

# COUNTY ECONOMIC TRACKER 2014

Progress through Adversity



Nicholas Lyell and Emilia Istrate

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## KEY FINDINGS

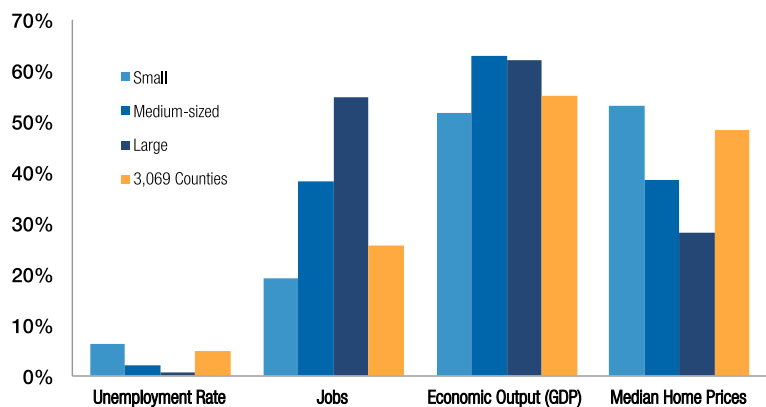
County economic trends are an essential measure of the well-being of county residents. The conditions of a county economy can constrain and challenge county governments, residents and businesses, while also providing opportunities. This analysis of county economic conditions identifies patterns of growth and recovery in 2014 across the 3,069 county economies by examining annual changes in jobs, unemployment rates, economic output (GDP) and median home prices. In addition, it explores 2013 wage dynamics, by adjusting average annual wage in county economies for the local cost-of-living and inflation. The overall analysis reveals that:

**95%**  
OF COUNTY ECONOMIES  
HAVE NOT RECOVERED ON  
UNEMPLOYMENT RATES  
BY 2014

1

**2014 was a year of recovery, but unemployment has yet to return to pre-recession lows in most county economies.** Economic output (GDP) surpassed the peak recorded before the latest downturn in an additional 88 county economies relative to 2013. Housing prices recovered in just under half of county economies. Employment levels recovered in an additional 130 county economies in 2014. At the same time, nearly three quarters of county economies are still below their pre-recession employment levels and unemployment is not back to pre-recession rates in 95 percent of the 3,069 county economies. Nearly 80 percent of county economies in the Northeast and Midwest still have a jobs gap.

### UNEMPLOYMENT HAS NOT RECOVERED IN 95 PERCENT OF COUNTY ECONOMIES TO PRE-RECESSION LEVELS



Percent of county economies recovered by indicator and population size

*Notes: This report examines only the economies of counties with county governments. Large county economies are in counties with more than 500,000 residents. Medium-sized county economies are in counties that have between 50,000 and 500,000 residents. Small county economies are in counties with less than 50,000 residents.*

*Source: NACo Analysis of Moody's Analytics 2014 Data*

TO ACCESS THE COMPANION INTERACTIVE MAPS, INDIVIDUALIZED COUNTY PDF PROFILES AND OTHERS, GO TO  
[WWW.NACO.ORG/COUNTYECONOMIES](http://WWW.NACO.ORG/COUNTYECONOMIES)



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2

**Job growth accelerated in 2014, while economic output expansion and county housing markets stabilized across the country.** Almost half of county economies saw growth across all four indicators included in the 2014 analysis, an 11 percent increase over the previous year. Western county economies have seen the most improvement, with more than a half recording growth across the board. Sixty-three (63) percent of county economies witnessed faster job growth than in 2013, with 130 additional county economies closing their jobs gap in 2014. This trend was most pronounced in medium-sized county economies — in counties with populations between 50,000 and 500,000 in 2013 — with 65 percent of them recording faster jobs gains than in 2013. This job growth helped unemployment decline in almost all county economies during the last year. Economic output (GDP) expanded in more than half of county economies, though at lower rates in most of them. In 81 percent of county economies, the

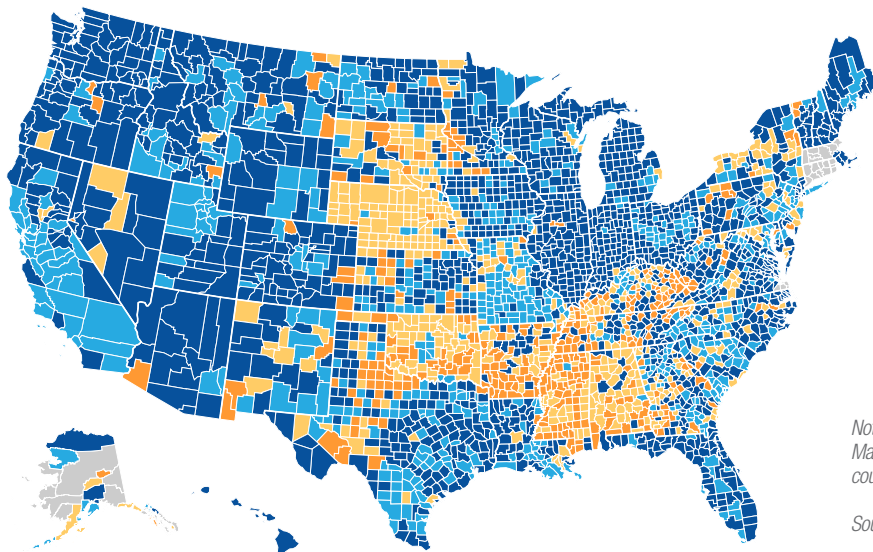
**63%**  
OF COUNTY  
ECONOMIES

WITNESSED FASTER JOB  
GROWTH THAN IN 2013

housing prices continued to rise in 2014, but at a much slower rate than in the previous year.

## JOB GROWTH IMPROVED IN ALMOST TWO-THIRDS OF COUNTY ECONOMIES

Job growth rates in 2014 compared to 2013



■ Faster Growth      ■ Slower Decline  
■ Slower Growth      ■ Faster Decline

*Note: The dark grey areas in Conn., R.I., parts of Alaska, Mass. and Va. are counties or county-equivalents without county governments.*

*Source: NACo Analysis of Moody's Analytics 2014 Data*

3

**Economic recovery is starting to spread, although only 65 county economies have fully recovered to pre-recession levels.** Seventy-two (72) percent of county economies recovered in at least one of the four indicators included in the 2014 analysis. For the first time, one large county economy (Kent County, Mich.) out of the 124 large county economies — in counties with more than 500,000 people — reached its pre-recession unemployment rate. However, none of the large county economies recovered on all four indicators examined in the 2014 analysis. Sixty-five (65) county economies recovered on all four indicators by 2014. The majority of the fully recovered county economies are small, in counties with less than 50,000 people. Most of them have booming energy and agriculture sectors (in states such as Alaska, Kansas, Montana, North Dakota or Texas).

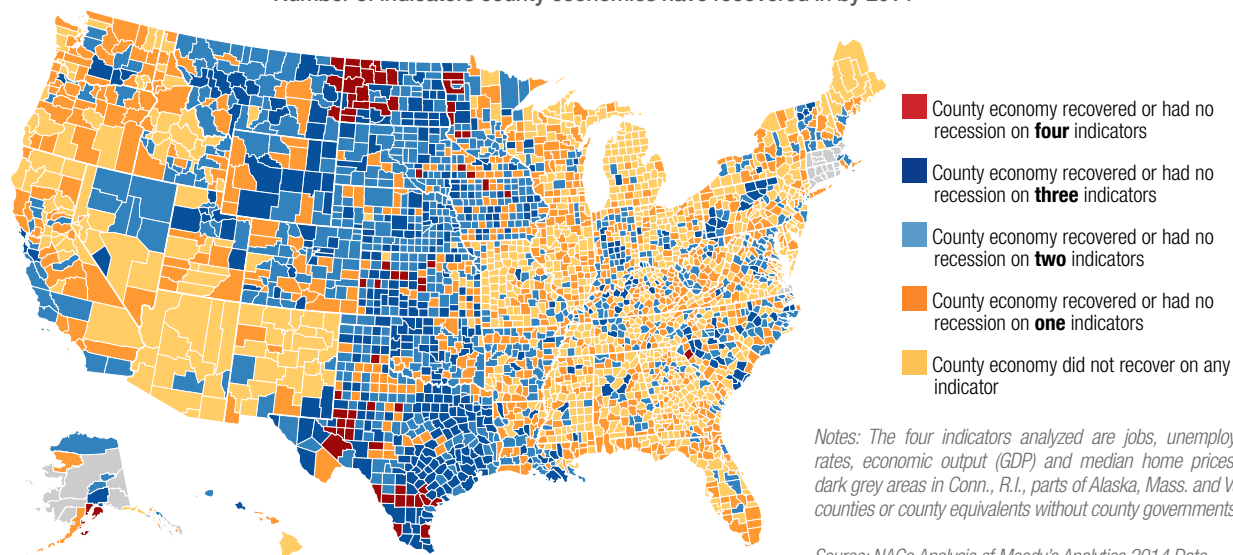
**65**  
COUNTY  
ECONOMIES

FULLY RECOVERED ON ALL  
INDICATORS BY 2014



## 65 COUNTY ECONOMIES RECOVERED ON ALL FOUR INDICATORS BY 2014

Number of indicators county economies have recovered in by 2014

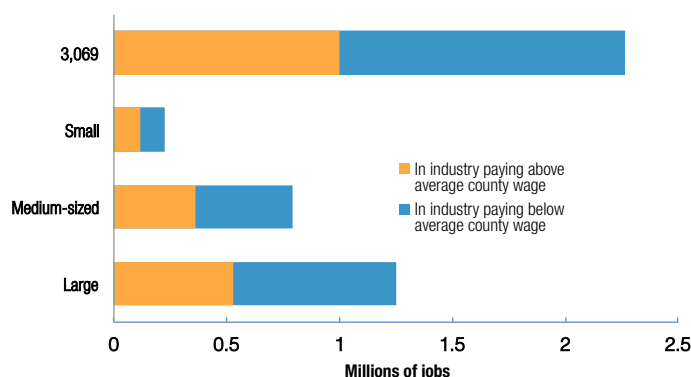


**40%**  
OF NEW  
JOBS

ARE IN INDUSTRIES PAYING  
ABOVE THE AVERAGE  
COUNTY WAGE

## 40 PERCENT OF NEW JOBS ARE IN INDUSTRIES EARNING ABOVE AVERAGE COUNTY WAGE

Total jobs created in 2014, by county population size and annual average county wage



**4**

**2014 recorded higher net job creation than the previous year, with 40 percent of the new jobs in industries earning more than the average county wage.**

In 2014, the 3,069 county economies generated 2.0 million net new jobs, one and a half times as many as in 2013. The bulk of these new jobs were located in county economies in the Southern and Western part of the country. Small county economies created almost 150,000 of the net jobs in 2014, a turnaround from near-stagnant net jobs creation in 2013. Large county economies continued to generate a disproportionate share of the new jobs in 2014, 57 percent relative to their 49 percent share of total county employment. Only 38 percent of the net jobs created in the 124 large county economies were in industries paying above the 2013 average wage in their residing county. In the small county economies — with less than 50,000 people — 45 percent of the jobs created were in industries paying above the county average, most often in industries such as oil, gas and mining, manufacturing and construction.

*Notes: This report examines only the economies of counties with county governments. Large county economies are in counties with more than 500,000 residents. Medium-sized county economies are in counties that have between 50,000 and 500,000 residents. Small county economies are in counties with less than 50,000 residents. This analysis considers job wages based on the industry wage in the county where the job resides relative to the average county wage. For this analysis, industry-level employment data is not entirely consistent with the employment totals reported in other parts of the analysis.*

*Source: NACo Analysis of Moody's Analytics 2014 Data; U.S. Bureau of Labor Statistics*

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### 5

**Average annual wage in half of county economies declined between 2012 and 2013.** In nearly a third of county economies the low cost of living increases the purchasing power of the average county wage in the county by more than 10 percent. The bulk of county economies with these savings due to the low cost of living are small

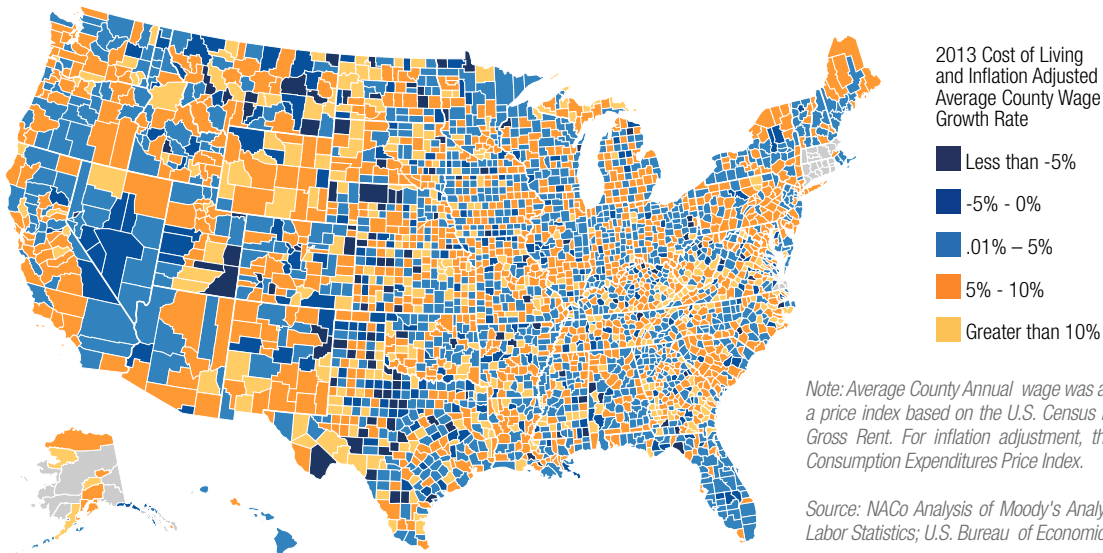
**50%**  
OF COUNTY  
ECONOMIES  
HAD DECLINING ADJUSTED  
WAGES IN 2013

county economies in the Midwest and South. Gains in average county wage between 2012 and 2013 varied across county economies. Between 2012 and 2013, in states such as Pennsylvania, New Mexico and Maryland, only a third of county economies saw growth in their cost-of-living and inflation adjusted wages. Average county wage grew in 37 percent of large county economies — in counties with more than 500,000 people — especially in the Northeast. Small

county economies, in counties with less than 50,000 people, fared better than the rest, with average county wage growing in 53 percent of them between 2012 and 2013.

### ADJUSTED WAGES DECLINED IN HALF OF COUNTY ECONOMIES IN 2013

Cost-of-living and inflation adjusted average county wage growth rate, 2012-2013



*Note: Average County Annual wage was adjusted for the cost of living with a price index based on the U.S. Census Bureau 2012 and 2013 Median Gross Rent. For inflation adjustment, this analysis used U.S. Personal Consumption Expenditures Price Index.*

*Source: NACo Analysis of Moody's Analytics 2014 Data; U.S. Bureau of Labor Statistics; U.S. Bureau of Economic Analysis; U.S. Census Bureau*

The **County Economic Tracker** is a reminder that county economies are where Americans feel the national economy. Economic data reveals that all county economies faced challenges through the latest downturn, but growth accelerated across county economies in 2014. Most county economies still have not recovered in terms of unemployment, many already had 2013 declines in county wages and others are still below their pre-recession peaks when it comes to jobs, economic output (GDP) or housing markets. The analysis also shows that economic growth is spreading, with jobs and unemployment rates improving across nearly all county economies. This progress through adversity indicates the success of county economic development efforts, but also the continued need for a strong local-state-federal partnership in securing a strong economy.

### FOR MORE INFORMATION, CONTACT

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