

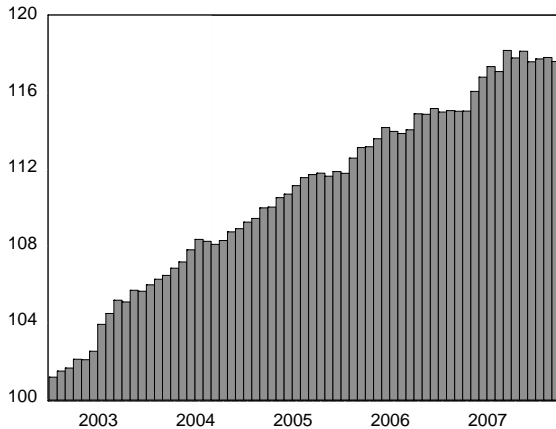
Western North Carolina Economic Index

March 2008

Western North Carolina economic activity, as measured by the Western North Carolina Economic Index, decreased 0.2 percent in March. The index, which tracks the level of economic activity in 25 western North Carolina counties, remained unchanged during the 1st quarter of 2008.

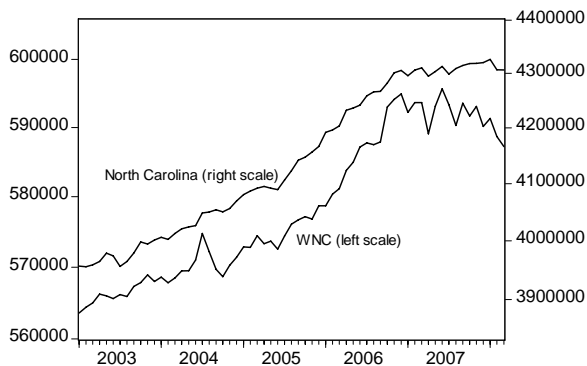
The economy, as measured by gross domestic product, grew at an annual rate of 0.6 percent during the 1st quarter of 2008.

WNC Economic Index
(2000=100)



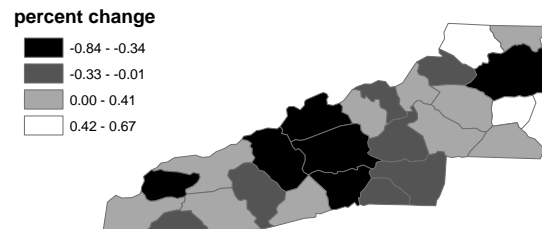
Seasonally adjusted employment for WNC fell 0.25 percent in March, and has declined 0.50 percent over the 1st quarter of 2008. This represents a net loss of nearly 3,000 jobs during the 1st quarter of the year. Statewide employment remained unchanged in March.

Total Employment
(seasonally adjusted, log scale)



Thirteen of the 25 WNC counties experienced a net job loss in March. Graham, Haywood and Wilkes counties had the largest job losses (0.84, 0.51 and 0.51 pct.). Ashe, Alexander and Catawba counties had the largest job gains (0.67, 0.55 and 0.41 pct.).

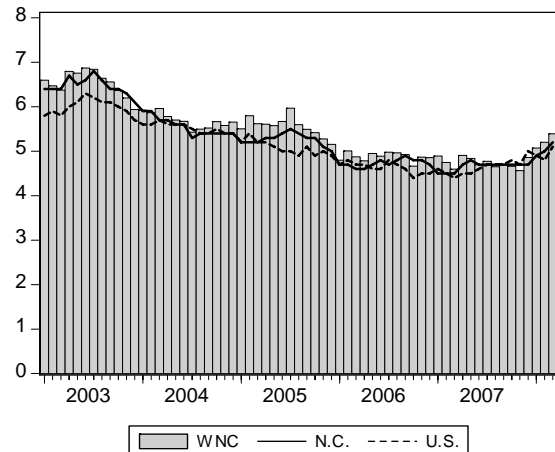
Change in Employment
from previous month



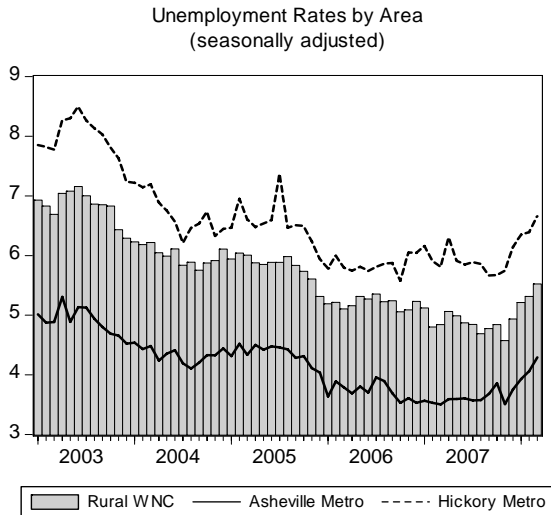
Regional unemployment was higher in March. The seasonally adjusted rate of unemployment for the region increased 0.2 percentage points to 5.4 in March.

The state unemployment rate also increased 0.2 points, registering 5.2 percent for the month. The national unemployment rate was 5.1 percent in March, up 0.3 points from the previous month.

Unemployment Rate
(seasonally adjusted)



The seasonally adjusted unemployment rate within the region's rural counties increased 0.2 points to 5.5 percent in March. Unemployment was also higher in the region's metro areas. Asheville's unemployment rate was 4.3 percent, up 0.2 points from February. The unemployment rate for Hickory-Morganton-Lenoir was 6.7 percent in March, up 0.3 points.

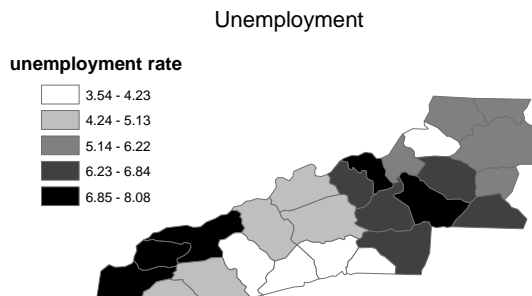


Unemployment was higher throughout the region in March. In 24 of the 25 WNC counties, seasonally adjusted unemployment increased during the month.

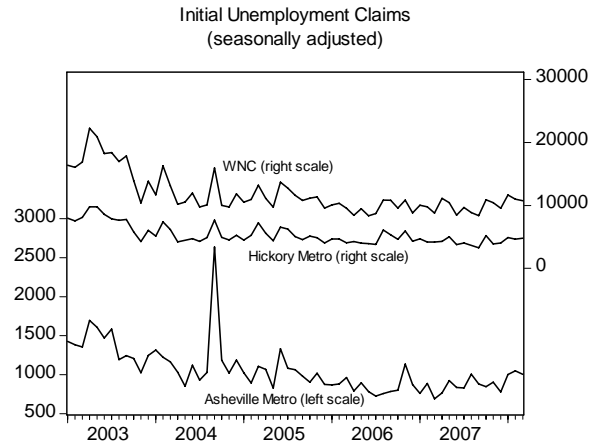
Cherokee, Graham and Alleghany counties had the largest increases in unemployment in March (0.98, 0.98 and 0.78 pts.). Madison County was the only county in the region in which unemployment fell; down 0.03 points.

Twenty-three of the 25 counties have higher unemployment rates than 12 months ago. Cherokee, Burke and Clay counties have experienced the largest increases in unemployment (2.03, 1.69 and 1.25 pts.). Rutherford and Caldwell counties are the two counties that have lower rates than 12 months ago; down 0.72 and 0.41 points, respectively.

See Table 2 for more county rates & rankings.



Seasonally adjusted initial claims for unemployment insurance in the region, a leading indicator of unemployment, fell 2.1 percent in March. Initial claims decreased 4.2 percent in Asheville, but increased 3.1 percent in Hickory-Morganton-Lenoir.



NOTES:

- (1) Except where noted, the WNC Index and Report data is seasonally adjusted to better capture and illustrate underlying economic conditions. Unadjusted data from other sources is expected to differ from the data series in this report.
- (2) The report reflects recent changes in the delineation of population centers.
- (3) Reporting of regional consumer spending has been suspended but will resume if the North Carolina Department of Revenue provides more timely reporting of the data. We opt to not forecast sales due to the series' volatility.
- (4) NOTE: manufacturing is now seasonally adjusted along with the other series.

The WNC Index and Report provides a monthly account of economic conditions for 25 counties in western North Carolina and is typically released the 5th week following each month. For more information, visit the report's website: <http://www.business.appstate.edu/economics/wncindex/index.php>

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The WNC Index and Report is a cooperative effort by AdvantageWest-North Carolina and Appalachian State University's Walker College of Business and Appalachian Regional Development Institute.



Table 1: Asheville, Hickory and Regional MSA Record

	Mar 2008	Feb 2008	Jan 2007	Dec 2007	Mar 2007	Change Last Month	Change Last Year
Asheville							
Employment	198,326	199,086	198,871	198,779	199,300	-0.4%	-0.5%
Unemployment Rate	4.3	4.1	3.9	3.8	3.5	0.2	0.8
Residential Building Permits	136	187	185	206	362	-27.3%	-62.5%
Initial Claims	971	557	571	719	670	74.3%	45.0%
Hickory-Morganton-Lenoir							
Employment	160,872	160,210	162,080	163,872	167,698	0.41%	-4.07%
Unemployment Rate	6.7	6.4	6.3	6.2	5.8	0.3	0.9
Residential Building Permits	62	104	83	99	150	-40.7%	-58.7%
Initial Claims	4,647	4,006	3,775	3,930	4,062	16.0%	14.4%
Charlotte-Gastonia-Concord							
Employment	796,874	797,373	797,427	801,460	804,475	-0.1%	-0.9%
Unemployment Rate	5.4	5.2	5.2	5.0	4.6	0.2	0.9
Raleigh-Cary							
Employment	525,171	526,165	524,365	517,355	519,678	-0.2%	1.1%
Unemployment Rate	4.2	4.0	3.9	3.7	3.5	0.2	0.6
Winston-Salem							
Employment	225,390	225,544	226,801	226,886	231,516	-0.1%	-2.6%
Unemployment Rate	5.2	4.9	4.8	4.5	4.3	0.3	0.9
Greensboro							
Employment	344,087	345,438	344,626	353,291	355,761	-0.4%	-3.3%
Unemployment Rate	5.6	5.2	5.3	4.9	4.8	0.3	0.7
Chattanooga (TN)							
Employment	250,766	250,664	251,528	252,365	253,180	0.0%	-1.0%
Unemployment Rate	5.3	5.0	4.4	4.7	3.9	0.3	1.4
Johnson City (TN)							
Employment	95,040	94,973	95,265	94,708	94,689	0.1%	0.4%
Unemployment Rate	5.2	5.0	4.8	5.0	4.4	0.1	0.8
Knoxville (TN)							
Employment	343,641	344,285	348,635	340,769	343,222	-0.2%	0.1%
Unemployment Rate	4.4	4.2	3.9	4.3	3.6	0.2	0.8
Western North Carolina							
Unemployment Rate	5.4	5.2	5.1	4.9	4.6	0.2	0.8
North Carolina							
Unemployment Rate	5.2	5.0	4.9	4.7	4.7	0.2	0.5
United States							
Unemployment Rate	5.1	4.8	4.9	5.0	4.4	0.3	0.7

NOTE1: all data are seasonally adjusted and revised each month; monetary figures are also adjusted for inflation (2004 dollars).

NOTE2: The report reflects recent changes regarding the delineation of population centers.

Table 2: WNC County Unemployment Rankings

County	Mar 2008	Rank	Feb 2008	Jan 2007	Dec 2007	Mar 2007	% Pt Change Last Month	Rank	% Pt Change Last Year	Rank
Alexander	5.92	13	5.72	5.64	5.83	5.15	0.20	10	0.77	19
Alleghany	6.23	15	5.45	5.30	5.16	5.25	0.78	23	0.98	22
Ashe	5.53	12	5.36	5.19	5.08	5.49	0.17	8	0.04	3
Avery	5.20	11	5.03	5.13	4.92	4.56	0.17	9	0.64	15
Buncombe	4.28	6	4.00	3.83	3.69	3.58	0.28	15	0.70	17
Burke	7.51	23	7.09	7.34	6.30	5.82	0.42	20	1.69	24
Caldwell	6.85	20	6.21	6.82	6.46	7.26	0.64	22	-0.41	2
Catawba	6.26	16	5.95	5.93	5.80	5.42	0.31	16	0.84	20
Cherokee	7.78	24	6.80	7.05	6.29	5.75	0.98	25	2.03	25
Clay	5.14	10	5.00	5.10	4.36	3.89	0.14	6	1.25	23
Graham	8.08	25	7.10	7.86	7.79	7.78	0.98	24	0.29	8
Haywood	4.88	9	4.46	4.39	4.23	3.92	0.42	21	0.96	21
Henderson	4.00	3	3.74	3.64	3.31	3.39	0.26	13	0.62	14
Jackson	3.93	2	3.80	3.80	3.86	3.66	0.13	4	0.27	6
Macon	4.79	8	4.63	4.38	4.28	4.40	0.15	7	0.39	9
Madison	4.78	7	4.81	4.66	4.20	4.04	-0.03	1	0.74	18
McDowell	6.34	18	5.95	5.70	5.78	5.82	0.39	18	0.52	12
Mitchell	7.15	22	6.91	6.94	7.12	6.87	0.24	12	0.28	7
Polk	4.05	4	3.84	3.81	3.85	3.52	0.21	11	0.53	13
Rutherford	6.41	19	6.14	6.09	6.11	7.13	0.27	14	-0.72	1
Swain	6.88	21	6.57	6.80	6.81	6.24	0.31	17	0.64	16
Transylvania	4.23	5	4.11	3.82	3.81	4.03	0.12	3	0.20	5
Watauga	3.54	1	3.53	3.47	3.58	3.44	0.01	2	0.11	4
Wilkes	6.22	14	6.09	5.65	5.39	5.73	0.14	5	0.49	11
Yancey	6.29	17	5.89	6.15	6.10	5.89	0.40	19	0.40	10

Asheville	4.3		4.1	3.9	3.8	3.5	0.2		0.8	
Hickory	6.7		6.4	6.3	6.2	5.8	0.3		0.9	
WNC	5.4		5.2	5.1	4.9	4.6	0.2		0.8	
NC	5.2		5.0	4.9	4.7	4.7	0.2		0.5	
US	5.1		4.8	4.9	5.0	4.4	0.3		0.7	

NOTE: all data are seasonally adjusted and revised each month using the most recent figures from government sources.

Table 3: WNC Economic Index Historic Data

Year	Month	WNC Index	Percentage Change	Unemployment Rate	Total Employment
2008	3	117.6	-0.2	5.4	587,229
2008	2	117.9	0.1	5.2	588,698
2008	1	117.8	0.1	5.1	591,329
2007	12	117.6	-0.5	4.9	590,162
2007	11	118.2	0.3	4.6	593,091
2007	10	117.8	-0.3	4.7	591,676
2007	9	118.2	0.9	4.7	593,545
2007	8	117.1	-0.2	4.6	590,300
2007	7	117.4	0.5	4.8	593,358
2007	6	116.8	0.6	4.7	595,669
2007	5	116.1	0.9	4.8	593,122
2007	4	115.0	0.0	4.9	589,094
2007	3	115.0	0.0	4.6	593,665
2007	2	115.1	0.1	4.7	593,662
2007	1	115.0	-0.2	4.9	592,209
2006	12	115.2	0.3	4.9	594,925
2006	11	114.9	0.0	4.9	594,106
2006	10	114.9	0.7	4.7	593,007
2006	9	114.1	0.2	4.9	587,911
2006	8	113.9	-0.1	5.0	587,511
2006	7	114.0	-0.2	5.0	587,765
2006	6	114.2	0.5	4.9	587,152
2006	5	113.6	0.4	4.9	584,950
2006	4	113.2	0.0	4.8	583,775
2006	3	113.1	0.5	4.9	581,159
2006	2	112.6	0.7	5.0	580,385
2006	1	111.8	-0.1	4.8	578,703
2005	12	111.9	0.2	5.2	578,707
2005	11	111.7	-0.1	5.3	576,818
2005	10	111.8	0.1	5.4	577,150
2005	9	111.7	0.1	5.5	576,710
2005	8	111.6	0.4	5.6	576,100
2005	7	111.2	0.4	6.0	574,395
2005	6	110.7	0.2	5.7	572,552
2005	5	110.5	0.4	5.6	573,683
2005	4	110.0	0.0	5.6	573,332
2005	3	110.0	0.5	5.6	574,461
2005	2	109.4	0.2	5.8	572,803
2005	1	109.3	0.3	5.5	572,849
2004	12	108.9	0.2	5.7	571,414
2004	11	108.7	0.4	5.6	570,272
2004	10	108.3	0.2	5.7	568,680
2004	9	108.1	-0.1	5.5	569,707
2004	8	108.3	-0.1	5.5	572,193
2004	7	108.4	0.5	5.4	574,766
2004	6	107.8	0.6	5.7	570,999

NOTE: all data are seasonally adjusted and revised each month.