



Regional Economic Analysis

Update of the 2016 Analysis and Estimated Covid-19 Pandemic Impacts of the Southwestern Commission Region

November 2020

The full economic impact of the Covid-19 pandemic remains to be seen, however we want to do everything we can to help anticipate the challenges that lie ahead. To this end, we've updated the regional economic analysis for the seven western counties of NC that was conducted in 2016.

Our first goal for the analysis is to provide a baseline interpretation of where our region's economy was when the pandemic hit. The second is to evaluate what the economic impacts of the pandemic/shut down were and will be. Economic data is released several months after the fact, so we don't yet have actual local data available for the March to present timeframe. The predictions in the analysis were reached using a methodology that looks at the national data and makes some assumptions based on the strengths and vulnerabilities of our regional economy. This methodology is further explained in the full report.

You can find the entire report at <https://regiona.org/community/regional-economic-development-reports/>. Below are few of the key takeaways from the report:

What was the state of the regional economy prior to the pandemic?

- Total employment in the SWC region equaled 64,392 through the first quarter of 2020. Over the last five years employment grew by 8.7%, or 5,143 additional jobs. By comparison, the state grew by 10.4% and the nation by 7.8% over the same period.
 - The top 4 major industry sectors contain 52% of all jobs in the region. These are:
 - Retail Trade (9,394 jobs)
 - Health Care (8,547 jobs)
 - Accommodation and Food Service (8,506 jobs)
 - Educational Service (7,172 jobs)
 - The top 4 major industry sectors for job growth are:
 - Arts, Entertainment, Recreation
 - Accommodation and Food Service
 - Retail Trade



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- Public Administration/Government Jobs
- Two-thirds of net job growth is in tourism related businesses
- The region lost 371 manufacturing jobs over the past 5 years
- Low relative wage industries were responsible for 45 percent of net employment growth, primarily *Accommodation and Food Services* and *Retail Trade*

What are the anticipated economic impacts of COVID-19 on the region?

- Based on national trends and the composition of the regional economy, it is estimated that as of August 2020 employment in the SWC region is down 9.7% or 6,205 fewer jobs from a year earlier. By comparison, national employment is down by 6.9% over the same period.
- Accommodation/Food Service and Arts/Entertainment are expected to account for 65% of losses.
- The study anticipates the loss of an additional 227 manufacturing jobs by August 2020.
- Workers age <25 and age 25 to 34 are disproportionately impacted, with estimated percentage losses exceeding their share of the workforce.
- Workers earning less than \$2,575 per month are estimated to have the largest employment losses; 2,762 fewer jobs or down by 15.9%.