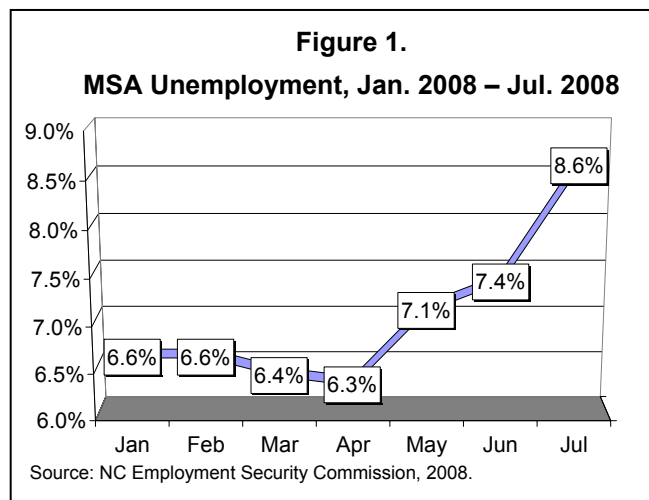


# Economic Indicators Newsletter

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

## Civilian Labor Force

Between April and July 2008 the Hickory MSA's unemployment rate has risen from 6.3% to 8.6% (Figure 1). July's 8.6% rate is the highest in the Hickory Metro since July 2003 (9.0%). The number of unemployed in the region has increased from 11,344 in January to 15,091 in July due to a combination of a decrease in the number of employed (160,903 to 160,083) and growth in the civilian labor force as more persons began to actively seek work (172,247 to 175,174). Table 1 compares the Hickory Metro unemployment rate with other MSAs in North Carolina. Hickory MSA County unemployment rates for July were Alexander 8.6%, Burke 8.7%, Caldwell 9.5% and Catawba 8.1%.



**Table 1.**  
**MSA Unemployment Rate, July 2008**

Raleigh-Cary	5.4%
Asheville	5.4%
Durham	5.7%
Wilmington	6.0%
Jacksonville	6.5%
Winston-Salem	6.6%
Charlotte-Gastonia-Concord	6.8%
Goldsboro	6.9%
Fayetteville	7.1%
Greensboro-High Point	7.2%
Burlington	7.2%
Greenville	7.8%
<b>Hickory-Morganton-Lenoir</b>	<b>8.6%</b>
Rocky Mount	9.5%

Source: NC Employment Security Commission, 2008.

## Gross Collections

North Carolina gross collection figures include money from registration fees, penalties, interest, and sales and use taxes (county sales taxes are excluded). State gross collections for the Hickory MSA increased from \$101 million in 2003 to \$121 million in 2006 (Figure 2). Net gross collections in the Hickory MSA grew little in 2007 due to weakening economic conditions.

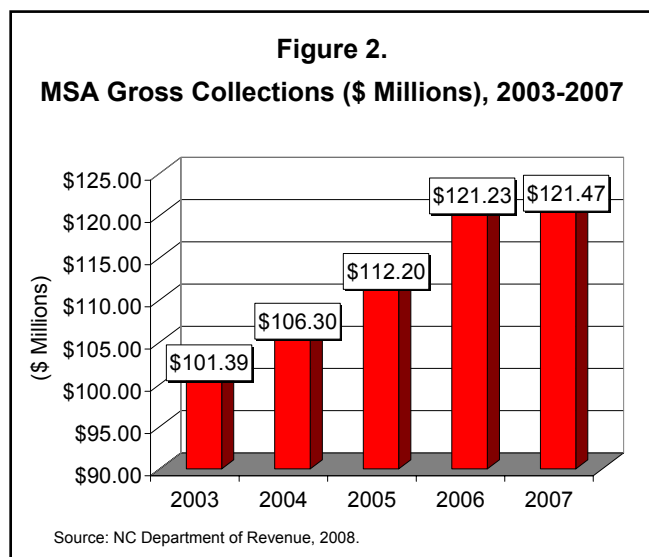


Table 2 displays gross collections for the four Hickory MSA counties from 2005 to 2007. Three of the four MSA counties experienced a decrease in state gross tax collections between 2006 and 2007. Alexander's collections fell 8.6% while declines of 3.1% and 3.2% respectively occurred in Burke and Caldwell counties. The only exception to the trend of declining tax revenue was Catawba County where gross collections grew 2.4% from \$77.8 million to \$79.6 million.

**Table 2.**  
**Gross Tax Collections**

Counties	2005	2006	2007
Alexander	\$4,849,372	\$5,258,379	\$4,838,403
Burke	\$18,102,489	\$19,236,022	\$18,684,962
Caldwell	\$17,027,005	\$18,950,467	\$18,324,966
Catawba	\$72,267,672	\$77,785,106	\$79,618,223

Source: NC Department of Revenue, 2008.



## “EIN Spotlight”

### Hickory MSA Retail Sales Trends

In July 2005, the North Carolina legislature passed the Streamlined Sales and Tax Agreement. This law caused a change in the State's Sales and Use Tax Return, so that not all tax paying businesses reported Gross Retail Sales. Since this change took place, the Western Piedmont Council of Governments Data Center has been looking for an alternative way to analyze retail sales in the region and across the State. Retail data from the North Carolina Department of Commerce's North Carolina Economic Development Intelligence System (EDIS) online economic development website accomplishes this task. Included on the website are detailed retail sales estimates provided by Environmental Systems Research Institute's (ESRI's) retail-marketplace database. While the data generated by ESRI is an estimate, the data is calibrated based on results from the 1997 and 2002 Economic Census of Retail Establishments. The retail estimates, therefore, should be a close representation of actual retail sales receipts in the region.

### Hickory MSA Retail Sales

In 2007 ESRI estimated that retail sales in the Hickory Metro totaled \$4.41 billion (Table 3). Catawba County accounted for 57.9% (\$2.5 billion) of all retail sales in the Hickory MSA. Retail sales in Burke County were estimated at \$892.5 million in 2007. Caldwell County retail sales equaled \$696.4 million while Alexander County retail sales were \$267.9 million.

**Table 3.**  
**Hickory MSA Retail Sales by Retailer Type, 2007**

Retailer Type	Alexander	Burke	Caldwell	Catawba	Hickory MSA
Bldg/Garden Equip/Supply Stores	\$5,675,431	\$47,761,209	\$23,305,605	\$78,977,049	\$155,719,294
Clothing/Accessories Stores	\$15,564,729	\$17,474,113	\$16,351,589	\$114,295,883	\$163,686,314
Electronics & Appliance Stores	\$1,002,941	\$8,225,215	\$2,097,296	\$40,590,640	\$51,916,092
Food and Beverage Stores	\$51,922,555	\$169,785,872	\$114,309,840	\$211,987,864	\$548,006,131
Food Services & Drinking Places	\$22,462,830	\$76,794,380	\$54,498,733	\$237,279,213	\$391,035,156
Furniture/Home Furnishing Stores	\$6,755,287	\$45,983,501	\$59,427,259	\$174,236,373	\$286,402,420
Gasoline Stations	\$47,583,286	\$146,470,709	\$148,073,765	\$235,257,908	\$577,385,668
General Merchandise Stores	\$39,105,661	\$127,989,848	\$78,180,413	\$462,530,003	\$707,805,925
Health and Personal Care Stores	\$16,225,759	\$44,262,045	\$38,499,713	\$118,897,306	\$217,884,823
Miscellaneous Store Retailers*	\$2,750,574	\$25,614,340	\$13,368,033	\$70,004,766	\$111,737,713
Motor Vehicle and Parts Dealers	\$45,324,633	\$159,042,646	\$137,768,147	\$649,967,846	\$992,103,272
Nonstore Retailers**	\$11,195,217	\$11,215,732	\$4,204,783	\$98,427,138	\$125,042,870
Sports/Hobby/Book/Music Stores	\$2,309,153	\$11,885,626	\$6,353,492	\$60,302,627	\$80,850,898
<b>Total Retail Sales</b>	<b>\$267,878,056</b>	<b>\$892,505,236</b>	<b>\$696,438,668</b>	<b>\$2,552,754,616</b>	<b>\$4,409,576,576</b>

\* Miscellaneous store retailers include florists, office suppliers, stationery and gift stores, and used merchandise stores.

\*\* Nonstore retailers include electronic shopping and mail-order houses, vending machine operators, and direct-selling establishments.

Source: NC Department of Commerce EDIS and ESRI Retail-Marketplace Database, 2008.

The ERSI retail database further breaks retail sales down into thirteen categories based on the North American Industry Classification (NAICS) three digit retail subsectors. The percentage distribution of retail sales in the Hickory MSA are revealed in Figure 3 on page 3. Motor vehicle and parts dealers, with \$992.1 million in sales (or 22% of all retail sales), made up the largest retail subsector in the Hickory MSA in 2007. The second largest category was general merchandise stores whose sales equaled \$707.8 million.

About 13% of all retail sales are attributable to gasoline stations. Although earlier data is not available, it is highly likely that retail sales from gas stations have sharply increased over the past year due to higher prices for petroleum products. With rising gasoline prices, food and beverage store sales have likely slipped to the fourth largest retail sector with 12% of total sales. When combined with the “food services and drinking places” category, the broader food sector comprises 21% of all retail sales, or just \$53 million less than motor vehicle and parts dealers.

It will be interesting to track how some of the Hickory Metro's smaller retail sectors fare over the next several years. One such category is “nonstore retailing” which includes electronic shopping and mail-order houses, vending machine operators and direct-selling establishments. In 2007, nonstore retailers comprised \$125



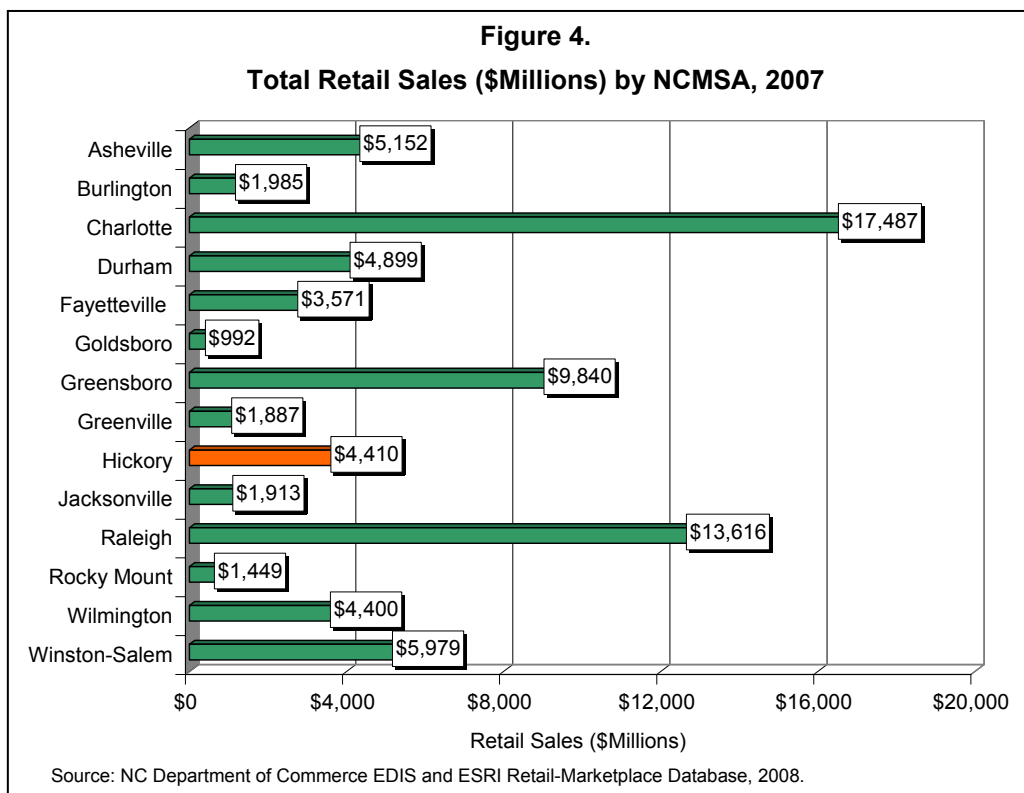
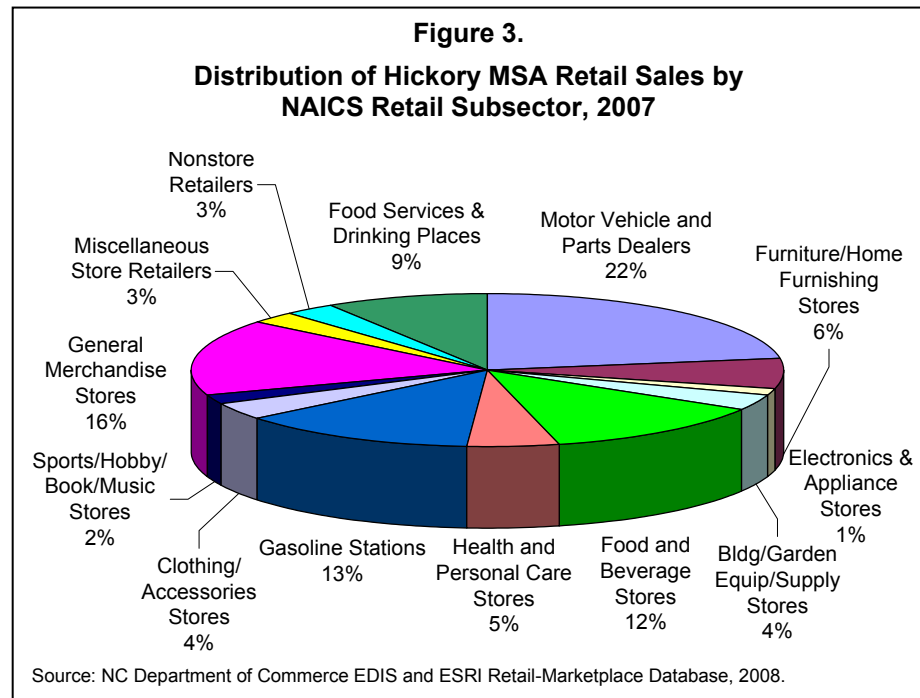
## Hickory MSA Retail Trends

million in total retail sales in the region (Table 3). This sector could grow larger, however, if internet sales of local products continue to rise.

Another smaller retail sales category to analyze closely will be “health and personal care stores” which tallied 5% of total retail sales in 2007 (Figure 3). As the median age of residents in the Hickory Metro continues to rise, the need for more pharmaceuticals and other medical supplies should also continue to grow. The question will be whether the growth will be captured by health and personal care stores or by general merchandise businesses.

### NC MSA Comparison

Data in Figure 4 compares Hickory MSA retail sales with the other 13 MSAs in North Carolina. In 2007, the Hickory MSA had the seventh highest amount of retail sales of any NCMSA. The Hickory MSA had more retail sales (\$4.41 billion) than the Wilmington MSA (\$4.40 billion) or the Fayetteville MSA (\$3.57 billion). The Charlotte MSA had the most retail sales (\$17.49 billion) of any metro area in North Carolina, followed by the Raleigh-Cary MSA with \$13.61 billion and the Greensboro-High Point Metro with \$9.84 billion.





## Hickory MSA Retail Trends

Another method to compare North Carolina MSA retail economies is analyzing retail sales by category for each of the 14 metro areas. The results of this analysis are shown in Table 4. About 6% of all retail sales in the Hickory MSA are from furniture/home furnishing stores. This percentage is double the state average and is a greater percentage of sales than all other MSAs in North Carolina except the Greensboro MSA.

**Table 4.**  
**Hickory MSA Retail Sales by Retailer Type, 2007**

Retailer Type	Asheville	Burlington	Charlotte	Durham	Fayetteville
Bldg/Garden Equip/Supply Stores	3%	4%	4%	3%	3%
Clothing/Accessories Stores	4%	5%	6%	5%	6%
Electronics & Appliance Stores	2%	1%	3%	2%	2%
Food and Beverage Stores	16%	9%	13%	14%	12%
Food Services & Drinking Places	10%	12%	12%	17%	9%
Furniture/Home Furnishing Stores	3%	5%	3%	3%	2%
Gasoline Stations	12%	18%	10%	12%	14%
General Merchandise Stores	11%	12%	12%	10%	13%
Health and Personal Care Stores	7%	6%	8%	8%	7%
Miscellaneous Store Retailers*	3%	3%	2%	2%	2%
Motor Vehicle and Parts Dealers	23%	20%	22%	19%	22%
Nonstore Retailers**	3%	4%	4%	3%	6%
Sports/Hobby/ Book/Music Stores	2%	1%	2%	2%	1%
Retailer Type	Goldsboro	Greensboro	Greenville	Hickory	Jacksonville
Bldg/Garden Equip/Supply Stores	2%	3%	4%	4%	3%
Clothing/Accessories Stores	4%	6%	5%	4%	4%
Electronics & Appliance Stores	1%	2%	3%	1%	1%
Food and Beverage Stores	13%	12%	15%	12%	8%
Food Services & Drinking Places	17%	10%	13%	9%	15%
Furniture/Home Furnishing Stores	2%	6%	3%	6%	2%
Gasoline Stations	13%	11%	11%	13%	8%
General Merchandise Stores	16%	14%	15%	16%	27%
Health and Personal Care Stores	7%	7%	7%	5%	4%
Miscellaneous Store Retailers*	2%	3%	2%	3%	2%
Motor Vehicle and Parts Dealers	21%	19%	21%	22%	23%
Nonstore Retailers**	1%	5%	0%	3%	1%
Sports/Hobby/ Book/Music Stores	1%	1%	2%	2%	1%
Retailer Type	Raleigh	Rocky Mount	Wilmington	Winston-Salem	NC Average
Bldg/Garden Equip/Supply Stores	5%	4%	5%	3%	4%
Clothing/Accessories Stores	5%	5%	4%	12%	5%
Electronics & Appliance Stores	4%	1%	2%	2%	2%
Food and Beverage Stores	15%	18%	11%	13%	14%
Food Services & Drinking Places	11%	10%	12%	11%	11%
Furniture/Home Furnishing Stores	3%	3%	3%	2%	3%
Gasoline Stations	11%	9%	7%	11%	12%
General Merchandise Stores	14%	14%	10%	11%	13%
Health and Personal Care Stores	6%	8%	8%	8%	7%
Miscellaneous Store Retailers*	2%	3%	2%	3%	3%
Motor Vehicle and Parts Dealers	20%	20%	20%	20%	21%
Nonstore Retailers**	2%	6%	12%	2%	4%
Sports/Hobby/ Book/Music Stores	2%	1%	6%	1%	2%

\* Miscellaneous store retailers include florists, office suppliers, stationery and gift stores, and used merchandise stores.

\*\* Nonstore retailers include electronic shopping and mail-order houses, vending machine operators, and direct selling establishments.

Source: NC Department of Commerce EDIS and ESRI Retail-Marketplace Database, 2008.

The Hickory MSA also had a higher percentage of retail sales in general merchandise stores (16%) than the state average (13%) or all other MSAs except Goldsboro (also 16%) and Jacksonville (27%). This is due to Hickory being a regional draw for several retail chains which bring in consumers from surrounding areas to the Hickory Metro. Another perhaps surprising finding of the analysis was that the Hickory MSA had a lower percentage of retail sales in the food services and drinking places category (9%) than the state average (11%) and all other MSAs except the Fayetteville MSA (also 9%). This may be due to the Hickory MSA having a greater proportion of lower cost per meal restaurants than other Metros in North Carolina.



## Hickory MSA Retail Trends

### Hickory MSA Retail Market Demand

Besides calculating total retail sales, ESRI also estimates retail market demand (also known as retail potential) for goods and services. ESRI defines retail market demand as “the expected amount spent by consumers on products in the retail market.” ESRI’s retail market demand model incorporates data from the Bureau of Labor Statistics annual Consumer Expenditure Surveys as well as Product Line Sales from the 2002 Census of Retail Trade.

Household retail demand for the Hickory MSA counties is displayed in Table 5. Counties with higher retail demand per household are capable of buying more goods and services than areas with lower retail household demand. With retail demand of \$26,265 per household, Catawba had the highest average per household retail demand of any Hickory MSA county. This result correlates well with data from the American Community Survey and the Bureau of Economic Analysis that shows Catawba County had the highest per capita income and median household income of the Hickory MSA counties. Average household retail demand in other Hickory MSA counties ranged from \$22,503 in Caldwell to \$24,305 in Alexander County.

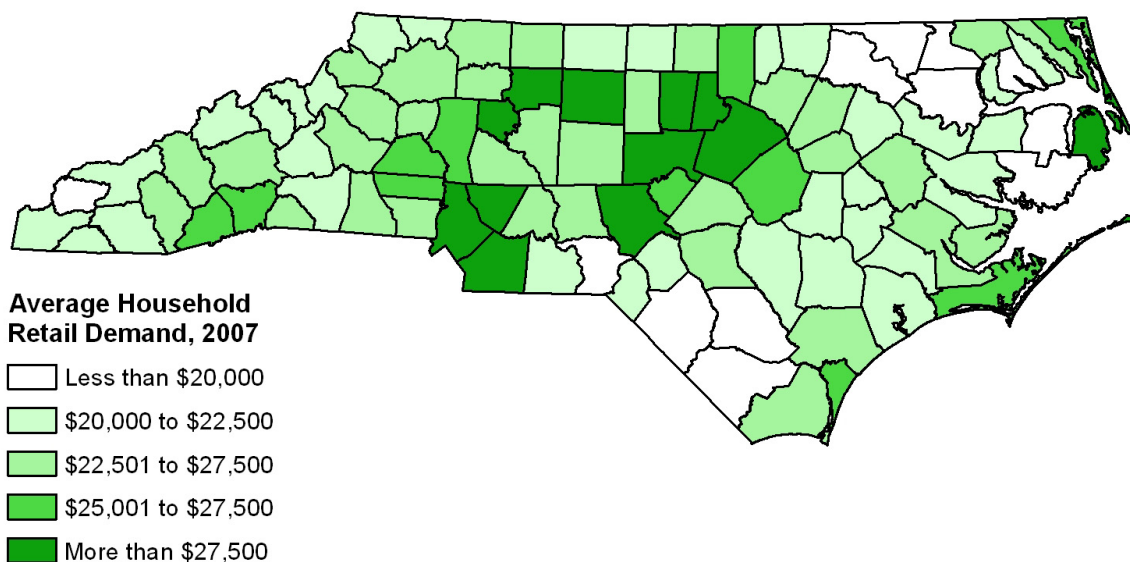
<b>Table 5. Hickory MSA Household Retail Demand, 2007</b>			
<b>County</b>	<b>Total Retail Demand</b>	<b>Households</b>	<b>Average Demand Per Household</b>
Alexander	\$354,810,029	14,598	\$24,305
Burke	\$823,422,655	35,643	\$23,102
Caldwell	\$738,024,245	32,797	\$22,503
Catawba	\$1,608,630,865	61,246	\$26,265
<b>Hickory MSA</b>	<b>\$3,524,887,794</b>	<b>144,284</b>	<b>\$24,430</b>

Source: NC Department of Commerce EDIS and ESRI Retail-Marketplace Database, 2008.

Average household retail demand varies widely across North Carolina (Figure 5). The greatest retail market demand per household (more than \$27,500) in 2007 occurred in several counties located between Charlotte and Raleigh where disposable household incomes are greater compared to the rest of North Carolina. In contrast, several counties in the coastal plain of North Carolina had average retail market demand of less than \$20,000 per household. Graham County, located in western North Carolina, had the lowest average household demand (\$18,367) while Wake County had the highest mean demand (\$36,760).

**Figure 5.**

#### Average Household Retail Demand by County, 2007



Source: NC Department of Commerce EDIS and ESRI Retail-Market Data Base, 2008.





## Hickory MSA Retail Trends

Table 6 examines household retail demand for the 14 MSAs in North Carolina. Average household retail demand ranged from \$21,467 in the Jacksonville MSA to \$34,343 in the Raleigh-Cary MSA. The Hickory MSA had the eighth highest (or sixth lowest) household retail demand (\$24,430) of the North Carolina Metro areas. The Hickory MSA average household retail demand was also \$2,483 less than the State average household retail potential (\$26,913).

<b>Table 6.</b>			
<b>North Carolina MSA Household Retail Demand, 2007</b>			
<b>North Carolina MSA</b>	<b>Total Retail Demand</b>	<b>Households</b>	<b>Average Demand Per Household</b>
Asheville	\$4,241,324,257	173,966	\$24,380
Burlington	\$1,417,525,662	57,274	\$24,750
Charlotte-Gastonia-Concord	\$18,076,376,729	553,070	\$32,684
Durham	\$5,760,635,487	193,848	\$29,717
Fayetteville	\$3,040,259,675	128,995	\$23,569
Goldsboro	\$1,009,446,340	45,169	\$22,348
Greensboro-High Point	\$7,646,174,460	277,893	\$27,515
Greenville	\$1,563,681,255	68,709	\$22,758
<b>Hickory-Morganton-Lenoir</b>	<b>\$3,524,887,794</b>	<b>144,284</b>	<b>\$24,430</b>
Jacksonville	\$1,114,932,544	51,937	\$21,467
Raleigh-Cary	\$13,561,319,151	394,876	\$34,343
Rocky Mount	\$1,316,913,812	57,090	\$23,067
Wilmington	\$3,809,763,218	146,812	\$25,950
Winston-Salem	\$5,259,573,615	190,066	\$27,672
<b>North Carolina Total</b>	<b>\$96,450,138,766</b>	<b>3,583,753</b>	<b>\$26,913</b>

Source: NC Department of Commerce EDIS and ESRI Retail-Marketplace Database, 2008.

## Hickory MSA Retail Leakage/Surplus Factor

The ERSI retail-marketplace database allows for the comparison of retail supply and demand in one measure called the "Leakage/Surplus Factor." ESRI states that "Leakage/Surplus conveniently measures the balance between the volume of supply (retail sales) generated by retail industry and the demand (spending by households [i.e., retail potential]) within the same industry." Retail leakage occurs in an area when a market's supply of goods and services is less than consumer demand. In other words, retailers outside the area are fulfilling the demand for products. Thus, demand is "leaking" out of the area. Retail surplus occurs in an area when retail supply (sales) exceeds the area's retail demand. In a surplus situation, retailers are attracting shoppers that reside outside the trade area.

Table 7 shows retail surpluses and leakages for the Hickory MSA counties. A positive number represents a retail surplus while a negative number means that retail leakage is taking place. One obvious conclusion that

<b>Table 7.</b>					
<b>Hickory MSA Retail Surpluses and Leakages by Retailer Type, 2007</b>					
<b>Retailer Type</b>	<b>Alexander</b>	<b>Burke</b>	<b>Caldwell</b>	<b>Catawba</b>	<b>Hickory MSA</b>
Bldg/Garden Equip/Supply Stores	-\$7,475,303	\$14,724,248	-\$5,164,374	\$24,417,974	\$26,502,545
Clothing/Accessories Stores	\$2,689,824	-\$11,718,490	-\$4,273,965	\$32,369,081	\$19,066,450
Electronics & Appliance Stores	-\$3,716,125	-\$8,218,585	-\$9,791,569	\$2,815,150	-\$18,911,129
Food and Beverage Stores	-\$5,612,556	\$47,877,095	-\$4,755,358	\$3,599,982	\$41,109,163
Food Services & Drinking Places	-\$22,010,655	-\$22,129,218	-\$40,113,879	\$38,979,583	-\$45,274,169
Furniture/Home Furnishing Stores	-\$3,557,544	\$21,274,060	\$36,443,065	\$118,079,497	\$172,239,078
Gasoline Stations	-\$4,840,183	\$36,151,736	\$36,835,850	\$36,127,781	\$104,275,184
General Merchandise Stores	\$4,058,165	\$14,490,193	-\$16,525,351	\$295,205,763	\$297,228,770
Health and Personal Care Stores	-\$5,277,576	\$12,521,827	\$8,260,922	\$51,277,068	\$66,782,241
Miscellaneous Store Retailers*	-\$2,017,897	\$13,134,916	\$3,584,090	\$39,874,505	\$54,575,614
Motor Vehicle and Parts Dealers	-\$46,096,072	-\$47,928,454	-\$47,216,146	\$252,001,012	\$110,760,340
Nonstore Retailers**	\$7,645,914	-\$4,273,103	\$4,204,783	\$20,381,598	\$27,959,192
Sports/Hobby/Book/Music Stores	-\$721,965	\$3,176,356	-\$3,073,645	\$28,994,757	\$28,375,503
<b>Total Retail Sales</b>	<b>-\$86,931,973</b>	<b>\$69,082,581</b>	<b>-\$41,585,577</b>	<b>\$944,123,751</b>	<b>\$884,688,782</b>

\* Miscellaneous store retailers include florists, office suppliers, stationery and gift stores, and used merchandise stores.

\*\* Nonstore retailers include electronic shopping and mail-order houses, vending machine operators, and direct selling establishments.

Source: NC Department of Commerce EDIS and ESRI Retail-Marketplace Database, 2008.



## Hickory MSA Retail Trends

can be drawn from Table 7 is the tremendous retail surplus that Catawba County enjoys. In 2007, Catawba County had a retail surplus of \$944 million. This means that actual retail sales are far exceeding the retail demand of Catawba County residents due to dollars coming from the other Hickory MSA counties, other counties that surround, or are close to Catawba County, and from the County's tourism industry. The largest three categories of retail surpluses were general merchandise stores with \$295 million in sales, motor vehicle and parts dealers with \$252 million and furniture/home furnishing stores with \$118 million. Catawba County also showed retail surpluses in all other retail categories.

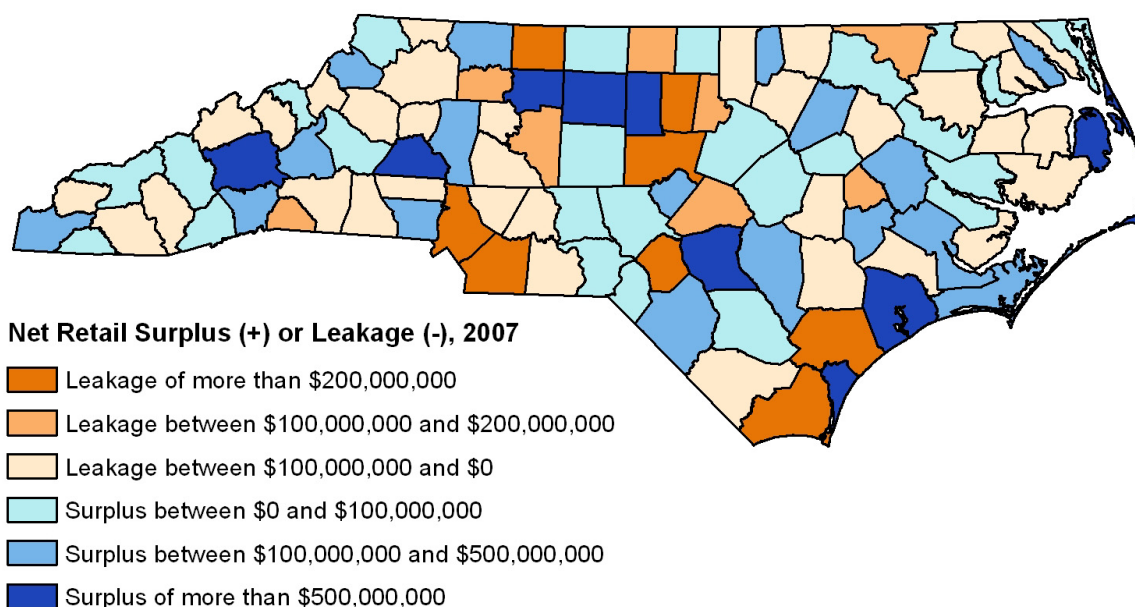
According to the ESRI retail-market database, Alexander County showed net retail leakage of approximately \$86 million in 2007. All retail categories showed leakage except clothing and accessory stores, general merchandise stores and nonstore retailers. Burke County actually showed a small retail surplus of \$69 million in 2007. This may surprise some since many Burke County residents spend retail dollars in Catawba County. What is being leaked from Burke to Catawba County is apparently being made up through tourism dollars as well as from residents of other counties surrounding Burke shopping in the County. While Burke did show net retail leakage in the motor vehicle and parts dealers (\$48 million) and food services and drinking places (\$22 million) categories, the County showed significant surpluses in food and beverage stores (\$48 million) and gasoline stations (\$36 million).

Caldwell County showed a net retail leakage of \$42 million in 2007. The retail leakage in Caldwell might have been greater, if not for the impact of tourism dollars being spent in the County. Caldwell had significant retail leakage in motor vehicle and parts dealers (\$47 million), food services and drinking places (\$40 million) and general merchandise stores (\$17 million). Caldwell had large retail surpluses in gasoline stations (\$37 million) and furniture/home furnishing stores (\$36 million).

Figure 6 displays retail surpluses and leakages across North Carolina's 100 counties. It would appear from the map that "central counties" in North Carolina generally had large surpluses while surrounding counties showed retail leakage. Catawba County, for instance, had the fourth largest retail surplus (\$944 million) of any North Carolina county in 2007.

**Figure 6.**

### Net Retail Surplus or Leakage by County, 2007



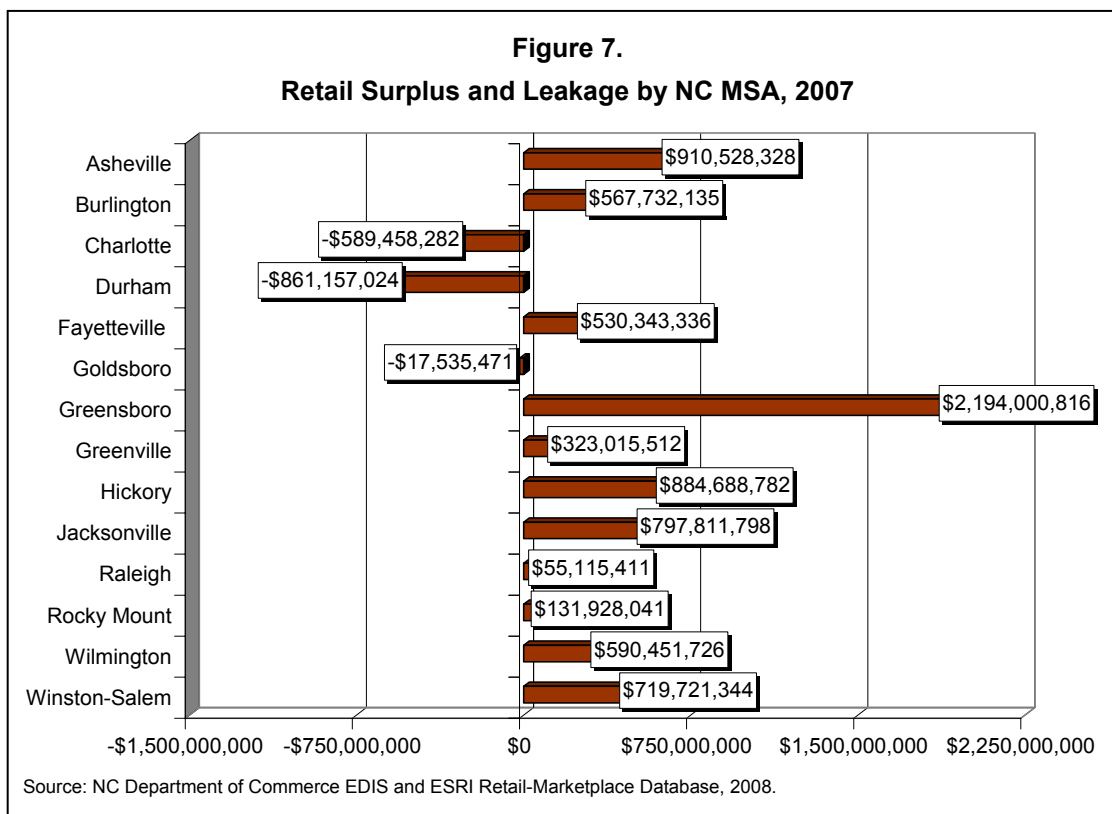
Source: NC Department of Commerce EDIS and ESRI Retail-Market Data Base, 2008.



## Hickory MSA Retail Trends

An exception to the trend of counties showing retail surpluses or leakage was in Mecklenburg County (“central county” of the Charlotte MSA) which showed a retail leakage of \$205 million. It would appear that Mecklenburg is leaking retail dollars to South Carolina, particularly in gasoline station sales. Another exception to the overall pattern was in Dare County, which is located on the North Carolina Outer Banks. Although not in a metro area, Dare County was estimated to have a retail surplus of \$527 million. This large retail surplus is due to tourism-related retail sales.

Another way to analyze retail leakages and surpluses is by analyzing the data at a MSA level. Metro areas with surpluses would indicate that a MSA is receiving additional retail revenue via counties that surround the metro area and/or through tourism impacts. Data in Figure 7 shows that in 2007 the Hickory MSA had a retail surplus of \$885 million. This amount is the third highest surplus of any Metro area in the state. The large surplus is due to retail dollars coming in from counties that surround the Hickory MSA including Iredell, Lincoln, McDowell and Wilkes as well as tourism impacts.



Eleven of the 14 North Carolina Metro areas showed a retail surplus in 2007. The Greensboro MSA had the largest retail surplus (\$2.194 billion) of any metro in North Carolina. The Greensboro Metro is drawing dollars from counties that surround the MSA as well as neighboring regions. The biggest retail leakage was in the Durham MSA. It would appear that \$861 million in retail leakage in the Durham MSA is helping to cause retail surpluses in the Burlington and Raleigh-Cary MSAs.

## Summary

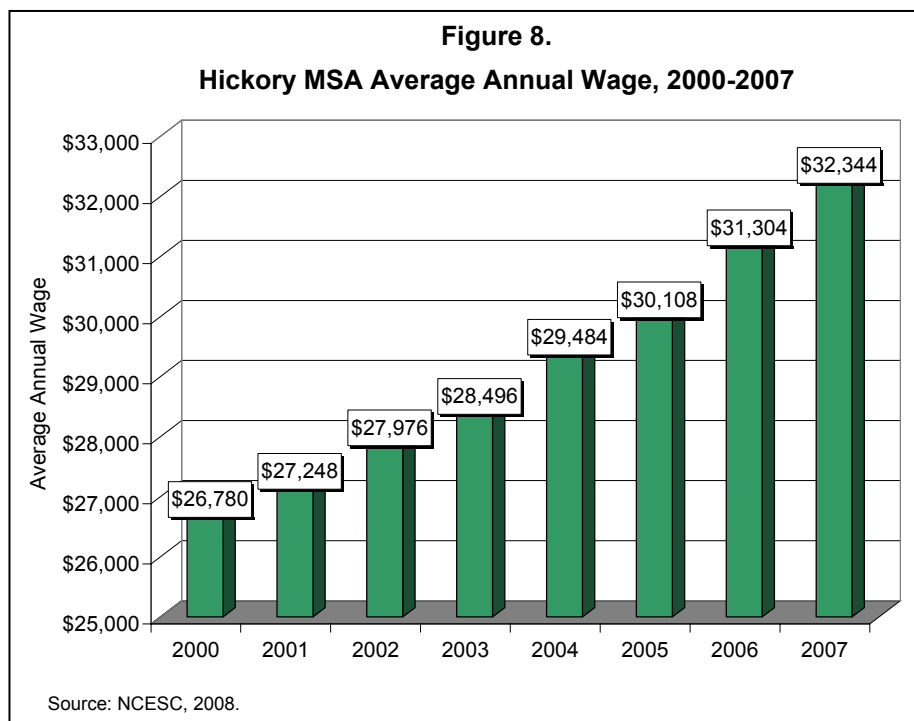
Data from ESRI's retail-market database indicates that in 2007 retail sales in the Hickory Metro totaled \$4.4 billion. The three largest retail categories were in automobile dealership and parts, food (food and beverage stores and restaurants combined) and general merchandise. The Hickory MSA, and Catawba County in particular, had a large retail surplus meaning that total retail sales far outpaced the retail demand of residents in the region. Only the Asheville MSA and the Greensboro MSA had a larger retail surplus than the Hickory MSA.



## Hickory MSA Wages by Industry and Occupation

From first quarter 2000 to fourth quarter 2007, Hickory MSA employment fell from 183,292 to 158,503. While these job losses have been occurring, one must also examine how average weekly wages have fared over the past seven years. According to the North Carolina Employment Security Commission, the average annual wages in the Hickory Metro have risen from \$26,780 in 2000 to \$32,344 in 2007 (Figure 8). The 20.8% increase in Hickory MSA average annual wages over the past seven years is slightly higher than the rate of inflation between 2000 and 2007 (20.4%).

Table 8 compares 2007 annual wages in Hickory MSA by industry sector. The highest average wage in 2007 was in the "management of companies and enterprises" sector. These jobs earned an average of \$83,924 last year. Unfortunately, this industry group makes up only about 1.7% of all workers in the Hickory MSA. The second highest annual salaries were found in the utilities industry with an average wage of \$59,191. This sector, however, only employs 518 workers. The third highest wages were in the finance and insurance sector (\$44,105 annual salary and 2,848 jobs).



**Table 8.**  
**Hickory MSA Average Annual Weekly Wage by Industry Sector, 2007**

NAICS* Code	Industry Sector	Total Employment	Average Annual Wage
11	Agriculture, Forestry, Fishing & Hunting	404	\$25,436
21	Mining	86	\$43,304
22	Utilities	518	\$59,191
23	Construction	5,227	\$33,834
31	Manufacturing	49,696	\$34,730
42	Wholesale Trade	6,392	\$43,416
44	Retail Trade	16,336	\$22,643
48	Transportation and Warehousing	6,421	\$37,684
51	Information	982	\$37,306
52	Finance and Insurance	2,848	\$44,105
53	Real Estate and Rental and Leasing	989	\$25,826
54	Professional and Technical Services	2,729	\$37,888
55	Management of Companies and Enterprises	2,720	\$83,924
56	Administrative and Waste Services	7,182	\$20,258
61	Educational Services	12,191	\$31,724
62	Health Care and Social Assistance	20,661	\$35,750
71	Arts, Entertainment, and Recreation	1,471	\$26,382
72	Accommodation and Food Services	10,816	\$11,753
81	Other Services, Ex. Public Admin	2,934	\$22,588
92	Public Administration	7,805	\$33,680
99	Unclassified	383	\$29,181
<b>Total Employment</b>		<b>158,786</b>	<b>\$32,344</b>

\* NAICS= North American Industry Classification System Source: NCESC, 2008.

The lowest reported annual wages were in the accommodation and food services category with an average of just \$11,753. This total is likely misleading, however, since tips are often not included in the North Carolina Employment Security Commission employment and wages report. Manufacturing workers, the largest industry sector in terms of employment in the region with 49,696 jobs, earned an average of \$34,780.

Catawba had the highest annual wage (\$34,112) of the four Hickory MSA counties followed by Burke with \$31,096, Caldwell \$29,744 and Alexander \$27,820 (Table 9). Catawba was the only county to have annual construction income of over \$30,000 a year. Manufacturing annual earnings were above \$35,000 in Burke and Catawba counties, but less than \$31,500 per year in Alexander and Caldwell counties. Wages in retail trade, except for Catawba (\$23,276), were between \$21,000 and \$22,000 in the region. Average salaries in education were fairly similar across the four counties with totals ranging from \$30,716 in Caldwell to \$32,728 in Catawba. Catawba County health care workers earned nearly twice as much per person (\$41,245) per year than in Alexander (\$21,228) since Alexander is the only County in the region without a hospital. Public administration workers in Catawba County, on average, earned similar salaries to workers in the construction and manufacturing sectors, but less than in the health care industry.

**Table 9.**  
**Hickory MSA Average Annual Wages by County, 2007**

NC MSA	Average Annual Wage	Construction	Manufacturing	Retail Trade	Education	Health Care	Public Administration
Alexander	<b>\$27,820</b>	\$26,752	\$31,469	\$21,636	\$31,344	\$21,448	\$31,600
Burke	<b>\$31,096</b>	\$29,928	\$35,443	\$21,800	\$31,153	\$34,583	\$31,953
Caldwell	<b>\$29,744</b>	\$29,836	\$30,048	\$21,292	\$30,716	\$25,598	\$30,956
Catawba	<b>\$34,112</b>	\$36,882	\$36,254	\$23,276	\$32,728	\$41,245	\$36,824
<b>Hickory MSA</b>	<b>\$32,344</b>	<b>\$33,834</b>	<b>\$34,730</b>	<b>\$22,643</b>	<b>\$31,724</b>	<b>\$35,750</b>	<b>\$33,680</b>

Source: NCESC, 2008.

Table 10 compares annual wages of Hickory MSA workers with other metro areas in North Carolina. The Hickory MSA had lower average salaries in the selected categories compared to the State average. Only the Jacksonville (\$26,988) and the Goldsboro MSA (\$30,160) had a lower average annual salary than the Hickory MSA (\$32,344). With an average salary of \$31,724, Hickory MSA education workers had the lowest annual average income of educators in any Metro area in North Carolina. The Hickory MSA also had the lowest annual average wage of public administration workers (\$33,680) of any Metro area in North Carolina.

**Table 10.**  
**North Carolina MSA Household Retail Demand, 2007**

NC MSA	Average Annual Wage	Construction	Manufacturing	Retail Trade	Education	Health Care	Public Administration
Asheville	\$33,436	\$35,169	\$44,632	\$24,157	\$32,497	\$41,942	\$37,573
Burlington	\$33,176	\$33,382	\$39,739	\$22,483	\$35,353	\$36,012	\$34,544
Charlotte	\$47,892	\$45,890	\$52,405	\$26,663	\$36,992	\$44,320	\$44,623
Durham	\$52,364	\$40,311	\$93,487	\$23,161	\$48,011	\$44,045	\$48,939
Fayetteville	\$33,228	\$36,945	\$47,072	\$23,340	\$33,948	\$36,819	\$45,061
Goldsboro	\$30,160	\$35,657	\$36,275	\$21,518	\$31,777	\$32,224	\$36,896
Greensboro	\$37,180	\$39,705	\$43,933	\$25,646	\$37,206	\$39,308	\$41,414
Greenville	\$33,664	\$33,189	\$46,667	\$22,481	\$44,703	\$38,148	\$38,623
<b>Hickory</b>	<b>\$32,344</b>	<b>\$33,834</b>	<b>\$34,730</b>	<b>\$22,643</b>	<b>\$31,724</b>	<b>\$35,750</b>	<b>\$33,680</b>
Jacksonville	\$26,988	\$30,488	\$30,991	\$21,661	\$33,441	\$32,107	\$45,160
Raleigh-Cary	\$42,744	\$41,767	\$59,063	\$26,256	\$39,058	\$41,262	\$45,422
Rocky Mount	\$32,448	\$36,117	\$37,819	\$20,895	\$34,478	\$33,403	\$33,981
Wilmington	\$34,216	\$39,085	\$57,167	\$24,002	\$36,177	\$37,166	\$39,767
Winston-Salem	\$38,948	\$38,512	\$52,889	\$24,326	\$44,372	\$39,753	\$37,212
North Carolina	\$38,896	\$38,937	\$47,138	\$24,310	\$37,574	\$38,301	\$40,530

Source: NCESC, 2008.

Only the Jacksonville MSA had a lower average for manufacturing employment (\$30,991) than the Hickory MSA (\$34,730). The highest average annual manufacturing wage was in Durham with \$93,487 thanks to employment at Research Triangle Park. The Hickory MSA, however, did have higher average retail trade wages than five other NCMSAs.

## Hickory MSA Annual Wages by Occupation

Besides collecting data on wages by industry, the North Carolina Employment Security Commission collects data on wages by Hickory MSA occupations. Table 11 shows 2007 results of the Hickory MSA's average annual wages by occupation group. The highest annual wages were found in the "management occupation group" which includes chief executives, financial managers, funeral directors, general and operations managers, and school administrators. The 5,850 workers in this group received an average of \$87,629 in 2007. The second highest wages in the Hickory MSA was in the health care practitioners group with an average income of \$62,499 followed by legal occupations with annual wages of \$56,141.

The occupation group with the largest number of employees was in production occupations with 37,230 workers. The mean salary for jobs in this group was \$28,369. The office and administrative support occupations group (includes accounting clerks, office supervisors, receptionists and tellers) had 21,630 workers earning an average of \$28,095 per year.

Table 11. Hickory MSA Annual Wages by Occupation Group, 2007		
Occupation	Estimated Employment	Average Annual wage
Architecture and Engineering	1,510	\$53,785
Arts, Design, Entertainment, Sports	930	\$36,667
Building & Grounds Cleaning/Maintenance	3,580	\$21,665
Business and Financial	2,980	\$53,765
Community and Social Services	2,320	\$37,312
Computer and Mathematical	1,020	\$53,008
Education, Training, and Library	9,280	\$35,936
Farming, Fishing, and Forestry	130	\$30,788
Food Preparation and Serving Related	12,150	\$17,262
Healthcare Practitioners/Technical	7,740	\$62,499
Healthcare Support Occupations	6,870	\$23,157
Installation, Maintenance, and Repair	5,560	\$35,846
Legal Occupations	350	\$56,141
Life, Physical, and Social Science	670	\$50,503
Management	5,850	\$87,629
Office and Administrative Support	21,630	\$28,095
Personal Care and Service Occupations	2,710	\$19,663
Production Occupations	37,230	\$28,369
Protective Service Occupations	3,460	\$29,668
Sales and Related Occupations	14,890	\$30,234
Transportation and Material Moving	15,930	\$29,342

Source: NCESC, 2008.

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