The healthcare policy landscape and lifestyle changes have been blamed for rising healthcare costs in publically-funded programs such as Medicare and Medicaid. Additionally, the push to provide company-sponsored private health insurance has increased the demand for healthcare services, hidden end-user costs, and given healthcare providers the ability to increase prices over time. Chronic illnesses like heart disease, asthma, and diabetes have also played a significant role in driving up the costs of healthcare, because they are both expensive and difficult to treat, and nearly half of the U.S. population has one or more chronic illnesses. If being overweight or obese is factored in, this share rises to about 2/3rds of the population. According to the Centers for Medicare and Medicaid Services, the effect of these policy and lifestyle changes was that national healthcare expenditures increased from 5% of GDP in 1960 to 17.9% in 2016, and is now projected to surpass 20% of GDP by 2020.

Ironically, unhealthy lifestyles and public policy intended to increase access to healthcare have led to very robust growth in the industry and in healthcare occupations. According to a recent study by the Bureau of Labor Statistics (BLS), the U.S. healthcare industry is poised to add nearly 4 million jobs (both in healthcare and other supporting occupations) over the period 2016 to 2026. In fact, about one-third of all new jobs nationally are expected to be in the healthcare and social assistance industry. The BLS also projects that healthcare occupations (those jobs directly involved in healthcare service provision) will grow by 18% over the same 10-year period. In total, healthcare occupations are projected to add about 2.4 million new positions, which is more than any of the other major occupational group over the next ten years.

Healthcare and healthcare-related jobs vary in both skill requirements and in pay. Although it’s commonly assumed that all healthcare jobs are highly-skilled positions and relatively high-paid, there are positions for all skill levels and pay grades. The median annual wage for healthcare and healthcare-related jobs in 2018 was $37,660, which is lower than the median annual wage for all occupations ($41,950). This wage is expected to grow by 18% over the next 10 years, which is faster than the average for all occupations. The median annual wage for healthcare occupations is projected to grow by 18% over the same period, which is faster than the average for all occupations.

Recent data suggest that the U.S. economy is growing quite strongly as real GDP increased by 2.9% in 2017Q4 (compared to 3.2% in 2017Q3). The most recent employment report also provides supporting evidence of the continuation of a strong U.S. economy as non-farm sectors added 313,000 jobs in February 2018. The U.S. unemployment rate was unchanged at 4.1%. The most recent report from the Bureau of Labor Statistics (February 2018) indicates that consumer prices have risen by 2.2% over the last 12 months. Unemployment in all of West Georgia’s counties has been on the decline. Between January 2017 and January 2018, the average county unemployment rate dropped by about 1%. Currently, each county’s rate is below 5% with Coweta and Paulding experiencing an especially tight labor market (unemployment rates below 4%) while Douglas and Polk have the highest regional unemployment rates, at 4.7% and 4.8%, respectively. The number of initial claims for unemployment insurance was also lower in February 2018 (compared to February 2017) in four counties in the region. Haralson and Douglas counties, at -16.7% and -11.1%,
In February, Georgia's economy continued to improve, albeit at a slower pace than last year. The state's new unemployment insurance (UI) claims declined in February 2018 by 8.5% over the previous year, while the Atlanta MSA counties fell at a slower rate of 4.8% for the same period. Those rates represent about half of the year-over-year rate declines experienced in February 2017. Overall, the West Georgia Region also continued to experience labor market improvements. New UI claims for the region fell by 4.9% or 64 claims. Four of the six West Georgia counties continued to experience declines in new UI claims. Carroll, Coweta, Douglas and Haralson each had fewer new claims in February 2018, and claims in Haralson and Douglas were down by 16.7% and 11.1%, respectively. Paulding and Polk were the only counties in the region to post higher initial UI claims in February 2018; however, the increases were relatively small. Paulding added 9 new claims (or +5.1%) and Polk added only 4 (or +1.4%).

Despite the already low unemployment rates of 2017, Georgia, the Atlanta MSA and the West Georgia Region all experienced continued labor market improvements over the year. The state's unemployment rate in January 2018 stood at 4.6%, which is a full percentage point lower than it was in January 2017. Both the Atlanta MSA and the West Georgia Region posted a 4.3% unemployment rate for the same period and both experienced rate improvements similar to that of the state. All six counties posted unemployment rates below 5% for the last six months (since August 2017). In January 2018, Coweta experienced the lowest unemployment rate in the region at 3.8%, down from 4.9% a year earlier. Paulding followed closely with a rate of 3.9%. Polk and Carroll had the largest rate declines over the year, shedding 1.7 and 1.5 percentage points, respectively. The highest January unemployment rates were in Polk (4.8%) and Haralson (4.7%), however, both counties experienced substantial improvements over their rates in the same month of last year.

Between 2016Q3 and 2017Q3, the West Georgia Region added 3,208 new jobs, but at the same time, it lost 717 establishments. This trend of increased employment levels and fewer establishments is common to all six counties in the region. The largest changes were seen in Carroll County, which added 1,143 jobs but lost 171 establishments, followed by Paulding, which added 610 jobs but lost 113 establishments, and Douglas, which added 591 while losing 265 establishments. The good news is that employment is growing. At the same time, the region is seeing small firms either close down or consolidate. The goods-producing industry employment levels grew in every county in the region, while service-providing jobs grew in all counties except Haralson. The reduction in service employment in Haralson came mostly from the healthcare sector where 56 jobs were lost. Government jobs grew in Carroll, Haralson, and Paulding but shrunk in Coweta, Douglas, and Polk. Carroll led employment growth in the region with 1,143 new jobs, a growth rate of 2.95%.

### Employment Growth (% Change 2016Q3 to 2017Q3)

<table>
<thead>
<tr>
<th>County</th>
<th>Total</th>
<th>Goods Producing</th>
<th>Service Providing</th>
<th>Govt.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Carroll</td>
<td>2.95%</td>
<td>7.16%</td>
<td>1.45%</td>
<td>3.04%</td>
</tr>
<tr>
<td>Coweta</td>
<td>1.48%</td>
<td>5.72%</td>
<td>1.04%</td>
<td>-0.79%</td>
</tr>
<tr>
<td>Douglas</td>
<td>1.43%</td>
<td>2.22%</td>
<td>1.80%</td>
<td>-0.13%</td>
</tr>
<tr>
<td>Haralson</td>
<td>1.99%</td>
<td>9.27%</td>
<td>-2.58%</td>
<td>1.13%</td>
</tr>
<tr>
<td>Paulding</td>
<td>2.68%</td>
<td>2.77%</td>
<td>3.38%</td>
<td>2.14%</td>
</tr>
<tr>
<td>Polk</td>
<td>1.75%</td>
<td>2.12%</td>
<td>2.36%</td>
<td>-1.07%</td>
</tr>
<tr>
<td>Georgia</td>
<td>1.57%</td>
<td>2.01%</td>
<td>1.83%</td>
<td>0.80%</td>
</tr>
</tbody>
</table>
The healthcare and social assistance industry has been a stable source of regional employment, adding an average of 4.3% new jobs per year since 2000. Over that period, the only year that healthcare employment dipped was 2010, a year after the recession ended and only by 143 jobs (-1.0%). The most recent annual data (2016) indicate that West Georgia’s healthcare employment grew by 4.7%, with Paulding’s leading the region with a growth rate of 15.5%. Though Carroll has long had the highest level of healthcare employment in the region, Coweta’s employment has increased by 171% over the past 15 years to place it essentially alongside Carroll. Though Paulding currently has the 4th highest healthcare employment in the region, since 2000 it has grown by 317%. Healthcare wages have also grown along with the employment. Overall, inflation-adjusted wage growth in West Georgia healthcare averaged 5.6% per year. Between 2015 and 2016 real wages grew by 4.0%.

West Georgia’s housing continues to steadily improve. Average sales price increased by 4.1% between February 2017 and 2018, from $199,620 to $207,868. Douglas posted the largest increase, adding almost $30,000 to its average sales price (+18.2%) over the year. Carroll followed closely with a more than $20,000 (+13.8%) increase in average sales price over the same period. Though based on relatively few sales, Haralson and Polk experienced sales price declines over the 12-month period. On the supply side, new listings and new housing permits continue to show steady signs of improvement, but not at the pace necessary to satisfy demand. New listings were up 2.1% for the region between February 2017 to February 2018. Annual permits were up 10.0% for 2017. Single-family housing data trends suggest that permits will grow by more than 900 units in the region between 2017 and 2018. Nevertheless, days-on-the-market for February 2018 was 73.3 days, down from 83.7 days a year earlier, indicating continued market tightness.

More recent quarterly healthcare data indicate that job growth remains positive for the region, but has slowed to an annual average rate of 3.0%. This growth resulted in the addition of 575 jobs between 2016Q3 and 2017Q3. Carroll and Coweta continue to lead the region in terms of total healthcare employment, combining for 10,824 jobs. Between 2016Q3 and 2017Q3, Carroll added 108 new jobs (+2.0%); however, Coweta dipped slightly by 44 jobs (-0.8%). Though the region added jobs overall, 3 of the 6 counties posted healthcare job losses. The largest losses in both percentage and absolute terms were from Haralson, which was down 56 jobs or 8.5% for the year. Despite WellStar’s hospital upgrades, Douglas County posted a loss of 42 jobs, or 1.0% over the year. Though Carroll, Paulding and Polk all reported employment gains for the year, the largest healthcare job gains in percentage terms came from Polk County, which grew by 35.6% for the year or by 267 jobs. The highest absolute healthcare employment gains came from Paulding, which added 342 jobs, growing by13.3% over the year.
Healthcare (continued from page 1)

for healthcare practitioners and technical occupations such as regist-
ered nurses, dental hygienists, physicians and surgeons was $63,420 in May 2016, which was substantially higher than the median annual wage of $37,040 across all occupations. However, there are also lower-skilled jobs in healthcare support occupations, such as home health aides, occupational therapy assistants, and medical transcriptionists. These occupations require less training and, as a result, command a lower median annual wage. In May 2016, the median wage of health support occupations was $27,910, which is below the median wage for all occupations.

West Georgia’s healthcare sector has moved in step with the na-
tion’s. Each of the region’s healthcare providers is in the process of expanding facilities and services. On top of the more than $100m in recent improvements from Tanner Health Systems, new plans are in process to further increase healthcare facilities. For example, new hospital and urgent care centers have popped up around the region in Carroll, Haralson, Paulding and even East Alabama (Wedowee). New construction recently began on the Tanner Health Pavilion, an outpatient medical complex across Dixie Street from Tanner Medical Center in Carrollton (see photo on page 1). Additionally, the University of West Georgia broke ground on a new 14,500-square-foot, $4m state-of-the-art student health center (in partnership with Tanner) on its main campus. Other regional improvements include Coweta’s Piedmont Newnan Hospital’s new cardiac and radi-
ology facilities, a new 18-bed Intermediate Care Unit, and additional administrative space. Furthermore, Coweta’s Cancer Treatment Centers of America (CTCA) has expanded facilities almost continu-
ously since its opening in 2012. WellStar, which has local hospital facilities in both Douglas and Paulding, completed the buildout of its Paulding County hospital in 2016, which now employs more than 800 workers, in addition to the physicians and providers that work around the rest of the county.

All of this regional investment in medical infrastructure has been accompanied by robust employment growth in the industry. West Georgia’s annual growth in healthcare and social assistance has averaged 4.3% over the past 15 years, an employment trend that was only mildly affected by the most recent recession. Recent data indic-
ate that healthcare comprises 18.7% of employment in the service-
providing sector for the West Georgia Region; however, about 45% of new service-sector job growth is expected to come from healthcare and social assistance in the upcoming year.

Overall, the shift of West Georgia’s service-providing industries toward healthcare provides some key benefits to the region. Healthcare jobs are more stable than other types of service jobs. They also generally provide higher wages. The presence of more healthcare services is often viewed as a prerequisite for attracting new firms to the region. Finally, access to healthcare is associated with an improved quality of life. Whether measured at the industrial or occupational level, healthcare is likely to be an engine of growth for the West Georgia economy for the upcoming decade.

Update (continued from page 1)

respectively, sustained the greatest year-over-year drop in unem-
ployment claims. The number of initial unemployment claims rose
slightly in Paulding and Polk counties over this one year period. At
the state level, the unemployment rate was 4.6% in January 2018
while initial unemployment claims were 8.5% lower in February 2018 compared to the year earlier.

The most recent employment-by-sector data show that overall nonfarm employment in West Georgia increased by 2% between 2016Q3 and 2017Q3. Carroll and Paulding sustained the largest percentage gains in employment, up 3% and 2.7%, respectively. Em-
ployment growth in each of the other counties, Coweta, Douglas, Haralson and Polk, was less than 2%. West Georgia manufacturing employment grew by 1,013 jobs, a 4.7% increase. The construction sector also continued its rebound, adding 467 jobs between 2016Q3 and 2017Q3. West Georgia’s service sector added about 1,700 jobs, or a 1.7% gain, over this same period. The West Georgia retail sec-
ctor rebounded by adding 941 jobs (a 3.9% gain) while the health care sector continued its robust employment growth by adding 575 jobs or a 3% gain between 2016Q1 and 2017Q1. Public sector employ-
ment grew by about 1% (245 jobs) over this one year period.

A number of current and future developments will be impacting economic growth in the region. Two major expansions are planned by manufactur-
ing firms in Carroll County. OFS Fitel, a manufacturer of optical fiber products, is planning to expand its Carrollton (and Norcross) plants by investing about $139 million and creating a total of 200 jobs. In November, Sugar Foods (Villa Rica) announced that it will be undergoing a $53 million expansion, adding about 50 jobs over the next five years. A new $4 million student health center is also under construction at the University of West Georgia. This is being built in partnership with the Tanner Health System. In a nega-
tive development, Greenway Health (Carrollton) announced in De-
cember that it will be relocating about 100 jobs from its Carrollton location to offices in Florida. A Switzerland-based bottle-cap manu-

facturer, Corvaglia, plans to build a $25 million facility in Newnan. This plant is expected to open in late 2018, adding about 40 jobs. New residential construction activity in Coweta County includes a planned 596-home, 225 acre community to be located near Highway 34 and I-85 (to be developed by D.R. Horton). Other developments in Newnan include two new hotels (Comfort Inn and Sleep Inn), a Chipotle restaurant and a new Starbucks. Data center developer, TJ Data Centers, announced in February that it will be building a new 130,000 square ft. data center in Lithia Springs. The company is ex-
pected to invest $100 million in this project. This is the third planned new data center announced for the Douglas County over the past year. In May 2017, Las Vegas-based Switch announced that it will be investing $2.5 billion in a data center in the county. In addition, Texas
-based CyrusOne recently announced that it will be building a $200 million data center off of Riverside Drive. Additionally, Southwire announced in December that it is planning a $20 million expansion (adding about 60 jobs) at its trade center facility in Villa Rica (Douglas County portion of the city). Haralson County voters nar-
rowly passed a local option transportation sales tax in November. This T-SPLOST is expected to generate about $12 million in revenue for road and bridge projects over the next 5 years. Interroll Corp., a Switzerland-based conveyor system maker, announced plans to add 30 jobs at its Hiram plant in Paulding County. This expansion is ex-
pected to be completed by late March. Governor Deal recently visited Polk County and announced a number of local projects to be funds by the amended FY 2018 state budget. These include the Polk County Airport runway extension, Cedartown’s Career Center, and a number of other recreation and transportation projects. The ca-
reer center was formerly operated by the Georgia Department of Labor. It will now be operated by the Technical College System of Georgia as an adult education and workforce development site.