

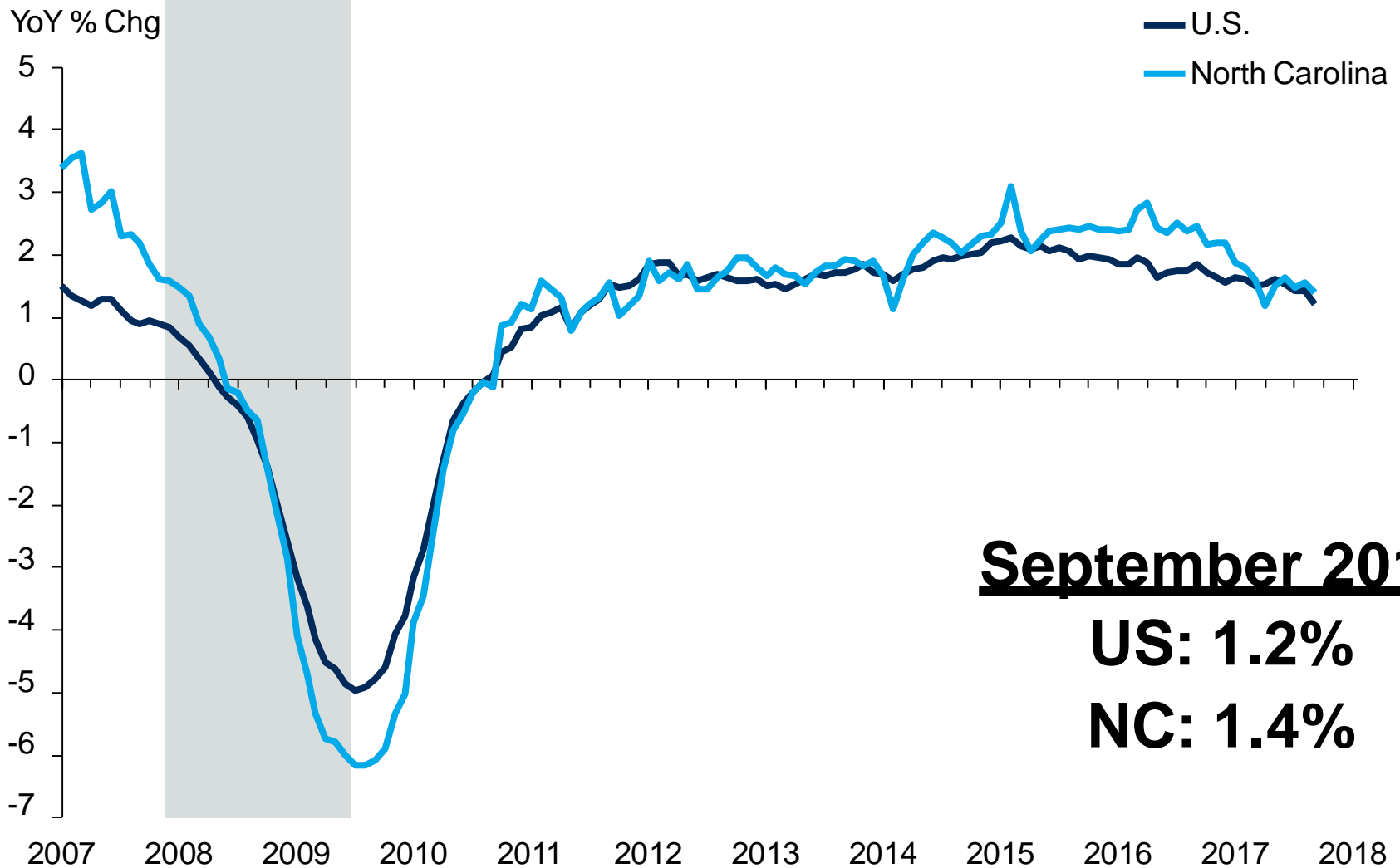
The NC Economy Today & In the Future



“The future is always here; it’s just not evenly distributed.”

William Gibson

North Carolina Payroll Employment Year over Year Percentage Change



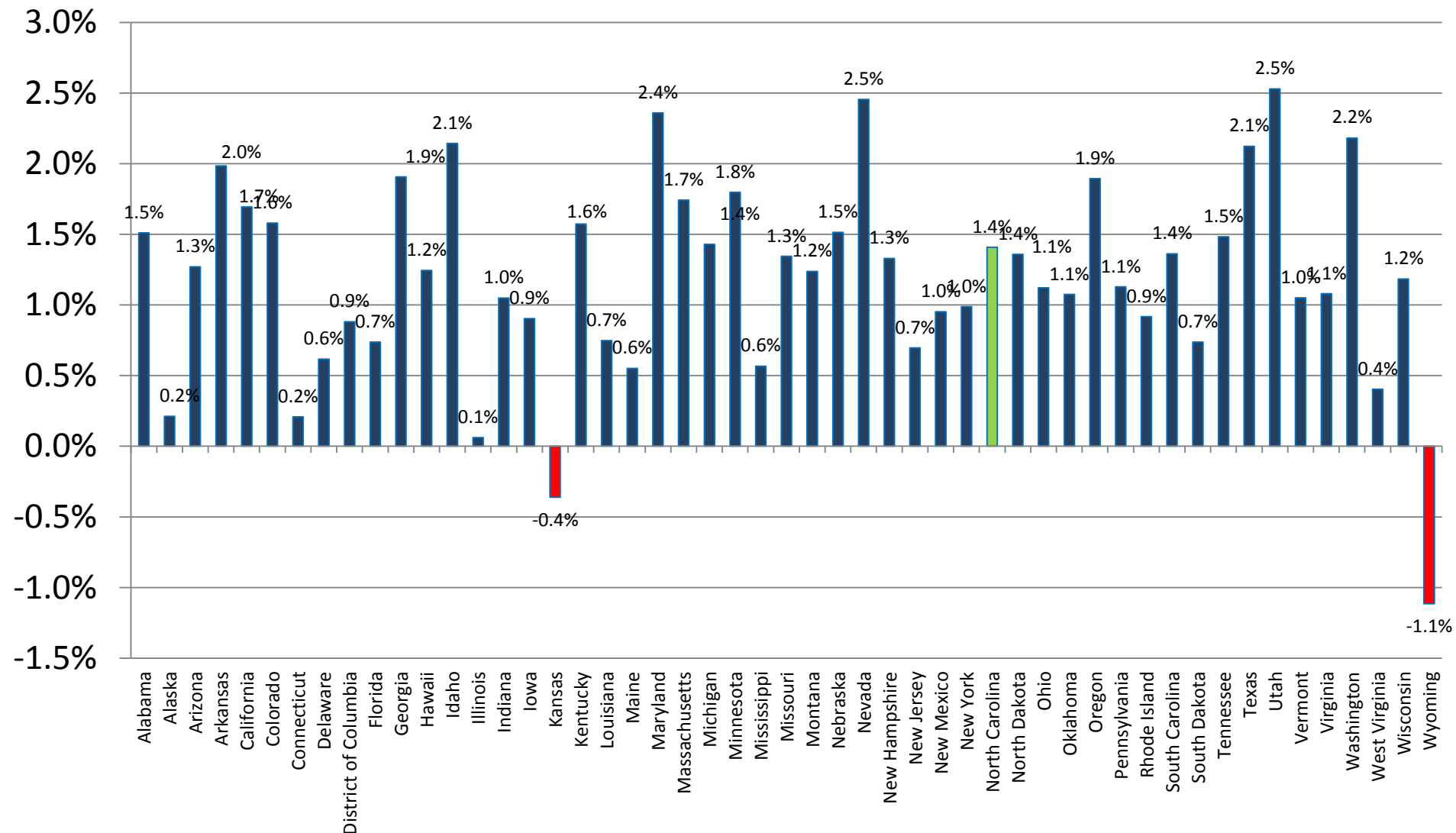
September 2017

US: 1.2%

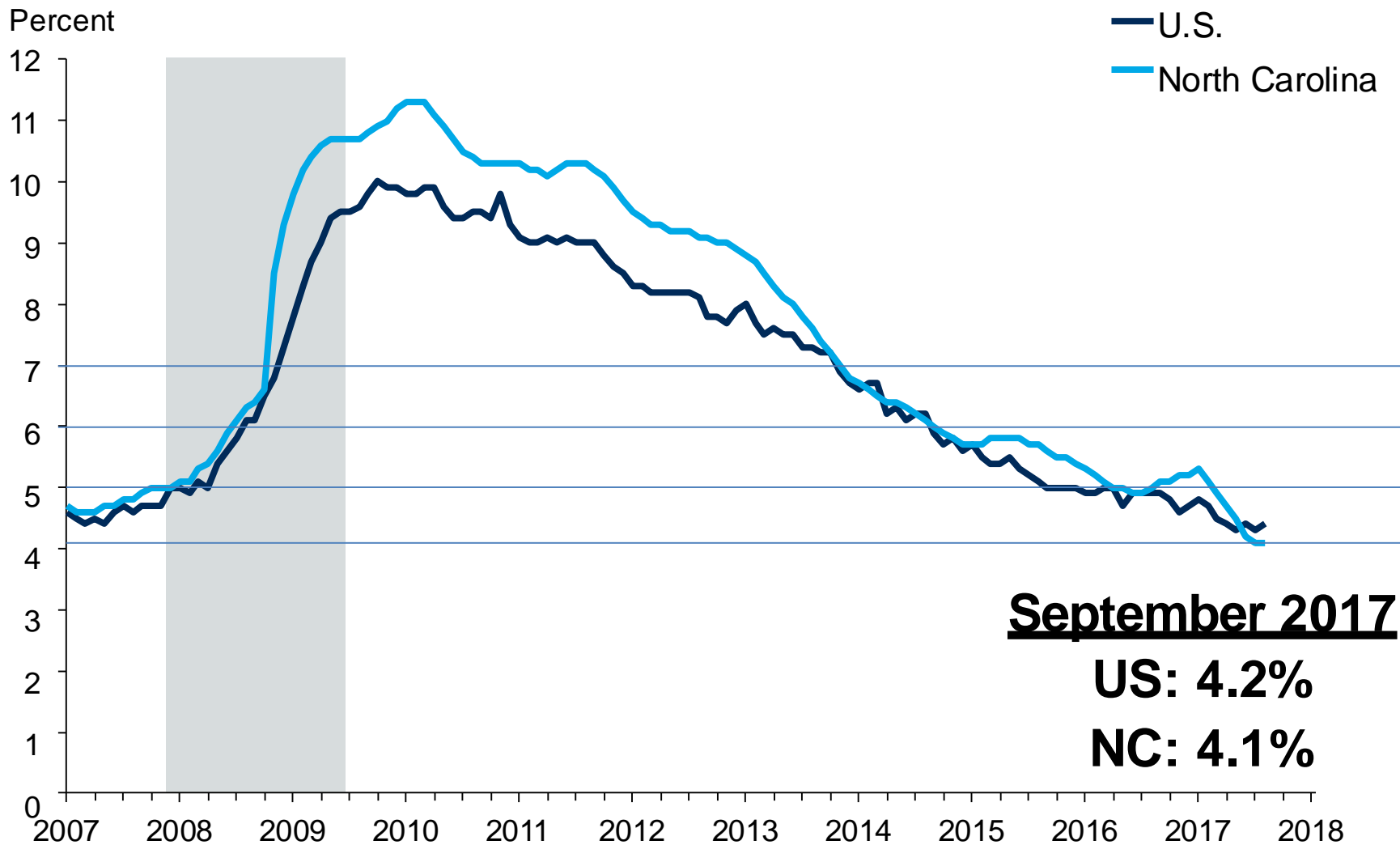
NC: 1.4%

All States 1-Year

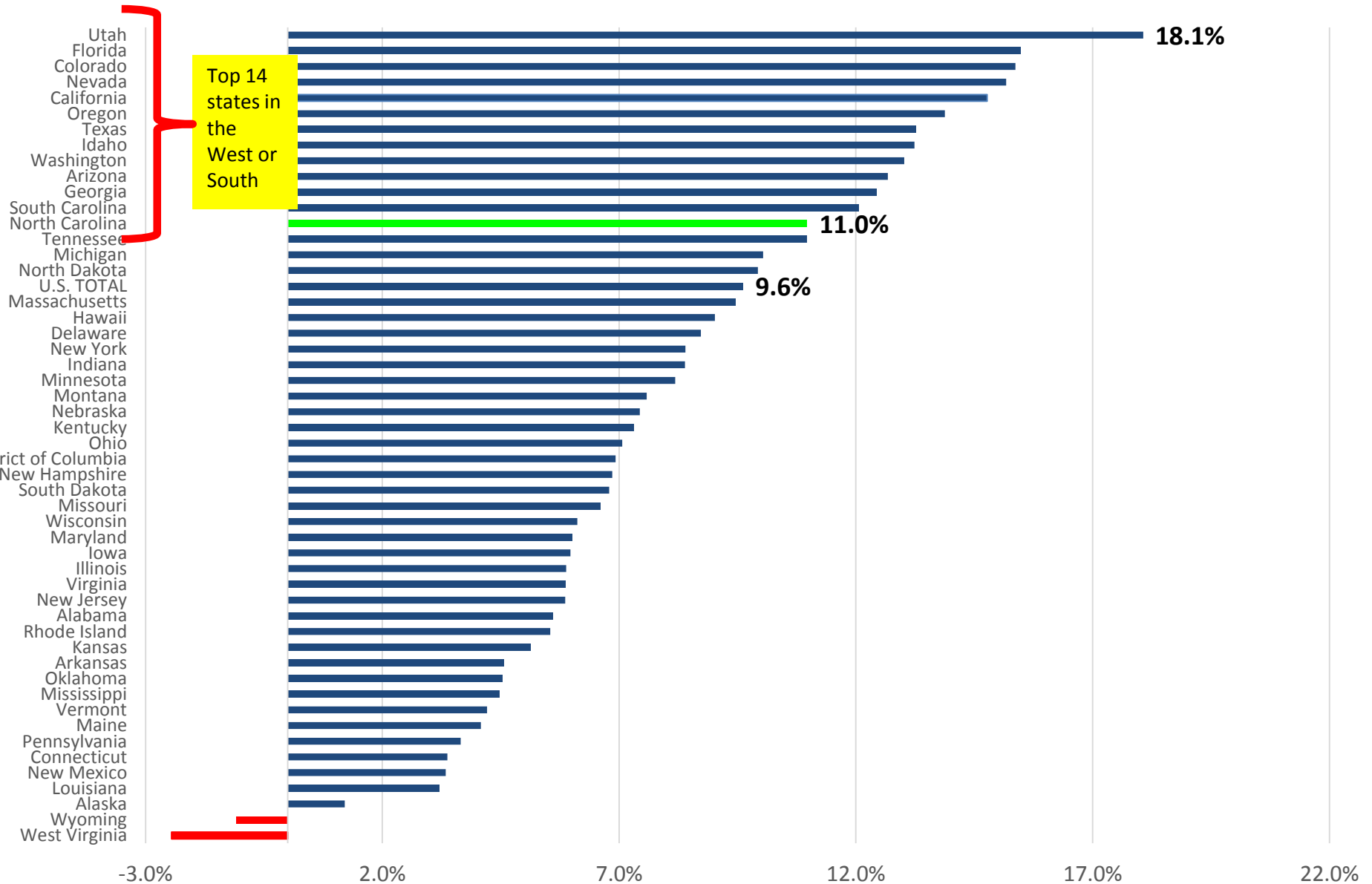
Total Employment Percentage Change Sept 2016 to Sept 2017



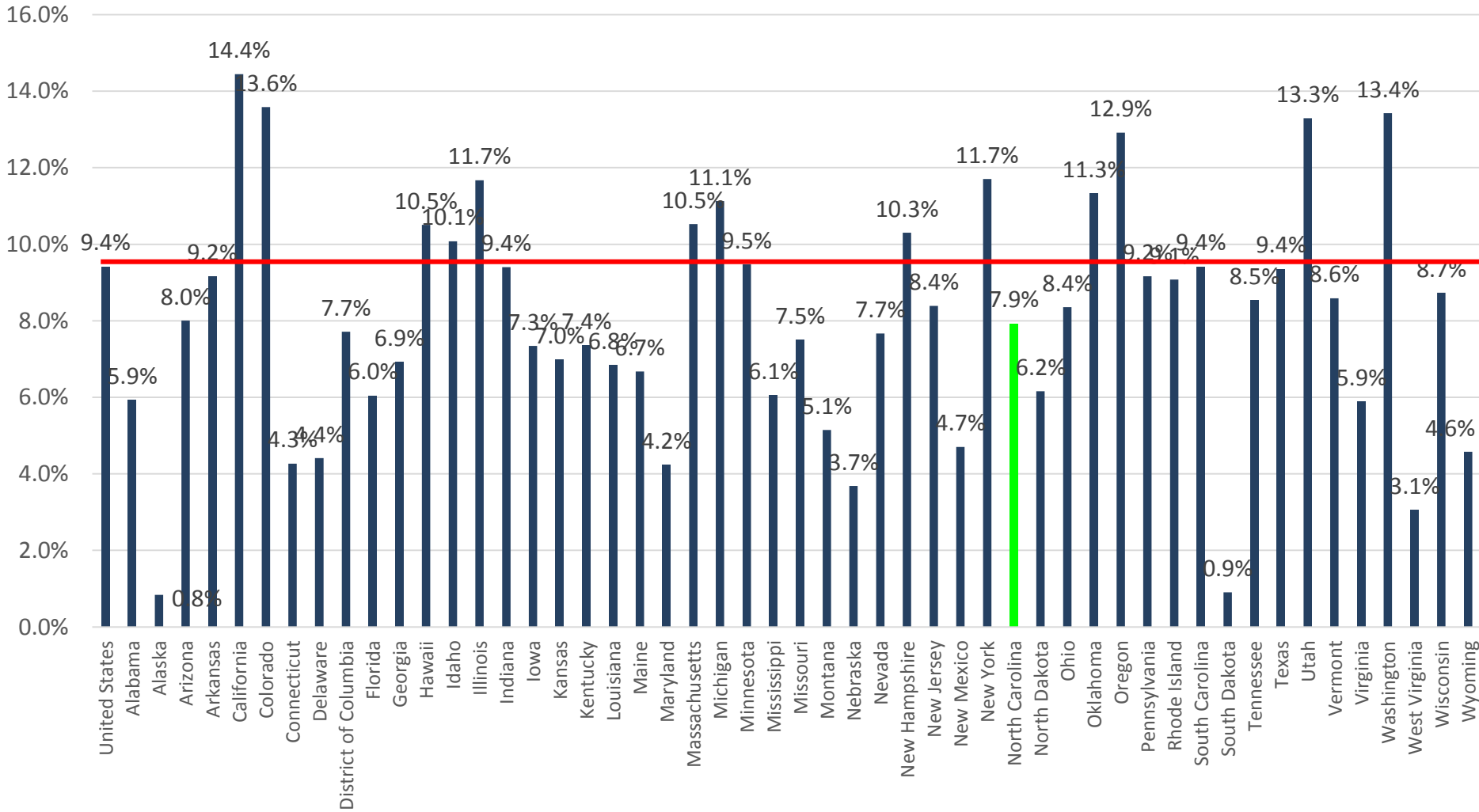
USA & North Carolina Unemployment Rate



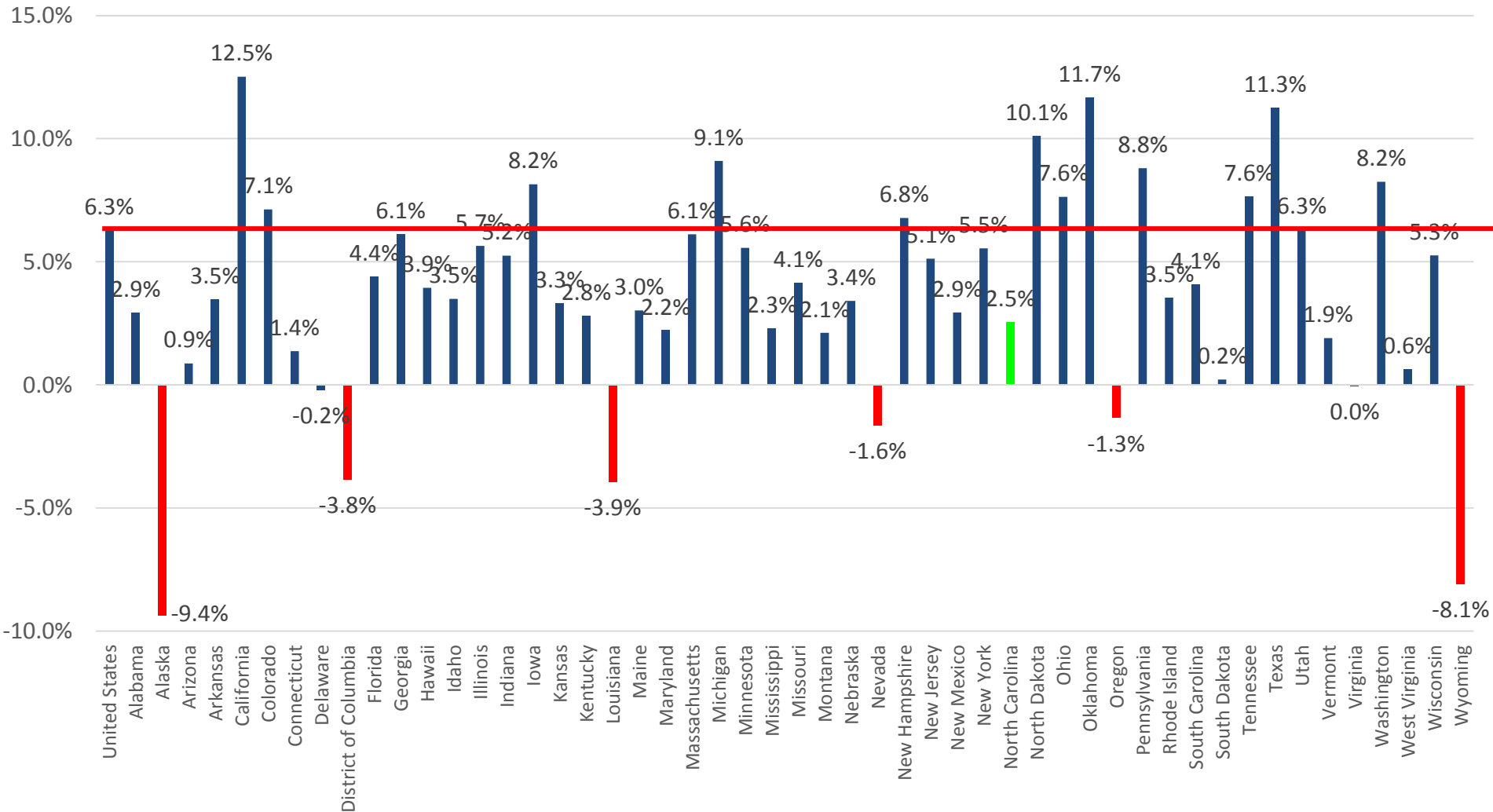
Percentage Change in Jobs 2011 –2016 By State



Change in Personal Per Capita Income 2011-2016



Change in Per Capita GDP 2011-2016



Hyper-Competitiveness



Top Factors for Companies Considering New Investment

- (1) Availability of skilled labor**
- (2) Highway accessibility**
- (3) Labor costs**
- (3) Proximity to major markets**
- (3) State & local incentives**
- (3) Available land**
- (3) Tax exemptions**
- (8) Energy availability and costs**
- (9) Proximity to suppliers**
- (10) Training programs/Technical schools**
- (11) Availability buildings**
- (12) Accessibility to a major airport**



2012

- 1) **Highway Accessibility**
- 2) **Labor Cost**
- 3) **Avail. Skilled Labor**
- 4) Corporate Tax Rate
- 5) Occupancy Costs
- 6) State/Local Incentives
- 7) Energy Avail./Cost
- 8) Tax Exemptions
- 9) Proximity to Markets
- 10) Low Union Profile

Transformations



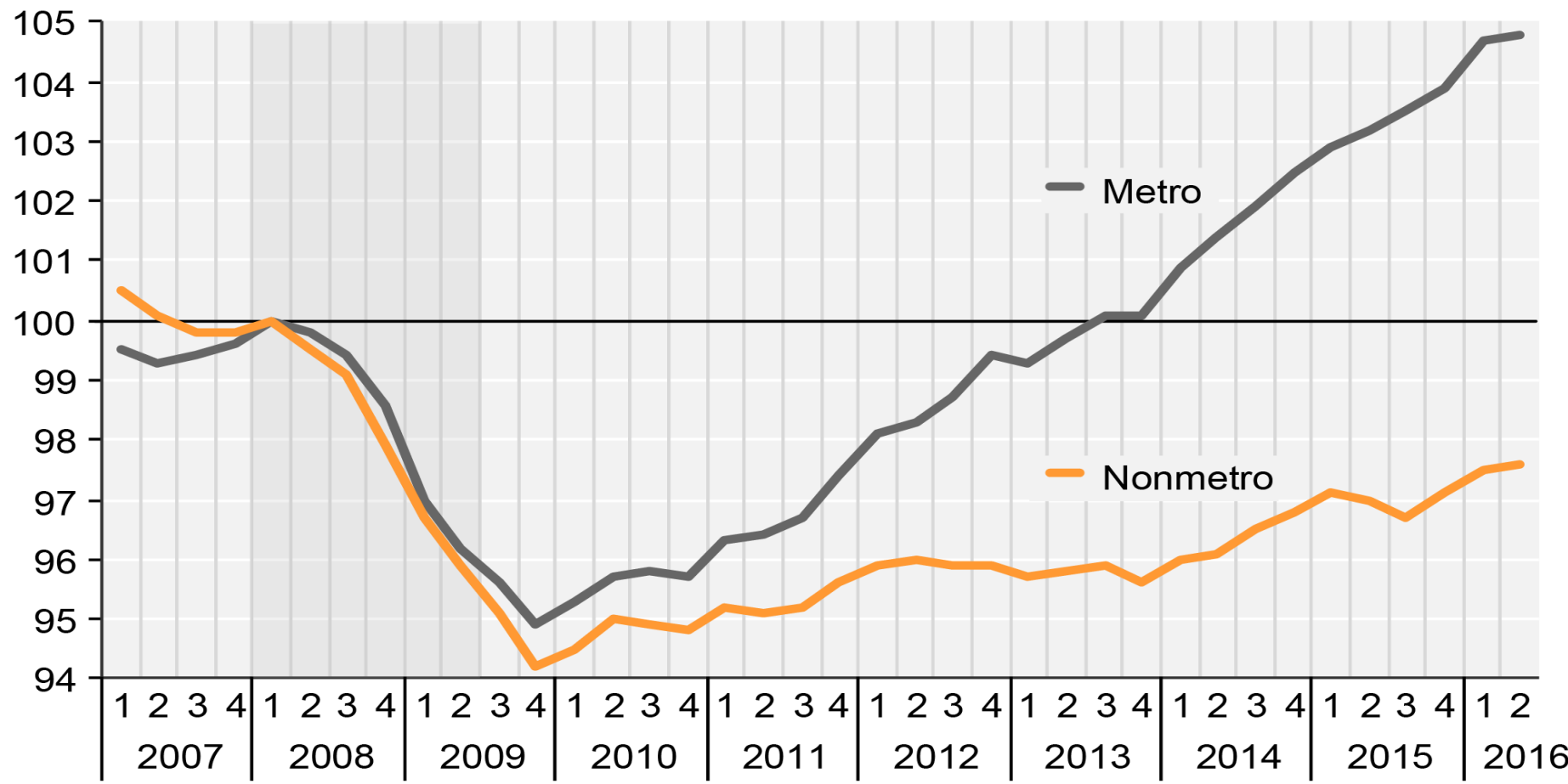
What is your Transformation Strategy?

People, Wealth and Jobs Continue to Concentrate



U.S. employment, metro and nonmetro areas, 2007-2016 (quarterly)

Employment, index (2008 Q1=100)

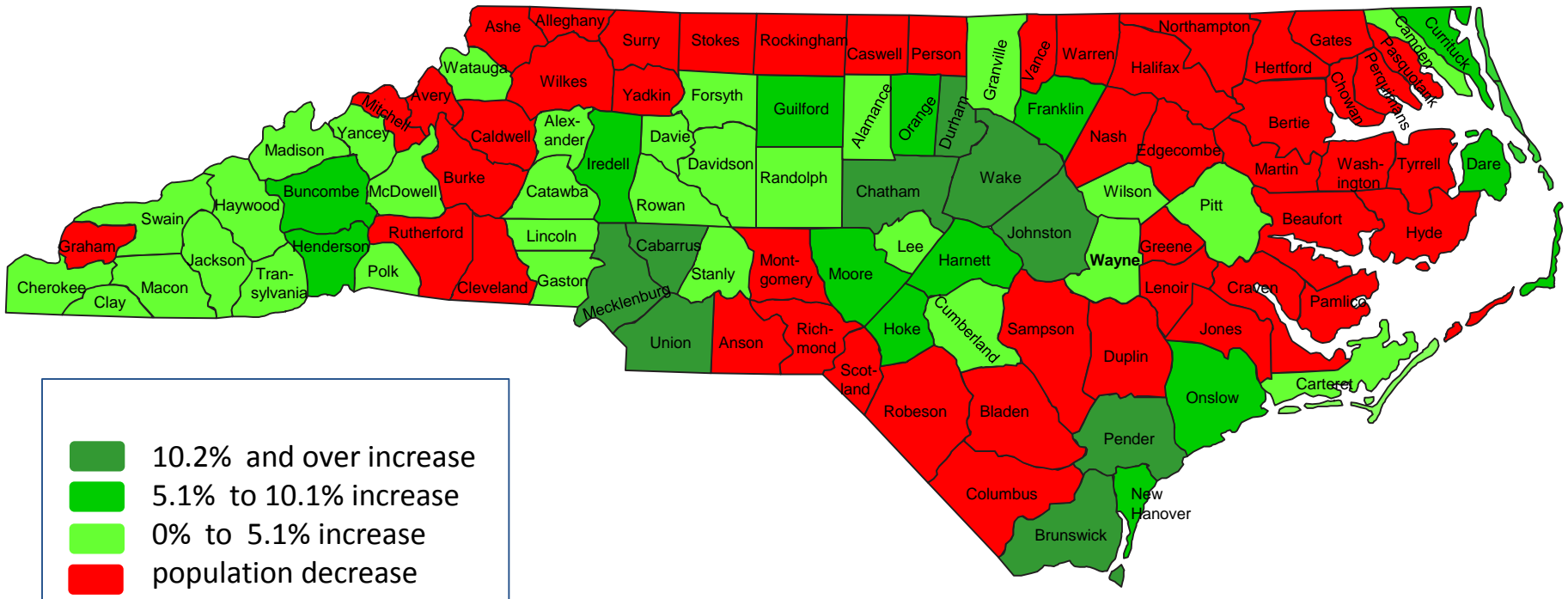


Notes: Data are seasonally adjusted. Shaded area indicates recession period.
 Source: USDA, Economic Research Service using data from Bureau of Labor Statistics, Local Area Unemployment Statistics (LAUS).

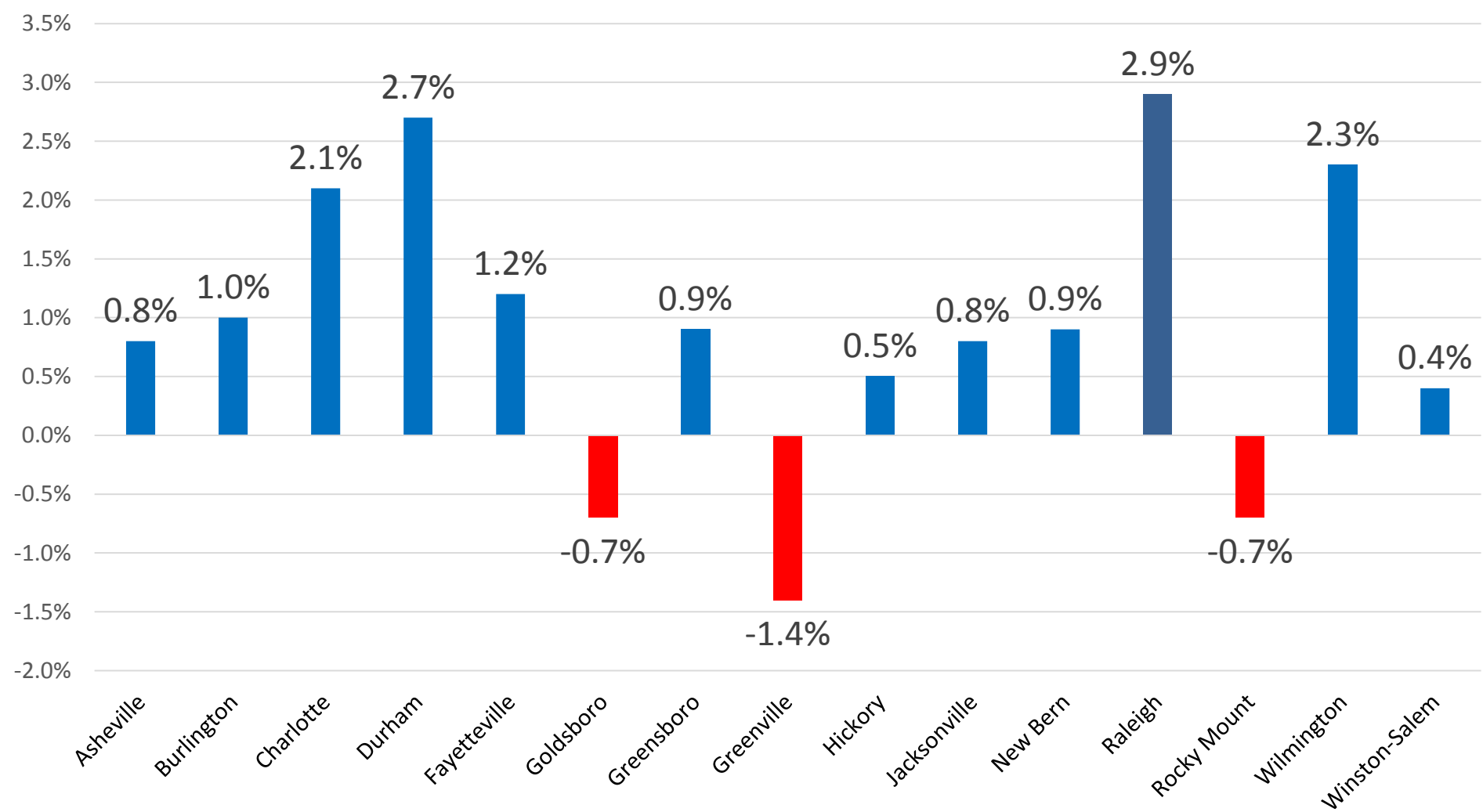
Population Growth More Concentrated

NC Change in Population 2011 - 2016

North Carolina Average 5.1%

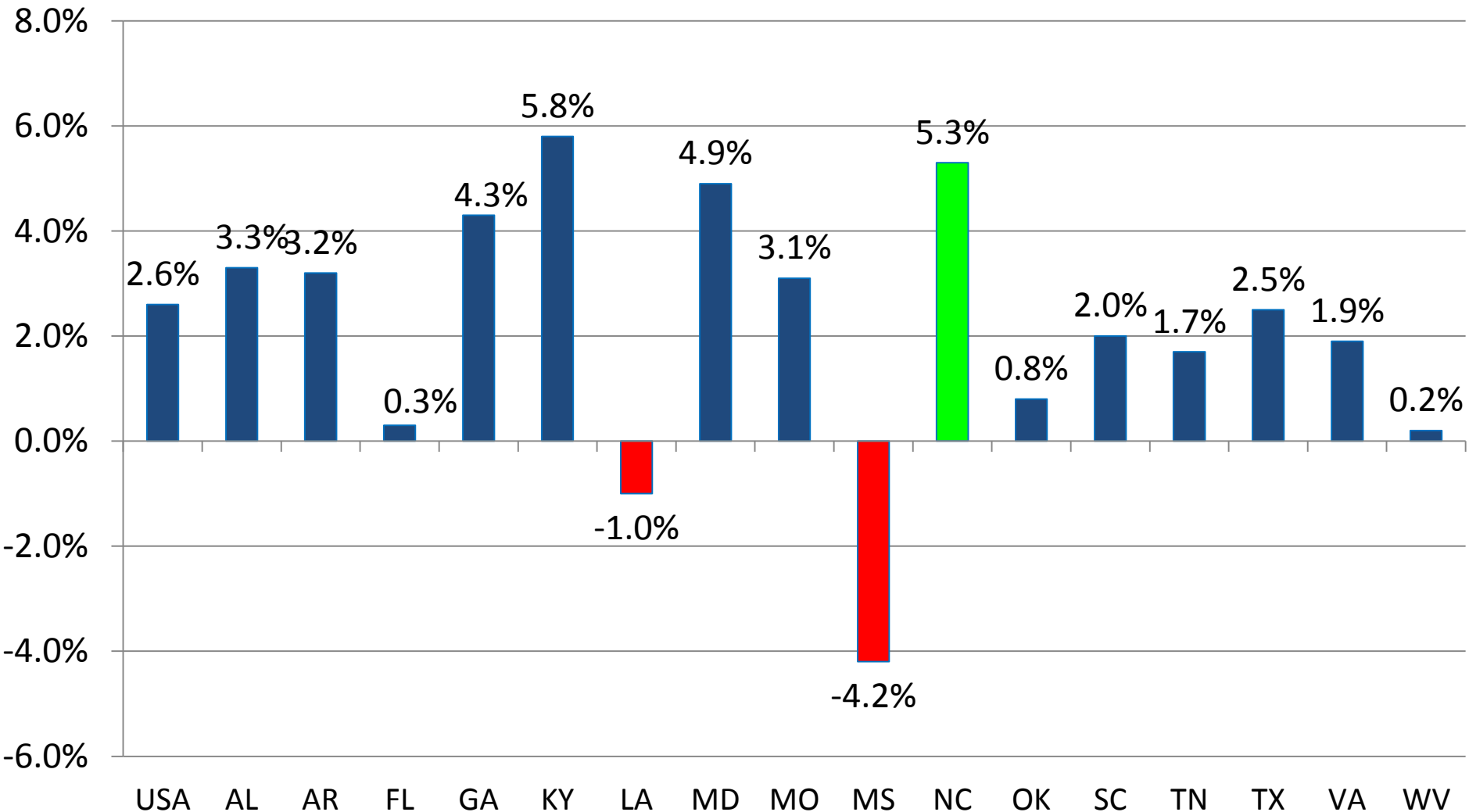


NC Metro % Non-Farm Employment Growth September 2016 - September 2017

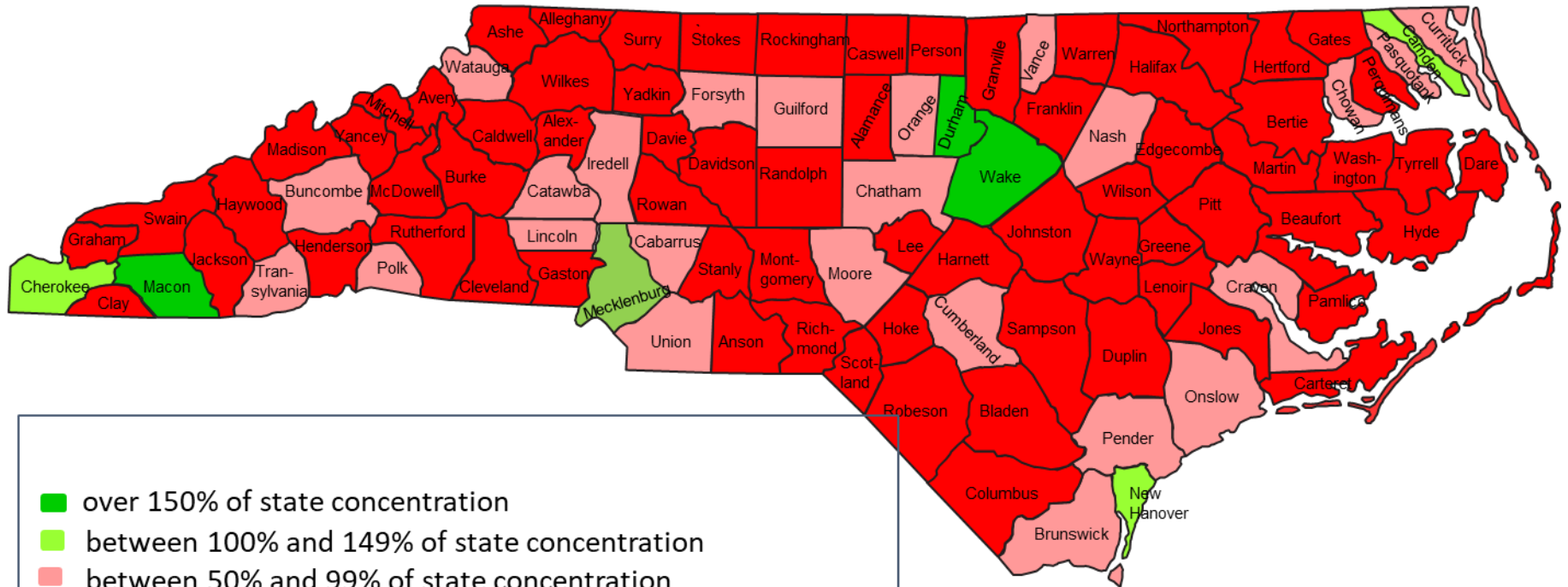


Southern States 1-Year

Professional & Business Services Employment Changes Sept 2016 to Sept 2017



Concentration of County Jobs in Professional, Scientific and Technical Services



- over 150% of state concentration
- between 100% and 149% of state concentration
- between 50% and 99% of state concentration
- under 50% of state concentration

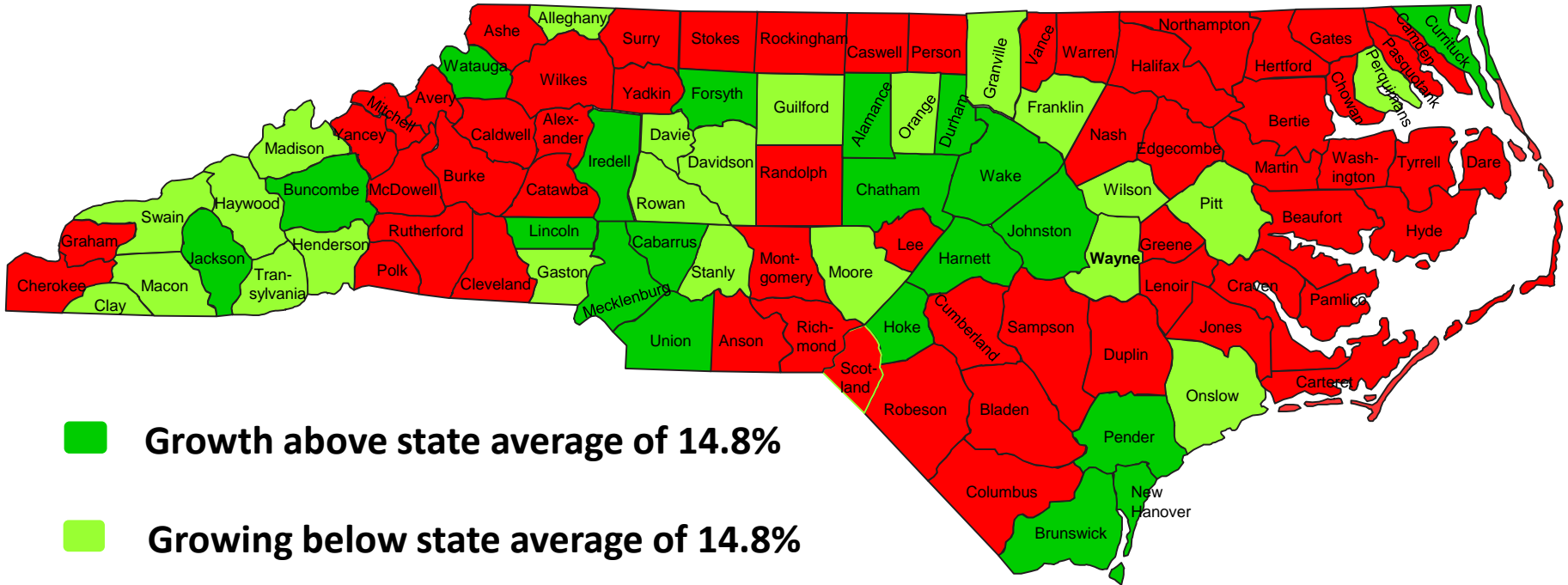
Professional, Scientific and Technical Services represents 5.63% of North Carolina jobs

PROJECTED CHANGE IN LABOR FORCE AGE POPULATION

Ages 25 – 64

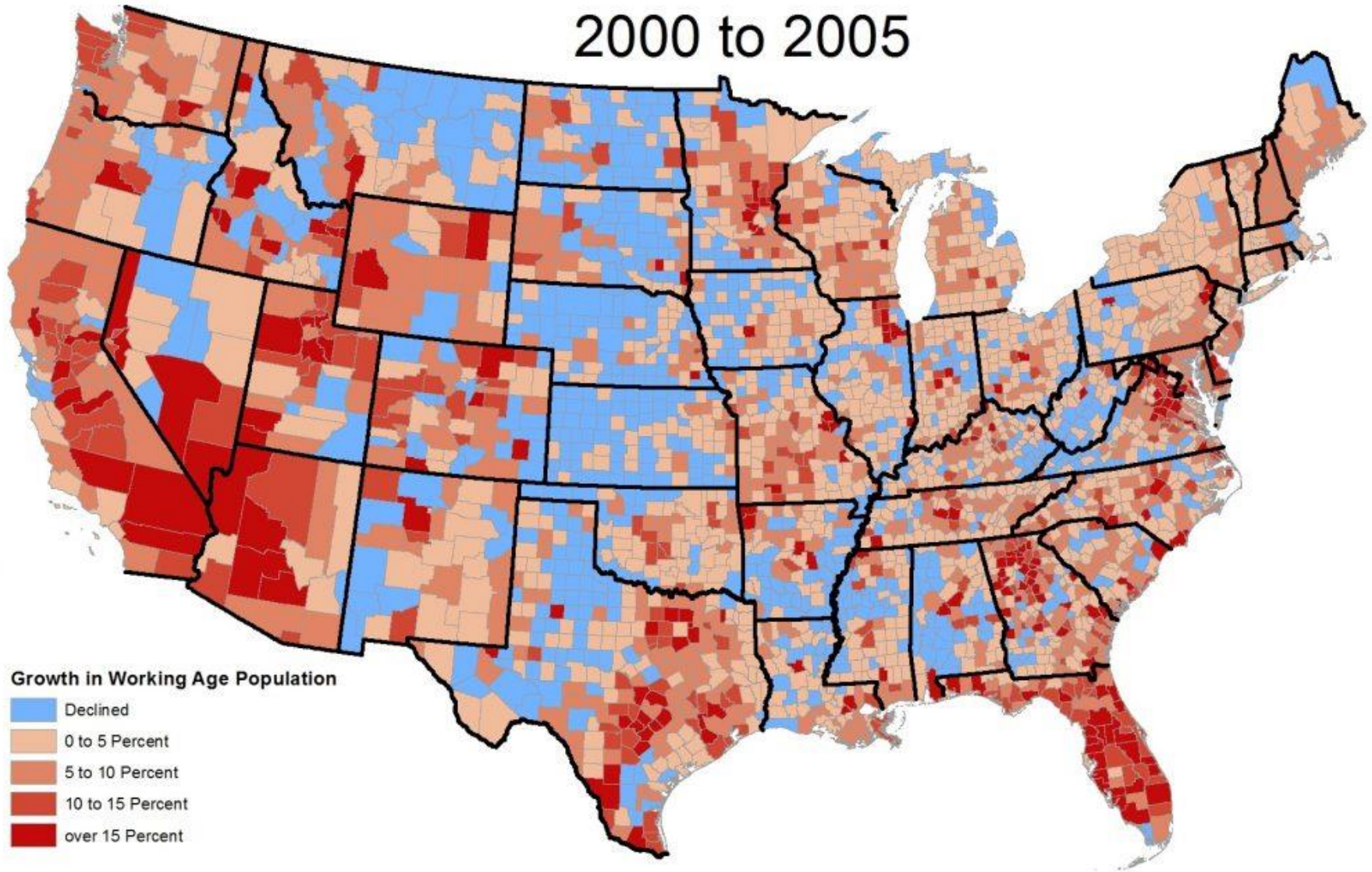
2016 - 2036

North Carolina state average 14.8%



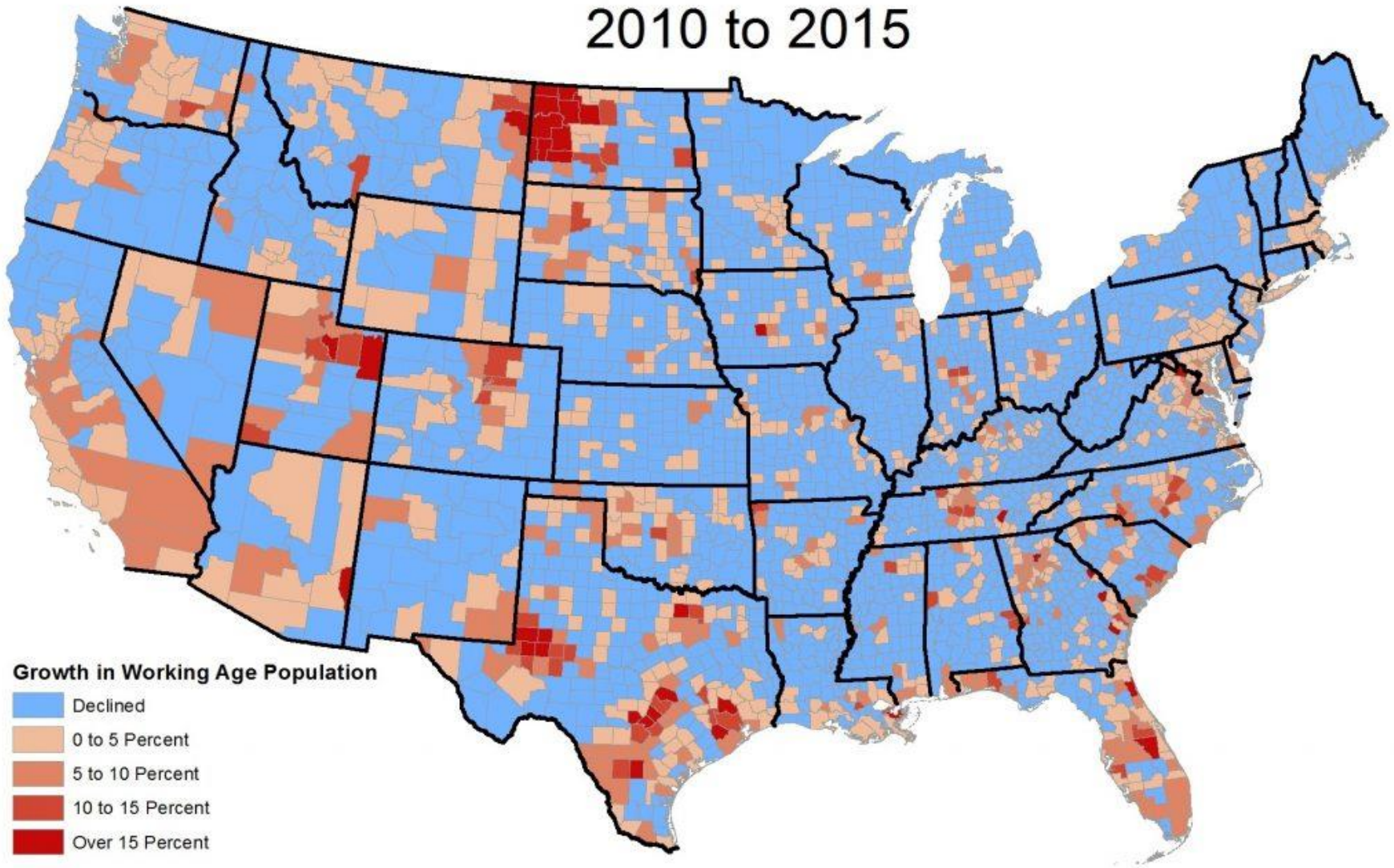
Strong Workforce Growth Across the Country

2000 to 2005



Workforce Growth Concentrates

2010 to 2015

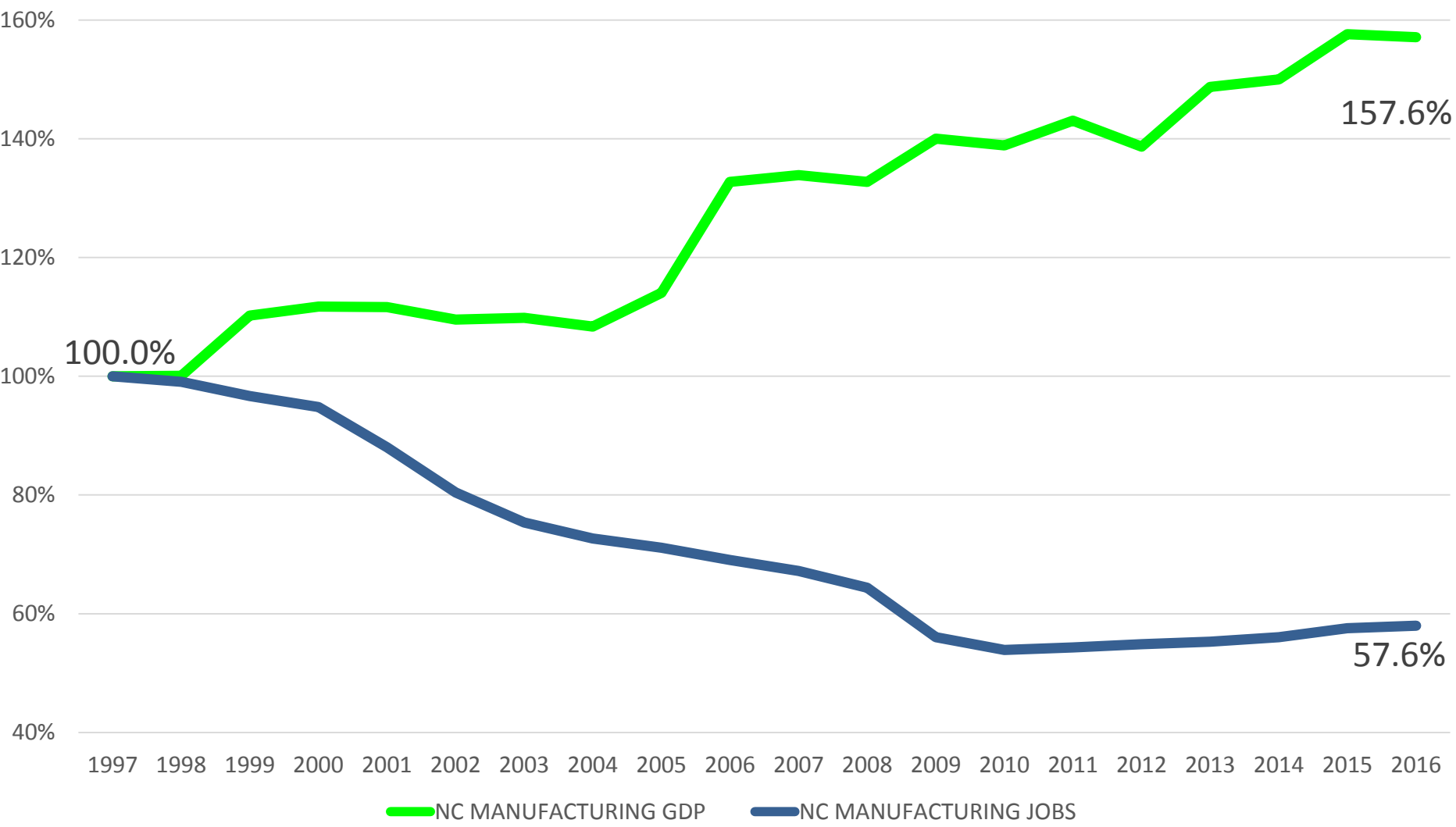


Technological Is Reinventing Every Business



North Carolina Manufacturing Jobs and Manufacturing GDP Growth

1997 – 2016 (normalized as percent of levels in 1997)



Technology is rapidly replacing jobs that are hard to fill



Food Prep



Agriculture



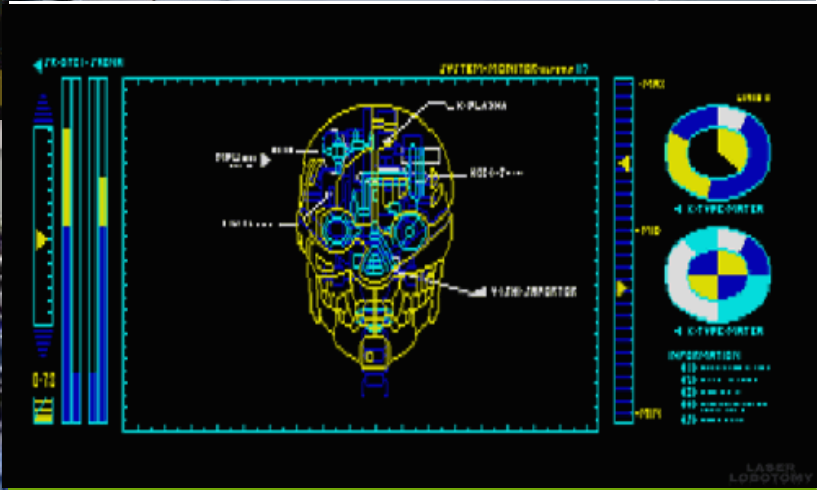
Home Health

Realtime

Cleaning the Upper Arm



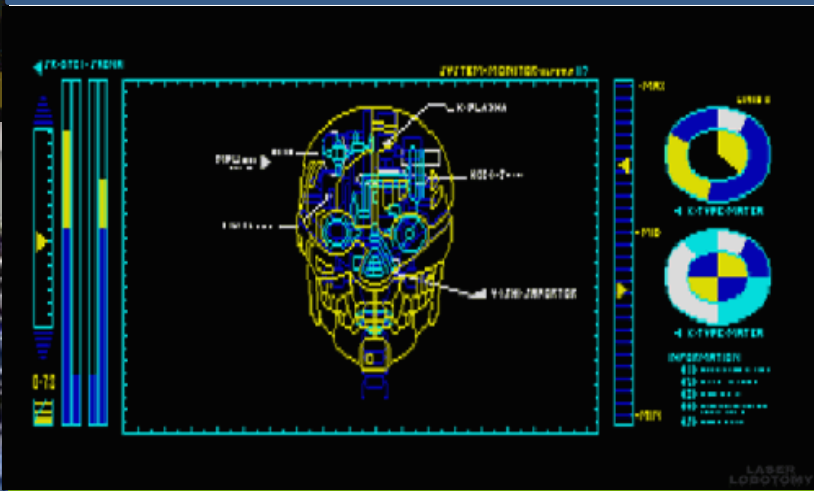
Advanced Industries for NC's Future



Advanced Industries for NC's Future



50 Industries
383,572 jobs in North Carolina
11% Growth in the past 3 years



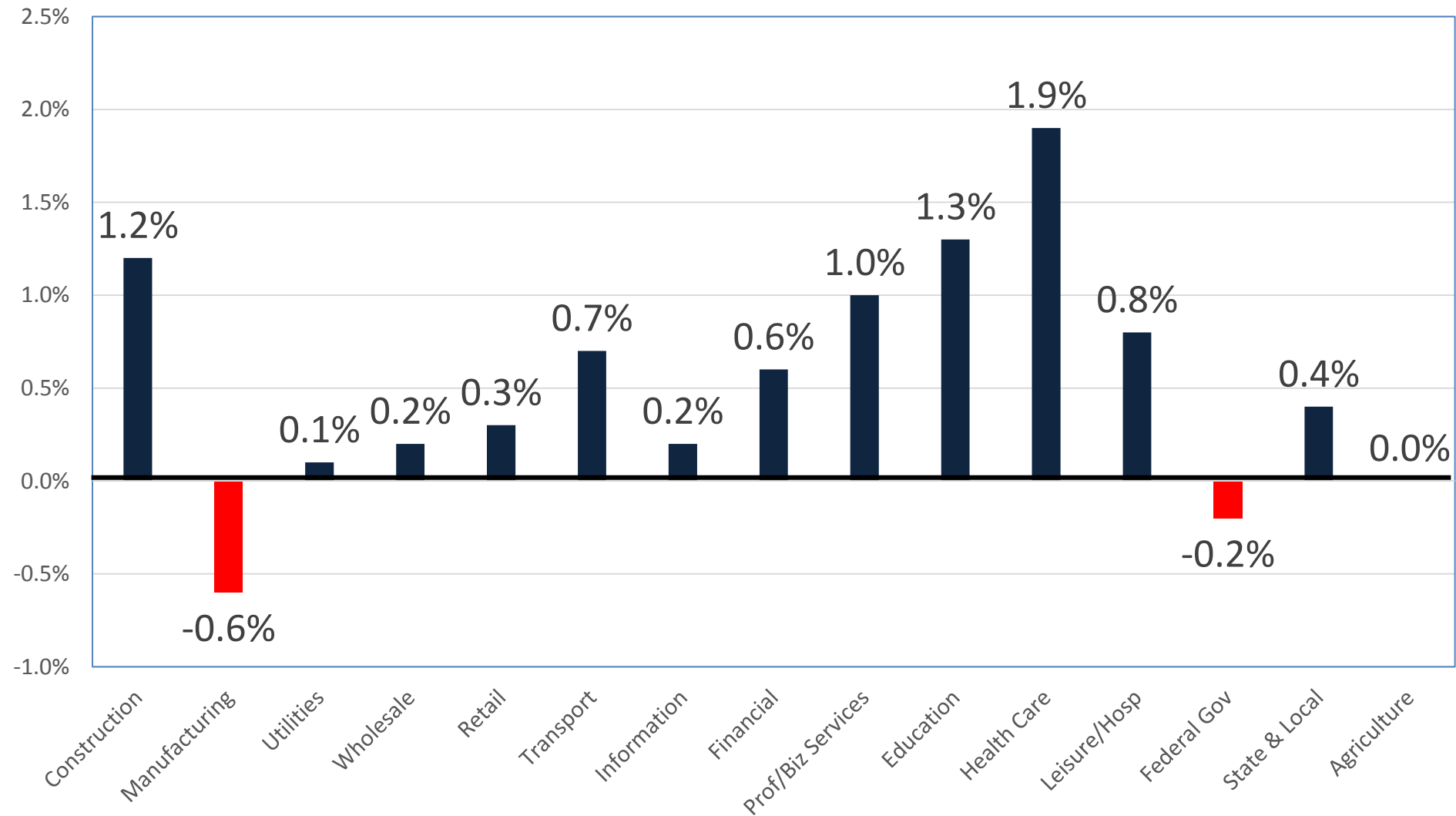
Largest Advanced Industries in North Carolina

1. Computer Systems Design	(51,910)	From 2013-2016 these 12 industries added 35,898 net new jobs
2. Management Scientific/Technical	(42,936)	
3. Architectural/Engineering	(33,404)	
4. Scientific R&D	(21,008)	
5. Pharma/Medicine Manf	(20,656)	
6. Motor Vehicle Parts Manf	(17,337)	
7. Software Publishing	(13,139)	
8. Data Processing/Hosting	(13,139)	
9. Medical/Diagnostic Labs	(12,605)	
10. Navigat/Measuring Instrument Manf	(11,900)	
11. Power Generation/Transmission	(10,784)	
12. Computer/Peripheral Manf	(10,126)	

**Other Fastest
growing industries
include;**

- **Aerospace Manf**
- **Ship & Boat
Building**
- **Machinery Manf**

Annual US Employment Growth By Sector 2016-2026



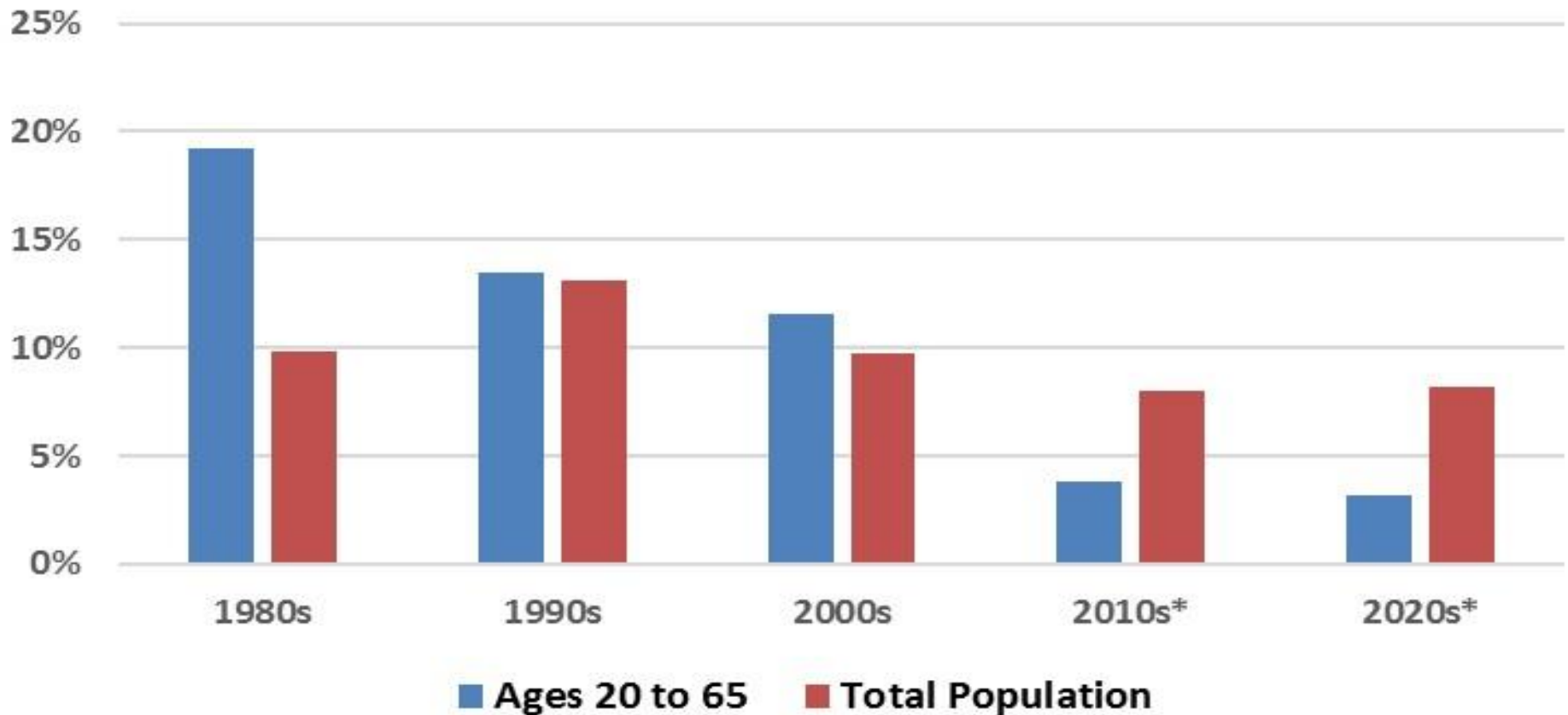
Available, Skilled Labor is the Place Differentiator – Without it, You Lose

TALENT

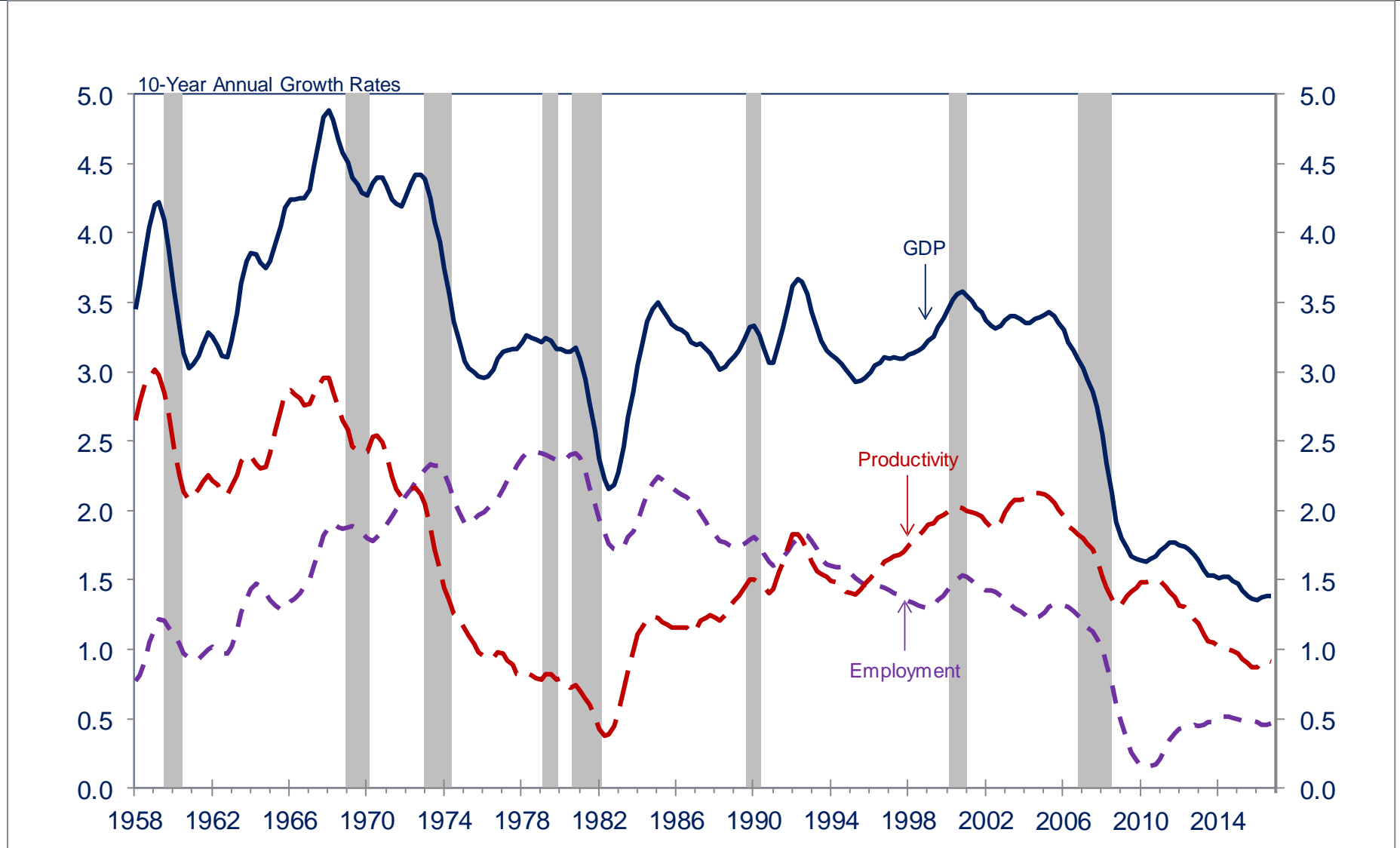


USA Workforce Growth Slows

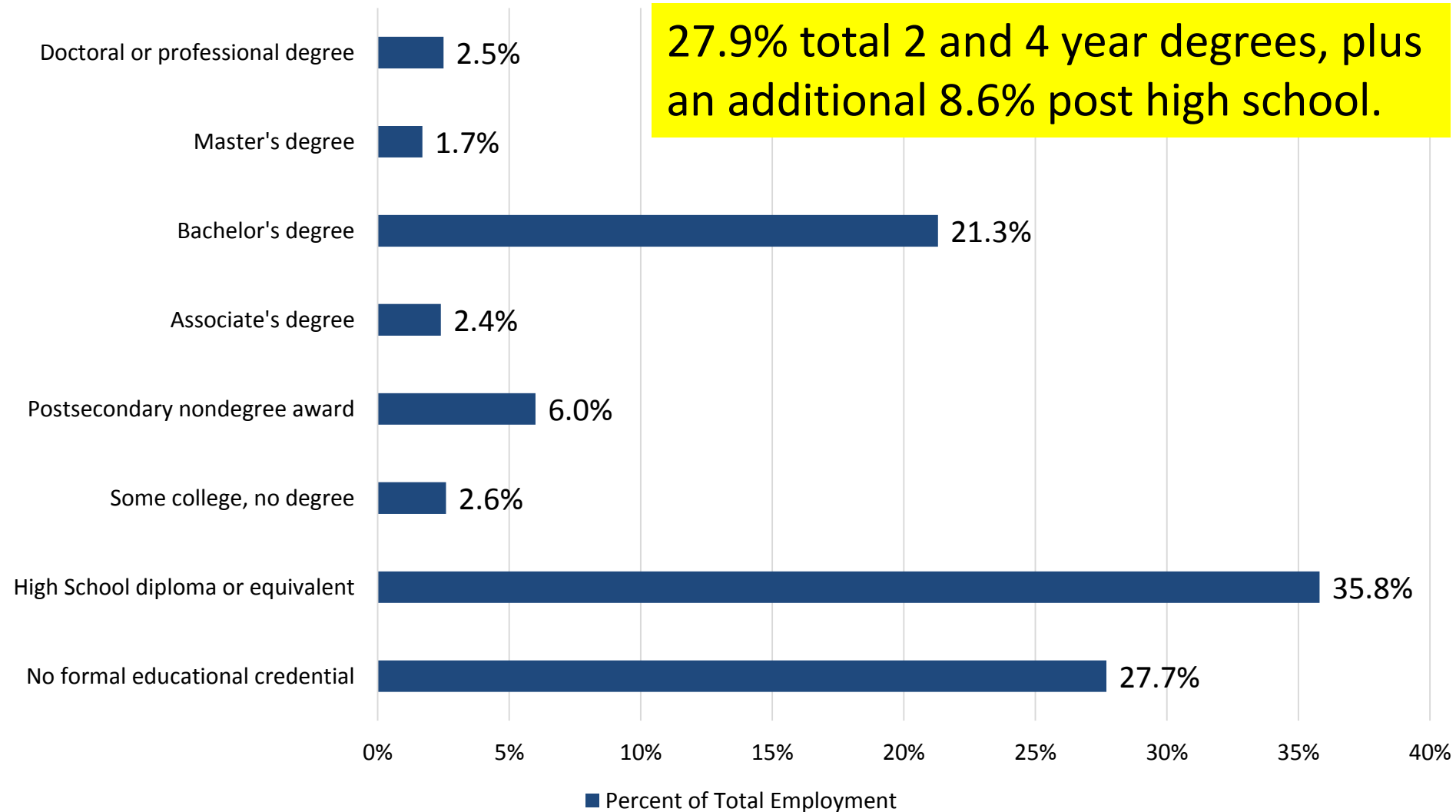
Percentage Change in U.S. Population



Decomposition of Real GDP

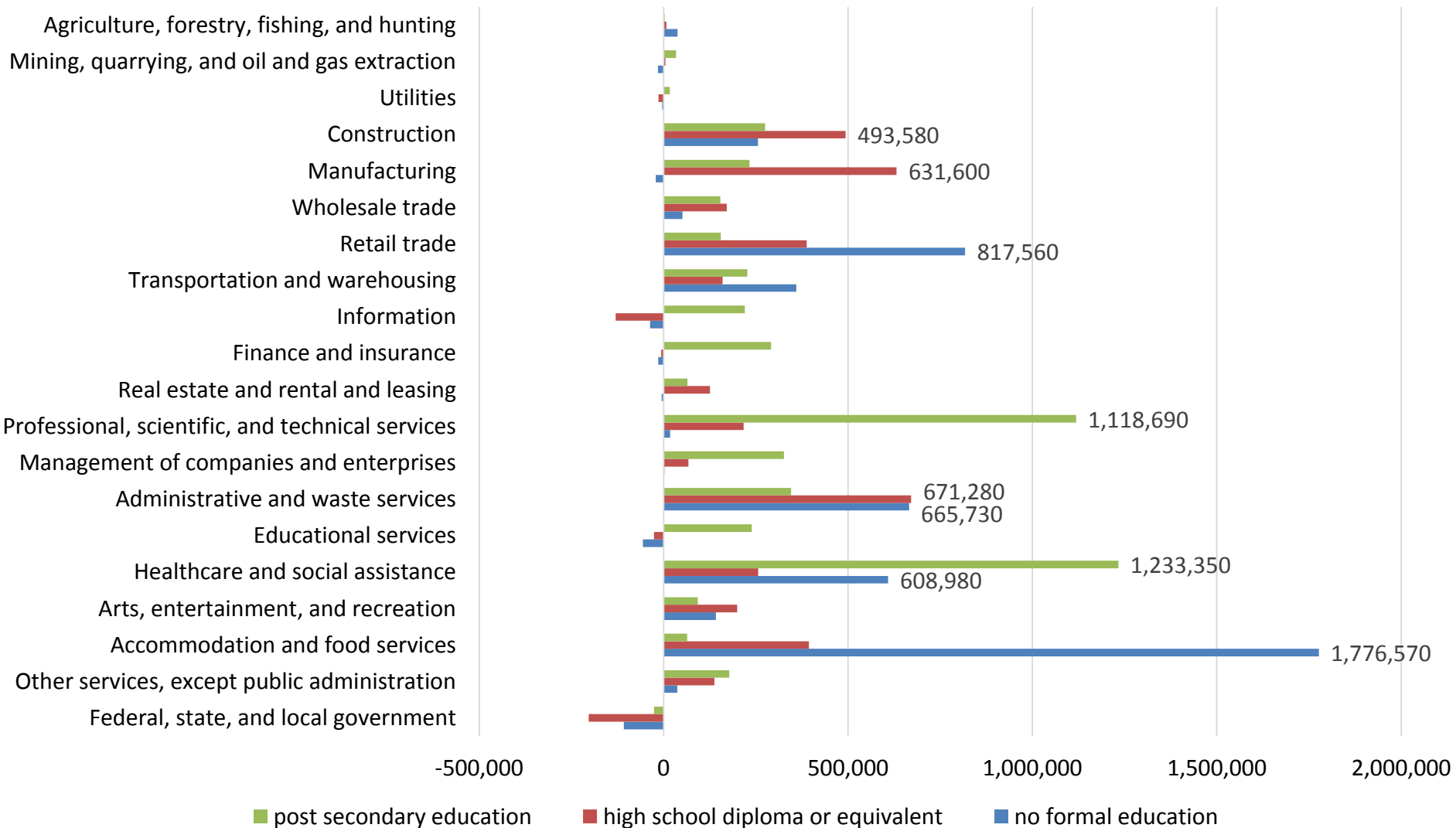


USA Typical Entry-Level Education Requirement as Percent of Total Employment – May 2016



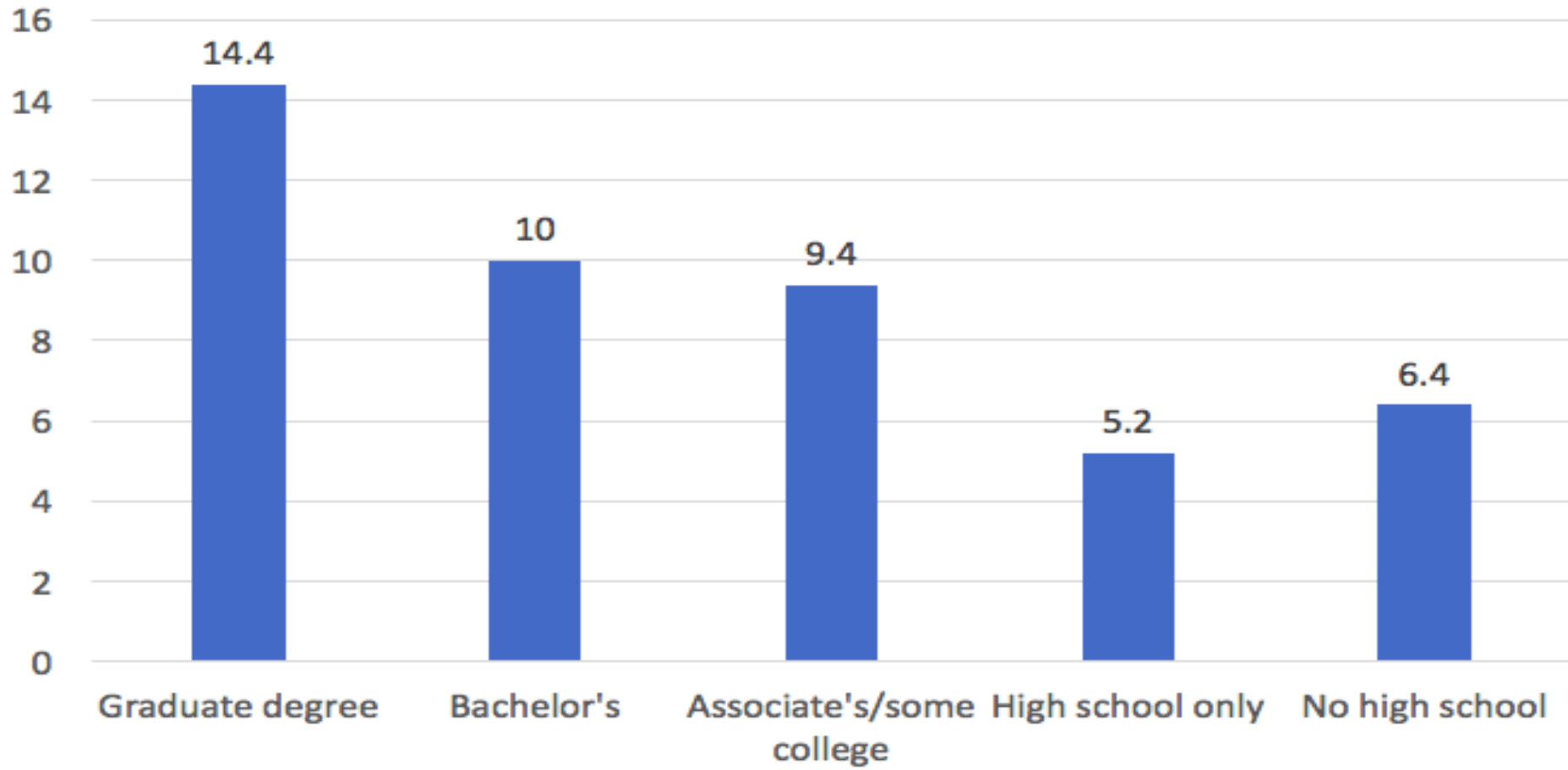
Typical Entry-Level Education Requirement

Change in Total Employment by Sector – May 2010 – May 2016



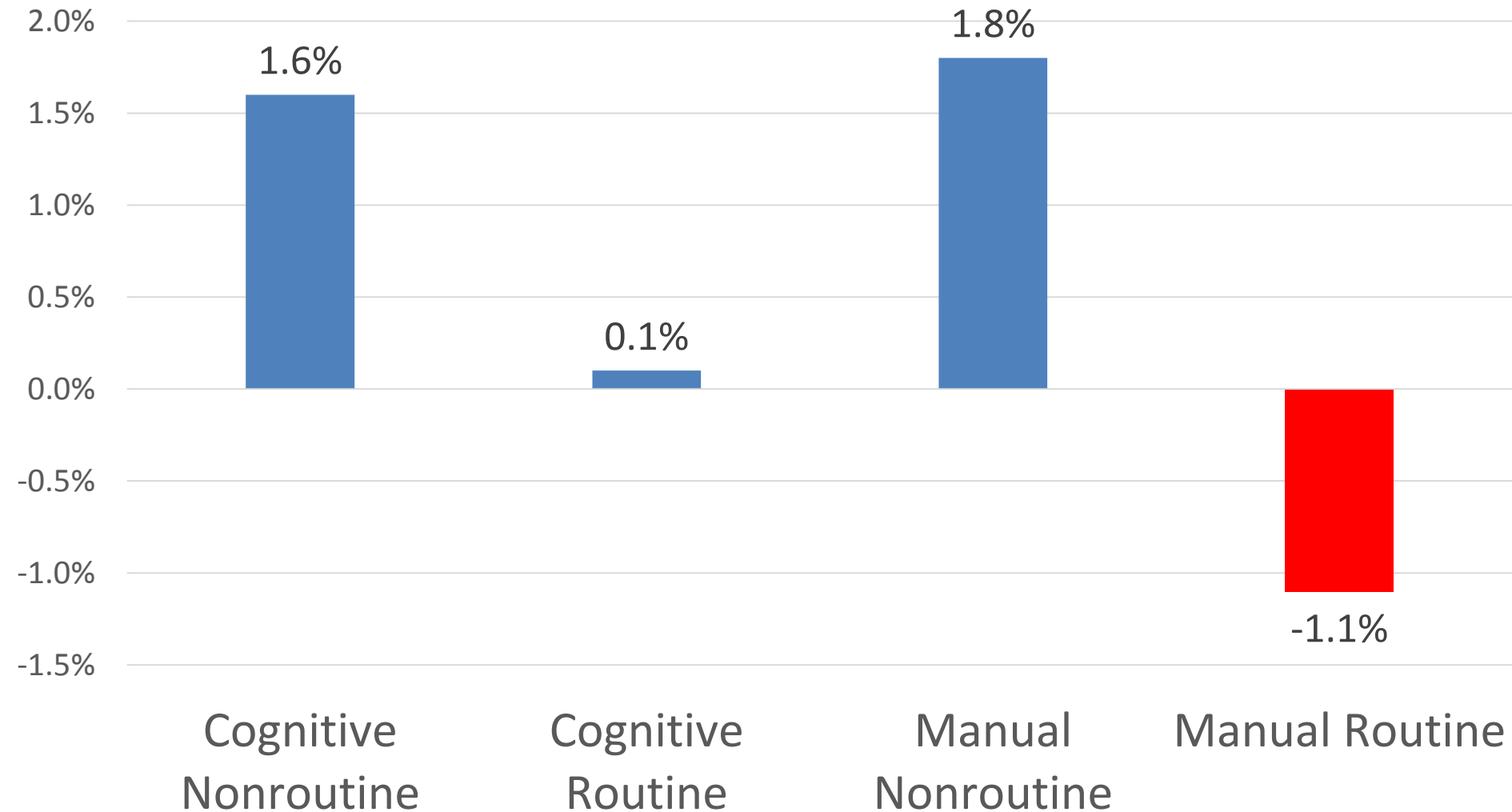
Education Requirements For New Jobs 2016-2026

Projected job growth in percentage terms, 2016-2026, by degree

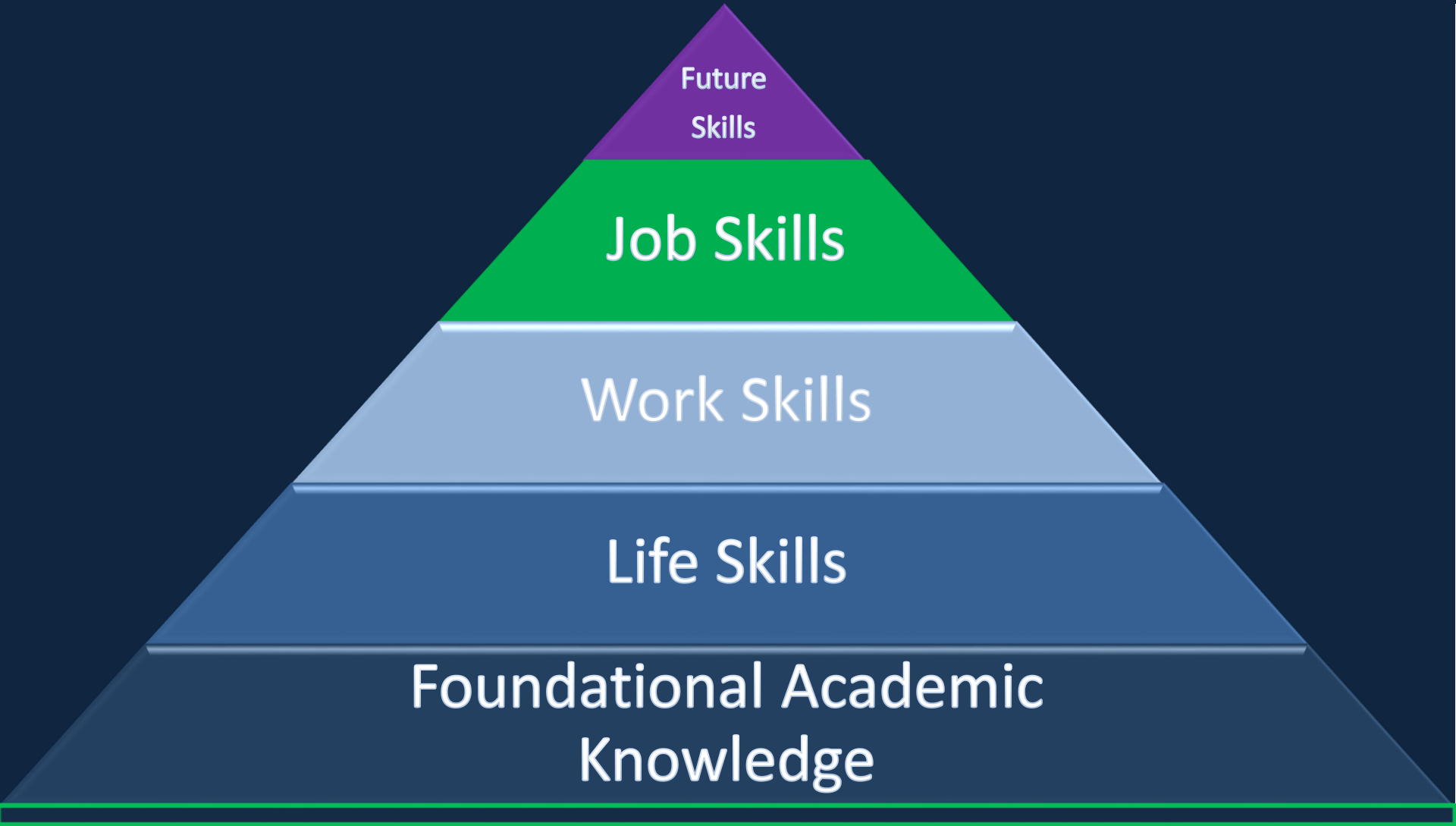


Employment Growth 2004-2014

By Type of Job

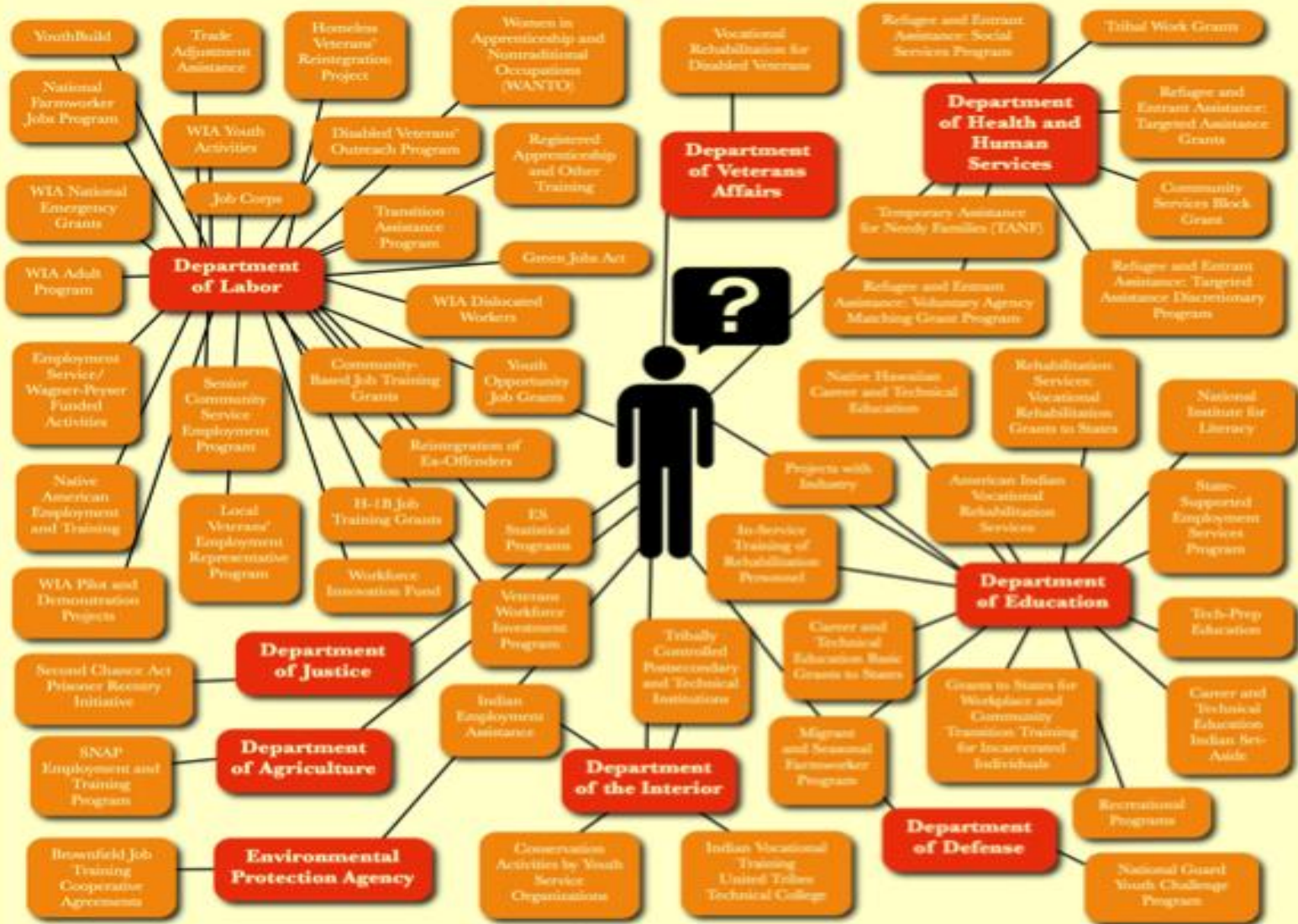


What Skills Do You Need To Be Successful in a Rapidly Changing World?



THE NATION'S WORKFORCE DEVELOPMENT SYSTEM

"[A] confusing maze of training programs" - President Barack Obama, 2012

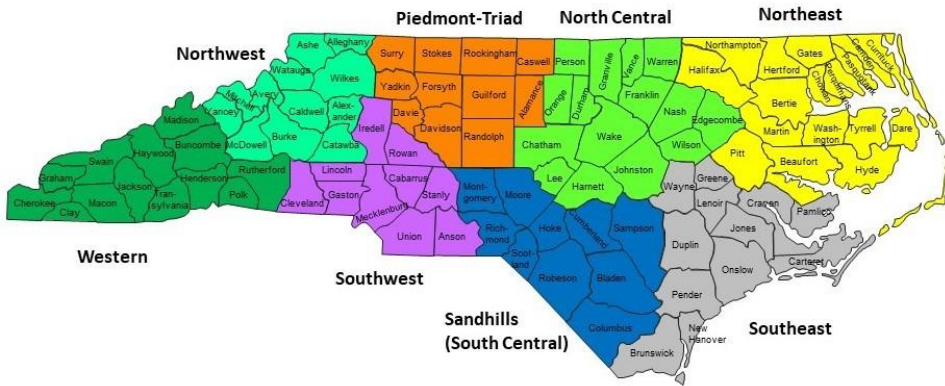


In his 2012 State of the Union address, President Barack Obama urged Congress to "cut through the maze of confusing training programs." Here is a chart of the current workforce development system.

Image Credit: Henry Rubin, The News Project

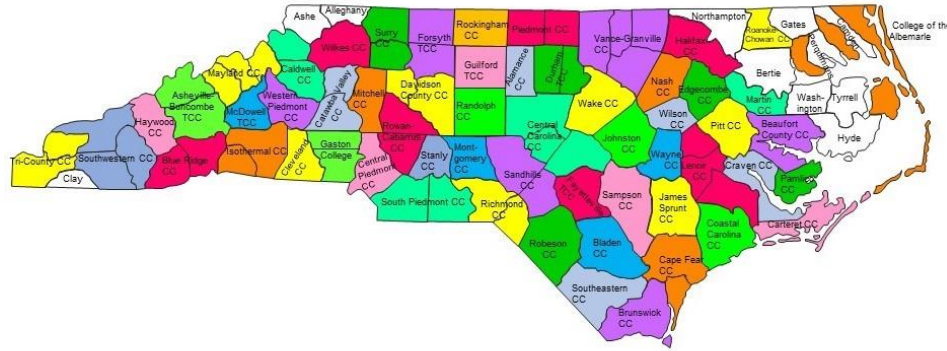
Workforce Complexity Paralysis

North Carolina Prosperity Zones



Source: NC Department of Commerce

North Carolina Community Colleges



Source: NC Community Colleges System

Imagine a business trying to engage the system

North Carolina Workforce Development Boards



Source: NC Association of Workforce Development Boards

Prepare For Accelerating Change

- Population growth will slow, diversify and concentrate in fewer places
- Technology will change every industry (faster, smaller, personalized, cheaper, mobile, integrated)
- People will need more skills to compete, but education will begin to morph due to technology (quantifiable credentials)
- The middle of every industry is under threat
- **Competition more intense- Winners & Losers- Talent and Tech**



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*"Leadership and learning are indispensable to each other."
John F. Kennedy*