

# gwinnett county

## Economic Indicators

department of financial services

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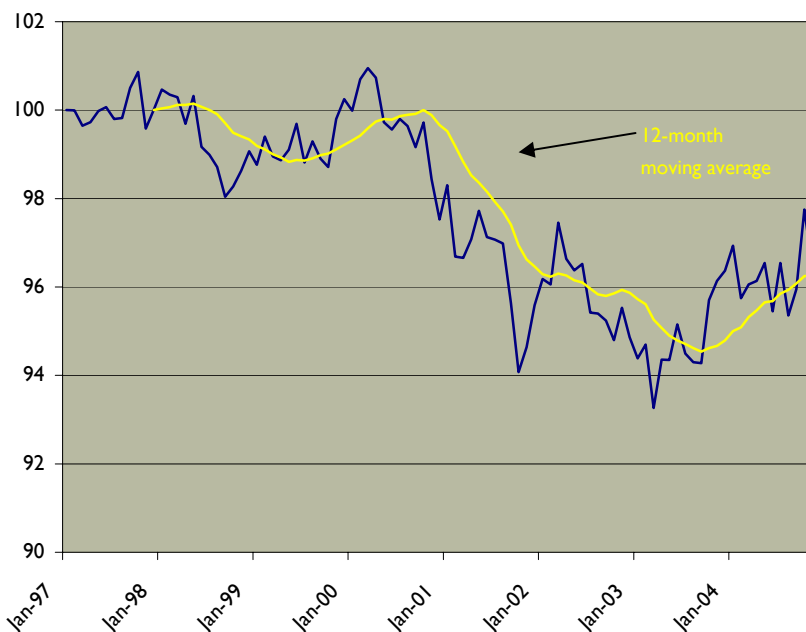
## Leading Economic Index Drops Due to Sharp Decline in Permits; Current Economic Index also Down Slightly Due to Slowing Retail Sales

The **Gwinnett County Index of Leading Economic Indicators** declined sharply in November, as four of the five leading indicators deteriorated during the month. The largest shock to the index was a 39 percent drop in the number of single-family building permits (seasonally adjusted). However, even with the decline the index, it was still slightly above where it was a year ago. 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 nine of the last twelve months. This is significant because if the

index is consistently above this average the economy is likely to enter (or continue) a period of economic expansion (Figure 1).

As mentioned, four of the five leading indicators declined in November. However, with the exception of single-family building permits, the declines were small. Single-family permits did decline sharply in November, but it is likely that this is a one-month anomaly and we expect permits in December to increase significantly. Even with the sharp decline, year-to-date through November, single-family permits

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



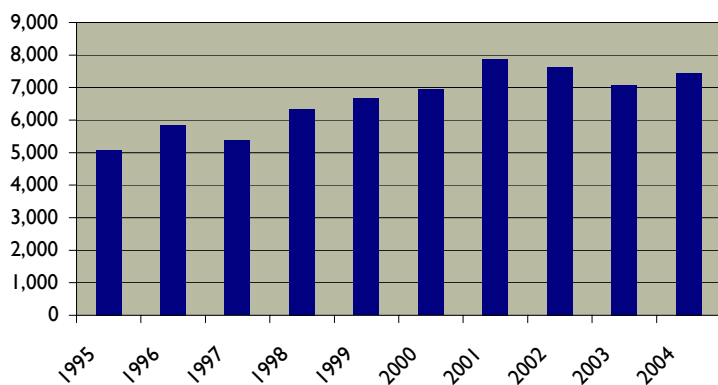
### Leading Index Components:

Initial Unemployment Claims	Down	↓	-7.5%
Gwinnett Stock Index	Down	↓	-2.1%
Consumer Expectations	Down	↓	-7.5%
Manufacturing Weekly Hours	Down	↓	-2.6%
Single Family Building Permits	Down	↓	-39.2%
<b>Leading Economic Index</b>	<b>Down</b>	<b>↓</b>	<b>-1.4%</b>

## current economic indicators

were up more than 5 percent and when the December numbers are recorded, permits will show a significant increase over last year (Figure 2).

Figure 2: Gwinnett County  
Single Family Residential Building Permits  
(Year-to-Date Through November)



### Current Economic Indicators

The **Gwinnett County Index of Current Economic Indicators** dropped 0.2 percent in October to 123.95. The drop was primarily due to sharp decline in sales tax collections. Adjusted for inflation and seasonal variation sales tax collections dropped nearly 17 percent from September. The index, which is designed to track the current state of the Gwinnett County economy, was above the 12-month moving average for the 19<sup>th</sup> consecutive month, and was 2.0 percent above where it was a year ago. This is significant because if the index is consistently above this average, then the economy is likely experiencing a period of growth (Figure 3).

On a seasonally adjusted basis, sales tax revenue was down 15.6 percent from September, and down 7.3 percent from the same month a year ago. This was the first year-over-year decline since November 2003. Interestingly, the year-over-year growth rate had been steadily declining since April. However, even with

these declines, on a year-to-date basis, revenue is up 10 percent (Figure 4).

Figure 3: Gwinnett County Current Economic Index  
(1997 = 100)

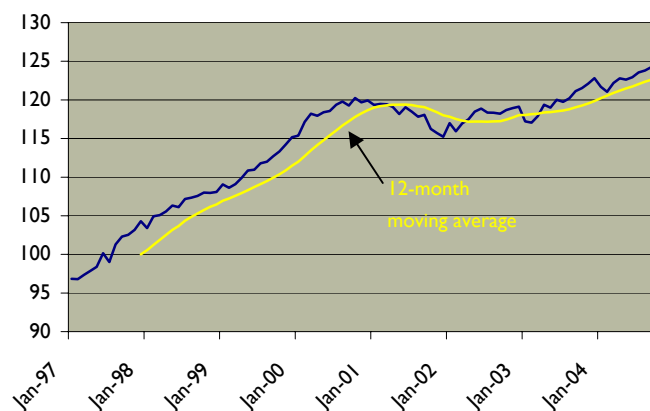
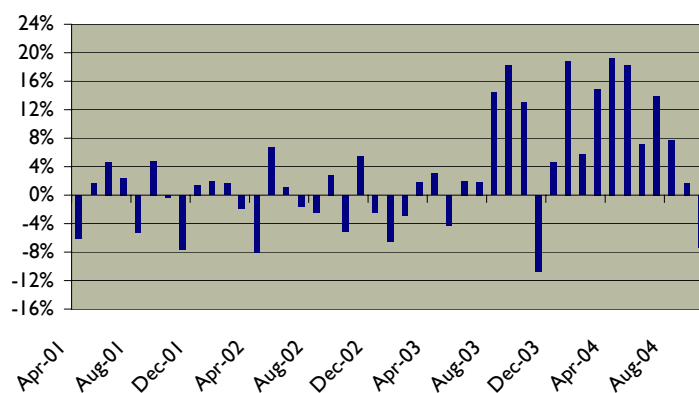


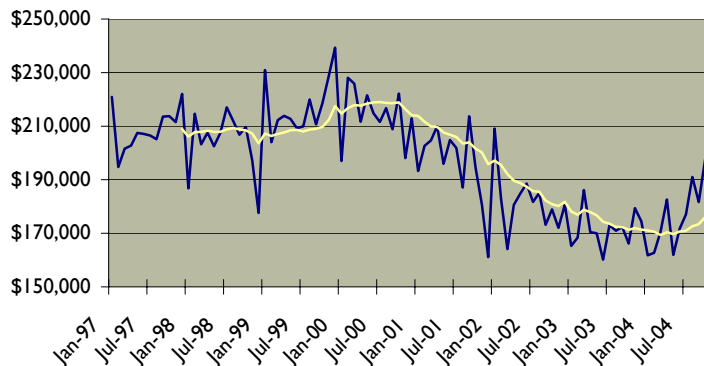
Figure 4: Gwinnett County Sales Tax Revenues  
Year-to-Year Percent Change  
(Seasonally Adjusted; Constant Dollars)



As was mentioned last quarter, the tourism sector in Gwinnett is beginning to improve as evidenced by the fact that hotel/motel tax receipts (adjusted for inflation and seasonal variation) in October were 18.9 percent above the same month last year, and posted the highest level since January 2002. In addition, the latest employment data for the "Accommodation and Food Service" industry shows 6 percent employment growth earlier in the year (Figure 5 and page 4).

## lagging economic indicators & employment data 1q 2004

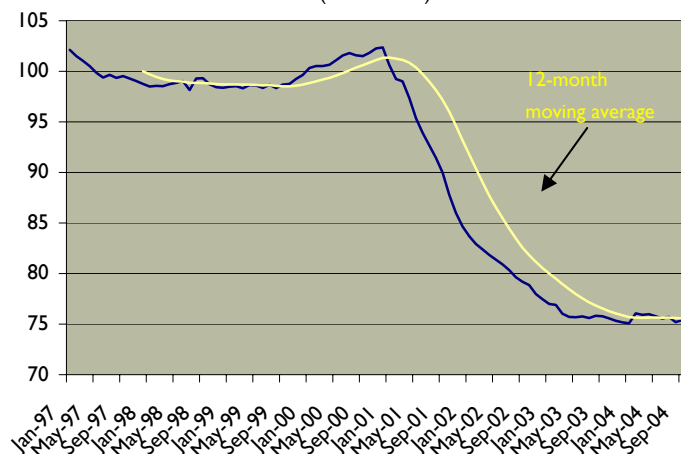
Figure 5: Gwinnett Hotel/Motel Tax Revenues  
(Tax Rate Adjusted; Seasonally Adjusted; Constant 1982-84 \$'s)



### Lagging Economic Indicators

The **Gwinnett County Index of Lagging Economic Indicators** declined 0.5 percent in September to 75.41. The index, which is designed to confirm turns in the Gwinnett County economy, has been above the 12-month moving average for only 5 of the previous 45 months. This is significant because even if the other economic indices have turned positive, the lagging index confirms that the economy is into recovery. Unfortunately, the index is actually 0.5 percent below where it was a year ago (Figure 6).

Figure 6: Gwinnett County Lagging Economic Index  
(1997 = 100)



### Employment Data – 1<sup>st</sup> Quarter 2004

The Georgia Department of Labor has released employment data for the first quarter of 2004. During the quarter, Gwinnett County employment grew 1.7 percent adding nearly 5,000 jobs. However, two-thirds of those jobs were in local government sectors. The retail sector lost more than 1,700 jobs coming off the holiday season, and manufacturing added only 183 jobs during the quarter.

When compared to the same quarter a year ago, employment in Gwinnett is up 5.4 percent, or nearly 15,500 jobs. Again, however, most of that growth can be contributed to “population related” sectors that have relatively lower wages than manufacturing, which lost 300 jobs during the same period. Examples of sectors that added significant employment over the 12-months include local government, health care, hospitality (accommodation and food services), and “support services” which includes a broad range of services such as employment agencies, call centers, travel agencies, landscaping, and waste collection.

While the 5.4 percent overall employment growth is the highest annual growth rate the county has experienced since 2000, the type of jobs represented in that number don’t begin to offset the significant income that was lost as a result of the nearly 8,000 manufacturing jobs that have left the county since 2001.

~ Alfie Meek  
Director  
Forecasting & Research Division

## gwinnett county employment data - 1st quarter 2004

	1st Quarter 2003	4th Quarter 2003	1st Quarter 2004	Quarterly Growth	Y-Y Growth
<b>Goods Producing</b>	<b>47,181</b>	<b>47,619</b>	<b>47,329</b>	<b>-0.6%</b>	<b>0.3%</b>
Agriculture, Forestry, & Fishing (11)	241	271	207	-23.6%	-14.1%
Mining (21)	172	166	164	-1.2%	-4.7%
Construction (23)	21,327	22,224	21,817	-1.8%	2.3%
Manufacturing (31-33)	25,441	24,958	25,141	0.7%	-1.2%
Food Manufacturing (311)	1,264	1,267	1,944	53.4%	53.8%
Beverage & Tobacco Manufacturing (312)	36	42	22	-47.6%	-38.9%
Textile Mills (313)	32	23	61	165.2%	90.6%
Textile Product Mills (314)	352	342	299	-12.6%	-15.1%
Apparel Manufacturing (315)	247	232	267	15.1%	8.1%
Leather & Allied Product Manufacturing (316)	*	*	*	*	*
Wood Product Manufacturing (321)	749	802	1,104	37.7%	47.4%
Paper Manufacturing (322)	928	866	745	-14.0%	-19.7%
Printing and Related Activities (323)	2,217	2,232	2,281	2.2%	2.9%
Petroleum and Coal Products Manufacturing (324)	85	94	91	-3.2%	7.1%
Chemical Manufacturing (325)	1,193	1,182	1,101	-6.9%	-7.7%
Plastics & Rubber Products Manufacturing (326)	1,350	1,244	1,374	10.5%	1.8%
Nonmetallic Mineral Product Manufacturing (327)	704	714	759	6.3%	7.8%
Primary Metal Manufacturing (331)	*	*	*	*	*
Fabricated Metal Manufacturing (332)	1,690	1,672	1,741	4.1%	3.0%
Machinery Manufacturing (333)	1,597	1,560	1,566	0.4%	-1.9%
Computer & Electronic Product Manufacturing (334)	5,584	5,456	5,368	-1.6%	-3.9%
Electrical Equipment/Appliance (335)	1,972	1,532	1,452	-5.2%	-26.4%
Transportation Equipment (336)	846	1,290	636	-50.7%	-24.8%
Furniture and Related Products Manufacturing (337)	886	858	1,059	23.4%	19.5%
Miscellaneous Manufacturing Industries (339)	3,461	3,319	3,091	-6.9%	-10.7%
<b>Service Producing</b>	<b>211,548</b>	<b>221,540</b>	<b>223,224</b>	<b>0.8%</b>	<b>5.5%</b>
Wholesale Trade (42)	29,775	30,795	30,701	-0.3%	3.1%
Retail Trade (44-45)	42,051	43,801	42,035	-4.0%	0.0%
Transportation and Warehousing (48-49)	4,991	4,859	4,780	-1.6%	-4.2%
Utilities	425	449	436	-2.9%	2.6%
Information (51)	11,903	11,404	11,513	1.0%	-3.3%
Finance and Insurance (52)	14,990	15,350	15,086	-1.7%	0.6%
Real Estate and Rental and Leasing (53)	4,627	4,626	4,872	5.3%	5.3%
Professional, Scientific/Technical Services (54)	18,133	18,599	19,184	3.1%	5.8%
Management: Companies/Enterprises (55)	6,869	5,317	5,631	5.9%	-18.0%
Administrative, Support, and Waste Mgt. Services (56)	29,026	32,371	33,394	3.2%	15.0%
Educational Services (61)	2,251	2,405	2,564	6.6%	13.9%
Health Care and Social Services (62)	15,111	18,321	17,900	-2.3%	18.5%
Arts, Entertainment, and Recreation (71)	2,082	2,283	2,178	-4.6%	4.6%
Accommodation and Food Services (72)	22,049	23,595	25,005	6.0%	13.4%
Other Services (81)	7,265	7,365	7,945	7.9%	9.4%
<b>Unclassified (industry not assigned)</b>	<b>876</b>	<b>435</b>	<b>593</b>	<b>36.3%</b>	<b>-32.3%</b>
<b>Total Private Employment</b>	<b>259,605</b>	<b>269,594</b>	<b>271,146</b>	<b>0.6%</b>	<b>4.4%</b>
<b>Total - Government</b>	<b>25,765</b>	<b>26,325</b>	<b>29,714</b>	<b>12.9%</b>	<b>15.3%</b>
Federal	3,282	3,001	3,004	0.1%	-8.5%
State	1,894	1,897	1,879	-0.9%	-0.8%
Local	20,589	21,427	24,831	15.9%	20.6%
<b>Total - All Industries</b>	<b>285,370</b>	<b>295,919</b>	<b>300,860</b>	<b>1.7%</b>	<b>5.4%</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

### December, 2004

<b>Gwinnett County Economic Indices:</b>	<b>Nov-04</b>	<b>Oct-04</b>	<b>Sep-04</b>	<b>Aug-04</b>	<b>Jul-04</b>
Leading Economic Index (1997 = 100)	96.42	97.75	95.95	95.36	96.54
Current Economic Index ( 1997 = 100)	-	123.95	124.24	123.81	123.56
Lagging Economic Index (1997 = 100)	-	-	75.41	75.19	75.72

<b>Gwinnett County Leading Economic Index</b>	<b>Nov-04</b>	<b>Oct-04</b>	<b>Nov-03</b>	<b>Oct-04 to Nov-04</b>	<b>Nov-03 to Nov-04</b>
Leading Economic Index (1997=100)	96.42	97.75	96.14	-1.4%	0.3%
<b>Components:</b>					
Initial Unemployment Claims (Seasonally Adjusted)	1,716	1,850	2,120	-7.3%	-19.1%
<i>Initial Unemployment Claims (Unadjusted)</i>	<i>1,555</i>	<i>1,648</i>	<i>1,513</i>	<i>-5.6%</i>	<i>2.8%</i>
Bloomberg Gwinnett Stock Index (12/31/97 = 100)	73.73	75.32	68.37	-2.1%	7.8%
South Atlantic Consumer Expectations	100.8	108.7	103.0	-7.3%	-2.1%
Atlanta Manufacturing Average Weekly Hours (Seasonally Adjusted)	38.6	39.6	38.5	-2.5%	0.3%
<i>Atlanta Manufacturing Average Weekly Hours (Unadjusted)</i>	<i>39.0</i>	<i>39.5</i>	<i>38.9</i>	<i>-1.3%</i>	<i>0.3%</i>
New Single Family Building Permits (Seasonally Adjusted)	581	864	676	-32.8%	-14.2%
<i>New Single Family Building Permits (Unadjusted)</i>	<i>511</i>	<i>723</i>	<i>541</i>	<i>-29.3%</i>	<i>-5.5%</i>

<b>Gwinnett County Current Economic Index *</b>	<b>Oct-04</b>	<b>Sep-04</b>	<b>Oct-03</b>	<b>Sep-04 to Oct-04</b>	<b>Oct-03 to Oct-04</b>
Current Economic Index (1997=100)	123.95	124.24	121.53	-0.2%	2.0%
<b>Components:</b>					
Sales Tax Receipts (Constant 1982-84 \$'s; Ths., Seasonally Adj.)	\$6,983.1	\$8,273.8	\$7,535.2	-15.6%	-7.3%
<i>Sales Tax Receipts (Current \$'s, Ths., Unadjusted)</i>	<i>\$9,665.8</i>	<i>\$11,576.5</i>	<i>\$9,975.0</i>	<i>-16.5%</i>	<i>-3.1%</i>
Household Employment (Seasonally Adjusted)	380,158	379,628	378,504	0.1%	0.4%
<i>Household Employment (Unadjusted)</i>	<i>379,413</i>	<i>377,468</i>	<i>377,762</i>	<i>0.5%</i>	<i>0.4%</i>
South Atlantic Consumer Confidence (Present Situation)	120.4	122.1	93.2	-1.4%	29.2%
Hotel/Motel Tax Receipts (Constant 1982-84 \$'s; Ths., Seasonally Adj.)	\$197.7	\$181.7	\$166.2	8.8%	18.9%
<i>Hotel/Motel Tax Receipts (Current \$'s, Ths., Unadjusted)</i>	<i>\$513.7</i>	<i>\$528.1</i>	<i>\$399.4</i>	<i>-2.7%</i>	<i>28.6%</i>

\* (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>Sep-04</b>	<b>Aug-04</b>	<b>Jul-04</b>	<b>Jun-04</b>	<b>May-04</b>
Lagging Economic Index (1997=100)	75.41	75.19	75.72	75.55	75.78
<b>Components:</b>					
Average Duration of Unemployment Benefits (Weeks, Seasonally Adjusted)	15.05	15.27	15.49	15.58	15.71
<i>Average Duration of Unemployment Benefits (Weeks, Unadjusted)</i>	<i>15.10</i>	<i>15.30</i>	<i>15.50</i>	<i>15.50</i>	<i>15.60</i>
Prime Rate Charged by Banks	4.58	4.42	4.25	4.00	4.00
Unemployment Rate (Seasonally Adjusted)	3.5%	3.7%	3.3%	3.3%	3.2%
<i>Unemployment Rate (Unadjusted)</i>	<i>3.6%</i>	<i>3.7%</i>	<i>3.5%</i>	<i>3.6%</i>	<i>3.1%</i>
Bankruptcies (Number, 12-month ending)	4,905	4,856	4,808	4,768	4,740

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