

2012 STATE OF THE CITY REPORT: GREENSBORO, NC

**PREPARED FOR THE
GREENSBORO PARTNERSHIP, JANUARY 2012**

BY

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ABOUT THE RESEARCHER

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EXECUTIVE SUMMARY

A. INTRODUCTION AND PURPOSE

- Public policy makers and economic development practitioners have become increasingly concerned with maintaining and improving the quality of life of their political jurisdictions as a way to maintain their competitive advantage. Greensboro is no exception to this rule.
- The overall purpose of this report is to provide an annual update of the Greensboro performance metrics first identified in the 2003 State of the City Report. The 2012 Update focuses only on the Greensboro metrics. In 2013, a more comprehensive State of the City Report will be published that compares Greensboro to our peer cities.
- Part of the agenda is to stimulate discussion and to educate the general public about the overall performance of Greensboro. The long-term goal for the city of Greensboro is to see increased efficiency, progress and improvement over time for each of the selected metrics.

B. METHODOLOGY

- The benchmark indicators were chosen based on consultation with the Greensboro Partnership and are consistent with the metrics used in prior State of the City Reports with a few exceptions. The list of benchmark indicators includes measures that capture population and demographics, economic growth, education, and health and wellness.
- All the metrics are reported for 2010 unless otherwise indicated.
- It is important to note that data on average wage rates by industry, tax base, high school drop-out rates, and health and wellness are only available at the county level.

C. MAJOR FINDINGS

THE OVERALL 'STATE OF THE CITY' IS LESS THAN ROBUST

- Greensboro continues to struggle with the ongoing ramifications of the national recession particularly regarding the region's significant job losses and high poverty rate.

POPULATION GROWTH RATES CONTINUED TO BE POSITIVE BUT LAG BEHIND OTHER LARGE CITIES IN NORTH CAROLINA

- Greensboro experienced a positive population growth rate between 2000 and 2010 (i.e., 20.4%) but lagged behind other major cities in the state including Raleigh (46.3%), Charlotte (35.2%), Winston-Salem (23.6%) and Durham (22.1%).

THE PROPORTION OF THE POPULATION THAT IS CLASSIFIED AS ELDERLY CONTINUES TO RISE

- Since 2007, the proportion of the population that is 65 years of age or older has continued to rise from 11.4% in 2007 to 12.2% in 2010. Such a trend poses major human resource challenges for both public and private sector employers in the city.

MEDIAN EARNINGS AND PER CAPITA INCOME DECLINED MARKEDLY

- Although median earnings in Greensboro increased significantly from 2008 to 2009, this was not the case in 2010. Compared to the largest cities in North Carolina, Greensboro experienced the most substantive decline (-8.6%) in median earnings going from \$26,205 in 2009 to \$23,953 in 2010. By contrast, median earnings increased in Winston Salem (+3.7%) and Charlotte (+2.6%).
- Per capita income levels continued a three-year decline from a high of \$25,560 in 2008 to \$23,832 in 2010. Unlike earnings, per capita income includes more than just wages and salaries since it also includes income derived from interest, dividend, rent and transfer payments. The substantive decline in dividend investment capital due to the financial crisis and national recession of the late 2000s may have negatively impacted per capita income. From 2009 to 2010, Greensboro experienced the second most significant decline in per capita income relative to Charlotte (-7.6%), Durham (-2.5%), Raleigh (-2.5%), and Winston Salem (+3.6%).

GREENSBORO EXPERIENCES A MANUFACTURING RENAISSANCE THAT INCLUDES HIGH-PAYING JOBS

- Greensboro experienced a modest increase in the percentage of its workforce employed in manufacturing growing from 11.1% in 2009 to 11.5% in 2010. Furthermore, manufacturing wage rates (\$54,017) were higher than for any other industry and the increase from 2009 to 2010 (+5.3%) was the second highest in the major industry groups.

EDUCATION AND HEALTH SERVICES CONTINUE TO EXPAND AND ACCOUNT FOR ONE-QUARTER OF ALL JOBS IN GREENSBORO BUT AVERAGE WAGES ARE STAGNANT

- Education and health services continue to be major industries in the local economy accounting for over one-quarter of all jobs in Greensboro. The overall market share of education and health services increased noticeably from 21.2% in 2008 to 25.2% in 2010. The downside of this growth is that average wage rates have been stagnant since 2008 with the lowest net gains of any industry.

FINANCIAL SERVICES ARE A DOUBLE-EDGED SWORD OFFERING ROBUST WAGE GROWTH BUT DECLINING IN TERMS OF THE OVERALL SHARE OF JOBS GENERATED IN GREENSBORO

- The most rapid relative growth in average wage rates by industry from 2009 to 2010 occurred in financial services which increased from \$50,867 to \$53,612 (+5.4%). Other than manufacturing, financial services generated some of the best paid jobs in the Greensboro area. At the same time, the proportion of jobs in financial services decreased from 9.5% in 2009 to 7.7% in 2010.

TRANSPORTATION LOGISTICS CONTINUES TO LOSE MARKET SHARE BUT AVERAGE WAGE RATES NOTICEABLY INCREASED

- Despite the recent successes regarding companies like HondaJet and FedEx Ground, the transportation-related industry continues to lose market share in terms of the percentage of jobs generated. From 2009 to 2010, transportation employment share dropped from 4.8% to 3.4%, part of a three year downward trend. On the other hand, average wage rates increased 2.6% from \$42,968 to \$44,103 over the same time period – the third highest increase of any industry.

TAX BASE GROWTH IS FLAT

- Partly as a result of the 2008/9 recession and related fiscal crisis, growth in the Guilford County tax base was stagnant increasing a modest 0.5% from \$36.6 billion in 2009/10 to \$36.8 billion in 2010/11.

POVERTY RATES REMAIN HIGH

- The percentage of the city population in poverty remains high and largely unchanged, increasing slightly from 20.0% in 2009 to 20.1% in 2010 meaning one in five Greensboro residents were in poverty. (Note: for a family of four with two children under the age of 18, the household is considered poor if total household income is below \$22,113 in 2010.)

HIGH SCHOOL DROPOUT RATES REMAIN VERY LOW

- The Guilford County school system high school dropout rate remained one of the lowest rates in all of North Carolina for major urban school systems declining from 3.13% in 2008/9 to 2.81% in 2009/10.

Table 1. Greensboro Metrics: 2009 and 2010 Change

Variable	2009	2010	Change
<u>a. Demographics</u>			
Total Population	255,124	NA	NA
Median Age	33.9	34.5	+ 0.6 years
% Pop. 20-34	24.5	24.8	+0.3 %pts
% Pop. 65 or more	12.1	12.2	+0.1 %pts
% White	50.4	52.6	+2.2 %pts
% Black	39.8	37.8	-2.0 %pts
% Hispanic	7.6	6.6	-1.0 %pts
Mean Household Size	2.34	2.36	+0.02
Mean Travel Time (mins)	20.1	20.2	+0.1 minutes
% Owner-Occupied	54.1	53.4	- 0.7 %pts
Median House Value (\$)	143,800	149,300	+5,500
<u>b. Economic Growth</u>			
Median Earnings (\$)	26,205	23,953	-2,252 (-8.6%)
Per Capita Income (\$)	24,982	23,832	-1150 (-4.6%)
<u>i. % Total Workforce</u>			
Manufacturing	11.1	11.5	+0.4 %pts
Retail	12.8	11.8	-1.0 %pts
Financial Services	9.5	7.7	-1.8 %pts
Professional, Scientific	7.8	9.9	+2.1 %pts
Education/Health	24.2	25.2	+1.0 %pts
Arts/Entertainment/Accom/Food	12.8	12.5	-0.3 % pts
Transportation	4.8	3.4	-1.4 %pts
<u>ii. Average Wage Rates</u>			
All Industry (Guilford Co)	40,040	41,080	+1040 (+2.6%)
Manufacturing (Guilford Co)	51,293	54,017	+2,724 (+5.3%)
Retail (Guilford Co)	25,933	26,491	+558 (+2.1%)
Financial (Guilford Co)	50,867	53,612	+2,745 (+5.4%)
Professional (Guilford Co)	42,963	43,572	+609 (+1.4%)
Education/Health (Guilford Co)	41,611	41,892	+281 (+0.6%)
Arts/Ent/Acc/Food (Guilford Co)	14,599	14,733	+134 (+0.9%)
Transportation (Guilford Co)	42,968	44,103	+1135 (+2.6%)
Total Tax Base (\$) (Guilford Co)	36.6 billion (2009/10)	36.8 billion (2010/11)	+0.5%
<u>c. Education</u>			
Poverty Rate (%)	20.0	20.1	+0.1 %pts
H.S. Drop-Out Rate (Guilford Co)	3.13 (2008/9)	2.81 (2009/10)	-0.32 %pts
% enrolled in H.S. or less	61.3	55.5	-5.8 %pts
% enrolled in College or more	38.7	44.5	+5.8 %pts
% H.S. Diploma or less	35.8	36.5	+0.7 %pts
% College Degree or more	34.1	35.3	+1.2 %pts
<u>d. Health and Wellness</u>			
Infant Mortality Rate (Guilford Co)	10.4	9.5	-0.9
Teen Preg. Rate (Guilford Co)	49.9	41.7	-8.2

INTRODUCTION AND BACKGROUND

- Public policy makers and economic development practitioners have become increasingly concerned with maintaining and improving the overall quality of life of their political jurisdictions as a way to maintain their competitive advantage. Greensboro is no exception to this rule.
- Since the early 2000s, Greensboro has conducted several ‘benchmarking’ studies that have quantified community performance measures over time. Action Greensboro commissioned two Benchmark Studies that generated substantial community discussion: the 2001 McKinsey Report and the 2002 Market Street Services Action Plan. The McKinsey Report concluded that “Greater Greensboro is slightly better off today than many of its peer cities in the Southeast” but questioned whether the community could maintain its overall level of prosperity. The McKinsey findings triggered a follow-up study by Market Street Services which recommended that Greensboro should begin to track a number of performance measures “to help the community benchmark progress made through its economic development efforts.”
- The Action Greensboro Benchmark Report completed in 2003 was the first comprehensive empirical assessment of the overall economic performance of the Greensboro community relative to a carefully chosen peer group of cities. The Report concluded that Greensboro is much better-off than many of its peer group, although recent job losses have the potential to substantially jeopardize the city’s standing.
- The follow-up 2007 State of the City Report concluded that Greensboro was lagging behind its competitors particularly in terms of average wage rates and tax base growth. The overall state of the city appeared to be less than robust, in part, because of the significant job losses the city absorbed in the early 2000s.
- Although the 2009 State of the City Report indicated that Greensboro was showing signs of recovery as both median earnings and per capita income increased after several years of decline, the 2010 Report suggested that Greensboro was impacted disproportionately by the national recession relative to the peer city group.
- The 2011 Report indicated that despite the national recession, median earnings and per capita income showed signs of resilience in Greensboro although the poverty rate jumped significantly.

PURPOSE AND RATIONALE

- The overall purpose of this report is to provide an annual update of the Greensboro performance metrics identified in the 2011 State of the City Report. The 2012 Update focuses only on the Greensboro metrics and is the seventh annual update that tracks the overall performance of our city. In 2013, a more comprehensive State of the City Report will be published that compares Greensboro to our peer cities.
- Part of the agenda is to stimulate discussion and to educate the general public about the overall performance of Greensboro. The long-term goal for the city of Greensboro is to see increased efficiency, progress and improvement over time for each of the selected community performance indicators.

PROJECT METHODOLOGY

A. DETERMINING THE METRICS

- The metrics were chosen based on consultation with the Greensboro Partnership and are consistent with the metrics used in the first State of the City Report published in 2007 (which was based on 2005 data).
- All the metrics are reported for 2010 unless otherwise indicated.
- It is important to note that data on average wage rates by industry, tax base, high school drop-out rates, and health and wellness are only available at the county level.
- The list of benchmark indicators includes measures that capture population and demographics, economic growth, education, and health and wellness.
- **POPULATION AND DEMOGRAPHIC METRICS INCLUDED:**
 - Annual City Population Estimates (Source: U.S. Census Annual Population Estimates July 1st)
 - Age Distribution (Source: ACS)
(Median age, %20-34, %65 and over)
 - Racial/Ethnic Composition (Source: ACS)
(% white, African American, Hispanic)
 - Residential Sprawl indicators (Source: ACS)
(Mean household size, Mean travel time)
 - Home Ownership and Value (Source: ACS)
(% owner-occupied, median house value)
- **ECONOMIC GROWTH AND JOB METRICS INCLUDED:**
 - Median Earnings for all Workers (Source: ACS)
 - Per Capita Income (Source: ACS)
 - Jobs: Labor Force Composition by Industry (Source: ACS)
 - Average Wages by Industry (county only) (Source: BLS)

- Tax Base Yield (county only) (Source: NCDOR)
(Tax base growth & % Residential Taxable Property)
- Poverty Rate (Source: ACS)
- **EDUCATION METRICS INCLUDED:**
 - High School Drop-Out Rate (county only) (Source: Guilford County School Board)
 - School Enrollment (Source: ACS)
(% High School or less, % College or more)
 - Educational Attainment (Source: ACS)
(% HS or less, % BA or more)
- **HEALTH AND WELLNESS METRICS INCLUDED:**
 - Infant Mortality Rates (county only) (Source: Guilford County Department of Health)
 - Teenage Pregnancy Rates (county only) (Source: Guilford County Department of Health) (15-19 years old)
- (Note: ACS – American Community Survey; BLS – Bureau of Labor Statistics; and NCDOR – North Carolina Department of Revenue)

B. UPDATING AND REFINING THE METRICS

Some of the benchmark metrics reported in previous State of the City reports have been updated and refined over time. These include the following metrics:

- The U.S. Census Bureau **annual city population estimates** are continually adjusted and updated over time. The 2006 through 2009 data provided in Table One reflect these changes and consequently are more accurate estimates than those included in previous State of the City reports that were based on ACS data that tend to have higher margins of error. It should also be noted that the **annual population estimates** reflect administrative records on births, deaths and migration, and are not the same as the city population data published as part of the 2000 and 2010 Census which is a comprehensive count of the actual population. Consequently, the 2010 Census city population data is not directly comparable to the 2006 through 2009 annual population estimate data because they are calculated in different ways.

- In last year's State of the City Report, the way in which the **% owner-occupied** metric, the **school enrollment** metric and the **educational attainment** metric were defined was revised to more closely follow the convention adopted by the American Community Survey methodology. The **% owner-occupied** housing metric is now divided into the total number of occupied units available in Greensboro (rather than total housing units which included vacant units as in previous State of the City reports.) The **school enrollment** metric simply measures the percentage of the student population aged three or over that is enrolled in either K-12 (which includes nursery or preschool) or college, respectively. By contrast, the **educational attainment** metric captures the percentage of the population aged 25 or older with a high school diploma or less and with a college degree or more. Previously, both of these education metrics were divided into the total city population. The 2006 through 2008 data included in Table One has been amended to reflect these definitional changes and, thus, no longer match the data in previous State of the City reports for these specific metrics.

FINDINGS: GREENSBORO 2006 - 2010

Comparing the 2010 Greensboro metrics back to the previous State of the City reports helps the community to benchmark progress made through its economic development efforts *over time* (Table One). By developing a time-series, it becomes possible to place an emphasis on outcomes in judging the success of the city's economic development programs.

A. POPULATION AND DEMOGRAPHICS

POPULATION CHANGE

- Net population change is a straightforward measure about whether a city is growing, stagnating or declining. Maintaining consistent net population increases over time suggests that a community is prosperous and able to attract and keep workers. Conversely, cities that have experienced substantial population losses over time may be unable to retain workers which may be a 'red-flag' for prospective businesses.
- The population of Greensboro increased from 223,891 in 2000 to 269,666 in 2010 – an increase of 20.4%. However, the growth rate lagged behind the other major cities in the state including Raleigh (46.3%), Charlotte (35.2%), Winston-Salem (23.6%) and Durham (22.1%) over the same time period.

AGE DISTRIBUTION

- Analyzing the age distribution of a city can provide some insight into the underlying attractiveness of the city's economy. A city with a significant number of college-aged 20-34 year olds suggests a potentially contemporary economy with 'cutting-edge' occupations. Conversely, as the population of a city ages, there will be a much greater demand for medical services which can lead to significant demands on scarce public resources.
- Between 2009 and 2010, the median age in Greensboro increased from 33.9 to 34.5 years old and the percentage of the population between 20 – 34 years old increased from 24.5% in 2009 to 24.8% in 2010. The percentage of the population that was classified as elderly (65 years or more) increased marginally from 12.1% in 2009 to 12.2% in 2010. Based on the 2006 to 2010 trends outlined in Table One, Greensboro seems to be now growing the 20-34 year old segment of the population confirming that our community's focus on attracting and retaining young professionals as well as downtown development may be bearing fruit.

Table 1. Greensboro Benchmark Metrics: 2006 – 2010

Variable	2006	2007	2008	2009	2010
<u>a. Demographics</u>					
Total Population	240,533	245,767	251,179	255,124	NA
Median Age	34.3	33.7	34.6	33.9	34.5
% Pop. 20-34	23.8	24.1	23.5	24.5	24.8
% Pop. 65 or more	12.4	11.4	11.6	12.1	12.2
% White	53.5	51.7	51.1	50.4	52.6
% Black	36.5	39.3	40.6	39.8	37.8
% Hispanic	7.2	6.6	7.0	7.6	6.6
Mean Household Size	2.3	2.3	2.38	2.34	2.36
Mean Travel Time (mins)	19.7	18.9	19.8	20.1	20.2
% Owner-Occupied	53.4	52.6	55.9	54.1	53.4
Median House Value (\$)	137,600	143,500	143,100	143,800	149,300
<u>b. Economic Growth</u>					
Median Earnings (\$)	24,398	25,321	24,885	26,205	23,953
Per Capita Income (\$)	23,180	24,626	25,560	24,982	23,832
<u>i. % Total Workforce</u>					
Manufacturing	13.0	10.6	11.5	11.1	11.5
Retail	10.5	13.7	15.8	12.8	11.8
Financial Services	8.4	8.4	8.6	9.5	7.7
Professional, Scientific	8.7	8.5	8.2	7.8	9.9
Education/Health	24.7	23.2	21.2	24.2	25.2
Arts/Entertainment/Accom/Food	10.6	10.3	10.2	12.8	12.5
Transportation	4.5	5.1	6.0	4.8	3.4
<u>ii. Average Wage Rates</u>					
All Industry (Guilford Co)	37,763	39,026	39,920	40,040	41,080
Manufacturing (Guilford Co)	47,333	49,782	50,035	51,293	54,017
Retail (Guilford Co)	25,160	26,587	26,582	25,933	26,491
Financial (Guilford Co)	50,460	52,540	51,896	50,867	53,612
Professional (Guilford Co)	38,517	39,176	41,477	42,963	43,572
Education/Health (Guilford Co)	38,672	40,185	41,601	41,611	41,892
Arts/Ent/Acc/Food (Guilford Co)	13,694	14,312	14,658	14,599	14,733
Transportation (Guilford Co)	40,396	41,687	42,033	42,968	44,103
Total Tax Base (\$) (Guilford Co)	33.6 billion (2006/7)	34.7 billion (2007/8)	35.9 billion (2008/9)	36.5 billion (2009/10)	36.8 billion (2010/11)
<u>c. Education</u>					
Poverty Rate (%)	19.0	19.3	16.2	20.0	20.1
H.S. Drop-Out Rate (Guilford Co)	3.41 (2005/6)	2.99 (2006/7)	3.31 (2007/8)	3.13 (2008/9)	2.81 (2009/10)
% enrolled in H.S. or less	56.8	60.0	58.6	61.3	55.5
% enrolled in College	43.2	40.0	41.5	38.7	44.5
% H.S. Diploma or less	38.2	38.4	39.8	35.8	36.5
% College Degree or more	34.9	35.4	32.1	34.1	35.3
<u>d. Health and Wellness</u>					
Infant Mortality Rate (Guilford Co)	10.6	9.5	9.9	10.4	9.5
Teen Preg Rate (Guilford Co)	56.0	56.8	53.0	49.9	41.7

RACIAL COMPOSITION

- Cities that are ethnically diverse tend to be more tolerant and innovative although integrating minorities into a contemporary workforce can pose substantial challenges.
- At 52.6%, just over half of Greensboro's population was classified as white in 2010. This was up noticeably from the 50.4% share in 2009. By contrast, the percent of the Greensboro population classified as African-American was 37.8% - a significant drop of 2.0 percentage points from the 39.8% share in 2009 and part of an ongoing trend since the peak year of 2008 (i.e., 40.6%).
- Although one of the most rapidly growing ethnic groups in the southeastern United States is the Hispanic population, the most recent trends in Greensboro no longer confirm these trends. The percentage of the population classified as Hispanic declined from 7.6% in 2009 to 6.6% in 2010 - a decrease of one percentage point in just one year. Some of this may be partly explained by the limited employment opportunities and high unemployment, and the return migration of many Hispanics back to Mexico and other Central American countries.

RESIDENTIAL SPRAWL INDICATORS

- Recent sprawl studies have indicated that Greensboro and the Piedmont Triad metropolitan area have some of the most sprawling growth patterns in the United States. Relatively simple measures of sprawl include the way in which we utilize land (e.g., mean household size) and the length of our daily journey-to-work commutes (e.g., mean travel time).
- Analyzing the average number of persons resident in each dwelling unit provides some insight into how efficiently each city is utilizing land with respect to density. In Greensboro, the mean household size has changed little, increasing from a mean of 2.34 persons in 2009 to 2.36 persons per household in 2010.
- Regarding mean travel time, Greensboro increased its overall commute time from 20.1 minutes in 2009 to 20.2 minutes in 2010.

HOME OWNERSHIP AND VALUE

- A high percentage of home ownership illustrates a propensity for residential stability in a community and signals a vote of confidence in the overall quality of life of the area. If a large proportion of the population opts to invest in the real estate market instead of renting, it implies a long-term commitment to the community.

- Homeownership in Greensboro decreased from 54.1% of the housing stock in owner-occupied units in 2009 to 53.4% in 2010 – a decline of 0.7 percentage points. The recent recession is likely a major causal factor particularly given the gradual rise in the percent owner-occupied from 2005 through 2008.
- Although home ownership levels declined, the median house value increased by \$5,500 from \$143,800 in 2009 to \$149,300 in 2010.

B. ECONOMIC GROWTH AND JOBS

Economic growth on its own may not be the most important indicator of economic change for a city economy. Simple employment growth can impoverish a local economy if high-wage, high-skill jobs are replaced with low-wage, low-skill jobs. Job creation without a concern for the composition of skills needed may be a flawed economic development strategy. Substantial job growth must occur in robust and productive industries if an economy is to maintain a competitive advantage over other cities.

MEDIAN EARNINGS

- Median earnings are an excellent measure of the overall skill level of the community and the quality of jobs being created in an area. Earnings are defined as the sum of wage and salary disbursements and are often used as a proxy for income generated specifically from participation in production.
- Overall median earnings in Greensboro declined significantly (-8.6%) from \$26,205 in 2009 to \$23,953 in 2010 – the lowest median earnings since the American Community Survey began reporting Greensboro data back in 2005. From 2009 to 2010, Greensboro experienced the most significant decline in median earnings relative to Raleigh (-4.7%), Durham (-1.3%), Charlotte (+2.6%), and Winston-Salem (+3.7%).

PER CAPITA INCOME

- Per capita income is an excellent measure of the overall accumulation of wealth although it is not a direct measure of wages and salaries because it also includes income derived from such things as interest, dividend, rent and transfer payments.
- Unlike with median earnings, Greensboro experienced a less precipitous decline in per capita income although income levels still dropped noticeably from \$24,982 in 2009 to \$23,832 in 2009 – a 4.6% decline. From 2009 to 2010, Greensboro experienced the second most significant decline in per capita income relative to Charlotte (-7.6%), Durham (-2.5%), Raleigh (-2.5%), and Winston Salem (+3.6%).

JOBS: LABOR FORCE COMPOSITION BY INDUSTRY

- Economic diversity is frequently promoted as a means through which to achieve economic stability where the underlying logic is that a higher level of economic diversification is associated with long-term economic stability. Most economic diversity studies focus on employment composition by major sector as a simple way to capture diversity.
- In 2010, Greensboro reversed a long-term downward trend in the percentage of its workforce employed in **manufacturing**. The share of workers in the manufacturing sector grew slightly from 11.1% in 2009 to 11.5% in 2010. Nationally, the manufacturing sector has been one of the most robust sectors of the economy since emerging from recession, and Greensboro does not appear to be an exception to that rule.
- In previous State of the City Reports, Greensboro generated a disproportionate share of **retail** jobs relative to its peer cities. Since 2008, that trend has reversed itself. In 2010, the percentage of the labor force employed in retail decreased by one percent from 12.8% in 2009 to 11.8% of the labor market in 2010.
- A major component of any city economy is **financial services** – particularly in the downtown area where financial services tend to congregate because of proximity to City Hall, the courthouse and each other. Greensboro experienced a significant decline in the percentage of the labor pool employed in financial services – accounting for just 7.7% of the labor force in 2010 compared to 9.5% in 2009. Partly due to the after-effects of the recession and the fiscal crisis, the shrinking market share in financial services was the largest relative decline of any industry in Greensboro (- 1.8 percentage points).
- **Professional, Scientific and Management** jobs specialize in a wide range of activities including legal advice, accounting, architectural and engineering services, computer services, consulting and research, logistics, plus a wide range of management and administrative services. In all cases, these activities require a high degree of expertise and training, and they are the sorts of high-wage, high-skill jobs that robust city economies should be attracting to the local area. Greensboro experienced a significant increase in its market share in this sector growing from 7.8% in 2009 to 9.9% of all jobs in 2010, reversing a worrying long-term decline in the proportion of all jobs attributable to this sector. Furthermore, the growing share of Professional, Scientific and Management jobs was the largest relative increase of any industry in Greensboro (+2.1 percentage points).
- Traditionally, **education and health service jobs** make up one of the largest sectors of any city economy accounting for over one-fifth of all jobs on average. Greensboro is no exception to this rule with education and health accounting for more than one-quarter of all jobs in the city. Furthermore, the market share has

expanded recently, increasing from 24.2% in 2009 to 25.2% in 2010 – the second largest relative gain in market share for this time period.

- An important part of any city economy is the **arts and entertainment/accommodation and food industry** particularly in downtown areas which tend to act as important focal points for the industry. However, Greensboro's share in this industry decreased from 12.8% of all jobs in 2009 to 12.5% in 2010. Although the Greensboro city center has recently experienced a rebirth of sorts – particularly the nightclubs and bars along South Elm Street – more could be done to attract young urban professionals to the city.
- It is clear that the **transportation logistics and warehousing industry** has the potential to become a major player in the Greensboro economy particularly with the opening of the mid-Atlantic FedEx hub in 2009 at Piedmont Triad International Airport. However, given the economic slowdown, it is perhaps not surprising that the percentage of all jobs in this industry noticeably decreased from a 4.8% share of the market in 2009 to 3.4% in 2010. More disconcertingly, this represents the second largest relative decline of any industry in Greensboro for the same time period.

AVERAGE WAGES BY INDUSTRY

Analyzing average wages can provide a more detailed insight into the variation in skill levels by major industrial groupings – assuming that higher wages are a reflection of more specialized skills that require higher levels of training and expertise. The following data is derived from the North Carolina Employment Security Commission (ESC) and the U.S. Bureau of Labor Statistics (BLS) because the 2010 American Community Survey does not report data on average wages by specific industry. It should also be noted that ESC data by city is not available so the data is reported at the county level.

- **Overall average wages** in Guilford County increased from \$40,040 in 2009 to \$41,080 in 2010 – a 2.6% increase (+ \$1040).
- Although many Southeastern cities have experienced substantial manufacturing job losses in recent years, those manufacturing workers that remain employed tend to be involved in high-wage, high-skill activities. Guilford County's average wage rates in **manufacturing** increased 5.3% (+ \$2,724) from \$51,293 in 2009 to \$54,017 in 2010 – the second highest relative increase of any industry. Manufacturing companies in Guilford County continue to experience robust wage growth and pay better than any other sector, part of a positive long-term trend.
- **Retail** jobs on the whole paid poorly offering an average wage of just \$25,933 in 2009 and \$26,491 in 2010. Only the arts and entertainment/accommodation and food industry generated lower average wage rates.

- The **financial services** sector continued to generate some of the highest average wage rates in the local economy (i.e., \$53,612 in 2010) and experienced the highest relative wage gains (+5.4%) of any industry in Guilford County from 2009 to 2010. Guilford County appears to be cultivating a well paid, highly skilled financial cluster in the city and it seems to be a sector of the economy that deserves additional attention.
- The average wage rates in the **professional and business services** sector experienced modest wage growth (+1.4%) increasing from \$42,963 in 2009 to \$43,572 in 2010, part of a positive trend over the past five years.
- Although **education and health services** experienced a significant increase in the percentage of all jobs generated in the local economy, it produced only marginal gains in the average wage rates increasing just 0.6% from \$41,611 in 2009 to \$41,892 in 2010.
- The **arts and entertainment/accommodation and food** industry generated the lowest average wages of all the major industry groupings included in this report with largely unchanged average wage rates of \$14,599 in 2009 compared to \$14,733 in 2010.
- Guilford County has been touted lately as an emerging **transportation and warehousing** market and it continues to offer the third highest average wage rates behind only manufacturing and financial services. Overall average wage rates in transportation and warehousing increased 2.6% from \$42,968 in 2009 to \$44,103 in 2010, part of an encouraging long-term trend.

TAX BASE YIELD

One of the key metrics in determining the success or failure of a community is its ability to grow its property tax base. Healthy, thriving communities that are able to attract high value-added companies to the tax base should experience significant increases in total taxable real estate. The following data was obtained from the North Carolina Department of Revenue (NCDOR) – it should be noted that NCDOR data by city was not available so the data is reported at the county level.

- The overall tax base in Guilford County grew 0.5% from \$36.6 billion in 2009/10 to \$36.8 billion in 2010/11. Partly as an outcome of the 2008/9 recession, growth in the County tax base has begun to stagnate in recent years.

Analyzing the percentage of total taxable real estate derived from residential properties can provide some insight into how well communities are ‘holding back’ land for industrial development. Industrial properties tend to generate better tax yields than residential properties on a per acre basis so it becomes important not to have an unusually high amount of the total tax base come from residential properties.

- The percentage of the total property tax base generated from residential properties was 63.8% in 2009/10. More recent data on the residential and industrial tax base for 2010/11 was not reported by Guilford County to the North Carolina Department of Revenue.

POVERTY RATE

The poverty rate is an indication of the magnitude of the various social problems that can adversely impact the competitive advantage of a local community. The U.S. Census Bureau uses a set of money income thresholds to define the poverty rate that vary by household size and composition to detect who is poor. For example, for a family of four with two children under the age of 18, the household is considered poor if total household income is below \$22,113 in 2010.

- The Greensboro poverty rate increased slightly between 2009 and 2010 going from 20.0% to 20.1% of the population.

C. EDUCATION

A crucial indicator of the level of workforce preparedness in a city is the level of educational achievement in the community. For example, urban school systems experiencing above average high school drop-out rates are places that are unlikely to be economically sustainable in the long-term.

HIGH SCHOOL DROP-OUT RATES

- The Guilford County Schools high school dropout rate was very low and declined from 3.13% in 2008/9 to 2.81% in 2009/10 – one of the lowest dropout rates in North Carolina for major urban school systems.

SCHOOL ENROLLMENT

By analyzing the percentage of the population aged three years and older that is enrolled in school, it becomes possible to assess the relative mix of the K-12 system (includes nursery schools and preschool) relative to the enrollment demand for community colleges and university in a particular community. Communities with rapidly growing K-12 systems and disproportionately smaller college populations over time are unlikely to compete in the contemporary knowledge economy.

- The percentage of the Greensboro student population enrolled in K-12 systems decreased from 61.3% of the student population in 2009 to 55.5% in 2010. By contrast, the college population increased significantly from 38.7% in 2009 to 44.5% in 2010. Although both the K-12 system and the city's colleges have experienced significant growth in recent years, it appears that college enrollment has grown at a more rapid rate during the past year.

EDUCATIONAL ATTAINMENT

Another way of measuring the skill levels of the adult population is by ranking the educational attainment of the population aged 25 or older. Communities with a substantial share of adults with a high school education or less are unlikely to be competitive in the contemporary knowledge economy.

- The percentage of the Greensboro population with a high school diploma or less and a college degree or more were heading in similar different directions with different implications. In 2009, the percentage of the population with a high school diploma or less was 35.8% compared to 36.5% in 2010 – a significant increase and an alarming trend line given the need for skills in the contemporary knowledge economy. Fortunately, the percentage of the population with a college degree also increased noticeably from 34.1% in 2009 to 35.3% in 2010. The statistics do not round to 100% because a significant proportion of the Greensboro population has either an associate degree or some college credit but no degree (i.e., 30.1% of the population in 2009 compared to just 28.2% in 2010).

D. HEALTH AND WELLNESS

Health and wellness metrics can be robust measures of the overall quality of life of a community. Mature, diverse economies that provide opportunities for all of the population tend to be communities that experience few underlying social problems.

INFANT MORTALITY RATE

Infant mortality rate is one of several health and wellness metrics that can accurately measure the distribution of wealth and opportunity across a community. Well-educated, affluent communities tend to experience lower infant mortality rates. Data was collected at the county level from the Guilford County Department of Health.

- The infant mortality rate decreased from 10.4 per 1,000 live births in 2009 to 9.5 in 2010.

TEENAGE PREGNANCY RATES

A large number of teenage pregnancies can be considered a major risk factor for a community because it can lead to poverty and substantially hinder the overall performance and quality of the local area's workforce. A high teenage pregnancy rate can imply that a community has some long-term systemic problems that have the potential to negatively impact the community. Data were collected at the county level from the Guilford County Health Department.

- The teenage pregnancy rate declined from 49.9 per 1,000 females aged 15-19 years old in 2009 to 41.7 in 2010 – a substantive drop and part of an encouraging long-term downward trend.

CONCLUSION AND IMPLICATIONS

THE OVERALL ‘STATE OF THE CITY’ IS LESS THAN ROBUST

- Greensboro continues to struggle with the ongoing ramifications of the national recession particularly regarding the region’s significant job losses and high poverty rate.

POPULATION GROWTH RATES CONTINUED TO BE POSITIVE BUT LAG BEHIND OTHER LARGE CITIES IN NORTH CAROLINA

- The population of Greensboro increased from 223,891 in 2000 to 269,666 in 2010 – an increase of 20.4%. However, the growth rate lagged behind the other major cities in the state including Raleigh (46.3%), Charlotte (35.2%), Winston-Salem (23.6%) and Durham (22.1%) over the same time period.

THE PROPORTION OF THE POPULATION THAT IS CLASSIFIED AS ELDERLY CONTINUES TO RISE

- Since 2007, the proportion of the population that is 65 years of age or older has continued to rise from 11.4% in 2007 to 12.2% in 2010. Such a trend poses major human resource challenges for both public and private sector employers in the city.

MEDIAN EARNINGS AND PER CAPITA INCOME DECLINED MARKEDLY

- Although median earnings in Greensboro increased significantly from 2008 to 2009, this was not the case in 2010. Compared to the largest cities in North Carolina, Greensboro experienced the most substantive decline (-8.6%) in median earnings going from \$26,205 in 2009 to \$23,953 in 2010. By contrast, median earnings increased in Winston Salem (+3.7%) and Charlotte (+2.6%).
- Per capita income levels continued a three-year decline from a high of \$25,560 in 2008 to \$23,832 in 2010. Unlike earnings, per capita income includes more than just wages and salaries since it also includes income derived from interest, dividend, rent and transfer payments. The substantive decline in dividend investment capital due to the financial crisis and national recession of the late 2000s may have negatively impacted per capita income. From 2009 to 2010, Greensboro experienced the second most significant decline in per capita income relative to Charlotte (-7.6%), Durham (-2.5%), Raleigh (-2.5%), and Winston Salem (+3.6%).

GREENSBORO EXPERIENCES A MANUFACTURING RENAISSANCE THAT INCLUDES HIGH-PAYING JOBS

- Greensboro experienced a modest increase in the percentage of its workforce employed in manufacturing growing from 11.1% in 2009 to 11.5% in 2010. Furthermore, manufacturing wage rates (\$54,017) were higher than for any other industry and the increase from 2009 to 2010 (+5.3%) was the second highest in the major industry groups.

EDUCATION AND HEALTH SERVICES CONTINUE TO EXPAND AND ACCOUNT FOR ONE-QUARTER OF ALL JOBS IN GREENSBORO BUT AVERAGE WAGES ARE STAGNANT

- Education and health services continue to be major industries in the local economy accounting for over one-quarter of all jobs in Greensboro. The overall market share of education and health services increased noticeably from 21.2% in 2008 to 25.2% in 2010. The downside of this growth is that average wage rates have been stagnant since 2008 with the lowest net gains of any industry.

FINANCIAL SERVICES ARE A DOUBLE-EDGED SWORD OFFERING ROBUST WAGE GROWTH BUT DECLINING IN TERMS OF THE OVERALL SHARE OF JOBS GENERATED IN GREENSBORO

- The most rapid relative growth in average wage rates by industry from 2009 to 2010 occurred in financial services which increased from \$50,867 to \$53,612 (+5.4%). Other than manufacturing, financial services generated some of the best paid jobs in the Greensboro area. At the same time, the proportion of jobs in financial services decreased from 9.5% in 2009 to 7.7% in 2010.

TRANSPORTATION LOGISTICS CONTINUES TO LOSE MARKET SHARE BUT AVERAGE WAGE RATES NOTICEABLY INCREASED

- Despite the recent successes regarding companies like HondaJet and FedEx Ground, the transportation-related industry continues to lose market share in terms of the percentage of jobs generated. From 2009 to 2010, transportation employment share dropped from 4.8% to 3.4%, part of a three year downward trend. On the other hand, average wage rates increased 2.6% from \$42,968 to \$44,103 over the same time period – the third highest increase of any industry.

TAX BASE GROWTH IS FLAT

- Partly as a result of the 2008/9 recession and related fiscal crisis, growth in the Guilford County tax base was stagnant increasing a modest 0.5% from \$36.6 billion in 2009/10 to \$36.8 billion in 2010/11.

POVERTY RATES REMAIN HIGH

- The percentage of the city population in poverty remains high and largely unchanged, increasing slightly from 20.0% in 2009 to 20.1% in 2010 meaning one in five Greensboro residents were in poverty. (Note: for a family of four with two children under the age of 18, the household is considered poor if total household income is below \$22,314 in 2010.)

HIGH SCHOOL DROPOUT RATES REMAIN VERY LOW

- The Guilford County school system high school dropout rate remained one of the lowest rates in all of North Carolina for major urban school systems declining from 3.13% in 2008/9 to 2.81% in 2009/10.

TECHNICAL FOOTNOTES

Unless otherwise noted, most of the data utilized in the report was derived from the 2010 American Community Survey (ACS). The ACS is a new nationwide survey that allows communities online access to current demographic and housing data on an annual basis. Instead of waiting 10 years for the decennial census data, the annual ACS makes it possible for communities to make more accurate, timely and informed decisions.

The 2010 ACS provided data for geographic areas with a total population of 65,000 or more. The annual sample size expanded from about 800,000 addresses in 1,240 counties in 2004 to approximately 3 million addresses in 3,219 U.S. counties in 2010.

Those metrics based on the 2010 ACS data included:

- median age of the population
- % population 20-34
- % population 65 or more
- % white, black and Hispanic
- mean household size (persons)
- mean travel time (minutes) to work for workers over age 16
- % owner-occupied housing units
- median house value (\$)
- median worker earnings (\$). (Earnings are defined as the sum of wage or salary income and net income from full and part-time employment. "Earnings" represent the amount of income received regularly for people 16 years old and over before deductions for personal income taxes, Social Security, bond purchases, union dues, Medicare deductions, etc.)
- per capita income (\$). (Income is defined as the sum of wage and salary income plus income derived from such things as interest, dividend, rent and transfer payments.)
- % of the total workforce employed in manufacturing (NAICS 31)
- % of the total workforce employed in retail (NAICS 44)
- % of the total workforce employed in financial services (NAICS 52-53)
- % of the total workforce employed in professional, scientific and management services (NAICS 54-56)
- % of the total workforce employed in education/health services (NAICS 61-62)
- % of the total workforce employed in arts and entertainment (NAICS 71-72)
- % of the total workforce employed in transportation and warehousing (NAICS 48)
- % poverty rate (percentage of people whose income in the last 12 months is below the poverty level.) The U.S. Census Bureau uses a set of money income thresholds to define the poverty rate that vary by size and composition to detect who is poor. When the Social Security Administration (SSA) created the poverty definition in 1964, it focused on family food consumption. The U.S. Department of Agriculture (USDA) used its data about the nutritional needs of children and adults to construct food plans for families. Within each food plan, dollar amounts

varied according to the total number of people in the family and the family's composition; that is, the number of children within each family. The cheapest of these plans, the Economy Food Plan, was designed to address the dietary needs of families on an austere budget. Since the Economy Food Plan budgets varied by family size and composition, so too did the poverty thresholds. The poverty thresholds are revised annually to allow for changes in the cost of living as reflected in the Consumer Price Index (CPI-U). The poverty thresholds are the same for all parts of the country; they are not adjusted for regional, state, or local variations in the cost of living. To determine a person's poverty status, one compares the person's total family income in the last twelve months with the poverty threshold appropriate for that person's family size and composition

- % enrolled in high school or less
- % enrolled in college or more
- % of population over age 25 with a H.S. diploma or less
- % of population over age 25 with a college degree or more

The **total population** data is based on both the 2010 Census and the 2006 through 2009 annual population estimates published by the U.S. Census Bureau and not the ACS data (see the Methodology section of the Report for additional details). The U.S. Census Bureau produces estimates of total resident population for all areas of general-purpose government on an annual basis. The Census Bureau develops county population estimates with a demographic procedure called an "administrative records component of population change" method. For the household population, the components of population change are births, deaths, net domestic migration, net international migration, and net military movement to and from overseas. Change in the non-household population is measured by the net change in the population living in group quarters facilities. The city population estimates are derived using the "Distributive Housing Unit Method" which uses housing unit estimates to distribute the county population to subcounty areas within the county. Housing unit estimates use building permits, mobile home shipments, and estimates of housing unit loss to update housing unit change since the last census. The Census Bureau develops a household population estimate by applying the occupancy rate and average persons per household (PPH) from the latest census at the subcounty level to an estimate of housing units. The final estimate is calculated by adding the population in group quarters to the household population. The assumption implicit in this method is that changes in the occupancy rate and/or the PPH are measured by the updated county population estimate and that the rate of change in the occupancy rate and/or PPH is uniform within counties.

The **average wage rate** data is derived from the North Carolina Employment Security Commission and the U.S. Bureau of Labor Statistics (BLS) because the 2010 ACS does not report data on average wages by industry. BLS data was not available for Greensboro so all average wage rate data is for Guilford County. (Wage or salary income includes total money earnings received for work performed as an employee during the past 12 months. It includes wages, salary, armed forces pay, commissions, tips, piece-rate payments, and cash bonuses earned before deductions were made for taxes, bonds, pensions, union dues, etc. The average wages of workers in each industry was calculated in the following manner:

(Federal Wages + State Wages + Local Government Wages + Private Wages) / (Federal Employees + State Employees + Local Government Employees + Private Employees) = Average Wages. (Note: not all industries reported workers in both the public and private sectors)

The **tax base** data (total tax base and % residential) comes from the North Carolina Department of Revenue. The data is collected at the county level.

The **high school dropout rate** data were obtained from the Guilford County School Board and the reported figure is for Guilford County not the city of Greensboro.

The **health and wellness** data were collected from the North Carolina Division of Public Health. The infant mortality rate was calculated based on the number of infant deaths under one year of age per 1,000 live births. The teenage pregnancy rate was calculated based on the number of live-births, fetal deaths, and induced abortions per 1,000 females aged between 15-19 years old. Both metrics were not available for Greensboro and were reported at the county level.