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COVID-19 Impacts on Work and Location Decisions

One of the central axioms of urban economics, the study of cities and their development, is that self-reinforcing effects generate extreme outcomes. This specifically applies to how cities attract new residents and businesses. Urban workers and firms tend to enjoy increased productivity over their rural counterparts by using more capital and simply being closer to each other. Higher productivity results in higher wages and a greater array of amenities in big cities than in rural areas. Higher wages and more amenities, in turn, attract even more people to big cities in a virtuous cycle. However, big cities also may intensify problems associated with crowding or congestion. The early spread of COVID-19 was exacerbated by the close physical contact that naturally occurs in larger cities.

Innovation also tends to spread faster in large cities because innovative people come in contact with each other more frequently over lunch or at a bar, allowing creative ideas to spread quickly; but, the same applies to disease. The very strengths of our big cities have effectively been turned against them by the pandemic. The tally of the economic effects of COVID-19 depend on how well workers and firms adapt to the current at-home work environment.

Adaptation started slow, with various uncoordinated shutdowns, but many have already shifted their business model. We have seen late-night talk shows broadcast from the hosts’ homes. Grocery stores and other retail have ramped up their curbside pickup and home delivery options. Virtually every office worker in the world has shifted some (if not, all) of their office activities to a remote home office during 2020.

Telecommuting is not a new phenomenon. Jack Nilles of NASA is credited with the term that is almost 50 years old. In 1992, the Telecommuting Pilot Project was aimed at allowing and encouraging federal workers to work from home to avoid Washington, D.C. congestion. Yahoo even implemented a policy that encouraged telecommuting for its employees in the mid 2000s, but that policy was reversed in 2013, forcing workers back into the office. A big difference between then and now is the presence of a deadly pandemic.

Companies already experienced with remote work, especially in the technology sector, were the first to react. Facebook, Twitter, Shopify, Box and Square all announced most or all of their operations would shift to remote work until the pandemic subsides; however in May, Twitter took another step and said its remote workers could choose to stay remote indefinitely, with only select staff being required to be on-site. So, how much of the movement toward remote work is expected to persist beyond the pandemic? In a Gartner survey, 74% of CFOs surveyed in March 2020 expect a significant share of their workforce to be working from home well beyond the end of the pandemic. In a recent Forbes article, COVID-19 was cited as the cause of the “biggest ever surge in technology investment, as companies spent around $15B extra a week on technology,” during the first wave of the pandemic. There is also no signs that IT budget increases were a one-time event. Pinterest took remote work a step further and paid $89.5M to cancel its office lease agreement on a new high-rise office building in San Francisco, citing a shift to work-from-home during the pandemic as a major contributing factor in the decision. This signals two important things: first, remote work is taking hold across more professions and in more companies, and second, downtown office space and housing in larger cities may be flattening another curve, the bid-rent curve, which depicts the value of land as one moves out from the center of a city. The highest prices per acre are usually in the center of the city, with prices declining quickly as one moves radially out.

The combination of pandemic, recession, and technology have made remote work possible, preferable, and necessary. For some, this has opened up the opportunity to work remotely from practically anywhere.

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Gross Domestic Product (GDP) data show the U.S. economy experienced a recession during the first two quarters of 2020. According to the U.S. Bureau of Economic Analysis (BEA), the U.S. Real GDP declined by 5.0% during 2020Q1 and by 31.4% during 2020Q2. National employment data show April to be the trough of the recession as total U.S. employment fell by about 22 million between January and April. Since April, the U.S. economy has added back about 11 million of those lost jobs. Georgia employment data suggests that the state economy bottomed out this year in April with total employment of 4,123,700, a job loss of 465,300 between January and April. Since the reopening of the state economy in late April, the state has added back 305,900 jobs. Still, the number of jobs in the state in August 2020, on a seasonally adjusted basis, was 179,400 lower compared to January 2020.

Due to data reporting lags, data is not yet available to fully illustrate the impact of the pandemic on employment in business establishments in the West Georgia region. At the county level, the most recent establishment-based data is available for the first quarter of 2020. These data show that as of the first quarter, employment was still rising in the region. Total employment in the six-county region in 2020Q1 was 171,469 or 1.6% higher than employment in 2019Q1. Over this same one-year period, employment in goods-production fell by 0.2% while employment increased in both services (up 2.2%) and government (1.8%). However, other employment statistics such as the unemployment rate are available at the county level on a timelier basis. Monthly unemployment rates in all the counties in the West Georgia area show the same pattern throughout 2020. Every county in the region had an unemployment rate below 4% in January. By April, during the most severe shutdown period, unemployment rates rose to double digits in all counties ranging from 11.1% in Paulding to 13.0% in Douglas County. All six counties have also experienced an improved employment situation since April with unemployment rates declining back to more reasonable levels ranging from 4.5% in Polk to 6.9% in Douglas (August data). The unemployment rates were higher in all West Georgia counties in August 2020 vs. August 2019. Douglas County, a county in which over 70% of its jobs are in service-providing industries, had the greatest differential between its August 2020 and August 2019 unemployment rate (3.1%) while Haralson County, a county with only 44% of its jobs in services, had an unemployment rate differential of only 1.2 percentage points, year-over-year. Unemployment claims data also illustrate the dramatic impact that the pandemic has had on the employment situation in the West Georgia Region. Prior to the shutdown of nonessential business activity, a total of only 1,288 new claims for unemployment benefits were filed in the six-county region (February 2020 data). New applications for benefits rose to 19,832 in March and then proceeded to skyrocket (Continued on page 16)
The initial effect of the pandemic on West Georgia’s county-level unemployment rates was both significant and immediate. In January 2020, the region’s unemployment was at 3.3%; however by the April shut-down, the rate for the region had jumped to 12.3%, with Polk’s topping the region at 14.5%. Unemployment rates initially dropped almost as quickly as they rose after the shut-down ended, but even though the Georgia economy is essentially fully open, the expectations of a rapid and complete recovery have faded. It’s clear the state and the West Georgia Region are both continuing to regain lost ground, but despite the declines in the unemployment rates across the region, the pace of job recovery has slowed. This can be attributed to a decline in the size of the labor force. Workers who were temporarily laid off may have left the area in search of work or may be reluctant to re-enter the workforce.

Although the effects of the pandemic are likely not reflected in the industrial mix (see table to the left), it does indicate that the slowing of the economy likely started either before it reached Georgia or, at the very least, before the full extent of pandemic’s effect were known. Between 2019Q1 and 2020Q1, goods-producing jobs were already in decline in half of West Georgia counties. Despite adding 256 jobs (+10.7%) in construction, Carroll’s goods-producing employment fell 1.9% over the period. Carroll’s manufacturing sub-sector declined by 436 jobs (or -5.6%), with the largest decline coming from a typically strong food manufacturing sub-sector. Prior to the onset of the pandemic, Douglas was on track to deliver the largest increases in goods-producing jobs, adding 89 jobs (+1.5%). In fact, Douglas led all regional counties in overall employment growth and job growth for almost all sectors except government. In percentage terms, Douglas’ 2.9% government job growth was edged out by Paulding (+4.8%) and Polk (+4.8%).
An industry that has remained quite resilient despite the otherwise widespread economic fallout from the pandemic has been the housing market. Buyers for new single-family (SF) housing appear undeterred by the significant job losses that have occurred across the region. Likewise, builders have continued to bring new units to market. SF residential housing permits in the West Georgia Region (Polk omitted) are up 2.8% (or 62 permits) for the period January through July of 2020, as compared with the same period in 2019. At 33 more through July, Carroll added the largest number of new permits and also represented the largest percentage increase for the region (+6.8%). SF permits were also up by 20 units in Coweta and 30 units Paulding, or 3.6% and 3.4%, respectively. SF permits in Douglas and Haralson fell. The two counties combined to post 21 fewer permits through July 2020 as compared with the same period in 2019.

The surprise in the West Georgia real estate market isn’t that home sales rose in 2020; it’s how fast homes are selling. Neither buyers nor sellers are wasting time in making deals. Days-on-the-market (DOM) fell by 5.7 days across the region from September 2019 to September 2020, with Douglas housing averaging 33 days until a contract is signed, which is down a full 18 days from a year earlier (or -35.3%). Only Haralson experienced an increase in DOM (+4 days). Closed sales increased by 158 homes in September 2020 over September 2019, representing an increase of 17.1% for the period. In fact, year-over-year (YOY) sales in 2020 increased in all months except April and May, the two months most affected by the shutdown. Within the region, county-level sales increased from September 2019 to September 2020 in all West Georgia counties except Paulding, which declined by 3 units (or -1.0%). Haralson posted the largest increase in percentage terms at +93.3%; however, Coweta led in absolute terms with 89 more closed sales (or +35.6%).

On a YOY basis between September 2019 and September 2020, home sales price was up an average of 13.2% for the region. Polk posted the largest increase in sales price in both absolute and percentage terms, adding an average $50,190 (+34.8%) in home value. Neighboring Paulding was second in the region, adding $40,012 (+17.2%) as well. Home prices were up YOY in every county in the region; however, some of this price increase may have been the result of flat or falling new listings. Overall, there were 71 fewer new listings in September 2020 than in September 2019. In fact, from April 2020 onward, new listings have fallen for every month for the region overall, with some declines as large as 19.5% (April 2020). Fear associated with the pandemic is likely keeping some sellers from listing and showing their homes; however, this is obviously not dissuading potential buyers in the region, but it may be keeping some sellers in their homes longer.
In a two-month period, Carroll County’s unemployment rate jumped from 3.7% in February to 12.7% in April 2020. Likewise, initial unemployment insurance (UI) claims hit record heights in Carroll, topping out at 14,450 in April 2020, which is almost 7 times the pre-pandemic peak of 2,135 set in January 2009. New UI claims and unemployment rates have since fallen. However, the decline to 2,700 new claims and an unemployment rate of 5.4% in August 2020 may understate the pandemic’s effects, given that Carroll’s labor force has also fallen by 2,647 workers from August 2019 to August 2020.

Often county-level employment by industry is used to highlight specific employment changes that have occurred; however, with a the six-month lag in reporting, the most recent data available are through 2020Q1, or just prior to the shutdown. Nevertheless, Carroll was already on track to post slower overall growth than it experienced in 2019. From 2019Q1 to 2020Q1, Carroll added only 225 new jobs (or 0.5%). On net, goods-producing jobs were already down by 1.9% prior to the shutdown. The job gains for Carroll came almost entirely from services, which added 409 jobs overall or 1.7%, as government employment was flat.

Within goods-production manufacturing was the hardest hit, with 409 jobs lost prior to the shutdown; however, construction jobs grew. Over the past year, Cedar Walk along the west end of Cedar Street, Northwinds Place on Hwy 113 (both senior 55+ developments) and two new private student housing developments near UWG were developed, and new single-family residential construction hasn’t slowed either. Bolstered by demand for housing and commercial construction (from Tanner, Bain, WGT, and UWG), Carroll added 256 new construction jobs from 2019Q1 to 2020Q1.

Within the service-providing sub-sectors, health care and social assistance added 252 positions (or 3.6%) between 2019Q1 and 2020Q1, the largest service-sector job growth in the county; however, it is also likely that some of these earlier gains were later offset (at least partially) by health care job losses stemming from the complete cessation of elective procedures during the shutdown. Despite the temporary loss of health care jobs in spring 2020, the outlook for the industry remains very positive for Carroll and the rest of the region. Tanner completed construction on its new 130,000 square-foot Tanner Health Pavilion in October 2019. Tanner also is in the process of expanding operations into a new senior living facility, the Birches in Villa Rica, that will include both assisted living and memory care apartments. The Bain Dental Group has also selected Villa Rica as the site for a new 18,800 square-foot dental office building, which is currently taking shape on Bankhead Highway west of downtown.

Accommodation and food services struggled during the shelter-in-place order, as restaurant sales were reduced to takeout and delivery only. This left many full-service restaurant workers, who rely on tips, without work and scrambling to earn a paycheck, while restaurants already equipped for takeout/home delivery flourished. Prior to the shutdown, accommodation and food services only added a total of 46 jobs between 2019Q1 and 2020Q1; however, job growth is obviously expected to turn significantly negative once second quarter data become available; however, food services overall continue to be resilient, with permanent closures at this point remaining uncommon. For example, the Little Hawaiian closed its downtown Carrollton location, but has opened a new facility on the corner of Cedar Street and Bankhead Highway. New openings or re-openings are still more common. The Crafty Crab, a 30+ chain of restaurants, opened a new location in Carrollton for takeout in late May, in the middle of the pandemic. Similarly, Five Guys, Tropical Smoothie, and Pita Mediterranean Street Food opened in the early stages of the pandemic, and all three remain open. Further south, in the Walmart/Lowes shopping complex, a Wings N Burger Factory opened a new location, and Carrollton will soon be home to a Chipotle Mexican Grill in the South Park Health and Wellness Center. Hibachi Express on Bankhead Highway reopened after repairs from a fire. Sam’s House BBQ re-opened in October after an ownership change. Marco’s Pizza opened in Carrollton a year ago, and a new Temple location is in the works. In Villa Rica, Brother’s Bar and Steakhouse opened in late 2019, and while the Hixtown Tap Room in downtown Villa Rica was forced to close during the shutdown, it has since reopened. Two more local businesses, Kenny’s Kreams and Fong’s Asian Market, both opened in Villa Rica in 2020 despite the pandemic. In fast food, a new Villa Rica Popeyes location was added in early 2020, and the Villa Rica McDonald’s has reopened after fire damaged the building in 2019.

Nevertheless, some businesses have closed permanently over the past year. Otter’s Chicken at Hudson Mill closed, and plans for Little Caesars Pizza location in Villa Rica were cancelled. In arts and entertainment, the Stadium Cinemas 10 (Regal) in Carrollton closed its doors in October 2020, and many other events scheduled throughout 2020 have been cancelled to prevent the spread of disease. Nationally, clothing sales have been decimated, and Hattie Mae’s, a local boutique clothing store is an example of a local casualty in clothing.

Discount stores and local variety stores have fared better than others. New Dollar General stores have popped up on Highway 113 in both Temple and Carrollton, with a third location slated for Villa Rica. A new Goodwill store opened at Bay Springs in Villa Rica, and a variety of salvage stores across the county appear to be flourishing during the downturn.

In banking the biggest news is that BB&T and SunTrust have merged to become Truist Bank. The merger potentially affects two SunTrust and three BB&T branches in Carroll County, one each in Carrollton and Villa Rica, and a third BB&T branch in Bowdon.

It’s not all bad news. Transportation and warehousing services has likely benefitted from the pandemic. This sub-sector added 136 jobs from 2019Q1 to 2020Q1; moreover, the shelter-in-place order ramped up demand for services from almost any firm connected to home-delivery. In Carroll County, this includes firms like Walmart.com, UPS, Uber Eats, and others specializing in local deliver services. In higher education, West Georgia Technical College has broken ground on its new facilities in the Carrollton Technology Park off the Carrollton by-pass. Visible from Maple Street, the construction of the new Roy Richards Building is well underway at University of West Georgia.
Coweta County is slowly recovering from the effects of the forced shutdown of the economy, which was implemented to address the spread of the COVID-19 virus. Yet, the local economy will need to see a lot of improvement in order to return to pre-pandemic conditions. Like the rest of the region (and the nation as a whole), the greatest shock to the Coweta economy occurred in April 2020. The month of April coincides with Governor Kemp’s order to shutdown restaurant dine-in service, bars and other businesses from late March through late April. In January, the county’s unemployment rate was 2.9%. By April, the unemployment rate had shot up to 13.0%. In contrast, the unemployment rate in April 2019 was 2.7%. Conditions have improved since April as the unemployment rate progressively declined from its April peak. In August 2020, the Georgia Department of Labor reported that the county’s unemployment had declined to 5.3%. The drop in the unemployment rate can be attributed to improving economic conditions as well as a decline in the number of people participating in the labor force. Clearly conditions are not back to normal. For example, the August 2019 unemployment rate in Coweta County was only 3.1%. In the City of Newnan, the August 2020 unemployment rate was 6.7%, compared to 3.4% in August 2019. New unemployment claims filed in Coweta County began rising in March, but by April the number of new applications skyrocketed. In April, a total of 19,725 claims were filed. In comparison, only 192 initial unemployment claims were filed in April 2019. These data also show that the economy has been recovering since the April trough. For example, unemployment claims fell to 3,466 by August, a great improvement in comparison to April but well above the August 2019 total of only 190 claims.

Establishment-based data, which show employment total by sector, is only available at the county level through 2020Q1. For 2020Q1, employment in Coweta County totaled 40,413 or about 1.3% above 2019Q1 employment. The pandemic seems to have only minimally impacted establishment-based employment in Coweta during the first quarter. When data becomes available for the second quarter, it will surely show a significant drop in employment in Coweta County. For example, state level establishment-based data, which is available for the second quarter, indicated that employment in 2020Q2 was 7.8% lower when compared to 2019Q2.

Coweta County’s five largest employment sectors are retail trade, health care, manufacturing, local government, and accommodation and food services. Employment is available at the state level through August 2020. At the state level, overall employment was 4.2% lower in August 2020 vs. August 2019. State employment in August 2020 in sectors that are important for Coweta County fell in four areas; accommodation/food services (-14.5%), manufacturing (-6.5%), local government (-2.9%) and health care (-0.3%), while it rose in one, retail trade (+3.0%). Health care services clearly took a hit in Coweta County in the second quarter as both major hospitals, Piedmont Newnan and the Cancer Treatment Centers of America (CTCA), not only reduced elective procedures but also saw a number of patients stay away. Some of the loss in revenue was offset by funds provided to health care facilities as part of The Cares Act. For example, CTCA reportedly received about $5 million in funds, while the entire Piedmont Healthcare system received $172 million from The Cares Act. On a positive note, Walmart opened its new health clinic at its Newnan location in early September.

MLS data provide evidence that the pandemic has not had a depressing impact on the housing market in Coweta County. In fact, most measures suggest that the housing market remains quite strong in the county. For example, new listings have modestly increased in 2020 to date (3,208 for Jan-Sept. 2020 vs. 3,178 for Jan-Sept. 2019). In comparison, closed sales are up sharply thus far in 2020, up 10.4% for the first nine months of 2020 compared to the same period in 2019. Average days on the market in the county has fallen from 67.1 in the Jan-Sept. 2019 period to 60.2 for the first 9 months of 2020, suggesting homes being offered for sale are being snatched up more quickly thus far in 2020. There have also been fewer home foreclosures in Coweta thus far in 2020. Finally, home prices remain strong in the county. The average September sales price of $309,169 was 9.5% higher than the year ago price.

Despite all the negative impacts on the local economy related to the pandemic, there have been some positive business developments in Coweta County. Amazon announced in January that it will open a new fulfillment center in Newnan. Amazon is leasing a 1-million square ft. facility at The Cubes at Bridgeport. The expected 500 employees at the facility will pick, pack and ship customer orders. Even more jobs are expected to result from the decision of HelloFresh to expand into Coweta County. Headquartered in Germany, the company is the largest meal kit provider in the U.S. The company plans to renovate an existing facility on International Park in Newnan to serve customers in the southeast. More than 750 new jobs are expected to be created with the opening of this distribution center. Goodyear announced in November that it will be locating a distribution and warehouse facility at the former Orchard Hills Golf Course on Hwy. 16. The new development is expected to add 250 jobs. Also, Yamaha Motor manufacturing announced in August that it plans to add 100 new employees to meet the growing demand for its recreational products including golf carts, all terrain vehicles, and personal watercraft. With approximately 1,600 employees, Yamaha is the largest private employer in Coweta County. Two significant construction projects underway in Coweta County include a soon-to-be-completed five-level medical office building adjacent to Piedmont Hospital and a new Coweta County middle school located on Shaw Road (expected to be completed by August 2021).
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Unemployment rate and unemployment claims data illustrate the tough economic hit Douglas County’s economy took during the second quarter of 2020. Like the rest of the region (and the nation as a whole), the greatest shock to the local economy occurred in April 2020. The month of April coincides with Governor Kemp’s order to shutdown restaurant dine-in service, bars and other businesses from late March through late April. In January, the county’s unemployment rate was 3.5%. In April, the unemployment rate shot up to 12.7%. In comparison, the unemployment rate in April 2019 was 3.3%. New unemployment claims also skyrocketed in April. According to the Georgia Department of Labor, a total of 20,987 claims were filed in April. In comparison, only 223 new claims were filed in April 2019. Recent data provide evidence that the economy has been recovering since the April trough. Douglas County’s unemployment dipped to 6.9% in August while the number of initial unemployment claims totaled 4,019, well below the April number. However, the August 2020 employment situation was much worse than August 2019 when the unemployment rate was 3.8% and a total of only 234 unemployment claims were filed. In the City of Douglasville, the August 2020 unemployment rate was 7.6%, compared to 4.1% in August 2019.

Establishment-based employment data, which show employment total by sector, is only available at the county level through 2020Q1. For 2020Q1, employment in Douglas County totaled 45,371 or about 3.7% above 2019Q1 employment. When data becomes available for the second quarter, it will likely show a significant drop in employment in Douglas County. Douglas County’s five largest employment sectors are retail trade, local government, accommodation and food services, health care and administrative support (which includes temp workers). Employment is available at the state level through August 2020. At the state level, overall employment is 4.2% lower in August 2020 vs. August 2019. State employment in sectors that are important for Douglas County fell in August 2020 in four areas; accommodation/food services (-14.5%), administrative support (-5.7%), local government (-2.9%) and health care (-3%) while it rose in one, retail trade (+3.0%). Health care services clearly took a hit in Douglas County during the second quarter as Wellstar Douglas Hospital and other medical facilities furloughed employees due to a sharp drop in patient volume.

MLS data provide mixed evidence on the state of the housing market in Douglas County thus far in 2020. For example, the number of new listings has declined by about 15% when comparing the first nine months of 2020 to the same period in 2019. Likewise, closed sales have fallen thus far in 2020 by about 4%. On the other hand, the average number of days houses have been on the market is considerably lower in 2020, averaging 46.9 days for Jan.-Sept. 2020 vs. 58.6 days for Jan.-Sept. 2019. Surprisingly, the number of foreclosures is actually down in 2020 with only 9 foreclosures during Jan.-Sept. 2020 vs. 22 for Jan.-Sept. 2019. Also, the average sales price for homes sold in September 2020 was $243,435 which was 9.5% higher than the average sales price for homes sold in Douglas County in September 2019.

Due to the presence of the Arbor Place regional mall, the retail sector accounts for the largest share of total employment in the county (17% of all jobs). The number of retail jobs in the county fell by 1.1% between 2019Q1 and 2020Q1 (most recent data available). During the second quarter of 2020, total retail employment in the state fell by only -1.1% compared to 2019, a surprising result given the impact of the pandemic. A variety of developments raise concern about the retail sector in Douglas County. According to Business Insider, retailers closed 9,300 stores nationwide in 2019. The publication predicts that as many as 12,000 major chain stores will close in 2020. CBL Properties, owner of the Arbor Place Mall, had to restructure its debt during 2020. As part of that restructuring, CBL has implemented a comprehensive program to halt all non-essential expenditures.

J.C. Penney, one of the major anchors at Arbor Place Mall, closed its store in Summer 2020. A total of seven J.C Penny stores closed in the state in 2020. This closing follows the loss of another anchor at the mall. The Sears store closed its location at the mall in late 2019. In addition, another anchor store, Bed Bath & Beyond, announced that it will be closing its Arbor Place location by the end of 2020. This is one of the 200 locations that Bed Bath & Beyond Inc. plans on closing nationwide over the next two years. Also, Regal Cinemas announced in early October that it will be closing all its cinemas (temporarily) in the U.S., including the Regal at Arbor Place Mall. In another sign of weakness in the retail sector, Victoria’s Secret, which operates a store in the mall, recently announced that it will be closing about ¼ of its U.S. stores by the end of 2020. Likewise, for the low-cost fashion retailer H&M which announced in early October that it will be closing up to 250 of its U.S. stores. H&M also has a store currently operating in the Arbor Place Mall. In addition, Pier 1 Imports closed its Douglasville Store (on Chapel Hill Rd.) in early 2020.

Positive developments for the Douglas County economy include the recently announced Bang Energy plan to invest $145 million to build a 644,000 square-foot facility in Lithia Springs. Bang Energy, a sports beverage company, plans to employ about 600 workers at its new manufacturing and distribution facility. Also, Stitch Fix, a San Francisco-based fashion technology company, is investing about $56 million in its new industrial project in Lithia Springs. This facility is projected to employ over 900 workers upon completion. In a much more speculative proposal, Preserve Life Corp. is hoping to transform 1,100 acres in Douglas County into a wellness resort. Construction plans as well as financing for the project are unclear. Major SPLOST projects currently underway in Douglas County include a $16 million public safety radio system, a senior center on Sweetwater Rd. and a multipurpose center at Boundary Waters.
Haralson County

Last year (2019), Haralson had already begun to show signs that its unemployment rate was hovering near a low point. But, with an up-tick in available holiday seasonal jobs, the unemployment rate dropped to an astounding 2.8%, the lowest ever posted in the county. However, in January 2020, the county’s unemployment rate bounced back up again to 3.5%, before starting its pandemic-driven ascent, where it eventually rose to 12.7% in April, and tied Carroll for second highest unemployment rate in the region (behind Polk). Since April, however, despite cutting its unemployment rate by 45.6%, Haralson has maintained the highest unemployment rate in the region at 6.9%. Between August 2019 and August 2020, Haralson also lost 659 workers (or 5.2%) from its labor force, which means the unemployment rate significantly understates the employment problems in the county. Those discouraged workers would add about 3 percentage points to the unemployment rate if they were included in the labor force.

Despite the labor market effects of the pandemic, Haralson’s housing market appears to remain relatively strong. The number of closed sales increased by 14 units from September 2019 to September 2020 (+93.3%). Average sales price also rose from an average of $183,913 in September 2019 to $189,009 in September 2020, (+2.8%). Additionally, new listings held steady over the past year. Days-on-the-market is one housing metric that worsened a bit for Haralson over the past year, increasing by an average of 4 days from 56 to a still relatively short 60 days. Permits also took a small hit, as the number of permits from January to July 2020 declined by a total of 4 permits or 12.1% over the same period in 2019; however, much of the decline can be attributed to the months of April and May, or the period of the stay-at-home order in Georgia.

New unemployment insurance claims, which tend to be viewed as a leading economic indicator, also hit new heights during the pandemic and subsequent shutdown as well, topping out at 4,414 in April 2020, before settling back to 521 new claims in August 2020, which is still 19 times higher in August 2020 as compared with August 2019.

Although it is tempting to blame COVID-19 for every problem experienced in Haralson, some industry-level job growth was already slowing ahead of the pandemic. Between 2019Q1 and 2020Q1, Haralson’s total employment base grew by 68 jobs or just under 1%. Private sector employment grew by 87 jobs or 1.6%. Goods-producing jobs were up a total of 31 jobs or 1.3%, with manufacturing growing by 45 jobs or 2.4%. Construction and agricultural jobs were down a combined 14 jobs. Within manufacturing, only two sub-sectors reported growth, transportation equipment with 10 new jobs (+0.9%), and plastics and rubber products with 11 new positions (+4.2%).

These gains were most likely the result of Honda Precision Transmission’s decision to add a new 10-speed transmission production line in fall 2019 and ramping up employment to support it. Barco Rubber is also continuing to expand production in its Tallapoosa facility.

Haralson’s service-providing sectors added a total of 62 jobs between 2019Q1 and 2020Q1, or 2.1%. The two service sub-sectors that posted the largest job losses were information and professional scientific & technical services. These sectors include jobs tied to cultural products (movies and music), data processing/transmission, as well as traditional business support services like legal, accounting and payroll services, as well as more specialized architectural, engineering, and computer services. Haralson lost 26 total jobs across the two sub-sectors.

The Haralson County Development Authority announced mid-November 2019 that Honda Precision Parts of Georgia (HPPG) planned to increase plant capacity by 60,000 square feet. The new addition is said to cost $42 million, with an additional $160 million in equipment to be added to the site. The new facility is intended to support the change-over from the older 6-speed transmission to the new 10-speed transmission line. HPPG currently supports more than 500 manufacturing jobs and supplies transmissions for the Honda Odyssey, the Kelley Blue Book, Edmunds’, and U.S. News & World Reports’ top rated minivan for 2020.

Retail trade accounts for 10.6% of Haralson’s employment base. Between 2019Q1 and 2020Q1, retail added 66 jobs or +9.7%; however, some of those jobs were likely lost again to the pandemic, as Goody’s clothing and Save-A-Lot grocery both in Bremen were among the casualties; however, there is also evidence of new growth as well. The Goody’s location is slated to re-open as a new discount store, and a new AT&T Mobile store is set to open soon on Alabama Avenue in Bremen.

In accommodation and food services, a Jersey Mike’s Subs opened next to the new AT&T store and a brand new Mama DaLuca’s/Subway sandwich shop received the finishing touches before opening day. Some in Haralson are looking to bring an entirely new industry to the county (and into the state). A real estate development consulting group is eyeing a 104-acre location near 1-20 in Bremen for the site of a casino. However, for this gamble to pay off, state legislators must first approve a state constitutional amendment legalizing gaming (in addition to the Georgia Lottery). Some legislators have expressed a willingness to let Georgia voters make this decision, potentially providing state and local officials a new source of tax revenue as well.

Another firm that is eying Haralson County as a potential new site is Solid Solutions Development. Currently, there is no application pending for landfill; however, meetings of residents and the waste management company have already occurred, and strong negative opinions have been aired at a county commission work session attended by more than 100 county residents. The site under consideration is located north of the HPPG plant along Hwy 100, outside of Tallapoosa’s city limits, and near the Carroll County line.

The government sector was down a total of 19 jobs (or -1.2%) between 2019Q1 and 2020Q1. State government lost 9 jobs and local government was down a total of 12. Federal employment added 2 jobs over the period.
Initial unemployment claims data illustrate the impact of the COVID-19 pandemic on the Paulding County economy. In March 2020, 4,507 people filed initial unemployment claims, up from 218 in March 2019, reflecting the impact of Governor Kemp’s declaration of a state of emergency in the middle of the month. In April, the first full month of the economic shutdown, the number of initial claims surged to 17,646, up from 208 claims the previous April. Since April the number of claims have come down. In August there were 2,554 initial unemployment claims in Paulding, which is still more than 10 times greater than the 203 claims filed in August 2019.

Paulding’s unemployment rate tells a similar story of the negative impact of the pandemic on economic activity. In April 2019 the unemployment rate in Paulding was 2.7%, and in April 2020 it jumped to 11.1%. Since April the unemployment rate has come down as the economy has begun to recover. By August, the Paulding unemployment rate was 4.7%, which is still significantly higher than the 3.2% rate in August 2019. The number of employed people in the county has fallen from 82,855 in August 2019 to 77,412 in August 2020, a 6.6% decline.

The most recent county-level establishment-based employment data, which is broken down by industry, is from the first quarter of 2020, so it does not reflect the economic impact of the pandemic on jobs in the county. This data indicates that the Paulding County labor market was relatively strong before COVID-19. Between 2019Q1 and 2020Q1, the number of jobs in the county grew by 2.6%, which was significantly stronger than the 1.3% gains for the state as a whole. The number of service-providing jobs increased 2.6% between 2019Q1 and 2020Q1. Several important service-producing sectors in Paulding were hit especially hard by the pandemic, which will lead to job losses that are expected to show up in the second quarter data. Many retail stores and restaurants were forced to shut down early in the crisis, although a few new restaurants have opened or will be opening, including Imperial Palace, which opened in July, and Martin’s, which will open in November. Ironically, healthcare services were also hard hit as many elective procedures were cancelled and patient volumes fell, forcing Wellstar Health Systems to temporarily furlough workers in the summer. Government employment in Paulding grew 4.8% between 2019Q1 and 2020Q1 while the number of manufacturing jobs was basically flat, declining by 0.1%.

The county’s small manufacturing sector will get a boost this year from the addition of a second plant at Interroll, which manufactures conveyor systems. Interroll’s North American headquarters is located in Hiram. The $11 million expansion, which opened in July, provides facilities for manufacturing and warehousing as well as office space. The new plant will significantly increase capacity for Interroll.

A positive note on the retail front is that the groundbreaking for the new Costco in Dallas was held in January. The project includes a 135,000 square foot building and a parking lot with more than 700 spaces. The store is expected to open in 2021 and will likely employ about 200 people. Construction also continues on the new Greystone Power headquarters building in Hiram. The electric cooperative, which serves Bartow, Carroll, Cobb, Coweta, Douglas, Fayette, Fulton, and Paulding, is relocating its headquarters from Douglas County and will be closing its Dallas district office in November in preparation for the move to the new building.

Another bright spot in Paulding during the summer was the rise in home prices as housing demand is being fueled by low mortgage rates while the inventory of homes for sale remains relatively low due to delays in both new construction and people putting their homes on the market because of the pandemic. For the first nine months of 2020, the average sales price of a home in Paulding was $248,125, which was 9.1% higher than the average sales price of $227,425 during the same period in 2019. The average number of new listings per month is actually down 7.7% to 343 for the first nine months of 2020 compared to the same period last year, as inventories remain tight.

The average number of closed sales also declined 2% from an average of 295.2 per month in the first nine months of 2019 to 289.3 during the first nine months of 2020. The average number of days on the market has declined by 20% from 56.9 days in the January through September period in 2019 to 45.4 days in the same period of 2020. The number of foreclosures is also down from 13 in the first nine months of 2019 to just 1 so far in 2020. This decline is likely a reflection of forbearance plans that have allowed borrowers to delay loan payments. A rebound in foreclosures is likely once these plans expire.

Paulding’s banking sector experienced an increase in deposits amid the pandemic. Reported for June 2020, county bank deposits grew by 10.1% over June 2019. The growth in deposits is likely due to both the federal stimulus payments, and a significant decline in consumer spending brought on by the shut-down. This represents the largest annual percentage increase for the last ten years.

Over 20 years after it was first proposed, the $215 million Richland Creek Reservoir in Northern Paulding began to take in water this spring. By next year the reservoir should begin functioning as a main water source for Paulding, which has been buying water from Cobb County. Construction was also completed this spring on the Adult Detention and Law Enforcement Center in Dallas. The $70 million facility includes a 631 bed jail and a new sheriff’s office. The county continues to work with FAA to get approval to transfer land near the airport to the state to build a new aviation academy that will be part of Chattahoochee Technical College. The aviation academy will provide training to help fill the shortage of aircraft maintenance workers in the state. There were also several publicly funded parks and recreation projects in progress this summer in the county funded by the Special Purpose Local Option Sales Tax (SPLOST). The largest project was the addition of two artificial turf fields at the Braly Sports Complex in Dallas. The fields can be used for both lacrosse and soccer.

A new Costco Wholesale breaks ground in Dallas.
Polk County

As in the rest of the region, state, and country, the Polk county unemployment rate and the initial unemployment insurance claims shot up in April of this year, but started to rebound back toward more normal ranges almost right away in May and June. Currently, the unemployment rate in Polk County stands at 4.5%, the lowest in our region, and significantly lower than the 5.9% (not seasonally adjusted) state rate. While this number is appreciably higher than it was one year ago (3.2% in October of 2019), after experiencing a double digit rate in April of this year (11.8%), 4.5% is a great improvement. In a single month, between March and April the unemployment rate increased by 7 points from 4.8% to 11.8%. In March, there were almost 18,000 employed adults in Polk county, and in April this number was 15,906, almost 1,800 jobs lost or a 10% loss. In the interim, between May and August, the county has picked up almost 900 jobs. In May, Polk added 453 adults to the ranks of the employed, in June, it added 240, in July it added 230, while in August it lost 33. The decline in employment in August is typical for this time of year when summer ends and school starts back again so this small drop is not worrisome. The county is still in a deficit when it comes to regaining the jobs lost due to the pandemic, shelter-in-place, and business restrictions imposed by local and state governments, but overall, it has recouped more than 50% of the employment losses. In the balance, the county is about halfway back to pre-COVID-19 levels when it comes to employment numbers. The same pattern can be seen in initial unemployment insurance claims. Between March and April, they increased ten-fold from 159 to 1,562, and between April and May they tripled to reach 4,735. In June, July, and August, however we began to see them retreat. The last data available (August 2020) shows unemployment insurance claims standing at 877, which is about half of what they were at the beginning of the crisis.

Employment should continue to increase in the months to come by analyzing job fairs and job listings. The engineering firm Meggitt just had a job fair on August 4th at the Georgia Northwestern Technical College in Rockmart. They are searching for engineers, technicians, production workers, managers, and supervisors. Miura, the boiler manufacturer, is also hiring for a variety of positions, including engineers, welders, and other technicians. According to the job search engine Indeed.com, as of late September there were 140 job listings in Cedartown and 93 in Rockmart, mostly at entry level positions for folks with little experience. Kroger, Home Depot, Ebay-Brown, Jefferson Southern, and Rome Plow are among the companies with current job openings in Cedartown or Rockmart. Contributing to the preparation of the county’s labor force is another leading employer in the county, HON, which together with the county schools, the Chamber of Commerce, Georgia Northwestern Technical College, and Great Promise Partnership work together in Project SUCCESS. This is a great opportunity for students who take classes at the College after school and also work at a manufacturing job. The students learn, get invaluable work experience, and receive a wage for their work just like any other employee. The Polk County College and Career Academy (PCCCA) is also a great example of how the county is educating and preparing students for a successful career that, at the same time, will meet the county’s demands. The PCCCA is a charter school that trains students in 29 different possible cluster areas, including agriculture, natural resources, architecture, business, construction, corrections, health science, IT, and logistics. The students can earn college credit, complete internships, and earn certificates. These two programs, which have proven very successful up until now, complement each other; for example, currently there are 15 students from PCCCA enrolled in Project SUCCESS.

At this point in time, it is hard to discern how individual industries have fared this year since the public health crisis began. The most up-to-date industry employment data available is from the first quarter of 2020, precisely when the economic impact of the COVID-19 pandemic began to be felt. At that time, the economy was in great shape, with both the private sector and government sector adding jobs when compared to 2019-Q1. The fact that the economy was structurally sound is a good indication that it will continue to bounce back to pre-COVID-19 conditions in the weeks and months to come, provided there is no need to slow down business activity again due to a resurgence of COVID-19 cases.

The Polk housing market remains in relatively good shape, but we have seen a lot of volatility over the last six months. The average sales price in September 2020 stood at $194,529, which is 34.8% higher than it was one year before, however the number of new listings is down 6% for the same period. Looking at the period when the pandemic began to take effect, we saw a big jump in both new listings and prices. In April of this year, new listings were 18.4% higher and the average price was 82.4% above the values from April 2019. This behavior flipped in May; prices and new listings dropped, 11.6% and 19.6% respectively, relative to May 2019. This variability remains as with this writing, suggesting that the housing market has not reached an equilibrium since the economic crisis began.

Polk’s banking deposits have been trending upwards lately. Between June 2019 and June 2020, deposits in the county increased by 4.4%. Although it’s likely deposit growth is related to both the decline in consumer spending and the stimulus disbursements, Polk has experienced three straight years of deposit growth.

To add more positive news, things are starting to get back to normal. R.K. Redding Construction completed the new Cedartown High School’s Fine Arts addition, which was built using SPLOST funds. Currently some student groups utilize the building for practices, including the high school band, but using the building for performances, which were supposed to have already started, has been postponed due to the current restrictions on crowd gatherings. The 2020 Polk County Livestock Show took place in September although without the state fair, the Doug Sanders Golf Museum was inaugurated this past August, and high school sports made a comeback, albeit with limited capacity crowds.
COVID-19 (continued from page 5)

similar pay rate changes by tying pay levels to specific locations, stating that they are simply adjusting workers’ wages to remain competitive geographically. According to a recent Twitter poll, about 2/3rds of those workers responding were indifferent or thought the potential tradeoff between their current pay package and locational independence was acceptable, and possibly preferable.

So, if roughly 2/3rds of this well-paid, highly-education high-tech workforce are potentially indifferent to or even willing to trade off part of their current pay package, what are they trading it for? Clearly, commuting costs are lower for remote workers, which includes fuel, vehicle maintenance, and time in traffic. There are also lower day-to-day meal expenses, wardrobe purchases, and laundry costs.

For some remote workers, there is also an opportunity to select a less expensive residential location, which raises a second important question. Where would remote workers likely move? As the Twitter survey indicated, the most popular single choice is near other family members; but, if not near family, where? Assuming we all think like economists, these areas would include locations with low cost-of-living, that are dense in amenities, with high internet connectivity, and that have low/no taxes on earned income.

Update (continued from page 5)

in April to a total of 81,957 new filings. To date in 2020, a total of 230,413 initial claims have been filed in the region. In comparison, a total of only 10,788 claims were filed in the six-county region during the first eight months of 2019. Unemployment claims filings in the region have subsided since the April peak. For example, a total of 14,137 new claims requests were processed in the six-county region in August 2020. However, labor market conditions remain much worse than a year ago (e.g., only 909 initial unemployment claims were filed in West Georgia counties in August 2019).

General concerns about the economy have driven down consumer spending and have also led to a flood of deposits into financial institutions. This is the case nationally as well as in the West Georgia Region. Bank deposits in the six-county region totaled $8.6 billion on June 30, 2020, or about 21% above the year ago level. Coweta County, at 24.1%, sustained the greatest year-over-year increase in deposits while Carroll County’s banks hold the most deposits in the region, with a total of $2.3 billion as of June 30, 2020.

Multiple Listing Services (MLS) data for 2020 suggest continued tightness in the West Georgia housing market despite the problems in the labor market. On the supply side, fewer homes were listed for sale in the first nine months of 2020 (10,817) compared to the same period of 2019 (11,355). On the other hand, closed sales in the region increased from 8,484 during Jan-Sept 2019 to 8,821 during Jan-Sept 2020. Another market indicator, days that homes are actively “on market,” has declined in all six counties in the region in 2020. For example, in the region’s biggest housing market based on sales, Paulding County, days on the market declined from an average of 56.9 days in Jan-Sept 2019 to 45.4 days during Jan-Sept 2020. As might be expected from all these data trends, housing prices have risen in all of West Georgia’s counties. For the four counties with over 100 closed sales in September 2020, year-over-year sales prices increases were 17.2% for Paulding, 13% for Carroll, and 9.5% for both Coweta and Douglas. With an average September 2020 sales price of $309,169, Coweta County is the most expensive housing market in the region.

Despite the downturn, there have been a number of positive economic developments in the West Georgia region. Most notable are the decisions of HelloFresh and Amazon to open up distribution facilities in Coweta County. HelloFresh, a meal kit provider, plans to hire 750 workers, while Amazon expects to staff its center with about 500 employees. Other expansions in Coweta include a Goodyear distribution facility (250 jobs) and an expansion at Yamaha Motor (100 jobs). Douglas County will be the beneficiary of Bang Energy’s decision to open up a sports beverage manufacturing and distribution center in Lithia Springs (adding 600 workers). In addition, Switch Fix, a fashion technology company, is investing $56 million in a new distribution center in Lithia Springs, with a promise of 900 jobs. In Paulding County, Costco is building a new store in Dallas while Interroll, a manufacturer of conveyor systems, is investing an additional $11 million in its plant. Also, Comcast announced in June that it will be investing $9 million to expand broadband in Carroll and Haralson counties. Major public sector construction projects in the region include the new West Georgia Technical College campus and the Richards College of Business Building at the University of West Georgia (both in Carrollton), an addition to the fine arts building at Cedartown High School (Polk), and a new middle school in Coweta County.
**BY THE NUMBERS**

Members statewide involved in all aspects of residential and commercial real estate: **43,000**

Total of local board/associations throughout the state: **51**

Total dollar amount that GAR donated to communities across the state for COVID-19 relief: **$75,000**

Out of the funds distributed across the state:

<table>
<thead>
<tr>
<th>Number</th>
<th>Program Description</th>
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<tbody>
<tr>
<td>51</td>
<td>Food pantries/food insecurity programs were supported</td>
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<tr>
<td>13</td>
<td>Programs funding food from local restaurants to frontline workers were supported</td>
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<tr>
<td>10</td>
<td>Programs focused on victim advocacy were supported</td>
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<td>9</td>
<td>Programs to provide direct support to hospitals were supported</td>
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<tr>
<td>8</td>
<td>Rent/utility assistance programs were supported</td>
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<tr>
<td>5</td>
<td>Homelessness relief programs were supported</td>
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