High Country
State of the Workforce
Report
2005

Developing a Regional Competitive Workforce Advantage

HIGH COUNTRY JobLink WORKFORCE DEVELOPMENT BOARD

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Table of Contents

Executive Summary **1**

Separate But United: Thinking and Acting Like a Region 1

The Impact of Second Home Buying: Dilemma or Delight? 1

Supporting a Changing Economy with Small Business and Entrepreneurship 1

Educational Attainment, Emerging Workforce, and Career Awareness 2

High Country Data Summary 2

Who We Are 2

What We Do 3

The Emerging Labor Force 4

Introduction **5**

Project Background 5

How to Read This Report 5

Acknowledgements 6

Section 1: Separate but United—Thinking and Acting Like a Region **8**

THE HIGH COUNTRY TALKS ABOUT THINKING AND ACTING LIKE A REGION 12

The Bottom Line 12

Strategic Opportunities 13

Section 2: The Impact of Second Home Buying: Dilemma or Delight? **14**

THE HIGH COUNTRY TALKS ABOUT SECOND HOME BUYING AND DEVELOPMENT 15

The Bottom Line 16

Strategic Opportunities 16

Section 3: Supporting a Changing Economy with Small Business and Entrepreneurship **17**

THE HIGH COUNTRY TALKS ABOUT THE CHANGING ECONOMY, SMALL BUSINESS, AND ENTREPRENEURIALISM 19

The Bottom Line 19

Strategic Opportunities: The Changing Industry Base 20

Strategic Opportunities: Developing Entrepreneurialism 21

Section 4: Educational Attainment, Emerging Workforce, and Career Awareness 23
The High Country Talks About Education and the Emerging Workforce 26
The Bottom Line 27
Strategic Opportunities 27
A Last Thought 29
Appendix: Table of Contents 31

Executive Summary

This High Country **State of the Workforce Report 2005** provides a snapshot of the region's varied strengths and challenges. It also outlines important issues facing the region and frames key opportunities for action that are designed to answer the question: ***How prepared are we for the new economy?***

Separate But United: Thinking and Acting Like a Region

Thinking and acting as a region is important because most businesses are affected by the area-wide economy in terms of access to customers and supply of workers. Regional factors also affect business site location, especially for new and expanding businesses. When businesses plan for capital investment to expand or locate, they are first attracted to a region for its reputation. The most frequently cited reason for selecting a new location is the quality and supply of the labor force and its ability to be trained. Regional efforts must be made to initiate discussion of the issues and barriers to economic growth and job development.

The Impact of Second Home Buying: Dilemma or Delight?

A theme that was common throughout the High Country region was concern for the increase in the number of second homes. Second homes are those whose owners maintain a primary residence elsewhere and who spend only part of their time in the region. Second home development creates demand for a range of goods and services from businesses and local governments. In turn, the workers that contribute to new home development require housing and create additional demand for private and government services.

Supporting a Changing Economy with Small Business and Entrepreneurship

The High Country region benefits from a strong services industry base, but the area is not economically diverse. The retail trade, tourism, and services industry make up approximately 55% of all jobs in the region.[1] There have been increases in employment in the construction and professional and business services sectors while manufacturing employment has declined.[2] The increase in the construction sector provides some diversity to the local economy and will help the High Country

[1] The Employment Security Commission of North Carolina, data available in Appendix D (p. 83)
[2] *Ibid*

to better weather a recession. Dominance of the retail trade, tourism, and services industry supplies many low-wage and low-skilled jobs that do not bring high incomes to the region's economy.

Educational Attainment, Emerging Workforce, and Career Awareness

An educated workforce is a key element in a strong economy. High Country employers will require a higher level of education and skills from their future employees, according to occupational projections. The knowledge and training available through secondary education contribute significantly to creating a workforce capable of succeeding in and adapting to the changes in the new economy.

The region's educational attainment statistics, literacy levels, and the feedback from employers suggest that the basic skills required to enter and advance in the changing economy are lacking. The greater community needs to create awareness of the opportunities to gain the required skills demanded by employers now and in the future.

High Country Data Summary

Who We Are

- The High Country gained 24,627 residents from the year 1990 to 2002.[3]
- Projected growth from 2002 to 2012 shows the region growing by roughly 2,000 residents annually.[4]
- Compared to the state and nation, the High Country has a higher percentage of its population over 55 years of age as well as a higher percentage of young adults age 18 to 24.[5]
- While having a lower population of Hispanics than both the state and the nation, the region has experienced a total growth in Hispanic population of 4,191 residents since 1990.[6]

[3] U.S. Census Bureau & AGS Demographics, Appendix D (p. 42)
[4] *Ibid*
[5] U.S. Census Bureau, Appendix D (p. 45, 46)
[6] U.S. Census Bureau, Appendix D (p. 49)

- The region lags behind the state and the nation in educational attainment with a greater number of residents with a high school diploma or less and a lower percentage of the population with some sort of postsecondary training or education.[7]
- Income growth in the region was slower than the state and nation between 1990 and 2002. However, income projections indicate a higher level of growth for the region than the comparison areas.[8]
- Self-employment income is at a higher level than the state and nation, indicating a level of success for small business ventures and/or a higher level of entrepreneurialism in the region.[9]

What We Do

- Four of the seven counties in the region have labor force participation rates (those working versus those who could work) that are below 60%.[10]
- From 1993 to 2003, the labor force was growing faster than employment.[11]
- The High Country region experienced a 9% increase in its labor force between 1993 and 2001; however, for the time period 2001-2003, the region experienced a labor force decline.[12]
- In 2003, the region experienced a sharp increase in unemployment while the state experienced a moderate decrease in unemployment.[13]
- The 1998-2008 occupational projections indicate the largest decline in demand for agriculture and forestry occupations.[14]
- The largest increases in employment from 1992-2002 were in the construction industry and the professional business services industry,

[7] U.S. Census Bureau, Appendix D (p. 69, 70)
[8] U.S. Census Bureau, Appendix D (p. 50, 51)
[9] U.S. Census Bureau, Appendix D (p. 52, 53)
[10] Bureau of Labor Statistics, Appendix D (p. 61)
[11] Bureau of Labor Statistics, Appendix D (p. 62)
[12] Bureau of Labor Statistics, Appendix D (p. 62)
[13] Bureau of Labor Statistics, Appendix D (p. 65)
[14] The Employment Security Commission of North Carolina, Appendix D (p. 83)

matching the occupational demand for office and administrative support and skilled trades workers.[15]

- While the number of manufacturing businesses increased slightly over the past ten years, overall employment in manufacturing decreased.[16]
- The highest employment is in office and administrative support, production, and food preparation occupations. These occupational categories also have some of the lowest average annual wages for the region.[17]
- Mitchell and Watauga counties are experiencing moderate increases from inbound commuters.[18]

The Emerging Labor Force

- Eight of the ten high schools in the region are outperforming the state in the 10th grade comprehension test.[19]
- In a state comparison, the percentage of high school students enrolled in advanced college prep courses is low; however, the level of enrollment in technical and career courses is higher than the state.[20]

- Only two high schools in the region exceed the state in number of books per student, two exceed the state ratio of students per computer, and one high school has a higher level of students per computer with internet access.[21]

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15 The Employment Security Commission of North Carolina, Appendix D (p. 83)
16 The Employment Security Commission of North Carolina, Appendix D (p. 83)
17 The Employment Security Commission of North Carolina, Appendix D (p. 76)
18 U.S. Census Bureau, Appendix D (p. 80)
19 North Carolina Public Schools: School Report Cards, Appendix D (p. 72)
20 North Carolina Public Schools: School Report Cards, Appendix D (p. 73)
21 AGS Demographics & North Carolina Public Schools: School Report Cards, Appendix D (p. 60)

Introduction

Project Background

The High Country **State of the Workforce Report 2005** is a strategic planning tool published by the High Country Workforce Development Board. We are a business-led organization serving as the catalyst for workforce development in Alleghany, Ashe, Avery, Mitchell, Watauga, Wilkes, and Yancey Counties. Our Board members also include leaders from the High Country's postsecondary institutions, economic development organizations, community-based organizations, and public/human services agencies. We recognize that a viable workforce is a vital part of economic growth in our region. We direct our efforts toward strengthening the labor force to ensure that employers are matched with employees who will sustain, develop, and grow their businesses well into the 21st century.

The High Country Workforce Development Board recognizes the area's workforce as a key component in the region's future economic well-being. The High Country's **State of the Workforce Report 2005** was undertaken to make an objective examination of the strengths and challenges facing the region's workforce. The study of the state of the workforce in the High Country region began in May 2004 by the Corporation for a Skilled Workforce (CSW), an Ann Arbor, MI non-profit organization specializing in capacity building to help communities thrive in a skills- and knowledge-based economy.

The High Country Workforce Development Board convened community stakeholders from education, business, and public sectors to help in developing the report. Secondary data collection was conducted and stakeholder meetings were held in order to react to data and address common themes. On-site interviews were conducted with groups of business owners, secondary and post-secondary education representatives, and local government officials and staff. The combination of secondary data collection, on-site interviews, and input from the Workforce Board and stakeholders was used to develop the "storylines" in the report.

How to Read This Report

This report is a call to action. If the High Country is to be a region where people continue to want to live and work, and if the region is to be a place where businesses and institutions continue to thrive, then important changes must take place. Specific action planning will be central to ongoing discussions involving stakeholders and community representatives across all sectors of the region.

This **State of the Workforce Report 2005** includes overall data trends for a number of community factors that are relevant to the local and regional labor market, including workforce supply and demand-side indicators, and offers an analysis of the implications these trends have for achieving workforce excellence in the High Country. This report also provides an assessment of career development trends and how the education system is preparing to meet the needs of the emerging workforce to serve future employers.

The report is built around major storylines for the region, with supporting data provided for each. The data is provided in Appendix D with brief narratives at the end of each data set that describe what the conditions and trends mean for the High Country. This is not an exhaustive recitation of all existing data, and more timely data is being generated every day. The data provides a snapshot of the region which is used to view the major trends and changes that are impacting the region.

The overarching goal of the High Country **State of the Workforce Report 2005** is to share information with business, economic development, government, labor, education, and other community leaders who demonstrate a serious commitment to workforce development. This report is a description of the region and is built around major themes presenting both the strengths and challenges facing the High Country. The report, while integral to the strategic planning process, is not a strategic plan. It is a research study created to foster dynamic discussions about the future of the region. Workforce issues must be an integral part of the debate about how to position the entire region for sustainable economic growth. Regional economic development cannot succeed without a strong emphasis on and strategic investment in workforce development.

Acknowledgements

Preparation of the **State of the Workforce Report 2005** was a collaborative effort between the High Country Workforce Development Board and an advisory task force comprised of key representatives from government, economic development, labor, education, business, and industry. Many thanks to the members of the task force who provided valuable insights as this report was prepared. Thanks also go to the more than 100 key stakeholders including employers, business leaders, education leaders, and government

leaders who provided important and clarifying information to help the report go beyond just listing statistics. Much of their input is contained in this report.

Corporation for a Skilled Workforce (CSW) did the research and writing for the report. CSW's team consisted of: Project Manager and Senior Partner John P. Metcalf, Senior Partner Donna Crudder, and Lead Researcher Tim Dunn. The State of North Carolina's Workforce Development Commission provided funding for this report.

Additional copies of the report, as well as supplemental information compiled during its production, will be provided through the Board's executive office. For additional printed copies of this report, please contact:

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Section 1: Separate but United—Thinking and Acting Like a Region

While labor markets do not stop at county lines, the High Country official designation as a workforce and economic development area by the state of North Carolina helps reinforce regional collaboration as a means to achieve economic success in the future. In addition to being a designated workforce development region, the counties in the High Country share common regional strengths as well as regional challenges.

Regional Strengths	Regional Challenges
♦ Full pipeline of future workers ♦ Higher than average self-employment income ♦ Quality of life and tourism as economic assets ♦ Responsive postsecondary system ♦ Watauga County as a strong regional economic anchor	♦ Aging workforce ♦ Educational attainment lower than comparison areas ♦ Misalignment between labor force growth and job growth contributing to higher unemployment rates ♦ Low industrial diversity

Underlying all of the research data is the fact that Alleghany, Ashe, Avery, Mitchell, Watauga, Wilkes, and Yancey Counties comprise one region that has distinct subregions. The eastern counties (Ashe, Alleghany, and Wilkes) are distinct in having an economic base made up of agriculture and manufacturing.[22] The western counties (Avery, Mitchell, and Yancey) are distinct for their services industry based in trade and tourism.[23] Watauga County sits between the two sub-regions and acts as an economic hub. While each of the seven counties have unique characteristics, they are economically interdependent. The assets in one county are assets to the region, just as challenges in one area are challenges for the region.

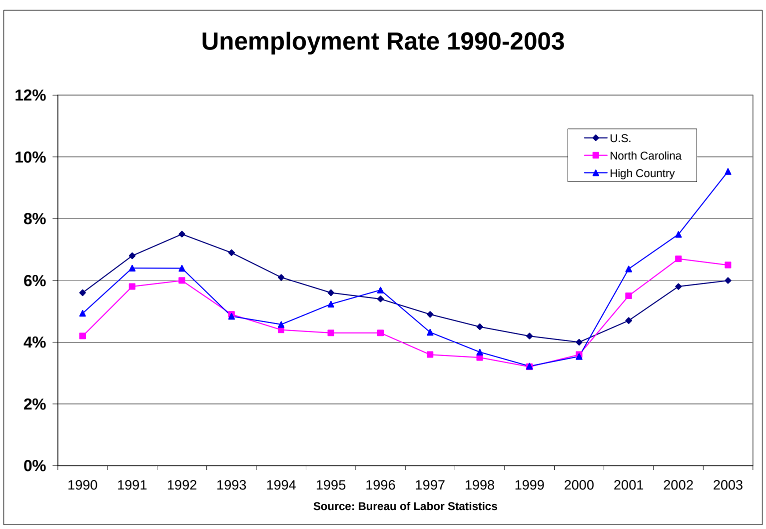
As the economic hub of the region, Watauga County is the most densely populated and is a significant

[22] The Employment Security Commission of North Carolina; www.ncesc.com
[23] Ibid

source of high-wage and high-skill jobs. Watauga is also home to Appalachian State University, one of the postsecondary institutions playing a vital role in developing the region's workforce. Across the High Country, community colleges are not only preparing the adult and youth labor force for the new economy; they are also essential to regional collaboration. Caldwell, Mayland, and Wilkes Community Colleges are connecting secondary and postsecondary institutions with regional employers and fostering public support across the region for vocational and technical careers.

The region has a higher percentage of young adults compared to the state and the nation. The major source of this difference is the University in Watauga County where the 18 to 24 age group is over one-quarter of the total population.[24] While Watauga has a high young adult population, the rest of the region has an older than average population. The average age in the High Country is 39, which is three years older than the average for the state and nation.[25] Retaining the youth from Watauga is imperative. The region needs the supply of younger workers to fill the gaps left by the older workers exiting the labor force.

During interviews, community leaders expressed concern about the preparedness of the emerging labor force. A common theme discussed in the context of both the current and the emerging workforce was the perceived lack of basic skills and training needed to succeed in the workplace. Currently the region has a lower than average educational attainment level for the adult population. Nearly 30% of the adult population in the High Country lacks a high school diploma compared to 19% nationally.[26] To create and maintain a competitive advantage, the region must have a workforce that has the ability to upgrade skills and is dedicated to lifelong learning.

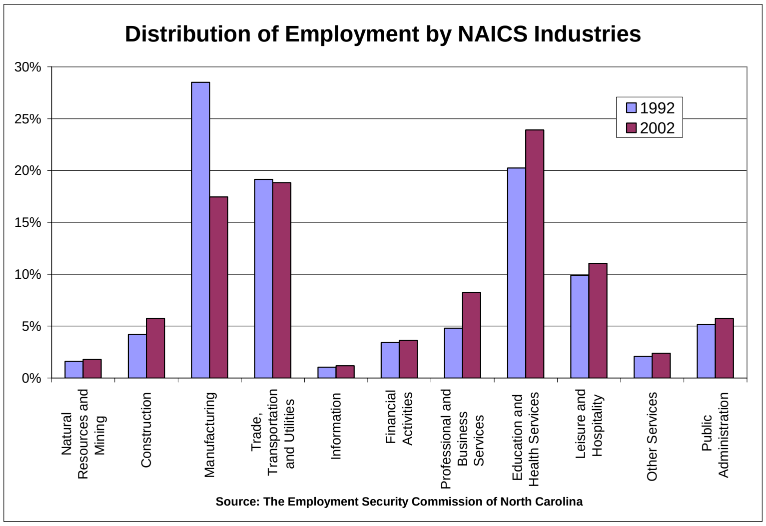


As future workers prepare for the workplace, the region must be developing jobs for them to fill. The region is experiencing job growth that is significantly below

[24] U.S. Census Bureau, Appendix D (p. 46)
[25] U.S. Census Bureau, Appendix D (p. 44)
[26] U.S. Census Bureau, Appendix D (p. 69)

both the state and national rates of growth. In 2001, unemployment rates rose above national levels for the first time since 1996. Over the past decade, the nation has experienced a significant decline in manufacturing jobs. The High Country is no exception to this national trend. The High Country's manufacturing industry declined by 30% from 1992 to 2002, losing nearly 6,000 jobs regionally.[27] Challenges such as outsourcing and downsizing in manufacturing are not unique to the High Country, but the High Country has strengths in manufacturing that are unique. Manufacturing still is the third largest industry sector in the High Country. Employment in manufacturing is down, but the number of manufacturing businesses has increased.[28] Dislocated workers from downsized and closed plants have supplied labor to, and fostered growth in, smaller manufacturing businesses in the region.

The High Country region has low industrial diversity, which is a measure of the extent to which an area is insulated from a sharp downturn in one of its top industries. The downturn in manufacturing was a considerable loss for the region. However, the region is gaining jobs in other sectors and this job growth is adding to the industrial diversity of the area. It is supported by growth in the finance, insurance, and real estate industries as well as in the health and education sectors. These types of sectors not only support high-skill and high-wage jobs, but are also capable of developing spin-off businesses in areas such as information technology and research and development.[29]



More evidence that the counties are interdependent is revealed by commuting patterns. Nearly 82% of the workers who live in the High Country work there as well.[30] The counties in the

[27] The Employment Security Commission of North Carolina, Appendix D (p. 83)
[28] The Employment Security Commission of North Carolina, Appendix D (p. 83)
[29] North American Industry Classification System

High Country share a common labor pool and businesses across the region benefit from the investments people are making locally in the workforce. There is commuting between counties in the region, but there are 8,466 residents in the seven counties that commute outside the region for employment.[31] This number represents a net loss of workers because the number of in-bound commuters to the region is less.

The region also boasts a very high quality of living. It is hard to quantify in data the quality-of-life measure, but the region fares "well to good" compared to the state in data such as single parent households, families receiving public assistance, and youth in poverty.[32] Strong support for a high quality of life was demonstrated through interviews and community forums. In most cases, people were quick to voice their belief that the region must think locally and act regionally to maintain a high quality of life.

[30] U.S. Census Bureau, Appendix D (p. 81)
[31] U.S. Census Bureau, Appendix D (p. 80, 81)
[32] U.S. Census Bureau, Appendix D (p. 67-68)

THE HIGH COUNTRY TALKS ABOUT THINKING AND ACTING LIKE A REGION

- "Our success for economic development is dependent on the leadership thinking regionally."
- "We have experienced a blurring of county lines. However, there has been no unifying event to cause us to have to come together."
- "Easy to talk about, hard to pull off."
- "Everyone knows that whoever lands a big project will precipitate a domino effect that will be positive for all of us."
- "Fear of the unknown is causing paralysis."
- "If it costs money and saves on overhead, we'll listen; if it creates a new tax base, I'm greedy. That's the prevailing thought across the region."
- "Mindset: let's keep the good stuff in the county!"
- "We are very fortunate to have the community colleges we have, but we need more courses offered in adjacent counties."
- "If it is resource economical, it has support; i.e., New River Behavioral Health Care, regional libraries, Council of Governments, 421 Hwy project. On the other hand, if it is economic development (new employer with jobs), we want it here, not there."

The Bottom Line

Thinking and acting as a region is important because most businesses are affected by the area-wide economy in terms of access to customers and supply of workers. Regional factors also affect business site location, especially for new and expanding businesses. When businesses plan for capital investment to expand or locate, they are first attracted to a region for its reputation. The most frequently cited reason for selecting a new location is the quality and supply of the labor force and its ability to be trained.

Leaders currently involved in regional efforts recognize that a greater critical mass of people, businesses, and services is needed today for a development strategy to succeed. Leaders in these counties must create a unified, appealing definition for the region that is easy to communicate to a wide range of audiences, both within and beyond the region. Such a definition must be integrated into the marketing strategies of the major education, economic, workforce, and community development organizations in the region. In many areas, forming a regional plan has helped open the door to new economic opportunities. All of the right ingredients for stronger regional cooperation and marketing are in place in the High Country. They need to be thought about and mobilized differently.

Strategic Opportunities

√ **Develop a regional communications plan.** For a fully integrated, systematic approach to the challenges facing the High Country region, it is critical to develop a communications strategy that keeps the stakeholders and the community at large informed of the workforce challenges and what each can do to positively impact those challenges. Community buy-in to a preferred vision will be the catalyst for action. A preferred vision and long-term communications program will provide more visibility about the region's strengths and opportunities, and can position the High Country as a region with a skilled, educated, and capable workforce.

√ **Sell the region to employers on the basis of a commitment to constantly upgrade the skills of the workforce.** The field of economic development is changing rapidly, and economic developers need marketing information to demonstrate to existing and prospective employers that this is a good region for doing business. One of the most powerful approaches to economic development is to focus on community support for constantly upgrading the skills of the workforce.

√ **Create a stage for convening ideas and developing solutions.** Effective regional planning cannot be done in a vacuum. Private, public, and education sectors across the region must work together to create a shared vision. Creating a neutral place for convening ideas and developing solutions allows all perspectives to be heard and incorporated into a regional plan.

√ **Build off of current regional planning efforts to support workforce and economic development collaboration.** Regional collaboration exists in projects like New River Behavioral Health Care, regional libraries, the Council of Governments, and the Highway 421 project. The High Country needs to use the resources and energy from these partnerships to gain support for workforce and economic development planning.

Section 2: The Impact of Second Home Buying: Dilemma or Delight?

A common subject discussed throughout the High Country region is the economic impact of large numbers of second home buyers. Second homes are those owned by individuals who maintain a primary residence elsewhere and who spend only part of their time in the region. Second home development creates demand for a range of goods and services from businesses and local governments. In turn, the workers that contribute to new home development require housing and create additional demand for private and government services. Service providers then employ more workers with additional needs for housing, services and so forth.

The market for second homes creates a cycle of job generation in the local economy. As the building of second homes has grown to be a large part of the economic and physical landscape, the scope of the job-generating effects has become an important issue in managing development in the region. Increasing numbers of second homes absorb large amounts of land and impact real estate prices and the cost of living, as well as demand for services from local governments.

The counties and their communities share concern about this issue and its impact. Each seeks to reconcile competing demands. On the one hand, there is demand for second homes and the benefits of a successful second home development sector as an economic driver. On the other hand, there are the demands associated with the growing number of workers who build the homes and provide goods and services to their part time residents. These workers require housing and services that are affordable, convenient, and responsive to their needs.

Traditionally, the construction of residential homes and their neighborhoods has provided workers with decent homes and adequate community services. However, the increased building of second homes is different in that they are not primary residences, but an industry creating a demand for workers. Second homes also drive up property values for year-round residents. Elected officials and community planners must understand and plan for the effects of second home buying. The second home buying phenomenon is an understudied economic issue, and the challenges and opportunities will vary depending on which area is addressing it. Understanding both the macro- and micro-economic effects of second home buying will help ensure the development of strategies that will strengthen the region and not overlook the challenges inherent in this unique facet of the economy.

In community forums and interviews across the region, many participants expressed the belief that there is an opportunity to turn the second homeowners into entrepreneurial assets. This type of homeowner is attracted to the region for the environment, the quality of life, and access to the amenities in the region. Leadership should work on developing strategies that will allow second homeowners to create businesses from their second homes. Expanding broadband access for home offices, marketing regional support for seasonal and small businesses, and providing access to entrepreneurial development programs and venture capital are examples of regional strategies that could foster this type of entrepreneurialism.

THE HIGH COUNTRY TALKS ABOUT SECOND HOME BUYING AND DEVELOPMENT

- "There is knowledge and skills brought in by new residents that we can use to create new jobs and other opportunities."
- "With the expansion of the construction industry due to the second home buying phenomenon, we need to provide technical education opportunities to fill new construction and maintenance needs for more workers with trade skills (heating, plumbing, maintenance, realty agents, and craftsmen)."
- "Use the resources that second home buyers bring, both financial and personal, to help fledgling groups and communities."
- "Most of the second homeowners are middle aged and can be a possible supply of new educated labor."
- "Besides cost of living and land cost issues, we are beginning to experience transportation congestion as a result of the new homes."
- "There is some opposition to further growth; some in the area believe that further development will only spoil the natural beauty of the area."
- "There is a need for land planning now before it is too late, but there is an attitude that resists any and all planning."

The Bottom Line

Inherent in the second home buying economy are strengths and challenges. The region must address the phenomenon of second home buying and its impact through increased understanding of the unique economic conditions it creates and develop public policies to make the most of the strengths and limit the challenges.

Strategic Opportunities

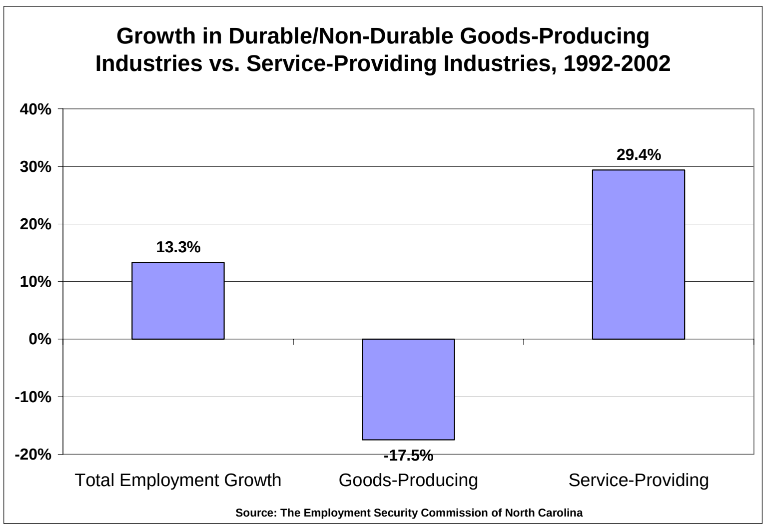
√ **Conduct in-depth research to understand the economic effects of second homes in the region.** Poor planning is often due to a lack of understanding of the current state, as well as not understanding the implications of actions. Developing a task force to research the current state of second home buying will inform planners and support positive development.

√ **Create an industry sector strategy around the second home buying economy.** The second home buying economy is creating jobs in industries such as construction, services, and retail. Beyond job creation, it can create spin-off businesses related to the supply chain needed to support home construction and infrastructure development (utilities, roads, water, etc.).

√ **Market regional entrepreneurial support to second home buyers.** Second home buyers, by definition, are not full-time residents and have different needs than full-time residents. Home office and small business opportunities may appeal to second home entrepreneurs. Marketing regional assets around the desires of second home buyers may bring out the entrepreneur in these part-time residents.

Section 3: Supporting a Changing Economy with Small Business and Entrepreneurship

Over the past ten years, goods-producing industries in the High Country have declined, while service-providing industries have increased. Employment in the service-providing industries grew by nearly 30% over the ten-year period from 1992 to 2002. The shift to a service-based economy is a trend facing the entire United States and the High Country must build off of current assets in order to be competitive in the new economy.



With a growing labor force that is outpacing job growth, there is an ample supply of workers to develop and support growing industries.[33] Along with the labor supply, there is a community college system that is proactive and committed to upgrading the skills of the workforce. The community college system is a key asset in retraining dislocated workers and cultivating the skills needed to work in the growing industries. There is also a supply of skilled professionals coming out of the two- and four-year institutions. However, even these professionals may need to be retrained for the careers available in the region.

Using regional assets to create a competitive workforce is critical to supporting the transition from a manufacturing to a services economy. But developing a skilled labor force without the job opportunities has the potential to exacerbate the "brain drain" problem mentioned in community forums and business interviews.

[33] Bureau of Labor Statistics, Appendix D (p. 64)

Therefore, strategies for upgrading the skills of the workforce must be done in tandem with strategies focused on job creation.

The High Country has tough competition in attracting new large employers. It also faces the national trend toward outsourcing and off-shoring to international locations such as India, China, and Brazil. Growth and technological innovation in the global marketplace means that almost any job—white or blue collar—can be moved to another country. Small business development and entrepreneurialism may be a local economy's best chance to insulate itself from the perils of these global trends.

Small companies in manufacturing, services, logistics, healthcare, information technology, and tourism play an integral role in the region's economy but often receive a disproportionately small share of the resources and attention of the workforce development system. Yet, nationwide, small businesses are the backbone of job growth and innovation. In the High Country, nearly two-thirds of the region's private sector jobs are found in businesses that employ fewer than 100 people, and over a quarter of the jobs are found in businesses employing 20 or fewer employees.[34] This data points to the strategic and economic importance of small businesses in both the current and future economy.

A key component of a region that fosters small business and entrepreneurialism is the pervasiveness of networks and the breadth of education, information, mentoring, and other services that those networks provide. Entrepreneurs are classically depicted as rugged individualists who single-handedly build great companies. In reality, entrepreneurs are consummate networkers who thrive in communities that help support those networks.

Networks are essential because they link entrepreneurs to potential sources of capital, new employees, strategic alliances, and service providers such as lawyers, accountants, and consultants. Through networks, entrepreneurs share information and assessments of markets and technology, as well as lessons learned from personal experience. These links are essential to an entrepreneurial company's growth.

[34] The Employment Security Commission of North Carolina

THE HIGH COUNTRY TALKS ABOUT THE CHANGING ECONOMY, SMALL BUSINESS, AND ENTREPRENEURIALISM

- "Discussions are needed between leaders in industry/economic development and workforce/education and training."
- "Possibilities are a small business center incubator and angel network for venture capital."
- "A cluster development initiative is underway for creation of advanced composite materials (Wilkes Community College, Martin-Marietta, local government) that will have impact on secondary businesses as well."
- "We have a need for ordinances and laws that encourage growth and protect existing owners (many do not want to locate in our county)."
- "Some points of entrepreneurial strategy development include mentorship, new business ventures, capital investments, and community good works."
- "Our county has seen the need to focus on small business development; our county is hiring for a distinct position that concentrates solely on these (entrepreneur) activities and supports them."
- "Huge need for small business classes on financing, marketing, business planning, etc."
- "We have the people, but how do we organize around their needs, build skill sets, obtain capital, etc.?"
- "We have to be able to use the brain power, dollars, and skill levels of new residents."

The Bottom Line

Making the region's core industries stronger by fostering the next generation of innovators is critical to our future quality of life. Coordinating education, workforce, and community resources to promote entrepreneurial opportunities may be one of the most effective approaches to retaining local graduates and attracting younger workers to the region, as well as providing new employment opportunities for the region's mature workforce.

Strategic Opportunities: The Changing Industry Base

√ **Integrate and expand educational opportunities in diversified industry.** Community leaders should spend considerable time crafting and implementing a world-class Career and Technical Education system that is equal in quality and perception to that of the academic track already available.

Education will respond if businesses make their needs known. Such a system will need strong industry and community support and must be grounded in mastery of skills that can be credentialed. Many times workforce systems do not reflect market needs and they fail to adequately link education and workforce policies to the economic needs of states and communities.

√ **Encourage and support the upgrading of skills of the incumbent workforce.** The data collected and interviews conducted for this report make it clear that leading firms in the region value and use the higher skills of their workforce. One strategy is to build on that base by strategically focusing on how to increase the critical skills needed by workers in high-skill work settings. Strategies to upgrade skills can take many forms, including industry skill alliances spanning multiple firms, building career ladders within or across industries, and organizing innovative financing mechanisms to encourage skill upgrading.

√ **Work closely with high-growth firms to understand their needs for workforce solutions to support continuing growth.** Staying in regular contact with leading employers and their peers is a way to ensure that the region's workforce policy initiatives are grounded in issues central to the growth of firms that value and use skills and knowledge. This concept applies whether focused on advanced manufacturing or on other growth areas such as healthcare.

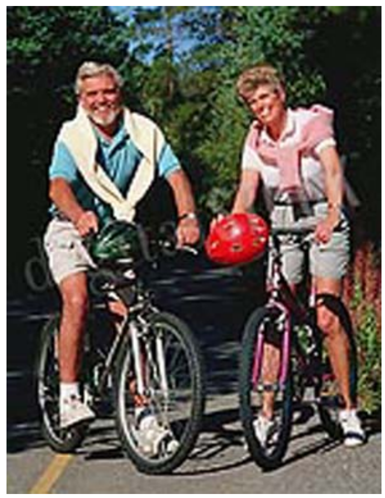
√ **Develop strategies to retain graduates of the universities and community colleges.** Communities must look at the student populations as a built-in resource to fuel the new labor markets required to meet the demands of entrepreneurial and industry growth. The key is to align economic development strategies (retention, growth, and attraction) with graduate classes and their studies.

Strategic Opportunities: Developing Entrepreneurialism

√ **Create a set of strategic initiatives to develop a proactive approach to entrepreneurialism.** Having a strategic plan to build on the opportunities at hand to move to a highly creative and entrepreneurial region is vital to the long-term health of the economy. Following is a set of ideas that the leadership of the region should consider:

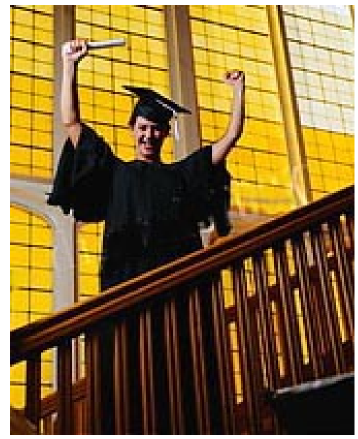
- ★ Create a regional Enterprise Council to foster entrepreneurship education at all levels of the workforce. A regional Enterprise Council can provide an ongoing venue to explore coordinated strategies.
- ★ Strengthen the Small Business Development Center's role as a new and small business mentoring resource.
- ★ Identify the skill sets required for success, both for new business owners (entrepreneurs) and for existing companies seeking to innovate or expand into new lines of business (intrapreneurs).
- ★ Articulate the skills, knowledge, career paths, resources, and opportunities available to entrepreneurs who want to start new businesses.
- ★ Develop new curricula, resources, and service delivery strategies to support the diverse needs of the region's entrepreneurs and small businesses.
- ★ Encourage schools and school districts to offer grade-level appropriate entrepreneurship curricula, and ensure that more high school students graduate with knowledge of what it takes to start and run a business.

- ★ Support the needs of intrapreneurs within existing companies who need skill building and training to assist with launching innovation processes, new product/service lines, or new lines of business.
- ★ Strengthen technology and knowledge transfer between community colleges and Appalachian State University.
- ★ Assess business incubation resources and needs to ensure that all seven counties are adequately served.
- ★ Form a consortium of bank loan officers committed to the financial needs of start-ups and growth companies.

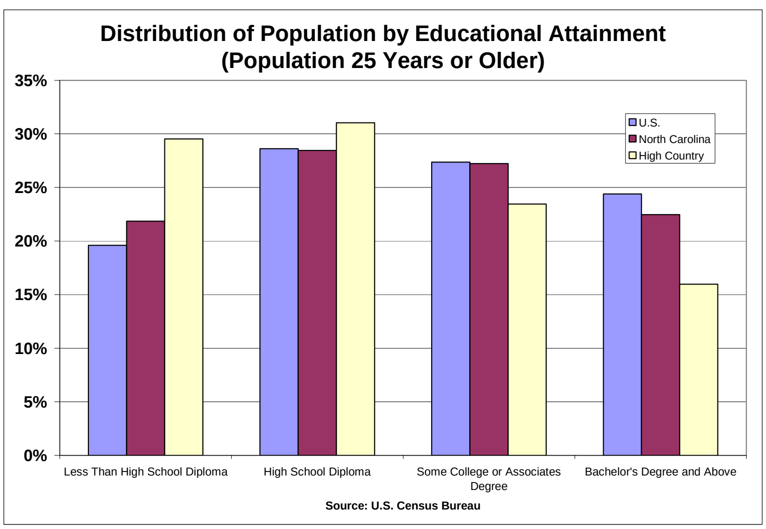


Section 4: Educational Attainment, Emerging Workforce, and Career Awareness

Educational attainment and learning beyond high school are perhaps the single most important factors influencing economic prosperity. Associate and bachelor's degrees are now the minimum tickets to well paying, entry-level work. Individuals need postsecondary credentials and they need companies with jobs and career opportunities that can employ them once they have those credentials.



As change and restructuring in companies, occupations, and industries become more commonplace, all levels of workers need ongoing training and learning opportunities to ensure they have the skills and experience to remain employable throughout their lifetimes. To stay competitive and profitable and to provide good employment opportunities in the High Country region, companies must ensure that they have access to a constant stream of workers with the right mix of skills and interests.



The most recent post-secondary educational attainment data for the High Country indicates that the region has a much larger share of residents with only a high school diploma and a much lower share of residents with post-secondary education than either the state or the nation. This indicates that the current workforce may be prepared for low-skill occupations and some entry-level positions, but the workforce does not possess the educational credentials required by employers to compete in a national and global economy.

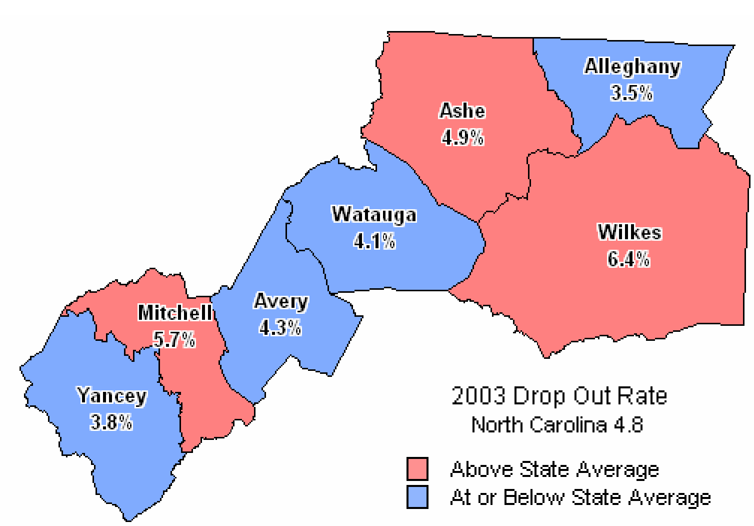
The region's leaders must work to raise educational attainment levels. Without sustainable improvements in educational attainment, the overall quality of life may decline as more low-skill, low-wage employers enter the region and more high-skill, high-wage employers either leave or pass over the region entirely.

As heard in Governor Easley's inaugural address in January 2005, there must be a systemic effort put forth to guarantee that every citizen has access to education throughout his or her lifetime.

By increasing enrollments in adult education programs, skills training, and certification, the workforce will attain the marketable and transferable skills the region's current and future employers are seeking. However, preparing the future workforce for success in the workplace is another important means to creating a highly skilled and adaptable workforce.

As a whole, the education indicators show that the High Country is improving its ability to prepare its youth for the workplace. The majority of the counties have a high school completion rate that is at or above state level, and from SAT scores to the North Carolina proficiency exams, the region continues to improve its position.

The region outperforms the state in most areas of the standard skills test for the state of North Carolina. The region has a higher percentage of both third and eighth grade students passing the ABCs of Public Education relative to the state. The region consistently performs well in life sciences and math courses, with the exception of Algebra I.[35] Lower test scores in basic algebra courses raise a red flag because skills that are inherent in high school math classes go beyond math proficiency. Algebra also includes skills such as critical thinking and problem solving, both of which are in demand for the production and services industries.



While the region is performing above average in the youth education indicators, there are sub-regional trends that may have negative effects if they continue.

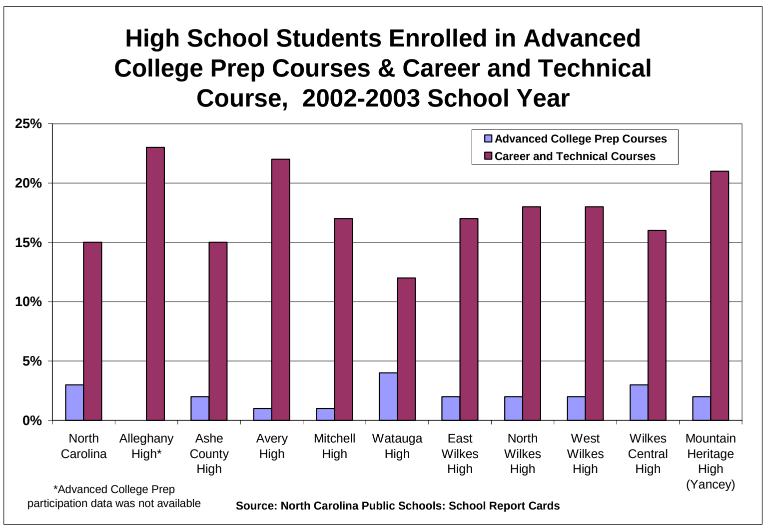
An example of one of those trends is the dropout rate in the Alleghany, Ashe, and Wilkes sub-region. In this sub-region, the highest dropout rates are found in the most highly populated counties. With 6.4% in 2003, Wilkes County has the highest

[35] North Carolina Public Schools: School Report Cards, Appendix D (p. 72)

dropout rate as well as the highest population.[36] Ashe County has the second highest dropout rate and the second highest population.[37] In 2000, the number of youth in the High Country age 16 to 19 that were not enrolled in school totaled nearly 2,300[38]. That means nearly one of every five teens age 16 to 19 was not enrolled in school.

Negative trends in one county have a multiplier effect on the region. Youth who are not prepared for the workforce will not necessarily stay in the same county. Individually, all counties must focus on raising their youths' education and skill levels to a point that meets the demands of the regional economy.

In terms of career awareness, compared to the state, the region has a higher rate of youth taking Career and Technical Education (CTE) classes while in high school. Whether the youth are enrolling in CTE classes because of individual interest or because of career awareness, this could be a significant asset to the region.



Across the nation, career awareness is becoming a central strategic planning issue in developing the emerging workforce. The lack of career awareness contributes to nationwide problems such as high student attrition rates in post-secondary schools and the undersupply of technically skilled graduates. It is becoming more important to help youth make practical and sustainable career choices. With career counselors in high school overloaded with students and new career opportunities developing every day, career awareness must be approached from many angles. Helping the emerging workforce make career decisions is the responsibility of parents, educators, counselors, businesses, and the public sector. Ensuring that partnerships exist between these groups will help the emerging workforce understand the current labor market and their future possibilities.

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[36] Population data from U.S. Census Bureau
[37] Population data from U.S. Census Bureau
[38] U.S. Census Bureau

THE HIGH COUNTRY TALKS ABOUT EDUCATION AND THE EMERGING WORKFORCE

- "We do not explore/train enough of the professional trades to meet the demands of the second home buyer."
- "There is a need for career development in healthcare because of the aging population and new arrivals."
- "Young, academically prepared are leaving the county due to lack of jobs."
- "Just no good jobs to replace lost ones."
- "There is a need for lifestyle math as much as for algebra; a large number of our people cannot function."
- "Great deal of remediation with incoming high school students."
- "Seems to be a big disconnect between the educational system, especially in the secondary, voc-ed arena, and the job market requirements."
- "Literacy and education attainment levels have a negative impact on our attractiveness to new businesses."
- "Very concerned with the data regarding math, science, and engineering degrees conferred on American college graduates."
- "Career counseling almost nil both for high school as well as college grads."
- "The literacy rate of the population (or lack of) has a much more profound effect on the region than anyone can imagine."
- "There is a real dearth of any kind of program/remedies for the illiteracy problem."
- "Older workers who have been in the workforce a long time feel that they 'have all the education we need, we shouldn't have to get any more."

The Bottom Line

The most significant question asked by industry executives before they invest in a region is, "Is the workforce trainable?" Industry is no longer satisfied that a region has a quantity of labor, but rather that the workforce is trainable and prepared to continue with education. Across the nation and in the High Country, the rates of post-secondary educational attainment must increase. Further, stronger efforts must be made to create regional consensus among individuals, families, employers, and education providers about the importance of improving educational attainment rates, as well as linking the importance of education and lifelong learning.

The region has consistently improved its educational indicators over time. The concern is that every school district must continue to improve and none can fall behind. The areas with lower school performances must be brought up to the standards set by the region. Lower performance in even one area of the region will impact the overall competitiveness nationally in attracting new businesses.

While the region continues to improve in education, there must be more emphasis on career awareness. This is a community issue that involves more than just career counselors in high schools.

Strategic Opportunities

√ **Increase the educational attainment levels of the residents as an economic strategy.** The ability of the labor force to meet the needs of employers is critical to business retention and attraction. Strategies may include school-to-work investments, alternative education, mentor programs, increased Career and Technical Education (CTE) enrollment, and high investments of adult training dollars in the counties with the lowest rates of attainment.

√ **Keep the career-driven workforce in the region.** Develop strategies between Appalachian State University and economic development entities to keep graduates in the region. Opportunities to retain high-skilled labor may be slipping past the region.

- √ **Build off of the successes of the existing healthcare and manufacturing networks.** Provide return-to-learning workshops for incumbent workers at their worksites to help alleviate fear of lifelong learning, explore job- and career-related training options, and facilitate referrals to lifelong learning resources in the region.

- √ **Clarify and strengthen the roles that the region's education, workforce, and economic development partners play in the regional labor market.** Utilize national research into promising practices by such organizations as the National Network of Sector Partners and the Partnership for Employer-Employee Systems to guide capacity building efforts for regional partners

- √ **Use the State of the Workforce Report to support career decisions.** Put timely information about labor market choices in the hands of students, parents, educators, business, labor, and other decision-makers and influencers. This report is a first attempt to transform labor market information from a difficult-to-understand, statistician-focused activity into understandable information that may be used to make career, education, and training decisions on a continuing basis. Given the gaps and time delays in federal labor market information sources, locally generated original research would be very valuable. For example, regional leaders should consider complementing this data with a statistically sampled survey of human resource professionals on at least an annual basis. Information would cover such matters as jobs available, emerging career opportunities, age distribution of the existing workforce by occupation, and changing skill expectations of employers.

A Last Thought

Developing a common vision for a preferred future and taking the required action for achieving goals are necessary steps for any community to progress and sustain a quality of life for its citizens. Goals achieved will have a direct bearing on the quality of life that will cause citizens to want to live, work, play, and stay in the High Country region.

A good quality of life is related to a good wage.

A good wage depends on a good job.

Good jobs are dependent on a strong, diversified economy.

A strong economy is dependent on a high quality education.

Quality education depends on healthy children and families.

Healthy children and families depend on vibrant communities![39]

An overall goal for workforce development is for the citizens of the High Country region to have the knowledge, competencies, and skills to be successful in their chosen careers, and to be able to take advantage of a prosperous economy.

An overall goal for economic development is to have diverse, dynamic, and sustainable economic growth that will serve the citizens by creating jobs and having the needed infrastructure.

An overall goal for education is to equip and prepare all of the High Country's students and citizens to participate in a knowledge- and skills-driven economy.

[39] North Carolina Progress Board, NC 20/20, 2001

Appendix: Table of Contents

Appendix A: Characteristics of a Community with a Competitive Advantage 35

Forward-Thinking Community Leaders 35

Business Investment in Human Capital 35

Strong and Diverse Economy 35

Integrated Infrastructure 35

Effective Articulated Education System 36

Clearly Defined and Accessible Career Pathways 36

Ready, Willing, and Able Workforce 36

Appendix B: Employment Skills 37

Table 1: Duties & Tasks Requiring Critical Thinking 37

Appendix C: Essentials of an Entrepreneurial Community 40

Access to People 40

Access to Seed Capital and Access to Information and Infrastructure 40

Access to Government Support 40

Appendix D: Secondary Data 41

Sources 41

Population Data 42

Chart 1: Population Growth and Projections 42

Table 2: Detailed Population Growth Data 42

Chart 2: Population Growth and Projections by County 43

Table 3: Detailed Population Growth Data by County 43

Chart 3: Population Density 44

Chart 4: Average Age 44

Chart 5: Distribution of Population by Age Cohorts 45

Chart 6: Population by Age Cohorts Comparing Watauga to Region 45

Table 4: Detailed Distribution of Population by Age 46

Table 5: County Distribution of Population by Age 46

Race and Ethnicity 47
Chart 7: Distribution of Population by Race 48
Table 6: Population by Race 48
Table 7: County Population by Race 48
Chart 8: Hispanic Population as Percent of Total Population 1990 and 2000 49
Table 8: Hispanic Population 49
Table 9: Hispanic Population By County 49
Income 50
Chart 9: Growth in Income 50
Table 10: Median Income Growth by County 51
Table 11: Growth in Average Household Income 51
Chart 10: 2000 Per Capita Personal Income 51
Chart 11: Income by Source (Wage and Salary Income not Included) 52
Table 12: Total Income by Source 52
Table 13: County Income by Source 53
Chart 12: Glass Ceiling 53
Housing Value and Occupancy 54
Chart 13: Home Value 54
Chart 14: Median Selling Price Asked for Housing Units 55
Table 14: Dominant Range of Selling Price Asked for Housing Units, 2000 55
Table 15: Distribution of Selling Price Asked for Housing Units, 2000 56
Chart 15: Owner- vs. Renter-Occupied Housing 56
Table 16: Housing Occupancy, 2000 57
Table 17: Housing Occupancy by County 57
Chart 16: Percent of Income Spent on Housing 57
Table 18: Owners and Renters Paying More than 30% of Income on Housing by County 58
Table 19: Vacancy by County 58
Table 20: Reason for Vacancy, 2000 58

Information Access 59
Chart 17: Computer and Internet Access at Home 59
Table 21: Households by Number of Computers.. 60
Table 22: How Residents Use the Internet 60
Table 23: Internet Access in High Schools... 60
Labor Force 61
Chart 18: Participation Rates 61
Table 24: 2003 Labor Force Data 62
Chart 19: Labor Growth Over Ten- and Two-Year Periods..................................... 62
Chart 20: Labor Force Growth by Region and County.. 63
Table 25: Labor Force Growth.. 63
Chart 21: Labor Force vs. Employment Growth... 64
Table 26: Employment Growth 64
Chart 22: Unemployment Rates Over Time, 1990-2003.. 65
Table 27: County Level Unemployment Rates over Time 65
Quality of Life.. 66
Chart 23: Self Sufficiency 66
Chart 24: Poverty Rates 67
Chart 25: Single-Parent Households 67
Chart 26: Public Assistance.. 68
Chart 27: Travel Time to Work.. 68
Education, Literacy, English Proficiency 69
Chart 28: Educational Attainment 69
Chart 29: Educational Attainment of Watauga Residents Compared to Region . 70
Table 28: Educational Attainment 70
Table 29: Hispanic Educational Attainment 70
Chart 30: English Proficiency 71
Youth and Education.. 71
Chart 31: Percent of Students Passing High School Comprehension Test 72
Table 30: ABCs Test Performance, 2002-2003 School Year..................................... 72
Chart 32: Student Enrollment in Advanced Education or Technical Training 73

Table 31: SAT Scores from School Report Card, 2002-2003 School Year 73
Table 32: Teacher Qualifications, 2002-2003 School Year 74
Table 33: Teaching Experience, 2002-2003 School Year 74
Occupations 75
Chart 33: Distribution of All Jobs by Wage Range 75
Table 34: Occupational Distribution by Occupational Employment Statistics Categories, 2003 76
Table 35: Top Occupations Based on 2003 Total Wages (Employment Times Wages) 77
Table 36: Top Occupations Based on Ten-Year Growth, 1998-2008 78
Table 37: Occupations Projected to Decline Based on Ten-Year Growth, 1998-2008 79
Commuting Patterns 80
Table 38: Net Commuting Results, 2000 80
Table 39: County by County Commuting Patterns (Top five counties residents commute to, including their own) 81
Industry 82
Chart 34: Industry Growth 82
Chart 35: Current Employment by North American Industry Classification System (NAICS) 83
Table 40: Employment by Major Industry Group 83
Chart 36: Manufacturing Over Time 84

Appendix A: Characteristics of a Community with a Competitive Advantage

Today, communities are looking for every advantage to create competitive value as they compete with other regions, states, and even globally for better jobs and economic growth. CSW, through its research and involvement with many communities, has developed core characteristics of communities that display competitive workforce advantages. Following are the characteristics they possess:

Forward-Thinking Community Leaders

- Care about and are engaged in workforce issues
- Provide strategic political leadership
- Anticipate rather than react
- Have the will to create change

Business Investment in Human Capital

- Workers are viewed as assets
- Employers invest in training workers
- Career ladders exist

Strong and Diverse Economy

- Embraces and uses workforce planning as strategic advantage
- Both retention and growth strategies exist
- Multiple sectors drive the economy

Integrated Infrastructure

- Diverse housing supply
- Access to affordable, quality childcare
- Adequate regional transportation
- Cultural and recreational opportunities

Effective Articulated Education System

- K-12 system that works and employs differing teaching styles
- Education responsive to employer needs
- Technical education is part of the overall curriculum
- Articulated system from K-12/community college/higher education
- Access to top non-degree occupational training

Clearly Defined and Accessible Career Pathways

- Ongoing communication between industry (business) and education/training entities
- Education and training programs are designed with an in-depth understanding of how people move within occupational clusters
- Usable patterns or templates provide for clear pathways within occupational groupings (similar to apprenticeship programs)
- An understanding exists about how skills build upon one another to meet the needs of business

Ready, Willing, and Able Workforce

- Employers can recruit local residents for available jobs
- Labor pool has knowledge, skills, and abilities needed by employers
- Job applicants have minimally acceptable soft skills
- People have the willingness to perform such jobs
- Economic development uses this concept as a key component of the business attraction strategy

Appendix B: Employment Skills

According to a compilation of data accumulated over the past 10 years from a wide variety of sources, including employer groups in North Carolina and across the country, candidates for employment and current employees must be able to apply critical thinking and decision-making skills in order to qualify for employment and to perform a host of duties and tasks within the context of those jobs. The specific duties and tasks that require critical thinking and decision-making skills are as follows:

Table 1: Duties & Tasks Requiring Critical Thinking

Duties	Tasks
Pre-Employment: Communicate Effectively	Read and comprehend written information Follow written and oral directions Use correct verbal and written grammar Speak effectively with others Listen actively and emphatically Spell correctly; write legibly Use professional telephone etiquette Use business and professional language Formulate and compose written and oral communications Demonstrate professional and effective nonverbal communication skills Use communication equipment
Master Basic Math Skills	Apply math principles for problem solving Add, subtract, multiply and divide whole numbers, decimals, and fractions Understand and use percentages Understand and use ratios Convert fractions and decimals to percentages Convert fractions to decimals and decimals to fractions Calculate and convert measurements Use equipment to perform math functions
Determine Own Employment Capabilities	Assess personal strengths and weaknesses realistically Determine and verify skills and abilities Match aptitudes & interests to job area Match physical and emotional capabilities to job area Identify immediate and interim work goals
Identify Employment Opportunities	Understand structure of work world Explore job families Identify job trends Investigate occupational/career opportunities & requirements for jobs Investigate educational opportunities Understand how to locate and use resources for finding employment Investigate job markets Contact employers in fields of interest

Duties	Tasks
Apply Employment-Seeking Skills	Locate job opportunities Research prospective employers Project a professional image Prepare a resume and cover letter Complete employment application Actively pursue interview opportunities Complete required tests and forms Understand pre-employment rights Prepare for and participate in interview Prepare follow-up letter Evaluate job offers Evaluate job rejections Accept or reject job offer Prepare acceptance or rejection letter
Post-Employment: Adapt to Change	Recognize the need to change Demonstrate flexibility and adaptability Demonstrate willingness to learn Participate in job training and educational opportunities Appraise career goals and plans; revise as needed Locate information in order to accomplish new tasks Recognize and manage the stress and risk created by change
Maintain Health and Safety	Understand and comply with health and safety rules Practice good personal hygiene health habits Select correct tools, materials and equipment Use equipment, tools and materials correctly and cautiously Maintain clean, orderly and safe work area Use appropriate action and follow directions during emergencies Recognize the possibility of diminishing job satisfaction (from time to time) Recognize stress and burn-out symptoms Understand and comply with security roles and procedures
Demonstrate Appropriate Work Behavior	Exhibit pride, loyalty and commitment Exhibit dependability Demonstrate punctuality Follow rules and regulations Use proper business ethics Recognize consequences of inappropriate work behavior/dishonesty Complete assignments in an accurate and timely manner Show initiative Recognize, analyze, solve and/or refer problems
Maintain Working Relationships With Others	Work productively with others Foster team spirit Show empathy, respect and support for others; be willing to assist others Channel emotional reactions constructively
Display Professional Conduct and Appearance	Comply with organization’s image-appropriate attire Demonstrate professional etiquette Practice good personal hygiene Assume personal responsibility and accountability

Duties	Tasks
Maintain Business-Like Behavior	Exhibit positive attitude and behavior Support and promote employer's image and purpose Be receptive to organization's orientation and training Support company policies and procedures Demonstrate knowledge of organization's products, programs and services Read current job-related publications Recognize and comply with workplace confidentiality Use business and professional language
Understand How to Participate Successfully In a Working Organization	Understand general roles and responsibilities of employees Understand general roles and responsibilities of management/employers Know and respect organizational structure Recognize own value and importance to organizational structure Show willingness to participate in business, volunteer and community activities Participate effectively in meetings and work–related functions Be sensitive and responsive to the needs of the organization's customers/clientele
Explore Options and Pursue Opportunities for Organizational and Professional Growth	Seek work challenges Suggest new ideas and processes that are beneficial to the employer Recognize the role of continued education, training and development Understand promotional requirements Identify and adjust career goals and plans Investigate opportunities and options for business ownership/self-employment

Appendix C: Essentials of an Entrepreneurial Community

Access to People

Finding and retaining quality people in all positions—management, technical and entry level—are the biggest challenges facing entrepreneurs. Entrepreneurs also face thorny challenges in hiring entry-level workers.

Today, there are issues with the competencies and work attitudes of high school graduates: there is a common issue in the United States that "I can teach our business to anyone, but I can't teach the basic skills of being courteous to customers and bringing real commitment to the job." While entrepreneurs recognize that tight labor markets contribute to their problems, they also feel that deeper structural problems (especially concerning the quality of K-12 education) affect them.

Access to Seed Capital and Access to Information and Infrastructure

The high cost of office space and the poor quality of the digital infrastructure are systemic issues working against an entrepreneurial community.

Access to Government Support

Entrepreneurs also express concern about whether government agencies understand the unique needs and concerns of small business owners. Effective government agencies work to ease the creation and growth of new firms.

Communities offer specific assets to create an entrepreneurial environment and develop the small business community:

Access to business incubators

Access to research and development

Access to venture capital and angel investors

Access to higher education capacities

Appendix D: Secondary Data

The data elements in this appendix compare the United States, North Carolina, the region as a whole, and each county individually.

The data elements are in twelve sections:

Population Data

Race and Ethnicity

Income

Housing Value and Availability

Information Access

Labor Force

Quality of Life

Education, Literacy, English Proficiency

Youth and Education

Occupations

Commuting Patterns

Industry

Each section begins with a brief explanation of why the data is important to workforce development and concludes with a short description of what the data means for the region. The secondary data in the following appendix was the most current data available at the time of the study. More current data may be available after the publication of this report. The data was first used to draw evidence for possible themes or trends in the region, and then used to support the storylines in the report.

Sources

AGS Demographics

Bureau of Economic Analysis (www.bea.doc.gov)

Bureau of Labor Statistics (www.bls.gov)

The Employment Security Commission of North Carolina (www.ncesc.com)

North Carolina Child Advocacy Institute (www.ncchild.org)

North Carolina Department of Public Instruction (www.dpi.state.nc.us)

U.S. Census Bureau (www.census.gov)

Population Data

Why is this important?

Population is a basic workforce indicator since the region's workforce is generally drawn from the local residents. Steady population growth is critical to meeting the labor demands of employers. Understanding the population trends, from growth and density to age distribution, helps in understanding the trends for which planners, developers, and employers must make changes.

Chart 1: Population Growth and Projections

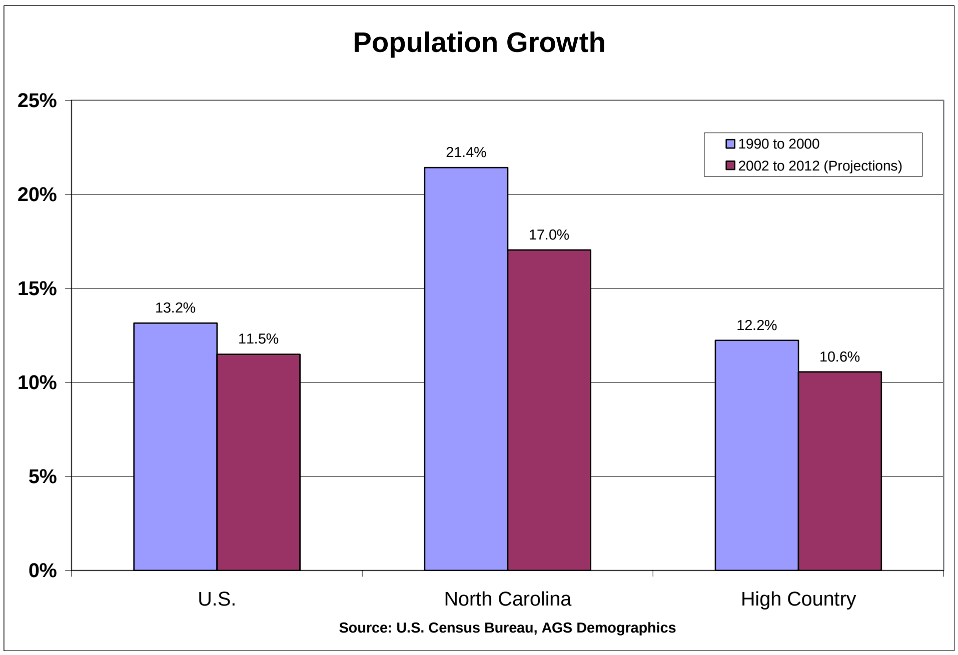


Table 2: Detailed Population Growth Data

	U.S.	North Carolina	High Country
1980 Population	224,811,135	5,795,250	165,520
1990 Population	248,710,012	6,628,632	172,862
2000 Population	281,421,906	8,049,313	194,016
2002 Estimate	286,999,830	8,301,601	197,489
2007 Projection	302,000,077	8,963,722	206,902
2012 Projection	319,999,806	9,716,862	218,351

Source: U.S. Census Bureau, AGS Demographics

Chart 2: Population Growth and Projections by County

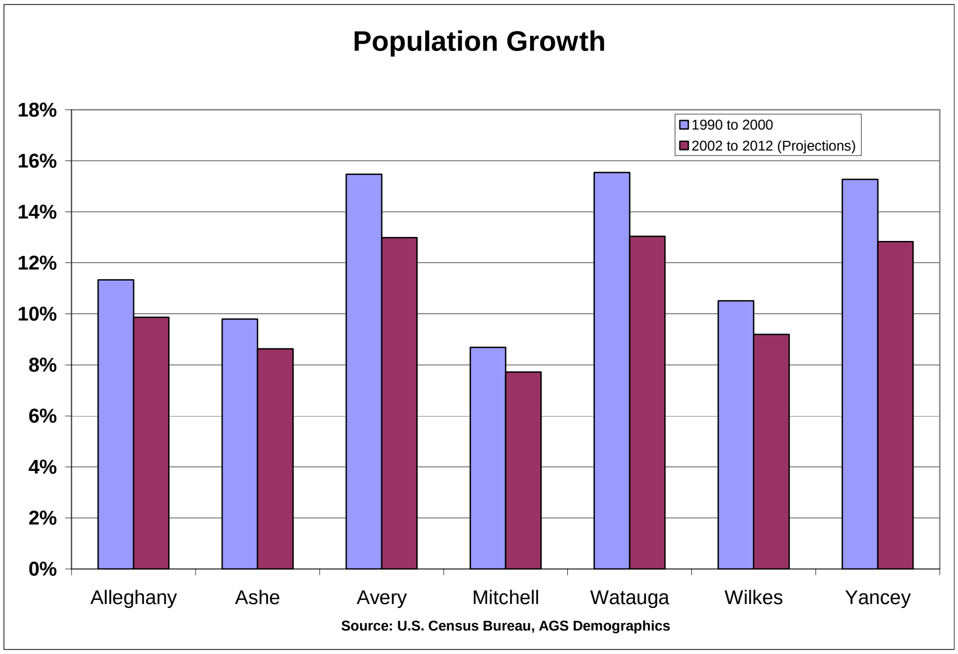


Table 3: Detailed Population Growth Data by County

	Alleghany	Ashe	Avery	Mitchell	Watauga	Wilkes	Yancey
1980 Population	9,558	22,273	14,361	14,379	31,570	58,492	14,887
1990 Population	9,590	22,209	14,867	14,433	36,952	59,392	15,419
2000 Population	10,677	24,384	17,167	15,687	42,695	65,632	17,774
2002 Estimate	10,851	24,723	17,561	15,876	43,676	66,626	18,176
2007 Projection	11,328	25,665	18,607	16,410	46,292	69,354	19,246
2012 Projection	11,921	26,855	19,842	17,102	49,370	72,754	20,507

Source: U.S. Census Bureau, AGS Demographics

Chart 3: Population Density

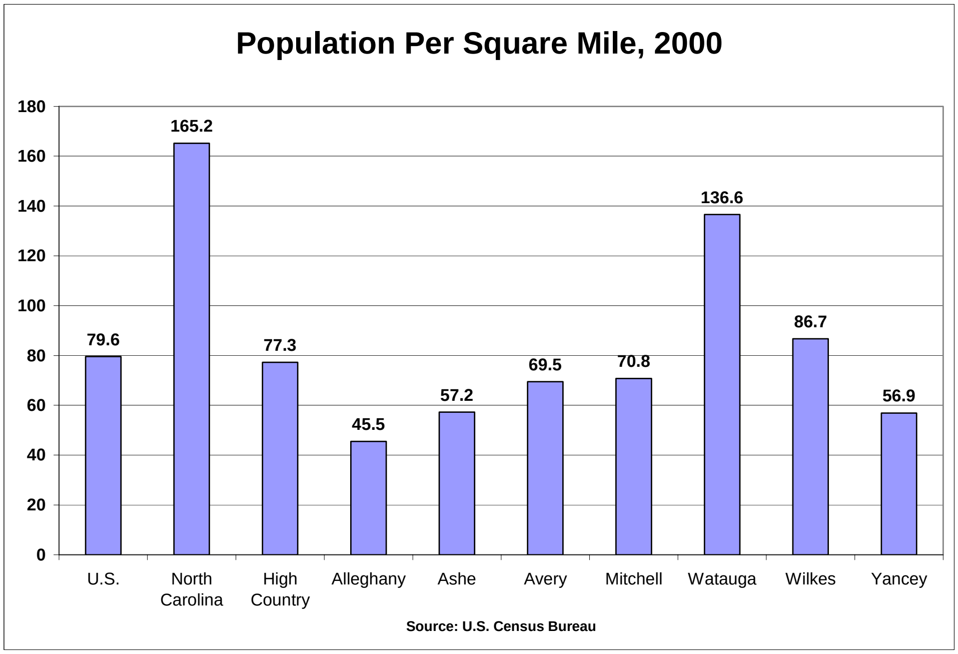


Chart 4: Average Age

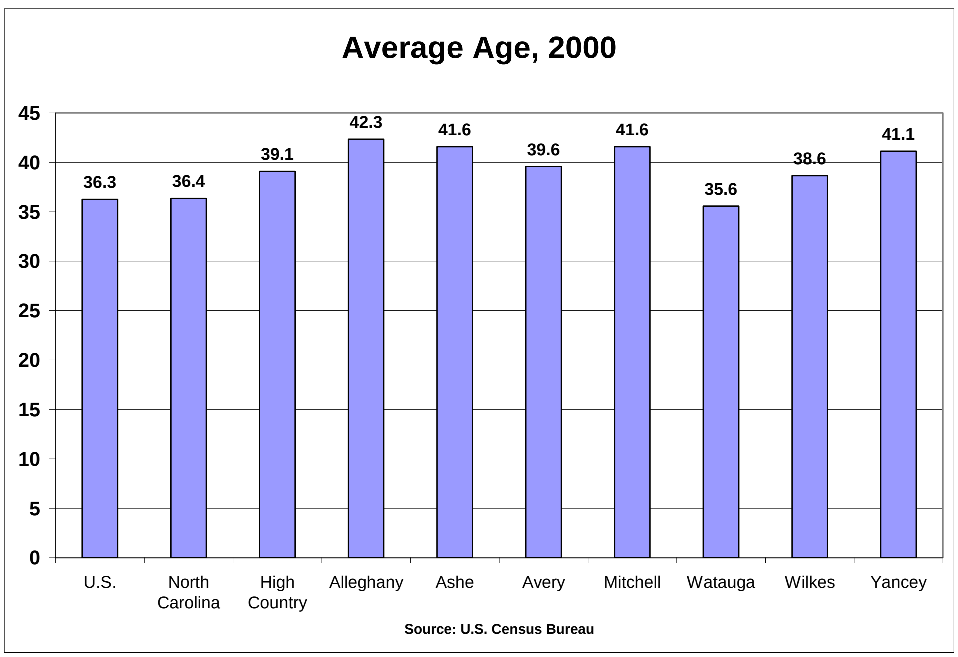


Chart 5: Distribution of Population by Age Cohorts

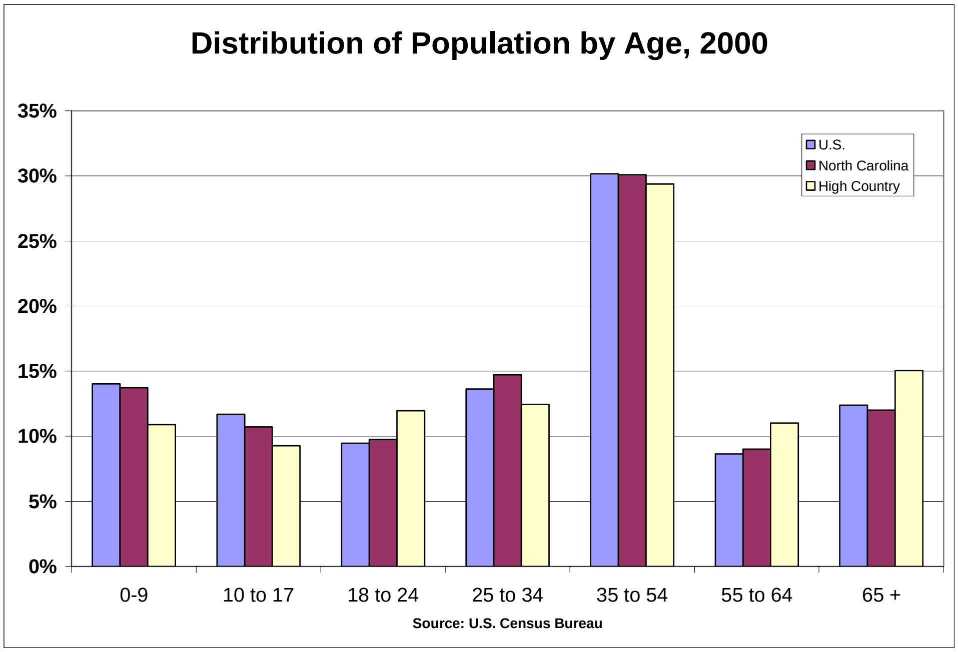


Chart 6: Population by Age Cohorts Comparing Watauga to Region

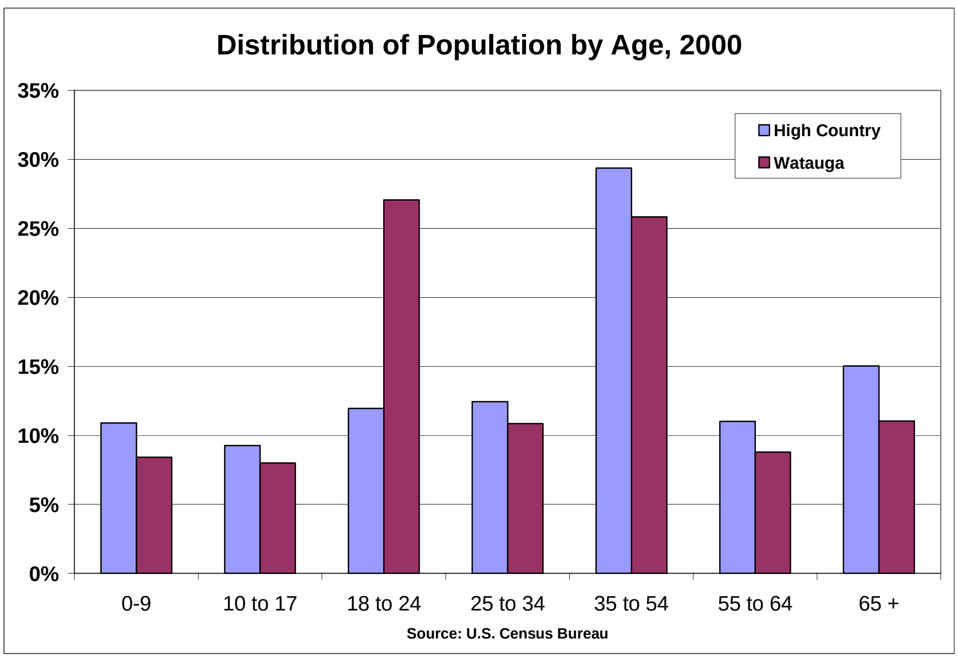


Table 4: Detailed Distribution of Population by Age

	Number			Percent		
Age	U.S.	North Carolina	High Country	U.S.	North Carolina	High Country
0-9	40,252,176	1,138,837	21,527	14.0%	13.7%	10.9%
10 to 17	33,542,493	889,838	18,302	11.7%	10.7%	9.3%
18 to 24	27,145,692	808,856	23,619	9.5%	9.7%	12.0%
25 to 34	39,142,729	1,221,839	24,581	13.6%	14.7%	12.4%
35 to 54	86,543,588	2,497,042	58,016	30.2%	30.1%	29.4%
55 to 64	24,819,387	748,352	21,749	8.6%	9.0%	11.0%
65 +	35,553,765	996,837	29,695	12.4%	12.0%	15.0%

Source: U.S. Census Bureau

Table 5: County Distribution of Population by Age

Population Distribution by Count							
Age Ranges	Alleghany	Ashe	Avery	Mitchell	Watauga	Wilkes	Yancey
0-9	1,155	2,621	1,827	1,729	3,680	8,420	2,095
10 to 17	954	2,265	1,589	1,625	3,490	6,621	1,758
18 to 24	774	1,800	1,761	1,057	11,824	5,157	1,246
25 to 34	1,291	2,909	2,541	1,851	4,739	9,085	2,165
35 to 54	3,183	7,613	5,200	4,696	11,281	20,583	5,460
55 to 64	1,408	3,076	1,885	1,981	3,841	7,410	2,148
65 +	2,086	4,439	2,758	2,937	4,821	9,350	3,304
Population Distribution by Percent							
Age Ranges	Alleghany	Ashe	Avery	Mitchell	Watauga	Wilkes	Yancey
0-9	10.6%	10.6%	10.4%	10.9%	8.4%	12.6%	11.5%
10 to 17	8.8%	9.2%	9.0%	10.2%	8.0%	9.9%	9.7%
18 to 24	7.1%	7.3%	10.0%	6.7%	27.1%	7.7%	6.9%
25 to 34	11.9%	11.8%	14.5%	11.7%	10.9%	13.6%	11.9%
35 to 54	29.3%	30.8%	29.6%	29.6%	25.8%	30.9%	30.0%
55 to 64	13.0%	12.4%	10.7%	12.5%	8.8%	11.1%	11.8%
65 +	19.2%	18.0%	15.7%	18.5%	11.0%	14.0%	18.2%

Source: U.S. Census Bureau

What does the population data tell us about the region?

The region has a population that is growing at a slower pace than the state and only slightly slower than the nation. The counties of Avery, Watauga, and Yancey are experiencing the highest growth in the region, at nearly 16% since 1990. With varying levels of population growth in the counties, the region's growth strategies may include more emphasis on the stresses that high growth has on resources as well as how to maintain those resources during population fluxes.

The region also has an older than average population. The age cohort of 55+ is higher in the region than the state and nation and the average age is three years older than the state. The region's higher percentage of young adults (18-24) is a consequence of the large number of young people attending Appalachian State University in Watauga County. Implementation of retention strategies to keep graduating students in the region might have an impact on the average age.

Race and Ethnicity

Why is this important?

While diversity is not only an indicator often used to measure community vitality, it also helps in understanding the demographics and the changing racial and ethnic tapestry of an area. The United States in general is becoming a more diverse landscape, which is driving changes in the workplace as well as in educational and social structures of communities.

Chart 7: Distribution of Population by Race

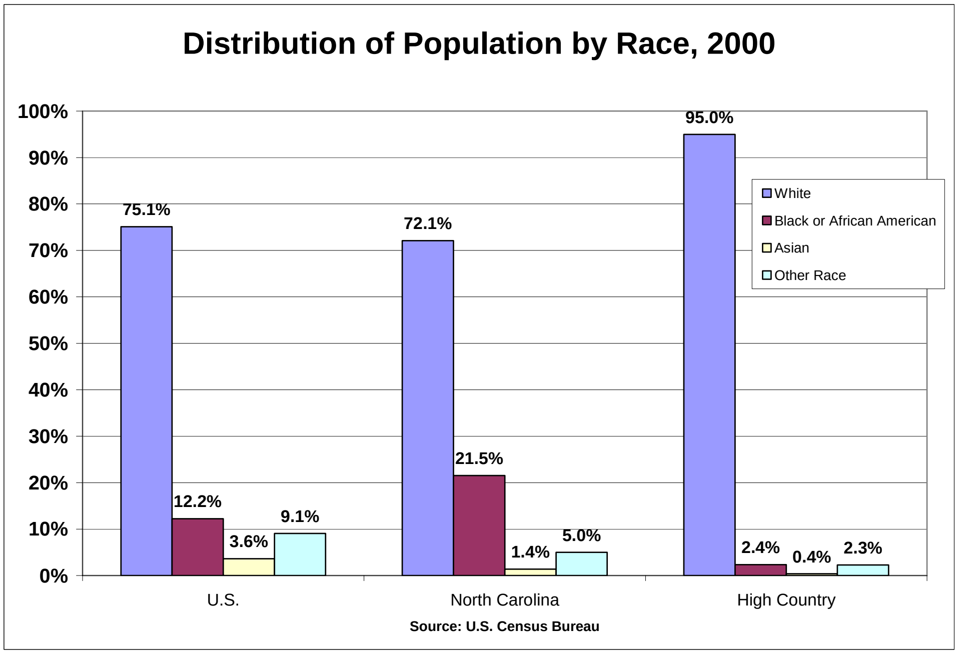


Table 6: Population by Race

	U.S.	North Carolina	High Country
Total Population	281,421,906	8,049,313	194,016
White	211,353,725	5,802,165	184,230
Black or African American	34,361,740	1,734,154	4,571
Asian	10,171,820	111,292	806
Other Race	25,534,621	401,702	4,409

Source: U.S. Census Bureau

Table 7: County Population by Race

	Alleghany	Ashe	Avery	Mitchell	Watauga	Wilkes	Yancey
White	94.6%	96.9%	93.5%	97.4%	96.0%	92.6%	98.0%
Black or African American	1.1%	1.0%	3.4%	0.3%	1.6%	4.3%	0.5%
Asian	0.6%	0.2%	0.6%	0.2%	0.5%	0.5%	0.2%
Other Race	3.7%	1.9%	2.6%	2.0%	1.9%	2.7%	1.3%

Source: U.S. Census Bureau

Chart 8: Hispanic Population as Percent of Total Population 1990 and 2000

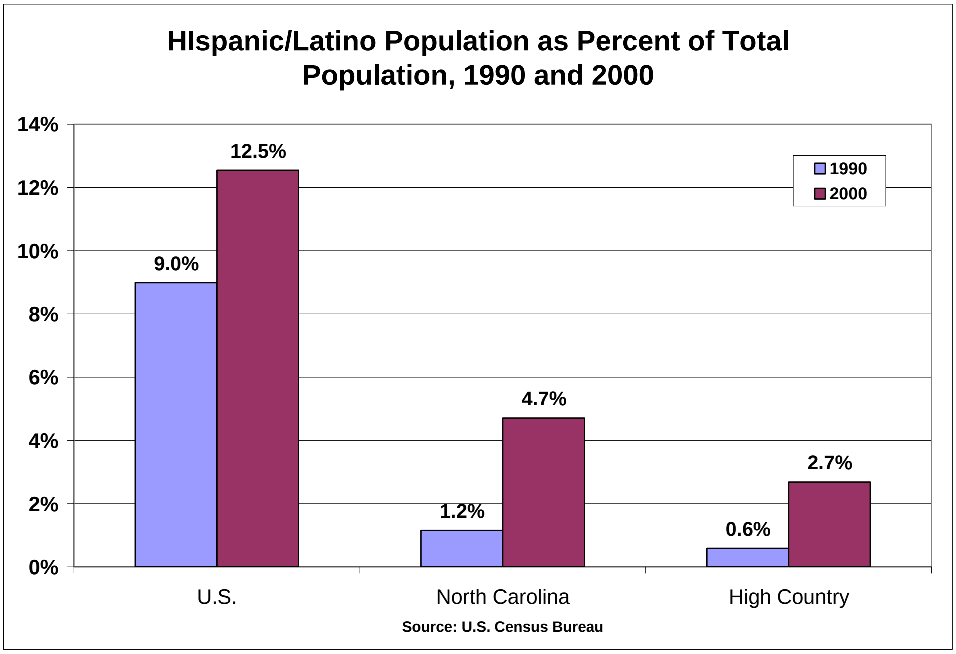


Table 8: Hispanic Population

	U.S.	North Carolina	High Country
1990	9.0%	1.2%	0.6%
2000	12.5%	4.7%	2.7%
Growth in Number	12,952,580	302,242	4,191

Source: U.S. Census Bureau

Table 9: Hispanic Population By County

	Alleghany	Ashe	Avery	Mitchell	Watauga	Wilkes	Yancey
1990	0.9%	0.5%	0.8%	0.3%	0.7%	0.6%	0.3%
2000	5.0%	2.4%	2.4%	2.0%	1.5%	3.4%	2.7%
Growth in Number	445	488	295	261	373	1,900	429

Source: U.S. Census Bureau

What does the race and ethnicity data tell us about the region?

The region as a whole has been and continues to be less diverse than the state and nation. The minority population stands at less than 10% of the total population. The increasing Hispanic population, while not changing the demographic landscape dramatically, is having the largest impact in diversifying the region. It grew by over 4,000 residents over an eleven-year period. An increasing immigrant or foreign population has major impacts on workforce strategies such as the introduction of another language and culture in the workplace, schools, and community. There are additional implications for the social service infrastructure with some of the highest levels of poverty found in the Hispanic population in the region.

Income

Why is this important?

Income and poverty are key indicators of the economic health of individuals, families, employers, and the entire community. The median income levels and average household income growth can be used as a measure to identify the extent to which an area is prosperous and able to attract the high-skill and high-wage jobs as well as the high-skill labor force. Per capita personal income can be used as a means to measure the region's income levels compared to the state.

Chart 9: Growth in Income

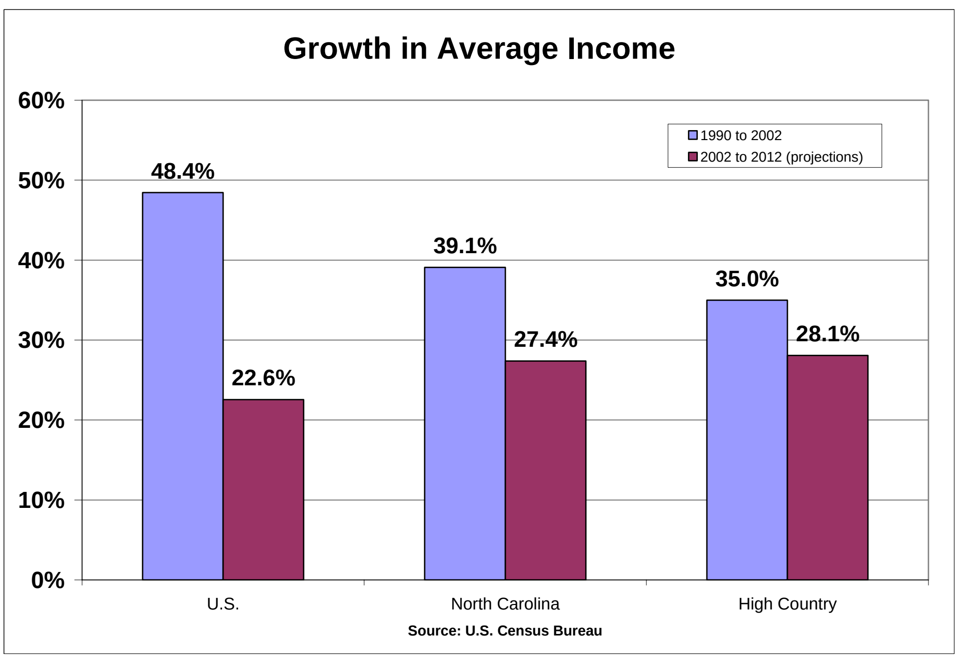


Table 10: Median Income Growth by County

	Alleghany	Ashe	Avery	Mitchell	Watauga	Wilkes	Yancey
1990 to 2002	32.1%	30.1%	39.7%	33.2%	43.6%	32.4%	32.4%
2002 to 2012 (projections)	38.0%	32.9%	33.7%	27.6%	31.8%	20.9%	29.9%

Source: U.S. Census Bureau, AGS Demographics

Table 11: Growth in Average Household Income

	High Country	Alleghany	Ashe	Avery	Mitchell	Watauga	Wilkes	Yancey
1980	$14,507	$13,118	$12,888	$13,421	$13,712	$14,276	$16,425	$12,716
1990	$29,719	$27,369	$26,082	$28,753	$28,341	$33,021	$30,882	$26,879
2002	$39,522	$37,051	$35,037	$39,414	$38,736	$42,662	$40,999	$35,845
2007	$44,044	$42,334	$39,950	$44,204	$42,295	$46,654	$45,893	$39,769
2012	$48,418	$49,308	$44,669	$48,422	$47,731	$50,494	$49,472	$45,222

Source: U.S. Census Bureau, AGS Demographics

Chart 10: 2000 Per Capita Personal Income

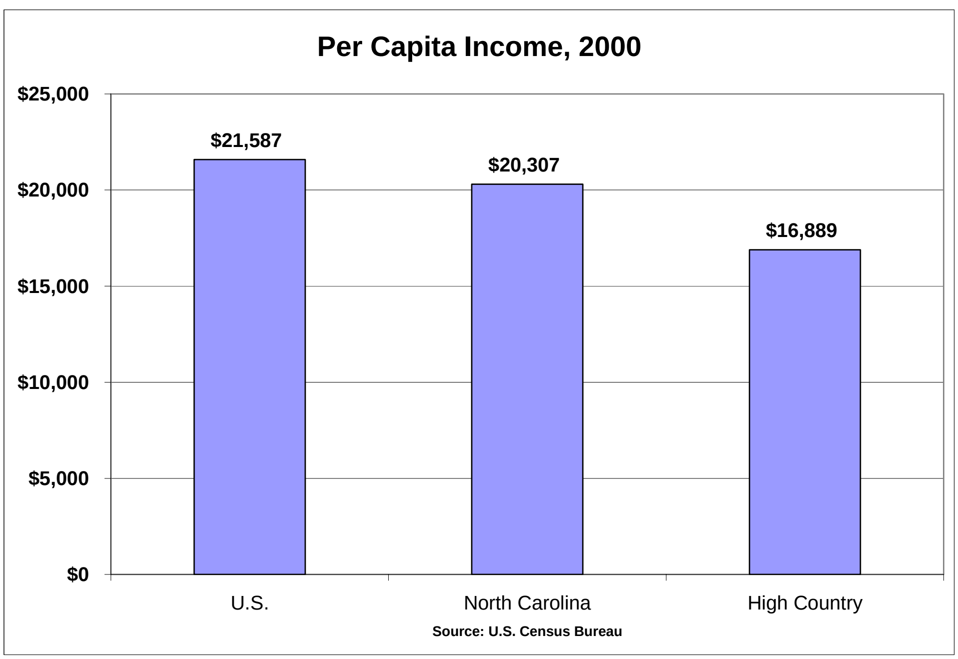


Chart 11: Income by Source (Wage and Salary Income not Included)

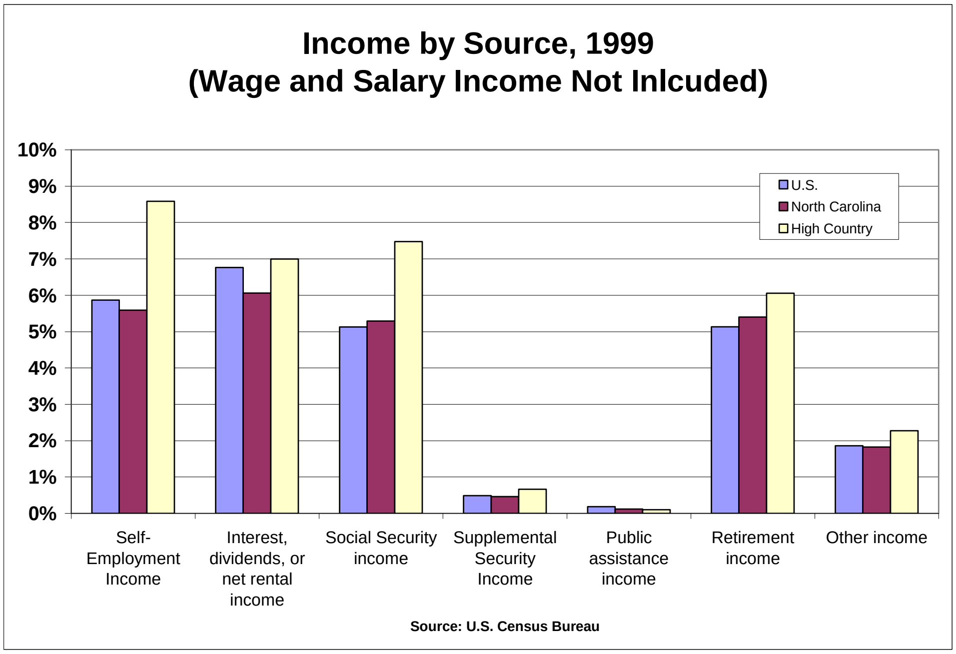


Table 12: Total Income by Source

	U.S.	North Carolina	High Country
Wage or Salary Income	$ 4,458,674,698	$ 120,774,066	$ 2,189,070
Self-Employment Income	$ 350,579,191	$ 8,975,847	$ 276,959
Interest, Dividends, or Net Rental Income	$ 404,235,115	$ 9,722,222	$ 225,699
Social Security Income	$ 306,588,311	$ 8,488,417	$ 241,265
Supplemental Security Income	$ 29,170,450	$ 747,547	$ 21,361
Public Assistance Income	$ 11,003,774	$ 196,575	$ 3,341
Retirement Income	$ 306,842,035	$ 8,667,814	$ 195,328
Other Income	$ 111,012,986	$ 2,928,760	$ 73,342

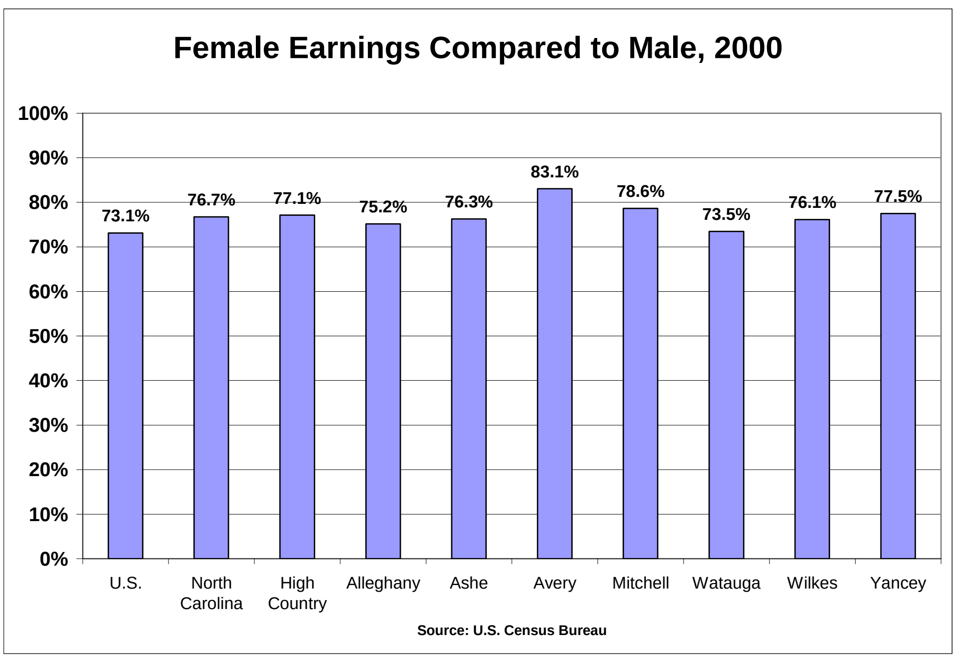
Source: U.S. Census Bureau

Table 13: County Income by Source

	Alleghany	Ashe	Avery	Mitchell	Watauga	Wilkes	Yancey
Wage or Salary Income	63.4%	64.0%	61.2%	69.5%	67.1%	72.1%	65.6%
Self-Employment Income	12.2%	9.2%	11.0%	5.9%	9.1%	7.6%	8.0%
Interest, Dividends, or Net Rental Income	5.6%	6.1%	8.6%	5.6%	8.7%	6.5%	6.8%
Social Security Income	8.4%	8.6%	8.6%	9.6%	5.6%	6.9%	9.1%
Supplemental Security Income	0.8%	0.9%	0.8%	1.0%	0.4%	0.6%	0.8%
Public Assistance Income	0.2%	0.1%	0.1%	0.1%	0.0%	0.1%	0.2%
Retirement Income	7.0%	8.2%	7.1%	6.1%	6.3%	4.7%	6.4%
Other Income	2.3%	2.9%	2.5%	2.2%	2.8%	1.6%	2.9%

Source: U.S. Census Bureau

Chart 12: Glass Ceiling



What does the income data tell us about the region?

The High Country has an income level that is growing at a slower rate than the comparison areas. The per capita personal income in the High Country region is $3,500 less than that of the state, and the growth rate of income is less than that of other areas. The large older population of the High Country is reflected by the higher level of retirement income as compared with other areas.

The percentage of income based on salary and wages is lower in the region than in the state and nation. The region may have a harder time attracting a workforce that is high skilled due to the earning potential of the area. Another possibility is that the High Country region's workforce will be leaving the region or commuting out of the region for employment in higher wage occupations.

Housing Value and Occupancy

Why is this important?

High home ownership, low vacancy rates, and affordable housing are all indicators of a grounded workforce that is not prone to move in an economic downturn. They may also be indicators of housing quality and the ability of an area to both meet the housing needs of the current workforce and provide housing that attracts new workers to the region.

Housing vacancy numbers reflect the second home issue discussed in section two of this report. This is because the U.S. Census counts seasonal, recreational or occasional use homes as vacant.

Chart 13: Home Value

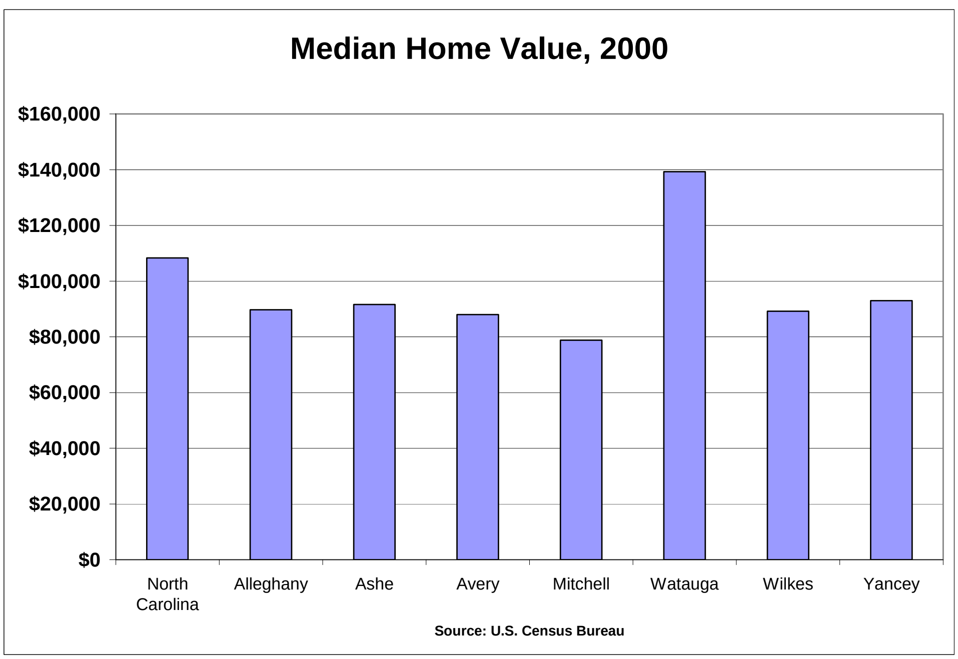


Chart 14: Median Selling Price Asked for Housing Units

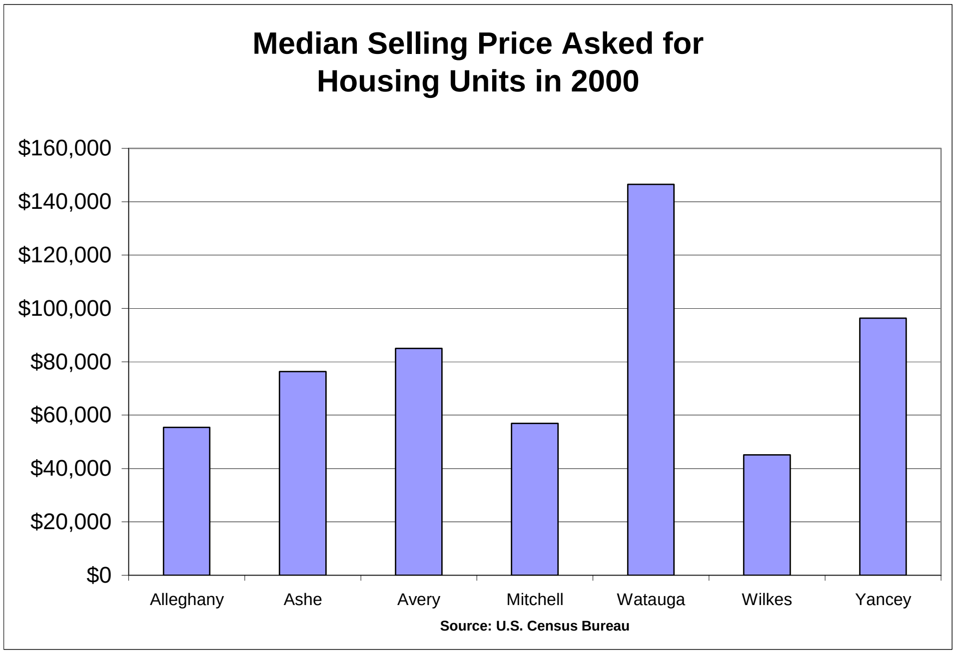


Table 14: Dominant Range of Selling Price Asked for Housing Units, 2000

	Dominant Selling Price Asked
U.S.	$100,000 - $124,999
North Carolina	$100,000 - $124,999
High Country	$125,000 - $149,999
Alleghany	$ 50,000 - $ 59,999
Ashe	$ 80,000 - $ 89,999
Avery	$ 70,000 - $ 79,999
Mitchell	$ 50,000 - $ 59,999
Watauga	$125,000 - $149,999
Wilkes	$ 40,000 - $ 49,999
Yancey	$125,000 - $149,999

Source: U.S. Census Bureau

Table 15: Distribution of Selling Price Asked for Housing Units, 2000

	U.S.	Alleghany	Ashe	Avery	Mitchell	Watauga	Wilkes	Yancey
Less than $10,000	4%	5%	11%	0%	10%	5%	3%	0%
$10,000 to $14,999	2%	8%	4%	3%	1%	0%	9%	0%
$15,000 to $19,999	2%	3%	0%	0%	3%	0%	5%	1%
$20,000 to $24,999	2%	0%	0%	0%	8%	0%	6%	5%
$25,000 to $29,999	2%	5%	4%	0%	3%	0%	3%	0%
$30,000 to $34,999	3%	7%	5%	0%	4%	4%	6%	0%
$35,000 to $39,999	3%	11%	1%	0%	3%	0%	8%	0%
$40,000 to $49,999	5%	0%	12%	0%	4%	3%	22%	4%
$50,000 to $59,999	6%	20%	5%	0%	18%	2%	3%	11%
$60,000 to $69,999	7%	3%	4%	17%	7%	4%	6%	7%
$70,000 to $79,999	7%	0%	7%	25%	3%	2%	13%	10%
$80,000 to $89,999	7%	7%	13%	10%	2%	6%	0%	8%
$90,000 to $99,999	6%	15%	5%	3%	3%	3%	4%	5%
$100,000 to $124,999	10%	0%	13%	3%	1%	5%	0%	15%
$125,000 to $149,999	9%	11%	2%	3%	13%	18%	8%	19%
$150,000 to $174,999	6%	0%	4%	3%	4%	5%	0%	0%
$175,000 to $199,999	4%	5%	1%	13%	8%	6%	0%	10%
$200,000 to $249,999	5%	0%	7%	7%	0%	14%	3%	4%
$250,000 to $299,999	3%	0%	2%	3%	2%	5%	2%	0%
$300,000 to $399,999	3%	0%	0%	8%	0%	9%	0%	0%
$400,000 to $499,999	1%	0%	0%	0%	0%	8%	0%	0%
$500,000 to $749,999	1%	0%	0%	0%	0%	1%	0%	0%
$750,000 to $999,999	0%	0%	0%	0%	0%	0%	0%	0%
$1,000,000 or more	1%	0%	0%	0%	0%	0%	0%	0%

Source: U.S. Census Bureau

Chart 15: Owner- vs. Renter-Occupied Housing

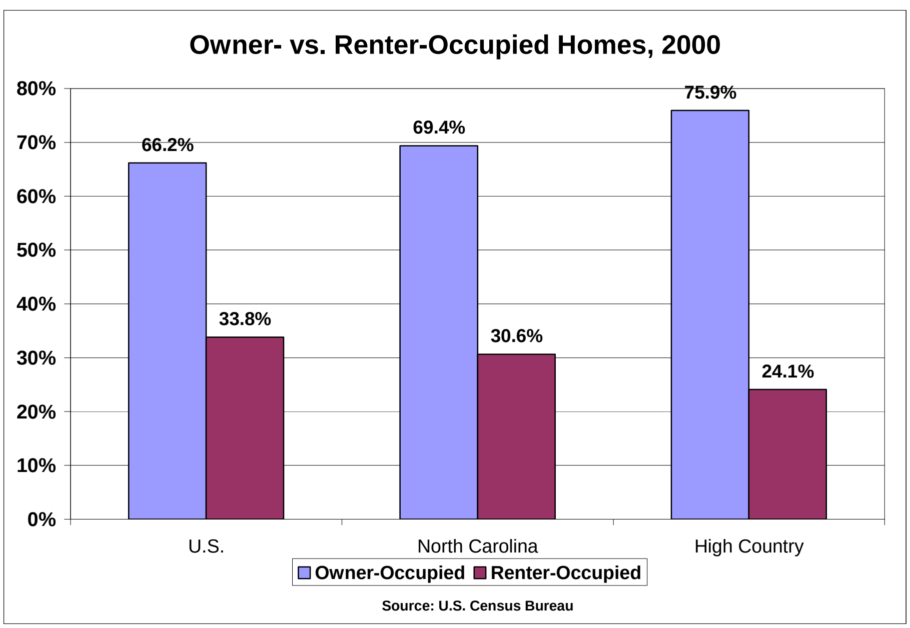


Table 16: Housing Occupancy, 2000

	U.S.	North Carolina	High Country
Total Housing Units	115,904,641	3,523,944	101,655
Occupied	105,480,101	3,132,013	78,749
Owner occupied	69,816,513	2,172,270	59,782
Renter occupied	35,663,588	959,743	18,967
Vacant	10,424,540	391,931	22,906

Source: U.S. Census Bureau

Table 17: Housing Occupancy by County

	Alleghany	Ashe	Avery	Mitchell	Watauga	Wilkes	Yancey
Total Housing Units	6,412	13,268	11,911	7,919	23,155	29,261	9,729
Occupied	4,593	10,411	6,532	6,551	16,540	26,650	7,472
Owner occupied	3,627	8,436	5,259	5,297	10,396	20,773	5,994
Renter occupied	966	1,975	1,273	1,254	6,144	5,877	1,478
Vacant	1,819	2,857	5,379	1,368	6,615	2,611	2,257
For seasonal, recreational or occasional use	1,346	2,179	4,817	684	5,426	659	1,354

Source: U.S. Census Bureau

Chart 16: Percent of Income Spent on Housing

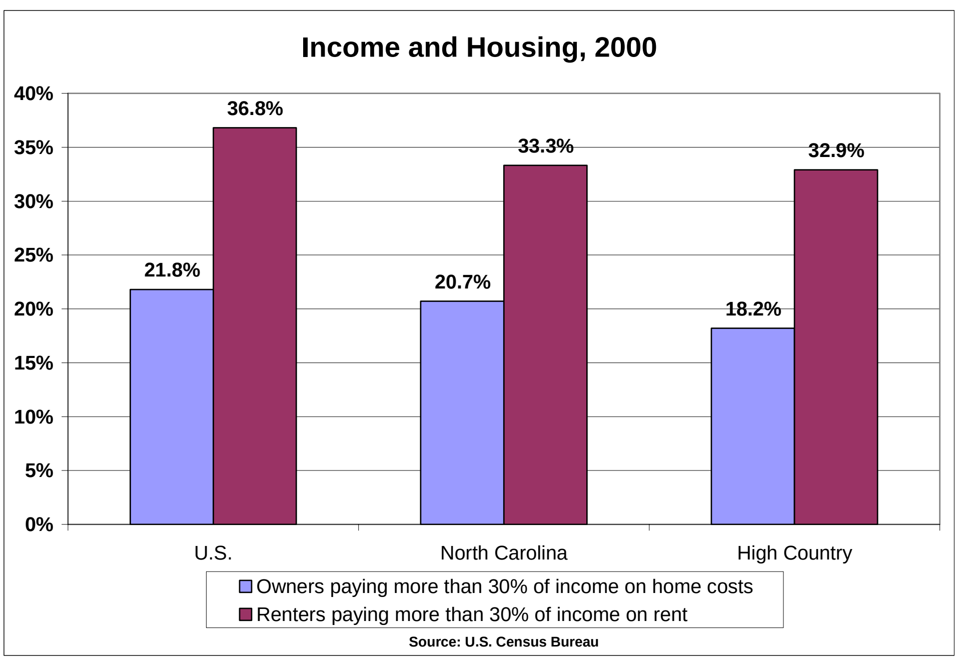


Table 18: Owners and Renters Paying More than 30% of Income on Housing by County

	Alleghany	Ashe	Avery	Mitchell	Watauga	Wilkes	Yancey
Home Owners	22.2%	19.3%	20.7%	18.4%	20.6%	16.2%	14.2%
Renters	27.2%	25.6%	27.2%	26.7%	48.5%	24.0%	25.1%

Source: U.S. Census Bureau

Table 19: Vacancy by County

Vacant Housing for 2000	
U.S.	9.0%
North Carolina	11.1%
High Country	22.5%
Alleghany	28.4%
Ashe	21.5%
Avery	45.2%
Mitchell	17.3%
Watauga	28.6%
Wilkes	8.9%
Yancey	23.2%

Source: U.S. Census Bureau

Table 20: Reason for Vacancy, 2000

	Alleghany	Ashe	Avery	Mitchell	Watauga	Wilkes	Yancey
For rent	3.0%	7.4%	2.9%	6.4%	7.6%	20.3%	6.1%
For sale only	4.9%	5.3%	1.6%	11.1%	2.7%	17.3%	4.3%
Rented or sold, not occupied	2.7%	2.9%	1.1%	1.5%	3.7%	8.0%	0.7%
For seasonal, recreational, or occasional use	74.0%	76.3%	89.6%	50.0%	82.0%	25.2%	60.0%
For migrant workers	1.0%	0.2%	0.2%	0.0%	0.0%	0.0%	0.3%
Other vacant	14.3%	7.9%	4.7%	30.9%	3.9%	29.1%	28.7%

Source: U.S. Census Bureau

What does the housing value and occupancy data tell us about the region?

Regionally, 76% of occupied housing is owned by the occupants rather than rented. The vacancy rate in the region is higher than the state and nation, with four counties having a vacancy rate over 20%. In 2000, Avery County had a 45% vacancy rate. As mentioned earlier, the term "vacancy" is used differently by the U.S. Census Bureau and includes housing that is used for seasonal, recreational or occasional use. In all except Wilkes County, the vacancy rate is largely due to a high percentage of second homes. Wilkes County is the only county with a high percentage of vacant housing for rent, and both Wilkes and Mitchell County have high percentages of vacant housing for sale.

Information Access

Why is this important?

Access to information plays a role in continuing education at home, job searches, and skill development. The digital divide is no longer simply about the "haves and the have-nots," but also reflects the accessibility to current technology.

Computer access at home allows youth and adults to continually update computer skills and knowledge while also providing educational and job resources at home.

Chart 17: Computer and Internet Access at Home

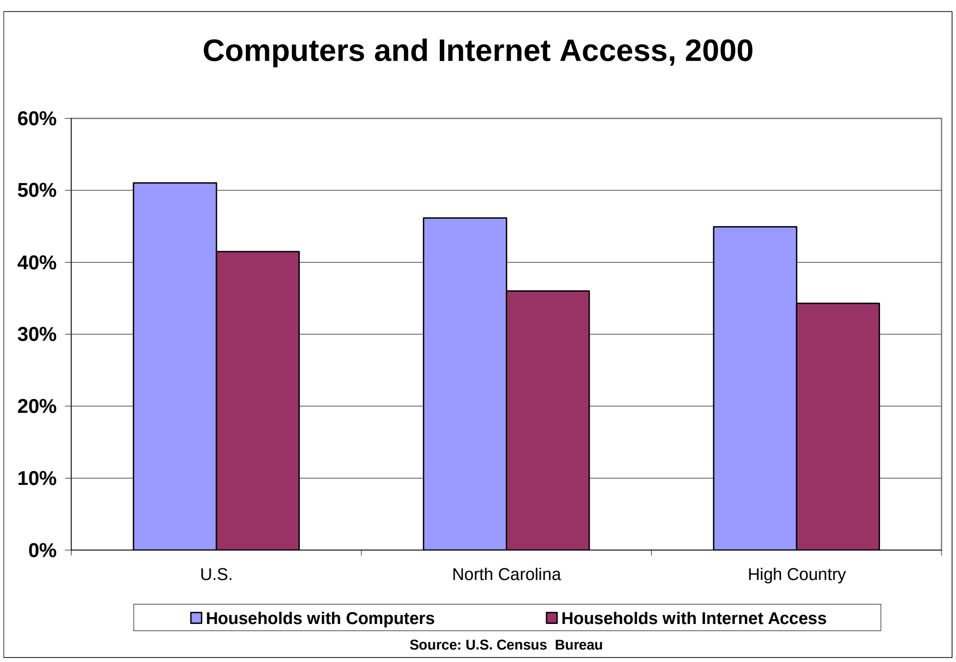


Table 21: Households by Number of Computers

	High Country	Alleghany	Ashe	Avery	Mitchell	Watauga	Wilkes	Yancey
1 computer	27,544	1,558	3,591	2,403	2,263	5,794	9,366	2,569
2 computers	6,360	359	821	559	518	1,354	2,166	583
3 or more computers	2,497	139	316	224	205	539	846	228
No computer	44,653	2,669	5,985	3,547	3,708	9,431	14,960	4,353
Total households with computers	36,401	2,056	4,728	3,186	2,986	7,687	12,378	3,380

Source: AGS Demographics

Table 22: How Residents Use the Internet

	U.S.	North Carolina	High Country
For e-mail	36.7%	31.0%	27.5%
For school and course research	16.0%	13.5%	11.9%
For news	19.8%	16.8%	15.0%
For telephone	2.7%	2.3%	2.1%
For information service/searching	27.1%	22.9%	20.3%
For job search	7.5%	6.4%	5.6%
For work from home	16.6%	13.9%	12.1%
For shopping	14.0%	11.8%	10.3%
For games	3.5%	2.9%	2.8%
For other purposes	4.2%	3.6%	3.2%

Source: AGS Demographics

Table 23: Internet Access in High Schools

	Students Per Instructional Computer	Students Per Computer with Internet Access
North Carolina	3.65	4.26
Alleghany High	1.33	1.34
Ashe High	2.75	2.81
Avery High	2.41	2.41
Mitchell High	4.01	5.71
Watauga High	3.31	3.33
East Wilkes High	1.94	2.08
North Wilkes High	2.70	2.77
West Wilkes High	2.37	2.37
Wilkes Central High	3.86	3.86
Mountain Heritage High (Yancey)	2.55	3.13

Source: North Carolina Public Schools: School Report Cards

What does the information access data tell us about the region?

The High Country region is behind the state and nation in its residents' ability to access and interface with computers. The region has a lower percentage of residents with computer access at home and a lower percentage of residents able to access the internet from home. For the adult population, this impacts computer literacy as well as access to online job searches and online applications.

The youth population is faring better than adults. The region has better youth access to computers in school than the state average. There are fewer students per computer in High Country classrooms and there are more computers in school connected to the internet (relative to student population).

Labor Force

Why is this important?

Labor force participation rates include both people who are currently employed and those who are unemployed. Labor force participation rates, and in particular the unemployment rate, are key economic indicators. The widely cited unemployment rates provide a good measure of the relative utilization of labor in the region. These measures are "residency-based," providing current information on the labor force status of residents in the county or region.

Chart 18: Participation Rates

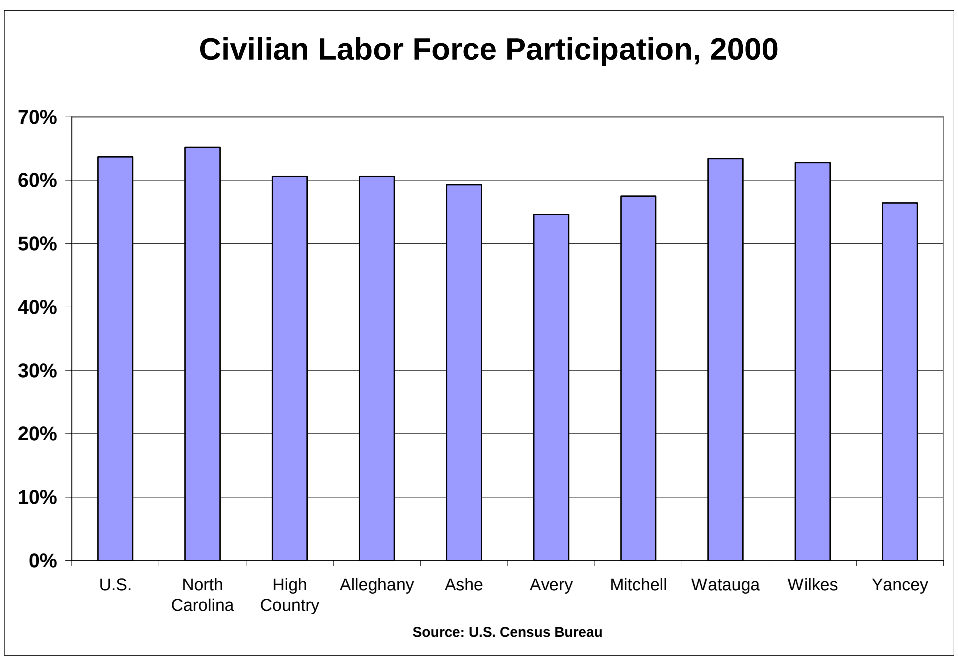


Table 24: 2003 Labor Force Data

	Labor Force	Employment	Unemployment	Unemployment Rate
U.S.	146,510,000	137,736,000	8,774,000	6.0%
North Carolina	4,229,772	3,956,946	272,826	6.5%
High Country	96,845	90,791	6,054	9.5%
Alleghany	4,936	4,448	488	9.9%
Ashe	11,975	11,122	853	7.1%
Avery	8,651	8,282	369	4.3%
Mitchell	7,185	6,556	629	8.8%
Watauga	24,685	24,080	605	2.5%
Wilkes	33,319	30,745	2,574	7.7%
Yancey	6,094	5,558	536	8.8%

Source: Bureau of Labor Statistics

Chart 19: Labor Growth Over Ten- and Two-Year Periods

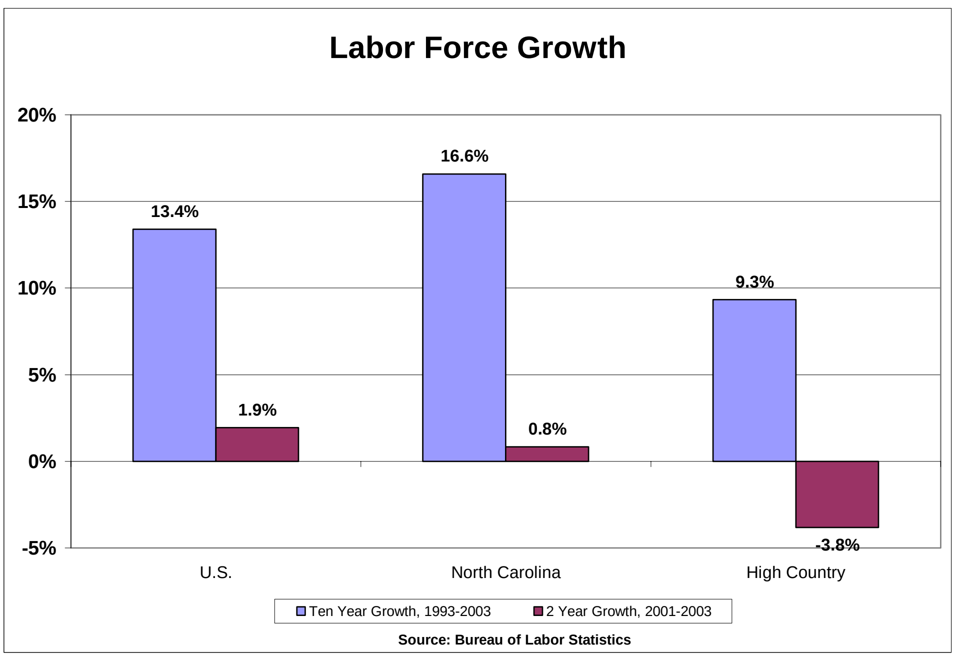


Chart 20: Labor Force Growth by Region and County

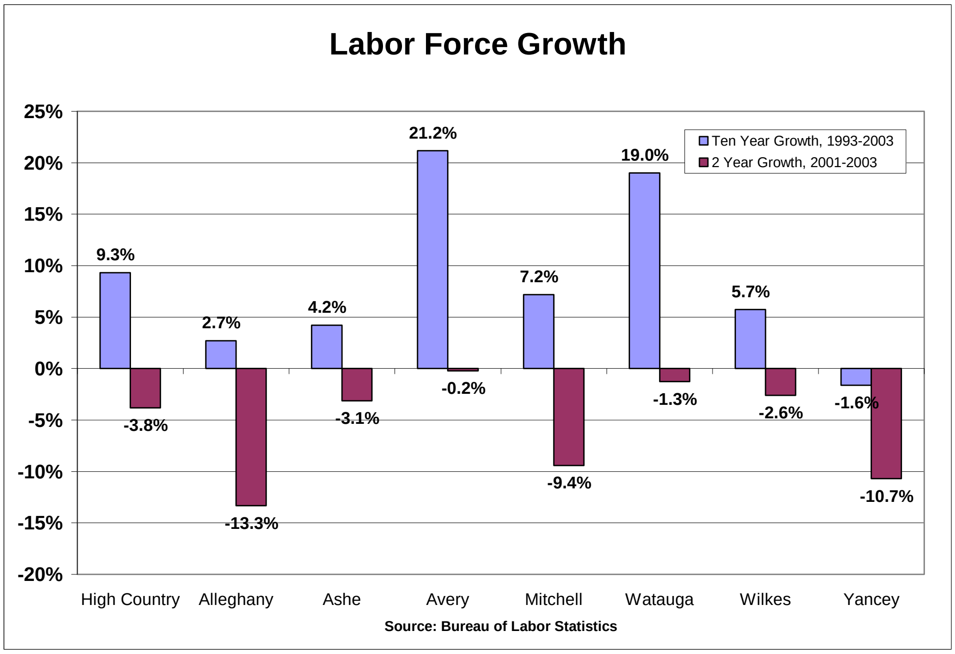


Table 25: Labor Force Growth

	1993 Labor Force	2001 Labor Force	2003 Labor Force	Ten Year Growth 1993-2003	Two Year Growth 2001-2003
U.S.	129,200,000	143,734,000	146,510,000	13.4%	1.9%
North Carolina	3,628,369	4,195,224	4,229,772	16.6%	0.8%
High Country	88,588	100,692	96,845	9.3%	-3.8%
Alleghany	4,806	5,694	4,936	2.7%	-13.3%
Ashe	11,493	12,364	11,975	4.2%	-3.1%
Avery	7,140	8,669	8,651	21.2%	-0.2%
Mitchell	6,704	7,933	7,185	7.2%	-9.4%
Watauga	20,742	24,999	24,685	19.0%	-1.3%
Wilkes	31,508	34,210	33,319	5.7%	-2.6%
Yancey	6,195	6,823	6,094	-1.6%	-10.7%

Source: Bureau of Labor Statistics

Chart 21: Labor Force vs. Employment Growth

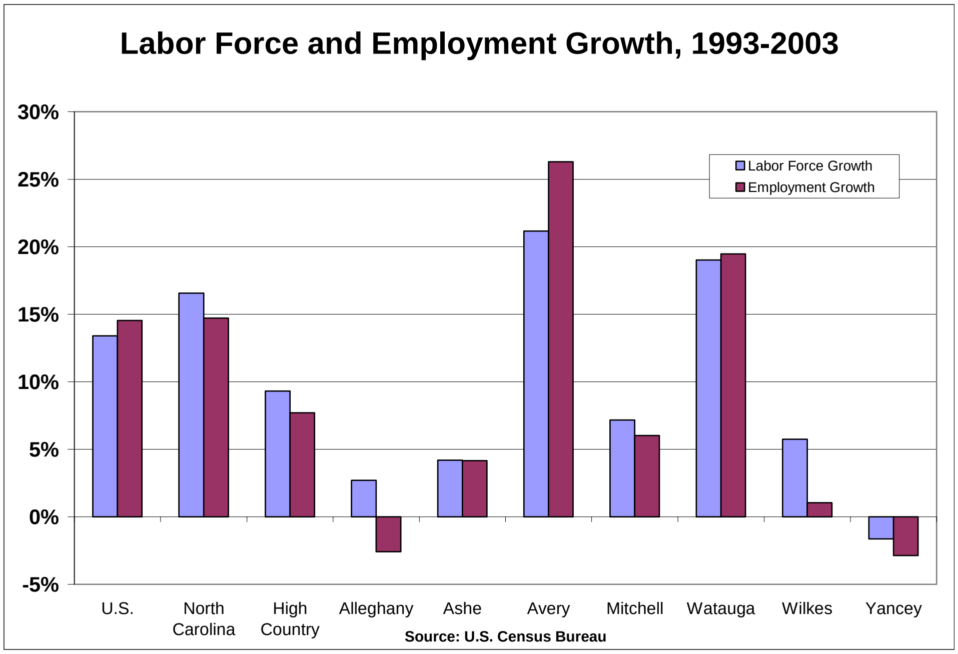


Table 26: Employment Growth

	1993 Employment	2003 Employment	Employment Growth
U.S.	120,259,000	137,736,000	14.5%
North Carolina	3,449,261	3,956,946	14.7%
High Country	84,294	90,791	7.7%
Alleghany	4,566	4,448	-2.6%
Ashe	10,678	11,122	4.2%
Avery	6,558	8,282	26.3%
Mitchell	6,184	6,556	6.0%
Watauga	20,156	24,080	19.5%
Wilkes	30,430	30,745	1.0%
Yancey	5,722	5,558	-2.9%

Source: Bureau of Labor Statistics

Chart 22: Unemployment Rates Over Time, 1990-2003

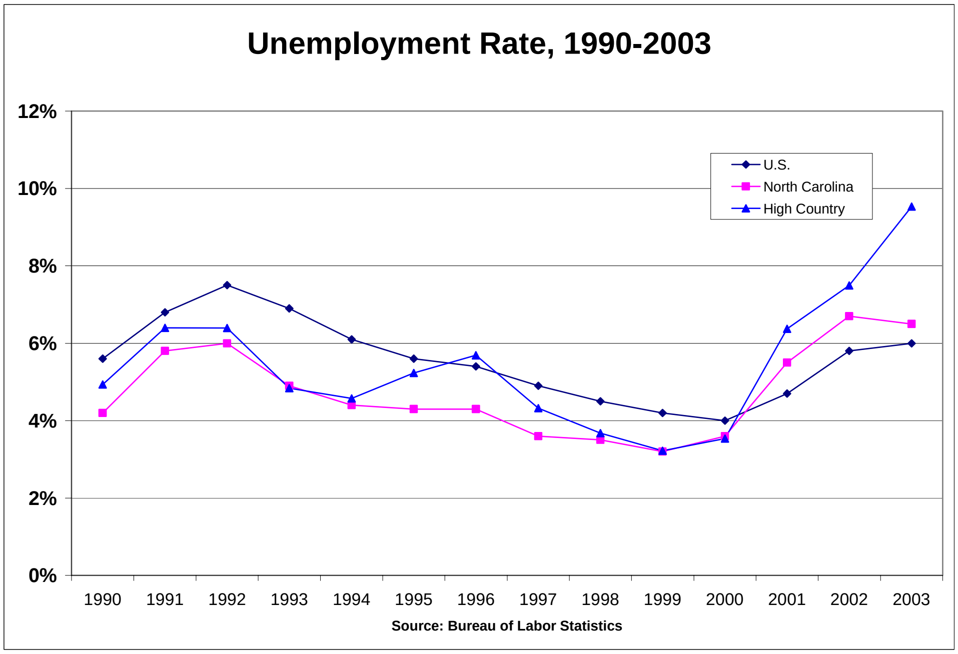


Table 27: County Level Unemployment Rates over Time

	1993	1995	1997	1999	2001	2003
U.S.	6.9%	5.6%	4.9%	4.2%	4.7%	6.0%
North Carolina	4.9%	4.3%	3.6%	3.2%	5.5%	6.5%
High Country	4.8%	5.2%	4.3%	3.2%	6.4%	9.5%
Alleghany	5.0%	6.0%	5.1%	3.2%	9.2%	9.9%
Ashe	7.1%	7.9%	9.6%	6.4%	9.3%	7.1%
Avery	8.2%	6.1%	4.1%	3.3%	4.4%	4.3%
Mitchell	7.8%	7.5%	5.6%	6.4%	10.4%	8.8%
Watauga	2.8%	3.3%	2.1%	1.4%	2.1%	2.5%
Wilkes	3.4%	4.8%	3.4%	2.5%	5.9%	7.7%
Yancey	7.6%	5.9%	5.0%	4.9%	14.0%	8.8%

Source: Bureau of Labor Statistics

What does the labor force data tell about the region?

The region has had inconsistent labor force growth. The region has a low rate of labor force participation and over the most recent two-year span available (2001-2003), the region experienced a net loss in its labor force. Every county in the region declined over those two years, with a total loss of 4,000 labor force members. Employment growth has also declined in two counties, contributing to the rising unemployment in the region. In 2001, the unemployment rate rose above the state and national levels for the first time since 1996.

Quality of Life

Why is this important?

Quality of life is a factor in attracting and maintaining businesses as well as a quality labor force. Quality of life indicators vary but usually include poverty indicators, transportation, and self-sufficiency data. High levels of poverty put stress on social support programs, while transportation and self sufficiency data indicate the potential for a family or an individual to both live and work in the same place.

Chart 23: Self Sufficiency

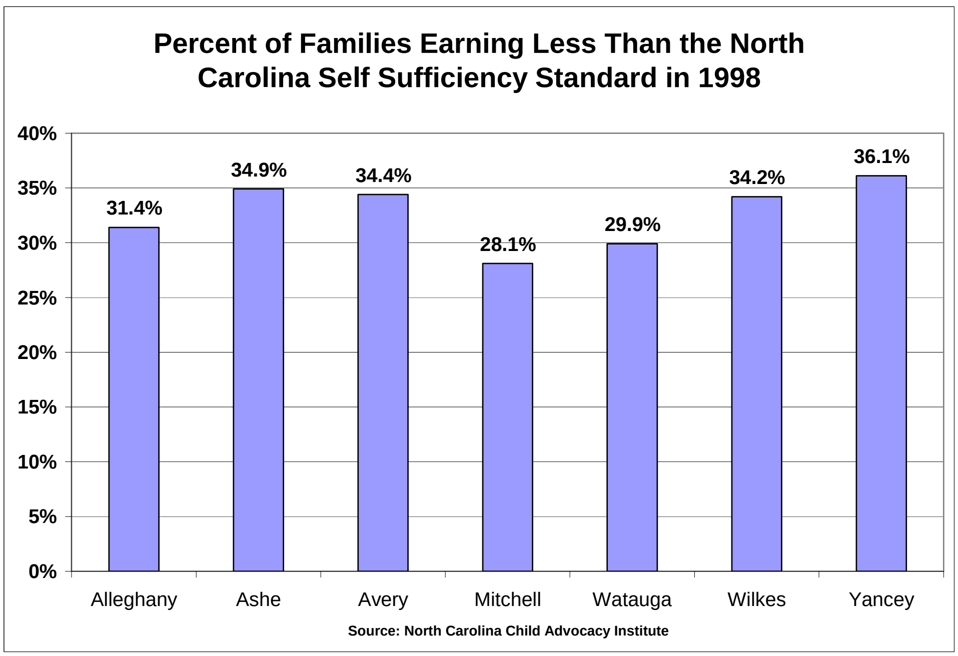


Chart 24: Poverty Rates

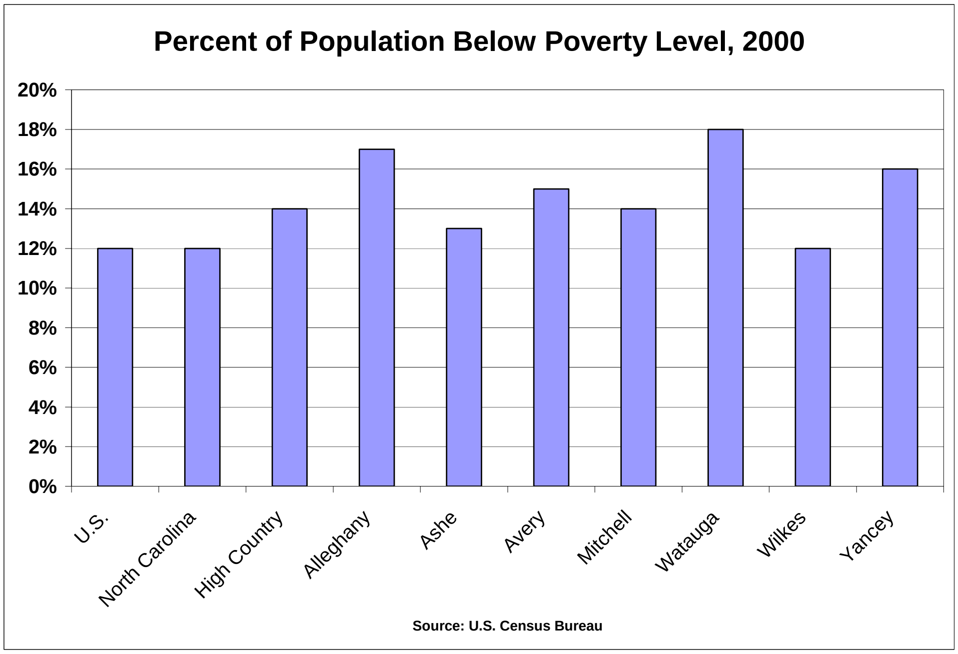


Chart 25: Single-Parent Households

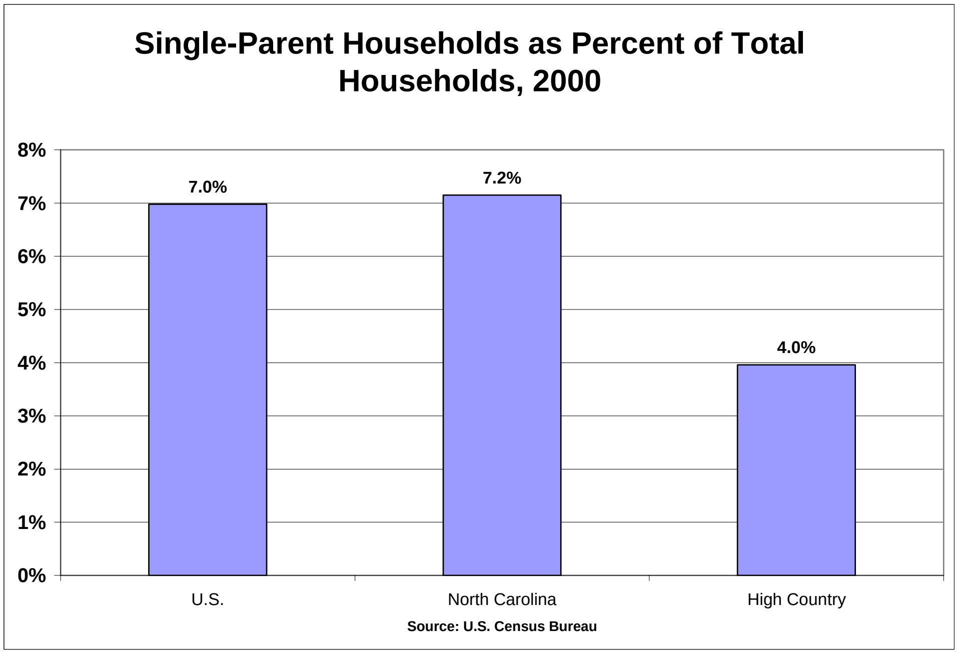


Chart 26: Public Assistance

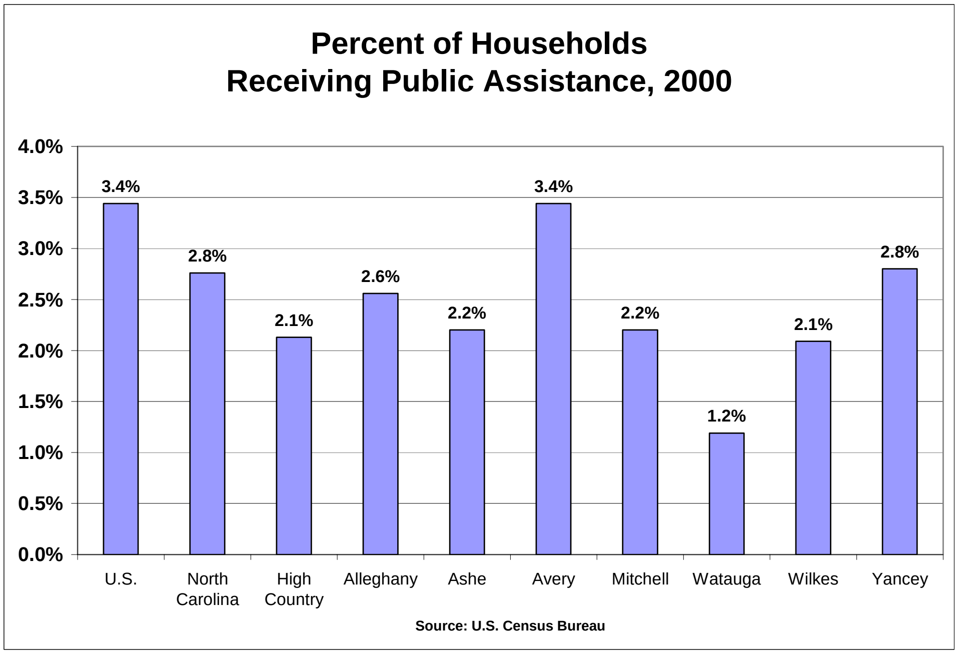
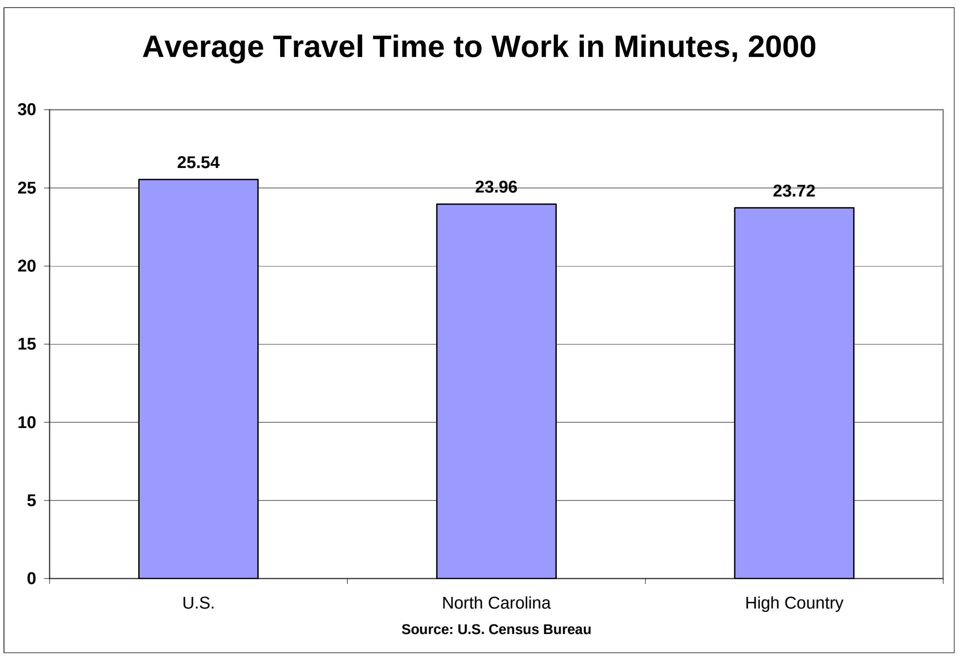


Chart 27: Travel Time to Work



What does the quality of life data tell us about the region?

The High Country has above average indicators for quality of life. Poverty is the only indicator that lags behind the state. The region has a higher percentage of residents at or below the poverty line. However, there are fewer single-parent homes, with less public assistance going to the region's residents. In addition, the region's populace does not face long commute times to work. The quality of life in the region can serve as an attraction to bring in more businesses and high-skill workers.

Education, Literacy, English Proficiency

Why is this important?

Indicators such as educational attainment and adult literacy rates can gauge workforce quality and adaptability to a changing job market. In general, employers prefer employees with basic skills and the ability to develop and benefit from training.

Chart 28: Educational Attainment

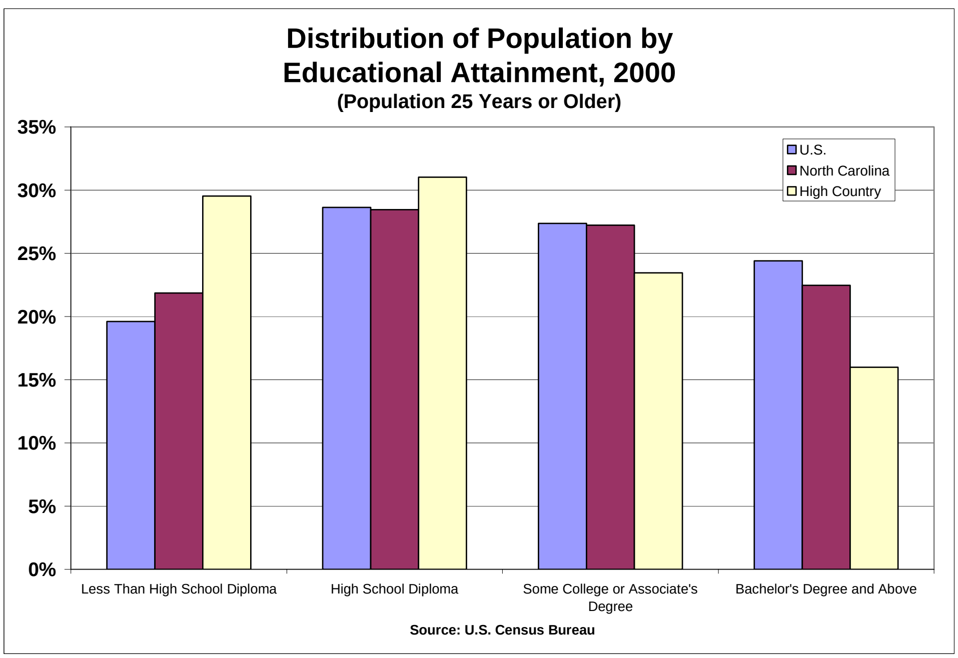


Chart 29: Educational Attainment of Watauga Residents Compared to Region

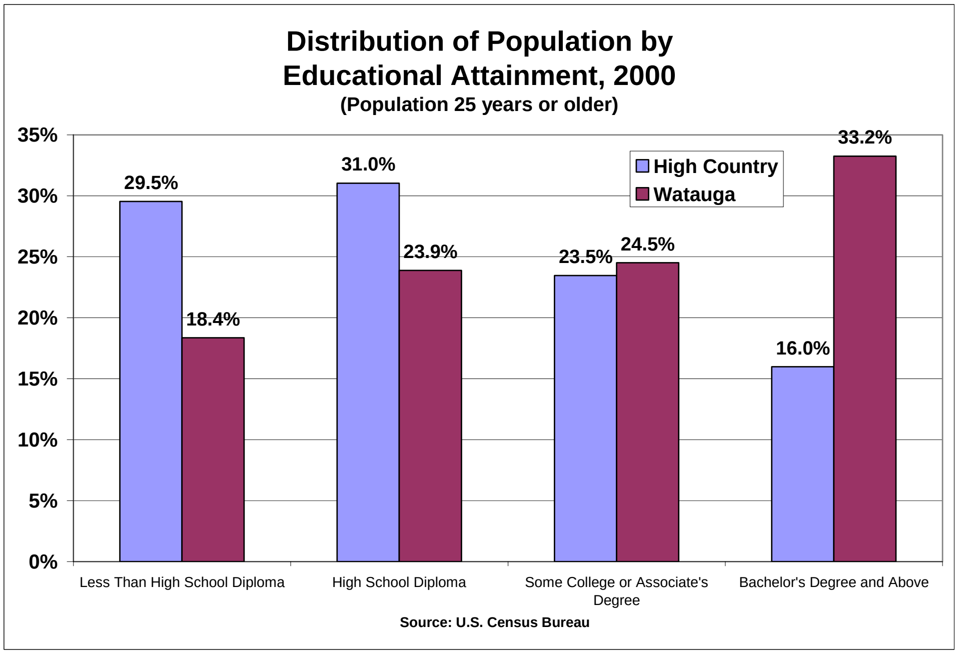


Table 28: Educational Attainment

Educational Attainment	U.S.	North Carolina	High Country
Less Than 9th Grade	13,755,477	413,495	16,500
9th to 12th Grade/No Diploma	21,960,148	741,229	22,210
High School Graduate	52,168,981	1,502,978	40,675
Some College, No Degree	38,351,595	1,080,504	23,360
Associate's Degree	11,512,833	358,075	7,379
Bachelor's Degree	28,317,792	808,070	13,213
Graduate/Professional Degree	16,144,813	378,643	7,733

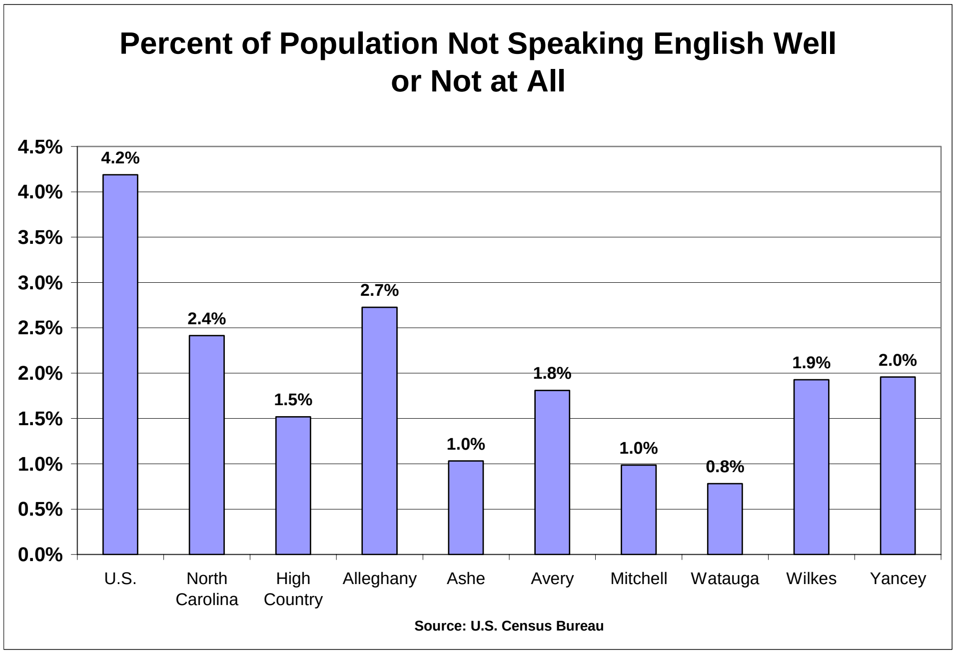
Source: U.S. Census Bureau

Table 29: Hispanic Educational Attainment

Hispanic Educational Attainment	U.S.		North Carolina		High Country	
Less Than High School Diploma	6,436,596	40.2%	79,159	50.4%	1,234	60.5%
High School Diploma	4,038,959	25.2%	31,817	20.3%	329	16.1%
Some College or Associate's Degree	3,630,033	22.7%	27,631	17.6%	253	12.4%
Bachelor's Degree and Above	1,908,039	11.9%	18,396	11.7%	223	10.9%

Source: U.S. Census Bureau

Chart 30: English Proficiency



What does the educational attainment data tell us about the region?

The adult population of the region has a range of educational attainment levels. Regionally, the educational attainment levels are lower than the state and nation with more of the population in the High School Diploma or Less category. The educational attainment data changes considerably without Watauga County's concentration of post-secondary degrees. The high level of adults with a high school diploma or less could be an issue when it comes to adapting to a changing job market. Low levels of educational attainment raise a red flag for employers as they are increasingly searching for employees with the ability to learn and adapt.

Youth and Education

Why is this important?

A substantial number of jobs require applicants to have at least a high school diploma or equivalent. More and more, employers are looking for candidates with post-secondary education or training. High school proficiency exam scores and ACT/SAT tests provide an indication of trainability and capacity for learning. These scores, along with student performance, teacher qualifications, and technology in the classroom, help to determine youths' ability to succeed and adapt in the changing workplace.

Chart 31: Percent of Students Passing High School Comprehension Test

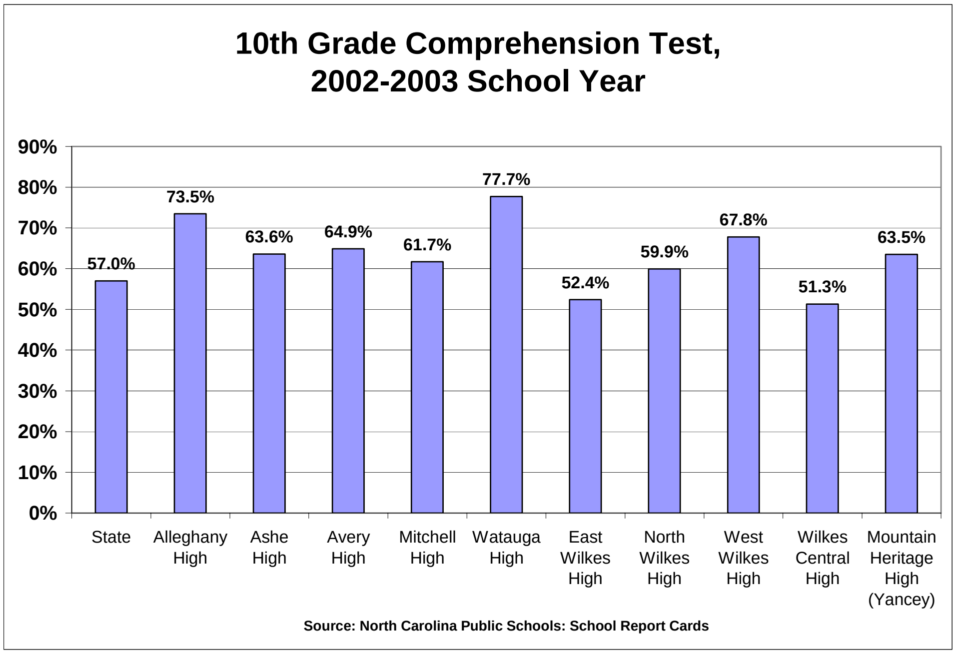


Table 30: ABCs Test Performance, 2002-2003 School Year

Percentage of students' scores at or above grade level

*ELPS: Economic, Legal, and Political Systems

High Schools	English I	Algebra I	Algebra II	Geometry	Biology	Chemistry	Physical Science	Physics	ELPS*	US History
North Carolina	81.4	78.9	79.1	69.9	61.1	74.3	63.9	83.4	69.4	55.1
Alleghany	87.4	66.7	81.7	83.1	82.4	90.9	70.7	>95	83.3	58.3
Ashe	85.2	89.8	88.4	84.0	62.9	84.4	75.5	>95	78.9	61.4
Avery	85.4	75.9	84.2	N/A	64.6	68.8	N/A	90.0	84.6	76.8
Mitchell	82.0	60.5	68.9	73.1	62.3	93.0	65.2	N/A	67.0	66.0
Watauga	92.7	87.7	91.5	85.6	78.2	77.3	56.9	87.9	79.1	54.3
East Wilkes	87.6	84.5	>95	94.6	65.4	92.0	62.1	N/A	40.0	59.6
North Wilkes	77.4	77.4	86.6	76.3	72.8	>95	65.3	90.0	57.3	49.7
West Wilkes	80.6	90.4	>95	82.7	78.3	91.4	76.2	>95	71.8	63.2
Wilkes Central	80.7	87.4	92.4	77.4	60.4	>95	62.0	>95	59.0	61.2
Mountain Heritage (Yancey)	83.2	74.2	84.7	93.5	70.6	78.3	67.6	94.9	83.4	45.4

Source: North Carolina Public Schools: School Report Cards

Chart 32: Student Enrollment in Advanced Education or Technical Training

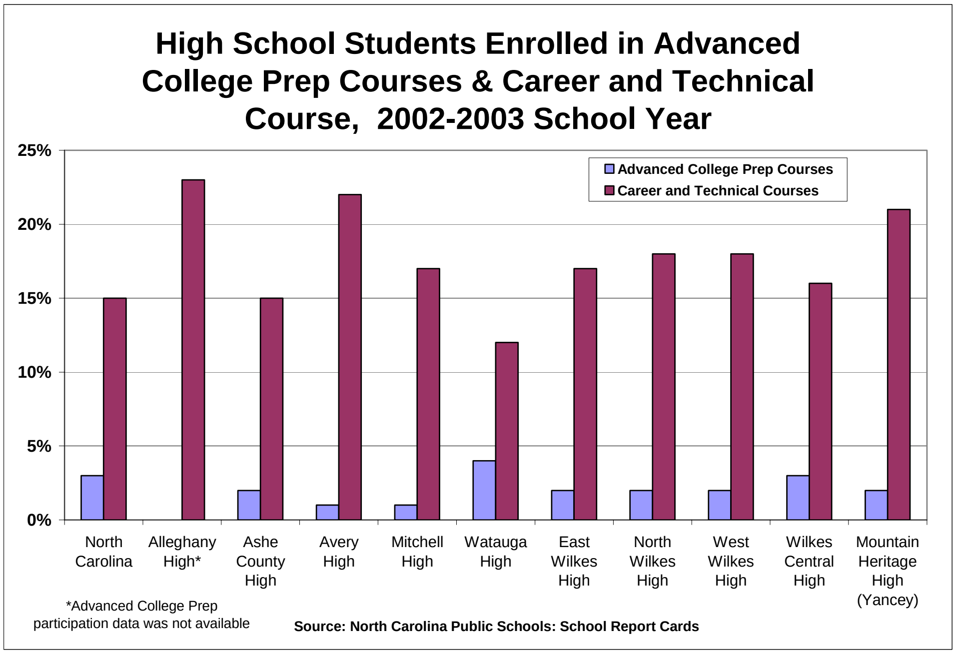


Table 31: SAT Scores from School Report Card, 2002-2003 School Year

	Participation Rate	Average Total SAT Score
U.S.	48%	1026
North Carolina	68%	1001
Alleghany High	48%	972
Ashe High	62%	987
Avery High	51%	994
Mitchell High	48%	998
Watauga High	72%	1078
East Wilkes High	28%	985
North Wilkes High	38%	964
West Wilkes High	43%	1035
Wilkes Central High	61%	1024
Mountain Heritage High (Yancey)	43%	1034

Source: North Carolina Public Schools: School Report Cards

Table 32: Teacher Qualifications, 2002-2003 School Year

	% Fully Licensed	% Highly Qualified Teachers	% W/ Advanced Degrees	Turnover Rate in 2003-2004
North Carolina	82%	87%	26%	16%
Alleghany High	97%	83%	45%	5%
Ashe High	92%	86%	23%	7%
Avery High	92%	89%	26%	12%
Mitchell High	82%	85%	16%	14%
Watauga High	90%	91%	41%	6%
East Wilkes High	95%	90%	26%	19%
North Wilkes High	85%	75%	22%	15%
West Wilkes High	90%	89%	27%	6%
Wilkes Central High	86%	91%	36%	23%
Mountain Heritage High (Yancey)	88%	93%	23%	14%

Source: North Carolina Public Schools: School Report Cards

Table 33: Teaching Experience, 2002-2003 School Year

	Percent of Teachers by Years of Experience		
	0 - 3 Years	4 - 10 Years	10+ Years
North Carolina	21%	24%	55%
Alleghany High	5%	32%	63%
Ashe High	9%	19%	72%
Avery High	14%	28%	58%
Mitchell High	16%	34%	50%
Watauga High	18%	19%	63%
East Wilkes High	24%	26%	50%
North Wilkes High	15%	24%	61%
West Wilkes High	8%	31%	60%
Wilkes Central High	20%	22%	58%
Mountain Heritage High (Yancey)	18%	25%	58%

Source: North Carolina Public Schools: School Report Cards

What does the youth and education data tell us about the region?

The education indicators for youth illustrate a region that is improving its ability to prepare its youth for the workplace. From SAT scores to the North Carolina proficiency exams, the counties continue to improve and are making steps forward. Consistently, there are counties that outperform the state in education indicators. A significant step each county is making is increasing the percent of students passing the proficiency exams administered by the state. Improving the basic skills of youth makes it easier to continue education and gain new skills through training.

Occupations

Why is this important?

Looking at occupational growth and declines allows community planners to determine which industries and jobs individuals should target in their career planning. Examining the occupations with highest demand and growth allows community planners to see what skill levels will be in demand and what training and education the labor force in the region will need to develop.

Chart 33: Distribution of All Jobs by Wage Range

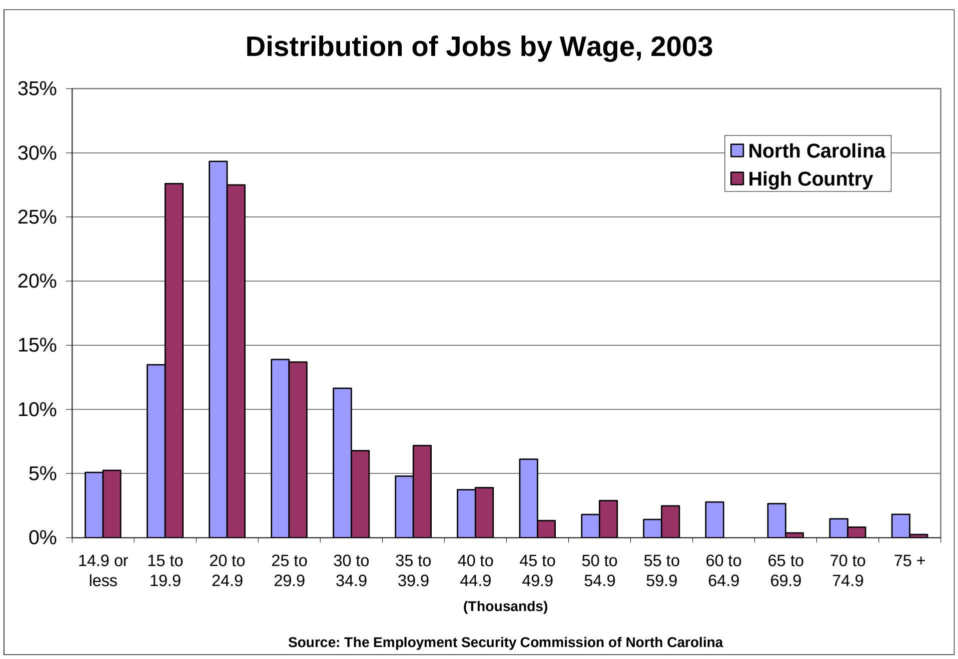


Table 34: Occupational Distribution by Occupational Employment Statistics Categories, 2003

	Estimated 2003 Employment		Estimated Entry Wage	Average Wage	Experienced Wage	Average Annual Wage
Management	4,100	4.8%	$ 14.50	$ 26.75	$ 32.88	$55,640.00
Business and Financial	1,550	1.8%	$ 11.89	$ 18.28	$ 21.48	$38,022.00
Computer and Mathematical	860	1.0%	$ 14.82	$ 22.80	$ 26.79	$47,424.00
Architecture and Engineering	770	0.9%	$ 11.41	$ 17.93	$ 21.19	$37,294.00
Life, Physical, and Social Science	380	0.4%	$ 12.96	$ 17.41	$ 19.63	$36,213.00
Community and Social Services	1,370	1.6%	$ 8.45	$ 13.69	$ 16.31	$28,475.00
Legal	340	0.4%	$ 13.99	$ 25.85	$ 31.77	$53,768.00
Education, Training, and Library	4,010	4.7%	$ 7.65	$ 16.25	$ 20.54	$33,800.00
Arts, Design, Entertainment, Sports, and Media	450	0.5%	$ 7.54	$ 14.03	$ 17.27	$29,182.00
Healthcare Practitioners and Technical	3,390	4.0%	$ 9.78	$ 17.79	$ 21.79	$37,003.00
Healthcare Support	2,470	2.9%	$ 7.49	$ 8.76	$ 9.39	$18,221.00
Protective Service	1,990	2.3%	$ 9.01	$ 13.06	$ 15.08	$27,165.00
Food Preparation and Serving Related	10,770	12.7%	$ 5.86	$ 6.94	$ 7.48	$14,435.00
Building and Grounds Cleaning and Maintenance	2,880	3.4%	$ 6.92	$ 10.36	$ 12.08	$21,549.00
Personal Care and Service	1,700	2.0%	$ 6.26	$ 8.32	$ 9.36	$17,306.00
Sales and Related	7,320	8.6%	$ 6.19	$ 11.43	$ 14.05	$23,774.00
Office and Administrative Support	12,410	14.6%	$ 7.57	$ 10.97	$ 12.67	$22,818.00
Farming, Fishing, and Forestry	270	0.3%	$ 7.68	$ 12.70	$ 15.22	$26,416.00
Construction and Extraction	3,790	4.5%	$ 9.16	$ 12.29	$ 13.85	$25,563.00
Installation, Maintenance, and Repair	4,130	4.9%	$ 9.87	$ 13.59	$ 15.45	$28,267.00
Production	12,230	14.4%	$ 8.34	$ 10.76	$ 11.96	$22,381.00
Transportation and Material Moving	7,810	9.2%	$ 7.10	$ 12.02	$ 14.48	$25,002.00

Source: The Employment Security Commission of North Carolina

Table 35: Top Occupations Based on 2003 Total Wages (Employment Times Wages)

Occupations	2003 Employment	Entry Wage	Average Hourly Wage	Experienced Wage	Average Annual Wage
Truck Drivers, Heavy and Tractor-Trailer	1,820	$ 12.18	$ 17.79	$ 20.60	$ 37,003
General and Operations Managers	1,230	$ 14.28	$ 25.76	$ 31.51	$ 53,581
Registered Nurses	1,180	$ 15.82	$ 19.34	$ 21.10	$ 40,227
Bookkeeping, Accounting, and Auditing Clerks	1,780	$ 8.16	$ 10.85	$ 12.19	$ 22,568
Cashiers	2,600	$ 5.95	$ 7.26	$ 7.92	$ 15,101
Retail Salespersons	2,040	$ 6.10	$ 9.06	$ 10.54	$ 18,845
General Maintenance and Repair Workers	1,380	$ 9.20	$ 12.97	$ 14.85	$ 26,978
Sales Representatives, Wholesale and Manufacturing	610	$ 8.19	$ 27.60	$ 37.30	$ 57,408
Carpenters	1,280	$ 10.63	$ 12.51	$ 13.45	$ 26,021
Office Clerks, General	1,530	$ 6.92	$ 10.38	$ 12.12	$ 21,590
First-Line Supervisors/Managers of Retail Sales Workers	1,050	$ 9.21	$ 14.46	$ 17.08	$ 30,077
Waiters and Waitresses	2,490	$ 5.85	$ 6.03	$ 6.13	$ 12,542
First-Line Supervisors/Managers of Office and Administration Workers	820	$ 9.13	$ 14.99	$ 17.92	$ 31,179
First-Line Supervisors/Managers of Production Workers	700	$ 12.50	$ 17.53	$ 20.04	$ 36,462
Correctional Officers and Jailers	930	$ 10.92	$ 12.20	$ 12.83	$ 25,376
Sewing Machine Operators	1,310	$ 6.89	$ 8.61	$ 9.47	$ 17,909
Stock Clerks and Order Fillers	1,140	$ 6.94	$ 9.76	$ 11.17	$ 20,301
Home Health Aides	1,250	$ 7.51	$ 8.09	$ 8.38	$ 16,827
Financial Managers	340	$ 17.78	$ 28.77	$ 34.27	$ 59,842
Executive Secretaries and Administrative Assistants	760	$ 9.54	$ 12.61	$ 14.14	$ 26,229

Source: The Employment Security Commission of North Carolina

Table 36: Top Occupations Based on Ten-Year Growth, 1998-2008

Occupation 2000-2010	Ten-Year Growth	% Change
Cashiers	830	32.7%
Registered Nurses	750	63.0%
Nursing Aides, Orderlies, and Attendants	590	61.5%
Child Care Workers	580	73.4%
Salespersons, Retail	490	15.6%
First-Line Supervisors and Managers of Sales	460	30.1%
All Other Managers and Administrators	440	32.8%
Truck Drivers, Heavy and Tractor-Trailer	410	30.8%
Waiters and Waitresses	360	26.3%
General Managers and Top Executives	330	15.7%
Food Service and Lodging Managers	310	53.5%
Laborers, Landscaping and Grounds-keeping	310	30.1%
Carpenters	300	33.7%
Teachers, Secondary School	280	34.2%
General Office Clerks	270	18.4%
Teachers, Elementary School	250	20.8%
Teacher Aides, Paraprofessional	240	44.4%
Food Preparation Workers	240	24.0%
Maids and Housekeeping Cleaners	230	28.4%
Hand Packers and Packagers	230	19.0%
All Other Health Professionals, Paraprofessionals, and Technicians	230	71.9%
Cooks, Restaurant	220	34.4%
Janitors and Cleaners, Except Maids and Housekeeping Cleaners	210	19.6%
Home Health Aides	210	65.6%
First-Line Supervisors and Managers/Supervisors of Construction	210	48.8%

Source: The Employment Security Commission of North Carolina

Table 37: Occupations Projected to Decline Based on Ten-Year Growth, 1998-2008

Declining Occupation	Ten-Year Decline	% Change
Supervisors, Farm, Forest, Agriculture	-80	-19.0%
All Other Motor Vehicle Operators	-70	-20.0%
Woodworking Machine Operators and Tenders, Except Sawing	-60	-22.2%
All Other Agricultural, Forestry, Fishing, and Related Workers	-60	-13.3%
Sewing Machine Operators, Garment	-50	-4.9%
Sawing Machine Operators and Tenders	-30	-16.7%
Forest and Conservation Workers	-30	-21.4%
Production Inspectors, Testers, Graders, Sorters, Samplers	-30	-5.0%
Farm Equipment Mechanics	-20	-20.0%
Woodworking Machine Setters and Set-up Operators, Except Saw	-20	-18.2%
Cabinetmakers and Bench Carpenters	-20	-9.1%
Electrical and Electronic Assemblers	-20	-11.1%
Salespersons, Parts	-20	-14.3%
Bookkeeping, Accounting, and Auditing Clerks	-20	-1.5%
Typists, Including Word Processing	-10	-8.3%
Computer Operators, Except Peripheral Equipment	-10	-14.3%
Industrial Engineers, Except Safety	-10	-14.3%
Foresters and Conservation Scientists	-10	-16.7%
Grinding and Polishing Workers, Hand	-10	-10.0%
Machine Builders and Other Precision Machine Assemblers	-10	-12.5%
Electrical and Electronic Equipment Assemblers, Precision	-10	-11.1%
Combination Machine Tool Operators and Tenders, Metal and Plastics	-10	-16.7%
Precision Inspectors, Testers, and Graders	-10	-10.0%
All Other Freight, Stock, and Material Movers, Hand	-10	-1.3%

Source: The Employment Security Commission of North Carolina

What does the occupational data tell us about the region?

The occupations in the production and agriculture industries are declining in the region. Those occupations which require short-term, on-the-job training are being outsourced or lost to advancements in automation. However, the list of top occupations by employment and wage has some occupations with advanced skills sets that are in demand in the region. Demand for skilled occupations in the healthcare industry (registered nurses, nursing aides, and home health aides) is expected to grow tremendously through 2008, as is demand in skilled trades and supervisory occupations.

Although not an industry in itself, IT occupations are also in high demand. IT occupations are spread throughout every industry, and nearly every industry is increasing its demand for IT professionals. Technology is driving advancements in automation, business-specific software, and security concerns, all of which are driving up the demand for IT professionals.

Commuting Patterns

Why is this important?

Determining the number of workers commuting in and out of a county or region allows for planners to see the net gain or loss of workers. Areas with more in-commuters often deal with issues of infrastructure, such as roads and mass transportation. Areas with net losses in workers often deal with labor shortages, bedroom communities, and lack of affordable housing. Commuting patterns also draw a geographic picture of the locations of economic drivers in the region, which helps to identify natural labor sheds.

Table 38: Net Commuting Results, 2000

	Out Commuting	% Out Commuting	In Commuting	% In Commuting	Net Gain
Alleghany	781	16.7%	337	8.0%	-444
Ashe	2,545	23.5%	666	7.4%	-1,879
Avery	1,929	27.8%	1,548	23.6%	-381
Mitchell	1,938	28.7%	2,023	29.6%	85
Watauga	2,591	12.5%	2,964	14.1%	373
Wilkes	6,475	21.1%	2,661	9.9%	-3,814
Yancey	2,545	33.6%	962	16.1%	-1,583

Source: U.S. Census Bureau

Table 39: County by County Commuting Patterns (Top five counties residents commute to, including their own)

Alleghany Residents Going to	Count
Alleghany Co. NC	3,907
Surry Co. NC	226
Galax City VA	159
Ashe Co. NC	139
Wilkes Co. NC	127
Grayson Co. VA	97
Avery Residents Going to	**Count**
Avery Co. NC	5,004
Mitchell Co. NC	640
Watauga Co. NC	557
McDowell Co. NC	417
Burke Co. NC	80
Caldwell Co. NC	52
Watauga Residents Going to	**Count**
Watauga Co. NC	18,083
Avery Co. NC	777
Caldwell Co. NC	364
Wilkes Co. NC	259
Ashe Co. NC	248
Catawba Co. NC	175
Yancey Residents Going to	**Count**
Yancey Co. NC	5,024
Mitchell Co. NC	996
Buncombe Co. NC	679
McDowell Co. NC	477
Madison Co. NC	144
Avery Co. NC	86

Ashe Residents Going to	Count
Ashe Co. NC	8,288
Watauga Co. NC	1,350
Wilkes Co. NC	555
Alleghany Co. NC	134
Catawba Co. NC	74
Caldwell Co. NC	65
Mitchell Residents Going to	**Count**
Mitchell Co. NC	4,813
Yancey Co. NC	689
McDowell Co. NC	639
Avery Co. NC	291
Buncombe Co. NC	88
Mecklenburg Co. NC	40
Wilkes Residents Going to	**Count**
Wilkes Co. NC	24,270
Surry Co. NC	2,345
Yadkin Co. NC	733
Iredell Co. NC	558
Caldwell Co. NC	532
Forsyth Co. NC	522

Source: U.S. Census Bureau

What does the commuting data tell us about the region?

The region is experiencing a net loss of workers through commuting. Over 8,466 High Country residents are leaving the region to find employment, with only two counties in the region experiencing a net gain in daily commuting. Mitchell and Yancey Counties are losing over one quarter of their workforce every day to outside employment. When they leave their own county, residents are traveling to neighboring counties (often outside the region) for employment.

Industry

Why is this important?

Looking at major industry divisions and industry sectors illustrates where most of the jobs are in the community, thus allowing more tailored education and training programs. Coupled with industry projections, these analyses can help predict where the workplace will be in the future.

Chart 34: Industry Growth

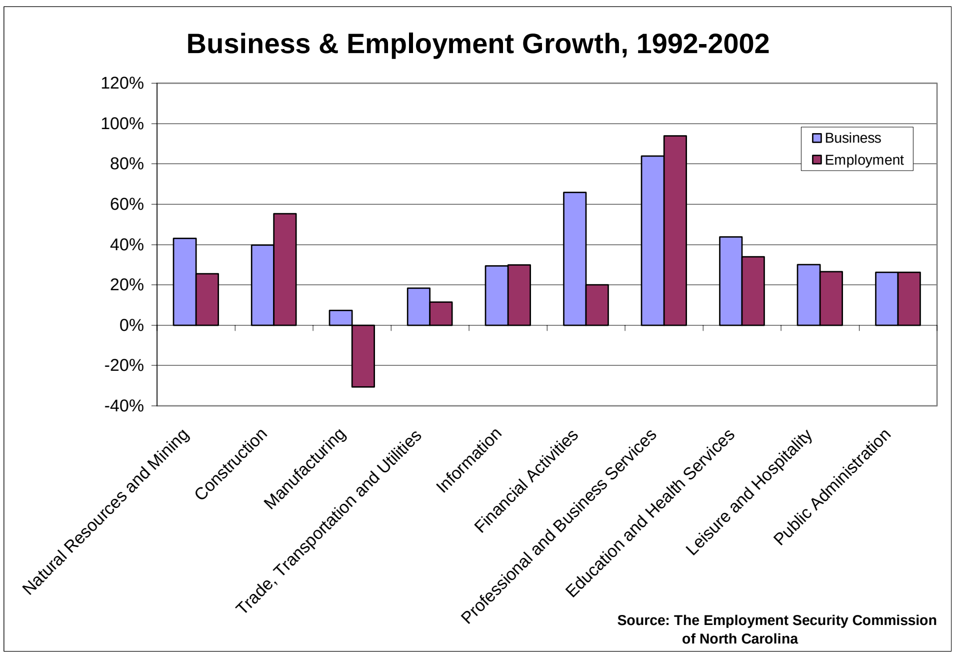


Chart 35: Current Employment by North American Industry Classification System (NAICS)

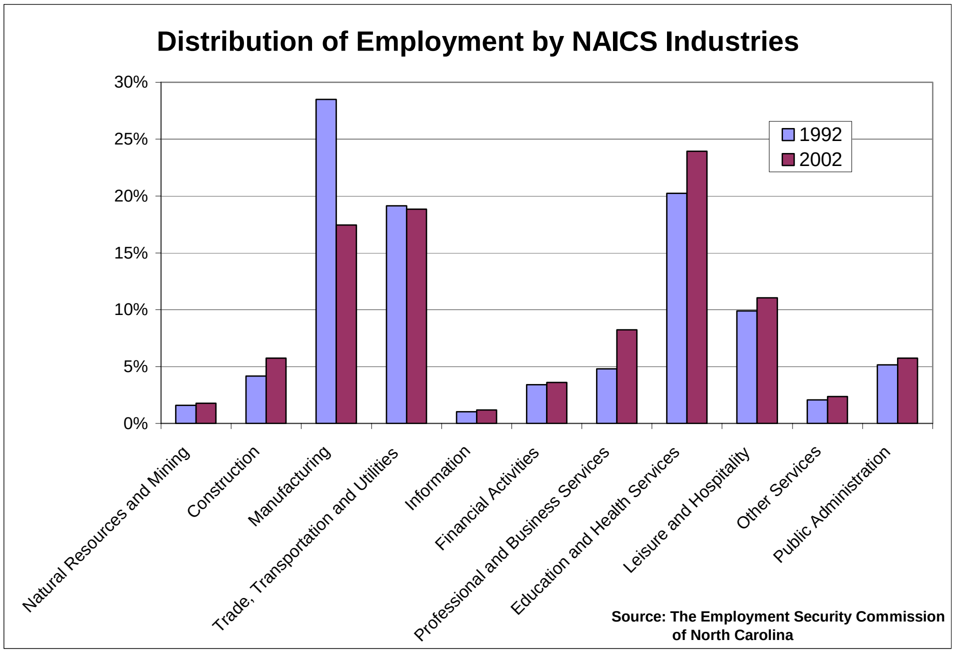
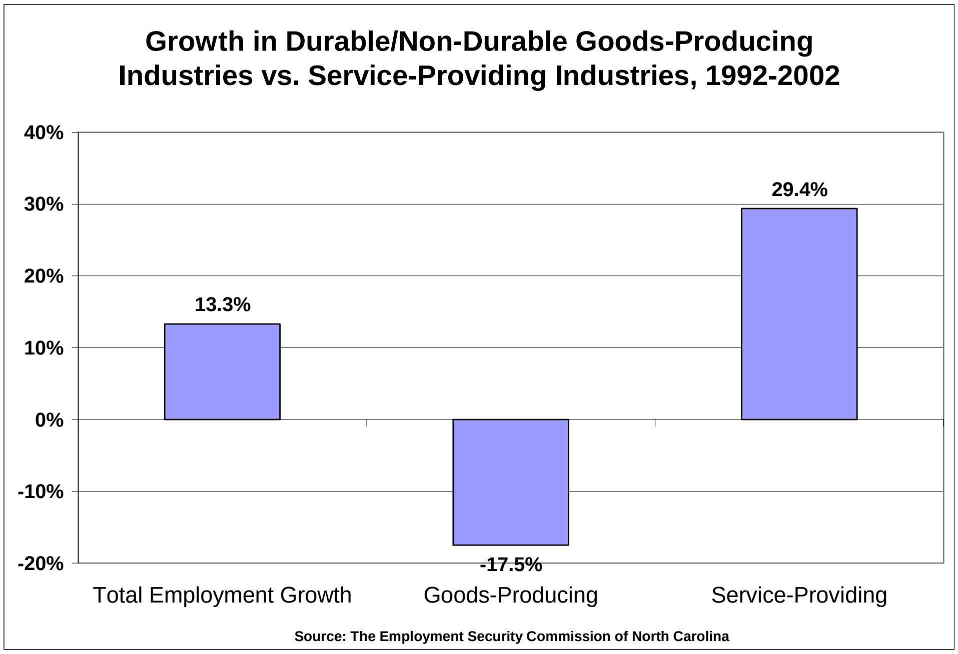


Table 40: Employment by Major Industry Group

	1998 Employment	2008 Employment	1998-2008 Growth
Government	4,550	5,710	2.30%
Services	29,730	42,630	3.67%
Finance, Insurance, and Real Estate	2,360	2,540	0.74%
Retail Trade	16,790	20,120	1.83%
Wholesale Trade	2,060	2,330	1.24%
Communications and Utilities	660	690	0.45%
Transportation	1,820	2,360	2.63%
Nondurable Goods Manufacturing	9,570	10,480	0.91%
Durable Goods Manufacturing	8,990	8,740	-0.28%
Construction	4,100	4,750	1.48%
Mining	580	650	1.15%
Agriculture, Forestry, and Fishing	4,530	3,880	-1.54%
Total All Industries	85,910	105,150	2.04%

Source: The Employment Security Commission of North Carolina

Chart 36: Manufacturing Over Time



What does the industry data tell us about the region?

Due to a combination of plant closures and downsizing, the manufacturing industry declined throughout the region. However, the manufacturing industry still employs a significant number of residents, and the number of manufacturing-related businesses has increased since 1992. The education and health services sector not only holds a large share of employment, but it is consistently growing in the region. The shortage of healthcare workers is a problem facing the entire nation and is not a problem the High Country has been able to avoid. Other skilled labor is in demand in the professional and business services sector. This sector had the highest growth of any sector in the region, with an 80% growth over ten years.