

You Decide: Is the economy good or bad?

By Dr. Mike Walden, North Carolina Cooperative Extension: I've been a professional economist for almost 40 years. Certainly it doesn't take someone in my profession to know people disagree about the economy. Indeed, a recent poll showed people split almost 50-50 between satisfaction or dissatisfaction with the economy and whether the economy is improving or declining. Some say the economy is good and getting better with a bright outlook. Others say the economy is in trouble and needs a dramatic overhaul.

How can these divergent views be explained? Let's start by looking at the evidence from perhaps the most followed element of the economy: jobs. North Carolina lost more than 335,000 payroll jobs during the Great Recession. The state's job market hit bottom in early 2010, but since then almost 380,000 payroll jobs have been added. Still, the state is only 44,000 jobs ahead of where it was prior to the recession in early 2008.

There is also a continuing issue with unemployment. At the end of 2014, there were 250,000 individuals officially classified as unemployed, representing 5.4 percent of the labor force. Both the number and rate are less than half of what they were at the height of the recession. However, there are well-known problems with this measure of unemployment. First, to be "officially" counted as unemployed, an individual must have actively looked for a job in the last month. A second issue is that "underemployed" individuals – those working less than they want – are not included in the measure.

If "underemployed" individuals – those who have a job, but who want more work or are not looking for work as unemployed, then the state's jobless rate in 2014 was 7.6 percent. Further, if those individuals working part-time only because they can't find full-time work are also included as unemployed, then the state's rate rises to 12.1 percent for 2014. Both these rates are well-below their recessionary highs, but they do suggest a more serious problem in the job market than indicated by the official unemployment rate.

What about the quality of jobs added in the last five years? Of course, job quality is a broad concept, but a starting point is pay. The average hourly wage rate for private sector jobs in North Carolina is \$22. So let's call jobs paying more than \$22 per hour "high-paying jobs;" jobs paying around \$22 per hour will be termed "middle-paying jobs," and jobs paying less than \$22 an hour will be labelled "low-paying jobs."

During the last five years of job recovery in the state, 40 percent of jobs added have been high-paying jobs, 19 percent have been middle-paying jobs, and 41 percent have been low-paying jobs. This pattern of large gains in both high-paying and low-paying jobs with much smaller gains in middle-paying jobs has been the norm in both North Carolina and the nation in the 21st century. Interestingly, the almost equal split between high-paying and low-paying jobs mirrors the 50-50 split seen in polls between optimism and pessimism over the economy.

Moving beyond jobs also reveals some divisions in our economic condition. Total household wealth (the value of investments minus the value of debt) has rebounded from the big hit it took during the recession. But surveys of household finances show the gains have been much stronger for higher-income households than for lower-income households. Studies also show that young households who have taken their first job at reduced salaries as a result of the recession will have significantly lower lifetime incomes than their counterparts in previous generations.

Another measure of economic well-being is the percentage of household income that is spent on "necessities" – items like food, shelter, utilities, clothing, transportation and health care. For all households, the latest data show spending on these items takes 68 percent of income, slightly higher than the 67 percent in 2008 before the recession. But again, there's a difference in the trends for high-income and low-income households. High-income households have the share of their income devoted to necessities decline since before the recession, whereas low-income households have experienced the opposite – an increase in their income share going to necessities.

Here's one last economic observation. Although consumer debt is now rising – it's up 4 percent in the last five years – household monthly payments for borrowing are at a 30-year low. Of course, this is compliments of the tremendous drop in interest rates that occurred during the recession and continued even as the economy improved. But many economists think the super-low interest rates won't last forever; so, when they rise, households (and governments) may be in for a shock!

For me, this review of recent economic changes goes a long way to explaining the divide we feel about the economy. More people in North Carolina have jobs, but many still don't, or they are working less than they want. Just as many low-paying jobs are being created as high-paying, and middle-paying jobs are adding the least. While debt burdens – in aggregate – have eased, lower-income households are paying more of their income for necessities, whereas it's just the opposite for higher-income households.

So you decide: Is this why we have such different views for the outlook of the economy?
Dr. Mike Walden is a William Neal Reynolds Distinguished Professor and North Carolina Cooperative Extension economist in the Department of Agricultural and Resource Economics of NC State University's College of Agriculture and Life Sciences. He teaches and writes on personal finance, economic outlook and public policy. The College of Agriculture and Life Sciences communications unit provides his You Decide column every two weeks.

Obituaries ... continued from page 3

the notes on the page became living, breathing acts of worship. This became a central point of connection between Charles and his wife Gail, who together led music for worship throughout Anson County and the Western North Carolina Conference of the United Methodist Church.

Charles taught music at Bowman High School (now Anson High School) for over 30 years. He loved the classroom and his students. Over the years Charles and Gail taught music to nearly every child in Anson County, and he loved reconnecting with former chorus, piano and Show Choir students. In fact, his hospice team was comprised almost completely of former music students, which brought him great comfort. Charles loved the people of Anson County, and he celebrated his relationships with them.

Surviving are his wife of 44 years, Gail Stacker Litaker of the home; his children, Katie (Ashley) Cyre of Winston-Salem, Chuck (Rhonda) Litaker of Silver Lakes, CA, and Emily (Rodney) Privette of Cheraw; his grandchildren Hope, Grace and Bryton Litaker and Eli Cyre, and Drake, Devin, Nash, Logan and Faith, who he came to love as members of his blended family; his brother, John (Marikay) Litaker of

Lynchburg, VA; and a close and much-loved extended family.

Charles was preceded in death by his parents and stepmother Elsie H. Litaker.

The family wishes to express their sincere gratitude for the exceptional care provided by Dr. Gregory Brouse and his team, and the staff of Hospice of Union County for their guidance and gift of presence in Charles' final transition.

In lieu of flowers, please consider gifts to Hospice of Union County, 700 W. Roosevelt Blvd., Monroe, NC 28110; or to support the ministries of First United Methodist Church, 118 E. Morgan St., Wadesboro, NC 28170.

Leavitt Funeral Home was in charge of arrangements. Online condolences may be made at leavittfuneralhomewadesboro.com.

Mrs. Elizabeth "Lib" Horne Sessions

Mrs. Elizabeth "Lib" Horne Sessions, 81, died Friday, March 27, 2015, at her home.

Funeral services were held on Sunday, March 29, 2015, at Mt. Beulah Baptist Church. Interment followed in Anson Memorial Park.

Lib was born in Darling-

ton, SC, a daughter of the late Harvey and Inez Hutchinson Horne. She was married to the late Paul Sessions, Jr. and together they operated Sessions Convenience Store in Wadesboro.

Survivors include four children, Rick (Connie) Sessions of Ocala, FL, Cathie Sessions of Wadesboro, Mike (Rhonda) Sessions of Rockingham, and Marc and Rhonda Sessions of Wadesboro; seven grandchildren, Caroline Sessions, Robert Jones, Brandon Rowell, Matt Sessions, Marci Sessions, Jake Sessions and Stetson Sessions; great-grandchild Breyanna Jones; three sisters, Rose (Johnny) Wallace of Wadesboro, Nancy Horne of Rockingham and Hazel (Buddy) Tucker of Greensboro; brother Boyce Horne of High Point; and niece Tanja W. Huntley whom Lib loved and cherished like a second daughter. Lib was preceded in death by a sister, Jenny Ricketts, a brother, Ed Horne and a half-sister, Nealie Mae Daly.

Memorials may be made to the American Cancer Society, P.O. Box 22718, Oklahoma City, OK 73123; or to Mt. Beulah Baptist Church, 3373 Country Club Rd., Wadesboro, NC 28170.

Leavitt Funeral Home was in charge of arrangements. Online condolences may be made at leavittfuneralhomewadesboro.com.

TOWN OF LILESVILLE PUBLIC HEARING

The Town of Lilesville will hold a Public Hearing on Monday, April 13, 2015, at 5:30 p.m. at the Lilesville Town Hall.

The purpose of the public hearing is to hear comments on the proposed **Water Ordinance**.

A copy of the ordinance is available for the public to review at the Town Hall between the hours of 8:00 a.m. and 5:00 p.m.

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REQUEST FOR QUALIFICATIONS (RFQ) ARCHITECTURAL/ENGINEERING SERVICES ANSON COUNTY AGRI-CIVIC CENTER

Anson County government requests qualification proposals for the selection of firms to provide Architectural and Engineering Services for the design and construction of the Anson County Agri-Civic Center, located in Wadesboro, NC.

A complete description of the Request for Qualifications can be obtained from:

Anson County Cooperative Extension
Attn: Janine Rywak, County Extension Director
P.O. Box 633
501 McLaurin St.
Wadesboro NC
704-694-2915

All qualification packages will be received until 4:00 p.m. on Friday, May 15, 2015, in accordance with applicable provisions of the North Carolina General Statutes and Anson County ordinances and policies. The County reserves the right to reject any or all submittals.

Anson County, An Equal Opportunity Employer, encourages qualifications statements from all interested firms.