



The HEALTH 2005 of Lee County



As partisan politics in places like Washington crescendos to an ear-piercing pitch, it can seem as if facts no longer matter. What's the cliché: No need to let truth stand in the way of a good story? Or, as the pastor wrote in his sermon notes: "Pound the pulpit; weak point here."

We hope this annual "Health of Lee County" report will hit a more soothing note. Not that all of the news is pleasant, though it is generally upbeat this year. But the goal is to provide a snapshot of how we're doing

— without the shrillness — and take a few moments to consider where we stand and how we can further enhance our community.

Obviously, there are too many statistics to cite in one presentation. So, we've included many essential topics that we review each year, providing a sort of baseline look at the most important questions about our demographics, labor force and economy.

Then, we try to select new topics — it's education and health care this year — to provide some variety.

Healthy Living:

The Report is Encouraging

If you step back and take a look at the community, things are encouraging. Crime is down. Education shows progress. The economy is strong. There are also areas to monitor: the future of manufacturing and the persisting statistical gap between Lee County and the broader Research Triangle region.

But, to borrow a very different cliché, it's important for all of us not to miss the forest for the trees.

LABOR

Manufacturing slide continues, slower than before.

With headlines announcing plant shutdowns across the state and even here at GKN, the folks in Lee have kept watch.

Last year gave the first indication that manufacturing was struggling locally, with employment in the sector falling from 40 to 35 percent of total employment over one year.

The trend continues, but not at such an alarming pace. According to the latest numbers from the North Carolina Employment Security Commission, manufacturing employment now stands at 33 percent of the workforce. On the flip side, the actual number of manufacturing jobs is up. Not way up, but roughly 215 more than before.

Even as manufacturing loses some ground in employment share, it is gaining in wages. The average wage jumped again, this time from just under \$39,000 to \$41,543. That's still less than the \$63,930 average wage for higher-tech manufacturing jobs across the Triangle region, but it's ahead of inflation and nearly \$8,500 more than the average for all jobs in this area.

Around the Research Triangle, the percentage in manufacturing held steady at 10 percent. Services, government and health care remain the top sectors in a region that includes the state capital and three major research universities — two with medical schools and all of the related services.

ECONOMY

No time for confetti, but the news is upbeat again.

Bless is probably too strong a word for the sentiment felt at last year's gathering, when upbeat economic figures hit the screen.

Then again, any positive signs were cause for celebration after depressing unemployment figures finally stopped dancing across the business pages.

So, let's continue the party.

Before naysayers come out of the woodwork, it's true that the road is never completely smooth.

But given what economist Mike Walden called "structural changes" taking place in the economy. And the uncertainty generated by war. And the ravages of hurricanes. Well, things are

pretty good after all.

The local unemployment rate was 6 percent in October, just two-tenths of a percent above the rate for 2004. To put that figure in context, it's considerably lower than the 7.6 percent experienced in 2002 and 7.3 percent for 2003.

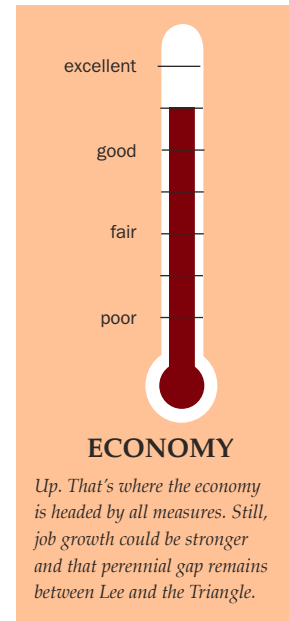
More good news: Average yearly wages are higher, retail sales are up and per capita income continues its steady climb upward, though the latest income data are more than a year old.

Lee County still trails the Research Triangle, which posted a 4.4 percent unemployment rate, higher wages and greater per capita incomes, but that's been par for the course.



THE BOTTOM LINE

With the county's highest paying jobs in manufacturing, it stands to reason that any erosion in the sector hurts our local economy. While the number of actual jobs is holding steady, the big question is where new jobs will come from for our growing population. And, how can we prepare workers for success in other sectors?



THE BOTTOM LINE

Net job growth was the only surprise, with an almost imperceptible increase. While that's better than *net losses* from 2000 through 2003, it does raise eyebrows. What kind of economic policies will allow Lee County to attract more jobs and, perhaps, close the gap between the Southern Base of the Research Triangle and what rests on that base?

EDUCATION

AYP + Meeting Expectations + Distinction = Progress

More than any other endeavor, education may be central to our future. That's because all jobs now require higher-level skills and an ability to solve problems and adapt.

And we're not just talking about education from kindergarten through high school. Many local officials, in fact, have stopped talking about K-12 education altogether, opting to consider the base level of education as K-14 — kindergarten through two years of community college. At a minimum.

For that reason, we've focused on education as a separate topic this year, and there have been signs of progress.

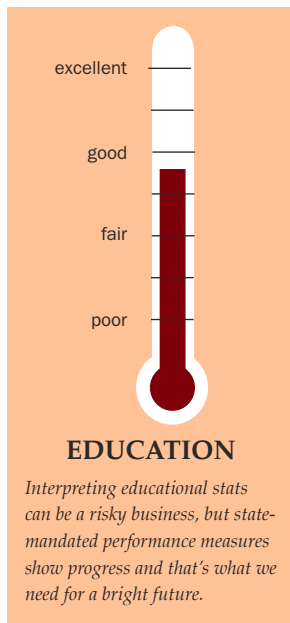
Seventy-five percent of Lee County schools met their "adequate yearly

progress," a state-mandated measure of school performance. That was higher than any bordering county, and even higher than both Wake County and Chapel Hill-Carrboro, two traditionally high-performing districts.

Nearly 91 percent of local schools met or exceeded growth expectations, better than all of the same districts except for Chapel Hill-Carrboro.

Want more? Five of Lee County's 13 schools received acclaim as Schools of Distinction.

Other statistics show that Scholastic Aptitude Test scores remain on par with most districts in the Triangle and per pupil expenditures are about 8 percent below the region as a whole.



THE BOTTOM LINE

Signs of progress have been emerging from the local schools, though it's too early to tell if this is a sustainable trend or an aberration. Regardless, it's hard to overemphasize the importance of education in an increasingly-complex economic environment. What will ensure that all local students get the solid "K-14" education they need?

QUALITY OF LIFE

The diagnosis: Health care could boost Lee's vitality.

Few people view health care as a major asset for Lee County, but that could be changing.

About 100 physicians with ancillary facilities and support staff — a sizeable industry in itself — practice locally and care for patients at Central Carolina Hospital, a 137-bed acute care facility.

That's just the tip of Lee County's health care iceberg.

Next, there's Wyeth, which makes pediatric vaccine components, and an expanding array of local alliances with major regional health care providers, including UNC Hospitals and the Duke University Medical Center.

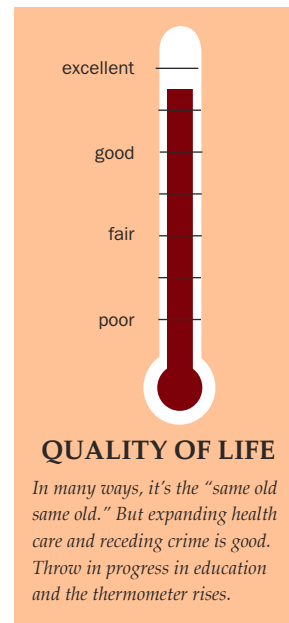
The broader region boasts world-class medical centers, allied medical

facilities, medical research labs and more than 5,800 hospital beds.

With Wyeth growing and health care becoming even more important in the region, people may find Lee County more attractive.

And, when folks get here, they'll find a safer community.

Two years ago, a staggeringly-high crime rate became an issue throughout the community. But that number continues to drop, from more than 7,000 crimes per 100,000 inhabitants in 2002 to 5,290 last year. Granted, it's still higher than the region, which posted a 4,080 figure in 2004; but, this year's Lee County rate has been lower just once in the last seven years.



THE BOTTOM LINE

Health care may present an opportunity for Lee County by enhancing our quality of life and drawing investment of all kinds. So, how can we build on the emerging core of health-related enterprises? It's just one piece of that all-too-elusive quality of life equation, which, nevertheless, is essential to entice people who could go anywhere to come here.