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Leading Economic Index Climbs as Consumer Expectations Rise; Current Economic Index Increases; Weak Local Labor Market Persists

The **Gwinnett County Index of Leading Economic Indicators** inched up 0.3 percent in March to 90.88, as two of the four of the indicators improved (Figure 1). For the twelve months ending in March, the Leading Index is up 8.0 percent.

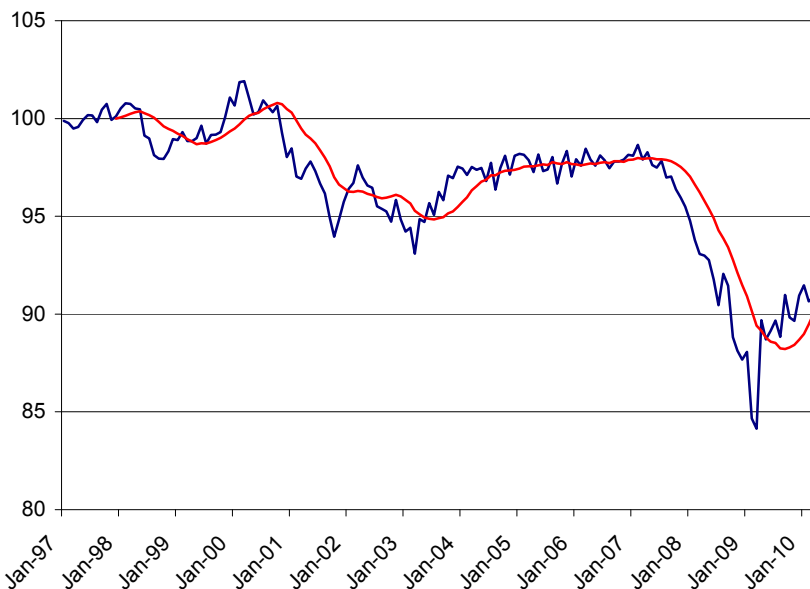
The Leading Index, which is designed to forecast the county's economic performance 6 to 9 months in advance, has been above the 12-month moving average for the past ten months. This is significant because if the index is consistently above this average the local economy is likely to enter or continue a period of economic growth

As mentioned, half of the leading indicators improved in March. The largest increase was in Consumer Expectations

which rose 23.6 percent from February (seasonally adjusted). On a year-to-date basis, through March, Consumer Expectations are up 156.2 percent over last year

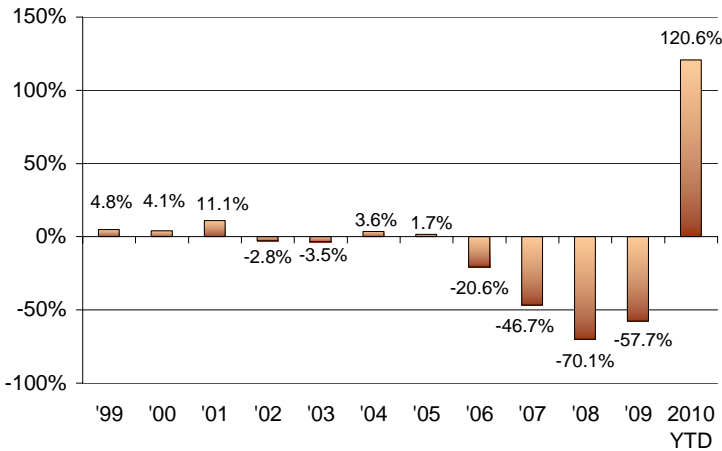
Although Single Family Building Permits are down 39.9 percent from the previous month, the year-to-date situation is much more encouraging. While still low compared to historical data, so far in 2010 the seasonally adjusted monthly average is 120.6 percent higher than the 2009 monthly average (Figure 2). Compared to the same month last year, seasonally adjusted permits are up 326.3 percent. However, it is important to note that last March only 13 single-family building permits were issued...an all-time low for as long as we have records.

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



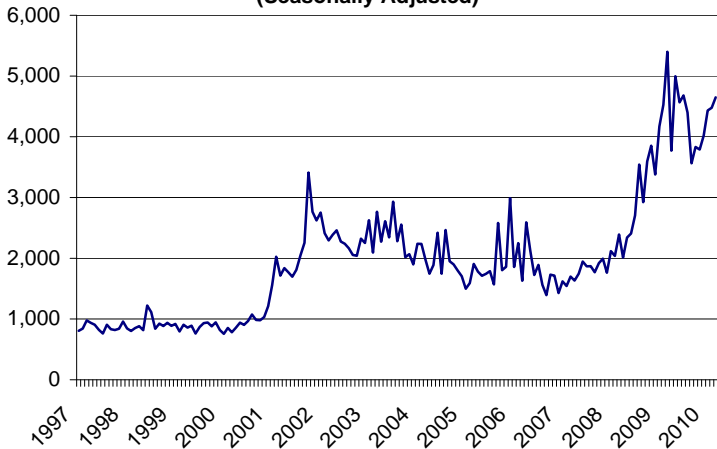
<u>Leading Index Components:</u>			<u>Mar-10</u>
Initial Unemployment Claims	Up	↑	3.8%
Gwinnett Stock Index	Up	↑	11.5%
Consumer Expectations	Up	↑	23.6%
Single Family Building Permits	Down	↓	-39.9%
Leading Economic Index	Up	↑	0.3%
12-Month Change	Up	↑	8.0%

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



The local labor market continues to post weak results. The unemployment rate is up to 9.8 percent (seasonally adjusted); almost a percentage point and a half higher than it was a year ago. In addition, initial unemployment claims are up 3.8 percent and have increased each month since November 2009 (seasonally adjusted). One positive note is that initial claims have improved compared to the same month a year ago dropping almost 14 percent on a seasonally adjusted basis (Figure 3).

Figure 3: Gwinnett County Initial Unemployment Claims
(Seasonally Adjusted)

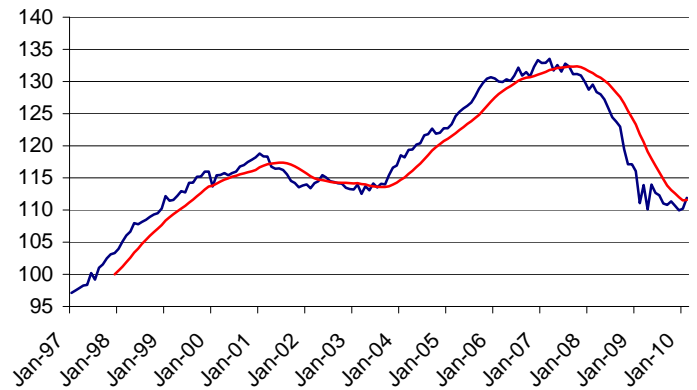


Current Economic Indicators

The **Gwinnett County Index of Current Economic Indicators** rose 1.5 percent in February to 111.89 as all four indicators strengthened. For the twelve months ending in February 2010, the Current Index is up 0.7 percent. After spending **thirty consecutive months** below, the Current

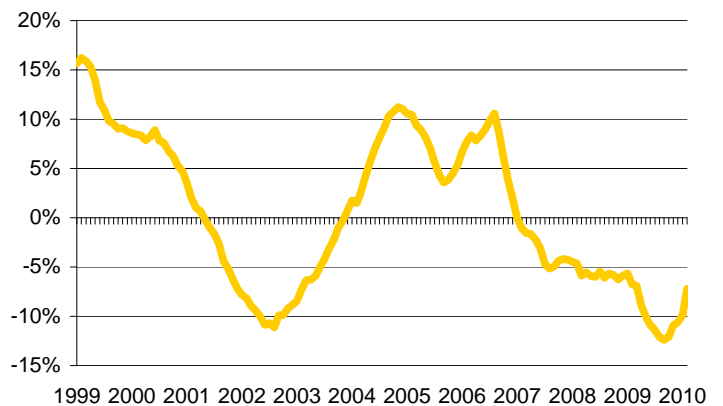
Index, which is designed to track the current state of the Gwinnett County economy, is finally above the 12 month moving average. As with the Leading Index, this is significant because if the index is consistently above or below this average, it is a signal that the economy is currently headed in one direction or the other (Figure 4).

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



One of the biggest contributors to the Current Index was the tourism/hospitality sector as measured by the number of room nights logged in local hotels. February posted a monthly increase of almost 11 percent on a seasonally adjusted basis. Seasonally adjusted, the monthly average number of room nights, which has increased for the past five months, is up 1.5 percent from January 2010. Compared to last year, room nights are 20 percent higher (seasonally adjusted) (Figure 5).

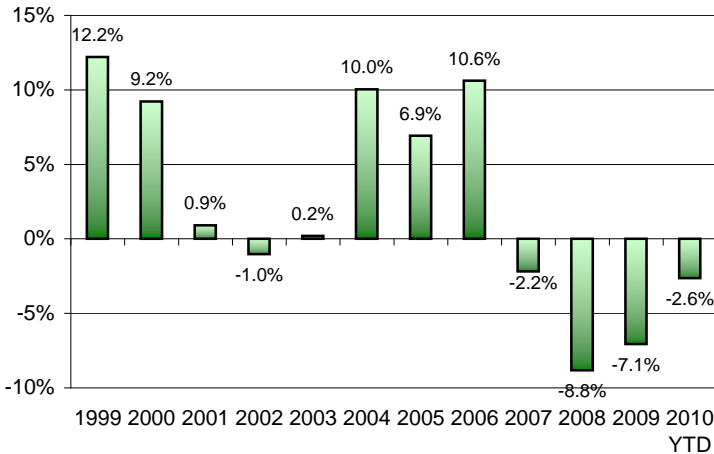
Figure 5: Hotel/Motel Occupancy
(Y-Y Change in Average # of Room Nights)



While still underperforming compared to previous years, Sales tax revenues increased 5.4 percent from January (seasonally

adjusted). So far in 2010, seasonally adjusted average monthly collections are down 2.6 percent from 2009. As can be seen in Figure 6, the rate at which average monthly SPLOST collections are falling is gradually beginning to slow. Sales tax revenues have increased almost 32% since the same month a year ago. To a certain extent, this large year-over-year increase is a result of the lower than normal amount of collections distributed last February, which the Georgia Department of Revenue attributed partly to the process timing of electronically filed collections.

Figure 6: Gwinnett County SPLOST (Y-Y Change in Monthly Collections)

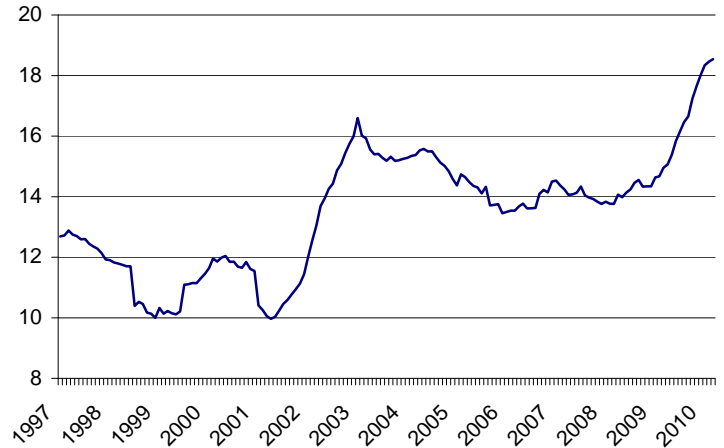


Commentary

It has been nearly a year since we last published the *Gwinnett Economic Indicators*. Last June we said that unemployment, job losses, foreclosures, and interest rates, a weak dollar, and inflation would dominate the economy for the next 6-12 months. For that prediction, we are batting about .750. Unemployment continues to rise, although at this point it may be from an expanding labor force as once discouraged job seekers look to re-enter the labor market. However, locally, the jobs are not there. The latest data from the Department of Labor shows some growth in low-wage sectors, but high- and average-wage jobs continue to drop sharply. Further, despite the improvement from last year's extreme highs, initial claims for unemployment are up for the fourth consecutive month (seasonally adjusted) and the average amount of time a Gwinnett resident remains unemployed continues to rise and now stands at nearly 18.5

weeks (Figure 7). Clearly the local labor market has NOT recovered.

Figure 7: Gwinnett Duration of Unemployment (Number of Weeks; Seasonally Adjusted)



In addition to the labor market, the real estate sector remains a major local concern. Advertised foreclosures continue to set all-time highs, while at the same time, single-family building permits are on the rise. Some of this may be driven by demand, but it appears much of it is speculative. Also, commercial properties are dropping in value, putting extreme pressure on rents, commercial banks, and the tax digest. Nationally, house prices just posted their first year-over-year improvement in quite some time, but locally, both residential and commercial prices continue to fall.

In conclusion, many components of the index, as well as the index itself are improving. However, that improvement is relative – things were so bad last year that any improvement is seen as significant. However, the real test of an improving economy will be more Gwinnett citizens going back to work and the value of their homes begin to stabilize.

~ Alfie Meek, Ph.D.
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	3rd Quarter 2008	2nd Quarter 2009	3rd Quarter 2009	Quarterly Growth	Y-Y Growth	Y-Y Jobs
Goods Producing	47,255	41,260	39,443	-4.4%	-16.5%	(7,812)
Agriculture, Forestry, & Fishing (11)	191	196	204	4.1%	6.8%	13
Mining (21)	*	*	*	*	*	*
Construction (23)	21,955	17,940	16,893	-5.8%	-23.1%	(5,062)
Manufacturing (31-33)	24,988	23,017	22,243	-3.4%	-11.0%	(2,745)
Food Manufacturing (311)	1,731	1,611	1,614	0.2%	-6.8%	(117)
Beverage & Tobacco Manufacturing (312)	*	*	12	*	*	*
Textile Mills (313)	112	49	57	16.3%	-49.1%	(55)
Textile Product Mills (314)	485	367	356	-3.0%	-26.6%	(129)
Apparel Manufacturing (315)	108	98	109	11.2%	0.9%	1
Leather & Allied Product Manufacturing (316)	*	*	*	*	*	*
Wood Product Manufacturing (321)	621	455	436	-4.2%	-29.8%	(185)
Paper Manufacturing (322)	964	942	928	-1.5%	-3.7%	(36)
Printing and Related Activities (323)	2,521	2,410	2,372	-1.6%	-5.9%	(149)
Petroleum and Coal Products Manufacturing (324)	94	87	83	-4.6%	-11.7%	(11)
Chemical Manufacturing (325)	1,554	1,559	1,536	-1.5%	-1.2%	(18)
Plastics & Rubber Products Manufacturing (326)	1,452	1,243	1,133	-8.8%	-22.0%	(319)
Nonmetallic Mineral Product Manufacturing (327)	1,200	911	866	-4.9%	-27.8%	(334)
Primary Metal Manufacturing (331)	176	145	143	*	*	*
Fabricated Metal Manufacturing (332)	2,244	1,924	1,890	-1.8%	-15.8%	(354)
Machinery Manufacturing (333)	1,715	1,489	1,449	-2.7%	-15.5%	(266)
Computer & Electronic Product Manufacturing (334)	5,408	5,080	5,010	-1.4%	-7.4%	(398)
Electrical Equipment/Appliance (335)	1,492	1,662	1,631	-1.9%	9.3%	139
Transportation Equipment (336)	539	476	479	*	*	*
Furniture and Related Products Manufacturing (337)	1,063	1,137	811	-28.7%	-23.7%	(252)
Miscellaneous Manufacturing Industries (339)	1,441	1,298	1,267	-2.4%	-12.1%	(174)
Service Producing	234,807	219,119	219,558	0.2%	-6.5%	(15,249)
Wholesale Trade (42)	32,186	29,364	28,650	-2.4%	-11.0%	(3,536)
Retail Trade (44-45)	46,826	43,884	43,358	-1.2%	-7.4%	(3,468)
Transportation and Warehousing (48-49)	5,858	5,215	5,279	1.2%	-9.9%	(579)
Utilities	517	523	514	-1.7%	-0.6%	(3)
Information (51)	9,637	8,867	8,620	-2.8%	-10.6%	(1,017)
Finance and Insurance (52)	15,331	14,998	14,899	-0.7%	-2.8%	(432)
Real Estate and Rental and Leasing (53)	5,562	5,142	4,932	-4.1%	-11.3%	(630)
Professional, Scientific/Technical Services (54)	24,321	23,143	22,141	-4.3%	-9.0%	(2,180)
Management: Companies/Enterprises (55)	6,177	5,677	5,681	0.1%	-8.0%	(496)
Administrative, Support, and Waste Mgt. Services (56)	26,870	21,561	25,029	16.1%	-6.9%	(1,841)
Educational Services (61)	2,931	3,227	3,184	-1.3%	8.6%	253
Health Care and Social Services (62)	21,697	22,282	22,270	-0.1%	2.6%	573
Arts, Entertainment, and Recreation (71)	2,543	2,729	2,682	-1.7%	5.5%	139
Accommodation and Food Services (72)	26,557	24,875	24,570	-1.2%	-7.5%	(1,987)
Other Services (81)	7,794	7,632	7,749	1.5%	-0.6%	(45)
Unclassified (industry not assigned)	254	425	563	32.5%	121.7%	309
Total Private Employment	282,316	260,804	259,564	-0.5%	-8.1%	(22,752)
Federal	2,978	3,082	2,891	-6.2%	-2.9%	(87)
State	2,444	2,480	2,561	3.3%	4.8%	117
Local	29,167	29,846	28,863	-3.3%	-1.0%	(304)
Total Government Employment	34,589	35,408	34,315	-3.1%	-0.8%	(274)
TOTAL GWINNETT EMPLOYMENT (JOBS)	316,904	296,213	293,880	-0.8%	-7.3%	(23,024)

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

Totals may not add due to rounding.

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

Gwinnett County, Georgia Business Cycle Indicators April, 2010

Gwinnett County Economic Indices:	Mar-10	Feb-10	Jan-10	Dec-09	Nov-09
Leading Economic Index (1997 = 100)	90.88	90.65	91.47	90.94	89.65
Current Economic Index (1997 = 100)	-	111.89	110.20	109.97	110.67
Lagging Economic Index (1997 = 100)	73.92	74.37	74.95	74.65	74.83

Gwinnett County Leading Economic Index	Mar-10	Feb-10	Mar-09	Feb-10 to Mar-10	Mar-09 to Mar-10
Leading Economic Index (1997=100)	90.88	90.65	84.14	0.3%	8.0%
Components:					
Initial Unemployment Claims (Seasonally Adjusted)	4,648	4,476	5,400	3.8%	-13.9%
<i>Initial Unemployment Claims (Unadjusted)</i>	4,298	4,385	4,644	-2.0%	-7.5%
Bloomberg Gwinnett Stock Index (12/31/97 = 100)	107.74	96.64	73.89	11.5%	45.8%
South Atlantic Consumer Expectations (Seasonally Adjusted)	76.8	62.1	30.0	23.6%	156.2%
New Single Family Building Permits (Seasonally Adjusted)	57	95	13	-39.9%	326.3%
<i>New Single Family Building Permits (Unadjusted)</i>	67	82	15	-18.3%	346.7%

Gwinnett County Current Economic Index *	Feb-10	Jan-10	Feb-09	Jan-10 to Feb-10	Feb-09 to Feb-10
Current Economic Index (1997=100)	111.89	110.20	111.09	1.5%	0.7%
Components:					
Sales Tax Receipts (Constant 1982-84 \$'s; Ths., Seasonally Adj.)	\$11,433.4	\$10,850.6	\$8,672.6	5.4%	31.8%
<i>Sales Tax Receipts (Current \$'s, Ths., Unadjusted)</i>	\$10,914.7	\$10,006.6	\$7,901.9	9.1%	38.1%
Household Employment (Seasonally Adjusted)	369,364	368,964	387,787	0.1%	-4.8%
<i>Household Employment (Unadjusted)</i>	367,405	367,905	385,730	-0.1%	-4.8%
South Atlantic Consumer Confidence (Present Situation; Seasonally Adj.)	20.0	19.9	14.7	0.7%	36.3%
Hotel/Motel Occupancy - Room Nights (Ths., Seasonally Adj.)	193.0	174.0	160.9	10.9%	20.0%
<i>Hotel/Motel Occupancy - Room Nights (Ths., Unadjusted)</i>	176.3	156.8	147.0	12.4%	20.0%

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

Gwinnett County Lagging Economic Index **	Mar-10	Feb-10	Mar-09	Feb-10 to Mar-10	Mar-09 to Mar-10
Lagging Economic Index (1997=100)	73.92	74.37	75.94	-0.6%	-2.7%
Components:					
Average Duration of Unemployment Benefits (Weeks, Seasonally Adjusted)	18.54	18.46	14.95	0.5%	24.0%
<i>Average Duration of Unemployment Benefits (Weeks, Unadjusted)</i>	18.60	18.50	15.00	0.5%	24.0%
Prime Rate Charged by Banks	3.25	3.25	3.25	0.0%	0.0%
Unemployment Rate (Seasonally Adjusted)	9.8%	9.7%	8.4%	0.1%	1.4%
<i>Unemployment Rate (Unadjusted)</i>	9.5%	9.9%	8.2%	-0.3%	1.4%
Advertised Foreclosures	2,774	2,237	2,093	24.0%	32.5%

** (Bankruptcies (12-month ending) has been replaced with Advertised Foreclosures as an indicator in the Lagging Index)

Top Employers in 2010

1 Gwinnett County Public Schools	20,662
2 Gwinnett County Government	4,871
3 Gwinnett Health Care System	4,365
4 Wal-Mart*	3,368
5 Publix **	2,928
6 State of Georgia	2,037
7 United States Postal Service	1,969
8 Kroger **	1,880
9 Scientific-Atlanta, a Cisco Company	1,750
10 Primerica	1,543
11 Home Depot *	1,465
12 Fiserv (previously Check Free)	1,300
13 NCR Corporation	1,129
14 Waffle House	1,000
15 Emory Eastside Medical Center *	907

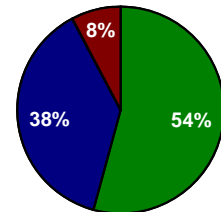


GWINNETT COUNTY, GEORGIA

2009 POPULATION:	808,167
2000-2009 U.S. COUNTY	
- NUMERICAL GROWTH RANKING	6
- RATE OF GROWTH RANKING	71
- TOTAL POPULATION RANKING	64
1 = fastest/largest	3,141 = slowest/smallest

NET TAXABLE DIGEST: \$29.0 B

- Residential
- Commercial
- Motor Vehicle



Source: Calls to individual companies in March, '10.

* Based on business license data.

** Full-time equivalents (FTEs)

Source: Gwinnett County Tax Assessor.
2009 Final Tax Digest

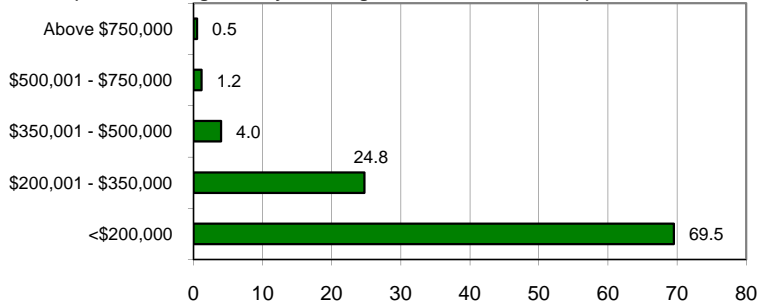
Indicators	2002	2003	2004	2005	2006	2007	2008	2009
Total Employment (Jobs)	288,970	291,859	304,087	315,229	325,070	325,542	317,234	-
% change	(0.2)	1.0	4.2	3.7	3.1	0.1	(2.6)	
Unemployment Rate	4.5	4.4	4.2	4.6	4.2	4.0	5.6	8.7
Total Personal Income (\$Bil)	20.1	20.8	21.7	23.5	25.1	26.2	26.5	-
% change	(0.4)	3.7	4.5	7.9	7.1	4.2	1.1	
Sales Tax Revenue (\$Mil)	119.6	119.8	131.8	141.0	155.9	152.5	139.1	129.3
Population	644,753	666,768	691,986	716,436	746,975	772,464	790,519	808,167
Single-Family Permits	8,201	7,915	8,199	8,337	6,616	3,526	1,054	446
Median Existing Home Price (\$Ths)	166.8	171.1	173.0	182.0	186.5	186.9	161.0	132.4
Mortgage Originations (\$Mil)	8,582	12,894	8,015	8,660	8,477	7,037	5,299	6,062
Net Migration (000)	14.5	13.2	16.1	14.6	19.0	14.8	7.6	2.9
Personal Bankruptcies	4,044	4,553	4,513	5,655	2,533	3,293	4,382	6,333
Foreclosures	3,594	4,810	5,255	5,242	6,274	8,394	13,758	24,338

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

Source for foreclosure data is Equity Depot.net (www.equitydepot.net) and Gwinnett Daily Post

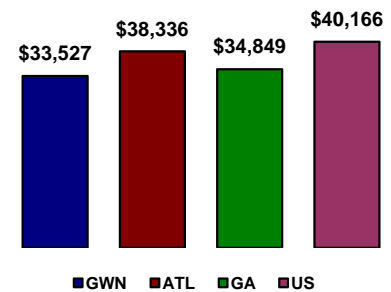
HOUSING DISTRIBUTION

(Number of Single Family including Townhomes and Condos)



Source: Gwinnett County Tax Assessor; Data for 2010.

2008 PER CAPITA INCOME



Source: Bureau of Economic Analysis, 2010.