

West Georgia Regional Update

Carroll, Coweta, Douglas, Haralson, & Paulding County

Industry Spotlight: Healthcare

The word “healthcare” has sparked many debates and emotions over the previous months. Regardless of ones position on the signing of the recent healthcare law, it is a fact that the U. S. population is aging, and there is an increasing demand for healthcare services. The West Georgia Region is responding to this need by offering new and expanded facilities.

Carroll County’s Tanner Health System is planning a \$50 million dollar expansion to its existing facility. The addition will include 93,000 square feet of new space and 27,000 square feet of renovations. Once completed the ER will increase its capacity by about 50%, while the surgical capacities will increase by

about two-thirds. About 350 new jobs will be created. The first phase of the project, the expansion of the parking deck, is expected to be completed by early summer. The entire project is slated for completion by 2012.

A new VA clinic is also in the works for Carroll County. A \$17 million donation from the Trinka Davis Foundation will fund the construction of the new facility. Plans are still preliminary, but should include 60,000 square feet, and employ up to 20 doctors.

Coweta County will be erecting massive new healthcare buildings in the near future. Piedmont Newnan has broken ground on an eight story building scheduled to



Piedmont Newnan Hospital is expected to open in 2012 and add about 250 new positions.

open in early 2012. Approximately 250 new jobs will be created. Piedmont will also be constructing a medical office building next to the hospital. The 110,000 square foot building is scheduled to open in 2011. Coweta will also become home to a new

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West Georgia Regional Update

The most recent U.S. jobs report shows that the U.S. economy added 290,000 jobs in April 2010, the biggest monthly jump in four years. Most of these jobs were in the private sector in industries such as temporary help

services, manufacturing, and leisure and hospitality services. The economy also got a lift by the addition of about 66,000 U.S. Census workers in April. Despite these job gains, the national unemploy-

ment rate remains stubbornly high at 9.9%.

As for the West Georgia Region, unemployment rates continue to remain above the state and national average. As of March, the unemployment rate in each

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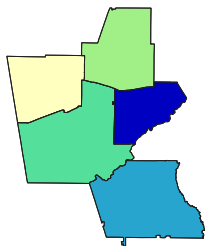
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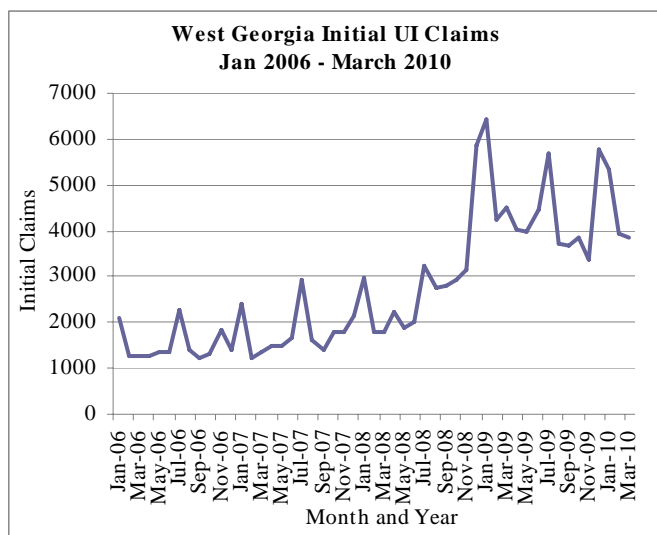
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ANNOUNCEMENT
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Oct. 26, 2010
UWG Campus Center

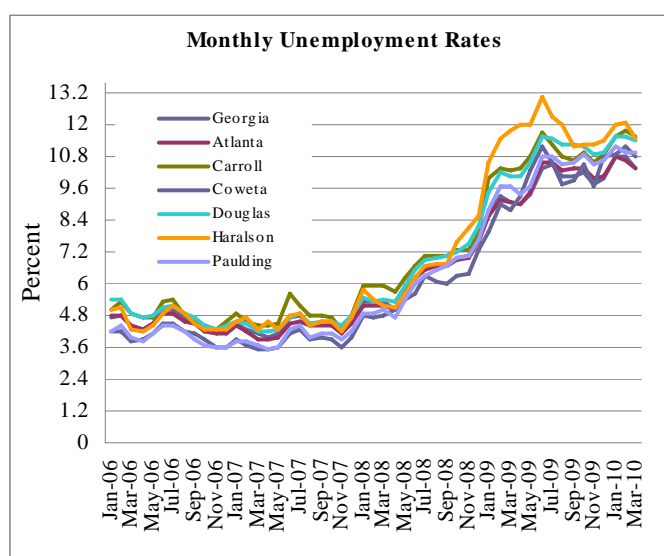


West Georgia Employment Update



The West Georgia Region has seen its initial unemployment claims begin to subside; however, initial claims remain at relatively high levels by recent standards. Initial claims in March 2009 were 4,522. By March of 2010, initial claims have decreased to 3,851, or a decline of 14.9% over the previous year. This is a clear indication that firms in the West Georgia Region are seeing their employment rolls stabilize and are laying off fewer workers. The decline in initial claims is also viewed as a leading indicator for an improving job market. Initial claims data in the region has been a rollercoaster ride since it began its climb in November of 2008. There remains a substantial amount of volatility in the series, which is a sign of how difficult it has been rebounding from this recession in the West Georgia economy.

Though initial claims have begun to subside, unemployment rates for the region remain high. Haralson is the only county in the region that has seen its March unemployment decline from 2009 to 2010. Coweta experienced the largest rate increase, from 8.8% in 2009 to 10.8% in 2010. Although the unemployment numbers do not paint a rosy picture, it is likely that at least some of the rate increase has been the result of discouraged workers re-joining the search for a job. This gives reason for tempered optimism that unemployment rates will begin to decline in the coming months. The national economy added 162,000 jobs in March and 290,000 in April, the biggest increase in four years. The fact that not all were from new Census workers is an indication that the jobs recovery is becoming self-sustaining.

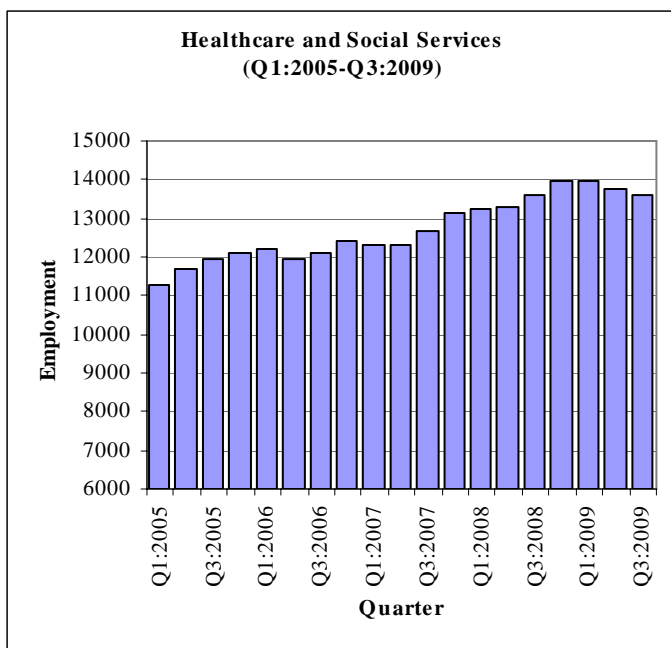
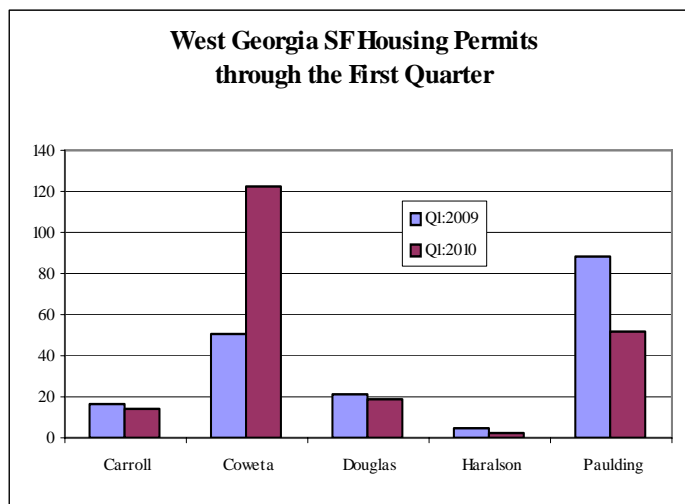


Employment Growth (% Change 2009Q3 vs. 2008Q3)				
	Total Employment	Goods-Producing	Service-Producing	Govt.
Carroll	-4.0%	-14.6%	-1.2%	2.8%
Coweta	-7.1%	-20.1%	-4.4%	-1.3%
Douglas	-10.2%	-27.6%	-8.0%	-0.3%
Haralson	-11.0%	-22.0%	-7.3%	-2.6%
Paulding	-5.4%	-22.1%	-3.0%	-0.5%
Georgia	-6.4%	-15.5%	-5.2%	-1.6%

The reporting of firm-level employment data by industry lags behind other economic data reported for counties in Georgia. As of the third quarter of 2009, year-over-year job losses continued to mount. All counties in the region saw losses in total employment. Only Carroll and Paulding had percentage job losses lower than experienced by the state overall. Goods Production continued to see double-digit job losses across the region, and the losses worsened when compared with the second quarter. Although service-providing industries also lost jobs in all counties in the region, the size of the losses in Douglas and Paulding were smaller for the most recent period reporting. The only major category with any job gains was the government sector, and only in Carroll County.

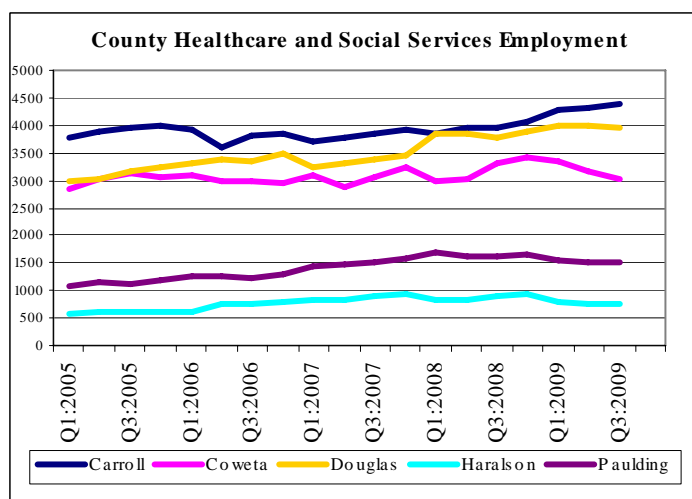
West Georgia Housing & Healthcare Update

Although this recession dealt West Georgia housing a severe blow, the market may have finally hit bottom. In Coweta County, permits surged in the first quarter of 2010 to more than double what it recorded over the same period in 2009. In comparison to the previous two years, Carroll, Douglas and Haralson only experienced small declines in permit activity. Paulding's new housing permits, however, continue to decline. By March 2009, Paulding County had issued 88 single family permits. Over the same period in 2010, Paulding issued a total of 52 permits for single family residences, a decline of 40.1% over the year.



For the region overall, healthcare and social service employment has been one of the few bright spots of job growth. At the beginning of the recession (Q4:2007), healthcare and social services employment for the regions was 13,126 workers. By Q3:09, employment grew to 13,610, or a 3.7% increase during the worst recession since the 1930s. Healthcare is often viewed as a “recession-proof” industry; however, that has not been entirely the case in the West Georgia Region. Though, the sector expanded over the recession, not all West Georgia counties had the same experience. Furthermore, Q2:09 and Q3:09 both indicate declining employment in the sector. Though people still seek medical attention during recessions, forgone elective procedures, delayed preventative care, and revenue reductions to taxpayer-funded healthcare programs may be starting to affect total healthcare spending in the region.

For the region, healthcare and social services employment peaked in Q1:09 at 13,965 jobs (see above). The most recent data, however, indicates that only 2 of the region's 5 counties are still gaining employment in the sector, Carroll and Douglas. Furthermore, over the period Q3:08 to Q3:09, healthcare employment growth for the region slowed to just over 0.1% on an annual basis. Haralson County has seen its healthcare employment decline from its peak in Q7:2007 by 190 jobs. Paulding County, the most populous county in the region, has the 2nd lowest healthcare employment, and has seen its healthcare employment decline by 169 jobs from Q3:2008 to Q3:2009.



Healthcare

Cancer Treatment Centers of America hospital. CTCA received a certificate of need in December 2009, and under its terms must begin construction within a year. The new 50-bed 200 square foot building will be located on Newnan Crossing Bypass across from Ashley Park. The new hospital will bring 500 new jobs to the area.

Construction on a new county health department is scheduled to be completed by the end of the year. The new building will be located near the existing Piedmont Newnan Hospital on Hospital Road. The facility is being funded by \$1.5 million from the Hospital

Authority, and \$500,000 from the American Recovery and Reinvestment Act. Efforts are also underway to open a low-cost clinic for the uninsured in Newnan. Currently, the Coweta Samaritan Clinic is incorporating as a 501c3 non-profit. Dr. Kay Crosby has been selected to serve as director, and volunteers will be used for many services. The clinic will help alleviate the abundance of people going to the local emergency room for minor illnesses, and to the Health Department for routine care.

Paulding County is getting a new \$130 million hospital in



The Coweta County Health Department will open a new office on Hospital Road in Newnan later in 2010.

Hiram, replacing the current one in Dallas. A certificate of need will be applied for in June, and the expected completion date is April 2013. The hospital expects to add more than 300 new positions.

Update

of the five West Georgia counties exceeded the state rate of 10.4%. Carroll County had the highest unemployment rate at 11.6% while Coweta had the lowest rate at 10.8%. On a positive note, initial claims for unemployment are down in the West Georgia Region in March suggesting fewer individuals are filing for unemployment benefits with the Georgia Department of Labor. For the region as a whole, initial claims are down by 14.9% in March 2010 compared to March 2009. Over the same period of time, the state as a whole has seen new filings drop by a more robust 28.1%. Together with the unemployment rate data, this suggests that the West Georgia Region is facing a greater challenge than the state (and the nation as a whole) in the effort to exit this recession.

The economic struggles for the region are clearly related to its greater dependence on the goods-producing sectors of construction and manufacturing. As the table on page 2 indicates, employment in goods-production in the West Georgia Region plummeted in 2009. The nose dive in single family housing construction activity contributed significantly to this employment drop. Overall, single family permit activity was 53.3% lower in 2009 compared to 2008. Thus far in 2010, the region has seen a modest up-tick in permit activity. A total of 209 single family units were permitted in the first three months of 2010 compared to 169 units for the same period in 2009. The regional gain is centered in Coweta County which sustained a 190% increase in housing activity in the first three months of

2010 (122 permits in Jan.-March 2010 vs. 42 permits in Jan.-March 2009).

While the health care sector is experiencing significant expansion in the region, other sectors are more directly experiencing the negative impacts of the recession. State budget cutbacks have resulted in layoffs in all of the public school systems in the region. Two banks in the region, First National Bank of Georgia and McIntosh Commercial Bank, both based in Carrollton, recently failed. In one positive development, Yamaha Motor Co., Ltd. announced plans to transfer its all-terrain vehicle (ATV) production currently in Japan to Newnan. This will impact production at the Yamaha plant beginning in early 2011.