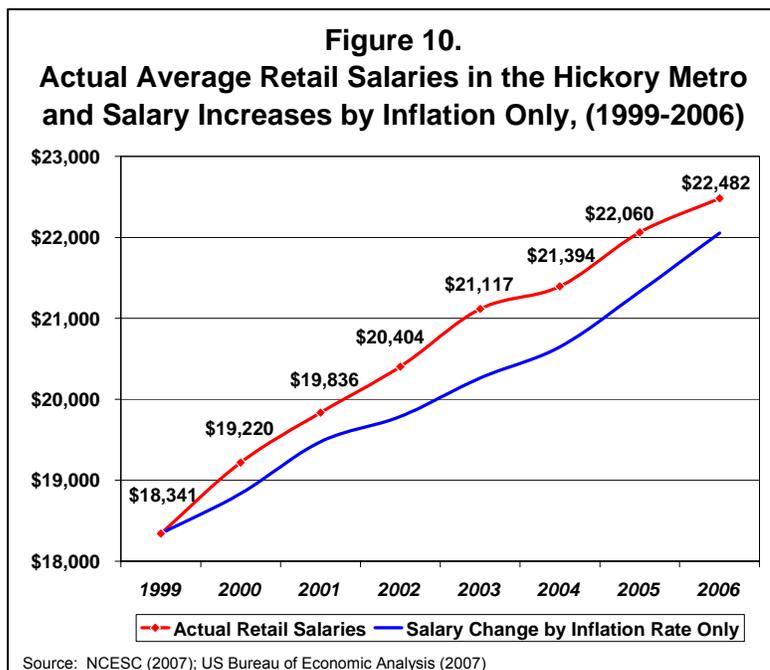
Retail Sector	Stores in '99	Stores in '06	Change ('99-'06)	Percent ('99-'06)
General Merchandise	66	79	13	19.7%
Pharmacy Stores	100	102	2	2.0%
Bldg. Materials/Hardware	115	110	-5	-4.3%
Automobile Dealers	221	205	-16	-7.2%
Gasoline Stations	200	179	-21	-10.5%
Grocery Stores	141	125	-16	-11.3%
Electronics Stores	54	47	-7	-13.0%
Sporting, Books, & Music	74	63	-11	-14.9%
Clothing Stores	152	128	-24	-15.8%
Furniture Stores	130	102	-28	-21.5%

Source: NCECSC (2007)

Table 7.
Growth/Decline in Number of Retail Workers in the Hickory Metro, by Retail Sector (1999-2006)

Retail Sector	Workers in '99	Workers in '06	Change ('99-'06)	Percent ('99-'06)
Sporting, Books, & Music	395	556	161	40.85
Pharmacies	908	1,112	204	22.5%
Electronics Stores	432	474	42	9.7%
Bldg. Materials/Hardware	1,402	1,383	-19	-1.4%
Automobile Dealers	2,595	2,517	-78	-3.0%
General Merchandise	3,325	3,115	-210	-6.3%
Clothing Stores	1,308	1,217	-91	-7.0%
Gasoline Stations	1,062	979	-83	-7.8%
Furniture Stores	1,072	872	-200	-18.7%
Grocery Stores	3,727	2,693	-1,034	-27.7%

Source: NCECSC (2007)



As indicated by Table 8, 10.0% of all workers in the Greater Hickory MSA are employed in retail trade, or 15,981 persons. This is the second-smallest percentage of workforce engaged in retail of all NC Metro areas – only the Durham MSA has a smaller portion of its workforce in sales. Generally, NC regions with high urban populations, such as Winston-Salem, Charlotte and Greensboro, had less than 12% of their employees in retail, while smaller metros, including Fayetteville, Asheville and Wilmington, had higher proportions of retail workers. Regions with higher population density tend to serve more persons per business than do smaller regions, thus accounting for urban regions' proportionately smaller workforce in retail sales. The fact that Hickory and, to a lesser extent, Rocky Mount, appear as exceptions to this trend may in part be due to these regions' relatively low level of personal income and continued heavy reliance on manufacturing employment. High levels of manufacturing indicate that these two areas are not yet as engaged in service industries as other non-urban regions, given that the retail sales industry is a major component of the service economy. Also, both the Hickory and Rocky Mount regions trail the state in disposable personal income, which often fuels expansion in the retail industry (see the Winter 2007 edition of the *EIN* for more information regarding the Hickory Metro's personal income and manufacturing employment).

Metro	%
Durham	8.9%
Hickory	10.0%
Winston-Salem	11.0%
Charlotte	11.0%
Greensboro	11.1%
Rocky Mount	11.2%
Raleigh	11.6%
Greenville	11.9%
Goldsboro	12.5%
Fayetteville	13.1%
Asheville	13.3%
Burlington	13.3%
Wilmington	14.3%
Jacksonville	20.0%

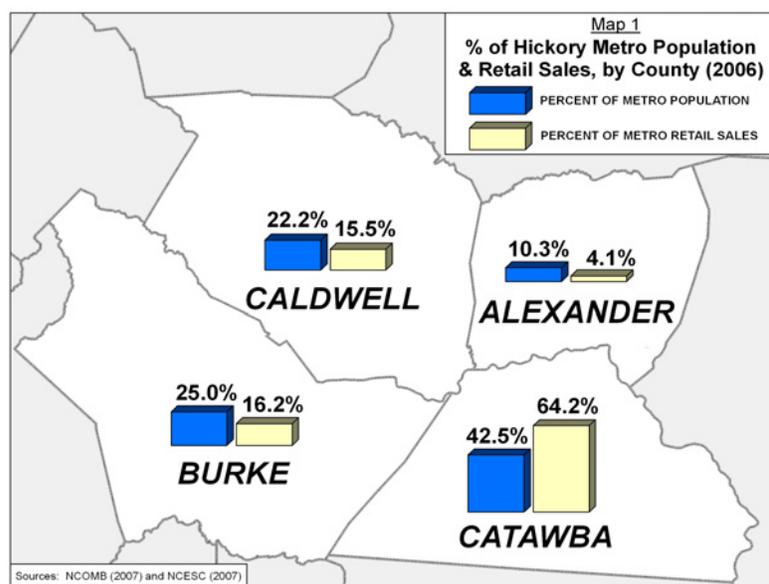
Source: NCEC (2007)

Table 9 lists the number of workers in the five largest employment sectors in the Hickory Metro in 1999 and 2006, as well as each sector's percentage of the entire regional workforce. In 1999, retail trade was the second-largest employment sector in the region. By 2006, the retail industry lost 1,559 jobs and slipped to the Metro's third-largest employer behind health care.

Sector	1999 Employment	1999 % of Workforce	2006 Employment	2006 % of Workforce
Manufacturing	77,729	43.1%	52,171	32.5%
Health Care	17,235	9.6%	20,240	12.6%
Retail Trade	17,540	9.7%	15,981	10.0%
Education	10,517	5.8%	11,722	7.3%
Food Service	10,237	5.7%	10,999	6.9%

Source: NCEC (2007)

Retail sales of individual counties in the Hickory Metro are not directly proportional to their populations. As of December 2006 (as shown in Map 1), Catawba County receives almost two-thirds (64.2%) of the Metro's retail spending, despite the fact that the County has less than half (42.5%) of the region's population. Combined, Burke and Caldwell Counties contain 47.2% of the region's residents, but receive less than one-third (31.2%) of the Metro's sales dollars. Alexander County accounts for over 10% of the regional population, but its businesses bring in only 4.1% of the area's retail spending. This shift of Hickory Metro retail dollars spent in Catawba County has slowly strengthened during the past decade.



Housing in the Greater Hickory Metro

(Note: Post-2000 local real estate sales data found in this article is from the Catawba Valley Association of Realtors, which releases data publicly through the NC Association of Realtors. Findings do not include Burke and northern Alexander Counties.)

Sales of existing homes in the Catawba Valley fell during the economic downturn of 2000-2001. Since then, however, the number of listed homes sold in the region has grown strongly. 72.6% more homes sold in 2006 than in 2001 (Figure 11). The value of existing homes sold in the Catawba Valley in 2006 totaled \$444.2 million, an increase of 93.0%, or \$214 million, over 2001.

Since 1999, home prices in the Catawba Valley have not kept pace with those in North Carolina as a whole. From 1999-2006, the state experienced a steady rise in home prices, even during the economic downturn of 2001 (Figure 12). During the period, average prices for existing home sales in the state rose by 32.9% and by 2006 averaged \$214,948 per home. Prices of existing homes in the Catawba Valley, however, were largely stagnant from 1999-2004, fluctuating up and down between \$119,465 and \$134,904. Since 2004, however, prices have been rising significantly in the region. From 2004 to 2006 average prices in the area rose 15.9% to \$145,413. Through May 2007, the average cost in the Catawba Valley has continued to rise, growing 3.0% in 5 months over 2006 prices to \$149,745 per house. These recent increases in the region's home prices, as well as the recent growth in number of homes sold, may indicate that housing in the Hickory area may be in demand and not experiencing the soft market occurring elsewhere.

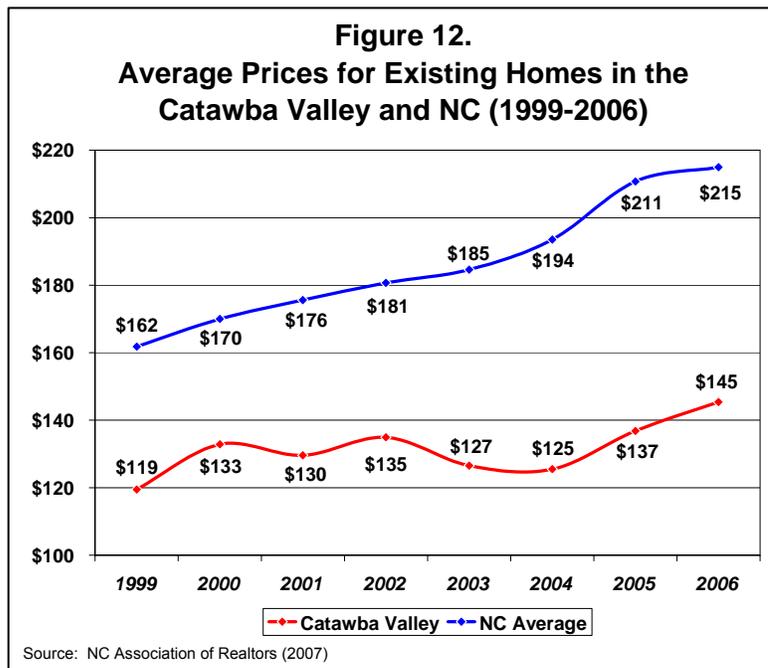
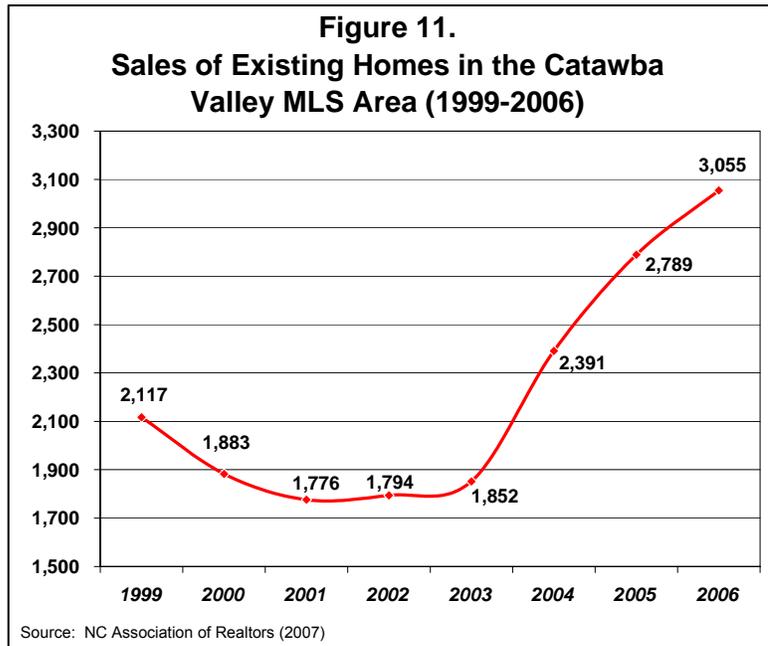


Table 10 indicates the average number of rooms per house and the average age of housing in the region, state and nation. Overall, homes in the Hickory MSA are smaller than either the state or the country. In fact, from 2000 to 2005 the number of rooms per home in the Metro fell slightly (5.2 to 5.1 rooms per home), while it has been increasing in the state and nation. The average age of housing in the region (28 years) is also older than in the state (24 years), though as recently as 1990, the average age of housing in the Hickory Metro and the state were the same (27 years).

Table 10.
Median Age of Housing and Median Number of Rooms (2005)

Area	Number of Rooms	Age of Housing
Hickory Metro	5.1	28 years
NC	5.3	24 years
USA	5.4	32 years

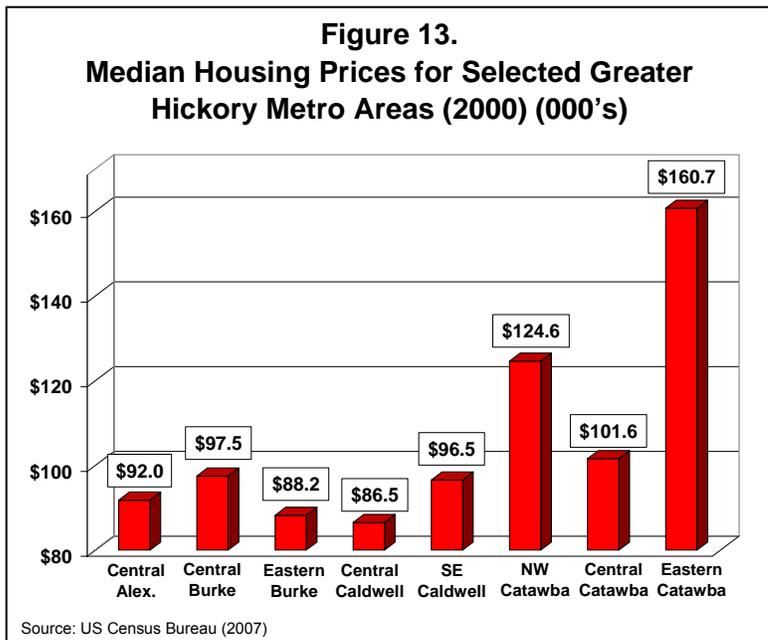
Source: US Census Bureau (2006)

Despite a recent rise in prices and demand in the Hickory Metro, existing home prices in the region remain low relative to the rest of the state (Table 11). In 2006, the average price for an existing home in the Outer Banks Multiple Listing Service area was \$499,815, the highest in North Carolina. Of the top 9 most expensive regions, all were resort and retirement areas, often near beaches, such as Brunswick (\$317,671) and Carteret (\$252,099), or in the mountains, such as Brevard (\$302,105) and Hendersonville (\$242,705). The three NC major metropolitan regions (Charlotte, the Triangle and the Piedmont Triad) were in the middle range of the state's home prices. Of the seven areas with the lowest home prices, six were in the eastern part of the state, and tended to be smaller regions which lack strong tourism economies, and often have military bases. The only region of these seven in the western portion of the state was the Catawba Valley area. The relatively inexpensive prices for housing in the Hickory area likely reflect the region's low income compared to other areas of North Carolina, as well as the region's loss of 25,000 manufacturing jobs between 2000 and 2004. These pressures which kept housing prices low during the recession may now be beginning to work to the region's advantage, as its housing may seem attractive in price compared to other areas of the state. This demand may allow housing values in the Catawba Valley to continue the rise in prices seen from 2004-06, even as housing costs undergo corrections elsewhere.

Table 11. Average Prices of Existing Home Sales in Reporting North Carolina Multiple Listing Service (MLS) Regions (2006)		
MLS Area	2006 Rank	2006 Average
Outer Banks	1st	\$ 499,815
Brunswick	2nd	\$ 317,671
Brevard	3rd	\$ 302,105
Asheville	4th	\$ 271,828
Wilmington	5th	\$ 265,901
Pinehurst	6th	\$ 259,928
Carteret	7th	\$ 252,099
Hendersonville	8th	\$ 242,705
Haywood	9th	\$ 232,439
Triangle	10th	\$ 226,455
Charlotte	11th	\$ 221,130
Neuse River	12th	\$ 195,764
Triad	13th	\$ 177,395
Jacksonville	14th	\$ 152,455
Catawba Valley	15th	\$ 145,413
Greenville	16th	\$ 145,275
Goldsboro	17th	\$ 136,908
Wilson	18th	\$ 136,436
Rocky Mount	19th	\$ 126,566
Fayetteville	20th	\$ 118,147

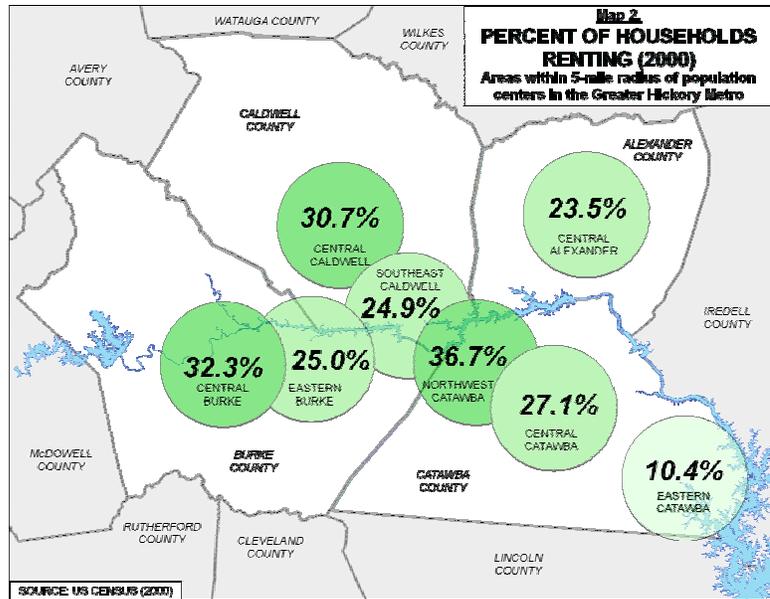
Source: NC Association of Realtors (2007)

Within the Hickory Metro, housing prices range considerably from area to area. For purposes of this article, eight of the highest populated areas in the Hickory Metro were chosen in order to compare home values and other aspects of housing (Figure 13). Each area is circular, with a five-mile radius from its center. The housing information about each area is from the 2000 Census, so the prices listed are unfortunately not current, but the data does indicate where and to what extent variability in home prices occurs within the Metro. Of the eight areas, the highest prices occur in three portions of Catawba County. Eastern Catawba (including the Sherrill's Ford area) has the most expensive average housing, followed by Northwest Catawba (Hickory, Long View and Brookford), and then Central Catawba (Claremont, Conover and Newton). Outside of Catawba County, homes in central Burke County (Morganton and Drexel) were the most expensive. Prices in Southeast Caldwell (Granite Falls, Rhodhiss and Sawmills) were higher than in Central Caldwell (Lenoir, Hudson, Cahaj's Mountain and Gamewell), which had the lowest median home prices in the region.



Rental Households

Map 2 indicates the percent of households that rent within the same eight highly-populated areas in the region. Eastern Catawba (Sherrill's Ford) had by far the lowest percentage (10.4%) of renting households. Other than this area, the percentage of renters in the Hickory Metro tends to display a positive correlation with the cost of housing. Northwest Catawba, which has the Metro's second-highest home prices, leads the region in the percentage of households that rent. In this area around the City of Hickory and Long View, over one-third (36.7%) of households are rentals. In urbanized areas, the percent of rentals in an area appears to decrease as one gets to areas with lower concentrations of residents. Central Burke, Central Caldwell and Central Catawba all had within 27% to 32% rentals, while the smaller municipalities making up Eastern Burke (Connelly Springs, Rutherford College, Valdese) and Southeast Caldwell (Granite Falls, Sawmills, Rhodhiss) had about 25% rentals. The area with the fewest residents, Central Alexander, had the lowest proportion of renters (23.5%) of all municipality-based areas in the Metro.



New Single-Family Home Construction

Though the number of existing homes sold in the Hickory Metro has increased in recent years, the number of new homes being built has not. Table 12 lists the number of building permits for new single-family homes in each county of the Hickory Metro between 1999 and 2006. During that time, annual building permits in the region have fallen from 1,776 to 1,487 new homes, a drop of 16.3%. After nearing 1,000 new homes in the year 2000, new home construction in Catawba County has decreased to 688 by 2006, the lowest number of new permits issued since 1995. Caldwell County, too, has shown a decline over the period of 16.7%. These losses may in part be due to hesitation by developers to construct new developments during the economic uncertainty brought about by the loss of manufacturing employment. This decline in new housing construction, however, is not uniform throughout the Metro. Burke County reached an all-time high of residential building permits in 2006 (301), while Alexander County leads the region in percentage growth of new housing since 1999 (16.2%). It will be interesting to observe whether new industry in Caldwell County and large planned lakeside and mountain resort housing developments in Caldwell and Catawba Counties will reverse these areas' trend toward fewer residential building permits.

County	1999	2000	2001	2002	2003	2004	2005	2006	% Change '99-'06
Alexander	154	107	154	129	147	182	149	179	16.2%
Burke	290	273	260	266	226	211	242	301	3.8%
Caldwell	383	375	371	393	340	392	336	319	-16.7%
Catawba	949	995	887	737	721	708	744	688	-27.5%
Total	1,776	1,750	1,672	1,525	1,434	1,493	1,471	1,487	-16.3%

Source: US Census (2007)

According to the US Census, nearly all housing structures built last year in the Hickory Metro were for single-family homes. Of the 1,553 permits issued in 2006, 1,487 were for single-family homes (95.8%). Thirty-seven were for duplex houses (2.3%), while the remaining 29 (1.8%) were for buildings with 5 or more housing units. In 1999, 87.4% of building permits were for single-family homes and 2.0% of permits were for duplexes. Thus it appears that the position of single family homes as the preferred type of housing for residents in the Hickory Metro has been solidified since 1999.

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