Location, Location, Location: The economic differences between rural and metro areas in the Fifth District

BY ANN MACHERAS

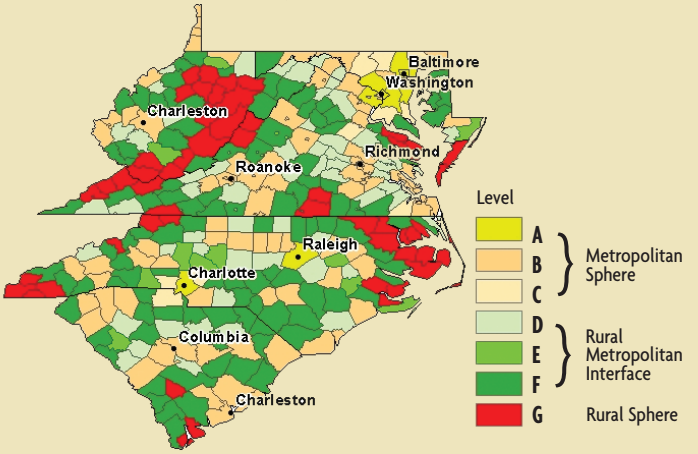
What does it mean to be a "rural" area in today's economy and, more specifically, in the Fifth District? We may visualize open fields and farm equipment, or dense woods with scant development, or small towns connected by country roads, or no towns at all — just open space.

Although there are some official definitions, there is no consensus on precisely what classifies an area as rural. Many of us may imagine "rural" to be the opposite of "urban," thus rural areas are often described as those that are not part of an officially designated metropolitan statistical area. A more careful definition will be explored in this article — one that will allow us to examine the degree to which economic performance differs across areas in the Fifth District to the extent they are more rural or more urban. Common measures of economic prosperity, including employment growth, income, and poverty can be used to assess differences across regions. Another important determinant of economic growth, the mix of industries, can help explain the variation in economic performance revealed by comparing more rural with more urban regions.

Defining Rural Areas

The temptation to use the metropolitan versus nonmetropolitan distinction as a way to categorize places as rural and nonrural (or urban) is understandable. After all, there are much more economic data available for metropolitan statistical areas than for other area types, such as counties. This results in a dichotomy in which an area such as a county must be considered either entirely rural or entirely urban.

Fifth District Counties by Rural-Metropolitan Level



SOURCE: Indiana Business Research Center and U.S. Census Bureau

Yet rural areas can differ widely in both structure and complexity. As an example, Amelia County, which is officially part of the Richmond, Va., metropolitan area, has a total population of 12,808 and a population density of 32 persons per square mile. Compare that to Henrico County, also part of the Richmond metro area, which has a population of 292,599 and a population density of 1,102. Nearby Nottoway County, similar in population and population density to Amelia County, is not part of the Richmond metro area. So, by the simplest definition, Amelia County would be labeled as "urban" while Nottoway County would be labeled as "rural." In fact, Amelia County and Nottoway County share more characteristics than either does with Henrico County, despite the fact that one is urban and the other is rural.

Fortunately, recent research has improved the way we define rural places. One measure, the Index of Relative Rurality (IRR) was developed by Purdue University agricultural economist Brigitte Waldorf. It uses as its base four characteristics of rural places that are commonly used in existing definitions of rurality: population, population density, extent of urbanized area, and distance to the nearest metropolitan area. The IRR then combines these four characteristics of rural areas and generates a single index measure ranging in value along a continuous scale from 0 to 1, with smaller numbers assigned to the least rural areas and larger numbers for the most rural areas.

Returning to our comparison of Amelia and Nottoway counties, the Index of Relative Rurality defines Nottoway as the more urban county (IRR=.486) and Amelia as the more rural county (IRR=.630), even though Amelia is part of the Richmond metro area.

One obvious difference between Amelia and Nottoway counties is Amelia County's relative proximity to the amenities of the Richmond metro area that provides its residents with easier access to shopping, airports, and cultural opportunities. Perhaps more important than access to these amenities is the advantage that businesses derive from "agglomeration economies," or the benefits of access to a critical mass of suppliers, labor pools, and entrepreneurial networks. Although proximity to a metro area is one of the metrics embedded in the index, it is useful to explicitly highlight accessibility to a metro area in combination with the rurality index when describing a rural-metropolitan sphere. This helps us to examine the differences among rural areas.

A research team developed the rural-metropolitan sphere definition for a project designed to explore rural competitiveness in Indiana. (The team included researchers from Purdue University, Indiana University, and the Strategic

Development Group, Inc. The rural-metropolitan sphere consists of seven levels ranging from levels A and B — which contain highly urban metropolitan core counties that differ only by population — to level G, which contains nonmetropolitan counties that are not adjacent to a metropolitan area. The metropolitan sphere contains levels A and B, but also adds the outlying metropolitan counties that are less rural (IRR<0.4). In contrast, the rural sphere contains only level G, the most remote counties.

By far, the most revealing levels bridge together the rural and metro spheres with the rural-metropolitan interface (levels D, E, and F) where we find a range that accounts for both rurality and remoteness — from less rural to more rural and from the most metropolitan to the more remote adjacent counties. The hybrid rural-metro group (known as the "rural-metro interface") defines Amelia County, Va., as an outlying metropolitan county with IRR≥0.4 (level D) and Nottoway County, Va., as a nonmetropolitan county adjacent to a metropolitan area with IRR≥0.4 (level F).

The Fifth District has a wide variety of different types of counties ranging from least rural to most rural and varying by distance from the officially defined metropolitan statistical areas. The map summarizes the number of Fifth District counties (and, in the case of Virginia, independent cities) at each level of the rural-metropolitan sphere.

Not surprisingly, most of the population in the Fifth District resides in the metropolitan sphere, which also contained some of the fastest-growing areas from 2000 to 2008. The areas in the rural-metropolitan interface generally grew more slowly and accounted for 23 percent of population in 2008. The more metropolitan and less rural counties in level C grew the fastest, at 18 percent, while the outlying metro counties that were more rural (level D) grew faster than any other areas in the rural-metropolitan interface.

However, outlying metro counties grew by 11 percent, which is not as quick as their less rural counterparts. The rural sphere, level G, experienced the smallest increase in population since 2000, growing just under 3 percent. Even based solely on the summary information for population shares and population growth, the need to differentiate among metropolitan areas and among rural areas becomes clear.

Indicators in the Rural-Metropolitan Sphere

Economic prosperity plays out differently depending on the degree of rurality and proximity to metropolitan areas. The economic indicators in the table provide some common measures of income, employment opportunity, and poverty for the Fifth District.

The largest urban counties have the highest median household income and the highest average wages, although the cost of living would presumably be higher relative to more rural areas. Compared to other areas, large metropolitan counties also have the lowest unemployment rate and among the lowest poverty rates.

Economic Indicators by Rural-Metropolitan Levels

Economic Indicator (Mean)	Metropolitan Sphere			Rural-Metropolitan Interface			Rural Sphere
	A	B	C	D	E	F	G
Population							
2008 (Share of District Total)	24.0%	43.1%	5.8%	6.8%	3.7%	12.4%	4.2%
Avg. Annual Change, 2000-2008	9.5%	11.2%	17.7%	11.2%	6.3%	4.6%	2.8%
Median Household Income							
2007	$68,294	$50,863	$63,001	$46,388	$39,497	$38,410	$35,143
Avg. Annual Change, 2000-2007	2.9%	2.5%	3.1%	2.6%	2.1%	2.3%	2.5%
Average Wage							
2008	$58,433	$40,986	$37,873	$33,652	$33,415	$32,125	$31,436
Avg. Annual Change, 2000-2008	4.0%	3.4%	3.6%	3.4%	3.0%	3.1%	3.5%
Total Covered Employment							
2008	4,010,221	6,018,554	602,927	547,712	447,720	1,190,427	451,831
Avg. Annual Change, 2000-2008	0.8%	0.8%	1.8%	0.4%	-0.2%	-0.4%	0.6%
Unemployment Rate							
2008	4.6%	5.0%	4.9%	5.6%	6.8%	7.1%	5.8%
Avg. Annual Percentage Point Change, 2000-2008	0.2	0.3	0.2	0.3	0.3	0.3	0.1
Poverty Rate							
2007	9.1%	12.3%	8.4%	13.5%	14.8%	17.4%	17.7%
Avg. Annual Percentage Point Change, 2000-2007	0.1	0.3	0.2	0.3	0.4	0.4	0.2

SOURCE: Indiana Business Research Center, Bureau of Labor Statistics, U.S. Census Bureau

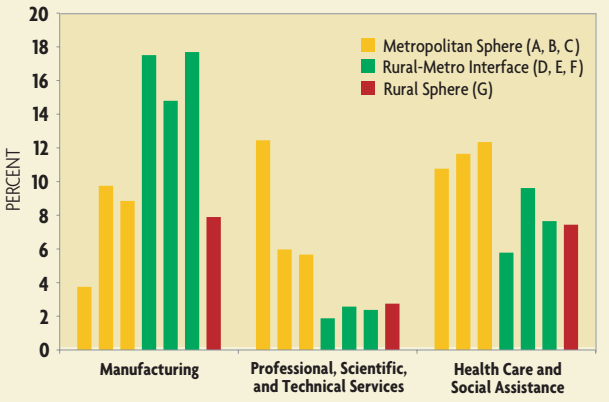
Abundant employment opportunities in the metropolitan-sphere counties contributed to the relatively high wages and incomes in these areas. Employment growth was strongest in the more urban outlying metropolitan counties, which also averaged the lowest poverty rate. In contrast, the most rural counties (levels F and G) have the lowest median household income, the lowest average wages, and the highest poverty rates. Employment growth in these areas has been negligible or has declined since 2000, leading to higher average unemployment rates than any of the areas in the metropolitan sphere.

What explains the difference in economic performance? While a definitive answer remains the subject of much academic and policy debate, the composition of economic activity clearly matters. Industry composition is one important determinant of regional economic growth, although regional competitiveness also depends heavily on the availability and quality of labor and the innovation capacity that allows firms to adopt new technologies and develop new products and services to meet changing market demand.

Industry mix differs across the rural-metropolitan sphere and, more important, certain industries grow at different rates — some industries become economic drivers while others become a drag on growth. By focusing on three major industry sectors: 1) manufacturing, 2) professional, scientific and technical services, and 3) health care and social assistance, we can compare regional concentration in sectors that have declined as well as in sectors that have grown over the past decade.

Nationally, the manufacturing sector accounted for nearly 10 percent of total employment in 2008 and has declined by an average annual rate of 3 percent from 2000 to 2008. Over the same period, professional, scientific, and technical services grew at an annual average rate of 2 percent, but accounted for only 6 percent of total employment in 2008. Of these three sectors, health care and social assistance accounted for the greatest share of national employment,

Employment Shares: 2008



SOURCE: Bureau of Labor Statistics

nearly 12 percent. It also had the highest average annual growth rate, at just under 3 percent from 2000 to 2008.

National employment growth rates provide important information because industry growth within a region often follows national or even global trends, especially in the case of the manufacturing sector, where the market for products extends well beyond the region.

As measured by the share of employment, the rural-urban interface counties have twice the concentration of manufacturing employment when compared to the metropolitan counties and the most rural counties (see chart). Adjacency to the more populated metropolitan sphere allows the manufacturing sector to tap into the available labor force while still having access to developable land. Interestingly, the most rural areas have only half the concentration of employment in manufacturing as the counties of the rural-metro interface. This may be because rural counties not adjacent to metropolitan areas lack the critical infrastructure and transportation networks that connect manufacturers with their supplier network and customer base.

Since 2000, employment in the manufacturing sector has declined broadly across every level of the rural-metropolitan sphere, but the greatest contraction has occurred in the rural-metro interface counties (see chart). The high concentrations of employment in manufacturing resulted in a declining or very low rate of overall employment growth since 2000. This may explain the lower wages and income levels characteristic of these areas.

Over the past decade, the professional, scientific, and technical services sector has been a driver of economic growth across all areas in the rural-metro sphere, but employment in this sector is twice as concentrated in the urban and outlying areas of the metro sphere as it is in the rural-metro interface or the rural sphere. In fact, this sector accounts for more than 12 percent of employment in the most populated metropolitan areas (level A), presumably because the concentration of potential customers attracts companies that can operate on a large scale.

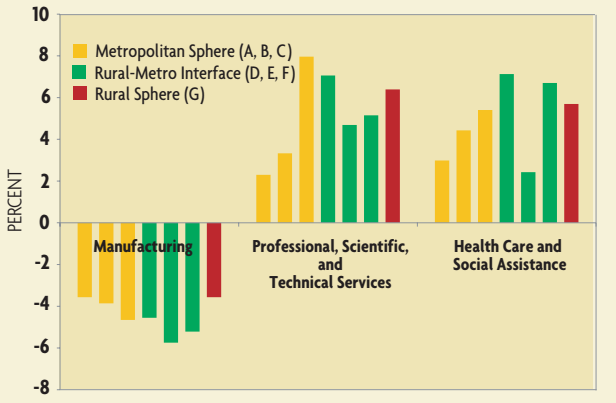
However, the fastest growth in the professional, scientific, and technical services sector has occurred in the outlying metropolitan counties. Counties in the rural-metro interface and the rural sphere also experienced high growth in this sector, albeit from much lower levels of industry concentration. With less than 3 percent of employment in the professional, scientific, and technical services sector, it should be no surprise that high rates of employment growth fall short of counteracting the much larger and deteriorating employment in manufacturing.

The health care and social assistance sector depends much more on regional demographic trends than the other two industry sectors discussed here, which experience the effects of national and global trends more acutely. Therefore, the prospect for growth of the health care and social assistance sector depends on both the current and future needs of the regional population.

Health care and social assistance employs significant shares of total employment in the metropolitan sphere, but also employs a sizable share even in the most rural areas. Within the rural-metro interface and the rural sphere, only retail trade, accommodation and food services, and the manufacturing sectors employ more people than the health care and social assistance sector. Moreover, health care and social assistance employment growth in the rural-metro interface and rural sphere outpaced growth in the metropolitan sphere from 2000 to 2008. Thus, while growth in population in the more rural areas was relatively slow compared to more urban areas, clearly the demand for health care and social assistance services grew in response to demographic shifts such as the aging of the population.

Differences in economic prosperity between the more urban and more rural areas are real, but strategies have been implemented in many rural areas to leverage connections with higher-education institutions to foster innovation and explore ways to diversify the regional economy and train a more highly educated work force to promote economic growth. As rural areas develop ways to diversify into growing industry sectors, thereby increasing the share of their work force engaged in high-growth industries, the result will be an improvement in their economic prosperity. **RF**

Employment Growth: 2000–2008



SOURCE: Bureau of Labor Statistics

Country Pork

Swine producers fight low demand and high costs

BY BETTY JOYCE NASH

Livestock and crops have fed eastern North Carolina by generating jobs and spending. Sampson and Duplin counties are the top hog-producing counties in the nation. In fact, the world's largest pork processing plant is in Tarheel, N.C., owned by Smithfield Foods. That shows up in the Sampson County seat of Clinton, N.C., for instance, which now has underground power lines and a revitalized downtown.

But this mainstay of rural eastern North Carolina counties has fallen on tough times for the past two years because of what some are calling the most severe crisis in the pork industry's history.

Coharie Hog Farm in Clinton, N.C., the nation's 22nd largest, filed Chapter 11 in November, as did three other hog operations. The Coharie bankruptcy threatens the livelihood of about 80 "contract farms" that provide swine barns, management, and maintenance for raising company-owned animals at various stages in return for a per-pig price.

Pork producers nationwide are losing money on each animal as they cope with low market prices and rising production costs. As the nation's second-largest pork producer, North Carolina is feeling the pain. Here's the problem: A swine diet consists of mostly corn. Ethanol-driven demand for corn boosted prices from $6.50 to $8 per bushel. Corn prices are forecast to be in the $4 per bushel range. Recent rains are causing more consternation because some of this year's crop may be inedible. Add the declining price for pork products — wholesale hog prices fell to about 51 cents a pound in August (a six-year low) but have since fluctuated around 61 cents per pound.

Producers have lost about $21 per hog since October 2007, according to N.C. State University economist Kelly Zering. Premium prices for corn and soybean meal, also used in feed, continue to damage not only the swine industry but also the broiler chicken and turkey producers, also critical to Tarheel agriculture.

Four of the nation's top pork producers are in the Fifth District: Virginia-based Smithfield Foods and, in North Carolina, the now-bankrupt Coharie Farms along with Prestage Farms and Goldsboro Hog Farm. About 18 million North Carolina pigs have been sold annually over the past 10 years, according to Zering. The pork industry generates about 46,657 jobs in the state, directly and indirectly.

Effects of fears about the H1N1 flu virus and subsequent ban on pork imports by China and Russia briefly dragged down demand, says Deborah Johnson of the N.C. Pork Council. "When that happened, we saw consumption drop for several weeks," she says. "We are seeing it recover."

Another factor affected supply: Producers widely adopted a vaccine in 2007 for a disease that had thinned herds. The vaccine improved output, driving down prices. In addition, profits were good and that encouraged more production.

But as pork production increased, U.S. consumption began to decline — from 50.8 pounds to 49.5 pounds per person in 2008 and 49.1 pounds in 2009. Consumption in 2010 is projected at 46.5 pounds. The decline is largely attributed to the global downturn.

From almost 22 billion pounds in 2006, production went to 23.3 billion in 2008, driven by strong export demand. Pork exports have since fallen by 10 percent through July 2009 over 2008, but remain higher than in 2007.

Pork producers are blaming, in part, the misperception that the H1N1 virus has anything to do with pork. For the record, the respiratory illness cannot be contracted via pork consumption or handling. Hog prices, however, have been depressed all year, according to U.S. Department of Agriculture economist Mildred Haley. A dip in early May could be attributed to the virus panic, she says, but prices recovered to previous 2009 levels shortly thereafter. Wholesale prices had declined even before the H1N1 virus outbreaks emerged in late April and early May.

And although exports to China, Japan, and Canada fell, exports to Mexico have risen. Haley points out that exports in 2008 rose by 48.6 percent over 2007. "U.S. pork exporters shipped 4.7 billion pounds of pork," she says. That compares to exports of 3.1 billion pounds in 2007. China imported more pork than usual in 2008 because of disease problems in herds in 2008 and "they also had the Olympics and didn't want any shortages."

The recent slack demand in exports has diverted product back onto domestic markets, and further depressed wholesale prices. To help, the U.S. Department of Agriculture says it will buy $50 million in pork products for the nation's school lunch program. Producers are shrinking herds now, and the declining supply will boost prices eventually. Demand will improve with the economy, Haley says, but right now "people have less money to allocate to their food budget."

Nationwide, the average number of hogs per farm has grown, while the number of farms has declined. In North Carolina, the hog population intensified from 2 million hogs in 1982 to almost 10 million by the end of that decade.

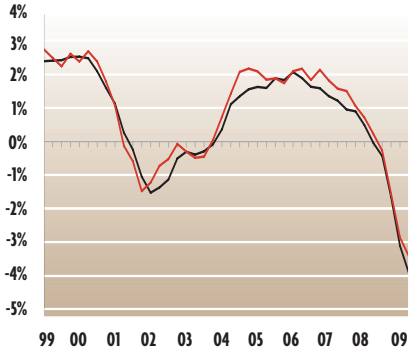
With that growth came controversy over the industry's animal waste and its effect on waterways, especially after Hurricane Floyd inundated eastern North Carolina in 1999. A state moratorium on hog farms that use waste lagoons remains in effect. By December 2008, there were about 9.6 million hogs in the state, about 15 percent of the 67 million raised in the United States. **RF**

State Data, Q2:09

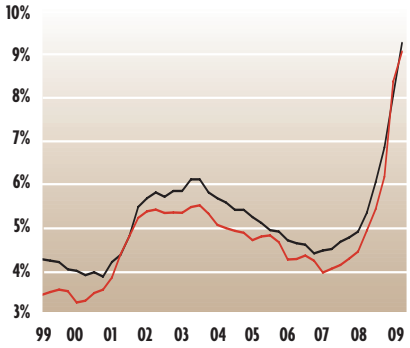
	DC	MD	NC	SC	VA	WV
Nonfarm Employment (000s)	**702.9**	**2,543.7**	**3,943.3**	**1,852.8**	**3,672.9**	**738.0**
Q/Q Percent Change	-0.6	-0.6	-1.2	-0.6	-0.5	-1.5
Y/Y Percent Change	-0.1	-2.5	-4.9	- 4.6	-2.5	-3.0
Manufacturing Employment (000s)	**1.3**	**123.5**	**450.2**	**216.9**	**241.4**	**51.0**
Q/Q Percent Change	0.0	-0.9	-3.8	-3.0	-4.1	-4.4
Y/Y Percent Change	-22.0	-4.3	-13.5	-11.6	-9.7	-10.3
Professional/Business Services Employment (000s)	**149.3**	**395.4**	**465.1**	**213.7**	**641.2**	**58.5**
Q/Q Percent Change	-2.1	-1.4	-2.2	3.9	-0.5	-0.8
Y/Y Percent Change	-2.5	-1.0	-8.3	-5.1	-2.4	-3.9
Government Employment (000s)	**237.0**	**492.1**	**717.5**	**342.6**	**703.2**	**146.7**
Q/Q Percent Change	0.5	0.8	-0.4	0.6	0.5	0.3
Y/Y Percent Change	1.2	1.2	2.0	-1.4	1.7	0.3
Civilian Labor Force (000s)	**327.8**	**2,958.9**	**4,567.1**	**2,199.0**	**4,166.0**	**792.9**
Q/Q Percent Change	-0.9	-0.4	0.1	0.5	0.3	-0.3
Y/Y Percent Change	-1.3	-1.2	1.0	2.7	1.3	-1.8
Unemployment Rate (%)	**10.5**	**7.1**	**10.9**	**11.8**	**7.0**	**8.4**
Q1:09	9.6	6.6	10.4	10.9	6.5	6.0
Q2:08	6.6	4.1	5.9	6.3	3.8	4.3
Real Personal Income ($Mil)	**34,454.2**	**252,578.7**	**295,370.1**	**133,149.2**	**313,095.7**	**54,114.4**
Q/Q Percent Change	-0.3	-0.1	0.1	0.4	-0.1	0.9
Y/Y Percent Change	-3.8	0.9	-1.9	-1.8	-0.8	2.7
Building Permits	**35**	**2,554**	**9,929**	**4,092**	**5,789**	**424**
Q/Q Percent Change	-86.5	21.9	36.4	14.2	24.1	14.9
Y/Y Percent Change	-81.5	-34.7	-36.2	-49.3	-21.2	-49.5
House Price Index (1980=100)	**586.5**	**462.5**	**340.2**	**323.6**	**434.1**	**228.7**
Q/Q Percent Change	-3.3	-3.9	-1.6	-1.1	-2.4	-1.2
Y/Y Percent Change	-5.7	-8.7	-1.3	-0.9	-4.4	-1.5
Sales of Existing Housing Units (000s)	**7.6**	**66.8**	**124.0**	**67.2**	**110.4**	**24.4**
Q/Q Percent Change	18.8	15.2	8.4	7.0	-0.7	7.0
Y/Y Percent Change	5.6	4.4	-26.5	-20.8	-1.4	-6.2

NOTES:
Nonfarm Payroll Employment, thousands of jobs, seasonally adjusted (SA) except in MSAs; Bureau of Labor Statistics (BLS)/Haver Analytics, Manufacturing Employment, thousands of jobs, SA in all but DC and SC; BLS/Haver Analytics, Professional/Business Services Employment, thousands of jobs, SA in all but SC; BLS/Haver Analytics, Government Employment, thousands of jobs, SA; BLS/Haver Analytics, Civilian Labor Force, thousands of persons, SA; BLS/Haver Analytics, Unemployment Rate, percent, SA except in MSA's; BLS/Haver Analytics, Building Permits, number of permits, NSA; U.S. Census Bureau/Haver Analytics, Sales of Existing Housing Units, thousands of units, SA; National Association of Realtors®

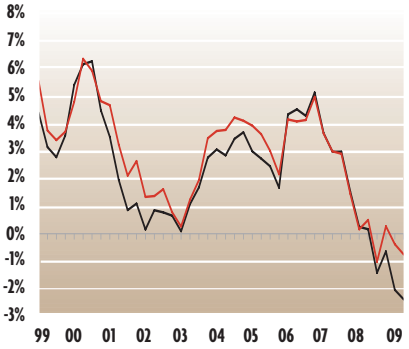
Nonfarm Employment
Change From Prior Year
First Quarter 1999 - Second Quarter 2009



Unemployment Rate
First Quarter 1999 - Second Quarter 2009

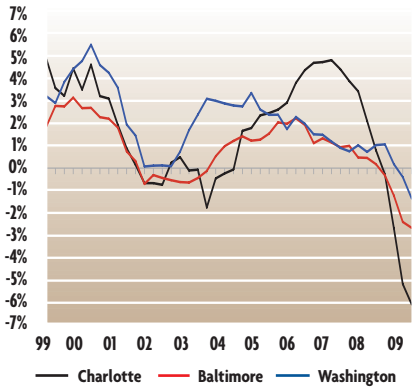


Real Personal Income
Change From Prior Year
First Quarter 1999 - Second Quarter 2009

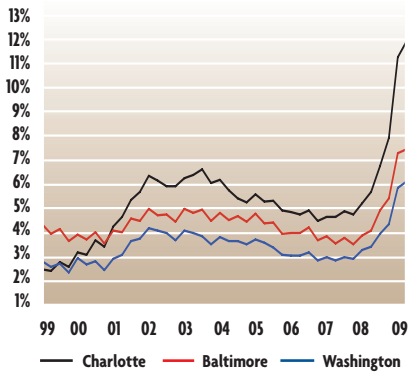


Fifth District — United States

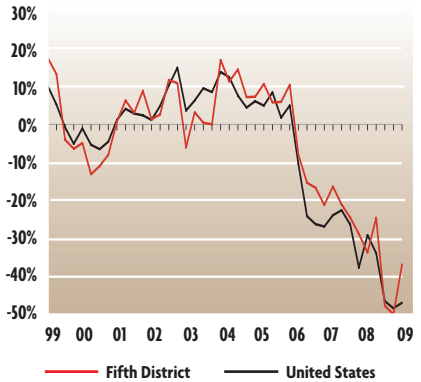
Nonfarm Employment Metropolitan Areas
Change From Prior Year
First Quarter 1999 - Second Quarter 2009



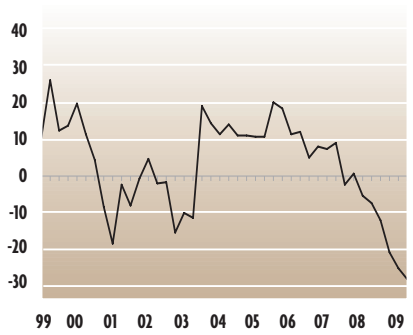
Unemployment Rate Metropolitan Areas
Change From Prior Year
First Quarter 1999 - Second Quarter 2009



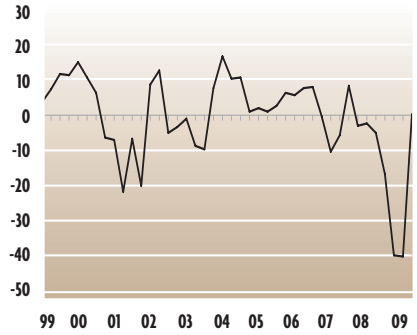
Building Permits
Change From Prior Year
First Quarter 1999 - Second Quarter 2009



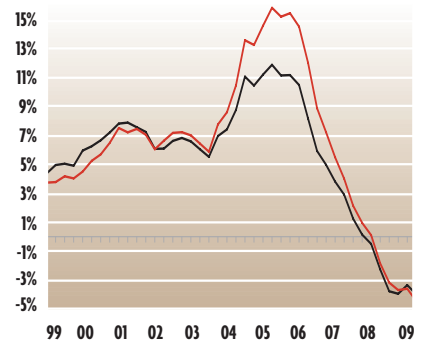
FRB—Richmond Services Revenues Index
First Quarter 1999 - Second Quarter 2009



FRB—Richmond Manufacturing Composite Index
First Quarter 1999 - Second Quarter 2009



House Prices
Change From Prior Year
First Quarter 1999 - Second Quarter 2009



NOTES:
1) FRB-Richmond survey indexes are diffusion indexes representing the percentage of responding firms reporting increase minus the percentage reporting decrease.
The manufacturing composite index is a weighted average of the shipments, new orders, and employment indexes.
2) Metropolitan area data, building permits, and house prices are not seasonally adjusted (nsa); all other series are seasonally adjusted.

SOURCES:
Real Personal Income: Bureau of Economic Analysis/Haver Analytics.
Unemployment rate: LAUS Program, Bureau of Labor Statistics, U.S. Department of Labor, http://stats.bls.gov.
Employment: CES Survey, Bureau of Labor Statistics, U.S. Department of Labor, http://stats.bls.gov.
Building permits: U.S. Census Bureau, http://www.census.gov.
House prices: Federal Housing Finance Agency, http://www.fhfa.gov.

Metropolitan Area Data, Q2:09

	Washington, DC	Baltimore, MD	Hagerstown-Martinsburg, MD-WV
Nonfarm Employment (000s)	**2,409.0**	**1,290.9**	**99.4**
Q/Q Percent Change	0.7	1.4	0.8
Y/Y Percent Change	-1.4	-2.7	-2.7
Unemployment Rate (%)	**6.1**	**7.5**	**9.7**
Q1:09	5.9	7.3	9.3
Q2:08	3.4	4.1	5.0
Building Permits	**2,863**	**1,054**	**175**
Q/Q Percent Change	-4.9	74.2	8.0
Y/Y Percent Change	-22.7	-15.8	-45.1

	Asheville, NC	Charleston, SC	Durham, NC
Nonfarm Employment (000s)	**169.4**	**813.9**	**285.6**
Q/Q Percent Change	0.8	-0.6	-0.2
Y/Y Percent Change	-4.7	-6.1	-2.3
Unemployment Rate (%)	**9.2**	**11.9**	**7.9**
Q1:09	9.2	11.3	7.6
Q2:08	4.5	5.7	4.5
Building Permits	**324**	**2,088**	**606**
Q/Q Percent Change	-7.2	34.4	-4.6
Y/Y Percent Change	-40.4	-46.4	-5.5

	Greensboro-High Point, NC	Raleigh, NC	Wilmington, NC
Nonfarm Employment (000s)	**347.1**	**505.1**	**142.0**
Q/Q Percent Change	-0.4	0.4	1.1
Y/Y Percent Change	-6.1	-3.3	-4.7
Unemployment Rate (%)	**11.6**	**8.8**	**9.9**
Q1:09	11.2	8.5	10.3
Q2:08	5.8	4.5	4.9
Building Permits	**669**	**1,551**	**784**
Q/Q Percent Change	38.5	89.6	72.3
Y/Y Percent Change	-27.4	-51.1	-29.3

	Winston-Salem, NC	Charleston, SC	Columbia, SC
Nonfarm Employment (000s)	**212.4**	**295.9**	**362.5**
Q/Q Percent Change	0.1	1.6	0.9
Y/Y Percent Change	-3.3	-3.0	-1.7
Unemployment Rate (%)	**10.2**	**9.4**	**9.1**
Q1:09	9.9	8.9	8.6
Q2:08	5.3	4.8	5.2
Building Permits	**422**	**915**	**862**
Q/Q Percent Change	197.2	66.1	-6.6
Y/Y Percent Change	0.5	-30.1	-31.2

	Greenville, SC	Richmond, VA	Roanoke, VA
Nonfarm Employment (000s)	**313.0**	**612.6**	**160.5**
Q/Q Percent Change	0.6	0.9	0.9
Y/Y Percent Change	-3.1	-3.5	-1.7
Unemployment Rate (%)	**10.2**	**7.9**	**7.5**
Q1:09	9.5	7.5	7.0
Q2:08	5.0	3.9	3.6
Building Permits	**380**	**812**	**105**
Q/Q Percent Change	-5.9	51.2	31.3
Y/Y Percent Change	-65.7	-31.5	-44.4

	Virginia Beach-Norfolk, VA	Charleston, WV	Huntington, WV
Nonfarm Employment (000s)	**766.8**	**150.4**	**118.2**
Q/Q Percent Change	1.9	1.0	0.3
Y/Y Percent Change	-0.9	-1.1	-0.8
Unemployment Rate (%)	**7.0**	**7.4**	**8.1**
Q1:09	6.9	5.7	7.3
Q2:08	3.8	3.7	4.9
Building Permits	**1,387**	**38**	**9**
Q/Q Percent Change	18.5	35.7	50.0
Y/Y Percent Change	-20.0	-32.1	-25.0

For more information, contact Sonya Ravindranath Waddell at (804) 697-2694 or e-mail sonya.waddell@rich.frb.org