

Average unemployment for this state during 2010 was 10.6 percent, the third-highest in the region at that time. Unemployment peaked at 10.4 percent in January 2011, well above the national average. The state's real GDP has just managed to surpass its 2007, pre-recession level.

North Carolina is the nation's tenth-largest state, with a population of 9.5 million. Its population is growing at a rate of 9.7 percent, with 47.5 percent of this gain coming from in-migration, and the labor force is growing faster than the nation's.<sup>49</sup> In-migration and population growth pose an extra challenge for the state, as it must produce jobs not only for currently unemployed residents but also for the more recent arrivals.

### Industry in North Carolina

Manufacturing is still a vital sector, comprising 11.6 percent of the 2010 state labor force, while producing 19 percent of the state's real GDP, the highest share of GDP from manufacturing in the South. Technology has made this sector very productive with fewer workers. The state's auto industry ranks 10<sup>th</sup> in the U.S. in employees, supplying parts, accessories, and components for the automotive, truck, bus, and heavy equipment industries. Manufacturing output as measured by real GDP declined by 12.3 percent between 2007 and 2010, and while it has begun to grow again, it has yet to reach its pre-recession levels. Two manufacturing companies, Smithfield Foods and International Business Machines (IBM), are among the ten largest state employers.

As in Delaware, the largest share of North Carolina's real GDP is derived from the financial services sector (22.2% in 2010), which employs a substantially smaller share of the state's workers (only 5.8% in 2008). It includes two of the largest employers statewide: Wells Fargo Bank and the Branch Banking & Trust Company.

In contrast, government and public education services employs the largest share of North Carolinians (18.2% in 2010) but contributes only the third-largest share of state real GDP (13.7%). Other sectors that employ large shares of state workers as of 2010 include wholesale and retail trade services, with 14.9 percent; professional and business services, with 12.1 percent, and healthcare services, with 10.5 percent.<sup>50</sup> Four of the ten largest private employers are in wholesale and retail trade services: Wal-Mart, Food Lion, Lowe's Home Centers, and Harris Teeter.

Though North Carolina continues to support traditional industries such as tobacco, furniture manufacturing, and textiles, the state has also positioned itself to grow in knowledge- and innovation-based industries. North Carolina's technology track began in 1959 with the opening of the Research Triangle Park, a 7,000-acre area affiliated with Duke University in Durham, the University of North Carolina in Chapel Hill, and North Carolina State University in Raleigh. The Center is home to 170 global companies involved in research and development.<sup>51</sup>

49. 2009 North Carolina Economic Index: Executive Summary. North Carolina Department of Commerce: Policy, Research, and Strategic Planning Division. March, 2009. This info can also be found on <http://www.bls.gov/lau/>

50. 2009 North Carolina Economic Index: Executive Summary. North Carolina Department of Commerce: Policy, Research, and Strategic Planning Division. March, 2009. <http://www.nccommerce.com/en/AboutDOC/PublicationsReports/EconomicDevelopmentReports/MonthlyOverview.htm>

51. <http://www.rtp.org/about-rtp/rtp-companies>

The technological strength of North Carolina has not only helped modernize traditional industries, but also has served as a magnet for newer ones such as nanotechnology and biotechnology. As a result, it is now home to many companies specializing in pharmaceuticals, information technology, telecommunications, and other high-tech domains. North Carolina was recognized by an Ernst & Young survey as the third-leading state in the nation for the number of biotechnology firms.<sup>52</sup> North Carolina houses some of the leading pharmaceutical companies, namely GlaxoSmithKline, Merck, Novartis, Wyeth Vaccines, and Novo Nordisk.<sup>53</sup>

Furthermore, the state has a telecommunications, networking, and software development sector with more than 2,000 companies and close to 200,000 highly skilled employees. The companies include Google, Dell, IBM, Sony Ericsson, and Cisco Systems.<sup>54</sup> North Carolina is home to 113 of Inc.com's fastest-growing companies, many of which work in information technology or healthcare services, or at the intersection of the two.

## Occupations in North Carolina

The state's largest employers by occupation are blue collar (26%) and sales and office support (26.1%). However, given their already-substantial size, they will grow the most slowly. Though blue-collar jobs made up over a quarter of total employment in 2010, this occupational cluster is expected to grow by only 1.8 percent in the following ten years, as manufacturing becomes even more efficient or shifts operations offshore. Following national trends, the fastest occupational growth through 2020 will be in healthcare (27%), community services and arts (19%), management (19%) and STEM (19%). These postsecondary-intensive occupations will have a disproportionate role in creating new jobs in North Carolina over the next several years.

### 61% OF JOBS IN NORTH CAROLINA WILL REQUIRE POSTSECONDARY EDUCATION AND TRAINING IN 2020 (HOLDING STEADY AT 61% FROM 2010)

Table 10: Snapshot of Education Demand for Total Jobs in North Carolina (2010 And 2020)

	2010	2020	% in 2020
High school or less	1,603,300	1,947,700	39%
Some college	967,800	1,175,700	23%
Associate's	396,800	482,100	10%
Bachelor's	814,500	989,400	20%
Graduate	353,900	429,900	9%
<b>Total</b>	<b>4,136,300</b>	<b>5,024,800</b>	<b>100%</b>

In 2020, 61 percent of all North Carolina jobs will require some postsecondary training beyond high school.

During the same period, North Carolina will add 1.5 million job vacancies both from new job opportunities and from vacancies following retirement. Of these vacancies, 932,800 will favor candidates with postsecondary qualifications, while 590,500 will employ high school graduates and high school dropouts.

52. Ernst & Young's 2008 Global Biotechnology Report rankings <http://www.thrivenc.com/whync/comparative-rankings>

53. 2009 North Carolina Economic Index

54. North Carolina Economic Outlook 2009

North Carolina ranks 4<sup>th</sup> in the South in the proportion of its 2020 jobs requiring a bachelor's degree, 6<sup>th</sup> in the jobs that will require a graduate degree, and 9<sup>th</sup> in jobs for high school dropouts.

## South Carolina > Polarized opportunity > Government jobs

South Carolina's unemployment rate during the recession hovered at just over 8 percent in 2010, and it peaked at 11.8 percent in November and December of 2009.

Total real GDP declined to \$141.4 billion between 2008 and 2009, and though it climbed to \$145.1 billion in 2010, it has yet to regain its pre-recession level. South Carolina's 2010 per capita real GDP, at \$31,400, was the third-lowest in the South. State economic growth between 2009 and 2010 was on par with the national average. There is some good news for the state: annual exports increased by 23.2 percent in 2010 to \$20.3 billion.<sup>55</sup>

### Industry in South Carolina

Contributions to South Carolina's real GDP in 2009 were led by four sectors: financial services (17.1%), government and public education services (16.6%), manufacturing (15.6%) and wholesale and retail trade services (14.6%). The largest employers, however, are government and public education services (19.1%), wholesale and retail trade services (15.3%), manufacturing (11.8%), and professional and business services (11.7%).

The largest employers reflect these sectors' dominant role in the workforce as well as the growing importance of healthcare to the state economy. As of 2010, three of the ten largest employers in the state were part of the healthcare sector, namely Palmetto Health, Greenville Hospital System, and BlueCross BlueShield of South Carolina. Top private employers included BI-LO grocery stores and Wal-Mart. In addition, the School District of Greenville, the University of South Carolina, the U.S. Postal Service, and the Department of Defense employed large shares of workers.

### Occupations in South Carolina

Over 70 percent of the jobs held by South Carolinians in 2008 were in the blue collar (27%), sales and office support (27%), and food and personal services (18%) clusters. Mainly because of their large size, these three sectors expect the least employment growth by 2020; blue-collar jobs are likely to grow by only 10 percent. But jobs in healthcare are expected to grow by 22 percent, while STEM positions will grow by 18 percent by 2020.

Among the employers of the state's many blue-collar workers are Michelin's North America manufacturing headquarters and factories, making Michelin one of the state's top-ten employers as of 2010. South Carolina has also attracted several auto industry giants; it is now home to BMW's only assembly plant in North America, a Daimler AG assembly plant, and

55. Global Trade Information Services, Inc., and South Carolina Economic Outlook. South Carolina Department of Commerce. Volume 4, Issue 2. Feb. 2011.