

North Carolina Economy Report

2022 3rd Quarter

Highlights:

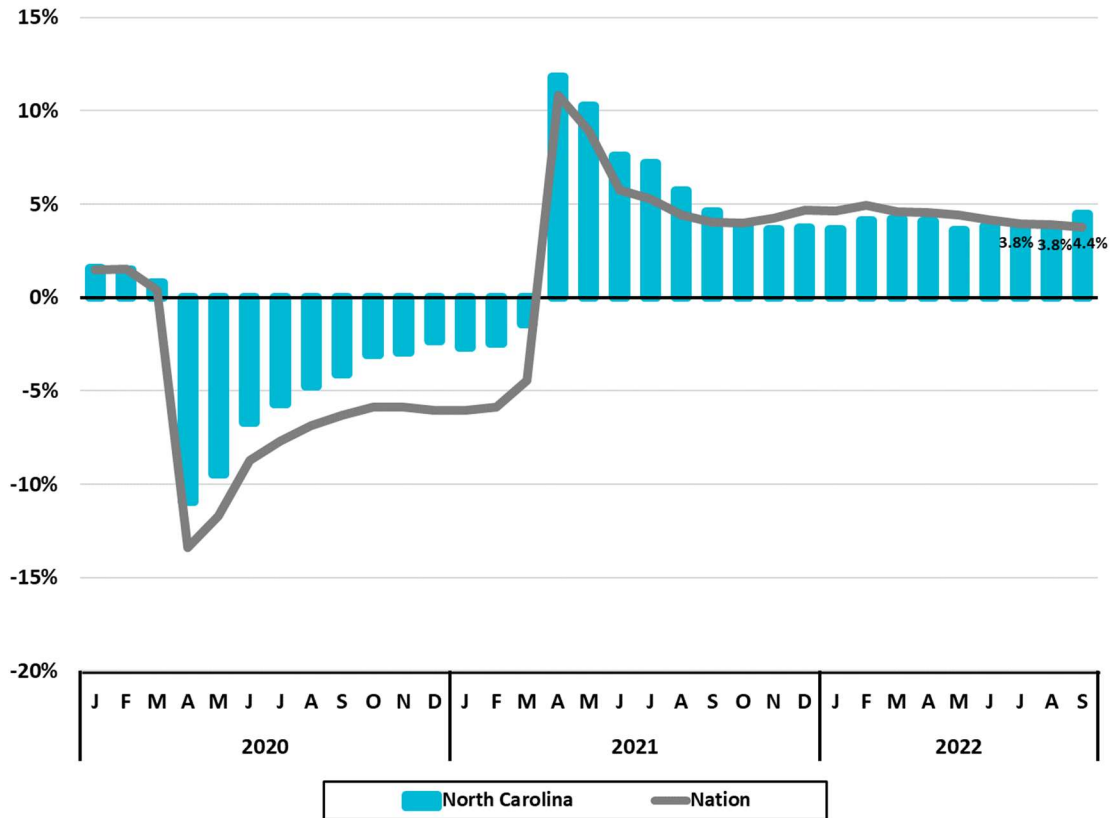
In the third quarter of 2022, the state of North Carolina's average employment at approximately 4.8 million marked a high point looking as far back as 1993. The Charlotte Metro led third quarter year-over-year employment gains among the state's fifteen metros while the Asheville Metro had the lowest unemployment rate. The Charlotte Metro led in average hourly wages for the quarter, exceeding both the state and national averages. The Durham-Chapel Hill Metro led in same-home appreciation rate change year-over-year.

- In the third quarter of 2022, the state of North Carolina gained an average 4.0 percent *employment*, or 183,800 jobs compared to a year earlier.
- Averaging 3.6 percent during the third quarter of 2022, North Carolina's *unemployment rate* was equal to the national average. At 2.9 percent, the Asheville Metro had the lowest average unemployment rate among the state's fifteen metros.
- All *major industries* with the exception of Mining and Logging added employment in the third quarter of 2022 when compared to a year earlier. Professional and Business Services led gains with approximately 53,000 new net jobs.
- North Carolina's *average hourly wage* was \$30.12 in the third quarter of 2022, an increase of 6.2 percent year-over-year. The Charlotte Metro led the state's fifteen metros with an average hourly wage of \$33.21.
- *Taxable retail sales* in North Carolina reached approximately \$57.7 billion in the third quarter of 2022, an 11.7 percent increase compared to a year earlier.
- *Special feature:* Educational Attainment estimates for the state's fifteen metros revealed that Raleigh (58 percent), Durham-Chapel Hill (55 percent), and Wilmington (51 percent) had the highest percentages of the population aged 25+ with an associate's degree or higher.

Detailed Analysis: Employment

In the third quarter of 2022, *employment* in the state of North Carolina averaged 4,780,600 employees- the highest quarterly average dating back to 1993. Third quarter employment increased by an overall average of 4.0 percent when compared to a year earlier (Figure 1 and Figure 2). This growth rate represented an average increase of 183,800 jobs. The nation’s comparable growth rate of 3.9 percent in the third quarter was slightly less than the state’s (Figure 2).

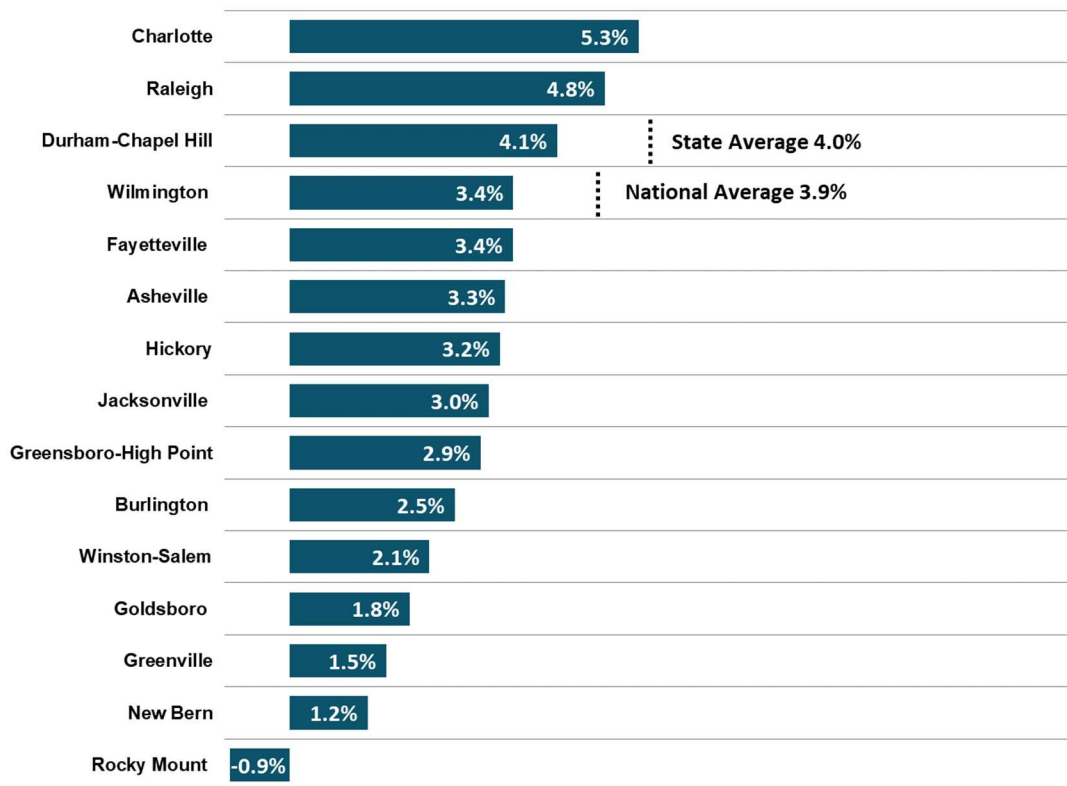
Figure 1
Total Employment
Monthly Year-to-Year
Percent Change



Source: US Bureau of Labor Statistics

With the exception of the Rocky Mount Metro, each metro in the state of North Carolina gained *employment* in the third quarter compared to a year earlier, as did the state and nation (Figure 2). The state's top three metros for percentage rate of employment gain were Charlotte (5.3 percent), Raleigh (4.8 percent), and Durham-Chapel-Hill (4.1 percent). These three metros outpaced the growth rate of the state's overall 4.0 percent and nation's 3.9 percent.

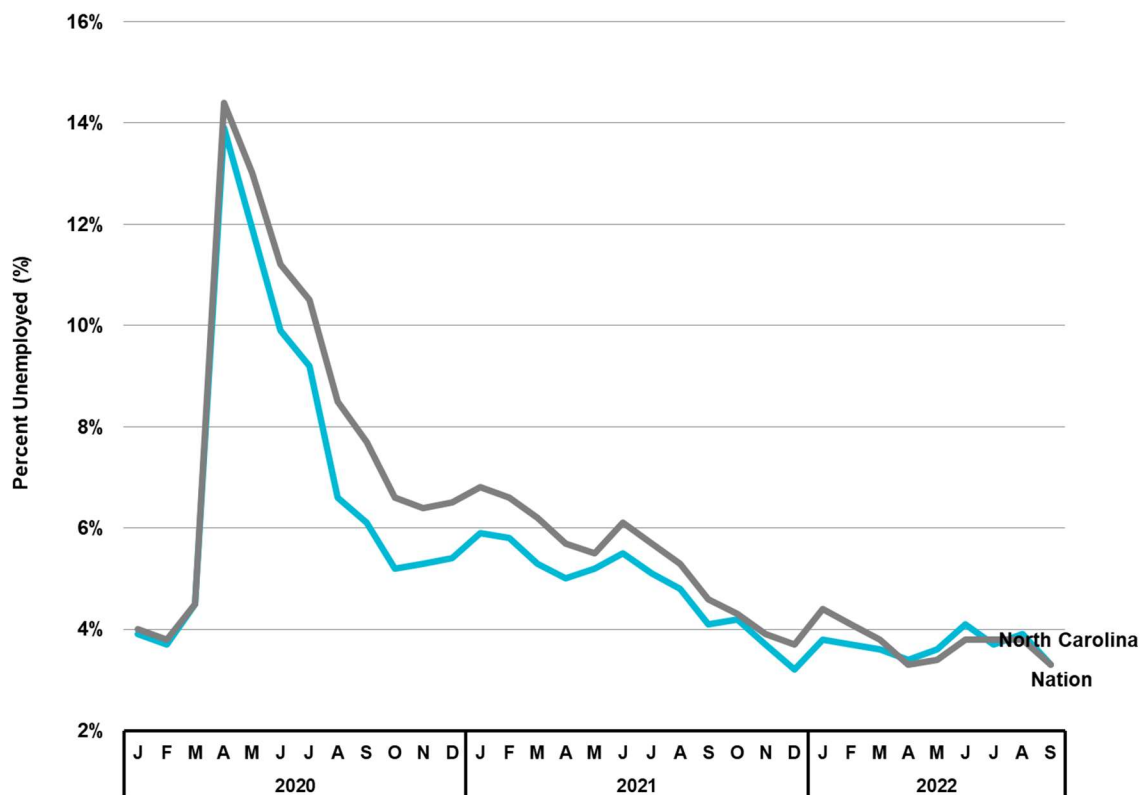
Figure 2
2022 3Q Average
North Carolina Metros
Employment One-Year Percent Change



Source: US Bureau of Labor Statistics

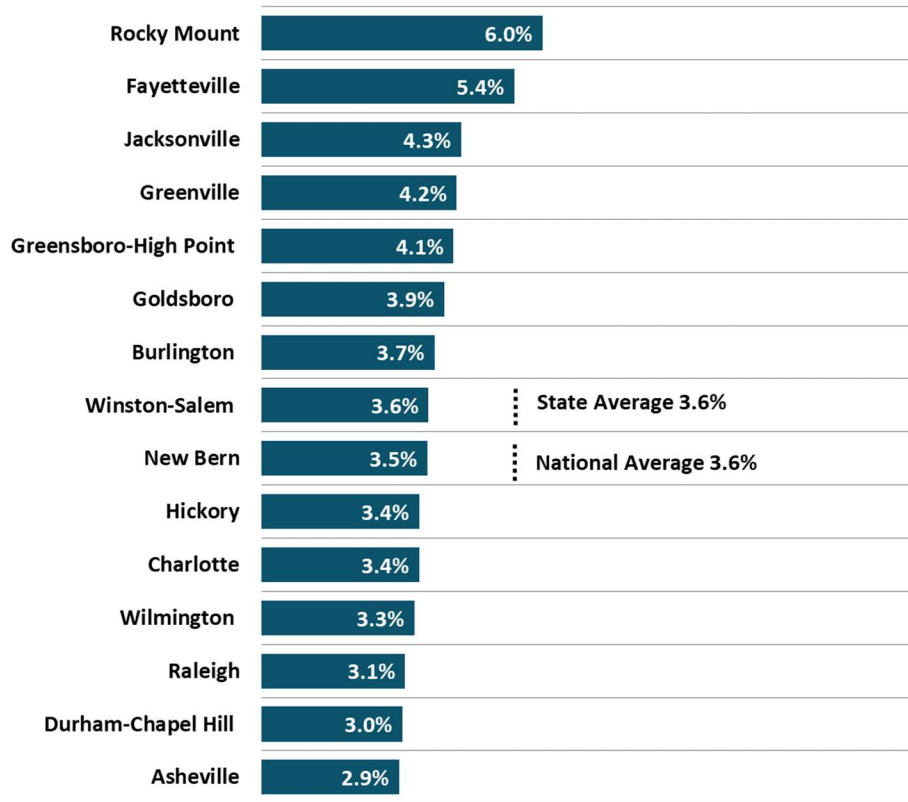
Averaging 3.6 percent over the third quarter of 2022, North Carolina's *unemployment rate* was equal to the national average (Figure 3 and Figure 4). This marked one of seven times the state dropped below 4.0 percent looking as far back as 1976. The unemployment rate in the state translated to roughly 186,500 unemployed, a decline of 20.2 percent compared to a year earlier. The state metros with the lowest third quarter unemployment rates were Asheville (2.9 percent), Durham-Chapel Hill (3.0 percent), and Raleigh (3.1 percent); whereas Rocky Mount had the highest unemployment rate at 6.0 percent.

Figure 3
Unemployment Rate (%)



Source: US Bureau of Labor Statistics

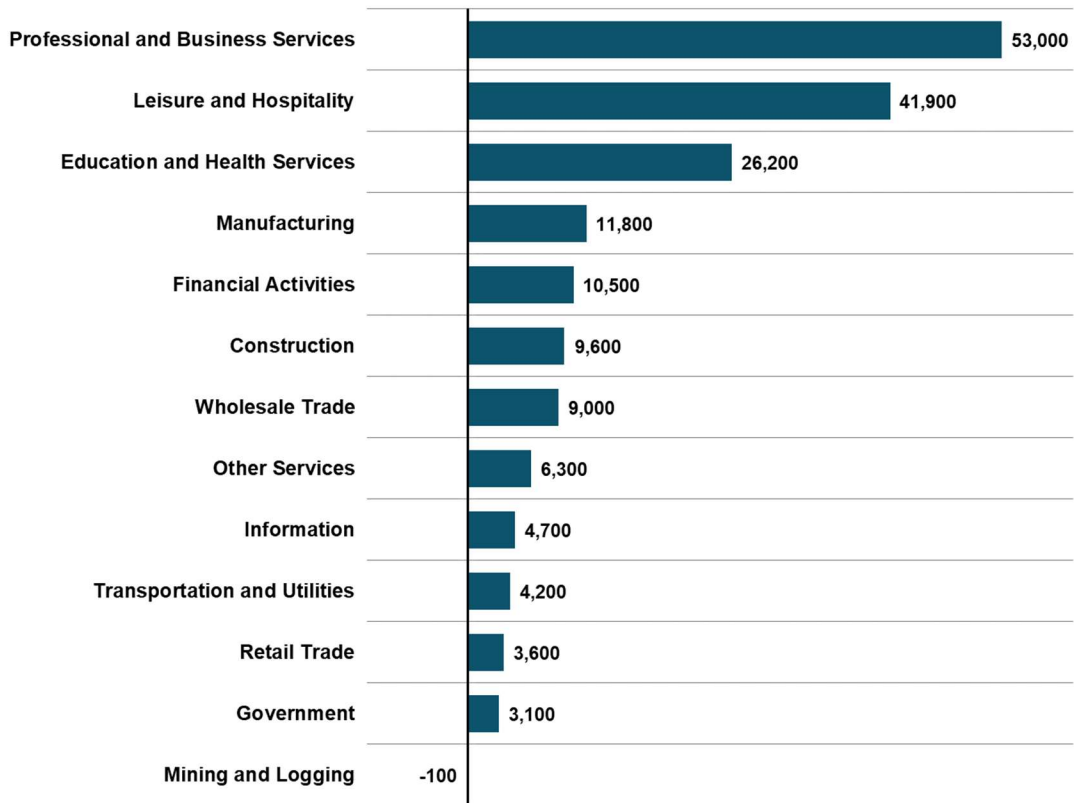
Figure 4
Unemployment Rate (%)
2022 3Q Average



Source: US Bureau of Labor Statistics

In the third quarter of 2022, all major industries in the state of North Carolina gained employment compared to one year earlier except for Mining and Logging. Professional and Business Services' net increase of 53,000 jobs and Leisure and Hospitality's net increase of 41,900 jobs led overall employment gains and made up over half of the state's total non-farm employment growth of 183,800 (Figure 5).

Figure 5
North Carolina – 2022 3Q
Major Industry Employment
One-Year Change

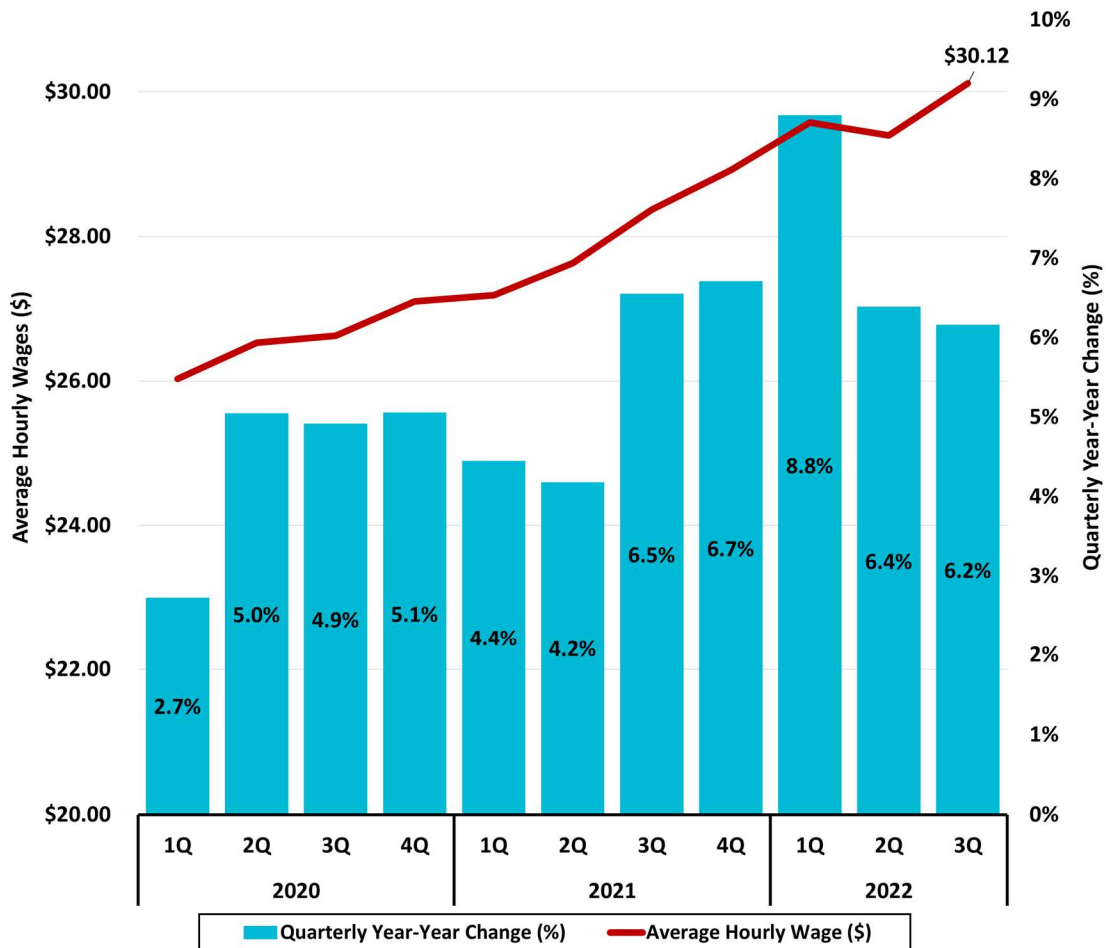


Totals rounded to nearest 100
Source: US Bureau of Labor Statistics

Wages

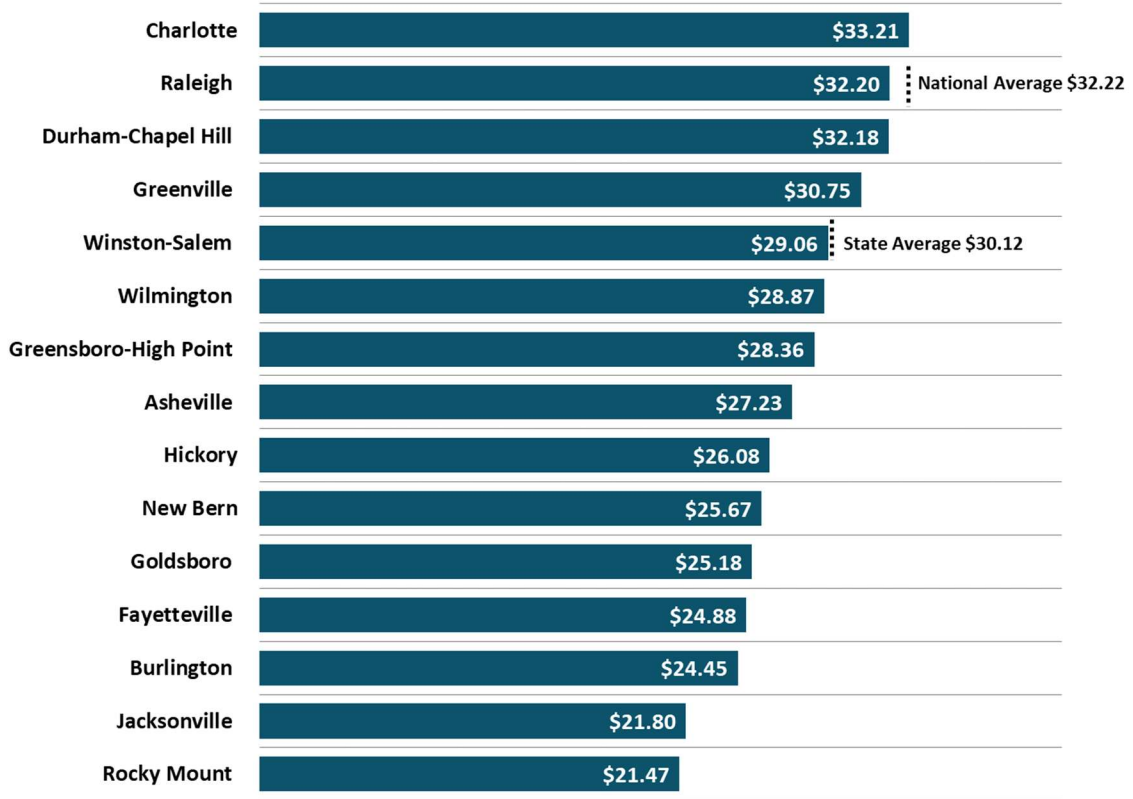
Private industry *average hourly wages* in the state of North Carolina equaled \$30.12 in the third quarter of 2022, a 6.2 percent increase from a year earlier (Figure 6). This marked a decline from the previous four quarterly year-over-year percentage gains. The metros with the highest third quarter hourly wages were Charlotte (\$33.21), Raleigh (\$32.20), Durham-Chapel Hill (\$32.18), and Greenville (\$30.75). These four metros exceeded the state's overall average of \$30.12 while the Charlotte Metro also exceeded the national average of \$32.22 (Figure 7).

Figure 6
North Carolina
Average Hourly Wages
Private Industry



Source: US Bureau of Labor Statistics

Figure 7
North Carolina Metros – 2022 3Q
Average Hourly Wages
Private Industry

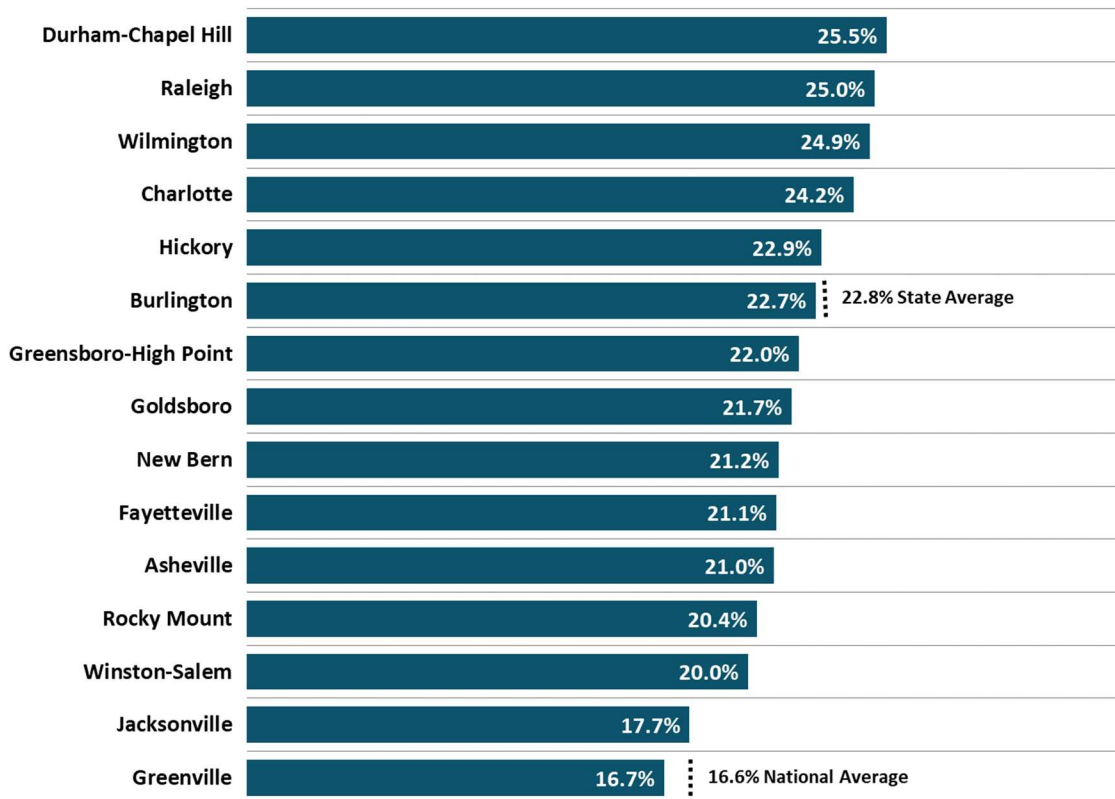


Source: US Bureau of Labor Statistics

Housing

At 22.8 percent, the state of North Carolina's *same-home annual appreciation rate* in the third quarter surpassed the national rate of 16.6 percent (Figure 8). Durham-Chapel Hill ranked first among the state's metros at 25.5 percent. All state metros exceeded the national rate.

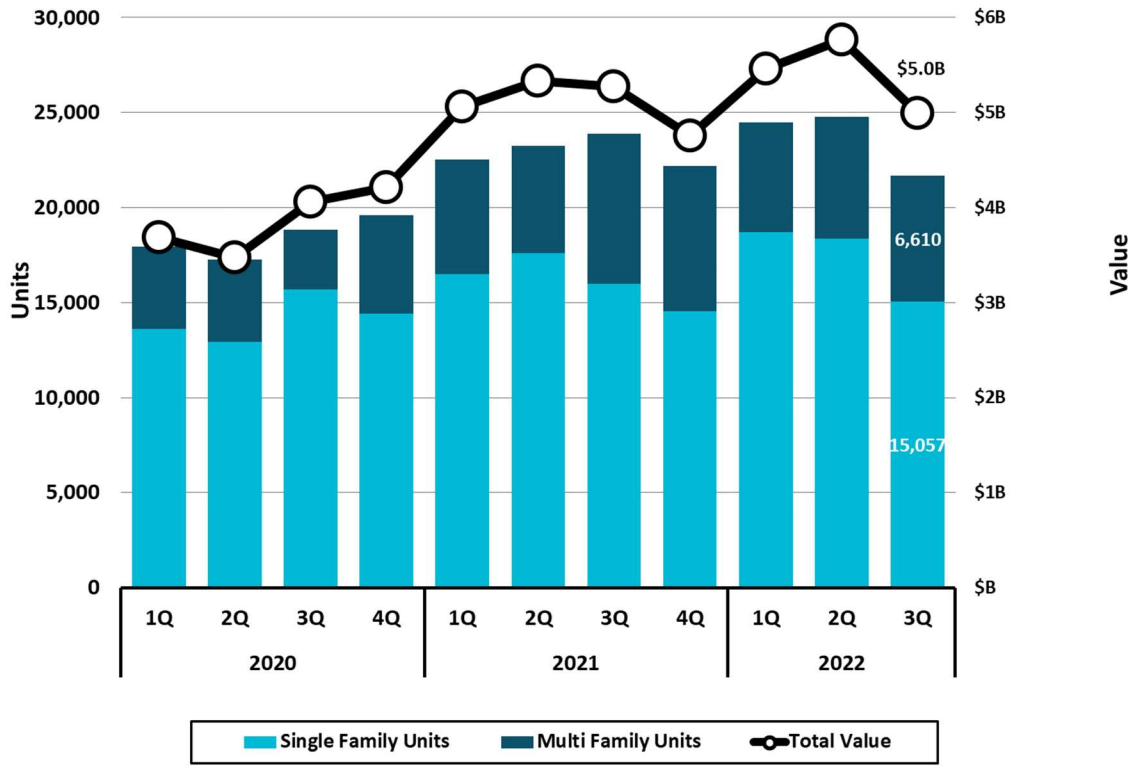
Figure 8
North Carolina Metros
Same-Home Annual Appreciation Rate (%)
2022 3Q



Source: Federal Reserve Bank of St. Louis

Estimated activity for new *residential building permits* in the state of North Carolina totaled 21,667 units in the third quarter of 2022 for single family and multi-family units combined (Figure 9). This was down 9.3 percent from one year earlier. The total third quarter value of \$4,997,311,000 (\$5.0 billion) was down 5.3 percent from one year earlier and down compared to the previous two quarters in 2022. Permitted multi-family units totaled 6,610 and accounted for 30.5 percent of building permits.

Figure 9
North Carolina
Estimated Residential Building Permits Activity*

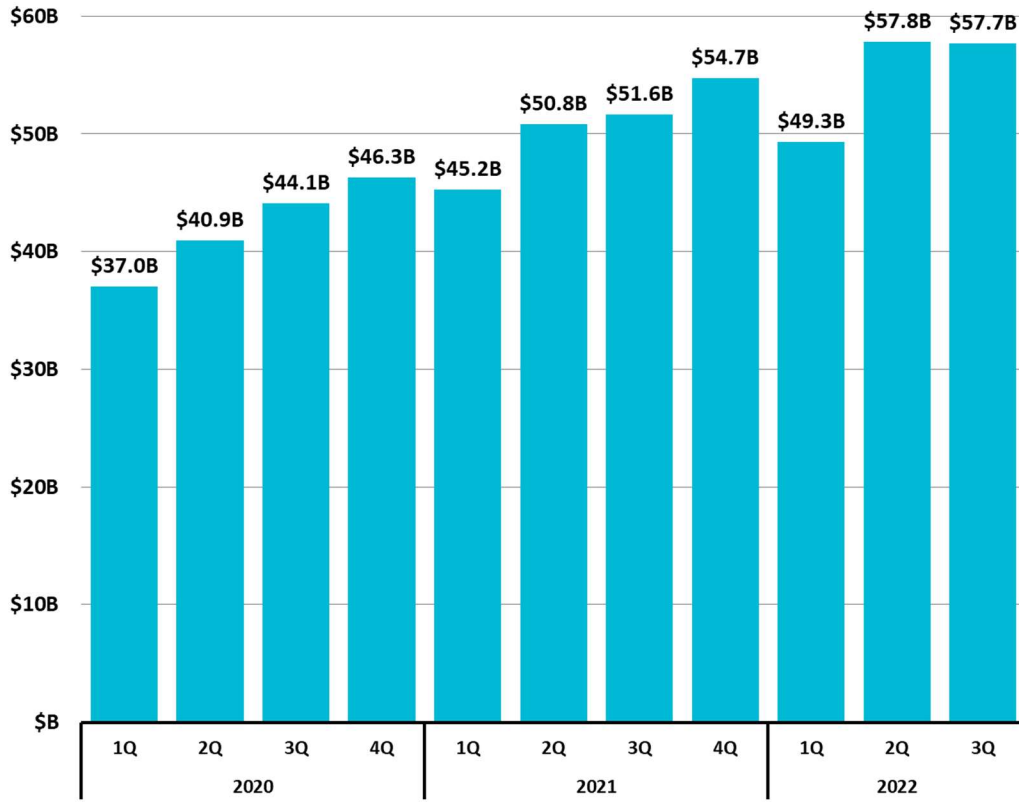


*Based on a survey of permitting agencies. The Census Bureau provides estimates for any missing agency data, which typically amounts to less than 20% of the total permits.
 Source: US Census Bureau

Retail Sales

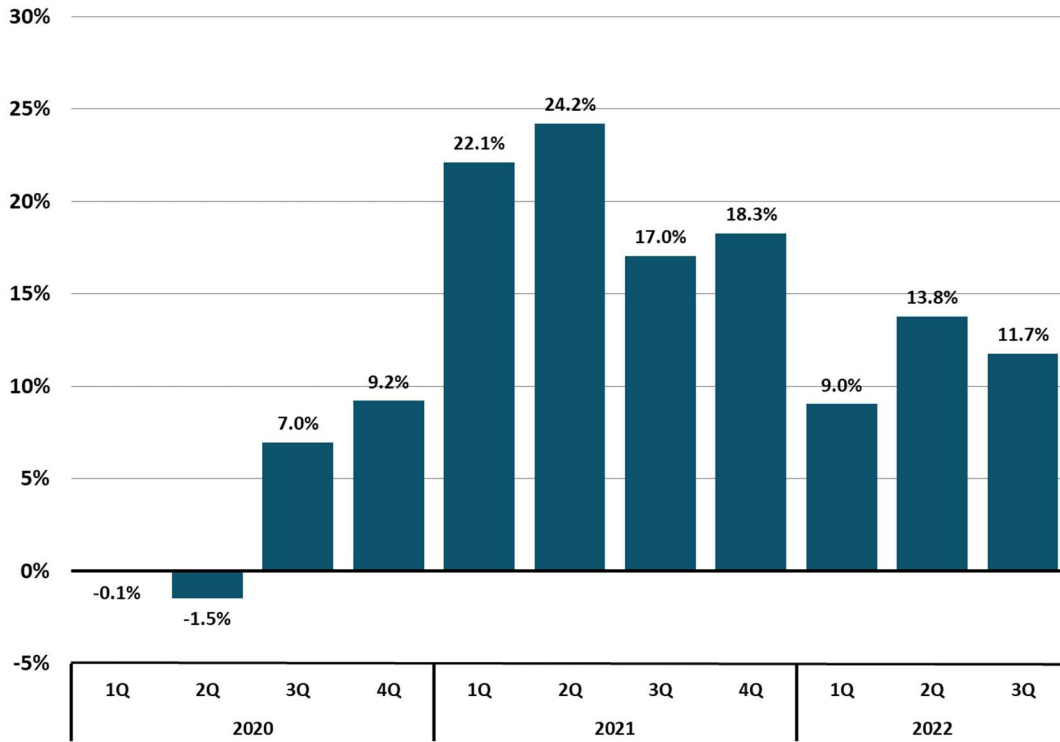
Taxable retail sales in North Carolina totaled \$57,674,457,740 (\$57.7 billion) in the third quarter of 2022. This represented an 11.7 percent increase compared to a year earlier and exceeded both 2020 and 2021 third quarter sales (Figure 10 and Figure 11).

Figure 10
North Carolina
Total Taxable Retail Sales



*Includes collections of penalties, interest, and sales & use tax; and may reflect activity from prior periods.
Source: NC Department of Revenue*

Figure 11
North Carolina
Total Taxable Retail Sales
Quarterly Year-to-Year Change (%)

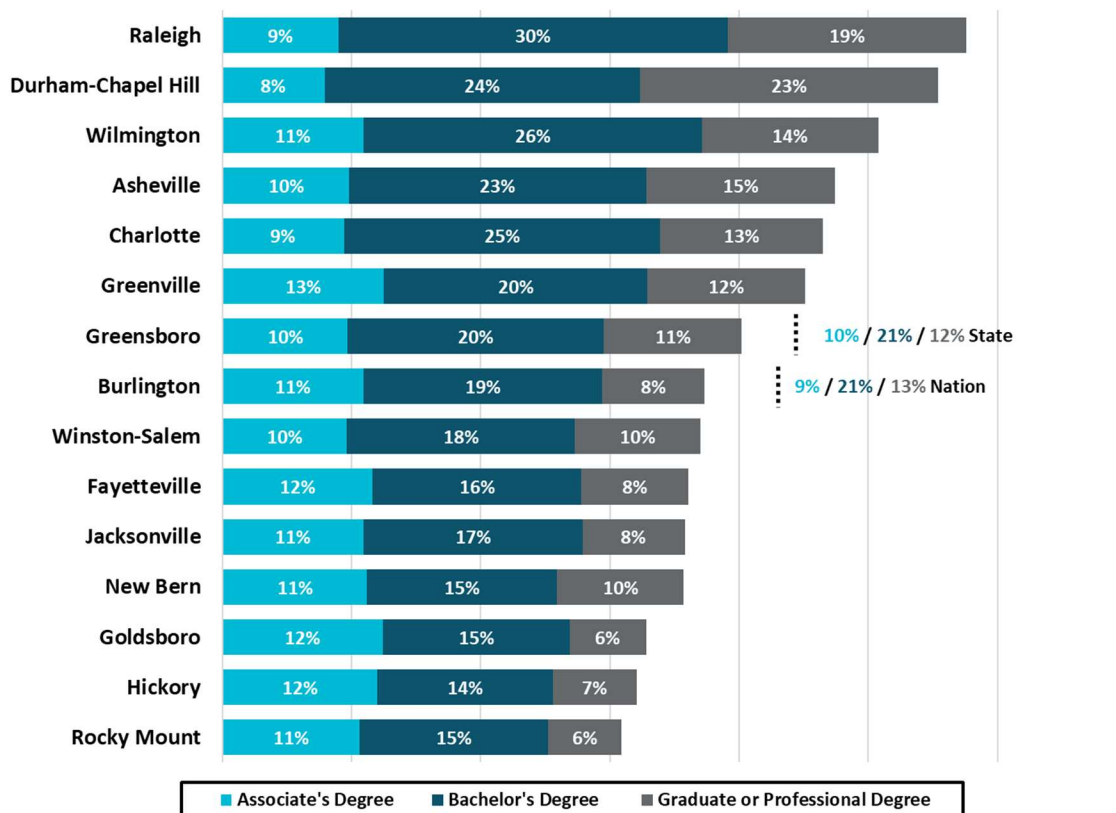


*Includes collections of penalties, interest, and sales & use tax; and may reflect activity from prior periods.
 Source: NC Department of Revenue*

Special Feature: Educational Attainment

Educational attainment in the state of North Carolina for the population aged 25 years and older with an associate's degree or higher was estimated at 43 percent in 2021 (Figure 12). Three of the fifteen state metros estimated over 50 percent with an associate's degree or higher: Raleigh (58 percent), Durham-Chapel Hill (55 percent), and Wilmington (51 percent). The Greenville Metro had the largest percentage with an associate's degree at 13 percent. The Raleigh Metro had the largest percentage with a bachelor's degree at 30 percent. The Durham-Chapel Hill Metro had the highest percentage with a graduate or professional degree at 23 percent.

Figure 12
North Carolina Metros
Educational Attainment
Population Age 25+ with Associate's Degree or Higher



Source: US Census Bureau, 5-Year Estimates (2017-2021)

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