



ATHENS-CLARKE COUNTY
ECONOMIC AND DEMOGRAPHIC ANALYSIS



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PREPARED FOR:

The Athens-Clarke County Economic Development Authority
The Unified Government of Athens-Clarke County
The Athens Area Chamber of Commerce

OVERVIEW

The purpose of this economic profile is to provide the leaders of Athens-Clarke County with a detailed overview of the performance and the structure of the county economy. Understanding the county's current economic dynamics will help frame the issues and opportunities to be addressed in the economic development planning effort.

The profile begins by reviewing the county's demographic trends -- the growth and characteristics of its population. The profile then discusses trends in the economic well-being of the county's residents, in terms of income, employment and unemployment. Third, the profile examines the county's economic structure, that is, trends in the distribution of jobs and earnings in the county, by sector. A particularly close look is taken at the county's **traded sector**, comprised of those industries (e.g., the University, manufacturing) that bring income to the county from elsewhere. These traded industries serve as the engine of the local economy, providing the foundation for its economic and fiscal health.

DEMOGRAPHICS

In contrast to surrounding counties and Georgia as a whole, Clarke County is experiencing relatively little population growth.

Between 1990 and 1997, the population of Clarke County grew by 4 percent (from 87,600 to 91,000). In contrast, the populations of surrounding counties, and the rest of Georgia, grew at a far faster rate (see Charts 1 and 2). Over the same time period, the population of Oconee County grew by 31 percent, Madison County by 16 percent, and all of Georgia (outside of Clarke County) by 15 percent.¹

In terms of population size, Clarke County is larger than all of its five neighboring counties (Chart 3). However, in terms of the actual increase in numbers of residents over the 1990-97 period, Clarke County gained fewer new residents than Barrow, Jackson, and Oconee, and barely more than Madison (which is a quarter the size of Clarke, see Chart 4).

The gap between Clarke and surrounding counties in population growth is explained by the fact that Clarke County has been losing population to outmigration, while the contiguous counties have been gaining population from immigration. The net

¹ The Athens Metropolitan Statistical Area (MSA) is defined as being comprised of Clarke, Madison and Oconee Counties. While the analysis will examine some trends in each of the five counties touching on Clarke County, more attention will be paid to Madison and Oconee counties, which are more closely tied to Clarke County.

outmigration from Clarke County is entirely the result of residents' moving to neighboring counties.

Between 1990 and 1997, Clarke County experienced net domestic outmigration of -2,091 residents.² Despite this loss, the county has been able to grow over the decade because of a combination of the difference between births and deaths (4,546) and net positive international migration (1,005).

In contrast to Clarke County's experience, each of the neighboring counties had net domestic immigration in the 1990-97 period (Chart 5). In these counties, net domestic migration accounted for two-thirds to three-quarters of population growth over the period (Chart 6).

Despite this pattern, trends on a year-to-year basis do yield an indication that Clarke County's rate of negative domestic net migration has been slowing. The rate peaked in 1994-95, and has since declined, though remains negative (Chart 7).³ On a year-to-year basis, international net immigration is relatively stable, in the range of 110-160 net new residents per year.

County-to-county migration patterns between 1995 and 1996 (the latest year available), indicate that Clarke County's net domestic outmigration is due to the movement of residents to surrounding counties:⁴

² Net domestic migration is the difference between immigration from other counties in the U.S. and outmigration to other counties. Migration data are developed by the Census Bureau using year-to-year change in address on Federal tax returns.

³ Net outmigration for 1995-96 in this chart (222) differs from that in the preceding discussion (328) because the latter comes from the raw IRS data, while the former comes from the Census Bureau, which makes adjustments in the IRS data.

⁴ Through tracking year-to-year changes in address in tax returns, the Internal Revenue Service is able to provide data on county-to-county migration patterns from one year to the next, using the number of exemptions as a proxy for residents. Because the figures are based on tax return addresses, the data will miss any students moving in and out of the area who use their parents' address for tax returns. While the data likely undercount the amount of student migration to and from Clarke County, this undercount should not have an impact on net migration, as the University total student population is relatively stable. And the undercount should have no effect on the data demonstrating net outmigration to contiguous counties.

- Between 1995 and 1996, Clarke County received 6,471 migrants from elsewhere in the U.S., and lost 6,795 outmigrants, for a net difference of -324.
- Of the Clarke County outmigrants, 2,020 (about 2 percent of the population) moved to one of the five surrounding counties. At the same time, 1,322 residents of these counties moved to Clarke, for a net difference of -698. Oconee and Madison Counties accounted for two-thirds of Clarke County's net loss (see Chart 8). Clarke County contributed 50 percent of Oconee County's net new immigrants, and 43 percent of those for Madison County.
- Excluding the five neighboring counties, Clarke County had net positive migration from the rest of the U.S., 5,149 immigrants and 4,775 outmigrants, a difference of +374. In fact, Clarke County even had a positive net migration (+52) with regard to the Atlanta MSA (excluding Barrow County).

In other words, while Clarke County has been drawing more migrants than it loses from the U.S. at large, excepting its neighboring counties, it loses almost twice to those neighbors.

The relative proportions of whites and blacks in Clarke County are moving closer. This trend is the result of a higher birth rate for black women and the migration of white, wealthier residents to surrounding counties. These counties have a higher proportion of whites and a lower crime rate than Clarke County.

Between 1990 and 1997, the number of whites in Clarke County fell from 62,300 to 60,100 (down 2,200, or 3.5 percent), while the number of blacks rose from 23,000 to 27,400 (up 4,400, or 19 percent, see Chart 9). As a result, the percentage of whites in the

population declined from 71 percent in 1990 to 66 percent in 1997.⁵ The county's white population peaked in 1990, and declined since in every year but one.

In part, this change is due to differences in birth rates by race. In 1995 (the latest year available), the rate of live births to white mothers was 9.5 per 1,000, compared to 16.7 live births to black mothers per 1,000.⁶

It also appears that white outmigration to neighboring counties is playing a major role in the change in racial composition. In 1997, Oconee County was 90 percent white, and Madison County was 89 percent white (Chart 10). The population increase in both counties was primarily in white residents (Chart 11).

One factor that may be driving outmigration is the fact that Clarke County's crime rate is substantially higher than for Oconee and Madison counties, and for Georgia as a whole (Chart 12).⁷

It appears that the outmigrants from Clarke County earn more money than the immigrants. In the 1995-96 period, the median money income of outmigrants was \$16,700, while that for immigrants was \$13,700, a difference of 18 percent).⁸ Chart 13 shows the median money income of immigrants to and outmigrants from Clarke County for each of the neighboring counties. For all counties but Barrow, median money income of outmigrants from Clarke County was greater than that of immigrants to the county. The largest gap between immigrant and outmigrant incomes was for Oconee County, which also received the outmigrants with relatively high earnings.

⁵ Over the period, Clarke County also experienced an increase of 1,250 residents of other races, a 54 percent increase. For point of reference, the University of Georgia says there were 1,840 black students attending the school in the Fall 1997 quarter (6.2 percent of all students).

⁶ Source: Georgia County Guide, 1997.

⁷ Note that the chart is current only through 1993. Crime rates may have changed significantly since then.

⁸ These figures are median money income on individual tax returns.

Compared to Georgia and the U.S., Clarke County in the last census had a relatively low percentage of its population that did not graduate high school, and a high percentage that completed a bachelor's degree or higher. However, the percentage of blacks in Clarke County without a high school diploma was several times higher than that for whites, and higher than that for blacks in Georgia and the U.S. The converse was true for blacks with a college degree.

As Chart 14 indicates, the Clarke County adult population in 1990 was relatively well educated compared to Georgia and the U.S. In particular, as might be expected in a university town, the percentage of the population with a bachelor's degree or higher (37 percent) was relatively high.

However, Clarke County black residents did not participate in these high levels of educational attainment. In 1990, 45 percent of blacks did not have a high school diploma, compared to 15 percent of whites. Moreover, only 8 percent of blacks had a college degree, compared to 47 percent of whites (see Chart 15).

ECONOMIC WELL-BEING

Since the early 1980s, Clarke County's real per capita income has been steadily rising. However, per capita remains below those for Georgia, nearby counties, and the U.S.

Between 1982 and 1996, real per capita income in Clarke County rose from \$14,300 to \$20,400 (1996\$), an increase of 43 percent. However, compared to Oconee County, Georgia and the U.S., Clarke County's per capita income figure is relatively low (Chart 16). At the same time, the county's figure as a percent of Georgia and U.S. has been rising very slowly since the mid-1980s (Chart 17). Clarke County remains at only 88% of the average.

Clarke County's median household income figure also remains well below that for other areas (Chart 18).⁹

Clarke County's relatively low income levels are a function of the presence of a large student population and poor families.

The University of Georgia has approximately 29,700 students, the large majority of which live in Clarke County.¹⁰ That students, with their relatively low incomes, comprise

⁹ Household income is defined by the Census Bureau and covers all forms of money income, including financial assistance from outside sources (including parents and loans). Per capita income does not include financial assistance. Household income is estimated from a sample, so the estimate is provided in the form of a 90 percent confidence interval, that is, there is a 90 percent likelihood that the actual figure is within the range provided.

at least a quarter of the county's population is one reason for the county's relatively low per capita and household income figures.

Clarke County has a relatively high rate of poverty, particularly among children. In 1993 (the latest year available), 23-27 percent of county residents, and 25-37 percent of its children under 18, were in poverty. These rates are far higher than those for nearby counties, Georgia and the U.S. (Chart 19).

As a result, the distribution of household income in Clarke County is dominated by households with relatively low income. In 1998, 40 percent of households have incomes under \$20,000, compared to 22 percent for Oconee County and 28 percent for Georgia as a whole (Chart 20).

In 1989 (the latest year available), the rate of poverty in Clarke County was highest among female-headed households (40 percent) and black residents (35 percent). These rates, and the one for white residents (24 percent), exceeded those in the same categories for nearby counties and Georgia (Chart 21). The largest gap between the poverty rate for Clarke County and those for other areas was for white residents.

Consistent with the higher poverty rates among black residents and female-headed households is the fact that in 1995 over 25 percent of births among black mothers were to unwed teenagers. This rate is substantially higher than that for white mothers, and is consistent with rates elsewhere in the state (Chart 22).

¹⁰ The University of Georgia indicates that 90 percent of students live in the Athens MSA (Clarke, Madison, Oconee counties). Eight thousand students live in group quarters on campus, according to the U.S. Census Bureau.

The number of employed in Clarke County has risen considerably between the last recession and the present, despite the lack of population growth. At the same time, unemployment has fallen to historically low levels.

Between May 1992 and May 1998, the number of employed Clarke County residents rose from 39,900 to 46,800, an increase of 17 percent (Chart 23). Over the same period, the county's unemployment rate fell from 4.7 percent to 3.0 percent.

Given the lack of population growth, this is a substantial increase for a six-year period. It reflects the entry of current residents into the labor force, drawn by an increased demand for labor consistent with the recent economic boom. Of the 6,700 newly employed residents, only 500 came from the unemployment rolls. Thus, it appears that the county's labor force participation rate has risen substantially over the last few years.¹¹

As strong as Clarke County's rate of employment growth has been, it has been outpaced by that of nearby counties and Georgia. It does exceed that for the U.S. Further, Clarke County's unemployment rate historically has been below those for Georgia and the U.S., although it has been above that for neighboring counties.

Between 1992 and 1998, Georgia's employment level grew 22 percent, and that for Madison and Oconee counties climbed 25 percent and 37 percent, respectively. However, these counties did have the benefit of increased population growth (see Chart 24).

While Clarke County's unemployment rate was only 3.0 percent in May 1998, those for Georgia and the U.S. were 3.8 percent and 4.3 percent, respectively. On the other hand,

¹¹ The labor force is defined as persons with a job or actively looking for one. The labor force participation rate is the size of the labor force divided by the size of the civilian noninstitutional population of working age. (The non-institutional population is the number of persons 16 years and older who are not inmates in institutions such as jails, hospitals, and nursing homes.)

those for Oconee and Madison counties were 1.5 percent and 2.5 percent, respectively (see Chart 25).

ECONOMIC STRUCTURE

Compared to other counties, the state and the U.S., Clarke County derives a small amount of its income from work earnings, a high amount from investment income, and an average amount from transfer payments.

In 1996, the total personal income of Clarke County residents was \$1.85 billion. Of that amount, 64 percent came from earnings from work, 21 percent came from investment income (dividends, interest, and rent) and 15 percent came from transfer payments (retirement, unemployment insurance, income maintenance). Compared to other areas, this distribution of income by source has a lower than average reliance on work earnings, and a higher than average reliance on investment income (Chart 26).

On a per capita basis, Clarke County has low per capita work earnings, high (for Georgia) per capita investment income, and low per capita transfer payments (Chart 27). On the surface, these figures seem surprising in light of the county's overall low per capita income and high rate of poverty. The high per capita investment income is a further indication that there is a wide range of income levels in the county – clearly, there are a number of residents with significant assets that would allow for such a high level of investment income. While the low per capita transfer payments is primarily the result of low per capita retirement income, the income maintenance (e.g., welfare) is slightly below Georgia and U.S. figures (Chart 28). It may be that many of the poor in Clarke

County are working poor, and not receiving government benefits to the extent that the poor in other areas are.

For Clarke County as well as other areas, the trend over time has been for declining reliance on earnings from work, and increased reliance from the other two sources. This pattern can be seen in Charts 29-32.

The average annual earnings per wage and salary job in Clarke County is well below that for other areas.

In 1996, the average annual earnings per wage and salary job in Clarke County was \$26,174 or 87 percent of the Georgia average (\$30,081) and 83 percent of the U.S. average (\$31,683). Among more than 300 metropolitan areas in the U.S., the average annual pay for the Athens MSA ranked 233rd in 1996.

Clarke County has a relatively lower reliance on proprietorship jobs and income than other areas. Moreover, the average annual earnings of its proprietors are substantially lower than elsewhere.

Proprietorship job and income levels are a good indicator of entrepreneurial activity. In 1996, 9.5 percent of Clarke County nonfarm jobs were proprietorships, compared to 12.7 percent for Georgia and 15.4 percent for the U.S.¹² However, the average annual earnings of Clarke County nonfarm proprietors (\$11,451) was about half of that for Georgia and the U.S. (20,654 and \$21,070, respectively), and only 40 percent of that for a wage and salary job in Clarke County. So, in 1996, only 4.3 percent of Clarke County earnings from work came from nonfarm proprietorships, compared to 9.1 percent for Georgia and 10.7 percent for the U.S. (see Chart 33).

The number of jobs in Clarke County has more than doubled since 1979. Over the last decade, the county's rate of job growth has been less than that for other areas.

The number of jobs in Clarke County climbed from 34,400 in 1979 to 72,400 in 1996. The rate of growth for proprietorships was faster than that for wage and salary employment (Chart 34).

Between 1988 (the high point of the last economic boom) and 1996, the number of jobs in Clarke County rose by 19 percent, significantly less than the growth rate for Oconee County (59 percent) and somewhat less than that for Madison County (23 percent) and Georgia (22 percent). However, the county's growth rate did exceed that for the U.S. (see Chart 35).

The number of business establishments in Clarke County has climbed by almost a third over the last decade. Even so, this rate lags that for the state as a whole.

Between 1988 and 1997, the number of business establishments in Clarke County rose from 2,086 to 2,730, a 31 percent increase.¹³ The state's rate of increase over the period was 37 percent.

Clarke County remains a major center of employment for residents of the surrounding counties.

According to Claritas, Inc.'s comparison of workplace employment versus employed residents, Clarke County is a net importer of workers on a day-to-day basis. On the other

¹² Proprietors are self-employed and unincorporated. Their numbers are determined by a count of Form 1040 Schedule C. Focus here is placed on nonfarm proprietorships, as Clarke County in as very few (71) farm proprietors.

hand, surrounding counties are net exporters of residents going to work in other counties. (see Chart 36).

The most important providers of jobs and earnings in Clarke County are services, retail trade, the State of Georgia, and manufacturing. Among these sectors, the State of Georgia and manufacturing provide the highest rates of pay, and retail trade the lowest by a significant degree.

Chart 37 shows the distribution of jobs and earnings by sector in Clarke County. The largest provider of jobs (25 percent) and earnings (23 percent) is the services sector, contributing about a quarter of all jobs and earnings. Just over 40 percent of the services sector is comprised of health services (providing 13 percent of all earnings in the county), and the rest are distributed throughout a wide variety of service industries, such as business services, legal services, engineering and management consulting, hotels and auto repair. The average annual pay in services is \$23,300.

The second largest contributor of jobs is retail trade (21 percent). However, the rate of pay is relatively low, and the percent of part-time jobs is high, so the sector provides only 11 percent of all earnings. The average annual pay is \$13,100. The more important retail sectors are eating and drinking places, auto dealers and services stations, food stores, and miscellaneous retail.

The State of Georgia provides 16 percent of the jobs in the county, primarily due to the presence of the University of Georgia. With a relatively high average annual pay per job (\$32,100), state government provides 20 percent of the county's earnings. Overall, Federal, State and local governments account for 30 percent of earnings in the county.

¹³ A business establishment is a single business site with wage and salary employees. These figures come from the Georgia Department of Labor ES-202 data.

The manufacturing sector contributes 15 percent of jobs and 18 percent of earnings in the county, with an average annual pay of \$29,900. Key industries within manufacturing include food processing (Gold Kist, Seaboard Farms), electronic equipment (Reliance Electric, ABB), instruments (General Time), textiles and apparel (DuPont, Superior Pants, Wilkins, Veratec), industrial machinery, and chemicals (Merial).

Between 1988 and 1996, the services sector provided about half of the new jobs in Clarke County, with retail trade and state government providing the remainder.

Between 1988 and 1996, 11,700 net new jobs were created in Clarke County. Of these, 5,300 were created in the services sector (the largest portion in health services), 4,100 in retail trade, and 2,400 in state government. Local government lost 650 jobs, manufacturing lost 450, and Federal employment fell by 340 jobs (see Chart 38).

Of the 644 net new business establishments added to the county between 1988 and 1997, 234 were in the services sector, 183 in retail trade, and 120 in finance, insurance and real estate. However, the latter sector added relatively little net new jobs.

Clarke County's traded sector has four major elements – state government (primarily the University of Georgia), manufacturing, health services and retail trade. State government, health services, and retail trade each has experienced significant growth in the last several years.

Clarke County's traded sector is that portion of the economy that competes in markets outside the county and so bring in dollars that fuel the remaining (non-traded) portion of the economy. A review of each of the four major components of the county's traded sector follows:

State government. The single most important element of Clarke County's traded sector is that of state government, dominated by the University of Georgia. According to the U.S. Bureau of Economic Analysis, state government provided 11,200 jobs in 1996 (16 percent of the total), and \$359 million in earnings (20 percent of the total). While the county's manufacturing sector is almost as large in terms of jobs and earnings, the impact of the University is far greater because of all the local spending its presence stimulates. To job earnings generated by the University can be added (all figures for FY98 and the Athens MSA):

- the spending of students (estimated to be \$221.2 million),
- University purchases of materials, services and equipment (\$92.8 million),
- construction projects (\$65 million),
- the UGA Athletic Association (\$17.4 million), and
- spending by visitors attending sporting events (\$12.8 million).¹⁴

Again according to the U.S. Bureau of Economic Analysis, the total number of state government employees in Clarke County has grown in recent years. Between 1985 and 1993, the number of state government jobs rose from 8,100 to 9,200. However, between 1993 and 1996, the number jumped to 11,200.

This increase has paced the expansion of the rest of the county economy. Thus, the contribution of state government to earnings in the county has been in the 19-21 percent range for the last 20 years. This stability in fact may speak to the power of the University as the county's primary economic engine. That is, it may be that any increase in direct University employment is magnified to such an extent throughout the whole economy that the University's direct percentage contribution stays much the same. In any case,

¹⁴ These figures are provided by the University of Georgia. As they are for FY98 and the Athens MSA, they are not strictly compatible with the data from the U.S. Bureau of Economic Analysis, but they do give a sense of the magnitude of the University's presence.

state government has been the dominant, and a growing, catalyst to the Clarke County economy.

The outsized presence of state government in the county can be seen by the location quotient from that sector, defined as the ratio of one sector's percent contribution to the local economy divided by that sector's contribution to the national economy. (Thus, a location quotient of 1.0 indicates that the sector has the same presence locally as it does nationally.) The job location quotient and the earnings location quotient for state government in Clarke County were 4.96 and 6.02, respectively, in 1996. In other words, the presence of state government in the county was five to six times that of the national average.

Manufacturing. As noted, while the core impact of the manufacturing jobs and earnings is about as large as that of state government, the sector does not have the same level of associated effects, nor has it experienced the same level of growth. In fact, the county's number of manufacturing jobs has hovered around 11,000 for the last 20 years. Total earnings provided in 1996 were \$324 million. However, as the county economy has grown, the percentage contribution of manufacturing has declined. Whereas manufacturing contributed 24 percent of jobs and 27 percent of earnings in the county in 1977, it contributed 15 percent of jobs and 18 percent of earnings in 1996.

Unlike a state university, manufacturing has a substantial presence in many parts of the country. Thus, it is not surprising to learn that the manufacturing sector location quotient for Clarke County was 1.19 for jobs and 1.00 for earnings in 1996. The difference in location quotient is due to the fact that while the manufacturing jobs pay above average compared to other jobs in the county, they are but 70 percent of the average annual earnings of all U.S. manufacturing jobs. Local factory jobs are primarily in light industry and processing, which tends to pay less than heavy industry. The earnings location quotient for manufacturing has been steady at 1.0 since 1981.

Manufacturing industries with a high earnings location quotient for Clarke County are textile mill products (about 3.50), food processing (3.04), stone/clay/glass products (about 2.00), apparel products (1.94), and electronics (1.92). Those with an average-to-near average earnings location quotient include rubber and plastics (1.09), lumber and wood products (1.04), and industrial equipment (0.83).

Health Services. The third key traded sector is health services. Clarke County health service providers serve an area far larger than the county itself. This is indicated by the sector's earnings location quotient of 1.52. The major traded components of the county's health services sector are hospitals (which had 3,330 employees in 1995) and doctors' offices (875 employees).¹⁵ The traded portion of the health services sector (that which serves patients from outside the county) likely provides in the range of 50-60 percent of jobs and earnings.

The health services sector also has been growing by leaps and bounds in recent years due to a major increase in hospital employment. Between 1992 and 1995, the number of hospital employees in the county more than doubled. This increase appears due largely to a major expansion of the Athens Regional Medical Center, the county's largest hospital. St. Mary's Hospital also is an important contributor of jobs and earnings. As a result of the expansion in hospital employment, the contribution of the sector to county earnings jumped from 9-10 percent in the 1988-94 period to 13 percent in 1996, and its earnings location quotient climbed from 1.10 to 1.52. This increase in earnings has been a major contributor to the growth of the county business economy.

Retail trade. The fourth element of the Clarke County traded sector is retail trade. In most communities, retail trade is a non-traded sector, that is, most customers are local.

However, a jobs location quotient of 1.23 and an earnings location quotient of 1.19 indicate that Clarke County retailers have a greater than average presence than in other communities.

Much of this expanded presence is the result of the presence of the University, as students are high per capita consumers of retail services. Thus, a portion of the retail trade activity should be attributed to the University, and is mentioned above.

At the same time, a University of Georgia study of retail shopping patterns in Georgia indicates that Clarke County has a high “pull” factor, the county’s power to draw shoppers from other surrounding counties. (A pull factor of over 1.0 indicates that the county retailers are drawing more outside residents than they are losing home residents to other counties.) Chart 39 shows those Clarke County retail sectors with a high location quotient and/or a high pull factor. Keep in mind that the location quotient is based on job earnings, and the pull factor is based on sales. The data suggest that the pull factor has a greater impact on sales than it does on employee earnings.

While the retail trade sector is a major contributor of jobs to the economy (21 percent), it is a much smaller contributor of earnings to the economy (11 percent), due to the fact of part-time jobs and low wages compared to the average non-retail job. As the large part of the retail sector is serving Clarke County customers, its contribution to the traded sector (that is, job earnings generated by sales to non-residents) is far smaller than the contribution of the three other traded sectors.

¹⁵ These data are from County Business Patterns, U.S. Bureau of the Census. Data at this level of industry detail were not available from other sources. The latest year currently available is 1995.

The question arises as to why, despite the presence of several quite vibrant traded sectors, Clarke County lags other areas in average annual earnings, per capita earnings, and the percent contribution of earnings to personal income? A partial answer is that private sector jobs in the county only pay about 75 percent of the state and national average.

Two of the Clarke County traded industries are well-paying compared to the state and the nation. The average annual pay in state government about equals the national average, and exceeds the state average by 10 percent (Chart 40). In addition, local average annual pay in health services exceeds the state and U.S. averages by 12-17 percent (Chart 41).¹⁶

However, average pay in the Clarke County manufacturing sector is only 85 percent of the state average and 70 percent of the U.S. average (due to some extent to the local emphasis on light industry). And average pay for a retail job is only 81-84 percent of the state and U.S. figures.

As Chart 40 indicates, public sector employment in Clarke County pays slightly above the national average and well above the state average. The private sector is the cause of the county's low average wage, with average earnings equaling only 78 percent of the state figure and 75 percent of the U.S. figure. A substantial earnings differential exists in every major division of private sector employment, from finance, insurance, and real estate at the low end (63-66 percent) and services and construction at the high end, relatively speaking (81-89 percent).

Moreover, the county service sector's average annual earnings of \$23,300 itself is misleading. Once health services, with its annual average pay of \$35,900, is removed,

¹⁶ The lack of industry detail in the BEA employment data forces using another source. Data on pay for service subsectors are from the ES-202 data series issued by the Georgia Department of Labor. These data are for wage and salary jobs only, while the BEA earnings data includes proprietorships as well.

the annual average pay for services jobs other than health care is only \$15,300. In comparison, the nationwide average annual pay for a service job outside of health is \$25,600; the figure for Georgia is \$25,100. The average Clarke County services job, outside of health care, pays only 60 percent of the U.S. average and 61 percent of the Georgia average.

The services sector, even with healthcare removed, provides 10 percent of Clarke County income. Chart 41 shows the average weekly pay for wage and salary workers in the Clarke County, Georgia, and U.S. service industries. As can be seen, average weekly pay in every service sector but health care is below the Georgia and U.S. averages. The largest non-health job contributors each pay well below the national figure – business services (54 percent), social services (64 percent), membership organizations (42 percent), personal services (71 percent), and hotels (61 percent).

SUMMARY

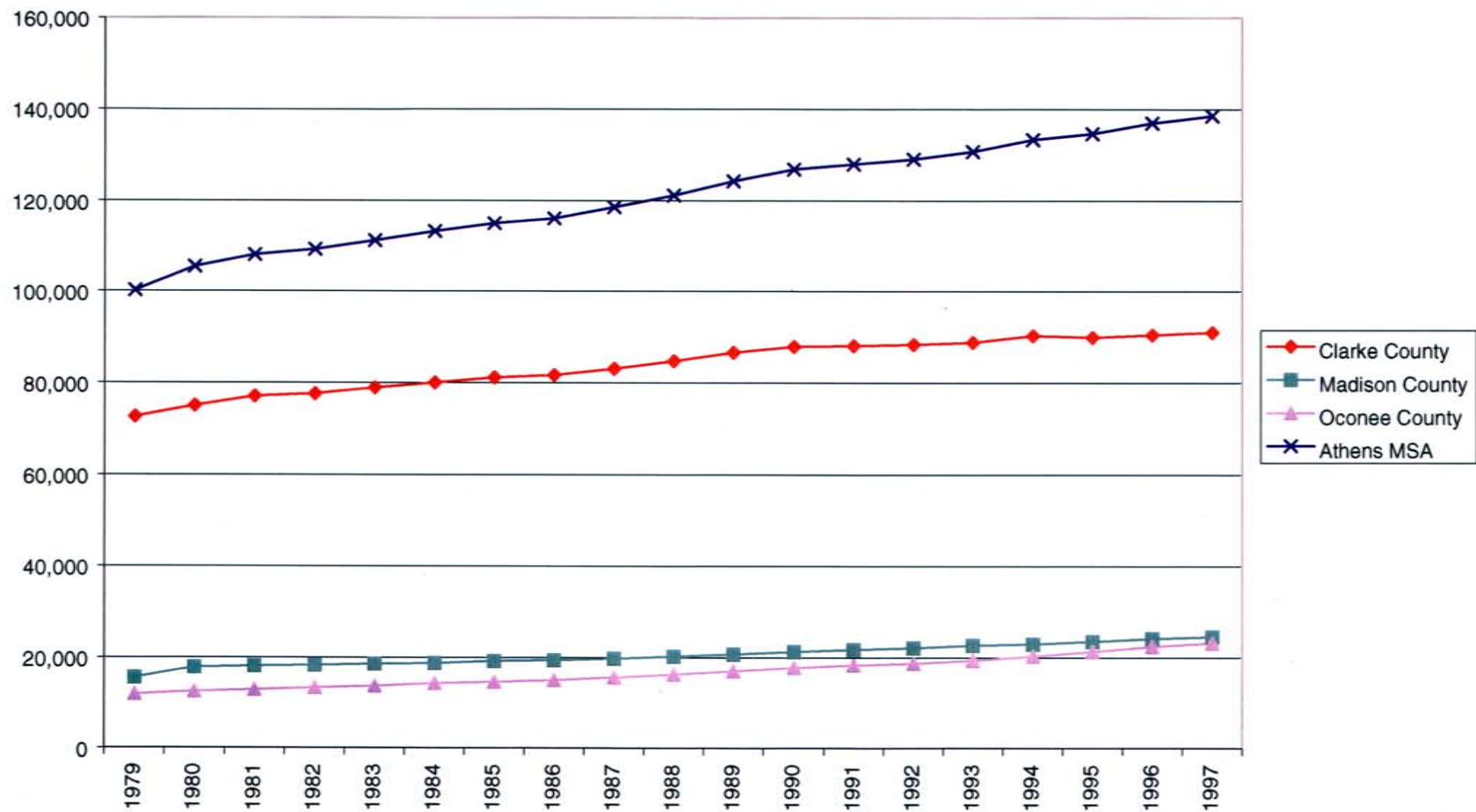
Clarke County's demographic and economic trend lines are disturbing. The county is drifting with minimal population growth and a weakening economic mix. Without the growth in state government jobs (i.e. the University), the only job growth since 1988 has been in retail and services. The county has 40% of its population with household incomes under \$20,000 and the percentage of children in poverty range is 25-37%. While overall educational attainment is strong, a significant portion of the county's residents have not finished high school. The only sector in the Clarke economy that pays the state average wage is the state government category; the shrinking manufacturing sector (down 456 jobs in the past 8 years) pays only 84% of the Georgia average for that sector. While the healthcare portion of the service sector is strong (\$690 weekly wage), it cannot carry the other very weak service jobs (averaging \$294 a week), which pay only 61% of state average wage for those jobs. The student employee is a factor in these low wages across the services sector.

The racial makeup of the county is changing with a lessening white population (fewer than in 1990) and an increasing black and international population that make up 34% of the total in 1997. While job growth has been substantial and the unemployment rate is low, there are two concerns. First, 80% of the net new jobs are in retail and services and second, the labor force participation rate increase has reduced the pool of potential new workers.

Finally, while small business job growth is driving the national economy, Clarke County's percentage of proprietorships is very low, the rate of new business formation lags, and average annual proprietor earnings are far below the state and national averages.

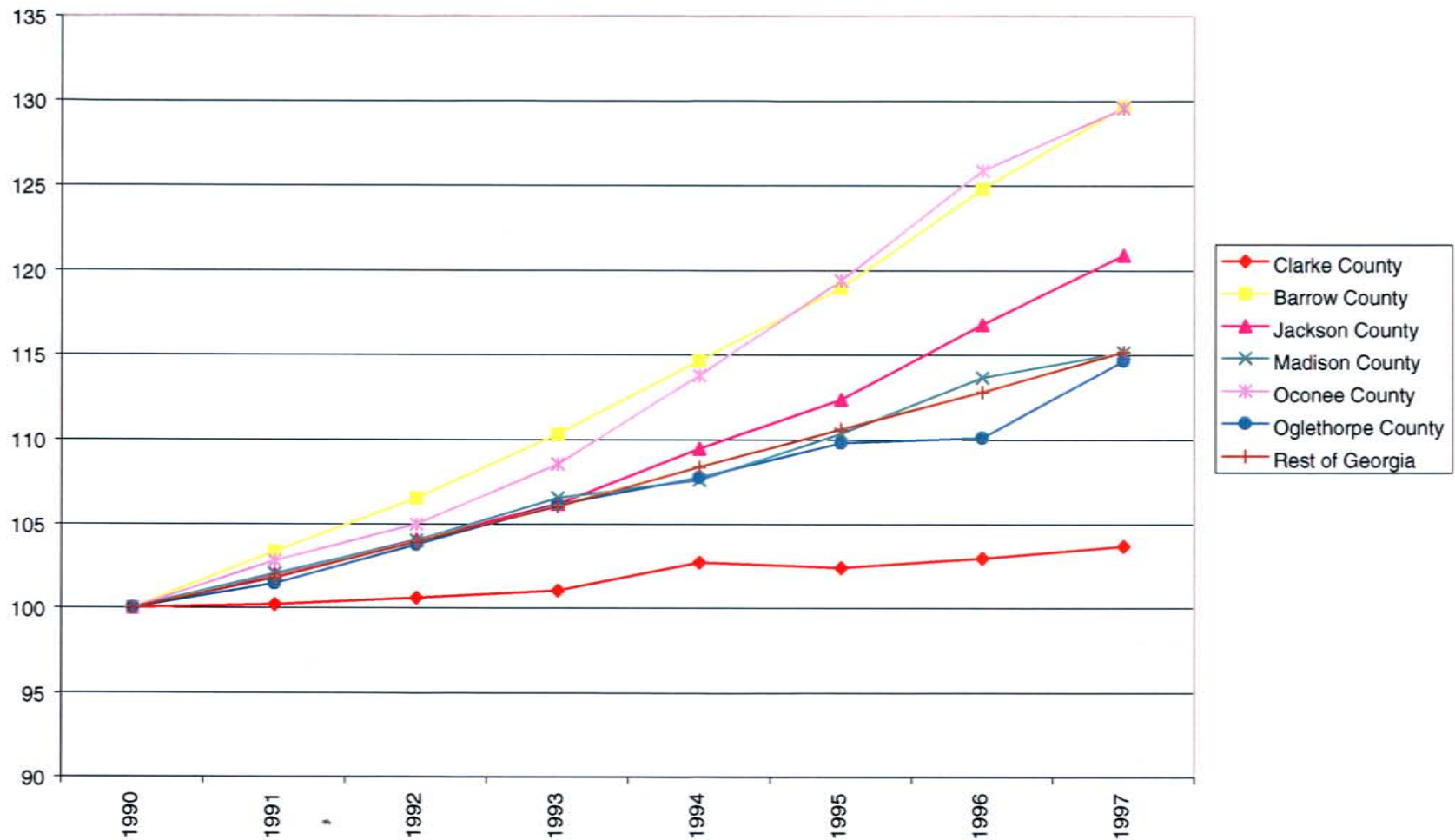
Clearly, Clarke is not enjoying the rapid increase in per capita income that comes from a growing, diverse, strong economy. While the Athens-Clarke County economy has a strong stability factor because of the University, it is by no means dynamic. There is almost no evidence of "high-tech spinoff" from the University. The changing regional outlook provides further competition for quality job creation and sustained population growth.

Chart 1
Population, Athens MSA and Component Counties, 1979-1997



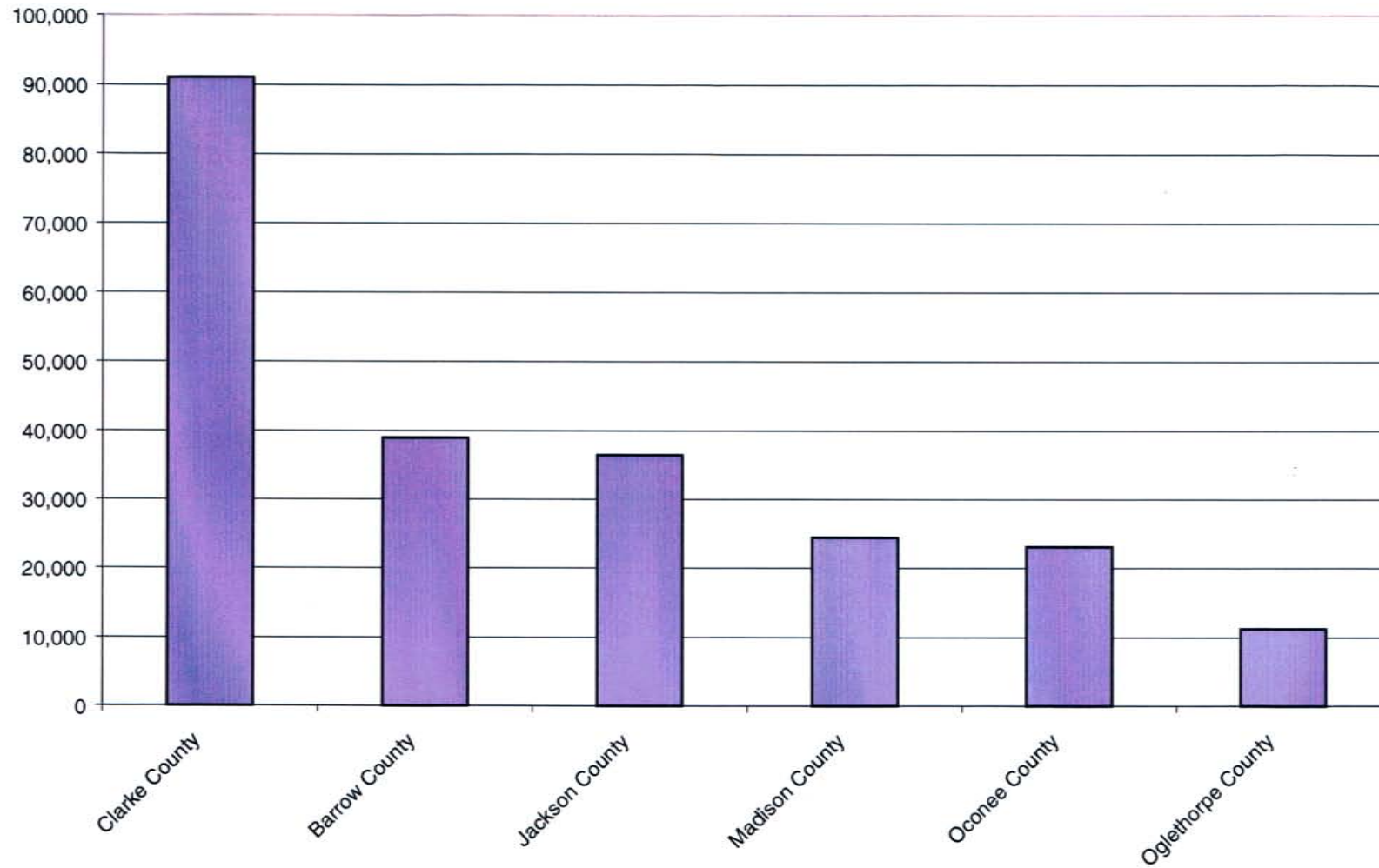
Source: U.S. Census Bureau

Chart 2
Index of Population Growth, Clarke County and Other Areas, 1990 - 1997



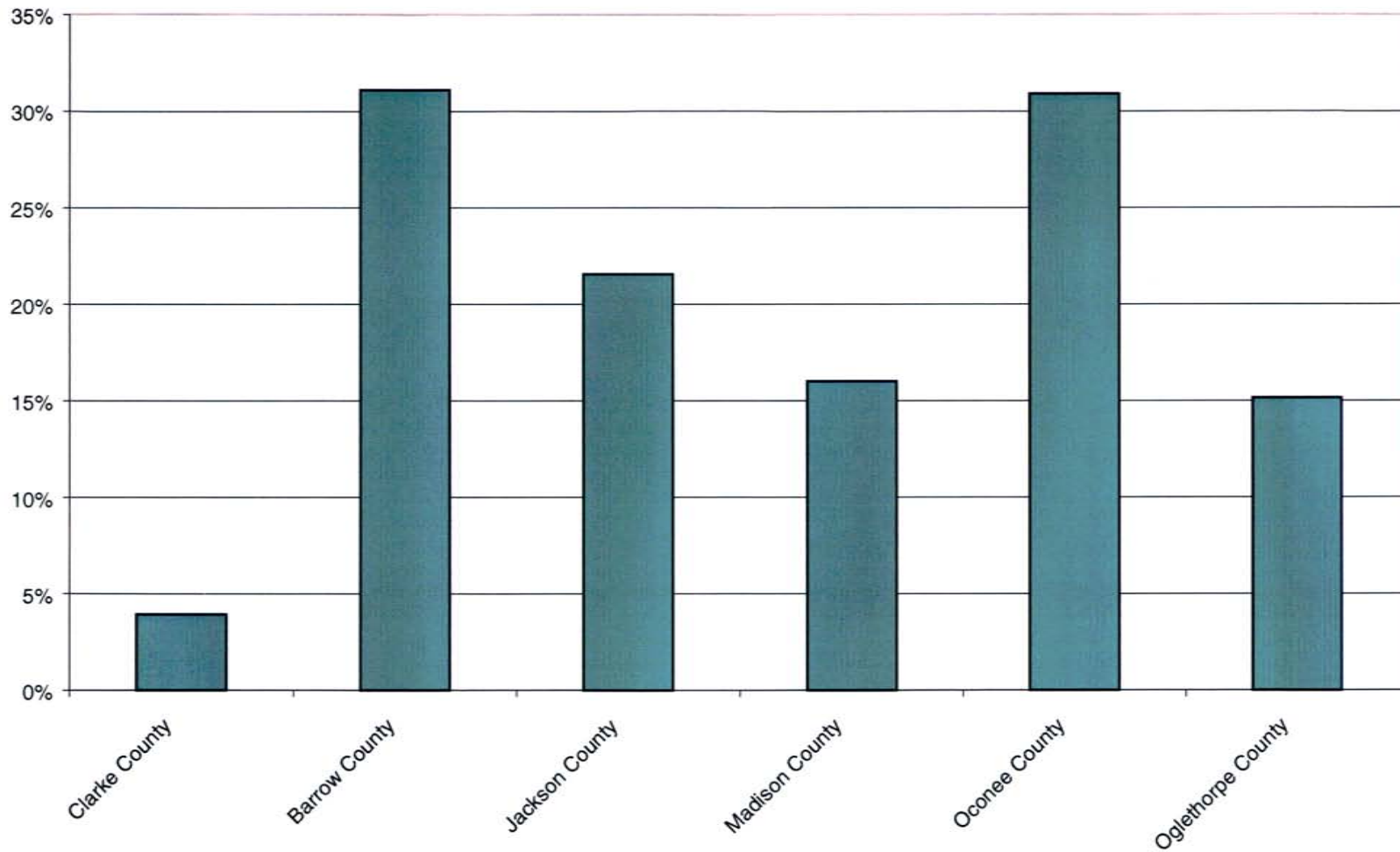
Source: U.S. Census Bureau

Chart 3
Population, Clarke County and Contiguous Counties, July 1, 1997



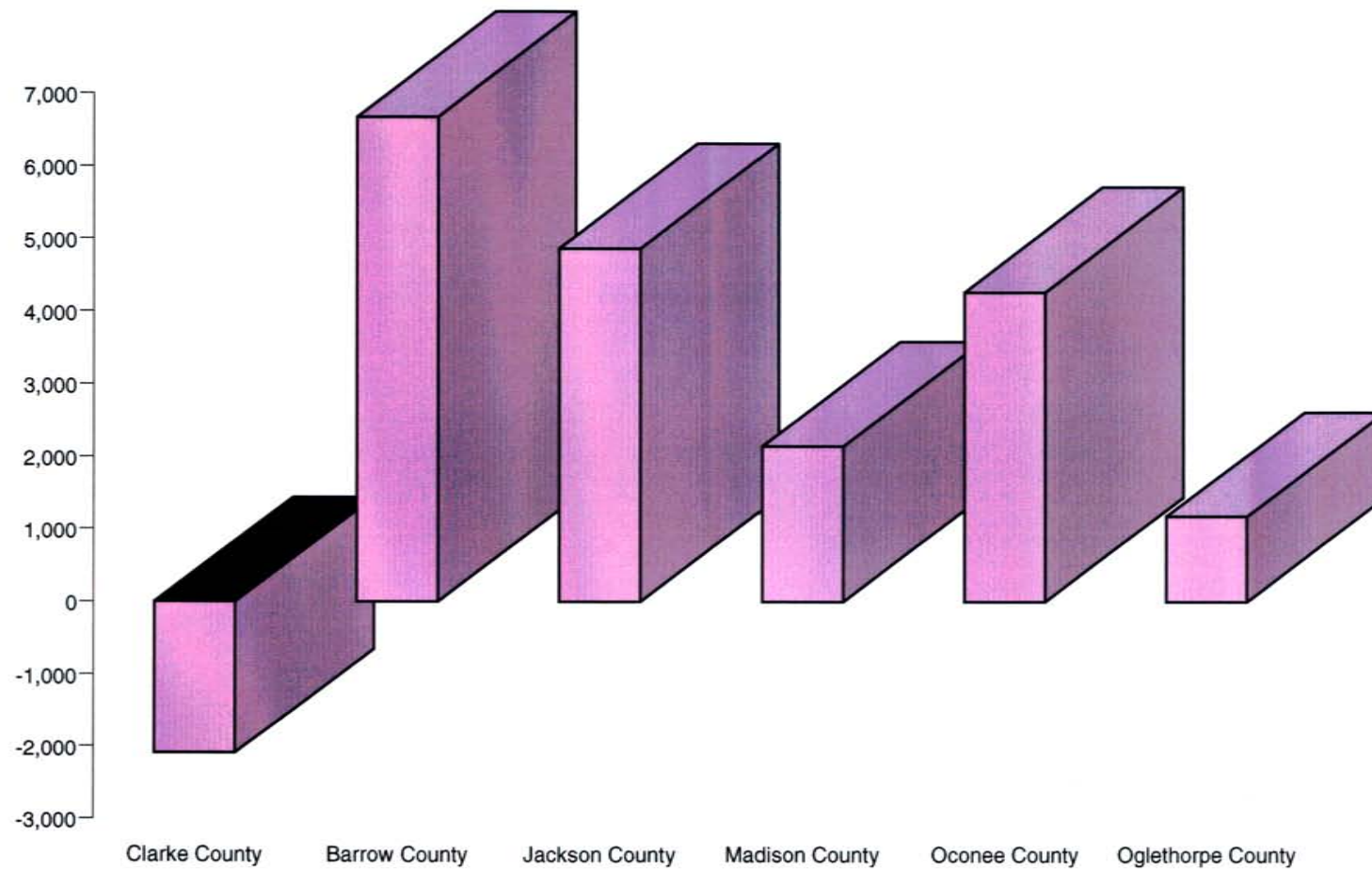
Source: U.S. Census Bureau

Chart 4
Percent Change in Population, Clarke County and Contiguous Counties, 1990-1997



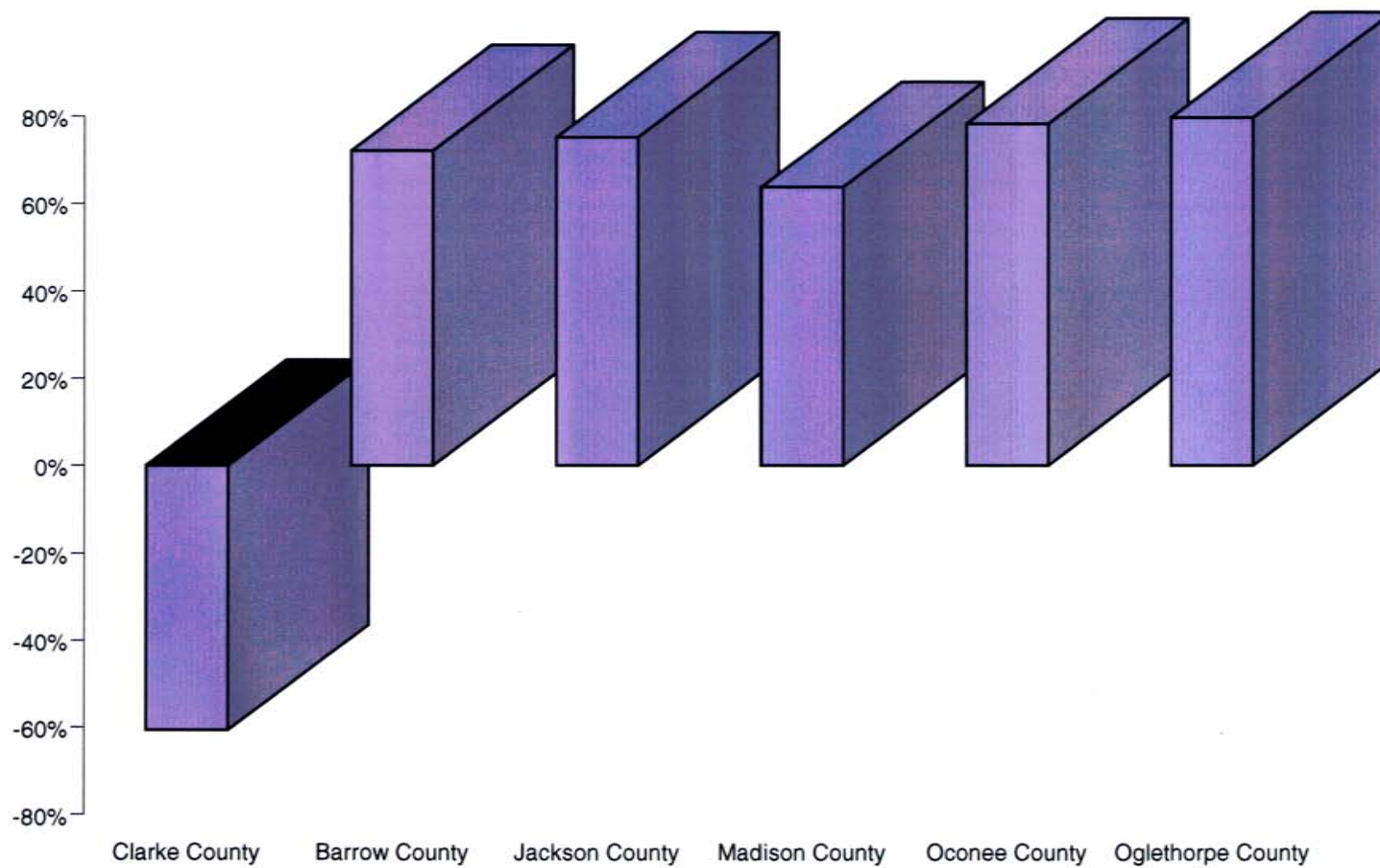
Source: U.S. Census Bureau

Chart 5
Net Domestic Migration, Clarke County and Contiguous Counties, 1990-97



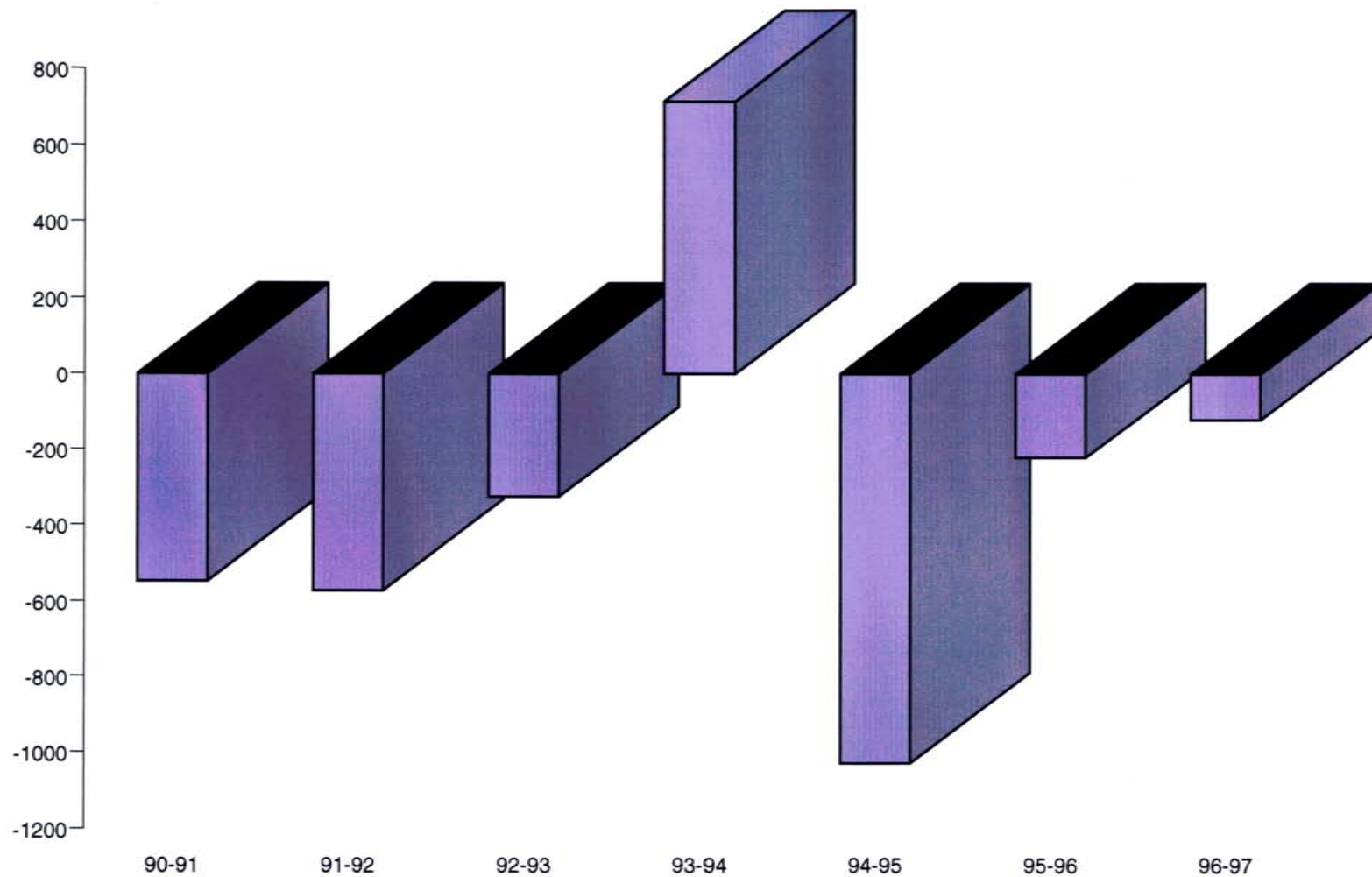
Source: U.S. Census Bureau

Chart 6
Net Domestic Migration as a Percentage of Population Change,
Clarke County and Contiguous Counties, 1990-97



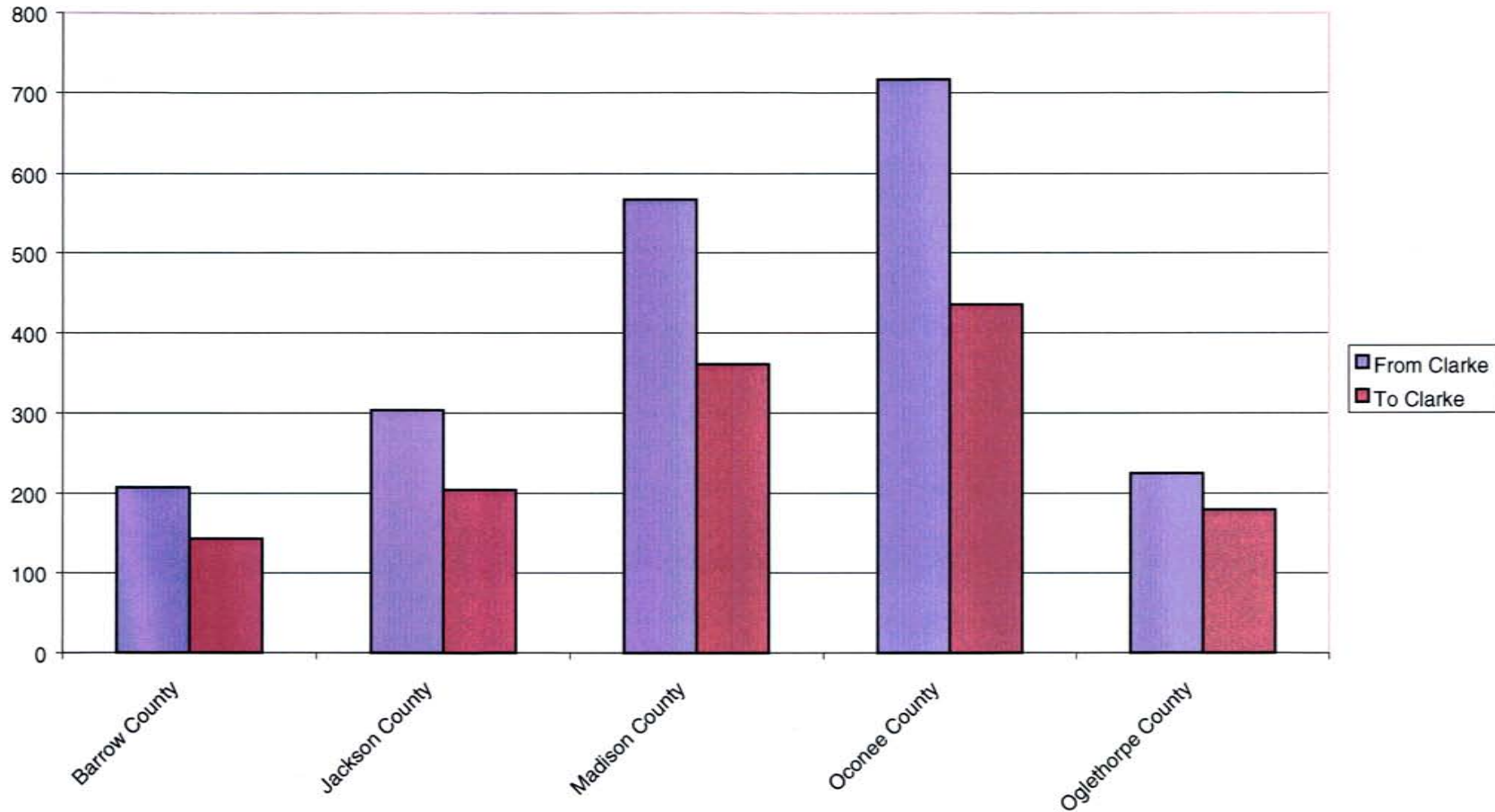
Source: U.S. Census Bureau

Chart 7
Annual Net Domestic Migration, Clarke County, 1990-1997



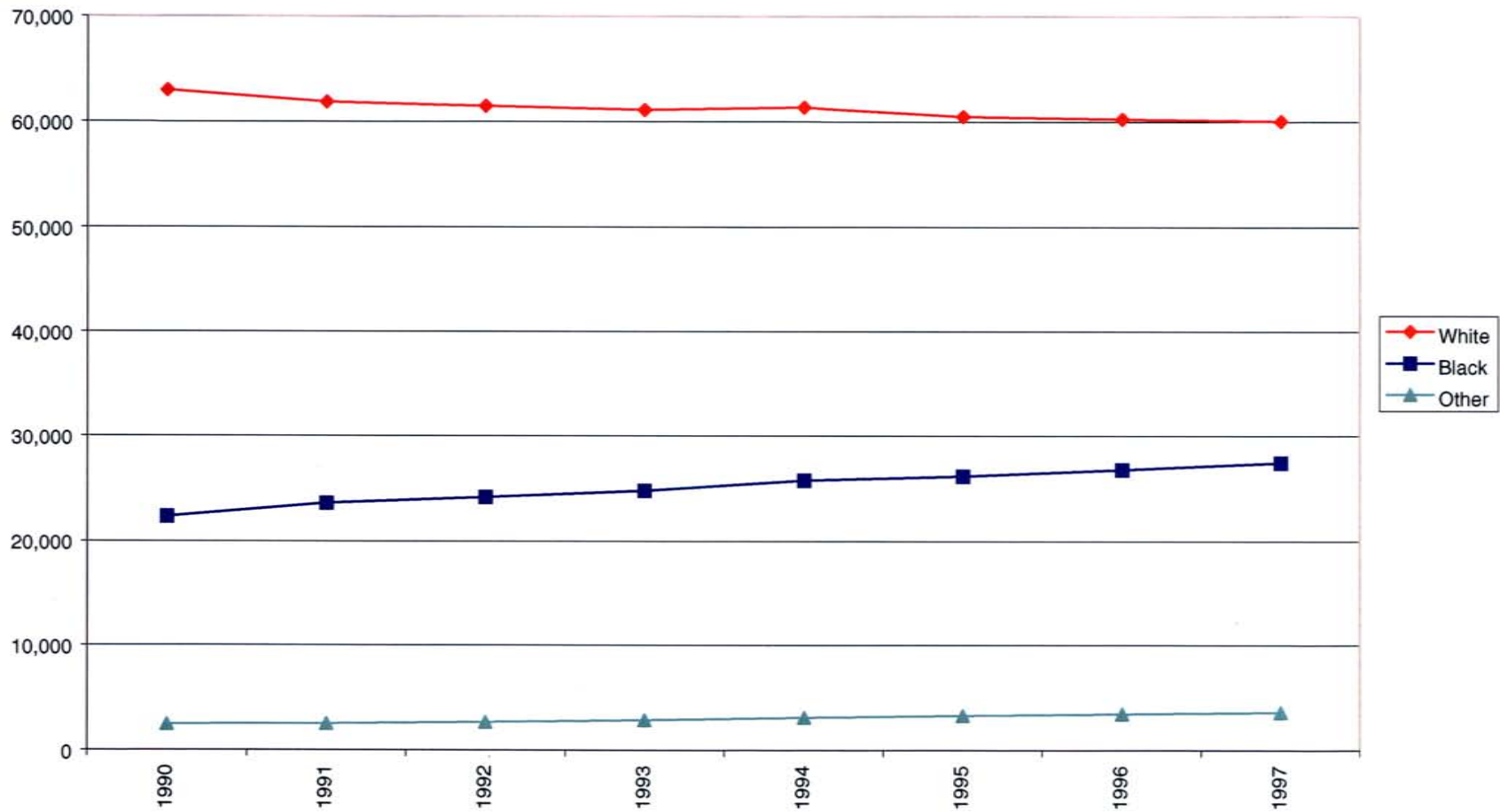
Source: U.S. Census Bureau

Chart 8
County-to-County Net Migration,
Clarke County and Neighboring Counties, 1995-1996



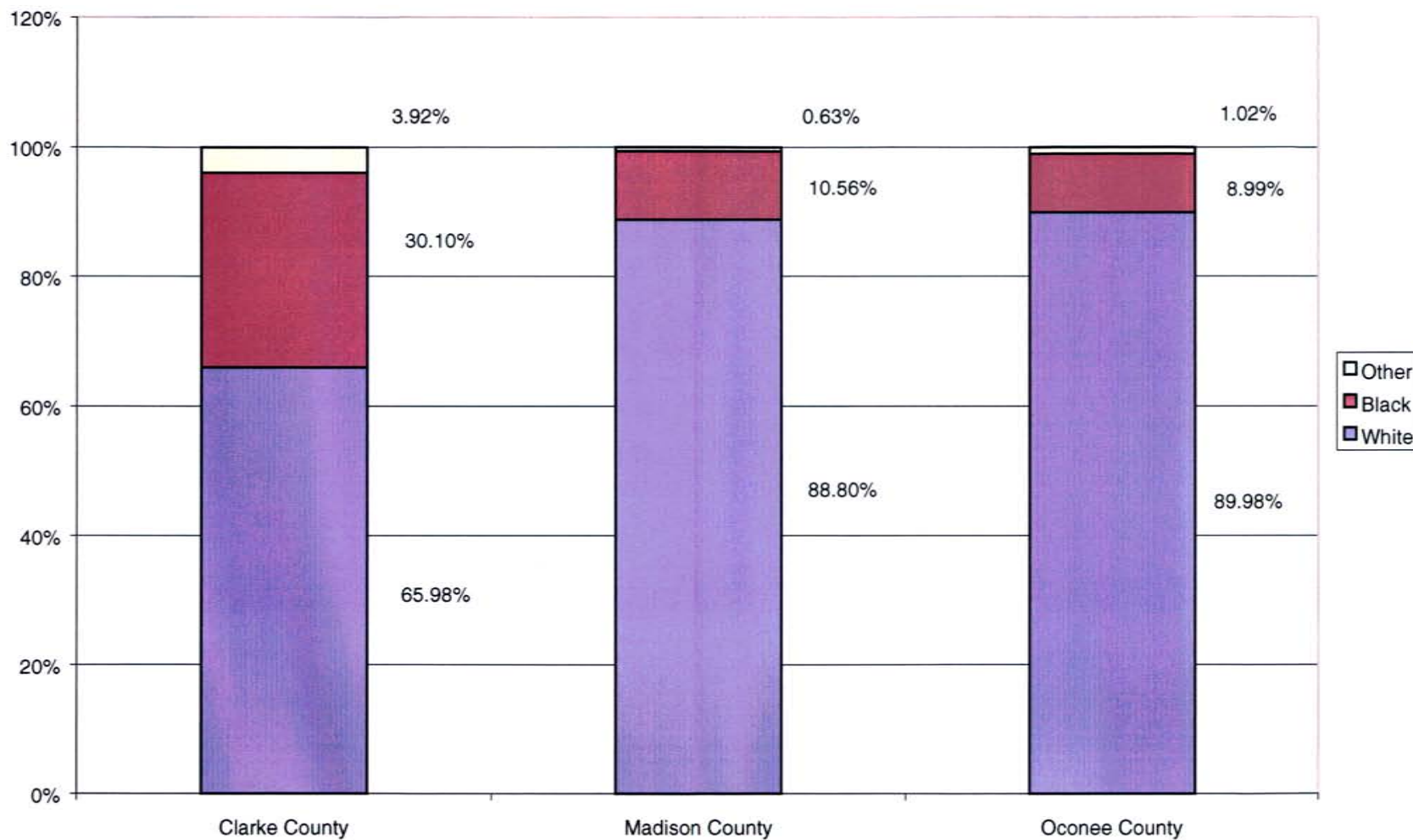
Source: Internal Revenue Service, Statistics of Income

Chart 9
Clarke County
Population by Race, 1990-1997



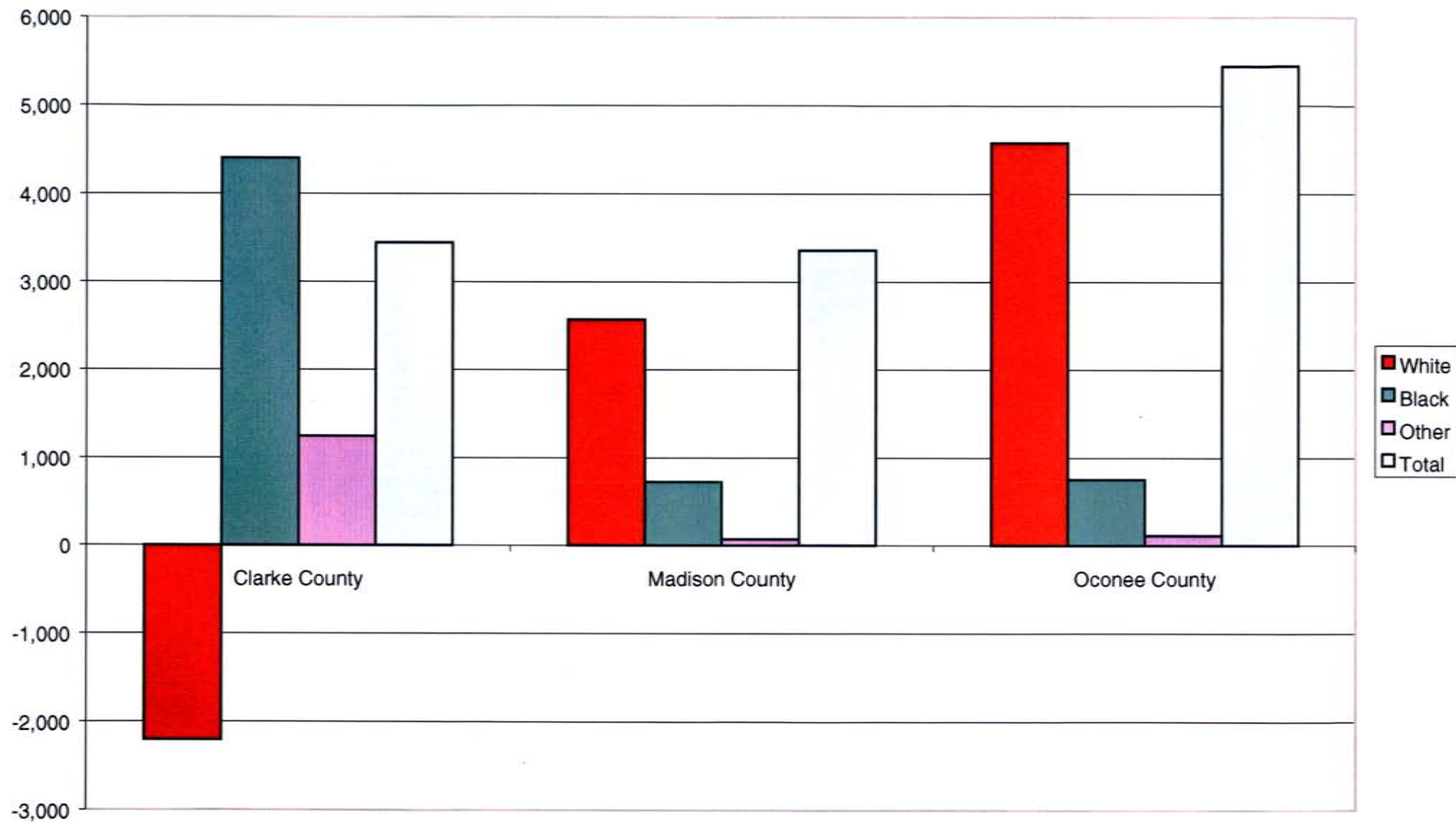
Source: U.S. Census Bureau

Chart 10
Percent Distribution of Population by Race,
Clarke, Madison, and Oconee Counties, 1997



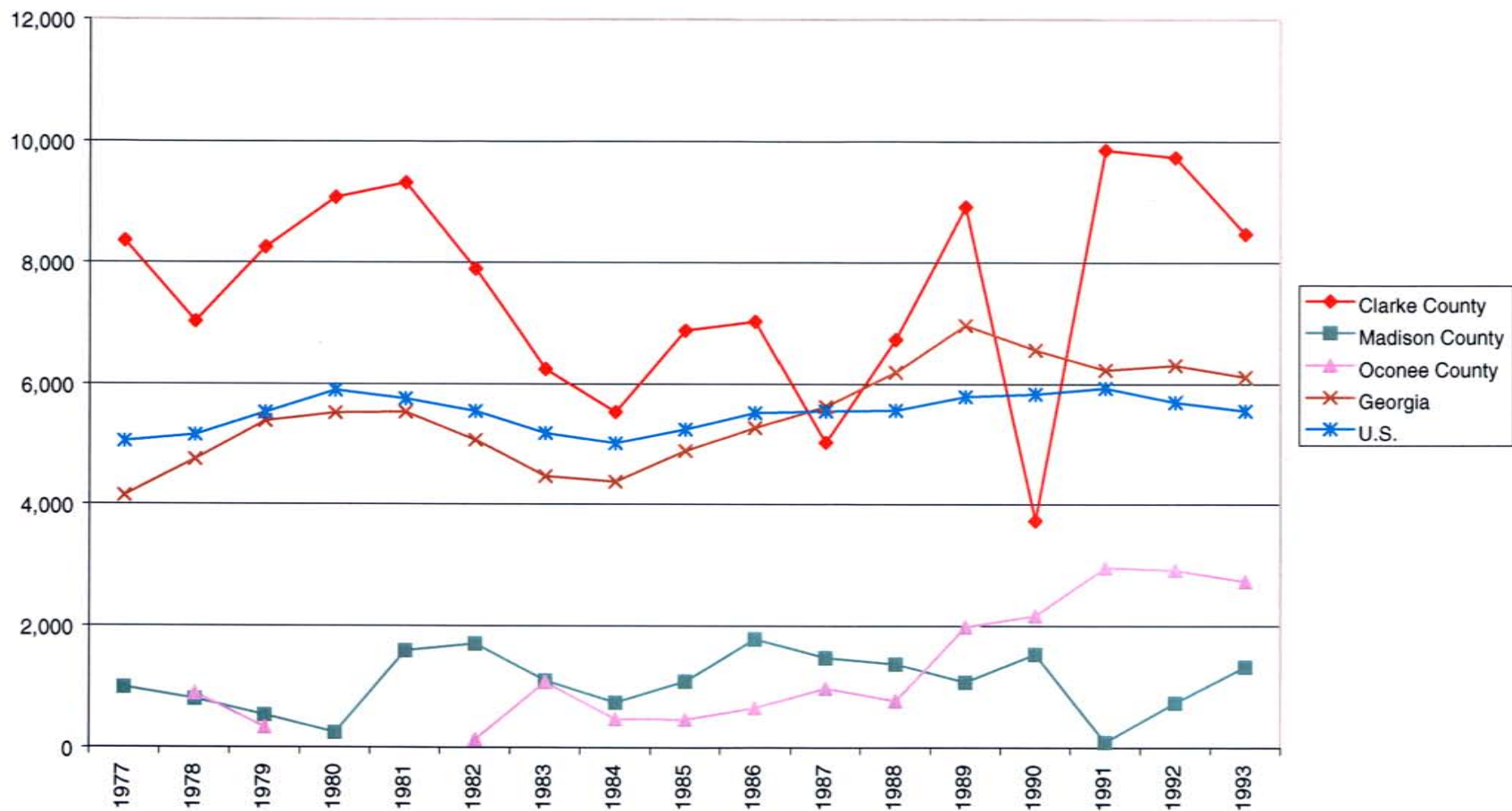
Source: U.S. Census Bureau

Chart 11
Change in Population by Race, Clarke, Madison, and Oconee Counties, 1990-1997



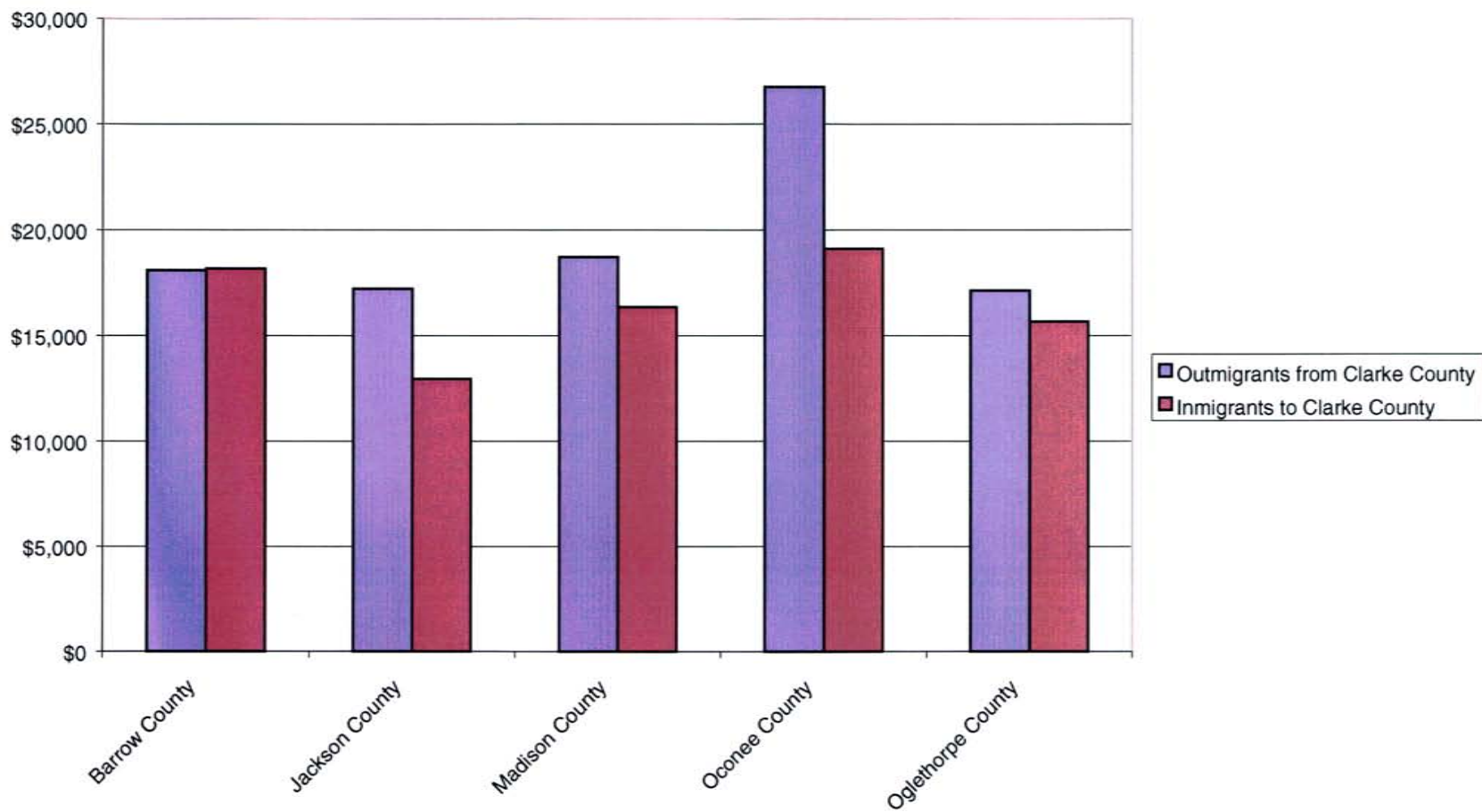
Source: U.S. Census Bureau

Chart 12
 Serious Crimes Known to Police per 100,000 Population,
 Clarke County and Other Areas, 1977-1993



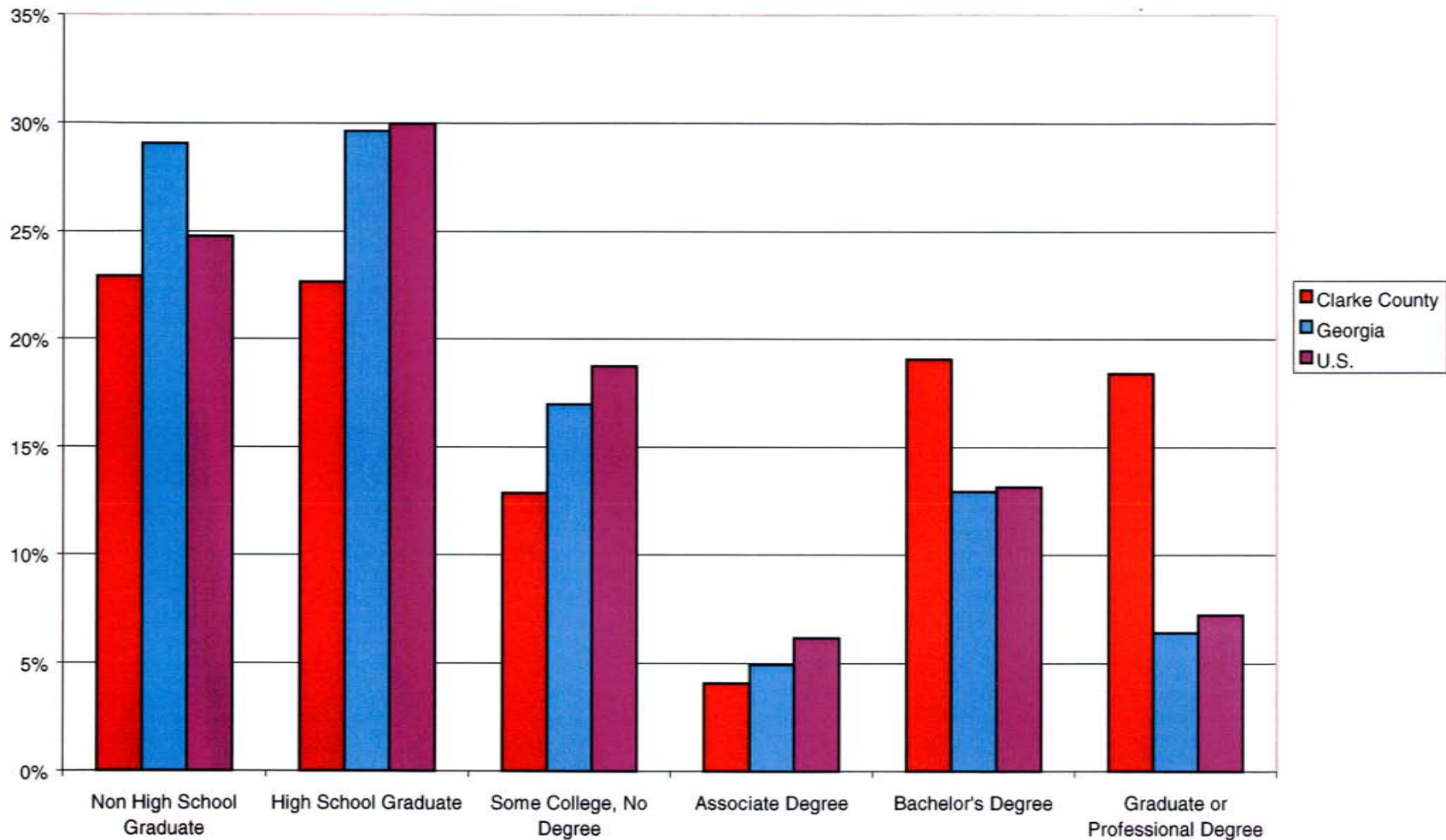
Source: ~~USA Counties~~, U.S. Census Bureau

Chart 13
Median Money Income, Immigrants and Outmigrants
Between Clarke County and Neighboring Counties, 1995-1996



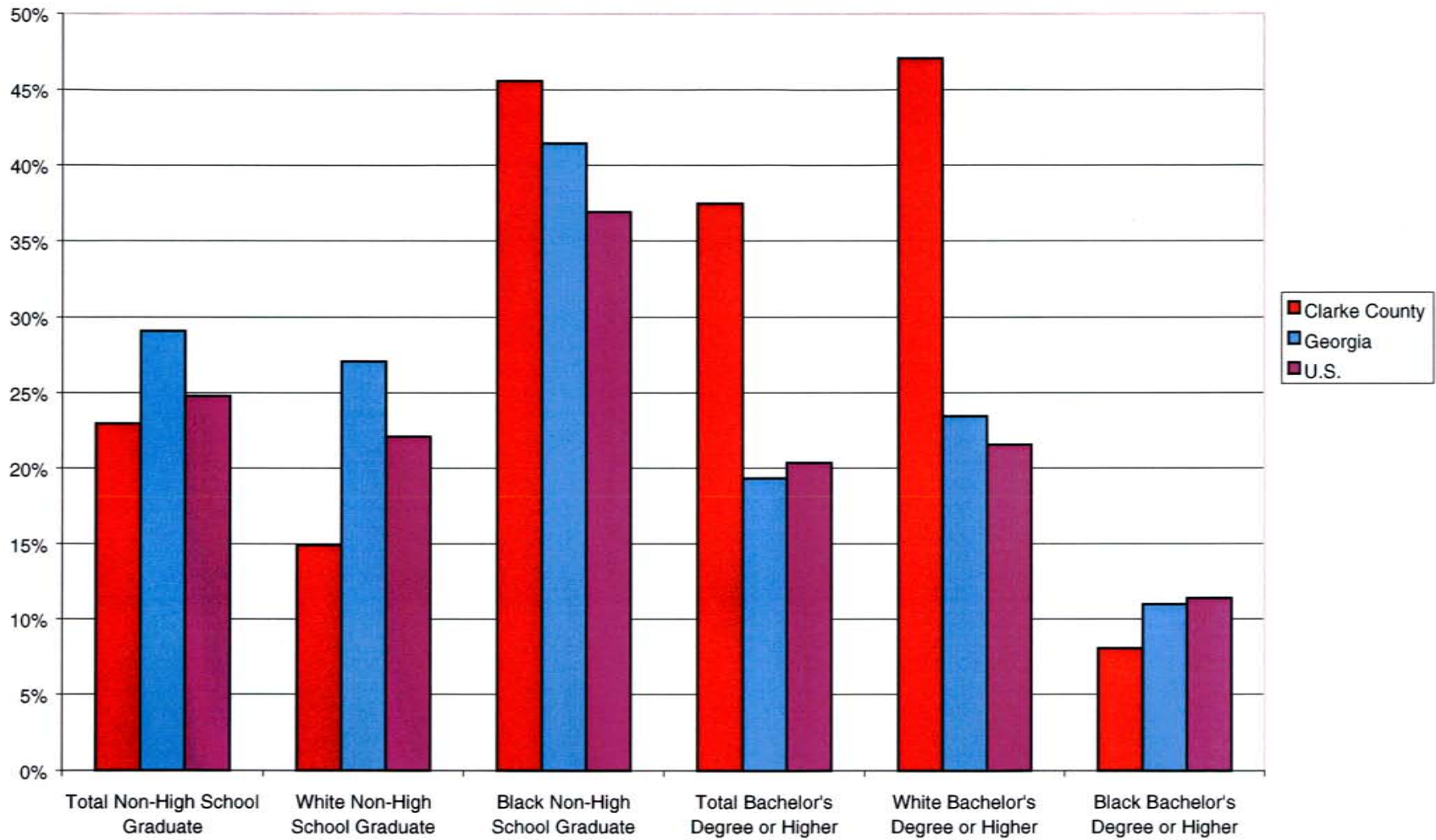
Source: Internal Revenue Service, Statistics of Income

Chart 14
Educational Attainment, Clarke County, Georgia, and U.S., 1990
Percent of Persons 25 and Over



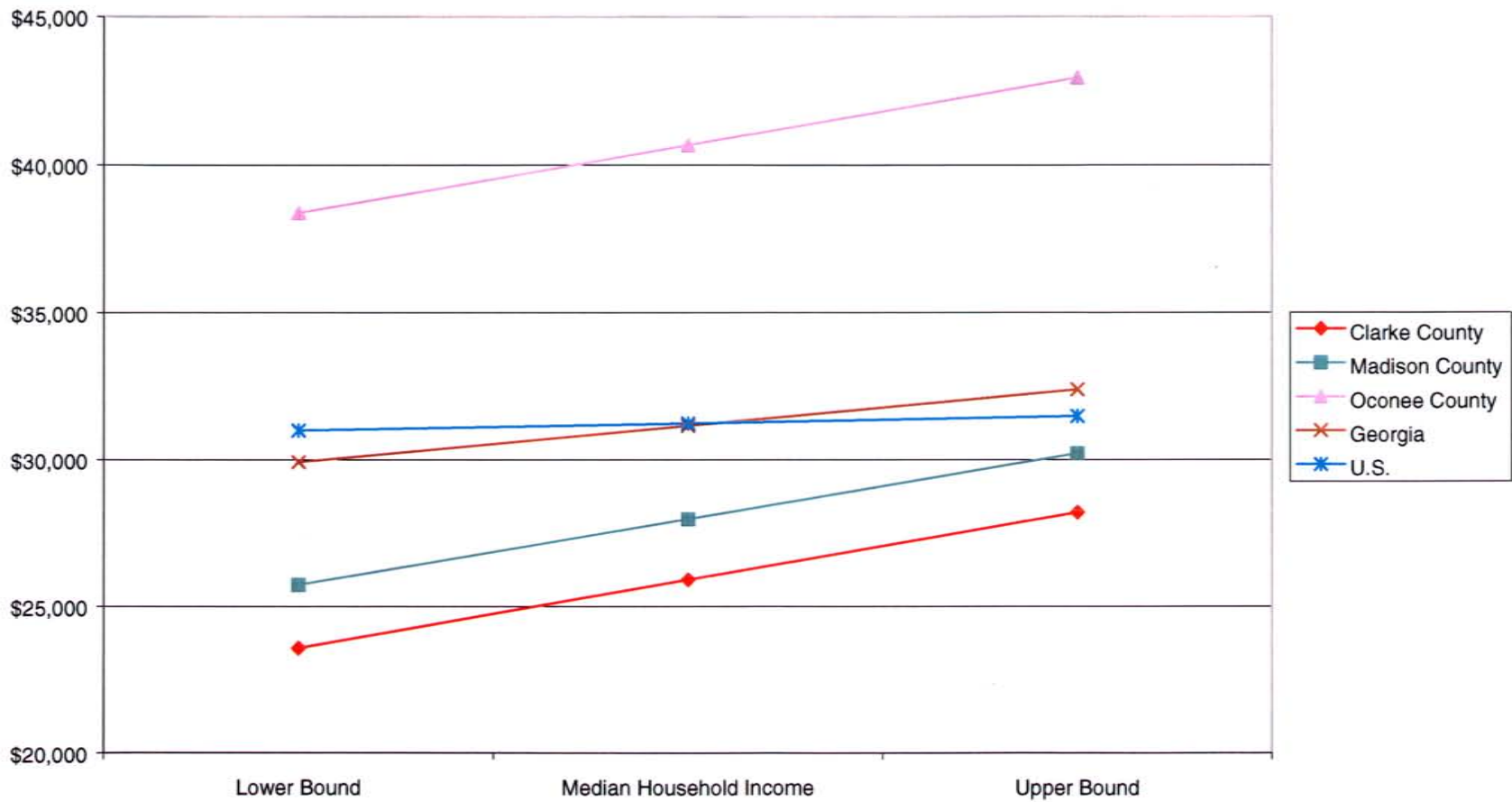
Source: U.S. Census Bureau

Chart 15
Educational Attainment by Race, Clarke County, Georgia, and U.S., 1990



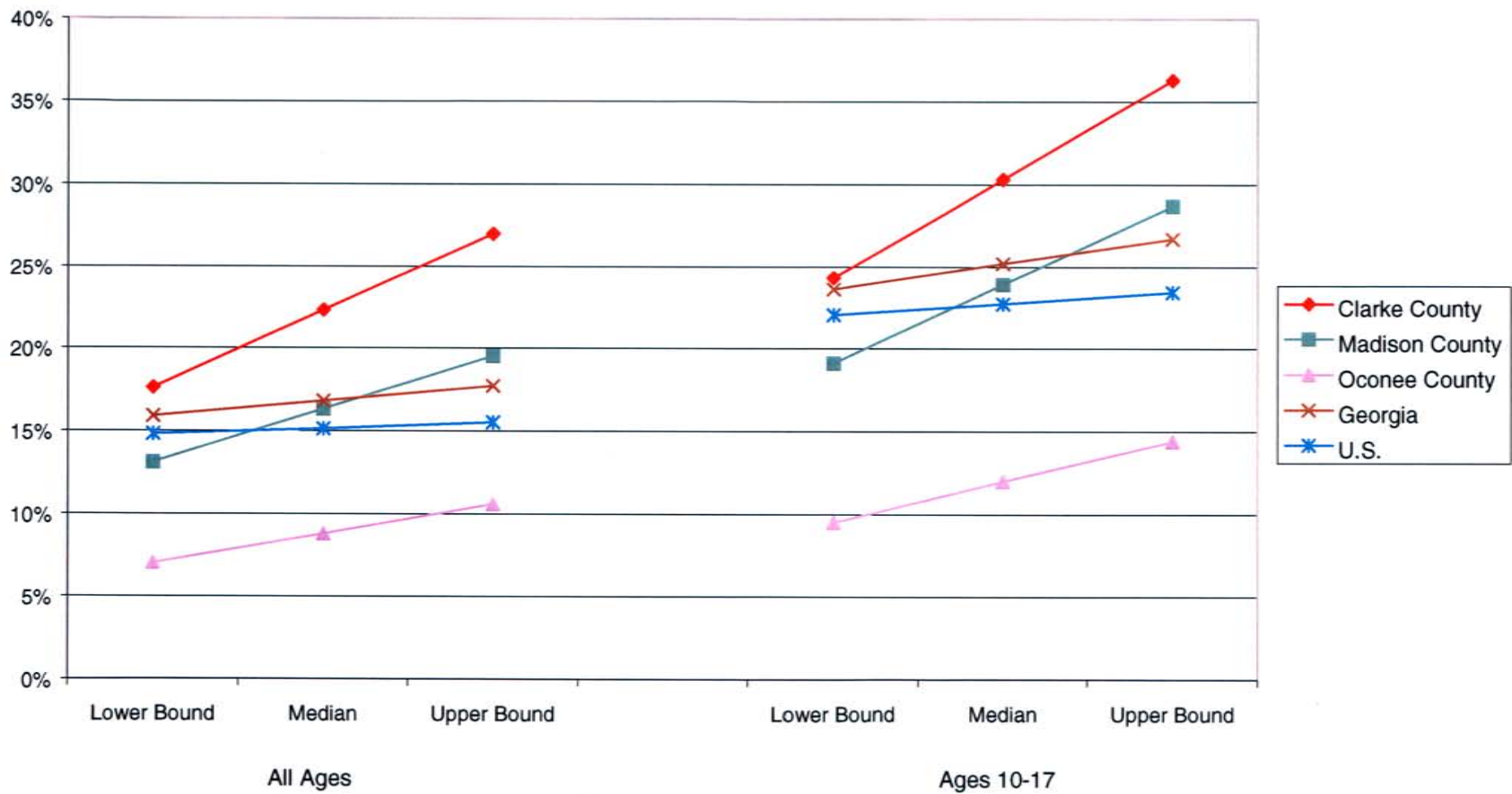
Source: U.S. Census Bureau

Chart 18
Estimate of Median Household Income, 90% Confidence Interval,
Clarke County and Surrounding Areas, 1993



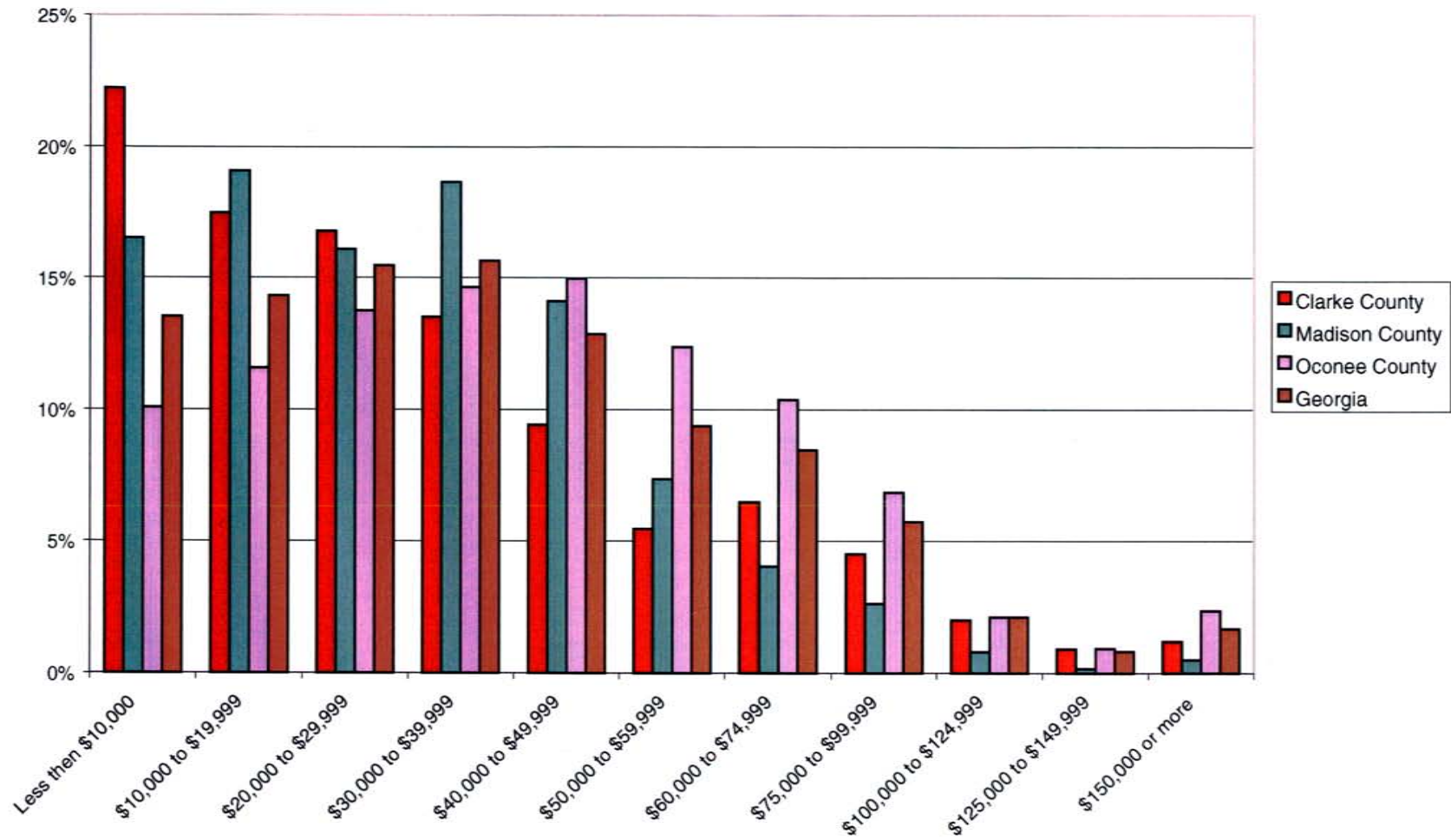
Source: U.S. Census Bureau

Chart 19
 Estimate of Poverty Rate, 90% Confidence Interval,
 All Persons and Children, Clarke County and Other Areas, 1993



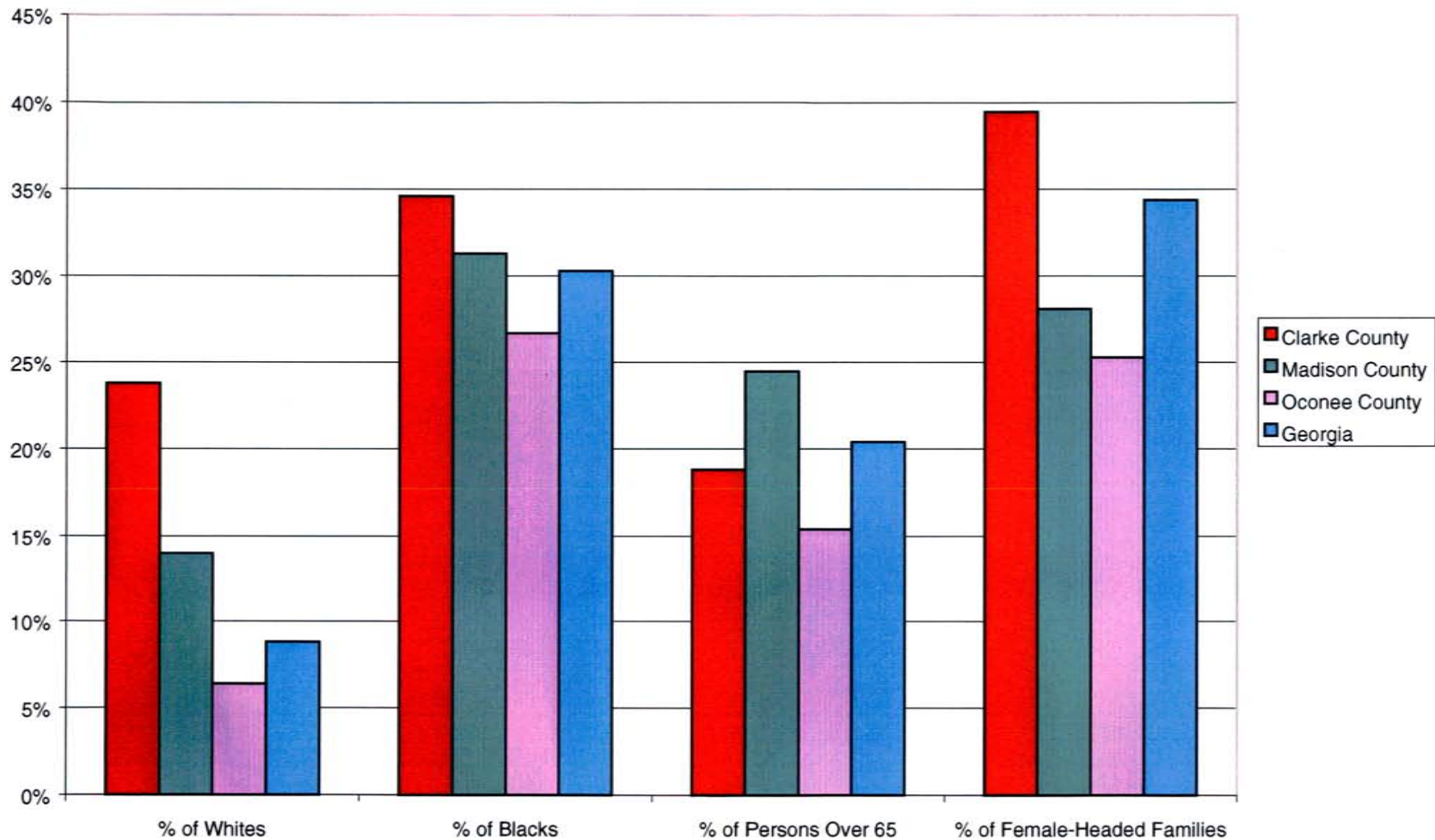
Source: U.S. Census Bureau

Chart 20
Percent Distribution of Household Income by Income Level,
Clarke County and Other Areas, 1998



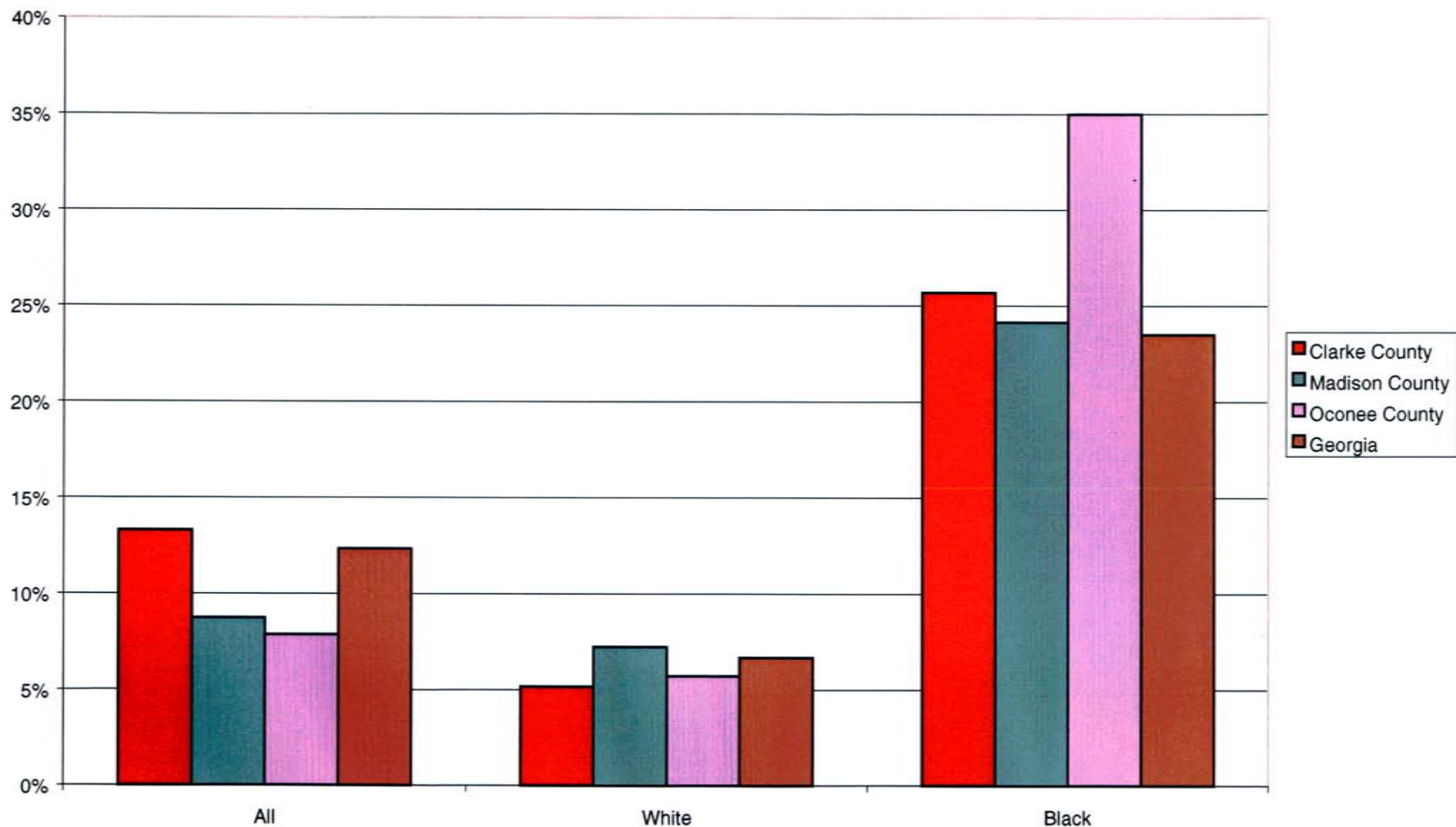
Source: Woods and Poole Economics, Inc.

Chart 21
Percent of Persons Below Poverty Level by Selected Characteristics,
Clarke County and Other Areas, 1989



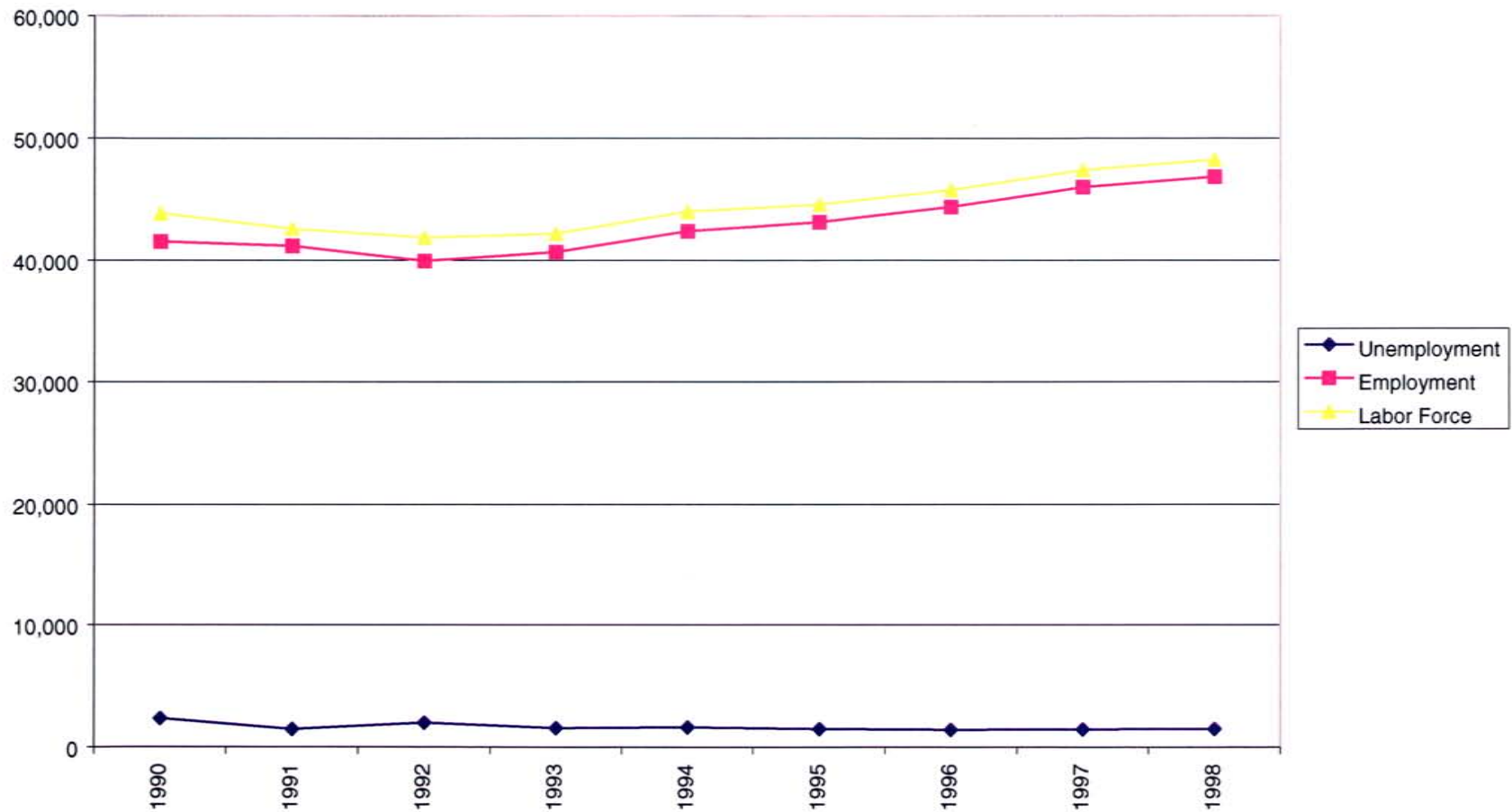
Source: U.S. Census Bureau (from the Georgia County Guide, 1997)

Chart 22
Live Births to Unwed Teenage Mothers as a Percent of Total Live Births, by Race,
Clarke County and Other Areas, 1995



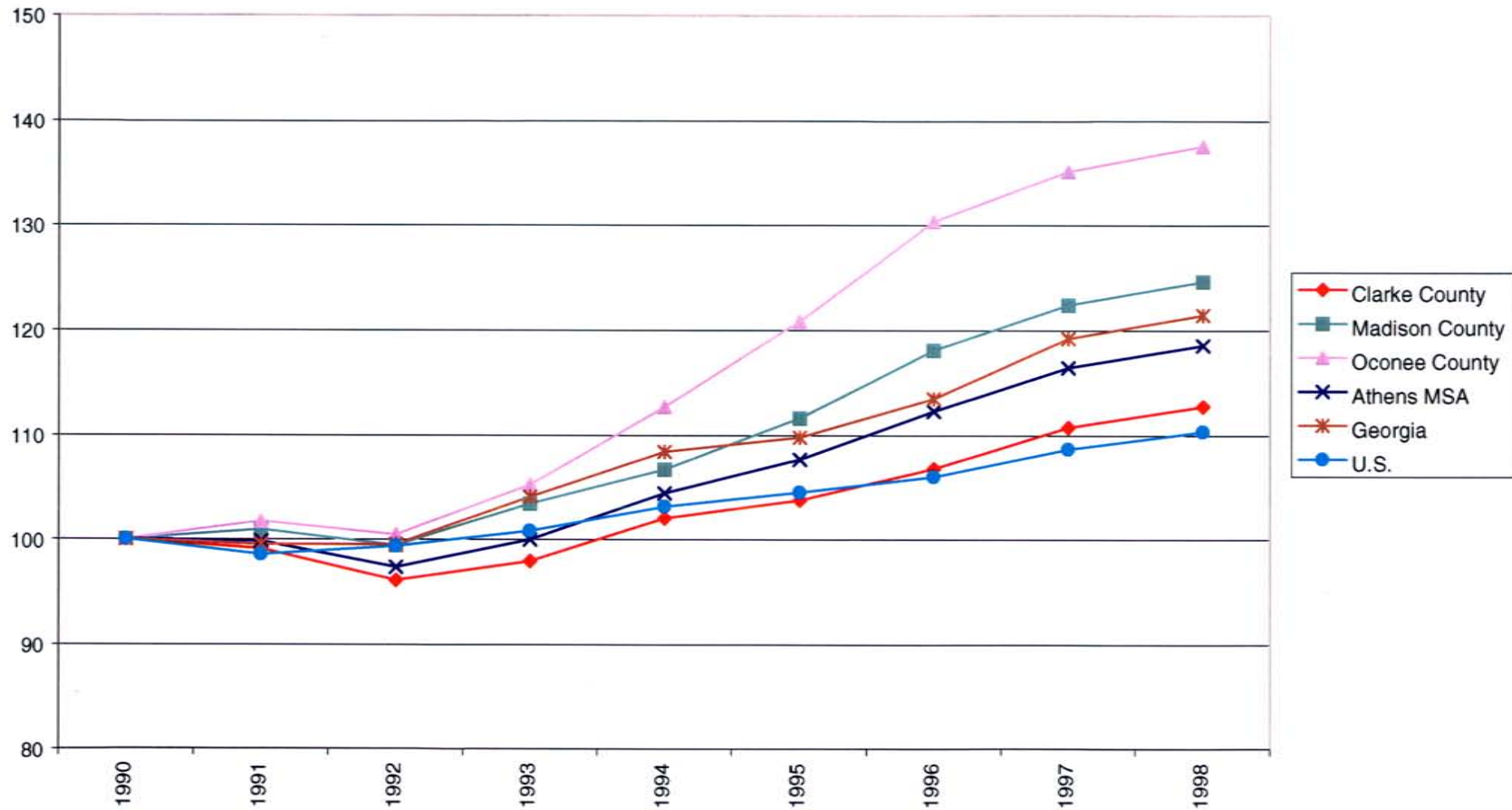
Source: U.S. Census Bureau (from the Georgia County Guide, 1997)

Chart 23
Clarke County
Employment, Unemployment and Labor Force
1990-1998 (May)



Source: U.S. Bureau of Labor Statistics

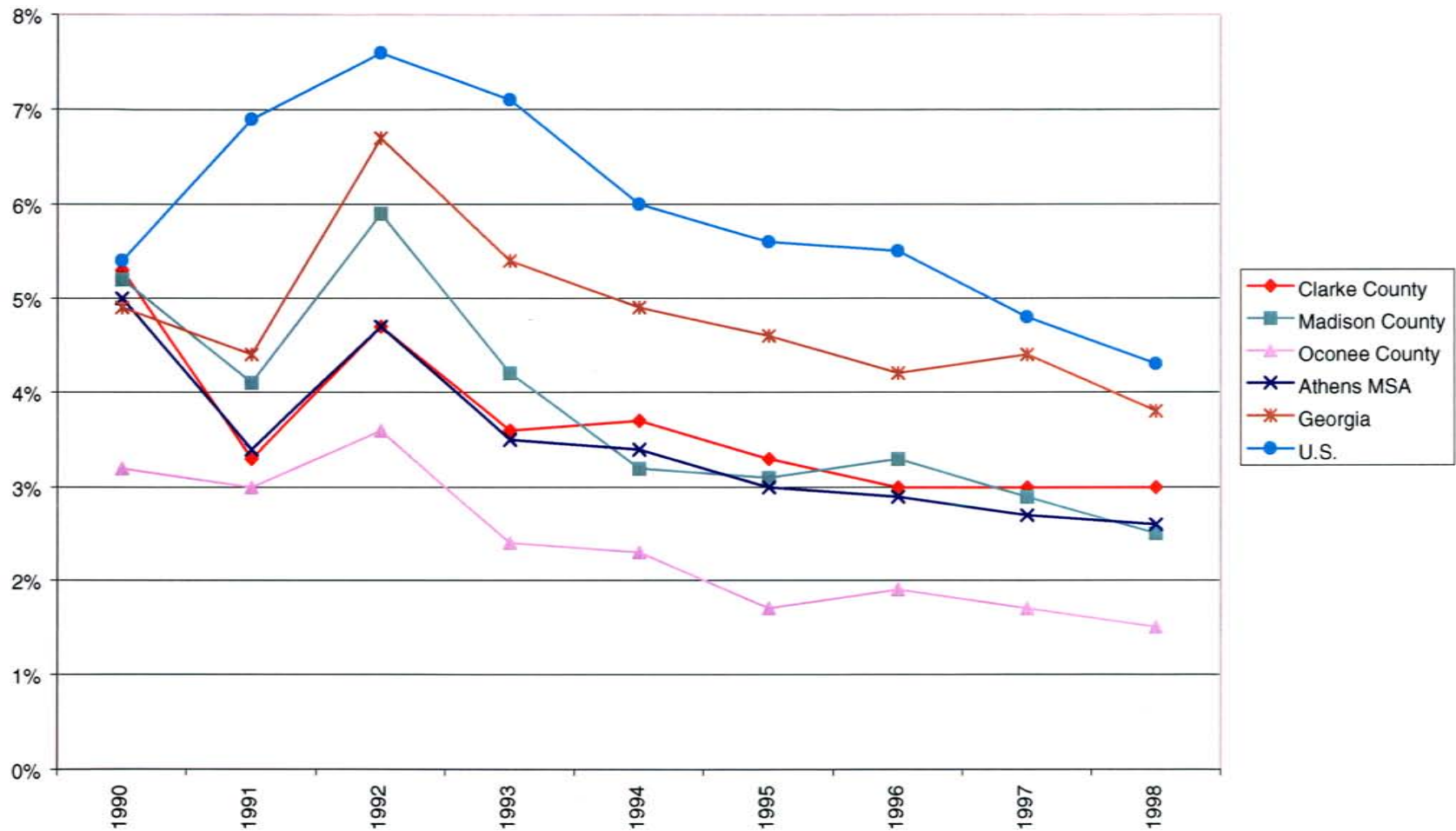
Chart 24
Index of Employment (1990=100)
Clarke County and Other Areas, 1990-1998 (May)



Source: U.S. Bureau of Labor Statistics

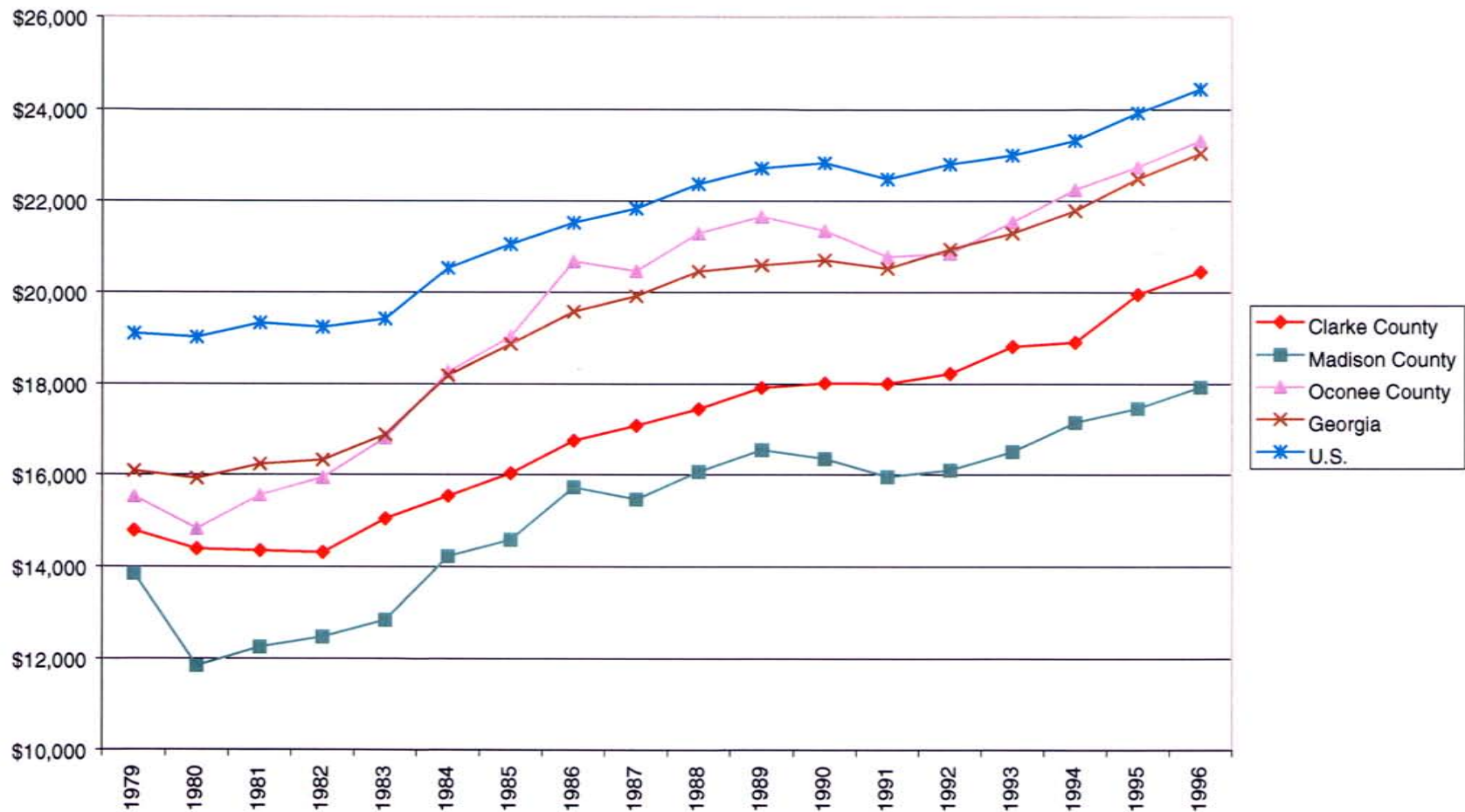
Note: This chart illustrates the percentage change in employment for each of the geographic areas from the base year of 1990.

Chart 25
Unemployment Rate, Clarke County and Other Areas, 1990-1998 (May)



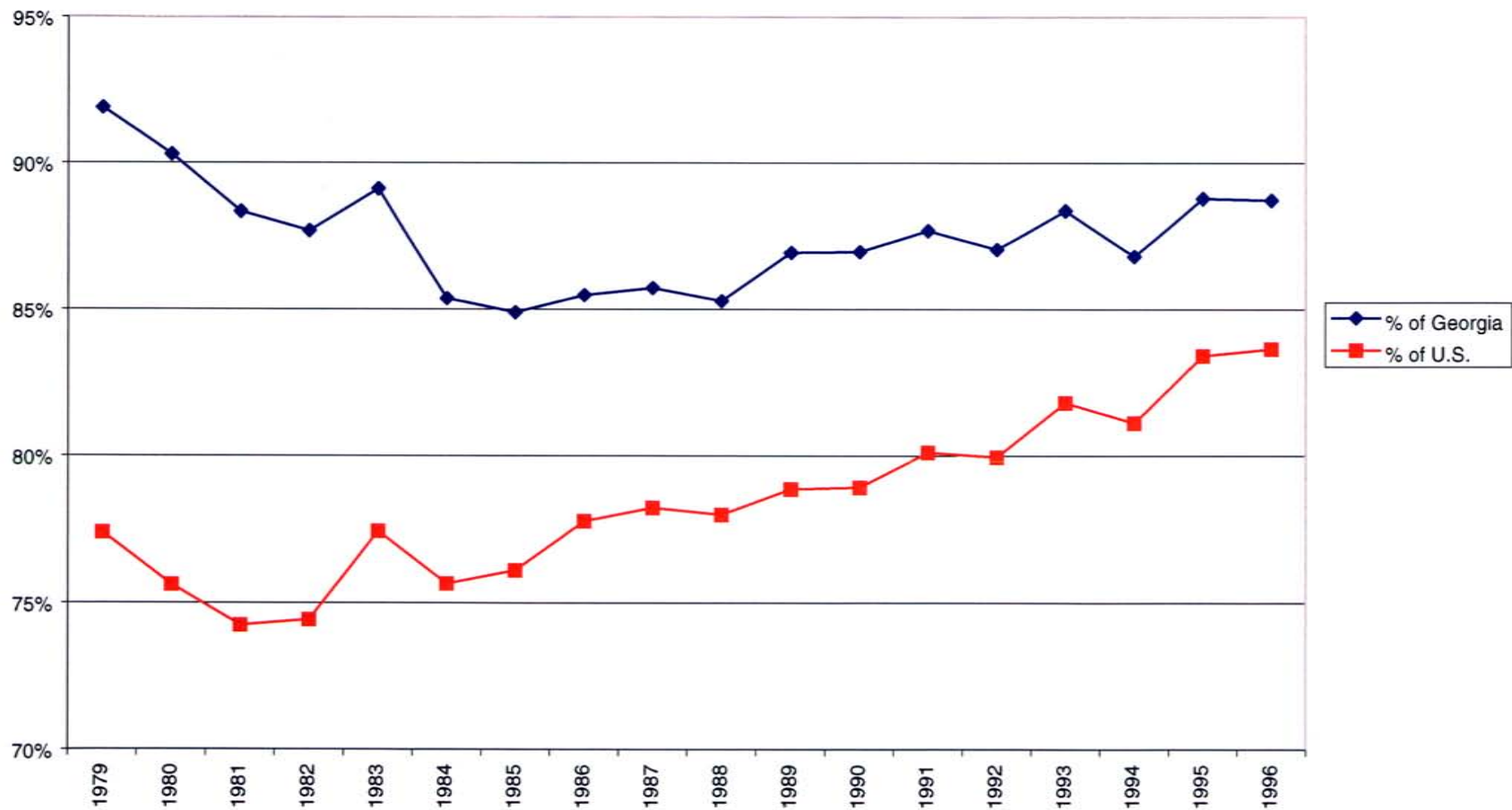
Source: U.S. Bureau of Labor Statistics

Chart 16
Real Per Capita Personal Income, Clarke County and Other Areas, 1979-1996



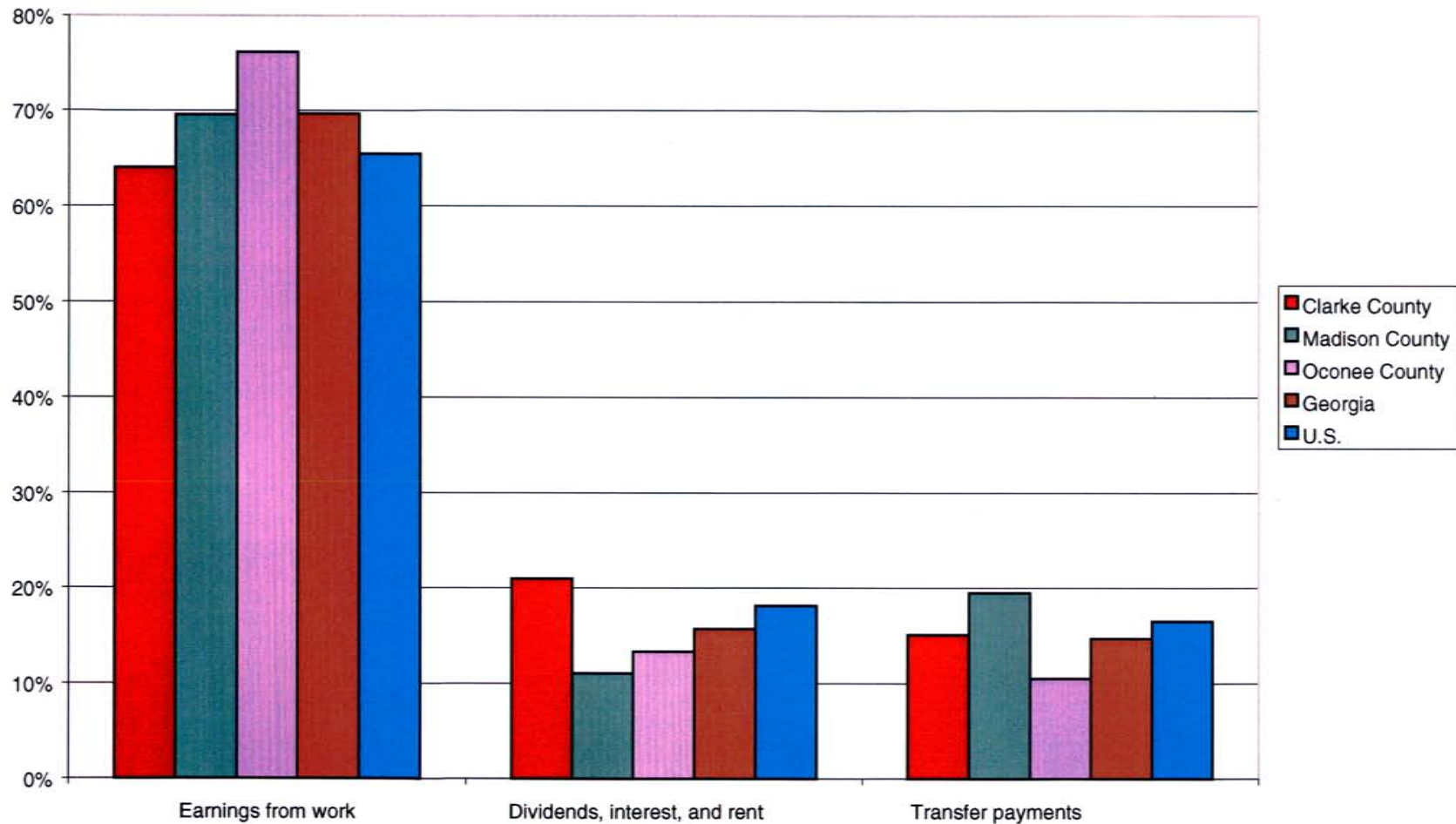
Source: U.S. Bureau of Economic Analysis

Chart 17
Clarke County Per Capita Personal Income as a
Percent of Georgia and the U.S., 1979 - 1996



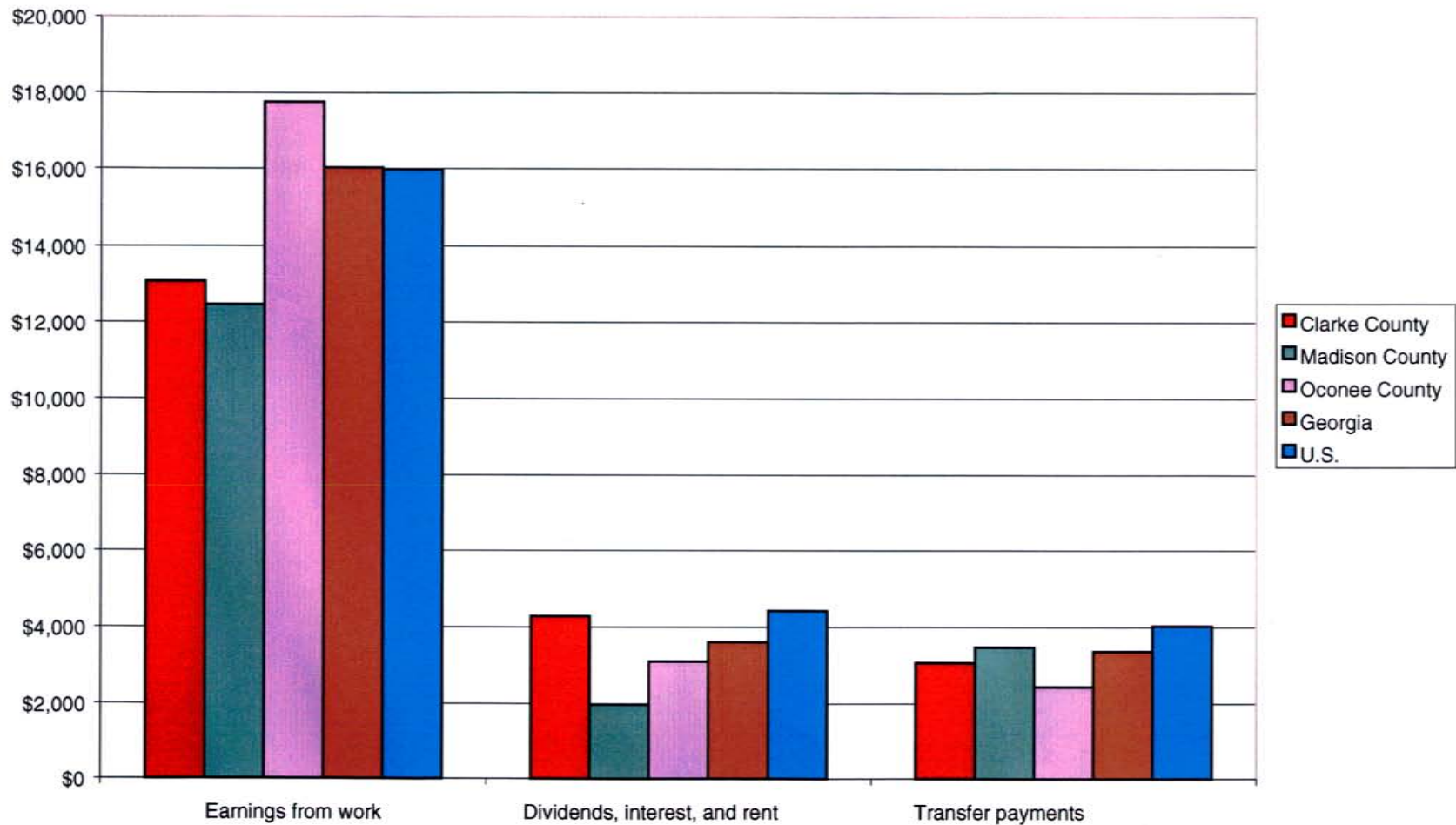
Source: U.S. Bureau of Economic Analysis

Chart 26
Distribution of Personal Income by Source, Clarke County and Other Areas, 1996



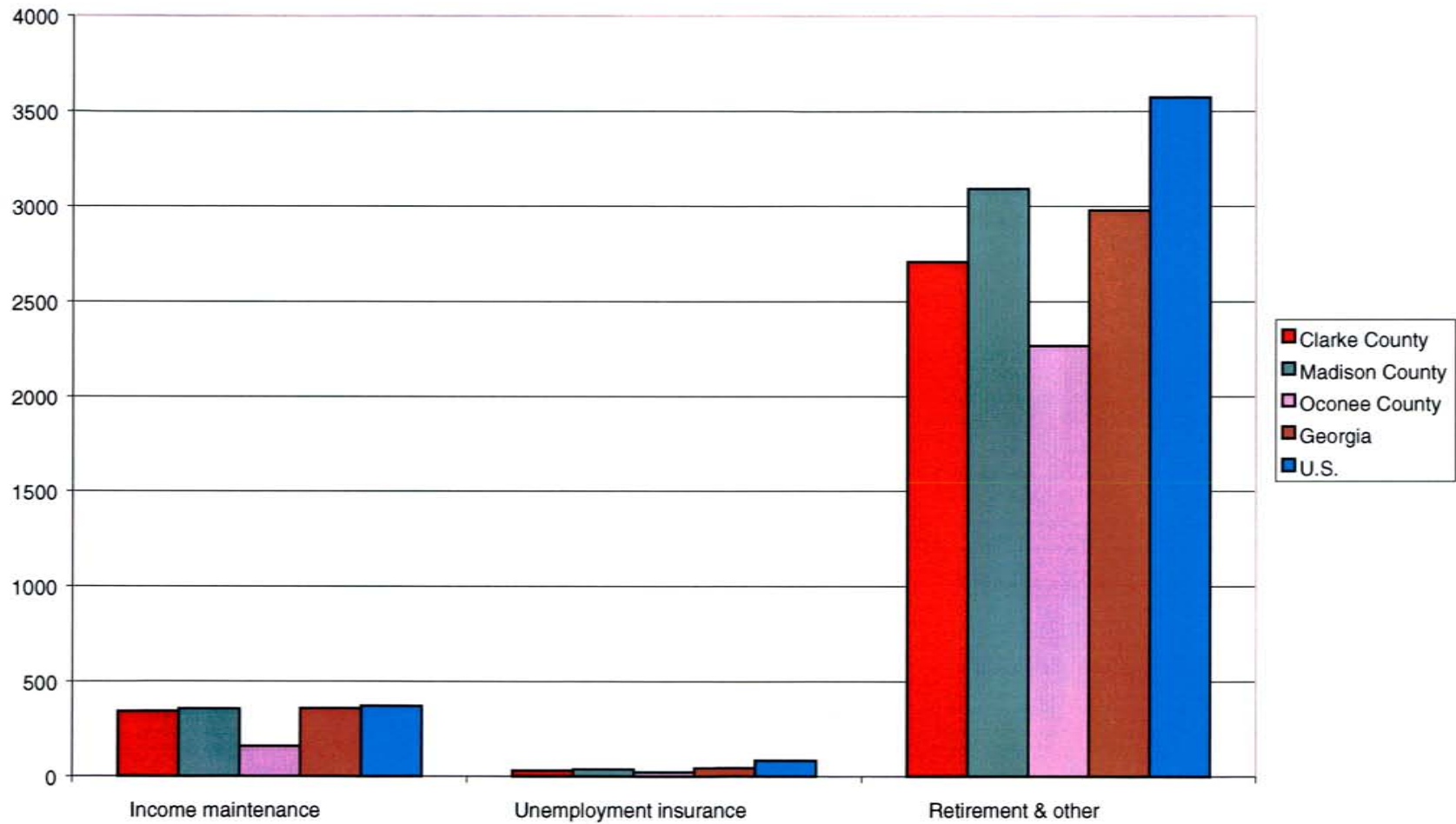
Source: U.S. Bureau of Economic Analysis

Chart 27
Per Capita Income by Source, Clarke County and Other Areas, 1996



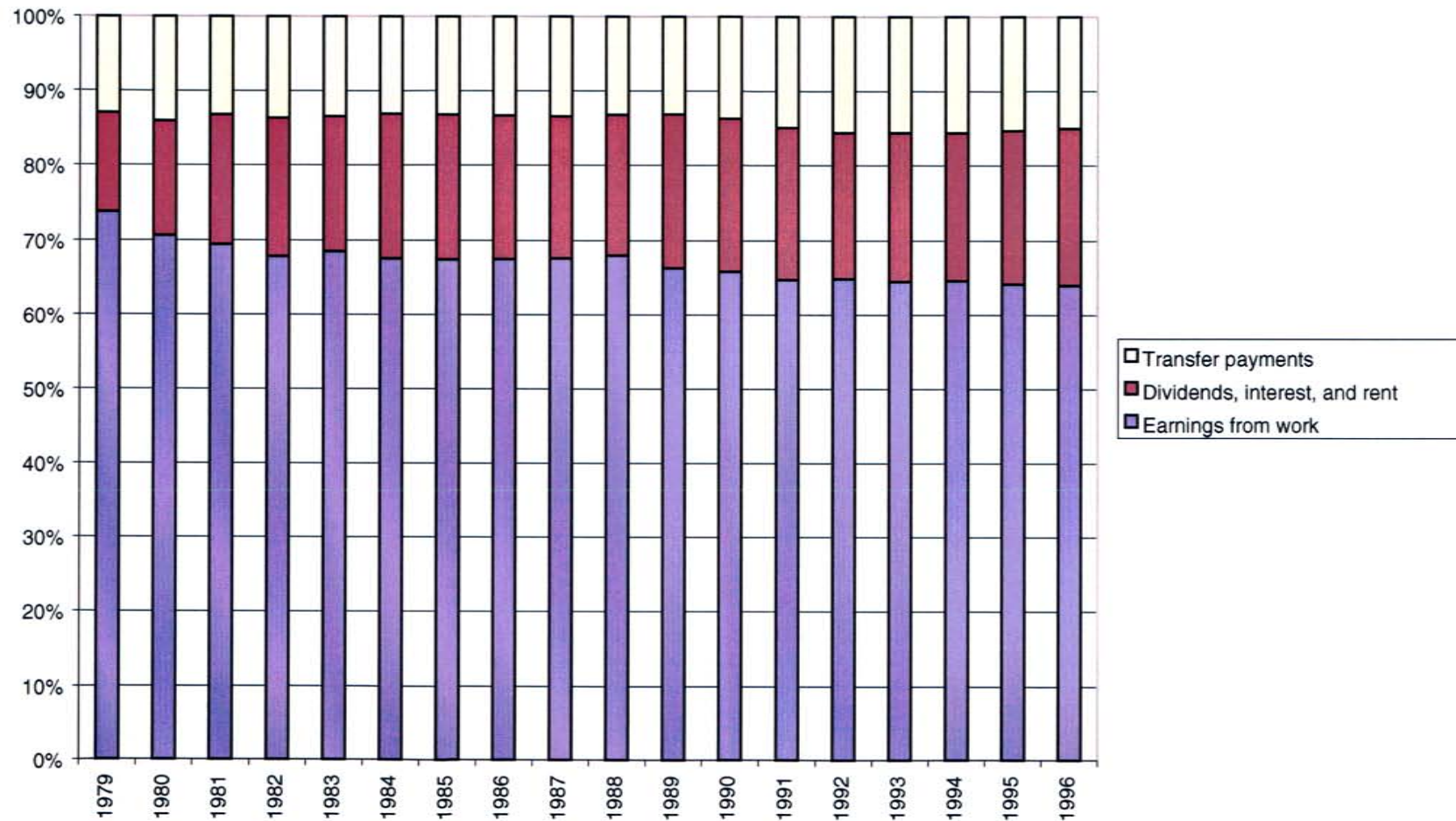
Source: U.S. Bureau of Economic Analysis

Chart 28
Per Capita Transfer Payments by Source, Clarke County and Other Areas, 1996



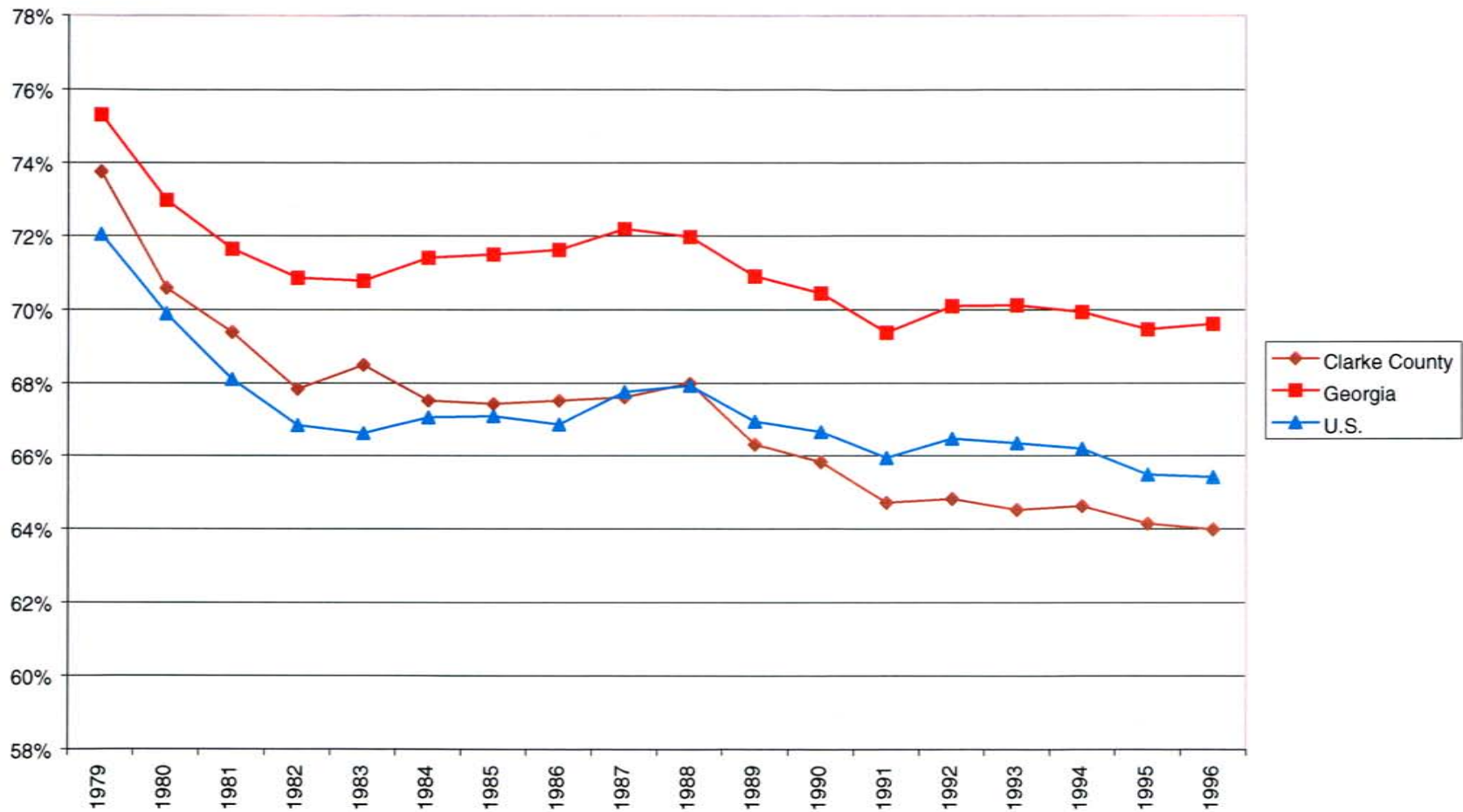
Source: U.S. Bureau of Economic Analysis

Chart 29
Percent Distribution of Personal Income by Source
Clarke County 1979-1996



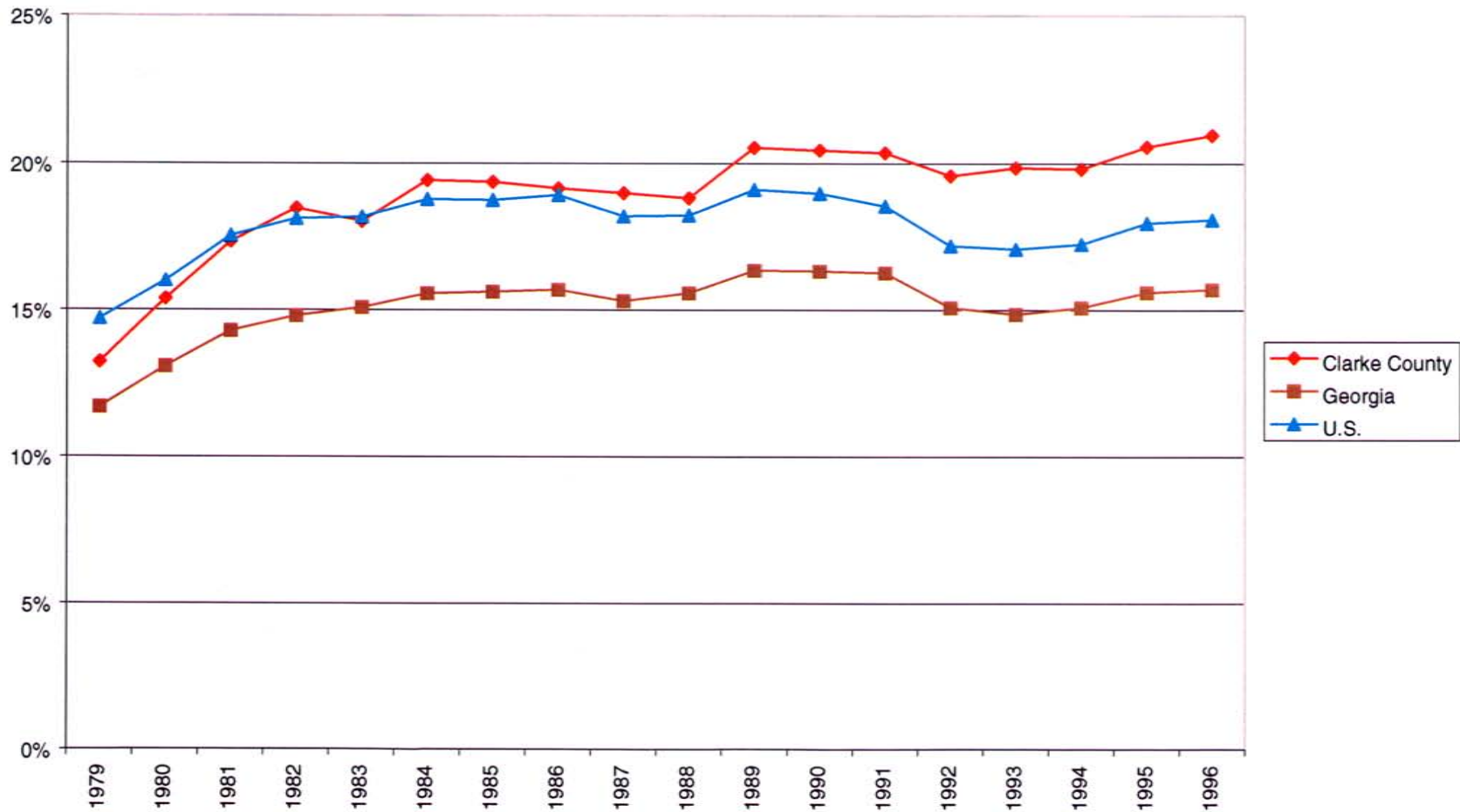
Source: U.S. Bureau of Economic Analysis

Chart 30
Earnings from Work as a Percent of Personal Income,
Clarke County, Georgia, and U.S., 1979-1996



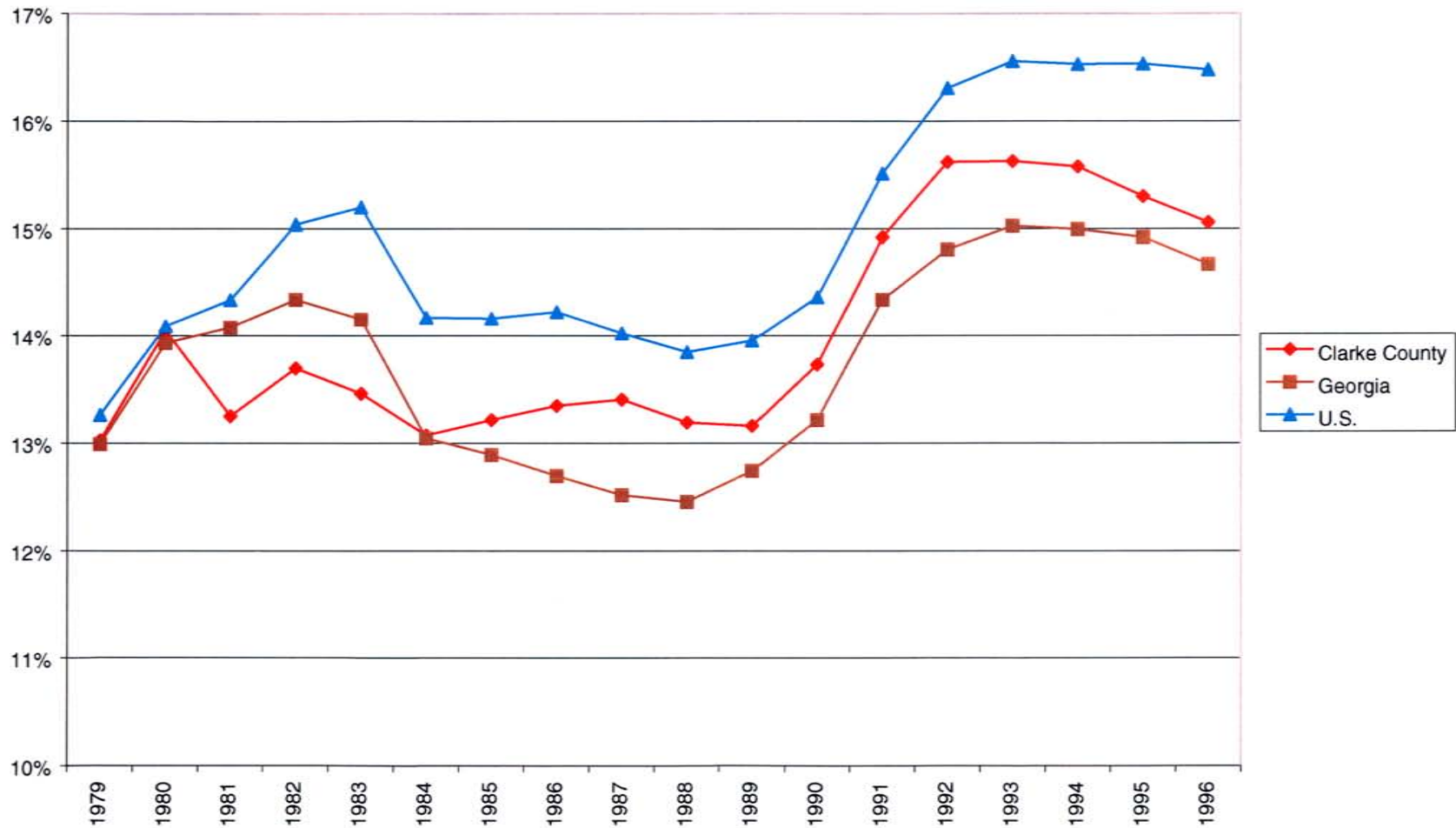
Source: U.S. Bureau of Economic Analysis

Chart 31
Investment Income as a Percent of Personal Income
Clarke County, Georgia, and U.S., 1979-1996



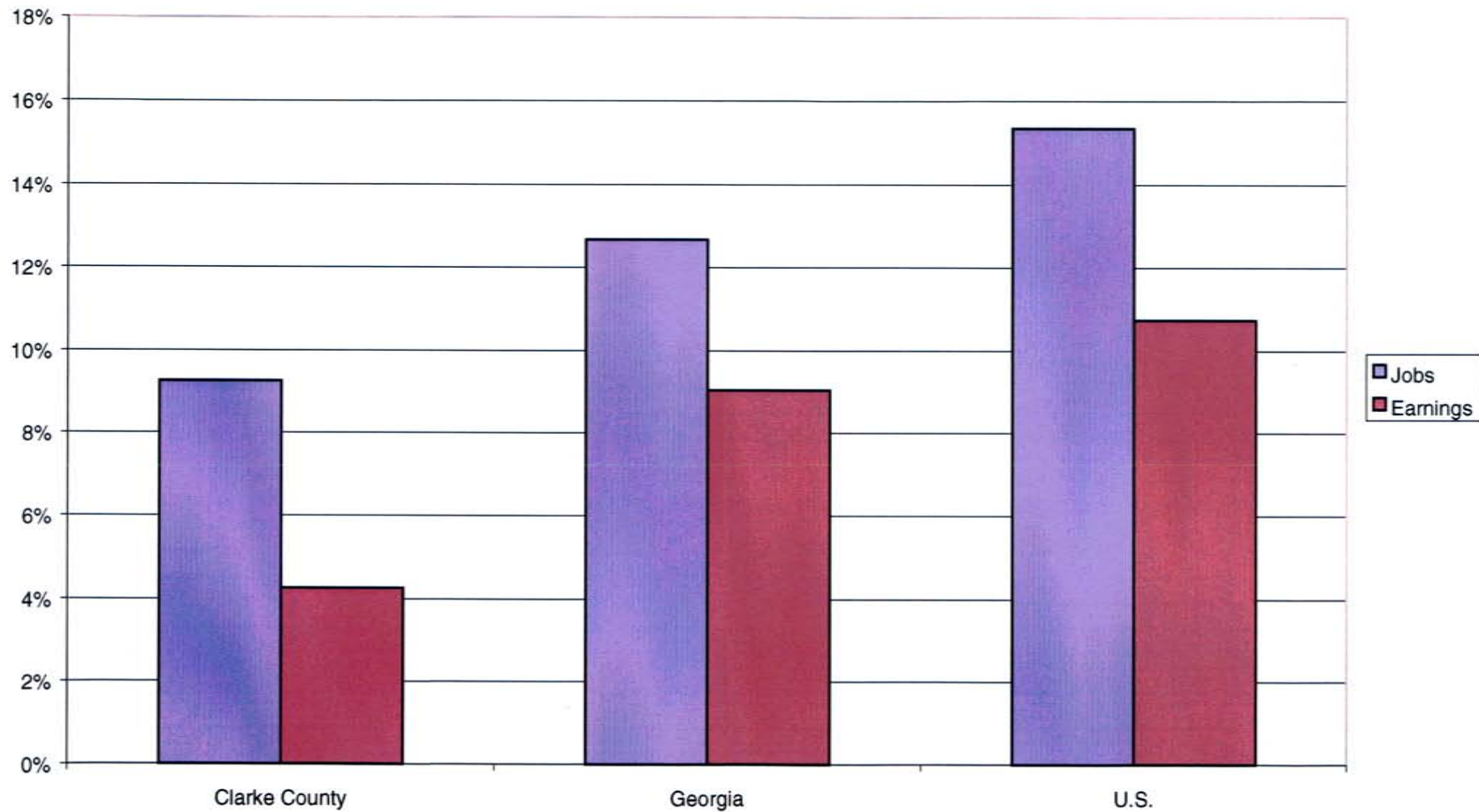
Source: U.S. Bureau of Economic Analysis

Chart 32
Transfer Payments as a Percent of Personal Income
Clarke County, Georgia, and U.S., 1979-1996



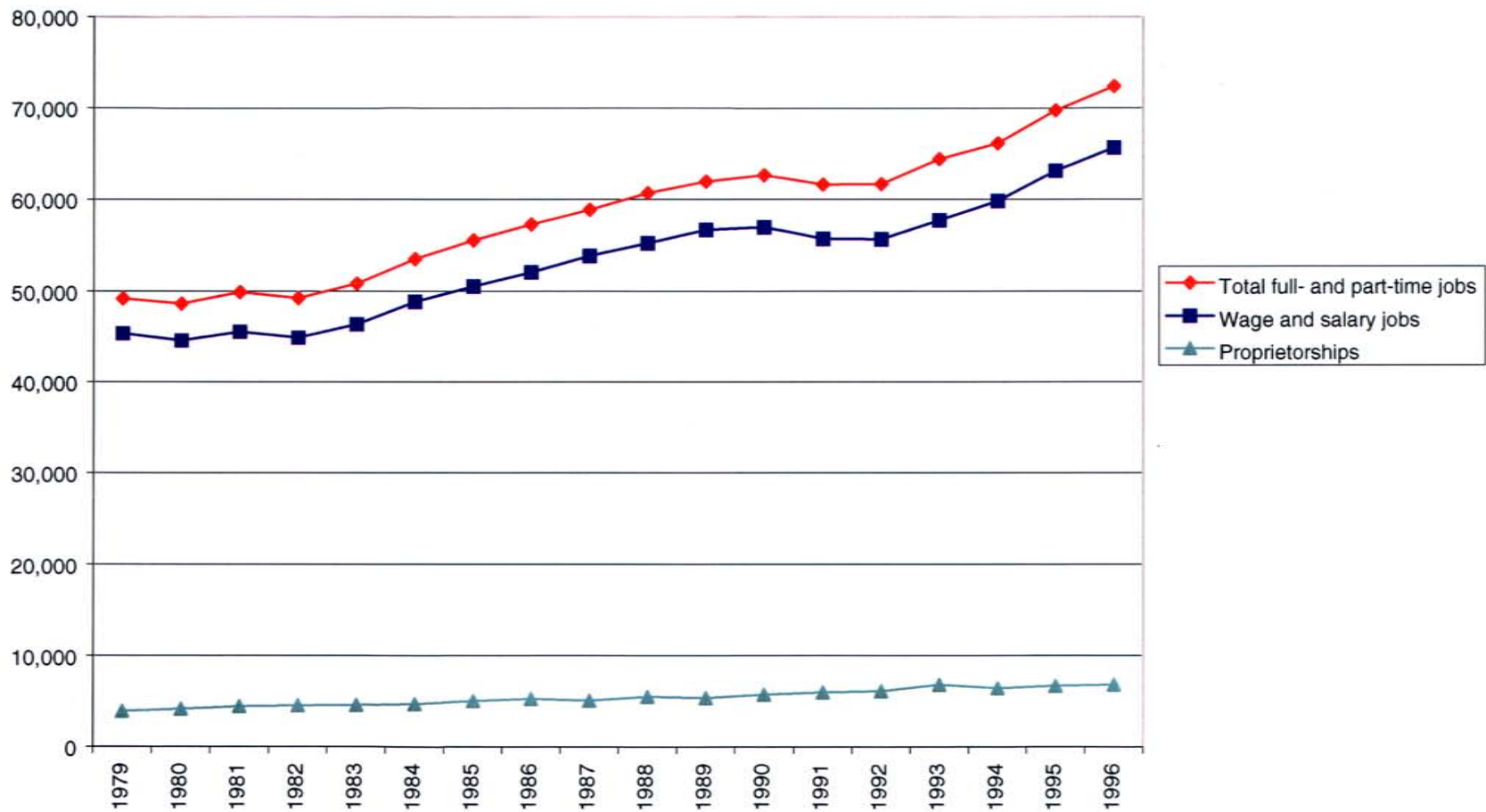
Source: U.S. Bureau of Economic Analysis

Chart 33
Nonfarm Proprietorship Jobs and Earnings as a
Percent of All Nonfarm Jobs and Earnings
Clarke County, Georgia, and U.S.



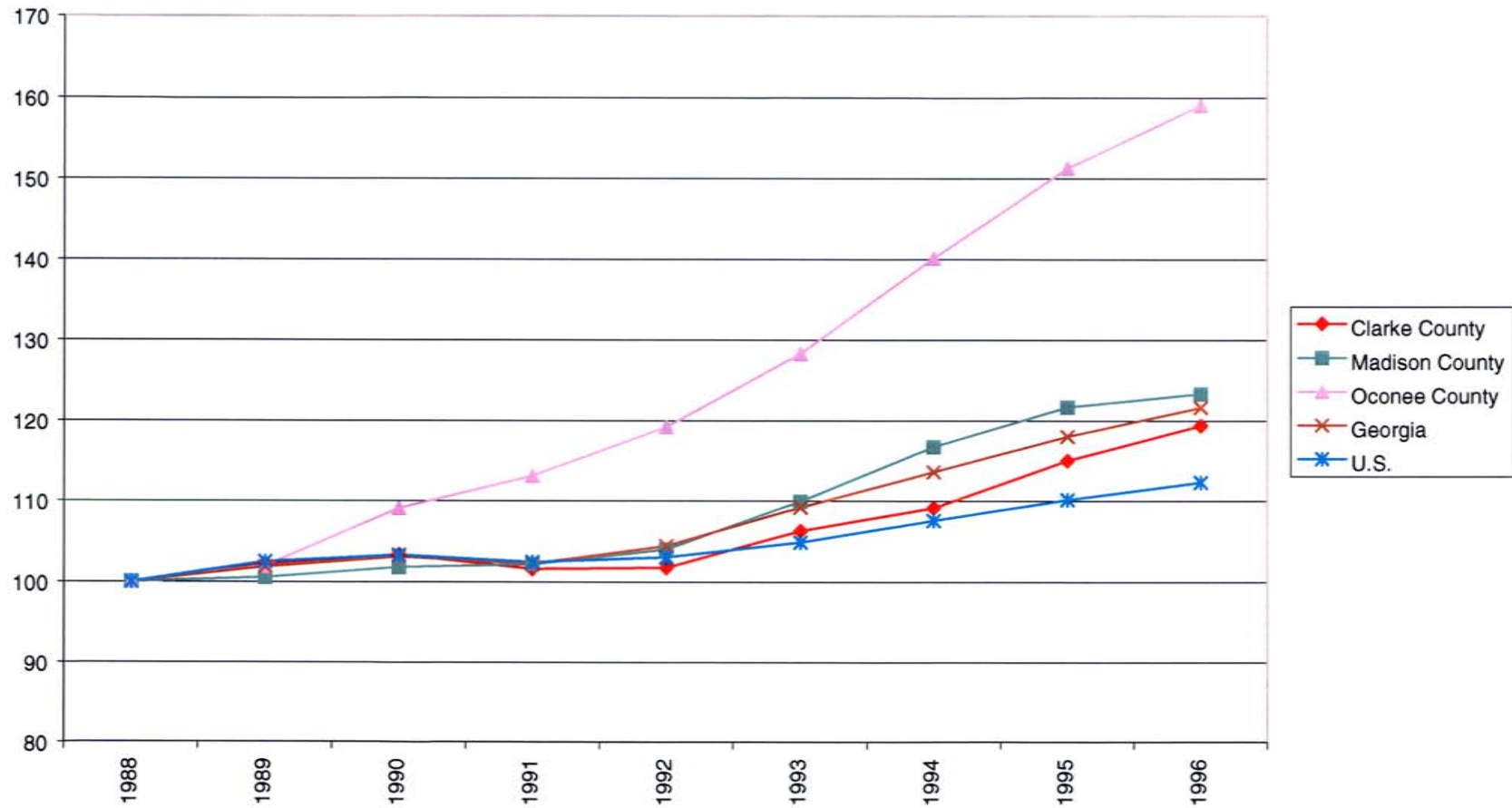
Source: U.S. Bureau of Economic Analysis

Chart 34
Jobs (Wage and Salary, Proprietorships), Clarke County, 1979-1996



Source: U.S. Bureau of Economic Analysis

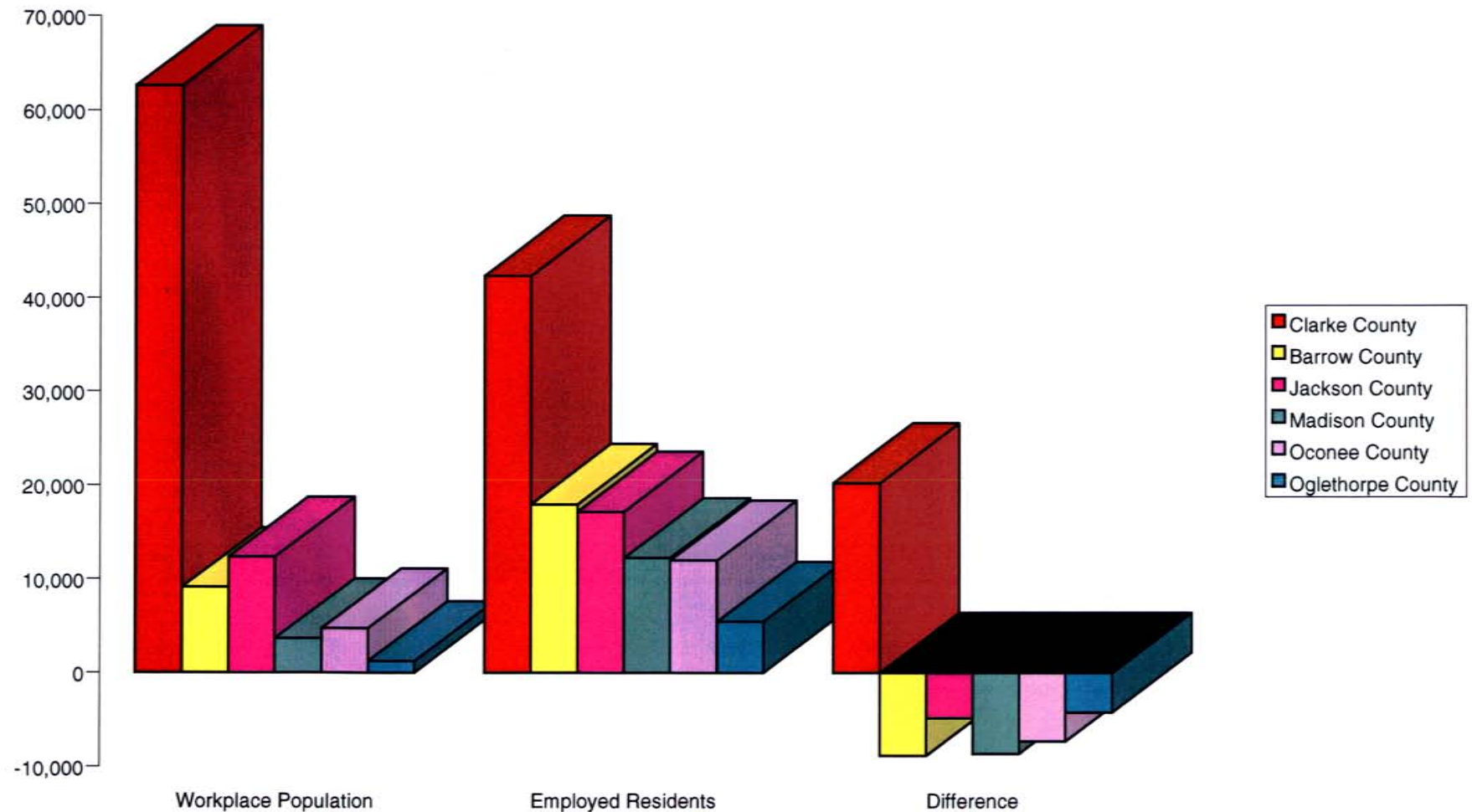
Chart 35
Index of Job Growth (1988=100)
Clarke County and Other Areas, 1988-1996



Source: U.S. Bureau of Economic Analysis

Note: This chart illustrates the percentage change in job growth for each of the geographic areas from the base year of 1990.

Chart 36
Workplace Population and Employed Residents, Clarke County and Other Areas, 1997



Source: Claritas, Inc.

Chart 37

Distribution of Jobs and Earnings, and Average Annual Earnings,
by Sector, Clarke County, 1996

	Jobs	Earnings	Average Annual Earnings
Farm employment	0.3%	0.7%	\$72,773
Nonfarm employment	99.7%	99.3%	\$24,825
Private employment	76.4%	68.8%	\$22,475
Construction	3.4%	3.4%	\$25,415
Manufacturing	15.0%	18.0%	\$29,865
Transportation and public utilities	2.7%	3.7%	\$34,627
Wholesale trade	4.5%	5.5%	\$30,335
Retail trade	20.8%	10.9%	\$13,066
Finance, insurance, and real estate	4.2%	3.5%	\$20,901
Services	25.1%	23.4%	\$23,289
Government and government enterprises	23.4%	30.5%	\$32,499
Federal, civilian	2.2%	4.4%	\$49,478
Military	1.0%	1.1%	\$29,352
State and local	20.2%	25.0%	\$30,807
State	15.5%	19.9%	\$32,126
Local	4.8%	5.1%	\$26,537

Source: U.S. Bureau of Economic Analysis

Chart 38
Actual Change in Jobs by Sector
Clarke County, 1988-96

	Actual	Percent Change
Total full- and part-time employment	11,723	19.3%
Wage and salary employment	10,421	18.9%
Proprietors' employment	1,302	23.9%
Farm proprietors' employment	-20	-22.0%
Nonfarm proprietors' employment	1,322	24.6%
Farm employment	-76	-29.1%
Nonfarm employment	11,799	19.5%
Private employment	10,557	23.6%
Construction	38	1.6%
Manufacturing	-456	-4.0%
Transportation and public utilities	533	38.4%
Wholesale trade	418	14.7%
Retail trade	4,142	38.0%
Finance, insurance, and real estate	380	14.4%
Services	5,256	40.7%
Government and government enterprises	1,242	7.9%
Federal, civilian	-343	-17.8%
Military	-138	-16.5%
State and local	1,723	13.3%
State	2,372	26.9%
Local	-649	-15.8%

Source: U.S. Bureau of Economic Analysis

Chart 39
Traded Components of the Clarke County Retail Trade Sector,
Selected Characteristics, 1996

	1996 Location Quotient	1996 Pull Factor	1996 Earnings (\$M)	1995 Employment
Retail Trade	1.19	1.92	\$196.6	12,602
Eating and Drinking Places	1.44	1.95	\$56.2	4,331
Auto Dealers and Service Stations	1.27	1.90	\$35.9	1,177
Miscellaneous Retail	1.11	NA	\$30.4	1,967
Food Stores	0.97	1.47	\$24.7	1,935
General Merchandise	1.10	2.14	\$19.7	1,526
Building Materials	1.39	NA	\$12.9	413
Furniture and Furnishings	1.02	1.49	\$10.2	417

Note 1: Location quotient based on earnings, pull factor based on sales

Note 2: Earnings include wage and salary job and proprietorship earnings;
employment includes only wage and salary jobs

Note 3: Employment figures are latest year available for retail subsectors.

Note 4: Pull factor for auto is for auto dealerships only.

Sources: U.S. Bureau of Economic Analysis; Georgia Outshopping,
University of Georgia Business Outreach Services;
County Business Patterns, U.S. Bureau of the Census

Chart 40
Average Annual Earnings by Sector, Clarke County, 1996

	Clarke County Annual Average Earnings	As a Percent of Georgia	As a Percent of U.S.
Total full- and part-time employment	\$24,947	86.0%	83.5%
Wage and salary employment	\$23,681	87.4%	83.1%
Proprietors' employment	\$13,031	59.0%	63.3%
Farm proprietors' employment	\$161,859	398.8%	1064.5%
Nonfarm proprietors' employment	\$11,451	55.4%	54.3%
Farm employment	\$72,773	216.7%	457.7%
Nonfarm employment	\$24,825	85.8%	82.4%
Private employment	\$22,475	77.6%	75.3%
Construction	\$25,415	88.6%	81.0%
Manufacturing	\$29,865	84.9%	70.0%
Transportation and public utilities	\$34,627	71.4%	80.8%
Wholesale trade	\$30,335	71.1%	74.8%
Retail trade	\$13,066	83.1%	80.9%
Finance, insurance, and real estate	\$20,901	66.3%	62.8%
Services	\$23,289	85.6%	84.3%
Government and government enterprises	\$32,499	113.0%	101.8%
Federal, civilian	\$49,478	118.0%	107.7%
Military	\$29,352	125.7%	134.9%
State and local	\$30,807	113.3%	99.8%
State	\$32,126	109.6%	101.6%
Local	\$26,537	101.0%	86.8%

Source: U.S. Bureau of Economic Analysis

Chart 41

Average Weekly Pay for Service Industry Wage and Salary Jobs,
Clarke County, Georgia and U.S., 1996

	Average Weekly Pay			Clarke as % of Georgia	Clarke as % of U.S.	Clarke Employment	Percent of Services Sector
	Clarke County	Georgia	U.S.				
Services	\$455	\$519	\$523	87.7%	87.0%	12,914	
Health services	\$690	\$619	\$592	111.5%	116.6%	5,241	40.6%
Business Services	\$262	\$477	\$488	54.9%	53.7%	2,361	18.3%
Social services	\$245	\$276	\$386	88.8%	63.5%	955	7.4%
Membership organizations	\$157	\$382	\$376	41.1%	41.8%	631	4.9%
Personal Services	\$207	\$294	\$291	70.4%	71.1%	586	4.5%
Hotels	\$197	\$314	\$321	62.7%	61.4%	572	4.4%
Engineering and management services	\$576	\$848	\$847	67.9%	68.0%	484	3.7%
Auto repair	\$334	\$420	\$418	79.5%	79.9%	435	3.4%
Amusement and recreation	\$271	\$408	\$372	66.4%	72.8%	379	2.9%
Legal services	\$724	\$784	\$934	92.3%	77.5%	372	2.9%
Educational services	\$491	\$524	\$518	93.7%	94.8%	359	2.8%
Motion pictures	\$159	\$306	\$567	52.0%	28.0%	256	2.0%
Private households	\$210	\$213	\$215	98.6%	97.7%	226	1.8%
Misc. repair services	\$322	\$492	\$516	65.4%	62.4%	51	0.4%
Non-health service jobs	\$294	\$482	\$493	61.1%	59.7%	7,673	59.4%

Sources: Georgia Department of Labor, U.S. Bureau of Labor Statistics