

NORTH CAROLINA LABOR MARKET CONDITIONS

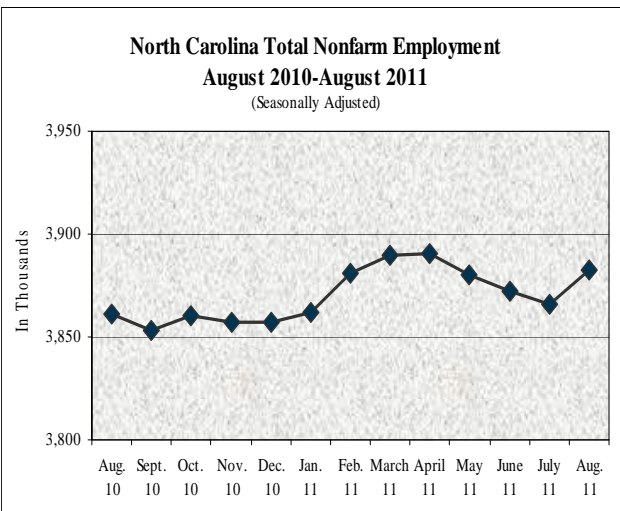
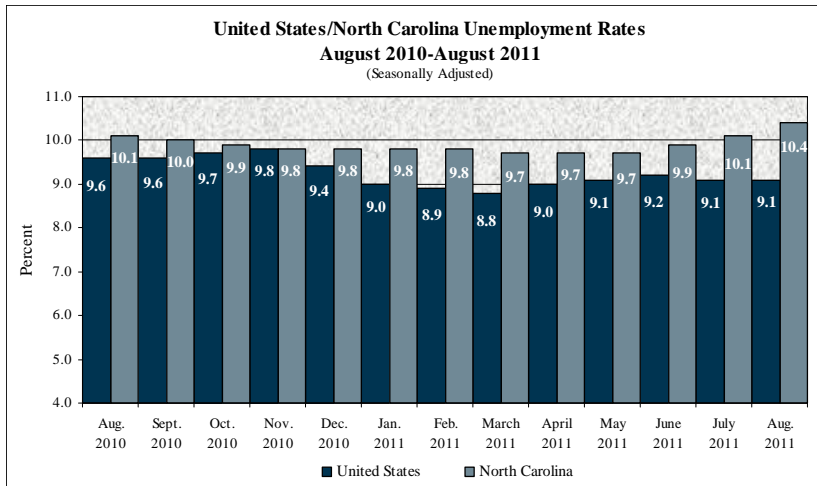
AUGUST 2011*

The North Carolina seasonally adjusted unemployment rate was 10.4 percent in August, an increase of 0.3 of a percentage point over the month, and 0.3 of a percentage point higher than August 2010. Over the month, the number of persons unemployed grew by 11,747 (2.6%). The civilian labor force was relatively unchanged at 4,499,043.

Nationally, August's unemployment rate remained unchanged over the month at 9.1 percent. The number of persons unemployed increased by 36,000 (0.3%), while the civilian labor force grew by 366,000 (0.2%).

Since the beginning of the recession in December 2007, North Carolina's labor force has decreased 1.3 percent, while the nation showed a loss of 0.2 percent. The number of people employed in North Carolina has decreased 7.0 percent, compared to 4.5 percent nationally, while the number unemployed has increased 106.9 percent in North Carolina and 82.2 percent nationwide.

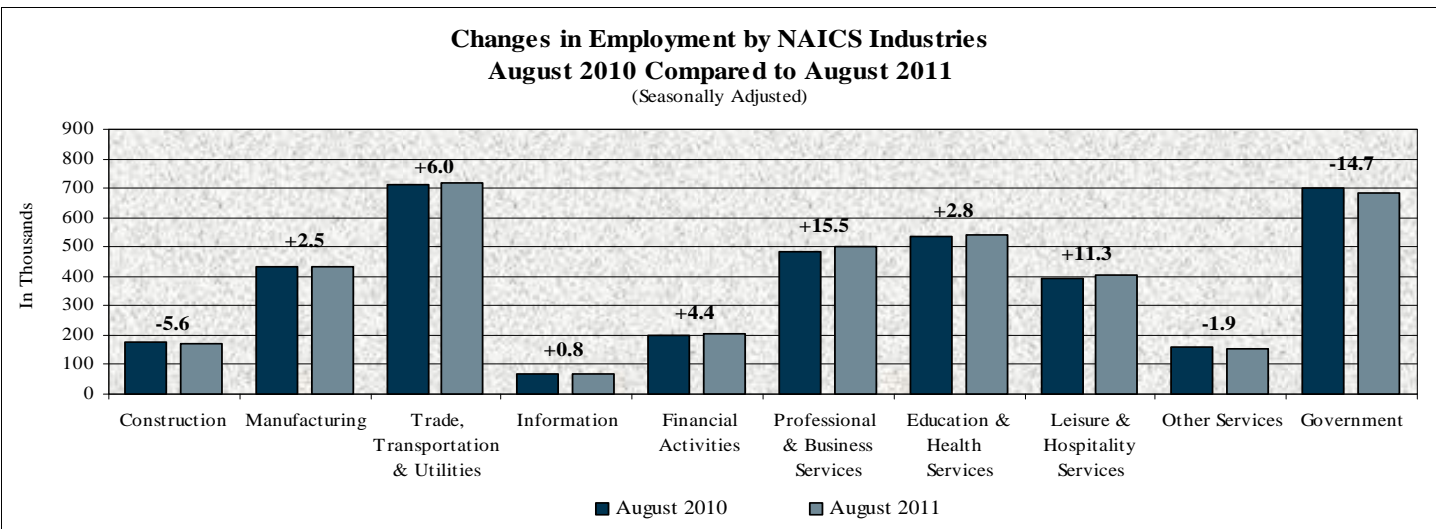
Seasonally adjusted Total Nonfarm industry employment, as gathered through the monthly establishment survey, showed an increase of 16,500 (0.4%) since July 2011, and an increase of 21,100 (0.5%) since August 2010. Private sector employment grew by 2,900 (0.1%) over the month and 35,800 (1.1%) over the year.



Since the beginning of the December 2007 national recession, North Carolina has lost 289,300 (6.9%) Total Nonfarm jobs. Manufacturing employment declined by 99,300 (18.6%). Of those jobs, 63.0 percent were in Durable Goods and 37.0 percent in Nondurable Goods.

Of the major industries for which payroll data are seasonally adjusted, Government had the largest over-the-month gain in jobs (13,600; 2.0%), followed by Professional & Business Services (3,900; 0.8%), Education & Health Services (2,500; 0.5%), Other Services (1,600; 1.0%) and Information (400; 0.6%). Trade, Transportation & Utilities (3,600; 0.5%) had the largest over-the-month decrease, followed by Manufacturing (1,200; 0.3%).

Since August 2010, Professional & Business Services added the largest number of jobs (15,500; 3.2%), followed by Leisure & Hospitality Services (11,300; 2.9%), Trade, Transportation & Utilities (6,000; 0.8%), Financial Activities (4,400; 2.2%), Education & Health Services (2,800; 0.5%), Manufacturing (2,500; 0.6%) and Information (800; 1.2%).



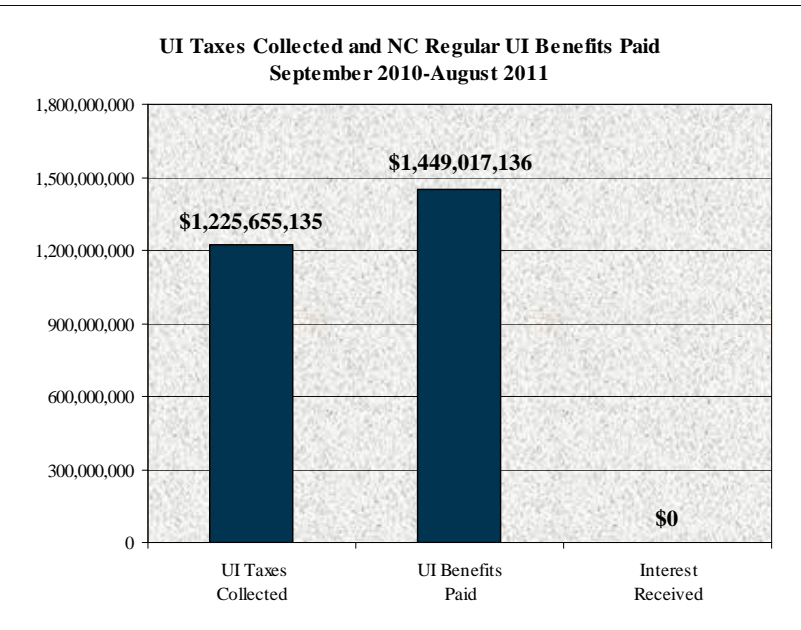
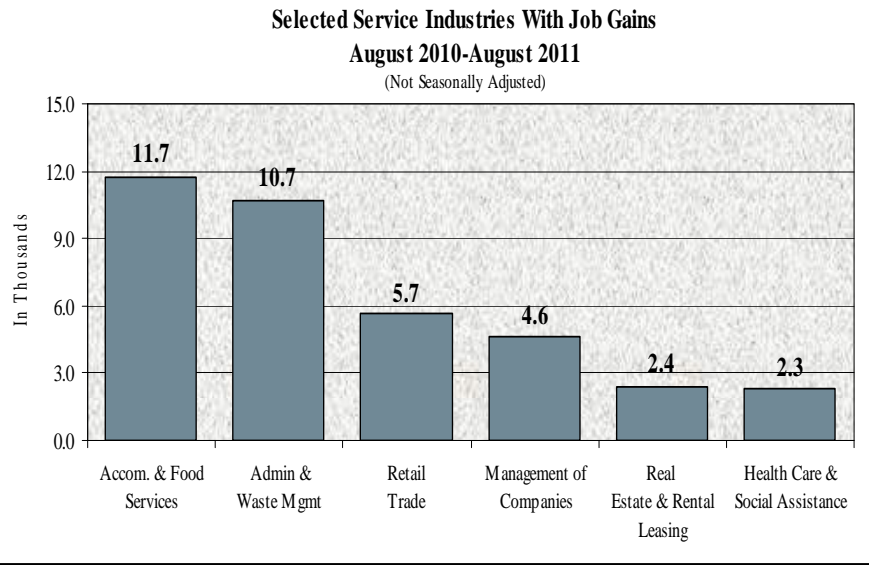
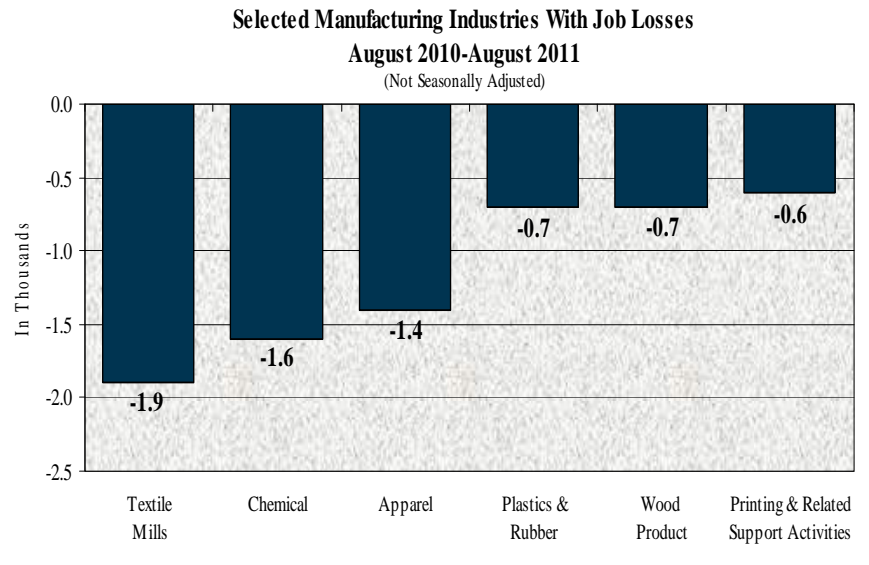
* NC current month data are preliminary, while 2010 data are benchmarked.

The August 2011 not seasonally adjusted Total Nonfarm employment level of 3,884,800 was 70,900 (1.9%) higher than July 2011. Among the major industries in North Carolina, Government had the largest over-the-month gain in employment at 59,000 (10.0%), followed by Professional & Business Services (7,100; 1.4%), Education & Health Services (4,100; 0.8%), Construction (1,900; 1.1%), Manufacturing (1,400; 0.3%) and Information (400; 0.6%).

Over the year, the Service Providing sector (all industries except Mining & Logging, Construction, and Manufacturing) showed an increase of 13,200 (0.4%) jobs. Professional & Business Services experienced the largest employment increase with 17,400 (3.6%), followed by Leisure & Hospitality Services (12,700; 3.1%), Trade, Transportation & Utilities (5,000; 0.7%), Financial Activities (4,000; 2.0%), Education & Health Services (1,100; 0.2%) and Information (800; 1.2%). Government experienced the largest employment decrease with 25,800 (3.8%), followed by Other Services (2,000; 1.3%).

The Goods Producing sector lost 1,300 (0.2%) jobs over the year. Construction decreased by 4,900 (2.7%) jobs, while Manufacturing increased by 3,600 (0.8%) and Mining & Logging showed no change.

Food had the largest amount of manufacturing employment with 51,300 in August 2011, but decreased by 300 (0.6%) over the year. Machinery had the largest net over-the-year increase at 1,600. Other manufacturing industries with over-the-year increases were: Fabricated Metal Product, 900; and Transportation Equipment, 600.



Average Weekly Hours for manufacturing production workers in August decreased by 24 minutes to 40.8 from July's revised 41.2. Average Hourly Earnings increased by \$0.03 to \$16.05, while Average Weekly Earnings declined by \$5.18 to \$654.84.

Regular Initial Claims for Unemployment Insurance (UI) totaled 52,821 in August, decreasing 7,402 from July. Thirty-eight percent of Initial Claims for August 2011 were "attached" to a payroll, meaning that employees expect to be recalled to their jobs.

A total of \$117,987,637 in regular UI benefits was paid in August to 112,015 claimants statewide — a decrease of 1,978 claimants since July 2011.

For the 12-month period ending August 2011, \$4,360,549,093 was paid from all programs, both state and federal. The UI Trust Fund balance at the end of August was in the red (\$2,427,029,330). The State Reserve Fund balance was \$107,390,861.