

# economic indicators

department of financial services

gwinnettcountry

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## Leading Economic Index Drops Due to Sharp Decline in Single-Family Building Permits and an Increase in Initial Unemployment Claims

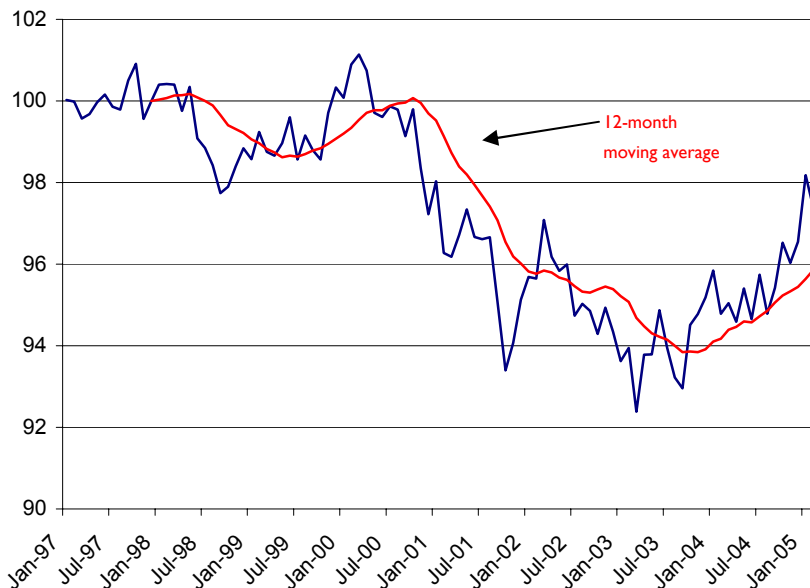
The **Gwinnett County Index of Leading Economic Indicators** declined slightly February, as four of the five leading indicators deteriorated during the month. However, since our last *Economic Indicators* newsletter, the index is up 1.4 percent. For the twelve months ending in February 2005, the Leading Index is up 2.7 percent.

The leading index, which is designed to forecast the county's economic performance 3 to 6 months in advance, has been above the 12-month moving average for 16 of the last 17 months. This is significant because if the index is consistently above this average the local economy is likely to enter or continue a period of economic growth (Figure 1).

As mentioned, four of the five leading indicators declined in February. The largest decline was in single-family permits which fell 20.1 percent from January (seasonally adjusted). However, on a year-to-date basis, through February, single-family permits are up 2.2 percent over last year (Figure 2).

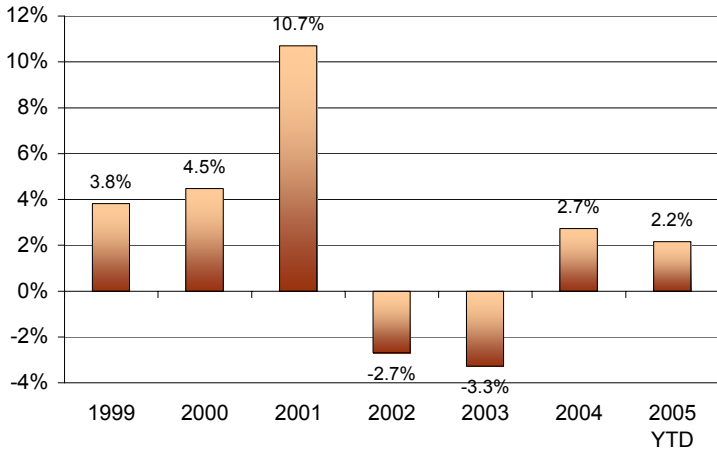
An increase in the number of initial claims for unemployment insurance also contributed to the decline in the leading index. However, as with building permits, the year-to-date situation is much more encouraging. While claims did rise in February on a seasonally adjusted basis, for the first two months of the year the seasonally adjusted monthly average is down significantly from the more than 2,000 per month the county experienced last year (Figure 3).

**Figure 1: Gwinnett County Leading Economic Index (1997 = 100)**

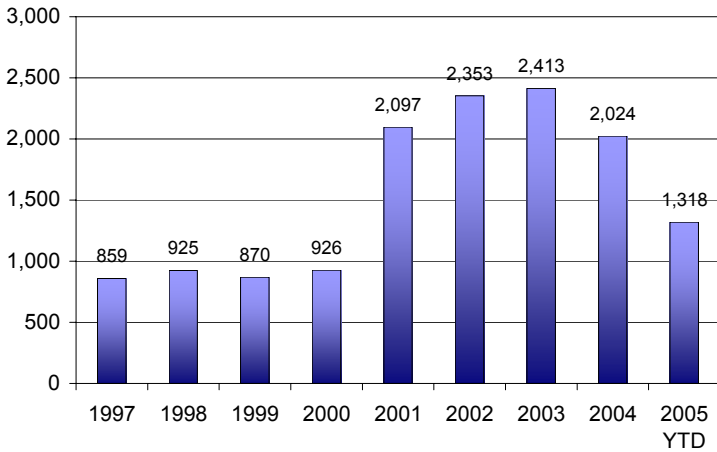


<b>Leading Index Components:</b>		<b>Feb-05</b>
Initial Unemployment Claims	Up ↑	18.8%
Gwinnett Stock Index	Down ↓	-0.3%
Consumer Expectations	Up ↑	6.2%
Manufacturing Weekly Hours	Down ↓	-0.8%
Single Family Building Permits	Down ↓	-20.1%
<b>Leading Economic Index</b>	<b>Down ↓</b>	<b>-0.8%</b>
<b>12-Month Change</b>	<b>Up ↑</b>	<b>2.7%</b>

**Figure 2: Single-Family Building Permits (Seasonally Adjusted Annual Rate)**



**Figure 3: Initial Unemployment Claims (Monthly Average; Seasonally Adjusted)**



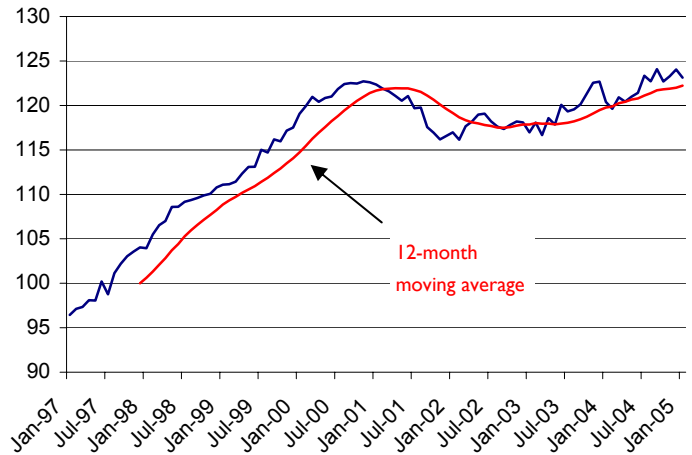
**Current Economic Indicators**

The **Gwinnett County Index of Current Economic Indicators** declined slightly in January as three of the four indicators declined. However, since the last *Economic Indicators* newsletter, the index is up 0.4 percent, and for the twelve months ending in January 2005, the Current Index is up 2.3 percent.

The Current Index, which is designed to track the current state of the Gwinnett County economy, has been above the 12-month moving average for 19 of the past 20 months. This is significant because if the index is consistently above

this average, then the economy is likely experiencing a period of economic growth (Figure 4).

**Figure 4: Gwinnett Current Economic Index (1997 = 100)**



The largest single contributor to the January decline was sales tax collections which dropped from an all-time high of nearly \$12.8 million in December 2004 to \$10.7 million in January 2005 — a drop of more than \$2 million. Although December is usually high due to Christmas, adjusted for seasonality and inflation, collections still dropped 7.5 percent in January.

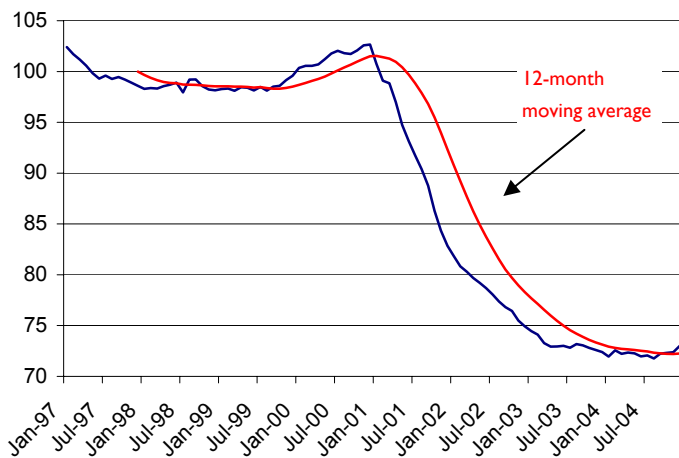
It should be noted that the components of the current index have changed slightly. Previously the tourism sector was represented in the Current Index with Hotel/Motel tax receipts. However, due to various data collection issues, a new indicator — Hotel/Motel Occupancy (as measured by room nights) — has replaced tax receipts as the measure of the tourism sector in the index. This measure should provide a more accurate picture of current economic activity in this sector.

**Lagging Economic Indicators**

The **Gwinnett County Index of Lagging Economic Indicators** rose slightly in December as three of the four indicators improved. Since the last *Economic Indicators* newsletter, the index is up 1.0 percent, and for the twelve months ending in December 2004, the Lagging Index is up 0.8 percent — the first year-over-year increase in 4 years.

The Lagging Index, which is designed to confirm turns in the Gwinnett County economy, was above the 12-month moving average for the final 3 months of 2004. However, prior to that, it was below the average for 45 months. This shift is significant because even though the other economic indices have turned positive, the lagging index confirms a turn in the local economy. If this trend continues, it would appear that the Gwinnett economy has moved into a period of economic recovery (Figure 5).

**Figure 5: Gwinnett Lagging Economic Index (1997 = 100)**



### Employment Data – 2<sup>nd</sup> Quarter 2004

The Georgia Department of Labor has released employment data for the second quarter of 2004. During the quarter, Gwinnett County employment grew 0.5 percent adding more than 1,500 jobs during the quarter. However, as has been the trend over the past several years, the job growth is in low-wage service sectors, while the manufacturing sector continues to shed jobs. For the quarter, manufacturing was down another 3.1 percent, while service producing sectors were up 0.9 percent.

When compared to the same quarter a year ago, employment in Gwinnett is up 4.8 percent, or nearly 14,000 jobs. Again, however, most of that growth can be contributed to “population related” sectors that have relatively lower wages than manufacturing, which lost 1,400 jobs during the same period. Examples of sectors that added significant employment over the 12-months include construction, local government, hospitality (accommodation

and food services), management services, and “support services” which includes a broad range of services such as employment agencies, call centers, travel agencies, landscaping, and waste collection.

### Top 15 Employers in 2005

For the past two years, the March issue of the *Economic Update* has updated a list of the top 15 employers in Gwinnett County. Through the use of public and private databases, several companies are identified as possible suspects. Follow-up telephone calls are made to confirm the level of employment at each company. Based on the results of those phone calls, an updated list is compiled and is presented on page 6 of this report.

New to the list this year are Kroger, the Atlanta-Journal Constitution (AJC), and CheckFree. Kroger had not provided the information in the past, but should have been on the list. In addition, this year the AJC provided full-time equivalents (FTE) for their part-time employees, so they made the list, and like Kroger, probably should have been on the list last year. Therefore, only CheckFree is a true new addition to the list as they have added significant employment over the year, and are now the 15<sup>th</sup> largest employer in the county.

### Index Revisions

One final note about the annual updates and revisions to the index. In the first quarter of every year, economic data for previous years are often revised and/or benchmarked by the collecting government agency. In addition, new seasonal factors are estimated on an annual basis to accurately reflect the seasonal patterns of the past several years. Since the economic indices presented here are based on these data, these indices reflect the revisions in these data. Therefore, any historical information provided in this report may not match previously reported data. Further, not all data revisions have been completed, so further adjustments to the indices may appear in the June issue of the *Economic Update*.

~ Alfie Meek  
 Director  
 Forecasting & Research Division

	2nd Quarter 2003	1st Quarter 2004	2nd Quarter 2004	Quarterly Growth	Y-Y Growth
<b>Goods Producing</b>	<b>47,444</b>	<b>47,329</b>	<b>47,160</b>	<b>-0.4%</b>	<b>-0.6%</b>
Agriculture, Forestry, & Fishing (11)	285	207	288	39.1%	1.1%
Mining (21)	176	164	166	1.2%	-5.7%
Construction (23)	21,226	21,817	22,338	2.4%	5.2%
Manufacturing (31-33)	25,757	25,141	24,368	-3.1%	-5.4%
Food Manufacturing (311)	1,310	1,944	1,388	-28.6%	6.0%
Beverage & Tobacco Manufacturing (312)	34	22	*	*	*
Textile Mills (313)	31	61	59	-3.3%	90.3%
Textile Product Mills (314)	356	299	300	0.3%	-15.7%
Apparel Manufacturing (315)	231	267	273	2.2%	18.2%
Leather & Allied Product Manufacturing (316)	31	*	*	*	*
Wood Product Manufacturing (321)	794	1,104	1,131	2.4%	42.4%
Paper Manufacturing (322)	854	745	736	-1.2%	-13.8%
Printing and Related Activities (323)	2,236	2,281	2,229	-2.3%	-0.3%
Petroleum and Coal Products Manufacturing (324)	86	91	86	-5.5%	0.0%
Chemical Manufacturing (325)	1,200	1,101	1,061	-3.6%	-11.6%
Plastics & Rubber Products Manufacturing (326)	1,323	1,374	1,409	2.5%	6.5%
Nonmetallic Mineral Product Manufacturing (327)	677	759	803	5.8%	18.6%
Primary Metal Manufacturing (331)	242	*	*	*	*
Fabricated Metal Manufacturing (332)	1,690	1,741	1,724	-1.0%	2.0%
Machinery Manufacturing (333)	1,590	1,566	1,488	-5.0%	-6.4%
Computer & Electronic Product Manufacturing (334)	5,497	5,368	5,430	1.2%	-1.2%
Electrical Equipment/Appliance (335)	1,831	1,452	1,361	-6.3%	-25.7%
Transportation Equipment (336)	1,429	636	618	-2.8%	-56.8%
Furniture and Related Products Manufacturing (337)	902	1,059	1,054	-0.5%	16.9%
Miscellaneous Manufacturing Industries (339)	3,413	3,091	3,059	-1.0%	-10.4%
<b>Service Producing</b>	<b>214,693</b>	<b>223,224</b>	<b>225,196</b>	<b>0.9%</b>	<b>4.9%</b>
Wholesale Trade (42)	30,184	30,701	30,694	0.0%	1.7%
Retail Trade (44-45)	42,280	42,035	41,587	-1.1%	-1.6%
Transportation and Warehousing (48-49)	4,853	4,780	4,849	1.4%	-0.1%
Utilities	431	436	443	1.6%	2.8%
Information (51)	11,355	11,513	11,948	3.8%	5.2%
Finance and Insurance (52)	15,130	15,086	15,273	1.2%	0.9%
Real Estate and Rental and Leasing (53)	4,688	4,872	5,087	4.4%	8.5%
Professional, Scientific/Technical Services (54)	18,042	19,184	18,905	-1.5%	4.8%
Management: Companies/Enterprises (55)	4,690	5,631	5,730	1.8%	22.2%
Administrative, Support, and Waste Mgt. Services (56)	30,205	33,394	34,973	4.7%	15.8%
Educational Services (61)	2,227	2,564	2,619	2.1%	17.6%
Health Care and Social Services (62)	17,813	17,900	17,891	-0.1%	0.4%
Arts, Entertainment, and Recreation (71)	2,266	2,178	2,357	8.2%	4.0%
Accommodation and Food Services (72)	23,228	25,005	24,968	-0.1%	7.5%
Other Services (81)	7,301	7,945	7,872	-0.9%	7.8%
<b>Unclassified (industry not assigned)</b>	<b>913</b>	<b>593</b>	<b>497</b>	<b>-16.2%</b>	<b>-45.6%</b>
<b>Total Private Employment</b>	<b>263,050</b>	<b>271,146</b>	<b>272,853</b>	<b>0.6%</b>	<b>3.7%</b>
Federal	3,042	3,004	3,026	0.7%	-0.5%
State	1,935	1,879	1,944	3.5%	0.5%
Local	20,519	24,831	24,553	-1.1%	19.7%
<b>Total Government Employment</b>	<b>25,496</b>	<b>29,714</b>	<b>29,523</b>	<b>-0.6%</b>	<b>15.8%</b>
<b>TOTAL GWINNETT EMPLOYMENT (JOBS)</b>	<b>288,546</b>	<b>300,860</b>	<b>302,376</b>	<b>0.5%</b>	<b>4.8%</b>

\* Denotes confidential data relating to individual employers which cannot be released.

Source: Georgia Department of Labor. Data represent jobs covered by unemployment insurance legislation.

## Gwinnett County, Georgia Business Cycle Indicators March, 2005

<b>Gwinnett County Economic Indices:</b>	<b>Feb-05</b>	<b>Jan-05</b>	<b>Dec-04</b>	<b>Nov-04</b>	<b>Oct-04</b>
Leading Economic Index (1997 = 100)	97.38	98.18	96.55	96.03	96.53
Current Economic Index (1997 = 100)	-	123.13	124.05	123.29	122.70
Lagging Economic Index (1997 = 100)	-	-	72.99	72.37	72.31

<b>Gwinnett County Leading Economic Index</b>	<b>Feb-05</b>	<b>Jan-05</b>	<b>Feb-04</b>	<b>Jan-05 to Feb-05</b>	<b>Feb-04 to Feb-05</b>
Leading Economic Index (1997=100)	97.38	98.18	94.78	-0.8%	2.7%
<b>Components:</b>					
Initial Unemployment Claims (Seasonally Adjusted)	1,432	1,205	2,057	18.8%	-30.4%
<i>Initial Unemployment Claims (Unadjusted)</i>	1,599	1,888	2,233	-15.3%	-28.4%
Bloomberg Gwinnett Stock Index (12/31/97 = 100)	79.56	79.82	75.62	-0.3%	5.2%
South Atlantic Consumer Expectations	109.2	102.8	105.3	6.2%	3.7%
Atlanta Manufacturing Average Weekly Hours (Seasonally Adjusted)	39.1	39.5	35.0	-0.8%	12.0%
<i>Atlanta Manufacturing Average Weekly Hours (Unadjusted)</i>	38.4	39.0	34.3	-1.5%	12.0%
New Single Family Building Permits (Seasonally Adjusted)	622	778	600	-20.1%	3.6%
<i>New Single Family Building Permits (Unadjusted)</i>	634	670	616	-5.4%	2.9%

<b>Gwinnett County Current Economic Index *</b>	<b>Jan-05</b>	<b>Dec-04</b>	<b>Jan-04</b>	<b>Dec-04 to Jan-05</b>	<b>Jan-04 to Jan-05</b>
Current Economic Index (1997=100)	123.13	124.05	120.40	-0.7%	2.3%
<b>Components:</b>					
Sales Tax Receipts (Constant 1982-84 \$'s; Ths., Seasonally Adj.)	\$7,628.2	\$8,244.0	\$7,947.2	-7.5%	-4.0%
<i>Sales Tax Receipts (Current \$'s, Ths., Unadjusted)</i>	\$10,651.3	\$12,756.4	\$10,981.2	-16.5%	-3.0%
Household Employment (Seasonally Adjusted)	370,255	369,223	366,935	0.3%	0.9%
<i>Household Employment (Unadjusted)</i>	368,241	372,025	364,939	-1.0%	0.9%
South Atlantic Consumer Confidence (Present Situation)	132.0	135.8	106.6	-2.8%	23.8%
Hotel/Motel Occupancy - Room Nights (Ths., Seasonally Adj.)	184.8	190.4	176.8	-2.9%	4.5%
<i>Hotel/Motel Occupancy - Room Nights (Ths., Unadjusted)</i>	166.7	159.8	161.8	4.3%	3.0%

\* (Data for the Current Index is one month behind due to the lag in getting sales tax receipts)

<b>Gwinnett County Lagging Economic Index **</b>	<b>Dec-04</b>	<b>Nov-04</b>	<b>Dec-03</b>	<b>Nov-04 to Dec-04</b>	<b>Dec-03 to Dec-04</b>
Lagging Economic Index (1997=100)	72.99	72.37	72.40	0.9%	0.8%
<b>Components:</b>					
Average Duration of Unemployment Benefits (Weeks, Seasonally Adjusted)	14.51	14.77	15.17	-1.8%	-4.3%
<i>Average Duration of Unemployment Benefits (Weeks, Unadjusted)</i>	14.50	14.80	15.20	-2.0%	-4.6%
Prime Rate Charged by Banks	5.14	4.93	4.00	4.3%	28.4%
Unemployment Rate (Seasonally Adjusted)	4.2%	4.1%	3.6%	0.1%	0.6%
<i>Unemployment Rate (Unadjusted)</i>	3.9%	3.9%	3.4%	0.1%	0.6%
Bankruptcies (Number, 12-month ending)	4,836	4,905	4,765	-1.4%	1.5%

\*\* (Data for the Lagging Index is one quarter behind due to the lag in getting bankruptcy data)

### Top Employers in 2005

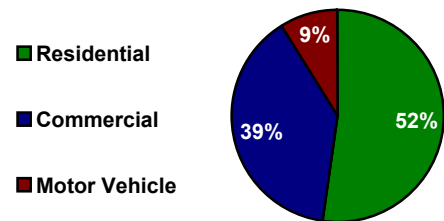
1 Gwinnett County Public Schools	17,697
2 Gwinnett County Government	4,391
3 Gwinnett Health Care System	3,959
4 WalMart	3,067
5 Publix *	2,847
6 United States Postal Service	2,442
7 State of Georgia	2,055
8 Primerica	1,650
9 Scientific-Atlanta	1,548
10 Kroger *	1,484
11 Home Depot **	1,112
12 Waffle House	1,066
13 Atlanta Journal Constitution *	972
14 Emory Eastside Medical Center *	843
15 CheckFree	810



### GWINNETT COUNTY, GEORGIA

2000-2003 U.S. COUNTY POPULATION GROWTH RANK:	55
2003 U.S. COUNTY POPULATION NUMBER RANK:	82
1 = fastest/largest      3,141 = slowest/smallest	

### NET TAXABLE DIGEST: \$21.7 B



Source: Calls to individual companies in March '05.

\* Full-time equivalents (FTEs)

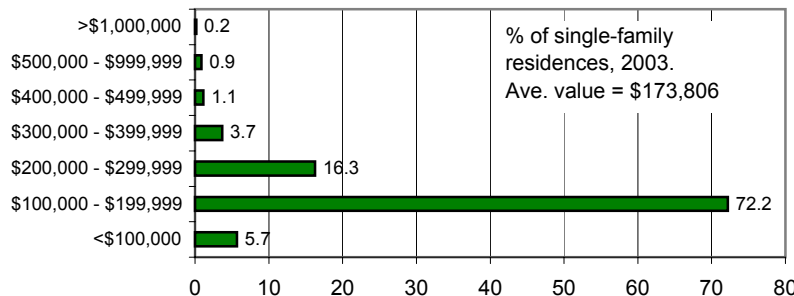
\*\* Based on business license data.

Source: Gwinnett County Tax Commissioner, 2004 Final Tax Digest.

Indicators	1997	1998	1999	2000	2001	2002	2003	2004
Total Employment (Jobs)	235,293	253,781	266,087	282,229	289,600	288,969	291,860	-
% change	6.2	7.9	4.8	6.1	2.6	(0.2)	1.0	-
Unemployment Rate	2.6	2.5	2.4	2.2	2.8	4.5	4.1	3.9
Total Personal Income (\$Bil)	14.2	15.6	17.1	19.0	19.4	19.6	-	-
% change	8.5	10.0	9.6	11.2	2.0	0.9	-	-
Sales Tax Revenue (\$Mil)	58.7	97.7	109.6	119.7	120.8	119.6	119.8	131.8
Population	516,032	540,954	567,569	596,457	623,721	648,789	673,345	697,455
Single-Family Permits	5,819	6,967	7,301	7,597	8,440	8,201	7,915	8,199
Median Existing Home Price (\$Ths)	119.5	127.8	135.8	144.6	153.1	159.9	164.3	169.0
Mortgage Originations (\$Mil)	2,317	4,039	3,361	3,161	7,070	8,848	11,005	7,503
Net Migration (000)	20.6	18.6	19.9	21.1	18.4	16.4	16.0	-
Personal Bankruptcies	2,732	2,713	2,676	2,667	3,313	4,044	4,553	4,513

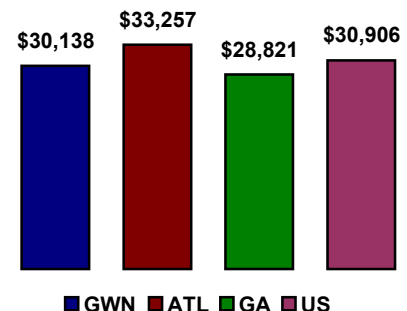
Source: Gwinnett County; Georgia Dept. of Labor; U.S. District Courts; Bureau of Economic Analysis; U.S. Census Bureau; and Economy.com

### HOUSE VALUE DISTRIBUTION



Source: Gwinnett County Tax Assessor.

### 2002 PER CAPITA INCOME



Source: Bureau of Economic Analysis, 2002.