



NORTH CAROLINA ECONOMIC DEVELOPMENT BOARD

2011 ANNUAL REPORT ON ECONOMIC DEVELOPMENT FOR THE STATE OF NORTH CAROLINA

The North Carolina Economic Development Board oversees state economic development research and planning and makes policy recommendations to the Secretary of Commerce, the Governor and the General Assembly.

The Economic Development Board is required by G.S. 143B-434.01 to provide the General Assembly with an annual update on the implementation progress of the statewide strategic economic development plan ("the Plan") and overview of the state's economic performance. This report overviews the Plan's background, provides a progress update, and outlines key economic indicators.

BACKGROUND ON THE DEVELOPMENT OF THE 2009-2012 STATEWIDE ECONOMIC DEVELOPMENT STRATEGIC PLAN

In 1994, the North Carolina Economic Development Board wrote its first state strategic plan, *Making North Carolina a High Performance State*. In July 1999, the Board released an updated strategic plan that introduced new strategies reflecting changes and trends in the North Carolina economy.

In 2001, the Board developed a new comprehensive strategic economic development plan that took innovative and strategic approaches to such issues as incentives, workforce development, and the development of science and future technologies. The Board unveiled its plan, *We Are Changing the Way We Do Business*, in October 2002 and worked to implement the plan, along with staff and advisors, through advocacy and accountability reviews with the state's economic development agencies. The 2002 strategic plan was updated in 2004, 2006, and again in 2007.

In 2009, Governor Perdue charged the Economic Development Board with creating a strategic plan that built upon the work of the previous plans as well as new innovative economic development concepts. The most recent version of the plan, which covers 2009-2012, was approved by the Economic Development Board at the March 2010 meeting.

To formulate this new strategic plan, the Board created three committees to discuss issues in their designated policy focus areas and make recommendations to the full Board for final action. Each committee was aided by staff from the Department of Commerce and by advisors from other state agencies, universities, private companies and non-profit organizations. The Board organized the committees to focus on three major areas of economic development in North Carolina:

- Global Economic Competitiveness;
- Innovation, Technology, Education and Workforce; and
- Widely-Shared Prosperity.

In the fall of 2011, the Board measured its progress and restructured committees into the following areas:

- Tax and Economic Development Tools;
- Performance Metrics; and
- Employment Security Commission & Commerce Merger.

The 2009 – 2012 Statewide Economic Development Strategic Plan is focused on three overarching goals:

1. Create a world class, globally competitive economic and business development system that continually positions North Carolina for a sustainable and growing economy and creates a permanent competitive advantage.
2. Develop and promote North Carolina as a global leader in innovation and technology with a highly educated and qualified workforce.
3. Promote community and business development policies, programs, and services that seek to improve the prosperity of disadvantaged populations and communities across North Carolina.

UPDATE ON THE 2009-2012 STATEWIDE ECONOMIC DEVELOPMENT STRATEGIC PLAN

The implementation plan is a management tool, which serves to:

- Drive a continuous strategic planning dynamic; and
- Provide a snapshot of the Board's progress and keep implementation of the plan on track.

To date, the Board has accomplished 71 percent of the Plan, which consists of three long-term goals and fifteen objectives. Twenty-four percent of the Plan is considered "in-progress" and four percent is outstanding.

2009-2012 STRATEGIC PLAN OUTLINE

Goal 1.0		Create a Globally-Competitive Business and Economic Development System			
Objective 1.1		<u>Business Competitiveness:</u> Establish an environment to enhance opportunities for measurable success and global competitiveness of established industries, entrepreneurs, small businesses, and relocated companies across the state in key emerging and existing industries to make North Carolina a premier business location.			
Actions		Lead	Status	Notes	
1.1.	1	Develop a program to provide a purchasing matching program for NC companies	Commerce and Dept of Administration	Accomplished	NC companies have more opportunities to receive state contracts
	2	Develop a legislative proposal to provide a purchasing preference for NC small businesses	Commerce and Dept of Administration	Accomplished	Executive Order 50: ENHANCED PURCHASING OPPORTUNITIES FOR NORTH CAROLINA BUSINESSES
	3	Advocate for an alteration in the rules for businesses with minor environmental infractions that are eligible for tax credits in the 2010 Short Session	Commerce, DENR, and Dept of Revenue	Accomplished	Part of 2010 EDB legislative agenda. Statutory language was altered to better address major polluters & companies putting their employees & community at risk. [S.L. 2010-147 & S.L. 2010-186]
	4	Improve the communication and services to NC’s businesses through improved coordination and access	EDB, Commerce, Small Business Commissioner	Accomplished	Launched \$46.1 million Capital Access Program and supports DOR's Small Business Taxpayer Relief Program through SBTDC and the SBC Network
	5	Develop a plan for NC’s economic development and international trade approach in Asia	Commerce and EDB	Accomplished	Plan implemented by Commerce's International Trade Division with input from China Council

Objective 1.2		Taxes and Incentives: Establish and support a globally competitive tax policy and incentives portfolio that is fair and balanced and enhances North Carolina’s economic development competitive advantages.			
Actions		Lead	Status	Notes	
1.2.	1	Develop a proposal to modify the film incentive in order to recruit more productions to NC	Commerce	Accomplished	Film credit was modified as part of Commerce’s 2010 legislative agenda. Credit was modified to make NC more competitive for film & TV productions [S.L. 2010-147]
	2	Develop an incentive proposal to help get unemployed workers back to work for the 2010 Short Session	Commerce, GO	Accomplished	Proposal was developed and included in the Governor’s budget. Small businesses allowed temporary 25% credit [S.L. 2010-31 Sec. 31.1.A]
	3	Advocate for a one-year extension of the Article 3J tax credit in the 2010 Short Session	EDB, Commerce, NCEDA	Accomplished	Part of 2010 EDB legislative agenda. Credit was extended to 2013 [S.L. 2010-147]
	4	Advocate for a \$10 million appropriation for the One NC Fund for the 2010 Short Session.	EDB, Commerce, NCEDA	Accomplished	Part of 2010 EDB legislative agenda. \$12.5M was appropriated to enhance the ability of NC to support business expansion, recruitment, & job creation
	5	Develop an incentive program to recruit and retain digital interactive media companies	Commerce, GO	Accomplished	Credit was created support the expansion & relocation of digital interactive media companies to NC [S.L. 2010-147]
	6	Review NC’s incentive structure portfolio to determine if these policies are competitive regionally, nationally, and globally and make recommendations for any needed changes [To be completed in coordination with 1.2.7 and 3.6.1]	EDB	In Progress	Component of Taxes & Tools Committee’s charge
	7	Develop recommendations to establish a tax structure that improves NC’s competitiveness, lessens revenue volatility, balances individual, sales, and corporate taxes, reflect changes in the economic environment, and broadens the tax base and lowers rates to make NC more competitive with other tax structures regionally, nationally, and globally.	EDB	In Progress	Component of Taxes & Tools Committee’s charge

Objective 1.3 <u>Targeted and Emerging Industries:</u> Identify, promote, and support key existing and emerging industry clusters to maximize North Carolina’s globally competitive position.					
Actions		Lead	Status	Notes	
1.3.	1	Identify current and emerging industry clusters to focus all facets of economic development to promote and support cluster development and growth and strengthen the supply chain in target industries <i>[To be completed in coordination with 1.4.1 and 1.5.1]</i>	Commerce	Accomplished	Targeting Task Force identified emerging & current industry clusters in NC & identified potential priority sectors
	2	Develop a buyer-supplier database that identifies NC companies and the products they make to help match them with other NC companies	Commerce and UNC System	In Progress	No funding available
Objective 1.4 <u>Economic Development System and Structure:</u> Assess and capitalize on economic development infrastructure to foster better teamwork and ensure city, county, regional, state, and private sector organizations are properly aligned and coordinated to create a seamless delivery process.					
Actions		Lead	Status	Notes	
1.4.	1	Capitalize on the existing economic development infrastructure and coordinate activities, planning and marketing strategies for better team work and a seamless delivery process between the state, region, local agencies and private sector <i>[To be completed in coordination with 1.3.1 and 1.5.1]</i>	EDB	In Progress	NCPED's NC Research Council and ongoing EDB gatherings serve to facilitate this type of collaboration
	2	Advocate for \$5.2 million in recurring funding for the NC Regional Partnerships and \$300,000 for travel for the NC Department of Commerce’s Business and Industry Division in the 2010 Short Session	Commerce, Partnerships, EDB	Accomplished	Part of EDB 2010 legislative agenda. Partnerships appropriated \$5M (\$2.5M recurring) to support regional ED; \$875K for Commerce business recruiting & product marketing

Objective 1.5 <u>Marketing and Branding:</u> Elevate North Carolina’s global competitiveness and economic development position in the marketplace through the implementation of a coordinated marketing plan resulting in easy access to the economic development network.					
Actions		Lead	Status	Notes	
1.5	1	Study NC’s plan for marketing and branding and recommend short and long term funding required for NC to be competitive with other states	EDB, Commerce	Accomplished	Part of EDB 2010 legislative agenda. \$1M appropriated to market NC as a tourist destination. Component of plan of work for Targeting Task Force
	2	Advocate for a \$500,000 appropriation for the Department of Commerce’s Marketing Program in the 2010 Short Session	EDB, Commerce	Accomplished	Part of EDB 2010 legislative agenda. \$1M appropriated to market NC as a tourist destination; \$875K for business recruiting and product marketing

Goal 2.0		Develop and promote North Carolina as a global leader in innovation and technology with a highly educated and qualified workforce			
Objective 2.1		<u>Workforce Development:</u> Align workforce development and economic development resources and activities. Integrate planning and resource allocation among key education, workforce development, and economic development organizations aimed at making North Carolina’s workforce globally competitive.			
Actions		Lead	Status	Notes	
2.1.	1	Establish a Workforce Innovation Fund to provide grants for current and emerging innovative industry cluster, demand-driven workforce development. Capitalize the fund with multiple sources of funding	EDB, NCCCS, Commerce	Outstanding	Component of ESC and Commerce Merger Activities
	2	Establish a lead to promote seamless and efficient employment, education, and training opportunities to North Carolina citizens and employers (This would include collaboration between boards and commissions responsible for planning, policy development and oversight of workforce development and economic development activities)	EDB, Commerce	In Progress	Component of ESC and Commerce Merger Activities
	3	Encourage the Department of Commerce to work with the Governor’s Office to bring together all of the appropriate agencies that provide labor market and economic data sources to ensure that needs of citizens, employers and agencies are being met	Commerce	In Progress	Component of ESC and Commerce Merger Activities

Objective 2.2		R&D and Innovation: Increase the level of R&D and innovation, particularly by small businesses.			
Actions		Lead	Status	Notes	
2.2.	1	Advocate for a \$5 million appropriation for the NC Green Business Fund in the 2010 Short Session	EDB, Commerce	Accomplished	Included in the EDB’s recommendations but not included in final budget. ARRA funds used instead of state funds for the Green Business Fund
	2	Encourage the UNC system to expedite development of an electronic 'look-in' portal to enable companies and economic developers to review technology and determine faculty expertise for research and technology development	EDB, UNC System	Accomplished	Reach NC is under development. The EDB adopted a resolution in support of this technology
	3	Study the effectiveness of the NC R&D tax credit and develop recommendations for changing the credit if necessary	EDB and Innovation Council	Accomplished	Innovation Council studied the R&D credit as part of its work and recommended a range of possible modifications to the credit. Some recommendations were part of legislation in 2011 Long Session (ex. HB 919)

Objective 2.3		Capital: Increase early-stage capital for innovation, particularly by small businesses.			
Actions		Lead	Status	Notes	
2.3.	1	Advocate for (1) the sunset extension of the Qualified Business Venture tax credit; (2) the expansion of the credit for institutional investors, and (3) the extension or removal of the cap in the 2010 Short Session	EDB, Commerce	Accomplished	Credit was extended in 2010 session to 2013 [S.L. 2010-31 Sec. 31.5]. Innovation Council reviewed QBV and made recommendations for further improvements in the 2011 Long Session (HB 919)
	2	Advocate for the creation of a Founder’s Tax credit in the 2010 Short Session	EDB, Commerce	Accomplished	Innovation Council recommended establishing a new tax exclusion for capital gains on stock acquired by founders and investors in qualifying NC start-up companies (HB 919)
	3	Advocate for a \$5 million appropriation for the One NC Small Business Fund in the 2010 Short Session	EDB, Commerce	Accomplished	Part of the EDB 2010 legislative agenda. \$1.5M to match federal grants to innovative/ competitive companies
	4	Advocate for the creation of Life Sciences Development Corporation to assist life sciences companies in financing new manufacturing facilities, laboratories and other facilities in the 2010 Short Session	EDB, Commerce	Accomplished	A part of the 2010 legislative agenda
	5	Encourage study of creation of a seed investment fund to enable early stage development of university technology into commercially viable products	EDB, Commerce	In Progress	Innovation Council is reviewing the creation of a seed investment fund

Objective 2.4 <u>Leadership:</u> Leverage North Carolina’s economic potential related to the green economy and position the State as a leader in green and other key industries where the State has a clear competitive advantage.					
Actions		Lead	Status	Notes	
2.4.	1	Work with the Department of Commerce to increase markets for the export of green economy products and services based and manufactured in NC	EDB, Commerce	In Progress	Recent project announcements have increased within this sector
	2	Encourage the Department of Commerce, NGO, and universities to conduct supply chain research for key green economy industries that have been determined to have development potential and to identify existing industry that can be broadened to supply components to this supply chain	EDB, Commerce, UNC System	Accomplished	Commerce and its Energy Division has worked with several local universities on studies covering Smart Grid, Off-Shore Wind, and Renewables
	3	Encourage focused support efforts to assist small start-up businesses within NC’s six targeted ‘green’ energy sectors in capital formation, financial reporting, access to University R&D, workforce development <i>[in coordination with 3.3.1]</i>	Commerce – Energy Office and Small Business	Accomplished	The Green Business Funding funded small firms and start-ups; the Small Business and Technology Development has resources for small firms as well as the Rural Center and Golden LEAF

Goal 3.0					Improve the prosperity of disadvantaged populations and communities across North Carolina					
Objective 3.1		<u>Infrastructure Funding:</u> Support additional funding and identify flexible financing alternatives for broadband, water/sewer, and public transportation infrastructure in low resource communities								
Actions				Lead		Status		Notes		
3.1.	1	Identify funding sources for infrastructure development in low resource communities. Project team will also focus on identifying strategies to incent regional infrastructure development			EDB, IEI, NCACC, NCLM, Commerce		Accomplished		EDB's Infrastructure and Regional Development Committee identified potential funding mechanisms	
	2	Advocate for e-NC sunset extension or removal			EDB		Accomplished		Legislation introduced in 2011-2012 Session [HB 91 / SB 91]	
Objective 3.2		<u>Business & Community Development Capacity & Collaboration:</u> Improve the efficiency and effectiveness of business and community development service delivery in North Carolina through: 1) the promotion of knowledge-sharing and leadership capacity building at the local level; and 2) programmatic and statutory incentives designed to encourage regional collaboration and resource sharing.								
Actions				Lead		Status		Notes		
3.2.	1	Identify legislative or programmatic actions that can be taken to encourage regional and local cooperation, particularly around developing multi-jurisdictional industrial parks and infrastructure projects			EDB, Commerce, NCLM, NCACC		Accomplished		Eco-Industrial Park legislation was passed in 2010 session [S.L. 2010-147]; Ongoing mega-site taskforce	
	2	Evaluate the Regional Economic Development hub studies completed by NCSU and UNC-CH and develop recommendations that should be implemented in NC			EDB, Commerce, Logistics Task Force, NCACC, NCLM		Accomplished		Reviewed, evaluated and decided not to pursue at this time	
	3	Advocate for continued funding for NC Commerce community development programs			Commerce, EDB		Accomplished		\$1.5M was appropriated for the Main Street Solutions program. Funding was provided to support small business development and job creation in small, rural downtowns	
	4	Identify strategies to enhance leadership development and civic engagement in disadvantaged communities and identify any service gaps			EDB		In Progress		Commerce's Community Development Division continues to focus on these efforts (example: NC Tomorrow)	

Objective 3.3 <u>Small Business Access to Capital & Technical Assistance:</u> Encourage the growth and development of small businesses by creating greater opportunities to access capital and technical assistance.					
Actions		Lead	Status	Notes	
3.3.	1	Commission a work group to analyze the feasibility and desirability of B-Corps and L3Cs as new corporate forms in North Carolina. If approved, develop implementation recommendations and draft legislation for the 2011 legislative session <i>[To be completed in coordination with 2.4.3]</i>	EDB	Accomplished	A part of the 2010 legislative agenda
Objective 3.4 <u>Residential, Commercial & Industrial Development:</u> Improve the physical environment in disadvantaged communities by promoting: redevelopment of underused and vacant buildings; redevelopment of brownfield sites; new site development; and quality affordable housing.					
Actions		Lead	Status	Notes	
3.4.	1	Evaluate the effectiveness of existing physical environment tax credits (e.g. historic preservation, brownfields, affordable housing) and develop recommendations if applicable	EDB, Commerce	Outstanding	Potential Component of Taxes & Tools Committee's charge
	2	Advocate for recurring funding for the Department of Commerce's and the NC Rural Center's building reuse programs	EDB, Commerce	Accomplished	\$3.1M appropriated to Rural Center. Strengthened the capacity of rural communities to compete for & attract new and expanding businesses

Objective 3.5					
<u>Grow, Retain & Attract Skilled Workers:</u> Improve the ability of disadvantaged communities to retain and attract young, educated and skilled residents, and provide retraining for the existing workforce.					
Actions		Lead	Status	Notes	
3.5.	1	Identify strategies to improve access to and the understanding of the state’s various existing workforce development programs by disadvantaged communities	EDB, Commerce	In Progress	Component of ESC and Commerce Merger Activities
	2	Advocate for recurring funding for the NC Arts Council grant programs	EDB	Accomplished	A part of the 2010 legislative agenda
Objective 3.6					
<u>Business Incentives:</u> Establish and support community and economic development tools specifically designed to incent job creation and capital investment in disadvantaged communities through: new business startups; the expansion of existing companies; and the relocation of companies.					
Actions		Lead	Status	Notes	
3.6.	1	Identify economic development tools that will incent job creation and capital investment in disadvantaged communities. Project team will also review the definition of “distressed” in North Carolina <i>[To be completed in coordination with 1.2.6 and 1.2.7]</i>	EDB	In Progress	Component of Taxes & Tools Committee
	2	Advocate for recurring funding for the NC Community College System’s customized training program	EDB, Commerce	Accomplished	NCCCS were funded at a recurring level with the EDB’s support

DATA AND ANALYSIS ON KEY ECONOMIC INDICATORS

G.S. 143B-434 calls for analysis of the eight data points listed below. Technical tools developed by the Agency, such as AccessNC, enable readers to readily retrieve similar information, region specific and statewide. In addition, Commerce produces numerous publications that provide more detailed analysis than is required by statute and have a wider readership than this report. These resources include:

- [NC Today](#) is a monthly review of labor market conditions in North Carolina with comparative data from the United States as a whole, and from selected Southern states on various aspects of the economy. Topics include employment and unemployment statistics, industry employment and wage measures, business closings and permanent layoffs, unemployment insurance benefits paid accompanied by trust fund activities, and quarterly updates on employer cost for employee compensation. The report also includes comparative data on the 1990/2001 recessions.
- [Monthly reports](#) provide a snapshot of the State's economy by highlighting current economic conditions in North Carolina as well as national trends.
- North Carolina's bi-annual [Economic Index](#) provides more detailed information on sixteen elements essential to economic development.
- [The State of the N.C. Workforce 2011-2020 Report](#) provides an in-depth analysis of the supply of available workers and the workforce demand in the state. The Report evaluates the impact of the Great Recession on North Carolina's labor force and revisits ongoing structural economic trends identified before the recession.
- [AccessNC](#) is a web-based tool that enables users to retrieve community demographic reports, labor market and education data on communities in North Carolina.
- [Demand Driven Data Delivery System](#) (D4) makes available a plethora of employment and business data, all of which can be categorized by region.

NET JOB CHANGE

Net job change, also known as job flow, is the calculation of gross job losses subtracted from gross job gains that occur among all businesses. As noted in [February's edition of NC Today](#), "The major sectors to report over-the-year seasonally adjusted job increases were: Professional & Business Services, 13,900; Trade, Transportation & Utilities, 13,600; Education & Health Services, 8,200; Leisure & Hospitality Services, 7,900; Construction, 5,900; Manufacturing, 4,400; Other Services, 1,400; Financial Activities, 100; and Information, 100."

REALIZED CAPITAL INVESTMENT

The [Community Investment Report](#) (CIR) is a comprehensive collection of economic development announcements for capital investment, infrastructure development, and job creation in North Carolina. In 2011, a total of 570 unique Economic or Infrastructure Development Project announcements were submitted to the CIR database. These project announcements accounted for over \$6.7 billion dollars in capital investment and 29,011 new jobs in the State of North Carolina. The largest manufacturing capital investment announcement in North Carolina during 2011 was made by Horsehead Corporation (\$360M), while the largest manufacturing job creation announcement was made by Daimler Trucks NA (1,328 combined jobs in Mt. Holly and Gastonia). Over half of the projects announced (54%) in 2011 were expansions and the remainder were new projects. Data centers made up nearly half (4) of the top 10 announced projects by capital investment. Over the year, projects submitted to the CIR database included announcements for companies headquartered in 24 different countries. The countries with the highest number of projects were Germany (20), followed by Canada (9) and Japan (8). Almost three fourths (73%) of the projects announced in these top three countries were in the manufacturing sector.

The [Economic Development Grant Report](#) (§ 143B-437.07), is another source for understanding private investment as a result of Commerce-administered incentive programs.

MANUFACTURING CHANGES

Since the beginning of the 2007 national recession (December 2007), North Carolina has lost 95,700 manufacturing jobs. Since the end of the recession in June 2009, North Carolina's manufacturing industries experienced a decline of 7,200 jobs. The following sectors in Manufacturing showed over-the-year not seasonally adjusted job increases: Machinery, 2,200; Fabricated Metal Product, 1,900; Furniture & Related Product, 1,200; Transportation Equipment, 1,100; Electrical Equipment, Appliance & Component, 900; Chemical, 600; Plastics & Rubber Products, 400; Computer & Electronic Product, 300; and Wood Product, 200. Losses were reported in the remaining sectors: Textile Mills, 1,500; Food, 1,200; Beverage & Tobacco Product, 800; Textile Product Mills, 600; and Printing & Related Support Activities, 300. Apparel reported no change. (See [February's NC Today](#) for additional analysis).

NET FIRM CHANGE INDICATOR

In a 2010 Kauffman Foundation ranking of states with the fastest growing firms, Massachusetts and Virginia ranked first and second in the nation, respectively. Georgia (9th) and Pennsylvania (14th) also ranked ahead of North Carolina (17th). Between 2005 and 2009, North Carolina saw a decrease in the total number of firms by - 1.2 percent. North Carolina ranked second behind South Carolina in percent change in large firms from 2005 to 2009 with an increase of 8.7 percent.

Larger firms typically have an economic advantage when innovation and production involve large fixed costs. On the other hand, when flexibility or the ability to shift resources is more appropriate, smaller firms have an advantage. Thus, while size does matter in the innovation and growth of a firm, the relationship varies based on market opportunities.

For more information, please refer to the Firm Growth Indicator in the 2011 North Carolina Economic Index: <http://nccommerce.com/Portals/0/Research/EconIndex/2011%20Economic%20Index.pdf>

STATUS AND PERFORMANCE ON KEY SECTORS

One of the most common ways to measure a state's overall economic performance or strength is to look at state gross domestic product (State GDP). In the years before the recession the State experienced significant economic growth. In 2004, North Carolina's Real GDP was \$335.9 billion. Real GDP peaked in 2007 at \$377.6 billion before declining to \$360.5 billion in 2009. Despite the decrease from 2007 to 2009 the State's Real GDP grew by 7.3 percent from 2004 to 2009, greater than the U.S. average of 4.7 percent.

For more information, please refer to the State Gross Domestic Product Indicator in the 2011 North Carolina Economic Index. The Exports and Foreign Direct Investment Indicators in this Index also contain additional information about the performance of key sectors: <http://nccommerce.com/Portals/0/Research/EconIndex/2011%20Economic%20Index.pdf>

DEMOGRAPHIC CHANGE AND RURAL BUSINESS DEVELOPMENT

Between 2000 and 2009, North Carolina's population increased by more than 1.3 million, due mainly to net migration (people who moved into NC less those who moved out). Most of this growth (85 percent) occurred in counties linked to a municipality of at least 50,000 people.

For more information about demographic change in North Carolina, please refer to the Population Indicator in the 2011 North Carolina Economic Index: <http://nccommerce.com/Portals/0/Research/EconIndex/2011%20Economic%20Index.pdf>

In 2007, concerned about growing economic gaps and persistent poverty, the North Carolina Rural Center launched the Rural Economic Opportunity Initiative. It documents the extent and challenges of rural poverty and helps communities on the economic margins to overcome those challenges. For more information about rural economic development, please refer to *Rural North Carolina in the Aftermath of the Great Recession*: http://www.ncruralcenter.org/images/PDFs/ResearchInnovation/1_livingonmargins_aftermath_final.pdf

STATUS OF MINORITY OWNED BUSINESSES

The most recent data assessing statewide minority-owned business was made available by the Census Bureau's 2007 Survey of Business Owners (SBO), which is accomplished every five years. Detailed findings are published on a rolling basis as statewide analyses are accomplished. In July 2010, North Carolina-specific information was released, indicating that over 130,000 firms are considered minority-owned; associated receipts amount to over \$16 million.¹ Between 2002 and 2007, minority firms grew nearly three times faster than all North Carolina firms. Minority-owned firm receipts grew two times faster than all statewide firms.

The N.C. Institute for Minority Economic Development also publishes research, which can be found at: <http://www.ncimed.com/>

DEVELOPMENT CAPABILITY

The N.C. Department of Commerce annually ranks the state's 100 counties based on economic well-being and assigns each a Tier designation. The 40 most distressed counties are designated as Tier 1, the next 40 as Tier 2 and the 20 least distressed as Tier 3. This Tier system is incorporated into various state programs to encourage economic activity in the less prosperous areas of the state.

For more information about the Tier system, please refer to: <http://www.nccommerce.com/research-publications/incentive-reports/2011-county-tier-designations>

Economic Development capability information is also available in the Labor Productivity and Earnings Indicators in the 2011 North Carolina Economic Index: <http://nccommerce.com/Portals/0/Research/EconIndex/2011%20Economic%20Index.pdf>

¹ <http://www.census.gov/econ/sbo/>