Center for Business and Economic Research (CBER)

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Carroll County has been growing. We know; we hear the chimes play Brahms’ Lullaby outside our maternity centers each time a baby is born. Families are expanding, parents are aging and Tanner Health System is continuing a tradition of exceptional care.

Our commitment to the health of our community is being realized in bricks and mortar with the construction of the new emergency department and surgical services expansion at Tanner Medical Center/Carrollton. This project doubles the capacity and triples the size of the hospital’s current emergency department. It also provides additional facilities and resources for Tanner’s medical staff to provide leading-edge care to our region’s growing population.

West Georgia remains fertile ground for growth. With advanced heart services, maternity services, a state-of-the-art cancer program, the top overall orthopedic program in Georgia and a complete continuum of care, our growing community will have a local choice for high-quality health care for generations to come.
Though the housing recovery has begun nationally, the West Georgia Region has yet to see any significant turn-around. Most measures indicate the regional housing market has begun to stabilize, but at a greatly depressed level of activity and with much lower average housing prices. What is becoming painfully clear is that without more robust growth in employment, income and population, the housing market is likely to take another full decade to restore the wealth lost during the 2007-2009 recession.

Single-family housing permit activity seems to have bottomed out. Annual permits have settled to around 5.8% of the peak in the market (2005). In 2005, the region issued permits for 9,045 single family units. In 2011, that number had fallen to 528 units for the five West Georgia counties. In 2005, the West Georgia Region employed 9,487 workers in the construction industry. By 2011, that number had fallen to 6,550, a reduction of 31.0%. The majority of current construction activity in the region is being driven by infrastructure improvements being carried out by government (state and local), the commercial sector, and nonprofits (hospitals).

One important reason we have yet to see a rebound in new single family residential construction is that prices for existing homes remain very low. The Case-Shiller index tracks changes in the value of residential real estate. From its peak in April 2006, national housing prices have taken a 31.2% tumble, and since February 2009, this national housing price index has been essentially flat. For both the nation and the Atlanta MSA, more recent numbers indicate prices are starting to move in the upward direction. The national index posted gains in every month since January 2012. The July 2012 index for Atlanta rose to 90.79, posting gains for the 4th consecutive month. However, this represents only 66.7% of Atlanta’s peak in April 2007. Even with the recent price gains included, Atlanta MSA housing prices remain down by 33.2% from the peak.

There are positive signs from other commercial sources as well. Within the Atlanta Metropolitan Area, housing prices have increased by 4.7% over the last year (August-to-August), with an average sales price of $172,300 (Zillow.com). Though new listings in the West Georgia Region are down through September 2012, pending sales and closed sales in the region are up for every month in 2012 as compared with the same month in 2011, indicating the regional housing market is starting to adjust to the new price levels. According to Trulia.com, median home sale prices have been generally rising in cities across the West Georgia Region over the past year, even in the face of higher sale volumes.

Vacant housing in a neighborhood has a substantial negative impact on property values. Over the past year, vacant housing in the Atlanta MSA has sharply declined. From late 2010 into 2011, a large backlog of seriously delinquent mortgages accumulated without being foreclosed upon, primarily due to more stringent regulatory oversight of the foreclosure processes. As these foreclosures re-entered the market, they added substantially to the number of vacant units in the region. At the end of 2011Q2, 5.4% of residential units (more than 1 in 19 units) were vacant in the Atlanta MSA. From 2011Q2 to 2012Q2, however, the vacancy rate had fallen to 3.2%, indicating those houses are starting to find occupants.

As for consumer credit, debt is declining along with bad loans. According to the Quarterly Report on Debt and Credit, the U.S.

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West Georgia Regional Update

The most recent employment data show that the West Georgia region is continuing to experience a gain in overall as well as private sector employment. Between 2011Q1 and 2012Q1, total nonagricultural employment in the region increased by 3,256 jobs or by 2.6%. This gain in overall employment occurred despite a 1.1% drop in government employment. Most of the job gains were in services, but the construction and manufacturing sectors also added workers during this one-year period. In comparison, the Georgia economy saw its overall employment rise by 1.5% between 2011Q1 and 2012Q1. Paulding County has experienced the greatest job growth in the region with employment up by 4.5% over the past year. On the other hand, Douglas and Haralson experienced lackluster job gains of only 1.1% and 1.0%, respectively, between 2011Q1 and 2012Q1.

Unemployment rates (NSA) in August 2012 in the West Georgia Region range from a low of 8.3% in Paulding County to a high of 9.7% in both Carroll and Haralson counties. In comparison, the U.S unemployment rate was 8.2% while Georgia’s rate was 9.2% for the same month. All counties in the region saw their unemployment rate drop between August 2011 and August 2012. Douglas and Paulding counties saw the biggest regional improvement in their employment situation as the unemployment rate fell by 1.4 points in each of these counties between August 2011 and August 2012.

The initial unemployment claims data also paint an improving picture of the West Georgia economy. The number of initial unemployment claims in the West Georgia Region was 26.0% lower in September 2012 compared to September 2011. This compares to a drop of 22.8% for the state as a whole. Coweta County experienced the greatest improvement with the number of unemployment claims down by 36.3% on a year-over-year basis. The other counties in the region also saw the number of initial unemployment claims decline between September 2011 and September 2012.

The weak housing market (and economy) has clearly im-

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Economic data continue to indicate that the West Georgia Region is in recovery, though the speed and strength of the recovery leaves much to be desired. Initial unemployment claims fell between August and September for all counties in the region except Carroll, and continue to trend downward for the region. For the period between September 2011 to September 2012, three of the five counties in the region saw its initial claims decline faster than the state overall. Over that time, claims have fallen an average of 26.0% in West Georgia, 20.8% for the Atlanta MSA and 22.8% for the state. Those counties out-pacing the state include Coweta (-36.3%), Haralson (-30.7%) and Douglas (-26.7%). However, at the current pace of decline, it is likely to be well into 2014 before initial claims return to their pre-recession levels.

Employment in West Georgia continues to show signs of improvement. The most recent jobs data indicate that every county in the region is now experiencing total employment growth. The largest growth in percentage terms is from Paulding (4.5%), followed by Carroll (3.7%). Haralson, though still growing overall, posted the only private sector employment decline, -1.7% in service-providing jobs. In the previous period’s data, Douglas County was the only county with overall job losses, but it currently is the only county posting gains across all three major industrial categories. Moreover, the pace of job growth has picked up in all counties in the region.

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With students heading back to school, August typically marks the end of summer seasonal employment. In August 2012, the unemployment rate for the West Georgia Region stood at 9.0%, which was down from 9.7% in July 2012, and substantially below the 10.7% rate that the region was experiencing in August of 2011. All five counties have seen their rates decline since last August (2011) and from the previous month (July 2012). Part of these rate declines in late summer stem from students exiting the workforce. Douglas and Paulding Counties have seen the largest unemployment rate decline, each shedding 1.4 percentage points between August 2011 and August 2012. Moreover, these reductions in unemployment rates for the region occurred even though 2,560 people were added to the labor force over that period, which is a positive sign for the regional economy.
West Georgia Housing Update

Though the rebound in new single-family housing permits is still likely years away, certain aspects of this residential market have been showing signs of life. In the region, Douglas and Paulding experienced increases in permits from January to August 2012 as compared with the same period in 2011. Coweta and Haralson remained basically steady with Carroll County experiencing declines. According to Trulia.com, median home sale prices have been generally rising in cities across the region over the past year, even in the face of higher sale volumes. One notable exception is Hiram, which saw sale prices fall 3.7% from September 2011 to 2012. Furthermore, three bedroom homes have also been fetching higher prices. Even in areas that were worst hit by the housing market collapse, such as Douglasville and Carrollton, we have seen housing prices start to show some upward momentum.

Over the past year, the region’s purchasing power has continued to decline. The most recent peak in purchasing power occurred in 2007, but real per capita income took a tumble during the most recent recession. The graph, however, shows that regional purchasing power has started to rebound and, in fact, never fell as low as it did after the 2001 recession. Furthermore, the most recent data available indicate the region has not yet regained its per capita purchasing power held in either 2000 or 2007. Although the West Georgia Region has been home to counties with rapidly growing populations, that population growth has started to flatten out. Slowing population growth and lower real income levels suggest the regional recovery, housing and otherwise, will be slow.
Carroll County

Indications are that Carroll County’s economy has started to grow again. County employment grew by 3.7% between 2011Q1 and 2012Q1. The county added jobs in all major sectors except government. Total private sector employment increased by 1,499 jobs over the past year (or by 5.5%). The most recent unemployment figures indicate Carroll County’s economy continues to slowly improve. The August unemployment rate fell to 9.7% from 10.3% in July, and from 11.4% in August 2011. The number of new unemployment claims was 17.4% lower in September 2012 compared to the same month in 2011.

The service-providing industry accounted for the majority of county job growth (1,334 new private-sector jobs). Within the service sectors, the largest employment growth came from accommodation and food services (+351), retail trade (+274), health care (+198) and information (+148). These four industries accounted for 72.8% of the job growth within the sector.

In food services, Carrollton’s new Olive Garden, which employs about 130 workers, had its grand opening in summer 2012. Steak ’n Shake and Bojangles, also announced plans to build stores nearby, and each will employ about 40 workers. Bojangles recently completed a new store in Villa Rica. As for accommodations, many localities have placed a heavy emphasis on attracting tourists of all types into the county. In September, the Southeastern Quilt and Textile Museum opened in Carrollton in the old Carrollton Mills warehouse. Nearby, other new attractions have been or are in the process of being completed. The Amp, Carrollton’s new $1.1 million outdoor amphitheater was completed and is hosting events. Also nearby, the Carrollton Train Depot nears the end of its renovation process and is already in demand.

Growth in retail trade accounted for 20.1% of the growth in service industries. In February, Food Lion closed its new Carrollton location; however, Food Depot quickly restocked the shelves, re-opened the doors, and hired about 80 full and part-time employees, about 30 more than Food Lion employed at that location. Nearby, both an O’Reilly Auto Parts store and a Family Dollar Store were recently completed and are open for business. Beall’s, a retail outlet chain, is slated to open a new store in the Wal-Mart shopping center next to the Dollar Tree (built only a year earlier). Hibbitt Sports opened a second Carrollton store on Bankhead Highway. In the Crossroads Shopping Center, Kroger recently began its expansion that will more than double its current footprint. The upgrades will include a fuel center, a drive-through pharmacy, a Starbucks, a Murray’s Cheese Bar, personal chef services, and more.

Carroll County has also received a heavy dose of medical services investment over the past year. Tanner Medical System’s main Carrollton campus is in the process of recovering from a fire suppression line break that postponed the unveiling of its new emergency room. This and upgrades to its surgical facilities represent a $61 million capital investment. Carrollton also opened its new $17 million Trinka Davis Veterans Village, a combination clinic and rehabilitation living center next to K-Mart. The center is expected to employ 130 workers. Across town next to Home Depot, Aspen Dental opened a new low-cost dental care location.

Within the information services sector, Greenway Technologies, a provider of health information software, continues construction on its new three-level $12 million corporate headquarters and employee resource buildings. Its 2012 initial public offering makes it the only Carroll-based company listed on the New York Stock Exchange.

The Carroll County goods production sector added 131 jobs over the past year. The Tanner Medical Center expansion and renovation, the University of West Georgia’s new Nursing building, on-campus housing dining hall and Visual Arts building, the new Trinka Davis Veterans Center and other government and non-profit capital projects contributed heavily to the increase in construction jobs. Manufacturing employment growth primarily came from machinery production (+30 jobs); however, these numbers are likely to continue growing based on the recent announcement of a new $10 million aero-space joint venture between International Component Repair and IHI Corporation to locate in Villa Rica. In a piece of negative news, Sony announced in summer 2012 that it planned to downszie its distribution center’s workforce by 125 workers in phases through the first quarter of 2013.

Carroll County’s banking sector declined slightly in 2012. Deposits shrank by almost 20% between 2009 and 2010, and held steady between 2010 and 2011. Between 2011 and 2012, bank deposits declined by 1.6%. Community and Southern Bank currently holds the largest share (30.3%) of county deposits, followed by Branch Banking and Trust (21.3%).

Employment in Carroll County’s government sector declined by 212 jobs (-2.8%) between 2011Q1 and 2012Q1. The largest government declines came from state government, which fell by 123 jobs or about 4.0%. Local government lost 82 jobs.

Cuts in the state budgets and slower projected state and local revenue growth have led to a reduction in state and local spending. However, capital spending has been less impacted than operating budgets. The Highway 27 and 166 bridge is being upgraded. Temple, Villa Rica, and Bowdon high schools are upgrading sports facilities. The county is in the process of completing its $16.9 million courthouse complex, and recently opened the Little Tallapoosa Park off Highway 113. The Buffalo Creek High Tech Park officially opened in 2012, and local development officials are in the process of attracting their first tenant. The 115-acre site currently includes two fiber backbones and a Sonet ring, both features to increase the reliability of the park’s access to the internet. Featured in the Atlanta Business Chronicle, the aim of the new business park is to increase the county’s available high tech infrastructure and attract more businesses, such as SMI, Greenway Technologies, and FOGO.
Coweta County

Coweta County’s employment grew by 2.3% between 2011Q1 and 2012Q1. The county has been adding jobs in the goods-producing sector (construction and manufacturing) and the services-providing sector, while government-employment (mainly in Coweta County School System) has remained flat. Recent unemployment data provide additional evidence of an improving Coweta economy as the August unemployment rate fell to 8.7% (compared to 9.4% in August 2011) and the number of new unemployment claims was 36.3% lower in September 2012 compared to the same month in 2011.

Two large service sectors, retail trade and lodging/food services, account for almost 3 out of 10 jobs in Coweta County. Lodging and food services employed 154 more people (up 4.7%) in early 2012 compared to the year prior. On the other hand, the retail sales sector remained relatively flat as only 30 jobs were added between 2011Q1 and 2012Q1. Wholesale trade, transportation and warehousing added about 123 jobs in the county between 2011Q1 and 2012Q1. These numbers do not fully reflect the early 2012 opening of the MBM Foodservice distribution center which was projected to create over 100 new jobs. Other recent distribution facilities opening in the county include C.C. Jenson (oil filtration equipment) and Paxxo (waste bags). The other large services-providing sector, Administrative Support, added over 200 jobs between 2011Q1 and 2012Q1. Growth in this sector may be a result of uncertainty in the economy as employers chose to hire “contingent” or “temporary” workers instead of more permanent staff. Health care employs roughly 1 out of every 10 workers in Coweta County. The health care sector lost about 100 jobs between 2011Q1 and 2012Q1. This negative growth rate in health care employment is likely to turn positive in late 2012/early 2013 due to the recent opening of two major hospitals in Newnan, (Piedmont Newnan and the Cancer Treatment Centers of America (CTCA)) as well as the Piedmont Medical Plaza. Especially significant was the summer 2012 opening of the CTCA hospital which is predicted to create more than 500 jobs. Approximately two-thirds of CTCA patients are expected to come from outside of Georgia.

Goods production (manufacturing and construction) accounts for about 1 out of 6 jobs in Coweta County. Overall employment was up slightly in the sector between 2011Q1 and 2012Q1 (5%). Manufacturing employers added 18 workers in Coweta County between 2011Q1 and 2012Q1. Planned expansions will add manufacturing jobs in the county in the near future. Yamaha Motor, the county’s largest private employer, is in the process of transferring its ATV production from Japan to its Newnan facility. Two other manufacturing plant expansions, Chromalloy, an aircraft engine/gas turbine repair operation, and Custom Molded Products, a pool and spa industry supplier, will add about 160 new jobs in Coweta.

After years of decline, the construction sector added jobs in Coweta County in 2012 (21 jobs or a 2% gain between 2011Q1 and 2012Q1). Thus far in 2012 (January—August), a total of 182 single family housing units have been permitted, compared to 184 housing units during the same period in 2011. Thus it appears that the single family construction market has stabilized in Coweta County (although at very low levels). The slight gain in construction employment in the county is likely related to a pick-up in non-residential construction activity.

Based on deposit and other data, the banking sector has stabilized in Coweta County. After dropping by 5.6% in 2001, bank deposits held by Coweta County financial institutions rose by 1.3% between June 30, 2011 and June 30, 2012. BB&T is the market leader in Coweta, holding about 25% of the bank deposits in the county. The next four largest banks in the county (based on deposits) were Synovus (Bank of Coweta), Bank of America, Wells Fargo and CharterBank. No bank failures have occurred in Coweta County thus far in 2012. In a recent development, Coweta's second largest bank, the Bank of Coweta, will be merging operations with the Bank of North Georgia. The Bank of Coweta brand will disappear in 2013. Also, the Bank of Coweta recently closed its downtown branch.

Employment in financial services is on the rise in Coweta County. Between 2011Q1 and 2012Q1, this sector added 77 jobs, or an increase of 13%. At 670 jobs in 2012Q1, employment in this sector is still below pre-recession levels. Employment in Coweta County’s government sector remained essentially flat between 2011Q1 and 2012Q1 (down 3 jobs). With over 3,000 workers, the Coweta County School System is the largest employer in the county. Student enrollment was up a modest 1% at the beginning of the 2012-13 school year. Significant public sector projects in the county include the new West Georgia Technical campus near I-85 and Turkey Creek Road, the Newnan Center (a multi-use conference complex expected to open in December), Newnan’s new public safety building, and a new middle school (Corinth). The University of West Georgia has announced plans to renovate the Newnan Hospital building on Jackson street for its new Newnan Campus. If all goes according to plan, construction is slated to begin in early 2013, and will include $16 million in renovations. Once completed, all activities from the Shenandoah Industrial Park campus will move to the renovated site.
Douglas County’s employment grew by 1.1% between 2011Q1 and 2012Q1. Most of the jobs added in the county during this one year period were in service-providing industries. Health care and the finance/insurance subsectors added the most jobs in services. The county has also been adding jobs in goods-production, especially in construction. However, employment in the large government employment sector (dominated by the Douglas County School System) has remained flat. Recent unemployment data provide additional evidence of an improving Douglas County economy as the August unemployment rate fell to 9.2% (compared to 10.6% in August 2011) and the number of new unemployment claims was 26.7% lower in September 2012 compared to the same month in 2011.

Retail trade accounts for almost 1 out of 5 jobs in Coweta County. Overall, retail employment has remained flat as new retail openings, such as Forever 21 and H&M, have been able to replace employment lost from closings such as Borders Books and Music. Lodging and food services employed 122 fewer people (down 3%) in early 2012 compared to the year prior. Recent Douglas County restaurant/bar closings include Hooters and Gipson’s Bar and Grill. Blue Agave is in the process of opening a second location in downtown Douglasville. This Mexican restaurant bar and grill is expected to open on Broad Street. Its existing location is on Chapel Hill Road where it has been doing business for almost two years. A new Cactus Car Wash opened in Douglasville in July on Chapel Hill Road. This new location includes an IPAD lounge with Wi-Fi and a Cactus Café for its customers.

Douglas County’s logistical advantages, a location along a major interstate and easy access to downtown Atlanta and Hartsfield-Jackson, have served the county well in attracting wholesale trade, transportation, and warehousing jobs. However, these subsectors lost about 2% in employment between 2011Q1 and 2012Q1. Administrative Support added over 100 jobs between 2011Q1 and 2012Q1. Growth in this sector may be a result of uncertainty in the economy as employers chose to hire “contingent” or “temporary” workers instead of more permanent staff. The other large services sector, health care, employs roughly 1 out of every 9 workers in Douglas County. The health care sector added about 150 jobs between 2011Q1 and 2012Q1. One significant development, the announced plans of Wellstar to renovate and expand its Douglasville hospital, will positively impact job growth in the health care sector. Wellstar’s plans include an $18.5 million renovation and expansion of its intensive care unit and emergency department to be completed by September 2014.

Goods-production employment in manufacturing and construction accounts for almost 1 out of 7 jobs in Douglas County. Manufacturing employment was essentially unchanged in the Douglas County between early 2011 and early 2012. Not reflected in these data are the 150 production jobs created by the opening of the Medline Industries health care products plant. This facility, which produces adult incontinence products, began operations in March 2012. Lithia Springs had a new “green” industry scheduled to open in December 2012. GenAgain Technologies, an alternative energy producer, converts mixed plastic waste materials into synthetic crude oil. The company announced that it will locate both its headquarters and its production facilities at Sweetwater Industrial Boulevard and employ about 40.

Based on recent employment data, the construction sector is experiencing signs of recovery. Between 2011Q1 and 2012Q1, the sector added about 100 jobs in the county or a 6% gain. Thus far in 2012 (January—August), a total of 99 single family housing units have been permitted, compared to only 38 housing units during the same period in 2011. About two-thirds of the housing permits issued in Douglas County have been outside the Douglasville City limits.

Based on deposit and other data, the banking sector has stabilized in Douglas County. After dropping by almost 12% in 2011, bank deposits held by Douglas County financial institutions rose by 0.2% between June 30, 2011 and June 30, 2012. In addition, employment in finance and insurance grew by a robust 19.3% between 2011Q1 and 2012Q1. Douglas County Bank is the market leader in Douglas County. Employment in Douglas County’s government sector remained essentially flat between 2011Q1 and 2012Q1 (up 13 jobs). The largest public employer in the county, the Douglas County School System, has been able to maintain the same level of employment by tapping into reserve funds. Significant public sector construction projects in the county include the nearly completed $115 million jail/law enforcement center and the Douglasville Conference Center. The $16 million conference center is expected to be completed by January 2013. The 300-car parking deck attached to the conference center opened for use in October.

Douglas County has come to terms with the City of Villa Rica and agreed to assist Villa Rica with some paving needs resulting from the housing collapse. Several streets in the Mirror Lake subdivision never reached their final topping of asphalt before the contractors went out of business, leaving some residents bouncing over man hole covers. By agreeing to use county (Douglas and Carroll) equipment and man-power to do the work, Villa Rica has been able to save several hundred thousand dollars in expense for its city residents.

Work began in July on the South River Road Bridge. This bridge was damaged by the subcontractor of a sub-contractor hired by the county during the blasting phase of a water/sewer project. The repairs are expected to cost $220,289.

Douglas County has increased its incentives programs related to businesses considering locating in the county. Portions of Bankhead Highway (Highway 78) have been labeled an “opportunity zone,” which effectively doubles the tax breaks for firms that locate in the area and create two or more new jobs in the county.
Haralson County

Haralson’s job numbers indicate the local employment situation is improving, albeit at a pace slower than the rest of the region. Haralson County’s employment grew by 1.0% between 2011Q1 and 2012Q1. The county added jobs in the goods-producing sector (+152 jobs), but saw decline in both the service-providing (-58 jobs) and the government sectors (-23 jobs). Total private sector employment increased by 96 jobs over the past year (up 1.8%). The August unemployment rate fell to 9.7% from 10.0% in July, (driven in part by reductions in the labor force), and from 10.6% in August 2011, despite increases in the size of the labor force over the past year. Haralson’s new unemployment claims were 30.7% lower in September 2012 as compared to the same month in 2011. This percentage drop in unemployment claims exceeded both the West Georgia Regional decline (-26.0%) and the overall state decline (-22.8%) for the same one-year period. Overall, Haralson’s job seekers are starting to find employment.

Within the goods-producing sector, Haralson added jobs in both construction and manufacturing. The job growth in the construction industry cannot be attributed to a rebound in the new housing market. The county only permitted one residential structure in 2011 and one, thus far, in 2012. Most likely the increase in construction-related employment in the county is the result of larger construction projects throughout the region (Tanner, the University of West Georgia and county school projects). Haralson also added 119 jobs in manufacturing; however, only four jobs are attributed to any industrial category (furniture manufacturing). The data further indicate that Haralson lost only a single firm in printing services, meaning the increase in employment came from existing manufacturing firms expanding operations. Likely, these jobs are the result of Honda Precision Transmission and Honda Lock increasing operations to meet the needs of an accelerating demand for automobiles.

Haralson’s service-providing industry accounted for the loss of 58 jobs (or -1.7%). Within the service sectors, the largest employment decline came from retail trade (-111 jobs), followed by wholesale trade (-63 jobs). The largest increases came from the administrative, support, waste management and remediation, (mainly temporary employment). The number of temporary workers increased by 146 or by 52.9% over the year.

Some of the service sector employment growth that has occurred in Haralson has been driven by locally-grown small businesses and sole proprietorships. New business openings in Waco include Tall Tines Taxidermy, West GA Gun and Pawn, and Aunty Jenny’s Down Home Cooking (formerly known as Big Mama’s). Southern Integrity Insurance opened in mid-September in Bremen. Raje Salon and Glenda’s Notion and Gifts both opened on the courthouse square in Buchanan. Also nearby, Buchanan Furniture and More opened its doors in July on Highway 27. Trapper Joe’s Cafe’ recently opened at the Rocky Branch Railroad & Ghost Town, located between Bremen and Temple on Center Point Road. Bowles Heating & Air, located on Hamilton Avenue, opened for business in early August.

Despite Haralson’s slower recovery, the county has several bright spots. The Kelly Foundation for Senior Living is scheduled to open this fall. Phase 1 of the $5 million dollar 28,000 square-foot assisted living facility includes the main building, walking trails and the reflection garden. Phase 2 of the facility is expected to be built in two years and will include a 7-acre lake and 32 apartments for independent seniors.

In the area of entertainment, the Bremen’s Mill Town Music Hall, a 1000-seat entertainment venue, debuted in early 2012. It features Southern Gospel, County, Christian Contemporary, Bluegrass, Jazz, Classical, and Praise and Worship music. In the nine months since its opening, the facility has attracted national acts like Ricky Skaggs, the band Alabama, Toby Keith, Shania Twain, Mel Tillis, Reba McEntire, Billy Ray Cyrus, the Oak Ridge Boys, the Atlanta Rhythm Section and others. Nearby local small businesses have already felt the impact, this attraction brings to the city.

Haralson’s government employment continues to decline. The sector is dominated primarily by local government (schools, police, and fire), which makes up about 80% of government jobs in the county. However, local government shrank by 36 jobs (or 2.7%). State government added 18 jobs (7.2%). Slower revenue growth projections have forced the state to tighten its belt, which means lower levels of state funding for counties. Haralson’s declining retail employment also likely indicates slow local retail sales, and subsequently weak growth in local sales tax revenues. In all counties in the region, local governments have also been severely affected by the repercussions of the housing market collapse. Falling housing prices eventually make their way into the property tax base and slow the flow of revenue for local purposes.

Despite revenue difficulties, Haralson has emphasized expanding and renovating some of its local infrastructure and amenities. The Warren P. Sewell Memorial Library in Bremen is nearing the end of its $1.8 million renovation, which will add 5,000 square feet to the library’s floor space. The proposed Haralson County recreation center, currently planned to be located near the county senior center, is closer to fruition as the construction bidding process is now under way. The project originally included three football/soccer fields and three baseball/softball fields. Hamilton-McPherson Fine Arts Center opened in October. The 25,000 square-foot facility will provide space for performances and will accommodate various band classes for Bremen City Schools.
Paulding County

The employment outlook for Paulding County is improving. Paulding County’s employment expanded 4.5% between 2011Q1 and 2012Q1. Private sector employment grew 6.6%, reflecting strong gains in both goods producing and service producing jobs. Government employment declined as a result of cutbacks in the Paulding County School System. The strength in employment is reflected in a sharp drop in the unemployment rate to 8.3% in August 2012, down from 9.7% in August 2011. The number of initial unemployment claims also declined 22.0% between September 2011 and September 2012.

Over 60% of Paulding County’s jobs are in the service sector, with retail trade accounting for almost one out of every five jobs. The retail sector gained 162 jobs between 2011Q1 and 2012Q1. One notable retail addition this year was Academy Sports, which opened this spring in Hiram. Wholesale trade also showed strong growth, picking up 86 jobs (a 25% increase) between 2011Q1 and 2012Q1. Accommodations and food services, the second largest service sector in the county, gained a modest 41 jobs between the first quarter of 2011 and the same quarter in 2012. Administrative support added 241 jobs between 2011Q1 and 2012Q1. The growth in this sector reflects increased hiring in temporary workers rather than permanent employees as businesses continue to be uncertain about the future. Atlanta Film Studios also opened in Paulding early this year, which should bring more jobs to the service sector. The 78,000 square foot facility shot its first film, “42” starring Harrison Ford, this summer. Haddad’s Incorporated, a film support firm, is also setting up operation in the Dallas Industrial Park.

Health services increased a strong 4.7% between 2001Q1 and 2012Q1. More growth in this sector is expected over the next several years. The new WellStar Paulding Hospital in Hiram broke ground in April and should open in 2014. The hospital will have 56 beds at first, and eventually patient capacity will double to 112 beds. In addition, an 80,000 square foot medical office building is being constructed next to the hospital. The project is expected to add 500 health care jobs.

Goods-producing jobs, primarily construction and manufacturing, account for about 12% of employment in Paulding. Manufacturing jobs, which make up less than 5% of all jobs in Paulding, increased 5.3% between 2011Q1 and 2012Q1. More growth is expected in this sector as several new or expanding firms have been announced this year, reflecting in part the success of the tax incentives associated with the new Dallas and Paulding opportunity zone. The Japanese firm MG International, which makes parts for Nissan and Toyota cars, is adding about 30 new jobs at its Dallas location. In July, the Swiss company Interroll announced that its new North American Center of Excellence would be located in the Paulding Commerce Park. The 93,000 square foot facility, which is expected to open next year, will produce conveyor systems components and is expected to create 70-100 jobs. In addition, Simmons Engineering, Envelope Superstore, Top Flight Aerostructures, and Aerodynamics, Inc. have announced that they are adding jobs in Paulding. County officials are projecting 142 new manufacturing jobs for the county, which would be about a 16% increase (over 2012Q1).

The construction sector gained 53 jobs (a 4.1% increase) between 2011Q1 and 2012Q1, reflecting nonresidential construction activity as well as some renewed housing activity. From January to August 2012, 85 single family permits were issued in Paulding County, which is an improvement from the 67 single family permits issued during the same period in 2011. However, this is still well below the 2,417 single family permits issued from January to August in 2006 at the height of the housing boom. Employment in the financial sector increased 12.3% between 2011Q1 and 2012Q1. Between June 30, 2011 and June 30, 2012, the amount of bank deposits held by Paulding County financial institutions declined by 2.3%. Regions Bank remains the market leader in Paulding with 35% of the county’s bank deposits. The next two largest banks in the county based on deposits are SunTrust with 16% of the county’s deposits and Wells Fargo with 10%. There have been no banks failures in Paulding County so far in 2012.

Government employment in Paulding County declined 1.1% between 2011Q1 and 2012Q1. This is largely due to fewer jobs in the Paulding County School System, which has experienced budgetary cutbacks and weaker student enrollments. The district did open the new P.B. Ritch Middle School this fall, which is the county’s ninth middle school, although it also closed P. B. Ritch Elementary School. The budget approved by the school board this summer called for another 23 school district employee positions to be eliminated in fiscal year 2013.

In April, the Paulding County/City of Dallas Opportunity Zone was approved by the Georgia Department of Community Affairs. This is expected to bring new jobs to the county by providing corporate income and payroll tax incentives to businesses within the opportunity zone creating two or more full time jobs that pay at least $10.88 an hour. The opportunity zone covers 2,782 acres with 377 parcels and includes a large share of the county’s manufacturing and commercial areas.

Significant progress was made this year on the Richland Creek Reservoir project, which has been in the works since 1998. In August, Paulding received a $29.1 million loan from the Georgia Environmental Facilities Authority (GEFA) for construction of the reservoir. This low interest loan covers a third of the project’s estimated cost of $86.4 million. The county will likely cover the rest of the costs through revenue bonds. Construction of the 305-acre pumped-storage reservoir will not start until all necessary permits have been obtained and the rest of the needed money has been secured.

Interroll Center of Excellence (opening 2013)
The West Georgia Region

Housing Market (continued from page 1)

consumer continues on the downward trend in indebtedness, primarily driven by fewer loans being secured by real estate. Mortgage balances are down another 0.5% in 2012Q2 and stand at $8.15 trillion. About 399,000 consumers reported a bankruptcy in 2012Q2, extending the decline in bankruptcies to six consecutive quarters, representing a 15.7% drop from the same quarter last year. Overall, mortgage delinquencies have been on the decline. In 2011Q2, 9.8% of mortgages were delinquent by 30 days or more. By 2012Q2 delinquencies were down to 9.0% (see graph). Delinquencies affect the consumer’s ability to obtain financing, and at the same time they impact the value of houses. Higher levels of mortgage delinquencies reduce credit availability, in that unpaid loans keep new loans from being made. Additionally more delinquencies mean fewer borrowers are creditworthy.

The only major area where debt has been rising is in student loans. Since household debt peaked in 2008Q3, student loan debt has increased by $303 billion, while oth-

er debt categories fell a combined $1.6 trillion. This even includes credit card debt. Americans, in general, are improving their credit situation.

In short, a West Georgia housing recovery depends on a number of factors: a stronger regional economy with job creation and gains in real income, a reduction in the inventory of vacant homes, rising housing prices, and improvements in consumers’ balance sheets. Data suggest positive trends in all of these factors in the West Georgia Region, yet the recovery has been slow and painful.

Update (continued from page 1)

pacted the financial sector in the region. Employment in financial services has declined by over 15% since 2007 (a loss of about 500 jobs). Employment in the sector increased by 184 jobs (a 7.4% increase) from 2011Q1 to 2012Q1. Total bank deposits fell by 0.8% in the region between June 30, 2001 and June 30, 2012. Bank deposits in the region totaled $5.5 billion on June 30, 2012 (or about 3% of Georgia’s banking deposits). Over this one year period, the amount of bank deposits declined in three of the five counties, Carroll, Haralson, and Paulding, but increased in both Coweta and Douglas. The decline in deposits was the greatest in Haralson (down 3.4%), while the increase in deposits was the greatest in Coweta (up 1%). Carroll’s financial institutions held the greatest amount of deposits of any county in the region in 2012 ($1.7 billion). During 2009-2011, eight banks in the five-county West Georgia region were closed by the FDIC. In another sign of improvement in this sector, no bank in the region has been shut down thus far in 2012.

The total value of farm production in the West Georgia Region was $306.7 million in 2010 (the most recent year in which data is available). This represents about 2.6% of the value of the state’s agricultural output. Carroll County is by far the most important agricultural county in the region with about $211 million in production in 2010. The greatest share of Carroll’s farm sector is in poultry-related production (about $183 million). Livestock production is also significant in Carroll County (about $21 million) while greenhouse production is a $23 million industry in Paulding County.

Recent developments will likely impact regional job growth in the future. The health care sector, in particular, should see significant employment growth in the future due to recent and projected expansions. The Cancer Treatment Centers of America opened its Newnan hospital in August. This facility is expected at add 500 jobs over the next five years. In addition, Piedmont opened in its new Newnan hospital in May 2012. Other health care developments in the region include the $61 million Tanner Health System expansion in Carrollton, the new VA Clinic in Carrollton, the planned renovation of Wellstar’s hospital in Douglasville, and the new Wellstar Paulding Hospital in Hiram (scheduled to open in 2014). The health information software provider, Greenway Medical Technologies, is also completing work on its corporate office expansion in Carrollton.

Other sectors are also seeing growth. Employment in manufacturing is up by 1.6% in the region in early 2012 (compared to the 2011Q1). New production facilities include Medline Industries, a manufacturer of adult incontinence products, located in Lithia Springs, and Interroll, a conveyer systems producer, under construction in Hiram. Chromalloy is also adding 125 jobs at its Newnan engine repair facility. In addition, MBM Foodservivce will add more than 100 jobs at its food distribution facility in the Coweta Industrial Park. Recently, IHI, a major Japanese aerospace company, and ICR, a Villa Rica aviation repair facility, signed a joint venture agreement to establish the first Japanese affiliated aerospace facility in the United States. This plant expansion is expected to add 35 workers with a projected $10 million impact on the West Georgia region.

Although government-related employment has continued to decline due to budget constraints, there are a considerable number of public infrastructure projects underway in the region. These include the courthouse construction project in downtown Carrollton; the reconstruction of the SR 166/U.S. 27 Interchange; the East Village housing and nursing building projects at the University of West Georgia; the West Georgia Technical College complex and the new conference center in Newnan; and the new jail and downtown conference center, under construction in Douglasville.
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