

# THE HEALTH of LEE COUNTY 2008



If you ignore the national economy, this was a pretty good year in Lee County. Now, before you stop reading, *yes*, we realize you can't ignore the national economy.

There's no doubt that this isn't our best moment. The mortgage and banking debacles have taken a toll. The Dow Jones sometimes looks like a yo-yo losing steam. And unemployment is up.

On the other hand, consider two points.

First, the national economy may not be quite as bad as we think. Many people are reacting to apocalyptic news reports that have been exacerbated by a national election, where creating crisis is the prime strategy for winning votes.

After all, the national unemployment rate in late '82 was 10.8 percent, but just 6.5 this October. And remember the Misery Index, made popular in the Carter Years? Well, that figure, which adds the unemployment and inflation rates, was 21.98 percent in June 1980. Where is it now? Try half that: 10.16.

Second, we need to remember that our ability to compete and attract business is *relative*. Everybody is affected by this trough in the economic cycle, but how are we doing compared with other communities?

Actually, pretty well.

Earlier this year, Sanford rose to 34th in economic strength among small cities in the United States, continuing its steady ascent on the annual ranking published by POLICOM.

Red Wolf received a \$75,000 expansion loan to pay for capital costs that could add several jobs to the new company.

Stock Building Supply purchased the Redman Building to serve as a new facility for manufacturing and distribution.

Moen announced plans

to move jobs from Ohio to Sanford, further strengthening our reputation as a great place for manufacturing.

And there's

more good news. Not to steal our own thunder, but you'll learn on pages to follow that education remains strong. The crime rate continues to drop. And significant growth is on the way.

So, while we're not ignoring or minimizing the struggling economy, let's not get so focused on sensational reports that lose track of the full picture as we formulate our individual diagnoses of "The Health of Lee."

of one hundred  
committee  
**100**  
LEE COUNTY

"The Health of Lee County 2008" photos, clockwise from upper right, are courtesy of Chip Pate/The Sanford Herald, Brooke Wolfe/The Sanford Herald and Peggy Taphorn/Temple Theatre.

# The Economy

► *Ouch!* Must we even mention it?

This time last year, we were lamenting a “ho hum” economy that hadn’t changed all that much from the year before.

Raise your hand if you’d take that *now*. (Yes, that’s what we figured.)

Actually, before we all head to the O.T. Sloan Pool and do a group swan dive into the empty deep end, all of the numbers aren’t so terrible.

Take taxable sales, a measure of how much commerce is taking place locally. That figure was down in August, in the most recent report issued by the North Carolina Department of Revenue, but that happens every year. *This* August was actually better than *last* August, and the same goes for this July.

The number that’s striking fear is the unemployment rate, which

leapt to 8.2 percent in September, the highest since Lee posted an 8.3 in February ‘03.

What’s worse: The regional rate stands at a more modest 5.7 percent and even statewide it’s 6.7 (or 7.0 if you prefer the “seasonally adjusted” alternative). All of which reminds us that The Gap, that persistent difference between Lee’s economic figures and those for the Triangle Region, still exists.

Long-term relief may come with growth. The current decade, ending in 2010, is projected as Lee’s largest expansion through 2030. Plus, we’re on the verge of BRAC and part of a region that, by 2030, will be larger than present-day Charlotte, San Antonio or Orlando. And, that’s no Mickey Mouse opportunity.

# Labor

► Lee still bucks manufacturing trends.

When Moore Machine expanded, adding up to 150 jobs, it might have caused a stir in many locales. The mere thought of new manufacturing jobs would have been absurd. American industry is dead, we’re told. Or, at the very least, dying.

Folks in Lee barely blinked an eye. While industry may be on life support elsewhere, it’s vital here.

Sure, industrial jobs are in flux due to the struggling economy, but that’s the case across the board, for every kind of company.

But consider this: Manufacturing still employs 37 percent of the local workforce. Compare that to roughly 13 percent across the state and just 10 percent in our region, and you can see that something very different is

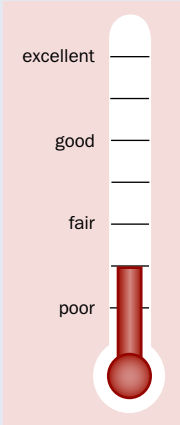
still happening here.

Holding on to manufacturing is a sensible strategy when you consider that manufacturing jobs pay \$44,970 per year on average — far better than the \$23,192 per year for retail jobs, one of Lee’s other significant segments (at 10 percent).

Utilities (\$77,636) and wholesale trade (\$62,582) pay more, but together, they employ fewer than 1,400 people.

Overall, the average annual wage in Lee County was up 1 percent to \$36,400, though a 4 percent increase in the Consumer Price Index from 2007 to 2008 reversed the gain.

The major challenge will be thriving in a high-tech economy when one-half of our residents has a high school education or less.



excellent

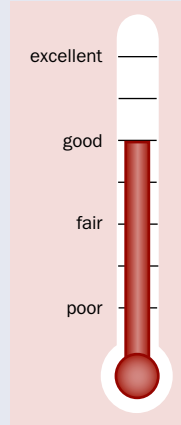
good

fair

poor

## The Bottom Line

The mercury drops like lead. We’re not willing to go as low as “poor,” because unemployment was worse in 2003 and retail sales aren’t all that bad (at least through August). But we can see what everyone else does, too. Economic cycles are beyond our control, but is there something we can do to attract a greater share of the growth on our horizon and, *perhaps*, narrow The Gap?



excellent

good

fair

poor

## The Bottom Line

For years, we’ve been waiting for the bottom to fall out of our manufacturing base, even while it expands or holds its own. Perhaps we’re an exception to the rule and we’ll hold on to those lucrative jobs. Might the more urgent challenge be educating our workforce — so we can take advantage of new opportunities ahead? And, if so, how do we make that happen?

# Education

▶ Bad, then phenomenal, and now pretty good.

If you've been reading this summary in sequence, you probably noticed that nice little transition to education we tossed in to close the summary on labor.

That's because education is more than an individual pursuit; it tells business leaders about what knowledge we have to offer and how well our people can adapt to constant change in the workplace.

As a result, higher education is *essential* to our success. Boosting what the stat geeks call "educational attainment" may take time, but there's been enough good news this year to become cautiously optimistic.

To start with, Central Carolina Community College was one of just 12 community colleges statewide (of 58) that met or exceeded the

performance measures used to assess quality and client satisfaction.

And in a move hailed by many in industry, the college began awarding Career Readiness Certificates, a state-recognized credential certifying skills in applied math, reading for information and locating information — all essential skills for success on the job.

Lee County Schools held their own, too, with 84.6 percent of the schools achieving "expected" or "high" growth — exceeding the statewide average of 82.0 percent — and the dropout rate fell to 5.83 percent, its lowest in nine years.

Educational statistics, as we always admit, can be a mess to unravel. But they seem to be reasonably strong once again.

# Quality of Life

▶ Still strong ... but will it continue?

Our recent economic woes haven't shattered the quality of life. *Yet*, that is. It remains to be seen whether folks will still break open their billfolds for the United Way, which helps care for our neighbors in need. Or, whether they'll continue to purchase pottery, keeping our artists in business. Or, ante up to enjoy the thrill of live productions at the Temple Theatre.

Speaking of the Temple, one of the year's setbacks came when the Temple's new Black Box Theatre couldn't pass fire inspections. In the process, its entire inaugural season of experimental and cutting-edge shows was cancelled and an intimate performance space was lost.

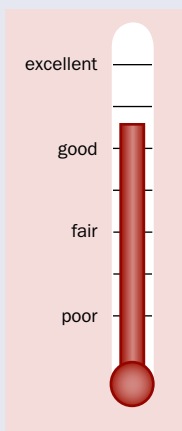
At last report, theater officials were scrambling to find money to

bring the old room up to code. If they can, it could strengthen the Temple's position as Lee County's top tourist draw and further enhance Sanford's growing reputation among artists and musicians — which would be very good for business.

Another question is whether the economy will reverse one positive trend: a compelling drop in crime.

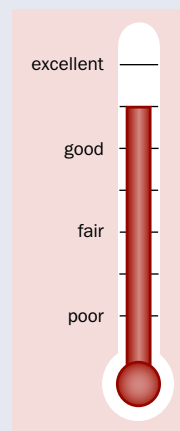
You may recall the wringing of hands and gnashing of teeth back in '02, when the crime rate rose to 7,201 per 100,000 inhabitants. That seems like a distant memory, with noticeable drops each year since.

Now, it's 4,087, down a whopping 43 percent in six years. That's under the state average of 4,659 (which actually rose). Higher than Chatham and Moore. Less than Harnett.



## The Bottom Line

Though the news has been encouraging, nothing stunning happened in education this year and there's plenty of uncertainty swirling with a new college president *and* a new superintendent of schools coming on board. We still have ground to make up on nearby school systems in Wake and Chapel Hill-Carrboro. How can we elevate Lee to stand among the elite in our state?



## The Bottom Line

To some degree, quality of life is in the eye of the beholder. But having a vibrant arts scene matters to businesses looking for creative people and cultural outlets for employees, and we all agree that crime is bad. (To quote Fozzie in *The Great Muppet Caper*, "We can't let the bad guys win.") How can we strengthen the arts, harness that creativity and use it to build our community?