

FORECAST OF GEORGIA AND ATLANTA



Local Growth Suffers A Sectoral Pause

August 2005

GeorgiaStateUniversity 
J. Mack Robinson
COLLEGE of BUSINESS

ECONOMIC
FORECASTING
CENTER



FORECAST ANALYSIS

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LOCAL GROWTH SUFFERS A SECTORAL PAUSE

AUGUST 15, 2005



DR. RAJEEV DHAWAN
DIRECTOR
ECONOMIC FORECASTING CENTER
GEORGIA STATE UNIVERSITY

Highlights

In the last 12 months, Georgia added only 20,000 jobs.

Growth pause culprits: construction, manufacturing healthcare, Delta, weak MSAs, oil prices

Georgia's unemployment rate rose to 5.3% from 4.8% in the last six months.

FORECAST COMMENTARY

The US economy has weathered the ongoing storm of high oil prices and the FED's ten rate hikes, and job growth has been sufficient to bring the unemployment rate down to 5.0%. In contrast, Georgia's unemployment rate has risen in the past six months. So what's going on in Georgia? It's clear we are not feeling as elated as the rest of the nation, in fact, we've recently experienced a period of very slow job growth.

The chief culprits are some of our key growth sectors, namely Construction, Housing and Healthcare, therefore overall Georgia employment has been afflicted with a growth pause for the last six months. From June 2004 to June 2005, Georgia added only 20,000 jobs, whereas in the prior twelve months (June 2003 to June 2004), we added 53,000 jobs. In the second quarter of this year, job growth did start to inch up but is still at half its projected rate according to our May 2005 report. Our current forecast for this year reflects this growth pause – only 45,770 jobs will be created in the 2005 calendar year, from January 2005 to December 2005. Of these newly created jobs, only 7%, or 3,200, will be high-paying ones.

Our last May 2005 forecast was overly generous, as we predicted an increase of 73,730 jobs and 6,400 new high-paying jobs for 2005. However, taking into account the sharp deceleration in our champion sectors, in the 2nd quarter and the usual phenomenon of new small firms taking time to get counted in payroll surveys, make us believe

Georgia Job Additions*

	Calendar Year Change	Annual Change
2005	45,770	30,600
2006	79,780	75,500
2007	74,280	75,000

**Calendar year change is defined as the 12-month difference between December and January in a given year. The annual change is the difference between the average for one year versus the previous year.*

that this is a temporary growth pause and not the beginning of a downward trend. This current estimate also reflects the almost certain chance of Delta's bankruptcy which will have a negative impact on Delta's current employment, the purchasing power of its employees, as well as the ripple effect on its suppliers in the state.

Additionally, some large multi-billion dollar projects are in the process of wrapping up and other new projects are still a few months away from breaking ground. The delays of the new international terminal seem to be related to contract squabbles with their architects. Fortunately, the project is expected to go ahead despite Delta's precarious financial health. High-paying jobs in manufacturing are still bleeding in spite of strong export trends, but this phenomenon is nationwide, not just local. But the continued weakness in the dollar will help this sector via exports, especially transportation equipment manufacturing. Healthcare, typically a knight in shining armor that can do know wrong, mysteriously put on the

This report was written with Kristin W. Diver, Assistant Director, Economic Forecasting Center. Please email any comments or questions on the report to forecast@gsu.edu.

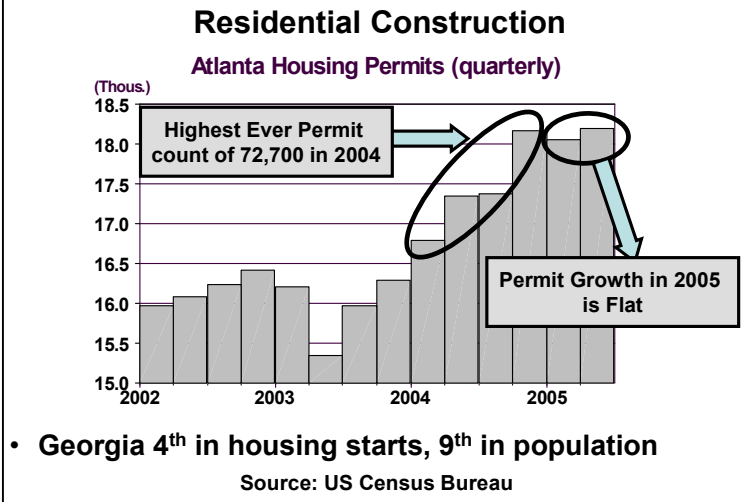
Highlights

Georgia Forecast (calendar year):
 45,770 jobs in 2005,
 79,780 jobs in 2006,
 74,280 jobs in 2007.

Construction, a mid-level pay category gained 6,000 from 2003-2004.

Low interest rates fueled housing boom.

Figure 1



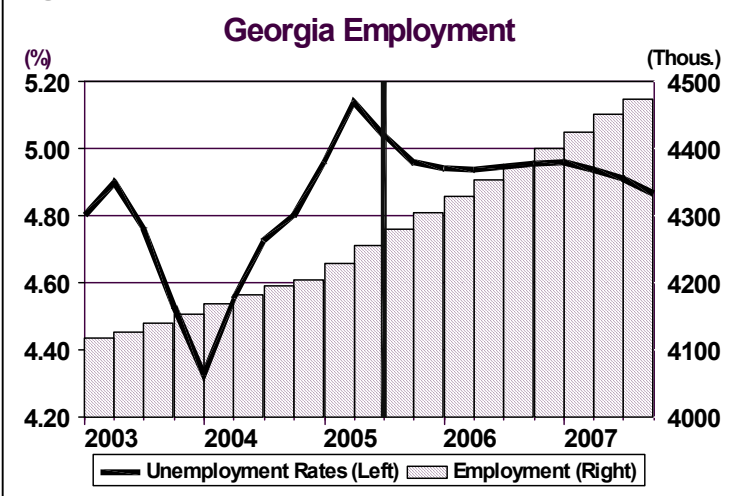
breaks in the 2nd quarter. We are betting it's a data, rather than a fundamental, issue as health-care is growing strongly at the national level. However, expect this sector to show humble growth in the coming quarters.

Of Georgia's three T's that carried the state to stardom in the 1990's, only one has shown signs of life – tourism. Georgia's thirteen other MSA's have barely pattered along in the 2nd quarter, forcing our forecasts down from May for large cities like Savannah and Columbus. Excellent export growth for transportation equipment, which essentially is airplane parts, should have added employment at Gulfstream in Savannah but the data doesn't reflect it. Finally, Georgia's lower-than-expected sales tax collections over the last two months are reflective of the fact that people have pared back on discretionary expenditures. This situation will remedy as oil prices begin moderat-

ing in early 2006. Indirect evidence, that this is a pause or even a data problem, comes from the household survey of jobs, which includes more self-employed and small businesses. This survey shows 58,000 jobs being created in the last twelve months. Given that this survey also produces the unemployment rate, the rise in unemployment in light of strong job creation is a simple function of more workers coming back into the labor force. The quality aspect of these jobs in questionable but at least people are perceiving that their job market prospects have improved.

Looking into 2006 and 2007, we have only slightly revised the forecast down from May's report. In 2006, the sectors experiencing this growth pause malaise will recover, giving Georgia 79,780 jobs for the calendar year, of which 5,400 (still only 7%) are high-paying. In 2007, Georgia will add 74,280 jobs in the calendar year and 14% or 10,300 of these new jobs will be in high-paying categories. In Atlanta, we also expect to see moderate job growth of 29,560 jobs in calendar 2005 (January to December), of which 6.5% or 1,940 are high-paying. The following year is even better when employment in calendar 2006 adds 45,670 jobs and the number of higher-paying jobs increases to 6,000, or 13% of all new jobs created. In 2007, employment increases by 44,080 jobs and the number of high-paying jobs rise further to 8,420, or 19% of all new jobs.

Figure 2



Let's look at the sectoral details, starting with construction, which falls in the middle of the high and low-paying job scale. This sector added 5,100 jobs in calendar year 2003 and another 1,500 jobs in calendar year 2004 but, because of a slowdown in residential and commercial construction, is due to lose 400 jobs this year. According to the U.S. Census Bureau's housing reports data we have just begun using with this report, Georgia has been a red hot market for residential construction over the last eight years (with the exception of negative permit growth in 2003). In 2004, residential hous-

Georgia's Economic Report Card

Indicator	Most Recent Quarter (2005Q2)	Last 12 Months	Grade	Comments
Jobs Added				
Self & Small Business Jobs (Household Survey)	19,000	58,000	A+	Wish we only needed to pay attention to this indicator...
Hospitality Jobs	3,400	5,700	A	Good job creation, too bad they don't pay much
Financial Jobs	30	3,000	B+	Despite a slow Q2, thank Sarbanes-Oxley for the nice run
Healthcare Jobs	600	5,400	B-	Usually a strong job producer, but took a breather in Q2
Business Services Jobs	-1,900	11,000	C	Lost momentum, job losses in Q2
Total Non-Farm Jobs	7,000	20,000	C	One phrase comes to mind: growth pause
Technology	-300	-1,900	D	This year has started out just like last year - Bad
Manufacturing	-500	-7,500	F	This isn't going to get better anytime soon
Construction Activity				
Jobs Added	20	800	B	Large projects nearing completion will slow this sector
Housing Permit Growth	0.3%	3.2%	B-	2004 was a stellar year, moderation expected in 2005
Georgia's Fiscal Health				
Personal Income*	3.1%	6.7%	A	Annual looks strong, but Q1 was slower than usual
Wages & Salaries*	7.2%	7.1%	A	People are still earning money
Tax Collections	3.3%	8.0%	B+	FY05 collections were robust but last two quarters iffy
Budgetary Spending			B	Spending plans could have problems if revenue growth stalls
Large Corp. Revenues & Hiring			C	Revenues flat at Delta; GP ↓; Southern, UPS, Coke are ↑
Delta's Revenues	+\$500M	-\$13M	F	Delta's problems make everyone nervous
Miscellaneous				
Exports**	20.2%	20.6%	A+	Georgia export growth is out-pacing US exports considerably
10-Yr Bond	4.16%	4.60%	A	Long-rates have decreased despite the FED's prodding but are now on the upswing
Tourism			A	Hotel occupancy is up, conventions are back, the Aquarium is ready and Atlanta is NASCAR dreamin'!
Military (BRAC)			A-	Despite two expected closures, Georgia's net increase is 7,000 troops...if approved
Oil Prices	\$67 (current)	\$38 (04 Q2 avg)	C	Unfortunately we'll suffer these super high prices for another 6 months

Grade for Georgia Economy B-

* For Personal Income and Wages & Salaries: Most recent quarter is annualized growth rate in 2005 Q1
Last 12 months column is percent change from a year ago for 2005 Q1

** Exports: Most recent quarter is percent change from a year ago for 2005 Q1
Last 12 months column is 2004's annual growth rate.

SUMMARY OF THE FORECAST

GEORGIA

- After the March 2005 benchmarking, **Georgia Employment** increased by 1.3%, or 50,630 for the 2004 calendar year (January to December). For 2005, Georgia employment will grow by 1.2%, a gain of 45,770 jobs. In 2006, Georgia will gain jobs at a 2.0% rate or 79,780 jobs. In 2007, Georgia employment will increase 1.8% or 74,280 jobs.
- **Georgia's high-paying jobs**, on a calendar year basis, increased by 3,590 in 2004 and will increase by 3,200 in 2005. In 2006, Georgia will see 5,400 high-paying jobs and 10,340 in 2007.
- **Nominal Personal Income in Georgia** increased 5.8% in 2004. Income gains are expected to be 6.3% in 2005, followed by 5.9% gains in 2006 and 6.0% in 2007.
- **Georgia's Unemployment Rate** declined to 4.6% in 2004 from 4.7% in 2003. In 2005, it will rise slightly to 5.0%, but drop to 4.9% for both 2006 and 2007.
- **Georgia's Total Tax Collections** were up by 3.3% in the 4th quarter of FY05, an increase of \$133.6 million compared to a year ago. The fiscal year ended up 8.0%, or by \$1.1 billion. Our projections call for revenues to increase by 6.0% in FY06.
- **Georgia Exports** increased by 20.2% in the 1st quarter of 2005, which is a stronger growth rate than the 8.9% increase in exports for the US. The regions with the strongest growth for Georgia exports were the European Union at 21.8% and Asia 7 at 31.3%. The nations to increase their purchase of Georgia products by over 50%, in descending order, were the United Kingdom, Italy and Singapore.

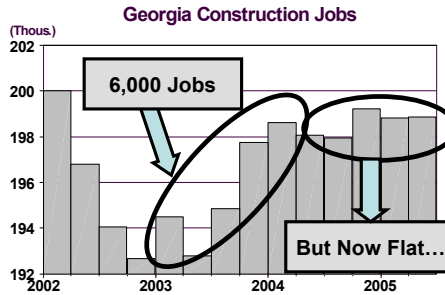
ATLANTA / OTHER MSA's

- **Employment in Atlanta**, on a calendar year basis (January to December) is expected to gain 29,740 jobs in 2005, create 45,670 additional jobs in 2006 and 44,080 jobs in 2007.
- **Atlanta's Unemployment Rate** is expected to remain steady over the next few years, at 5.0% in 2005, 2006 and 2007.
- The number of **Atlanta's Total Housing Permits** increased by 0.3% in the 1st half of 2005. Permits will decrease by 6.5% in 2005 and by 4.8% in 2006. In 2007, permits will again decline at a rate of 2.6%.
- **Atlanta Single Family Housing Permits** have increased by 0.4% in the 1st half of 2005. In 2005, this category will decrease by 2.5%. In 2006, single family permits will decline by 5.1% and continue to fall by 2.2% in 2007.
- **Atlanta Multi-Family Permits** declined by 0.1% in the 1st half of 2005. In 2005, multi-family permits will finish down by 20.2% and decline again in 2006 by 3.7%. The following year, permits will drop by 4.4%.
- **The number of Georgia Metro Areas** increased with the 2005 benchmarking from seven to fourteen. The new MSA's include: Brunswick, Dalton, Gainesville, Hinesville, Rome, Valdosta and Warner Robins. Except for Dalton, all of Georgia's MSA's will increase jobs for both 2005 and 2006. By year-end 2005, Savannah will post the strongest growth in employment at 1.5%, followed by Albany at 1.2%, then by Brunswick, Hinesville and Valdosta at 0.9%. The weakest MSA will be Dalton, which will decline by 0.5% in 2005.

Figure 3

Commercial Construction

- **Projects Finishing:**
 - Fifth Runway (\$1.2B)
 - Atlantic Station (\$2B)
 - Aquarium (\$200M)
 - 180 P'tree (\$100M)
- **Projects for 2007:**
 - Airport Terminal (\$1B)
 - Sewer Work (\$1B)
 - Allen Plaza (\$300M)



- **6,000 construction jobs created in 2003 and 2004**
- **Employment levels flat in 2005**

Source: US Census Bureau

ing permits for single and multifamily homes increased 11.5% to a record 72,700 permits (see page 15 for more details on the Atlanta housing market). This number of permits is remarkable because, while Georgia is the most ninth populous state in the US, it is ranked number four in the number of housing permits issued. Now that interest rates affecting mortgages are finally starting to rise, the 1st half of 2005 has already begun to show a slowdown in permit growth, as they increased by a paltry 0.3%. This stagnation and eventual decrease in permits will affect the number of construction workers needed to build new residential homes.

The same can be said of major commercial construction projects in 2005 (see figure 3). Atlantic Station, which poured \$2 billion into construction labor and materials over the last several years, is putting the finishing touches on its new condos, apartments and retail spaces. The \$1.2 billion run-

way is in the final stages of paving and installing lights before it officially opens in May 2006. The \$200 million Georgia Aquarium in downtown Atlanta is 90% done and will open their doors in November 2005. The \$100 million 1180 Peachtree building will be ready for tenets in mid-2006, which means that the majority of structural work has already been completed this year. The end of these large-scale capital projects will bring construction jobs to a screeching halt until other projects pick up the slack in 2006.

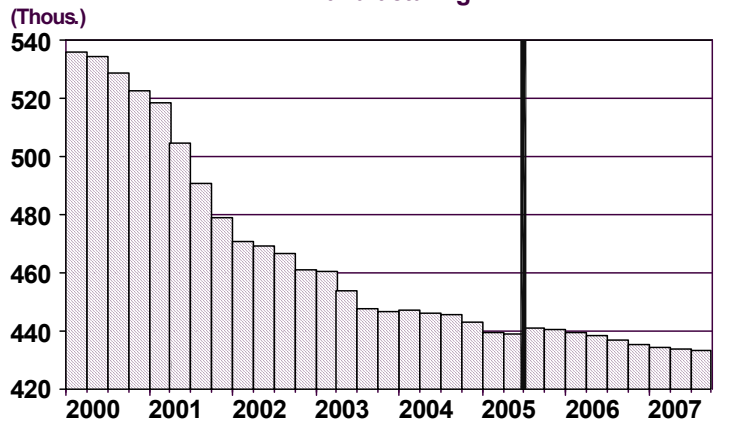
Fortunately, other projects will step in to fill this gap and will gain momentum, but not right now, by mid-to-late 2006. Hence, by 2007, construction employment is back into positive territory. Atlanta's \$3.2 billion sewer repair project is expected to complete a \$900 million section in 2007. The airport will hopefully break ground on its new \$1.4 billion international terminal in late 2006 once its resolves its issues with its architects and contractors. Another \$1.8 billion will be spent on a new passenger complex which, with plans of opening in 2010, we speculate that construction could begin sometime in 2007. The \$300 million Allen Plaza in downtown Atlanta will also break ground in mid-2006. All these projects that begin in late 2006 will show their full impact in construction jobs in 2007, not in 2006, so growth in this sector will have to wait another year.

Employment in manufacturing, a high-paying category with an average payroll of \$47,000 a year (see

table E on page 25), continues to have a difficult time retaining and attracting jobs within the state. This category lost 3,600 in calendar year 2004 and has lost over 100,000 jobs since 1998 (see figure 4). The transfer of production facilities to other countries is an inevitable trend in a world with an increasingly globalized supply chain. Even more developed, relatively high-cost countries, such as Canada, are becoming more of a threat to Southeast manufacturers, as recently seen with Toyota's July decision to place a new manufacturing plant close to Toronto as opposed to the Southeast.

Figure 4

Georgia Employment Manufacturing



Highlights

Large multi-billion dollar projects are wrapping up: Atlantic Station, 5th runway, Georgia Aquarium, 1180 P'tree.

Construction will pick up in 2007 with the airport's intl terminal and passenger complex, Allen Plaza, and sewer work.

Manufacturing has lost 100,000 jobs in Georgia since 1998.

Highlights

Georgia's #1 export product, transportation equipment added 1,600 jobs and exported 50% more than a year ago.

Healthcare puzzle: usually grows by 10,000/quarter, but in Q2 only grew 600.

Despite Delta's 2nd quarter \$500 million rise in revenues, this airline is still in trouble.

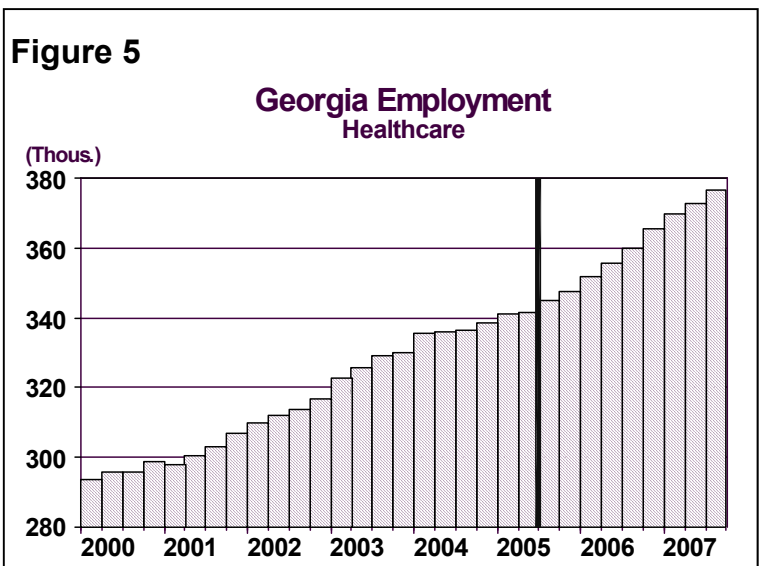
The exception to this trend has been Georgia's transportation equipment industry, which is Georgia's largest exported product. Job creation and export prowess are the main reasons why this category is something to write home about. In the 1st quarter of 2005, transportation equipment increased its exports by nearly 50% and since the beginning of the year, these manufacturers have added 1,600 jobs. This category includes products such as automobiles, which theoretically could come from Ford's plants in Atlanta but I suspect Alabama's car plant production is included too. Also included are large airplanes from Lockheed Martin's facility in Atlanta, and turbojet and airplane parts, which originate from Gulfstream in Savannah. This last product, turbojet parts, accounts for 34% (\$320 million) of the increase in transportation equipment in the 1st quarter. Curiously, this seems to be quite the data puzzle because Savannah's manufacturing numbers have been dismal, losing jobs in the 1st quarter.

In analyzing the recent pause in employment in the second quarter, one surprising outcome was healthcare jobs, considered a mid-range paying category. With the population aging and baby boomers wielding significant spending power, this category should remain on the upswing for years to come. Counting healthcare employment gains since the 2nd quarter of 2004, 5,400 jobs were created. This is much slower than the 10,400 jobs pace in the year prior to June 2004, which was eclipsed by the 13,700 jobs in the four quarters prior to that. Even the 1st quarter's increase of 2,300 jobs was somewhat consistent with the trend. But the anemic growth of only 600 jobs for the 2nd quarter is nothing less than puzzling. One explanation may be a greater implementation of information technology in hospitals, clinics and doctors' offices, which is somewhat behind in making this industry more productive and efficient. Still, if technological substitutions were truly the explanation for poor healthcare job growth, jobs would show up in technology sector employment, which is still not showing signs of strength. This lack of healthcare jobs most likely is a data error that will correct itself in March 2006 during the next round of benchmarking.

If you are an avid reader of this

report, you will hopefully be well-acquainted with the process of benchmarking, the process through which the department of labor annually revises its employment numbers from the previous year or two initially taken from the Payroll Survey (for further explanations on benchmarking, see the May 2004 and the May 2005 issues of *The Forecast of Georgia and Atlanta*). The Household Survey, which randomly calls households and asks them their employment status, often ends up collecting data on the self-employed and/or small businesses that may not be part of the Payroll Survey. The Household Survey has shown much higher job growth than the Payroll Survey, reporting approximately 20,000 new jobs in Georgia for the last three months and 58,000 new jobs for the last year. So, in all probability, after the March 2006 benchmarking, 2005's employment will not be as depressing as it currently appears to be. However, we must live with the current data until then, when we will hopefully be able to say that our generous forecast in May 2005 of 74,000 new jobs for 2005 was correct after all! We can wish, right?

The main component of Georgia's 1990's "Three T's" growth engine was transportation, which can attribute most of its previous success to Delta, which continues to wrestle with destiny and the local media's ire. Grinstein's savvy has so far spared the airline from bankruptcy by securing \$1 billion in pilot pay-cuts and a \$1.1 billion financing deal from AmEx and GE. But with jet fuel 53% higher than expected and Delta posting a \$382 million loss for the 2nd quarter, which was supposed to be great for airline passenger traffic, Delta's chances of avoiding bankruptcy are slim. Right now, I am more concerned with cutbacks at Delta, delays in projects at Hartsfield-Jackson, the



Highlights

Info tech still hurting: Earthlink will cut 160 jobs, HP will cut 10% of workers, Bellsouth revenues up only 1.2%.

Revenue Growth for Georgia's Largest Companies		1993 – 2000	2000 – 2003	2004	NPM '04
1	Home Depot	27.2%	14.9%	11.3%	6.6%
2	SunTrust	15.8%	-6.4%	12.0%	24.8%
3	Georgia Pacific	8.7%	-2.8%	-3.0%	3.2%
4	Bellsouth	7.4%	-4.7%	-10.3%	24.0%
5	UPS *	7.2%	4.0%	9.20%	9.10%
6	Coca-Cola	5.2%	1.9%	4.2%	22.1%
7	Delta Airlines	4.9%	-7.4%	12.5%	-15.4%
8	Southern Co.	2.5%	3.8%	6.0%	12.9%

* UPS data is available from 1995 only
Source: Yahoo Finance, EFC calculations

ripple effect on its suppliers and the low morale of workers from spending cutbacks. If Delta should liquidate eventually, it could have devastating effects on the Atlanta area, particularly the Southside where the majority of employees live. There is plenty of reason to keep your fingers crossed. Given the upcoming change in bankruptcy law, the buzz on the street is that Delta might be forced to file earlier than expected.

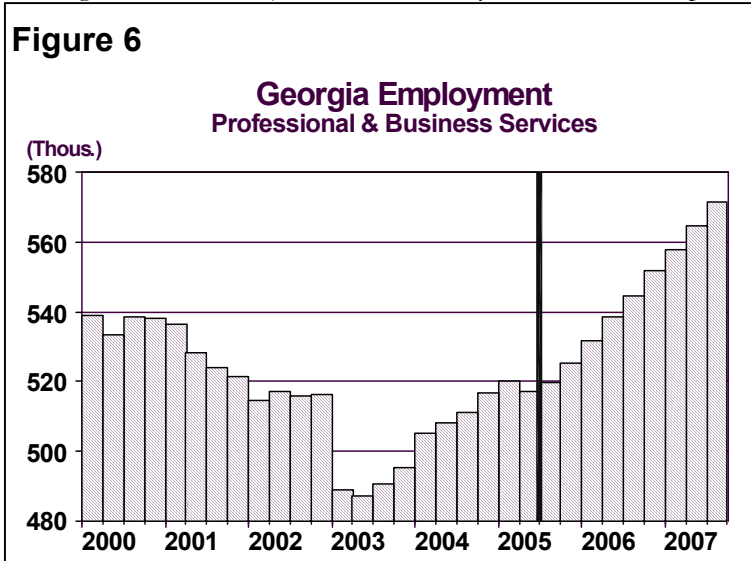
Information technology gained only 100 jobs in the last three months and has lost 1,800 over the last year. And just when we think this category has hit bottom, bad news keeps on coming. Hewlett-Packard announced in July that cutbacks will affect 10% of their global workforce, of which 1,650 are located in the Atlanta area. Telecom also continues to receive hard knocks, which is nothing new. Earthlink just announced they will

lay off 180 jobs in Georgia. BellSouth, one of Georgia's major employers, has already shed 18% of its workforce since 2000. While BellSouth's revenues appear to be turning the corner, newly created jobs are still a rarity.

And who could forget Georgia's largest employers, Coca-Cola, IBM, Georgia-Pacific, Southern Company, UPS and Home Depot that can propel the most growth through hiring sprees? For some, their balance sheets are looking healthier than before. UPS increased its revenue by 15% in the 2nd quarter, Coke increased its revenue at a 6% rate and Southern Company logged a 5% gain. However, this doesn't seem to be translating into many new jobs. Since March 2005, Professional and Business Services sector employment decreased by 3,100 (see figure 6) and Management of Companies category added only 400 jobs. Remember, the labor department's payroll survey is able to accurately track employment at the majority of large firms. Therefore, if the big boys were hiring, we would be seeing it in the monthly numbers, which in 2005 have been frustratingly low and in key business sectors, even negative.

Now, a cautionary word regarding state tax collections. On the surface, 2005 turned out to be a banner year. Revenue increased by 8.0%, superseding the Governor's 7.4% budget increase and allowing the state to begin re-

Georgia company revenues in Q2: UPS up 15%, Coke up 6%, Southern Co. up 5%.



Professional & Business Services jobs still bad: down 3,100 jobs.

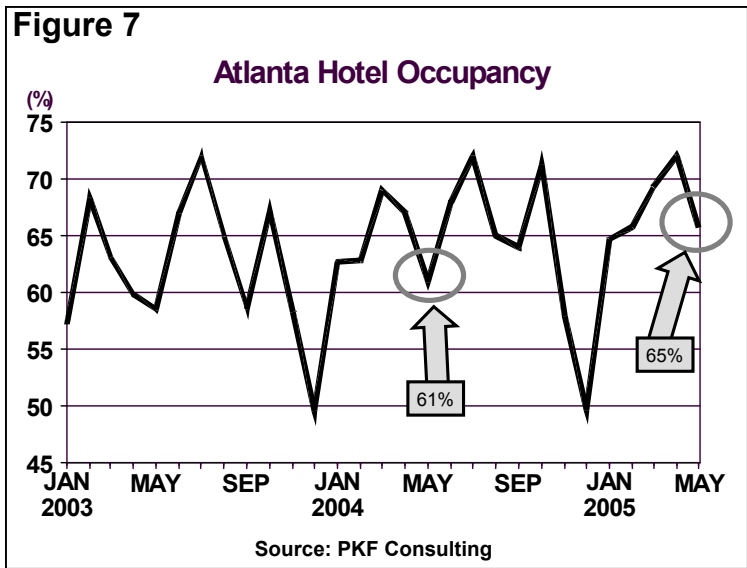
Highlights

Tax revenue caution: big slowdown in Q2 from double-digit growth over last year.

Tourism doing well: sold-out concerts at Philips, Georgia Aquarium to open in November, hotel occupancy up.

Export growth booming: 20.2% in 2005 Q1. CAFTA could bring \$262 million and 1,600 jobs.

BRAC will bring Georgia 7,500 jobs.



plenishing the nearly-depleted reserve fund. However, our concern lies in that the last two quarters. Total tax revenue logged respectable growth rates of 4.3% and 3.3%, but were a marked slowdown from the double digit growth rates in the prior three quarters. FY05 started with a bang but ended with a whimper. The good news is that the majority of these increases were due to strong individual income tax revenue, which spilled over into consumer spending. However, despite an equally strong showing for individual income tax collections in the 2nd quarter of 2005, sales tax revenue only posted a 0.8% increase, the lowest in over a year and a sign that consumer spending may be taking a breather, despite the presence of decent salaries. Oil seems to be the likely culprit in this regard but price discounts messing up collections can't be ruled out.

Given that 2005 is a year better forgotten, especially when the rest of the country seems to be raising their champagne glasses to job growth, what, aside from construction and transportation equipment, will push job creation into the 70,000-80,000 range for 2006 and 2007?

One area that will help lift Georgia out of the current doldrums is export activity, which increased 20.2% in the 1st quarter of 2005, much higher than the U.S export increase of 8.9%. The weakened dollar is helping boost demand and will probably not surge to high levels anytime soon, thus keeping export growth rolling. Georgia has also increased its shipping capacity by 20% at the port of Savannah and Brunswick and will expand its facilities for auto exports, hopefully becoming the premiere spot for auto-shipping on the East Coast. Additionally, with the approval of the DR-

CAFTA free trade agreement in late July, Georgia is expected to increase its exports to these countries by \$262 million in the year after implementation, according to the US Chamber of Commerce.

Tourism will continue to do well in the near future. The number of conventions fell to a low of 2,825 in 2003 but climbed back over the 3,000 level in 2004, and 2005 is expected to be just as strong. Numerous concerts held at Philips Arena are expected to sellout this fall, pushing concert attendance to its highest level since 1999, its opening year. Tourists are coming

back and hotel occupancy for May 2005 is up to 66% from 61% a year ago (see figure 7). The \$200 million Georgia Aquarium, generating lots of buzz, will open in November 2005 and expects to attract 2-3 million tourists a year. Georgia is also in the bidding process for NASCAR's hall of fame museum, which has an estimated impact of \$20 million and cost \$100 to build.

On the military front, Georgia breathed a cautious sigh of relief at the Pentagon's recommended list of base closings for BRAC 2005 (see special article in the February 2005 issue of the *Forecast of Georgia and Atlanta*). While a couple base closings at Fort Gillem and Fort McPherson will cause some minor discomfort in Atlanta, overall, Georgia's net job gain of 7,500 jobs from the military shuffle is the second best among all the states.

Finally, job creation at the state government level will help in the coming years as tax revenues are expected to grow by a reasonable 6.1% in fiscal year 2006. Additionally, 2006 is a gubernatorial election year and with the state's FY06 budget including an additional \$1 billion in government spending, many agencies will be awarded budget increases, which means more hiring.

Overall, the blame for Georgia's growth pause in 2005 can be laid on certain sectors that are either taking a breather (construction, healthcare) or still working out their post-recession business structure (technology, telecom, transportation, manufacturing). The good news is that this should work itself out by next year and annual growth should return to the more respectable number of 70,000 - 80,000 new jobs by 2006 and 2007.

GEORGIA FORECAST DETAIL

Services

Information has taken a tumble in Georgia in the last two years as the struggling and over-inflated telecom industry, which makes up 45% of the Information sector, is still hemorrhaging jobs, even after reducing their workforce by 10,000 in the last few years. Thus, job growth in the Information sector has been elusive. Information lost jobs at a 3.8% in 2004. Telecom jobs will not return in full force anytime soon, as new mergers continue and large firms seek greater leverage and efficiency. Information will decline by an additional 0.6% in 2005. However, corporations are slowly starting to spend on technology again, which will be reflected in a 1.9% increase in Information jobs in 2006 and a 3.7% increase in 2007. (see figure 8)

Professional & Business Services posted an increase of 4.1% in 2004. We expect this sector to become an engine of growth for the next several years at 2.0% in 2005, 4.1% in 2006 and 5.0% in 2007. Among this category's sub-sectors, *Management of Companies* makes up 15% of Professional & Business Services and is a very high-paying category. Any significant job growth here will inevitably trickle down to the rest of the economy, which is why the next couple years will be disappointing. Management of Companies will grow anemically by 0.3% in 2005 and decline by 0.1% in 2006. The turnaround will occur in 2007, when this category increases at a 1.0% pace (see figure 9).

After exhibiting very strong growth of 5%+ in the 1990's, *Professional, Scientific & Technology Services*, also a sub-sector of Professional & Business Services, has struggled in the post-recession period and will continue to stay flat in 2005. However, with the economy firing up over the next year, Professional, Scientific and Technical jobs will increase by 5.8% in 2006 and 5.2% in 2007. *Ad-*

ministrative & Support jobs, a low-paying yet large sub-category of Professional and Business Services will post solid gains of 3.8% in 2005, 3.6% in 2006 and 5.5% in 2007.

The *Education & Health* sector increased in 2004 at a 3.0% rate and is expected to maintain moderate growth in the years to come, although the immediate forecast is slightly below the average seen in the booming 1990's. After a 2.9% increase in 2004, *Education* will grow 0.8% in 2005, by 0.8% in 2006 and 1.7% in 2007. *Healthcare Services* employment is usually one of the most consistent sectors in Georgia's economy, growing between 2-4% in each of the last 10 years. This sector will slow down slightly in 2005 and only grow at a 2.1% rate but will pick up at a 4.2% rate in 2006 and at a 4.6% rate in 2007. Overall, Education & Health Services will increase by 1.9% in 2005, 3.6% in 2006 and 4.2% in 2007 (see figure 10).

After experiencing anemic job growth during the recession, *Leisure & Hospitality* has recovered over the last couple years, posting 2.8% growth in 2004. This growth will continue over the next several years as the convention business recovers from recession lows. This sector will do well in the near future, adding jobs at a 1.9% rate through 2005, a 3.0% rate in 2006 and a 1.9% rate in 2007.

Other Services includes home businesses, laundry services, death services, pet services, dating services and any other odd service that does not fall into another category. During the tech boom, this category did well as these businesses serviced all kinds of frivolous needs. Now that companies have become more cost conscious, there is less demand. This sector will eventually return to its normal 2%-4% growth trend, although we still won't consistently see that for another few years. In 2004, Other Services increased 0.3% but will decline by 0.3% in 2005. In 2006, this sector will increase 0.3% but decline in 2007 at a 1.3% rate.

Highlights

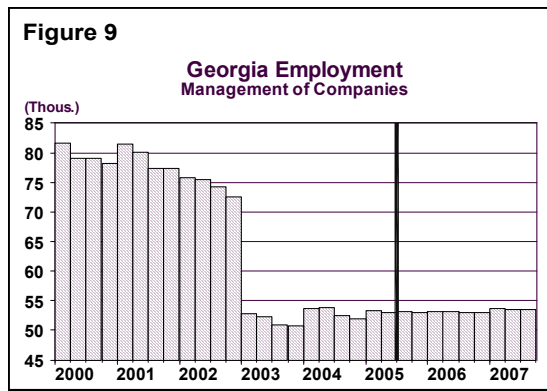
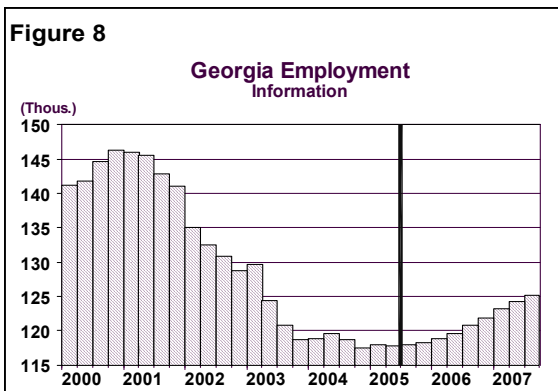
Information will decline 0.6% in 2005 but increase 1.9% in 2006 and 3.7% in 2007.

Professional & Business Service jobs will increase 2.0% in 2005, 4.1% in 2006 and 5.0% in 2007.

Administrative & Support jobs will grow 3.8% in 2005, 3.6% in 2006 and 5.5% in 2007.

Education & Health will increase 1.9% in 2005, 3.6% in 2006 and 4.2% in 2007.

Leisure & Hospitality will increase 1.9% in 2005, 3.0% in 2006 and 1.9% in 2007.



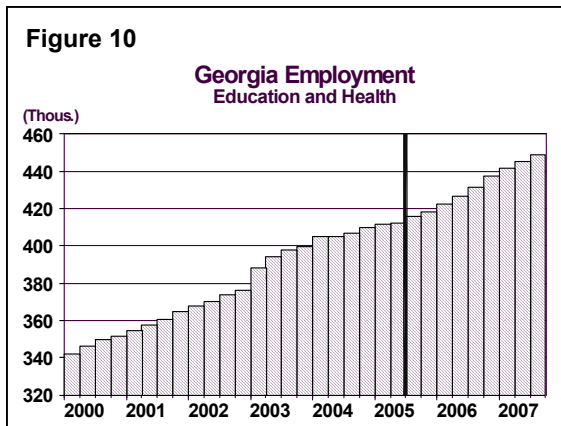
Highlights

Manufacturing jobs will decline 1.3 % in 2005, 0.5% in 2006 and 0.9% 2007.

Transportation Equipment will increase 1.0% in 2005, 4.2% for 2006 and 1.6% in 2007.

Construction will increase 0.2% in 2005, decline 0.3% in 2006 and 1.4% in 2007.

Retail Trade will drop 1.3% in 2005 but increase 1.4% in 2006 and 1.6% in 2007.



Manufacturing

While *Manufacturing* payrolls have steadily dropped since 1998, the rate of loss has started to slow. In 2004, Manufacturing lost jobs at a 1.5% rate, the least damaging year since 1999. However, while the rate of loss will continue to slow, Manufacturing will not return to positive territory in the next few years. In 2005, this sector will decline by 1.3%, followed by a 0.5% loss in 2006 and a 0.9% decrease in jobs in 2007.

Durable Goods Manufacturing

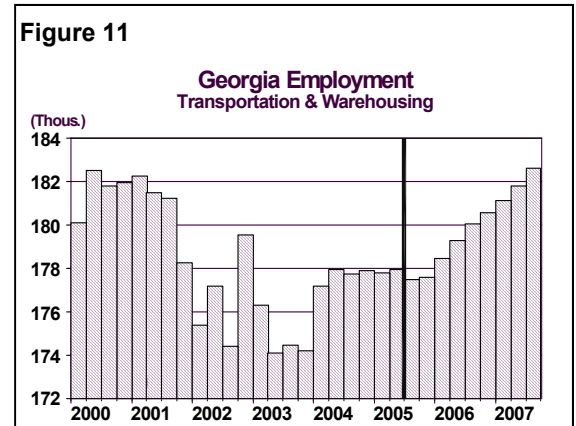
Durable Goods payrolls have continued their painful decline since the fourth quarter of 2000, decreasing by 0.5% in 2004, a negative trend that will continue this year at 1.0% as well. After six years of losses, the recovery will finally bring some relief to this sector in 2006 when Durable Goods employment increases by 0.3%. The following year will suffer losses again at a 0.7% rate.

In 2004, employment gains in the *Wood Products* industry finally occurred for the first time in five years when jobs increased by 2.6%. This sector will also increase by 1.4% in 2005. The situation will worsen in 2006 and 2007, when payrolls in Wood Products employment will decrease by 3.3% and 5.7%, respectively.

Transportation Equipment employment is one of the few bright spots in the Manufacturing sector. As Georgia's number one exported product, this sub-sector is made up of autos and airplane parts. In 2005, this sector will grow at 1.0% and will continue to grow in 2006 at a 4.2% rate and at a 1.6% rate in 2007.

Non-Durable Goods Manufacturing

Non-Durable Manufacturing payrolls decreased its payrolls by 2.3% in 2004, and will decline by 1.5% in 2005. In 2006, this sector will drop by 1.3% and at 1.1% rate in 2007.



While *Foods* jobs have declined continuously since 2002, this sector will finally turnaround in 2005 at 0.7%. Payrolls will continue in positive territory for 2006 at a 0.2% rate and in 2007 at a 0.9% rate.

Employment growth in the *Textile Mills* sector continued its long and steady decline at a 5.2% rate in 2004. This decade-long trend is not expected to change for the next few years, as 2005 will yield another year of negative growth at 5.3%. In 2006, there will be a 5.4% drop, followed by a loss of 4.7% in 2007.

Other Non-Manufacturing

Construction activity in Georgia increased by 1.8% in 2004 as the housing market did incredibly well and several multi-billion dollar projects went on a hiring spree. Unfortunately, some of these projects are coming to an end and rising interest rates will slow down the housing boom. Construction's employment will increase by a mere 0.2% in 2005, decline by 0.3% in 2006 but recover at a 1.4% rate in 2007 as other projects pick up the slack.

Transportation, Warehousing & Utilities increased in 2004 by 1.7% as Delta managed to avoid bankruptcy. While Delta's future is still in question, other areas of Transportation have done very well with the increase of manufacturing orders. In the *Utilities* sector, concerns about competition and deregulation have slightly dissipated. These industries combined will stay flat at a 0.0% rate in 2005, but grow by 1.1% in 2006 and by 1.5% in 2007.

Employment in the *Wholesale Trade* sector added jobs at a 1.0% rate in 2004. This trend is expected to continue in 2005 at a 1.4% rate and gain more momentum at 1.6% in 2006 and 0.9% in 2007. The *Retail Trade* sector, by contrast, has not been able to pick up the pieces from the recession. As retail switches to more automated inventory systems, employment will drop through 2005 by

1.3%. The turnaround will arrive in 2006 when jobs grow at 1.4% in 2006 and 1.6% in 2007.

Under *Financial Activities*, employment increased 0.8% in 2004 and will continue to grow at a moderate rate of 1.6% in 2005. In 2006 and 2007, this sector will increase at a 0.8% rate. *Real Estate & Rentals*, a subcategory of Financial Activities, increased by 1.4% in 2004. Rising interest rates will eclipse this expansion and employment will barely increase by a 0.2% rate in 2005. For 2006, Real Estate jobs will remain stagnant but will pick up again in 2007 at a 1.3% rate. The *Finance & Insurance* sector, also a subcategory of Financial Activities, increased by 0.6% in 2004 but will fair much better in the next few years, thanks to Sarbanes-Oxley. This category will increase by 2.1% in 2005, by 1.0% in 2006 and by 0.8% in 2007.

Employment in *Government* sectors (Federal, State and Local) gained 1.0% in 2004 and will improve its payrolls in 2005 by 1.8%. For 2006, Government jobs will increase strongly by 2.4% and rise again in 2007, this time at 1.2%. *Federal Government* civilian jobs decreased slightly in 2004 by 0.9% but will recover in 2005 to post a 0.9% gain. The *Federal Government* in Georgia will increase anemically in 2006 at 0.2% but stay flat at 0.0% in 2007.

In 2004, *State & Local Government* jobs increased by 1.3%. This trend will continue at a slightly faster clip in 2005 with 2.0% growth, illustrating how state revenues have recovered from last year's budget crunch. Payrolls will increase at a 2.8% rate in 2006 and at a 1.4% rate in 2007.

Overall Employment

For 2004, employment on an annual basis is expected to display growth of 0.8%, even though the pace will not be quite as strong as last year. In 2005, calendar year job gains (from January 2005 to December 2005) will be 45,770. Georgia is expected to add 79,780 jobs in 2006, followed by 74,280 jobs in 2007.

Georgia's nominal personal income increased 5.8% in 2004. After increasing by 4.0% and 14.6% in the 3rd and 4th quarters of 2004, respectively, nominal personal income finished the 1st quarter of 2005 up strongly by 3.1%. Despite the less-than-stellar employment growth, personal income will increase by 6.3% for 2005. Georgia's personal income is expected to increase by 5.9% in 2006, followed by a 6.0% gain in 2007.

STATE REVENUE

For July 2005, total collections increased by 18.4%, or \$170 million, over July 2004. However, it is important to note that July 2005 included two extra days of collections compared to July 2004. When collections for these two days are removed, tax revenue increased by 5.4% or \$49 million.

For the 4th quarter of FY05, total tax collections, which do not include agency revenues, increased 3.3% to \$4.2 billion. Compared to FY04, this is an increase of \$133.6 million and is the eighth straight quarter of year-over-year gains. However, one should take note that while 3.3% is a respectable increase, it is a dramatic slowdown from the 15.6% increase seen in the 4th quarter of FY04. Overall, for FY05, Georgia tax collections increased at its fastest pace in four years, increasing 8.0%, just slightly higher than FY04's 7.3% gain.

The state's largest income category, personal income tax, accounted for 50% of total tax revenues in the 4th quarter and has shown increases for eight straight quarters. This category increased by 10.2% to \$2.1 billion, a gain of \$192.8 million. For year-end FY05, personal income tax collections increased by 9.8%, or \$650.7 million, over fiscal year 2004.

Sales and use tax revenues, the state's second largest collection category at 33% of total revenues, increased by \$11.6 million in the 4th quarter of FY05, a meager 0.8% better than the 4th quarter of FY04. This is the weakest quarterly showing for sales tax revenues in the last five quarters. For FY05, sales tax revenue growth ended the year up 7.2%, or \$354.5 million. This is the strongest showing in over four years, given that FY04 increased by only 0.8% and FY03 and FY02 were both negative.

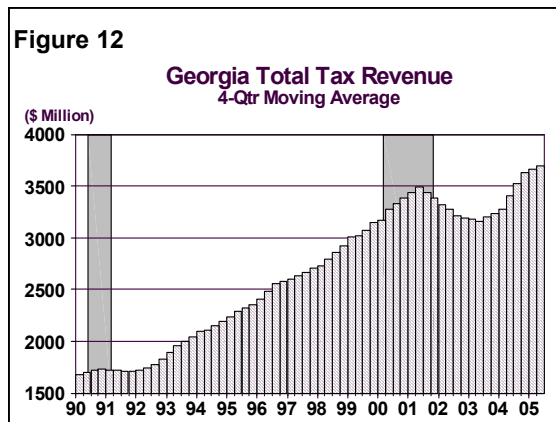
Highlights

Finance & Insurance will increase 2.1% in 2005, 1.0% in 2006 and 0.8% in 2007.

State & Local Government will increase 2.0% in 2005, 2.8% in 2006 and 1.4% in 2007.

In FY05 total tax collections increased by 8.0% to \$14.7 billion, an increase of \$1.1 billion.

Sales and use tax revenues increased by \$355 million, a 7.2% increase.



Highlights

Most of the \$200 million surplus will go towards replenishing the Revenue Reserve Fund.

Governor's \$17.4 billion FY06 budget is a 6.1% increase over FY05.

Our FY06 forecast: 6.0%.

Georgia exports increased to \$5.1 billion in Q1 2005.

Georgia exported \$1.6 billion to the European Union, a 21.8% increase.

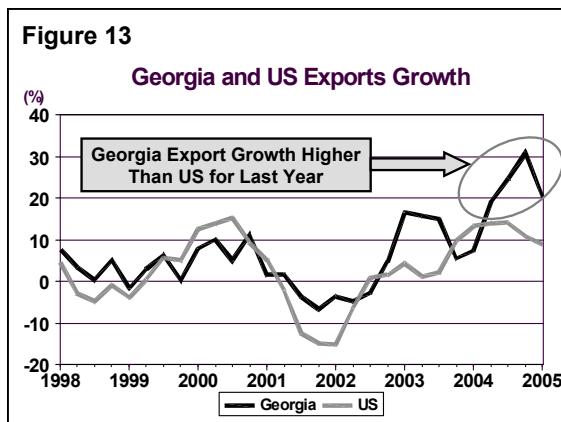
Gas prices in Georgia are now over 50% higher than what they were a year ago. In the 4th quarter of FY05, motor vehicle fuel tax collected \$213.5 million, decreasing by 4.2%. With oil prices peaking at over \$60 a barrel in June, consumers have apparently cut back on their gas consumption in the 4th quarter. Year-to-date, motor fuel collections are up by a miniscule \$104 thousand, which is no change over FY04.

For the 4th quarter of FY05, corporate tax collections rose by 61.0%, or \$116.1 million, ending the strongest year since before the recession. After severe drops in FY02, FY03 and FY04, corporate tax collections finally recovered to post a 44.0% increase for the fiscal year, up by \$217.6 million.

The Governor amended the FY05 budget to \$16.4 billion, an increase of 6.1% from the FY04 budget. With collections for the fiscal year ending up by 8.0%, this target has fortunately been reached, and with a \$200 million surplus.

This will, in fact, be the first year that the state will be able to begin replenishing the Revenue Reserve Fund, which it used to weather the budget shortfall in FY02 and FY03, nearly depleting it of \$700 million. The fund now holds \$51 million. In 2005, the Georgia legislature passed a bill requiring that any surplus should go into the reserve fund until it reaches a minimum of 4% of the budget of the previous fiscal year, which for FY05 would be \$600 million.

On a positive note, payrolls remain steady and show more of a gain in 2006. The Governor's \$17.4 billion budget for FY06 is a 6.1% increase over FY05 budget. With employment gaining steam in 2006, we project collections to increase at a stronger 6.0% pace in FY06, in line with personal income growth, making the Governor's \$17.4 billion budget attainable.



GEORGIA EXPORTS

Overall

With the world economy picking up, Georgia exhibited very strong export growth in the 1st quarter of 2005. The impressive 20.6% rise in Georgia's exports in 2004 continued into 2005 at a 20.2% rate, with equally significant increases to every single world region and every country in Georgia's Top 10 list. Once again, Georgia increase in exports has outpaced US exports, which increased 8.9% in the 1st quarter.

Georgia exports gained \$864 million in 2005, increasing from \$4.3 billion in 2004 to \$5.1 billion, as shown in Table A. The 20.2% surge in Georgia exports can be attributed to the weak U.S. dollar, which has made Georgia's products more affordable, and a 20% expansion at the port of Savannah and Brunswick that has positioned Georgia to take advantage of the increase in exports.

World Regions

For the second straight quarter, exports to the European Union have overtaken North America as Georgia's top export region. Georgia exported \$1.6 billion to the European Union, an increase of \$285 million, or 21.8%, over 2004. Compared to U.S. exports, growth to the European Union was 9.8%, far below Georgia. Georgia's exports to North America, at \$1.5 billion, increased by \$140 million, or 10.6%, over 2004. U.S. exports to this region grew at a 10.9% rate, similar to Georgia.

Exports to all other regions remained exceptionally strong. The region to experience the largest percentage change was Asia 7, which surged forward at 31.3% in 2005, increasing by \$275 million. Exports to South America also experienced positive growth of 2.5%, increasing \$5 million to post \$901.8 million.

Top 10 Nations

Exports to Georgia's Top 10 trading partners totaled \$3.4 billion dollars in 2005, accounting for 65% of Georgia's total exports. Exports to Canada, the state's top trading partner, gained 11.5%, climbing to \$1.1 billion in 2005. Mexico, Georgia's third-largest export partner, also saw healthy gains as exports rose 8.1% to \$365 million. Our closest neighbors usually follow the fluctuations of the U.S. economy, which has grown steadily lately. Exports to Japan, Georgia's second-largest trading partner, have picked up 9.0% to \$352 million.

TABLE A
GEORGIA EXPORT SUMMARY

	2005 Q1 Rank	2005 Q1 \$ Millions	2004 Q1 \$ Millions	2004-05 % Change	2004 \$ Millions	2004-2003 % Change
<u>TOTAL EXPORTS</u>	--	5,137	4,273	20.2	19,633	20.6
<u>TOP 10 NATIONS</u>						
CANADA	1(1)	1,092	980	11.5	4,265	7.7
JAPAN	2(3)	384	352	9.0	1,546	1.9
MEXICO	3(2)	365	338	8.1	1,495	28.5
UNITED KINGDOM	4(4)	344	230	49.5	1,111	7.3
CHINA (MAINLAND)	5(5)	227	193	17.8	801	24.4
NETHERLANDS	6(8)	225	191	17.7	833	-6.7
SINGAPORE	7(11)	214	81	164.8	661	153.2
GERMANY	8(6)	208	161	29.7	710	16.5
ITALY	9(16)	177	98	80.9	697	120.4
FRANCE	10(9)	118	100	17.9	327	-8.8
<u>WORLD REGIONS</u>						
EUROPEAN UNION	1	1,597	1,311	21.8	5,861	28.3
NORTH AMERICA	2	1,457	1,318	10.6	5,760	12.4
ASIA 7	3	1,155	879	31.3	4,439	24.4
SOUTH AMERICA	4	214	209	2.5	902	24.0
REST OF THE WORLD	--	714	556	28.5	2,671	16.3
<u>MAIN PRODUCTS</u>						
TRANSPORTATION EQUIPMENT	1	1,196	803	49.0	4,517	44.2
COMPUTER AND ELECTRONICS	2	795	554	43.5	2,658	7.6
MACHINERY, EXCEPT ELECTRICAL	3	625	489	27.9	2,414	55.2
CHEMICALS	4	554	571	-3.0	2,347	12.0
PAPER	5	401	370	8.3	1,405	3.2

Definitions of World Regions

North America : Canada, Mexico, St.Pierre & Miquelon, and Greenland

European Union : Germany, United Kingdom, Netherlands, Italy, Ireland, Belgium, France, Spain, Sweden, Finland, Denmark, Greece, Austria, Portugal, and Luxembourg

Asia - 7 : Japan, Korea, Singapore, Taiwan, China, Hong Kong, and Australia

South America : Brazil, Argentina, Chile, Venezuela, Colombia, Ecuador, Peru, Uruguay, Paraguay, Guyana, Suriname, Bolivia, French Guiana, and Falkland Islands

Source: World Institute of Strategic Economic Research (www.wisertrade.org)

Highlights

Georgia exported \$1.2 billion in transportation equipment, an increase of 49.0%.

According to the US Chamber of Commerce, CAFTA will bring \$232 million and 1,500 jobs to Georgia.

In Q2 2005, Atlanta gained 21,900 jobs, a 1.0% increase.

Atlanta Forecast (calendar year):
29,500 jobs in 2005,
45,670 jobs in 2006,
44,080 jobs in 2007.

All other countries in the Top 10 increased their consumption of exports. Three countries, the UK, Singapore and Italy, are worth mentioning because their exports from Georgia increased so significantly in 2005. The increases for all three can be attributed to extraordinarily large purchases of transportation equipment. The UK, Georgia fourth-largest partner, increased 49.5%, or by \$114 million. Singapore, Georgia's seventh-largest partner, bought \$133 million more in 2005 than in 2004, of which \$113 million was transportation equipment. Italy, Georgia's ninth-largest partner, increased its purchase of Georgia exports 80.9%, an increase of \$79 million.

Exports to Mainland China, Georgia's fifth-largest trading partner, has increased for 11 straight quarters. For 2005, China has increased its exports from Georgia by 17.7% compared to last year, going from \$193 million to \$227 million. China's appetite for Georgia goods is likely to continue to grow at a rapid yet sustainable pace as long as China continues to grow at a strong rate.

Main Products

The top five Georgia exports in 2005 accounted for 70% of Georgia's total exports. Transportation equipment, the largest category, showed a very strong increase at 49.0%, a gain of \$393 million. This robust growth comes from a 300% increase in Turbojet and Propeller Parts. Apparently Gulfstream, the airplane part manufacturer based in Savannah, has been doing some brisk business lately. Computer and electronic products, Georgia's second-largest export product, posted an increase of 43.5%. Machinery, the third-largest, rose 27.9%, a gain of \$136 million over last year. Chemicals, ranked fourth, was the only category in the top five to decrease, declining by 3.0%. Paper, Georgia's fifth-largest export product, increased 8.3% over 2005.

Summary

Georgia has had a strong 20.2% surge in export activity in the 1st half of 2005 caused by a combination of factors, namely the less expensive dollar, which caused greater U.S. export activity to every region of the world. Fortunately, the 20% expansion recently undertaken by the Georgia Port Authority has paid off and Georgia has been perfectly positioned for this upswing in exports. Given these current conditions, Georgia's exports should continue to increase at a strong rate for the rest of 2005. With the approval of DR-CAFTA, exports should increase even more in 2006.

ATLANTA JOB GROWTH

From the 2nd quarter of 2004 to the 2nd quarter of 2005, Atlanta gained 21,900 jobs, a growth rate of 1.0%. The seasonally-adjusted *unemployment rate* for the 2nd quarter of 2005 was 5.1% for Atlanta, which is slightly higher than the 4.6% rate seen a year ago. Employment will increase by 29,560 jobs from January 2005 to December 2005. 2006 is slightly more promising as the unemployment rate stays at 5.0%, and jobs increase by 45,670 jobs. In 2007, Atlanta's unemployment rate will stay at 5.0% and employment will grow by 44,080 in the calendar year.

A decade ago, the *Manufacturing* sector made up 11.4% of Atlanta's economy. Today, it is roughly 7.8%. While this downward trend will eventually reverse itself in the next few years, manufacturing will probably not return to previous levels seen in the early 1990's. In 2005, this sector will decrease by 1.5% and by 0.4% in 2006. Manufacturing should again show negative growth in 2007, when jobs decrease by 0.7%.

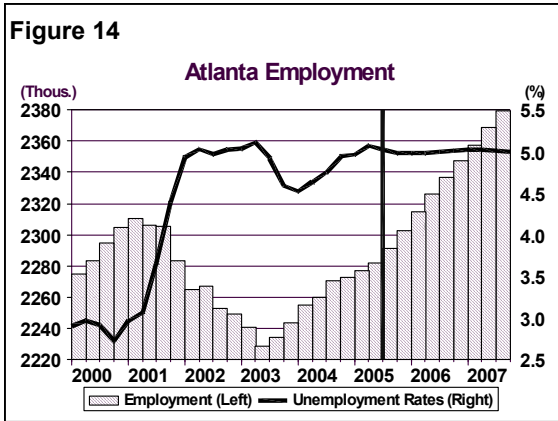
Given that housing permit activity surged forward at 11.5% in 2004, it is no surprise that *Construction & Mining* employment increased at a 3.0% rate last year. As Atlanta continues to invest in large construction projects, Construction will continue to increase, although with the pullback on housing construction, the rate for 2005 will increase at only 0.4% and decline 0.3% rate for 2006. The following year will show stronger Construction growth at 1.5% rate, as the city continues to encourage development.

The *Transportation, Warehousing & Utilities* sector will increase by 0.1% in 2005 as Delta still tries to avoid bankruptcy. But other areas of this sector are positive, the air cargo business continues to gain more importance every year and Hartsfield-

Atlanta Job Additions*

	Calendar Year Change	Annual Change
2005	29,740	23,700
2006	45,670	43,050
2007	44,080	43,060

*Calendar year change is defined as the difference between December and January of one year. The annual change is the difference between the average for one year versus the previous year.



Jackson is expected to top previous passenger records. Positive growth will continue into 2006, when employment in this sector increases by 1.2% and continues to grow in 2007 by 1.7%.

Wholesale Trade has had a rough few post-recession years but the turnaround is here to stay. In 2005, employment will increase by 2.1%. For 2006 and 2007, Wholesale Trade will increase employment by 1.6% and 0.8%, respectively, as business investment continues to do well.

In the *Retail Trade* sector, employment in 2005 will decrease by 1.9% but will do better in 2006 when payrolls increase by 1.4%. Consistent growth for 2007 will show payrolls increasing by 1.5%.

Job growth in the *Financial Activities* sector will increase by 1.3% in 2005, as the Accounting field continues to demand more workers to comply with Sarbanes-Oxley. Financial Activities will continue on this trend through 2006 and 2007, with employment posting increases of 0.9% each year.

Education & Health experienced moderate growth in 2004, raising its employment payrolls by only 2.9% over 2003. This sector will remain a consistent growth area. In 2005 and 2006, jobs in Education & Health will increase by 2.0% and 2.3%. Employment will grow at a 2.3% pace in 2007.

The *Information* sector has had a tough few of years in Atlanta. This sector declined by 3.4% in 2004. The great times will be slow to return as 2005 also posts negative growth of 1.4%. Fortunately for the technology workers who were laid off after the internet bust, employment growth will recover by 2006, when payrolls will increase 0.7%. This trend continues into 2007 at a 1.4% pace.

ATLANTA HOUSING

Important Note: In an effort to use the most reliable and timely database, The Economic Forecasting Center has recently switched its source for Atlanta housing permits to the US Census Bureau from its previous data source, the Greater Atlanta Homebuilder's Association. Therefore, the historical number of housing permits and their growth calculations will be different from previous issues.

Over the past year, the Fed has raised the short-term interest rate by two hundred and fifty basis points, yet the yield on the ten-year bond, which is the rate that affects mortgage lending, has not moved much. This has allowed homebuyers to ride the wave of low mortgage rates longer than expected. The question now is whether the rapid 11.5% growth for housing permits in 2004 can be sustained or finally burst amid fears of rising rates. The moderation may have already begun considering that in the 1st half of 2005, permits increased only 0.3% as eight of twenty Atlanta counties increased in total permits.

"Core" County Cluster: Cobb, Dekalb, Fulton & Gwinnett

The Core cluster underwent permit fever in 2004, registering 40,000 permits, a 24% increase over the previous year. This kind of growth will be difficult to sustain. For the 1st half of 2005, permits in the Core counties were up 2.2% compared to the same period a year ago. This was caused by the 17.7% increase in multifamily permits that offset the a 3.3% decline in single family permits.

Half the counties in this cluster decreased significantly: Cobb registered 23.7% less permits over last year and Gwinnett posted 5.4% less. Fulton and Dekalb increased its total permits by 14.6% and 19.5%, respectively.

Because interest rates have continued to be so low in the 1st half of the year, the hit will come in the 2nd half and in early 2006. Core cluster counties will see a 12.3% decrease in permits in 2005, with single-family permits dropping at a 7.1% rate and multifamily permits decreasing by 21.8%. In 2006, permits will again decline, although at the lesser rate of 9.3%. Single family and multifamily permits will both decrease, falling by 8.7% and 10.7%, respectively. In 2007, permits will decline by 3.7%, with single family permits falling by 5.2% and multifamily permits declining by 0.3%.

Highlights

Financial Activities will increase 1.3% in 2005, 0.9% in 2006 and 2007.

Atlanta Information jobs will decline 1.4% in 2005 but increase 0.7% in 2006 and 1.4% in 2007.

Is the party over? For the 1st half of 2005, permits increased 0.3% as 8 of Atlanta's 20 counties decreased in total permits.

Core Counties increased 2.2% in the 1st half 2005, single family permits fell 3.3% and multifamily permits grew 17.0%.

Highlights

Core county total permits will decrease by 12.3% in 2005, 9.3% in 2006 and 3.7% in 2007.

Northern counties permits will increase 6.6% in 2005, 3.6% in 2006 and 1.2% in 2007.

Total permits for I-20 will increase 1.4% in 2005 but decline 0.4% in 2006 and 1.2% in 2007.

Permits in Metro South will decrease in 2005 by 5.4%, increase in 2006 by 1.5% but decline in 2007 at 3.9%.

Total permits for Atlanta will decline 6.5% in 2005, 4.8% in 2006 and 2.6% in 2007.

Northern County Cluster: Cherokee, Forsyth & Pickens

The Northern County cluster posted a gain of 1.0% in 2004 and continued to increase at 16.8% through the 1st half of 2005. In the 1st half, single family permits increased by 15.7% and multifamily permits rose by 30.0% over this period in 2004. This increase is due to very strong growth in Forsyth County's single family permits, which rose 47.5% in this half.

Looking forward, permits will continue to increase in 2005 at a 6.6% rate, with single family permits increasing 7.2% but multifamily permits decreasing by 3.6%. This trend will continue in 2006 as the need to find affordable housing continues to extend outside the perimeter. That year, permits will increase by 3.6% with single family permits growing 3.1% and multifamily permits increasing strongly at 13.0%. In 2007, this cluster will experience an increase of 1.2% as single family permits increase 1.7% but multifamily permits drop by 8.6%.

I-20 Corridor Cluster: Carroll, Douglas, Paulding, Newton, Rockdale

This cluster has experienced a rough couple years. Its permits declined in 2003 by 10.4% and in 2004 by 1.8%. This trend has continued into the 1st half of 2005, with total permits dropping for the I-20 Corridor by 3.4%. In this period, single permits declined by 2.8% and multifamily permits declined by 36.8%.

According to a U.S. Census Bureau population analysis done in 2004, the I-20 Corridor has two of the Top 20 fastest-growing counties in the U.S.: Newton and Paulding. Newton County increased its population by 6.2% between July 2003 and July 2004, the 13th fastest-growing in the U.S. Paulding County increased its population by 5.9% in this period, the 20th fastest-growing in the U.S. This growth helped to stimulate permits in the 1st half for Paulding County, which increased by 12.3%. Population growth was not suffice to boost Newton's permits in this quarter, which decreased by 11.9%.

Total permits for the I-20 Corridor counties will pick up in the 2nd half and end 2005 up by 1.4%, affected mostly by a 79.7% rise in multifamily permits that overrides the 1.2% decrease in single family permits. This cluster will decline slightly by 0.4% in 2006 as higher interest rates push single family permits down by 3.7% even though multifamily permits increase by 53.3%. In 2007, this

cluster will drop at a 1.2% rate as the party for multifamily permits goes away, decreasing by 11.5%. Single-family permits in 2007 will decrease by 0.2% as employment gathers more steam and increases the demand for housing.

Metro South County Cluster: Clayton, Coweta, Fayette, Henry & Spalding

The Metro South cluster's declines of the last two straight years continued into 2005, with the 1st half decreasing by 13.0% as single family permits dropped by 2.1% and multifamily permits decreased by 89.9%. The heaviest losses occurred in Clayton County, one of Metro South's largest counties, which declined by 29.9%.

Growth in the south side in 2005 will drop slightly as interest rates take a bite out of the housing rush. For 2005, our forecast calls for a 0.7% drop in single family permits and a 35.0% decline in multifamily permits, resulting in a 5.4% decrease in total permits. In 2006, total permits increased by a 1.5% even though single family permits decrease by 1.6%. That year, multifamily permits will increase 31.3% as speculation occurs for more apartments in the midst of much higher interest rates. By 2007, this category will drop by 26.3%. Single family permits will decline again by 0.7%, resulting in total permits decreasing by 3.9%.

Summary

Extraordinarily low interest rates fueled unprecedented permit growth in 2004, pushing permits to 72,700, the highest permit level for Atlanta ever. As interest rates are on the rise, our forecast calls for a decrease of 6.5% in total permits for 2005, as the Atlanta area is somewhat overbuilt. In 2006, total permits will decline by 4.8% and dip further in 2007 by 2.6%.

Our projections for single-family permits call for negative growth of 2.5% and 5.1%, in 2005 and 2006, respectively. This trend will continue into 2007, although at the lesser rate of 2.2%.

With a 46.6% growth rate, 2004 was a banner year for multifamily permits. This category will not be able to sustain such strong growth, even though some builders may speculate that the demand for apartments will increase with rising interest rate. In 2005, multifamily permits will decline by 20.2% and continue to drop a 3.7% rate in 2006. In 2007, multifamily permits will decline by 4.4%.

TABLE B
Metro Atlanta Housing Permit Clusters

	HISTORY							FORECAST		
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Core Counties - Cobb, Dekalb, Fulton & Gwinnett										
Total Permits	33,359	32,622	35,106	35,171	33,154	32,982	40,981	35,949	32,601	31,403
<i>(% ch.)</i>	15.6	-2.2	7.6	0.2	-5.7	-0.5	24.3	-12.3	-9.3	-3.7
Single Family	23,944	24,495	22,310	22,819	22,016	23,967	26,576	24,687	22,541	21,375
<i>(% ch.)</i>	22.3	2.3	-8.9	2.3	-3.5	8.9	10.9	-7.1	-8.7	-5.2
Mutlifamily	9,415	8,127	12,796	12,352	11,138	9,015	14,405	11,262	10,060	10,028
<i>(% ch.)</i>	1.4	-13.7	57.5	-3.5	-9.8	-19.1	59.8	-21.8	-10.7	-0.3
Northern Counties - Cherokee, Forsyth, Pickens										
Total Permits	6,691	6,929	7,612	6,735	6,654	7,555	7,634	8,138	8,432	8,531
<i>(% ch.)</i>	24.3	3.6	9.9	-11.5	-1.2	13.5	1	6.6	3.6	1.2
Single Family	6,109	6,202	6,505	5,893	6,058	6,953	7,220	7,739	7,981	8,119
<i>(% ch.)</i>	19.6	1.5	4.9	-9.4	2.8	14.8	3.8	7.2	3.1	1.7
Mutlifamily	582	727	1,107	842	596	602	414	399	451	412
<i>(% ch.)</i>	113.2	24.9	52.3	-23.9	-29.2	1	-31.2	-3.6	13	-8.6
I-20 Counties: Carroll, Douglas, Paulding, Newton & Rockdale										
Total Permits	6,183	7,248	7,688	8,530	11,281	10,112	9,933	10,076	10,037	9,917
<i>(% ch.)</i>	23.2	17.2	6.1	11	32.3	-10.4	-1.8	1.4	-0.4	-1.2
Single Family	5,334	5,785	6,450	7,220	9,123	9,788	9,608	9,492	9,142	9,125
<i>(% ch.)</i>	14.5	8.5	11.5	11.9	26.4	7.3	-1.8	-1.2	-3.7	-0.2
Mutlifamily	849	1,463	1,238	1,310	2,158	324	325	584	895	792
<i>(% ch.)</i>	135.8	72.3	-15.4	5.8	64.7	-85	0.3	79.7	53.3	-11.5
Metro South Counties: Clayton, Coweta, Fayette, Henry & Spalding										
Total Permits	8,717	9,170	9,550	10,485	10,890	10,532	10,322	9,761	9,908	9,524
<i>(% ch.)</i>	17.3	5.2	4.1	9.8	3.9	-3.3	-2	-5.4	1.5	-3.9
Single Family	7,570	8,112	8,349	8,971	9,299	9,506	8,891	8,831	8,687	8,624
<i>(% ch.)</i>	15.6	7.2	2.9	7.4	3.7	2.2	-6.5	-0.7	-1.6	-0.7
Mutlifamily	1,147	1,058	1,201	1,514	1,591	1,026	1,431	930	1,221	900
<i>(% ch.)</i>	30	-7.8	13.5	26.1	5.1	-35.5	39.5	-35	31.3	-26.3
All Counties										
	Totals									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Total	57,963	59,487	63,445	64,771	65,660	65,183	72,679	67,944	64,672	62,978
Single	45,844	47,599	46,922	48,096	49,952	53,808	56,005	54,631	51,858	50,722
Multifamily	12,119	11,888	16,523	16,675	15,708	11,375	16,674	13,313	12,814	12,256
	Percent Change (Year Ago)							Percent Change		
Total	17.5	2.6	6.7	2.1	1.4	-0.7	11.5	-6.5	-4.8	-2.6
Single	19.5	3.8	-1.4	2.5	3.9	7.7	4.1	-2.5	-5.1	-2.2
Multifamily	10.5	-1.9	39	0.9	-5.8	-27.6	46.6	-20.2	-3.7	-4.4

Data Source: US Census Bureau, EFC Forecast

Highlights

Based on the 2000 Census, Georgia's metro areas went from seven to fourteen. The new ones are: Brunswick, Dalton, Gainesville, Hinesville, Rome, Valdosta, and Warner Robins.

Savannah and Albany posted the strongest growth rates in Q2 2005 at 1.3%.

Five of Georgia's fourteen MSA's decreased in employment: Augusta, Columbus, Dalton, Hinesville and Warner Robins.

Albany's employment will increase in 1.2% in 2005 and 1.1% in 2006.

In Q2 2005, Athens added 700 new jobs.

Athens' employment will increase 0.7% in 2005 and 0.9% in 2006.

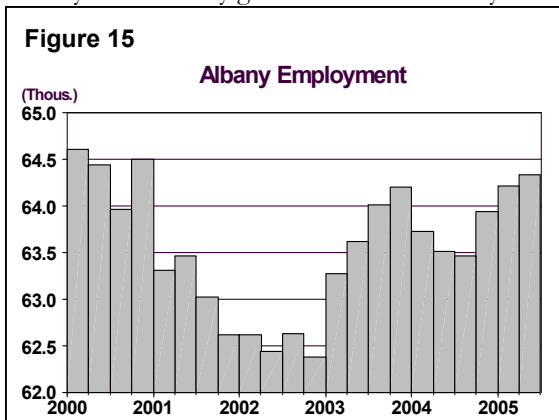
OUTLOOK FOR OTHER METRO AREAS

In 2003, the Office of Management and Budget set up new definitions for Georgia's metro areas to better reflect population size based on the 2000 Census, expanding the number of Georgia's MSA's from seven to fourteen, with most current MSA's expanding in size. The definition of an MSA is determined by the number of people that travel from an outer area into the core of a city. Among the MSA's outside the Atlanta area, Albany, Athens, Augusta, Columbus and Savannah have all added new counties to their official definition, thus increasing their workforce size. Macon was the only MSA that suffered a reduction because a new MSA, Hinesville, was carved out of its former boundaries. Six other small cities now have enough of a population base to be considered MSA's: Brunswick, Dalton, Gainesville, Rome, Valdosta, and Warner Robins. In the 2nd quarter, Savannah and Albany, posted the strongest growth rates at 1.3% each. In this quarter, five of Georgia's 13 other MSA's outside Atlanta experienced declines: Dalton at 1.1%, Macon at 0.6%, Columbus at 0.5%, Augusta at 0.2%, Warner Robins at 0.1%.

Albany

Albany's employment level now stands at roughly 64,000. For the 2nd quarter of 2005, Albany added 800 jobs over the same period a year ago. The categories to excel were Professional & Business Services, which added 220 jobs, Wholesale Trade, which added 170 jobs, and Construction & Mining, which added 140 jobs, and Leisure & Hospitality, which added 130 jobs.

The seasonally-adjusted unemployment rate in Albany was 5.4% in the 2nd quarter of 2005, up from the 5.1% unemployment rate in the 2nd quarter of 2004. Even though 2004 was a disappointing year, the outlook for employment growth in Albany is reasonably good because of the city's



\$210 million downtown redevelopment initiative along the Flint River. Albany's new \$30 million Flint RiverQuarium opened in September 2004 expects to draw 155,000 visitors a year. Albany's citizens approved a special purpose local option tax in late 2004, which will put an additional \$30 million towards downtown improvements over the next 6 years. All these efforts should put Albany on track for better growth for 2005 at 1.2% and 2006 at 1.1%.

Athens

The bulk of Athens' economy revolves around the University of Georgia, which has an enrollment of 34,000 students and employs 10,000 people. Athens also houses satellite campuses from several other colleges, bringing the total student population in Athens to 40,000.

In the 2nd quarter of 2005, Athens added jobs at a 0.9% rate, accounting for 700 new jobs compared to the same period in 2004. In this quarter, two categories added a large number of employees, while others lost a significant number. The sectors to gain the most were Government, which added 650 employees, and Leisure & Hospitality and Education & Health, which each increased by 130 jobs. The sectors to lose the most were Professional & Business Services, which lost 240 jobs and Retail Trade, which decreased by 130 jobs.

The BRAC recommendations released in May will affect Athens' Naval Supply Corps School. This facility, with a workforce of about 300 people and a payroll of \$8.7 million will be missed but will not hurt Athens' economy too much because it is a relatively small employer.

The unemployment rate in Athens was a low 3.3% in the 2nd quarter of 2004 but increased to 3.9% in the 2nd quarter of 2005. While this is up significantly, Athens still holds the lowest unemployment rate in Georgia and is far below the state's 5.1% average. After gaining jobs at a 1.6% rate in 2003 and 0.2% rate in 2004, we expect Athens to pick up slightly in 2005 at a 0.7% rate and continue this trend through 2006 at a 0.9% rate.

Augusta

Despite three straight years of employment growth, 2005 has been a difficult year so far for Augusta. This is a curious trend considering that Augusta has posted only positive quarterly growth rates for the last three years in a more difficult post-recession environment. The 2nd quarter of 2005 was Augusta's second straight negative quar-

Table C
Georgia Metro Areas
Recent Non-Farm Employment Trends

	Employment (Thous.)	Employment Growth (%)		Unemployment Rate*		Employment Forecast	
	2004	2004	Q2 2005	Q2 2004	Q2 2005	2005	2006
GEORGIA	3889.8	1.2	0.5	4.5	5.1	0.8	1.9
ALBANY	63.7	-0.2	1.3	5.0	5.4	1.2	1.1
ATHENS	76.7	0.2	0.9	3.3	3.9	0.7	0.9
AUGUSTA	212.1	1.6	-0.2	5.3	5.8	0.3	1.0
BRUNSWICK	42.4	2.4	0.4	4.0	4.6	0.9	2.0
COLUMBUS	119.8	-0.3	-0.5	5.2	5.6	0.1	1.1
DALTON	76.2	0.1	-1.1	3.9	4.8	-0.5	0.9
GAINESVILLE	68.0	0.1	0.5	3.7	4.3	0.7	1.1
HINESVILLE	16.6	5.2	0.5	5.4	6.0	0.9	2.8
MACON	100.9	0.6	-0.6	4.7	5.4	0.1	0.9
ROME	42.6	-0.4	1.0	4.1	5.1	0.8	1.4
SAVANNAH	143.8	3.9	1.3	4.0	4.3	1.5	2.2
VALDOSTA	52.4	1.3	0.8	3.3	3.9	0.9	1.3
WARNER ROBINS	51.0	1.6	-0.1	3.7	4.6	0.2	1.4

* Seasonally Adjusted by EFC

** Hinesville only includes civilian employment, if the military is factored in, employment would be closer to 45,000

ter, with employment losing 530 jobs, or 0.3%, when compared to the same quarter in 2004.

The main sectors to pull Augusta's growth down were Manufacturing, which lost 800 jobs, Financial Activities, which lost close to 360 jobs, and Construction & Mining, which lost 300 jobs. The areas to add a significant number of jobs in this quarter were Retail Trade, which increased by 800 jobs, and Professional & Business Services, which gained 250 jobs.

Augusta's largest employer, the U.S. Army Signal Center and Fort Gordon, will fortunately benefit from BRAC 2005's shift in military structure as the Army announced a \$230 million project to expand intelligence operations. Beginning in 2006, the project will take six years to complete and eventually add 500-750 new jobs to the area.

The seasonally-adjusted unemployment rate in Augusta was 5.8% in the 2nd quarter of 2005, one of the highest unemployment rates among the Georgia's MSA's and much higher than the 5.3% seen a year ago. Looking forward, Augusta will increase its employment at a 0.3% rate in 2005. The following year will also show growth at a slightly stronger rate of 1.0%.

Brunswick

Brunswick, one of Georgia's newly-designated MSA's, is located just north of the Florida border in Georgia's southeast corner. In 2004, employment grew by an impressive 2.4%, one of the highest growth rates of all of Georgia's metro areas as Brunswick prepared for the G-8 Summit last July.

In the 2nd quarter of 2005, Brunswick increased employment by 180 jobs, or 0.4%. These jobs

Highlights

In Q2 2005, Augusta lost 530 jobs.

Augusta's unemployment rate was 5.8% in Q2 2005, one of the highest unemployment rates in the state.

Augusta's employment will increase 0.3% in 2005 and 1.0% in 2006.

Highlights

In Q2 2005, Brunswick added 180 jobs.

Brunswick is the Eastern Seaboard's largest handler for grain and auto shipments.

Brunswick will increase its employment for 2005 by 2.0% and by 2.5% in 2006.

In Q2 2005, Columbus' employment level dropped by 600 jobs.

Columbus will increase its employment 0.1% in 2005 and 1.1% in 2006.

Dalton, "Carpet Capital of the World", produces 70% of the world's carpets.

came from the Leisure & Hospitality sector, which added 200 jobs, and Construction and Wholesale Trade, which each added 100 jobs. While an increase in jobs is always welcome, Brunswick is experiencing a slowdown from the 1,000+ jobs created in almost every quarter last year.

The largest industries for this MSA are tourism, transportation and homeland security. Known as the "Gateway to the Golden Isles", Brunswick is home to St. Simon's Island, Jekyll Island and Sea Island, the location of 2004's G-8 Summit. The publicity from this meeting will most likely stimulate tourism for years to come along Georgia's coast, benefiting both Brunswick and Savannah.

Within the transportation industry, Brunswick relies on its ever-expanding shipping port that has become the eastern seaboard's largest handler for grain and auto shipments. The Southeast Georgia Joint Development Authority will soon install a one-mile rail connection to the dock on Colonel's Island which will significantly speed up auto shipment processing and add more jobs to the area as auto shipments are funneled to Brunswick rather than other East Coast ports.

Brunswick's largest employer, the Federal Employee Training Center, employs 2,600 people and is the largest homeland security training center in the U.S. As the federal government continues to fine-tune its homeland security program, more people will continue to train in Brunswick, stay in its hotels and eat in its restaurants.

For the 2nd quarter of 2005, Brunswick continued to show a very low unemployment rate of 4.6%. Looking ahead, even though Georgia will be hit by high oil prices and a slower housing market as interest rates rise, we expect Brunswick to increase in employment for 2005 by 0.9% and by 2.0% in 2006.

Columbus

Despite consistent stagnant or negative quarterly employment growth over the last year and a half, Columbus looks forward to significant changes over the next couple years. Its largest employer, Fort Benning, was given the green light by the Pentagon when the BRAC commission recommended that additional soldiers transfer there from other bases around the country. This comes on top of an additional brigade of 3,800 soldiers that will be added by September 2005, a 20% increase in personnel. The Army is planning to

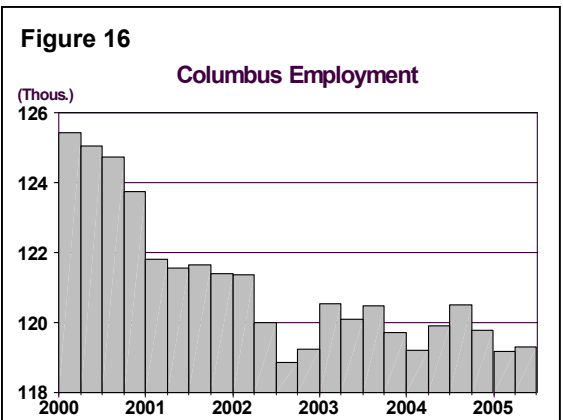
spend around \$400 million on new barracks and other facilities to house the new soldiers. The estimated economic impact to the Columbus area is \$100 million by 2005 and \$600 million by 2006, according to the Greater Columbus Chamber of Commerce.

Considering these significant changes and increases in population, it is curious that the area continues to be plagued by nonexistent employment growth. In the 2nd quarter of 2005, Columbus' employment level dropped by 600 jobs, or 0.5%. The only sectors to add jobs were Financial Activities, which increased by 270 jobs, and Education & Health, which added 130 jobs. The sectors to decrease in this quarter were Manufacturing, which decreased by 400 jobs, Information, which lost 230 jobs, Retail Trade, which lost 170 jobs, and Other Services, Professional & Business Services, and Construction, each of which declined by 130 jobs.

The seasonally-adjusted unemployment rate in Columbus for the 2nd quarter of 2004 was 5.2% but rose to 5.6% in 2005, well above the state average of 5.1%. However, Columbus' economy is looking up, especially with an additional 10,000 people expected to flood Columbus starting this year. While this will undoubtedly cause some immediate growing pains, it will pay off for Columbus in the long-run as the population increase stimulates economic growth. While Columbus job growth will barely stay above water in 2005 when it grows anemically by 0.1%, substantial gains will occur in 2006 at a 1.1% rate as the city figures out how to accommodate its new inhabitants.

Dalton

Located in the northwest corner of the state, 30 miles south of Chattanooga and 80 miles north of Atlanta, this city touts itself as an ideal location for easy transportation to more than half the country.



Known as the “Carpet Capital of the World”, Dalton is home to roughly 40 carpet manufacturers and produces 70% of the world’s \$9 billion carpet industry. Among these carpet producers, the top two carpet manufacturers in the world, Mohawk and Shaw, make their home in Dalton.

Dalton’s employment has struggled over the last year, logging four straight quarters of job losses. In the 2nd quarter of 2005, employment level fell by 840 jobs, or 1.1%. The main culprit behind the job losses was Manufacturing, which because of Dalton’s high concentration of carpet manufacturers, makes up 30% of the economy. This sector declined by 450 jobs compared to the 2nd quarter of 2004 and has been affected by layoff announcements from Pentafab and Edge Flooring. Among other sectors struggling in this quarter were Education & Health, which lost 170 jobs, and Retail Trade and Other Services, each of which decreased by 100 jobs.

The unemployment rate in Dalton for the 2nd quarter of 2005 was 4.8%, much worse compared to the 3.9% rate in the 2nd quarter of 2004 but still below the state’s 5.1% unemployment rate for the quarter. In considering future growth, Dalton has invested in an extensive fiber-optics network to diversify its economic base and attract Class A office space and tenants. The city is also investing in improving historic civil war sites to increase tourism to the area. April’s Tour de Georgia, which ran through the city, and the summer tourist season will hopefully help Dalton recover from its 2nd quarter slump. Our forecast has Dalton’s employment decreasing by 0.5% in 2005 as manufacturing falters but picks up by 0.9% in 2006.

Gainesville

Gainesville is another new metro area and is located on the northeast edge of the Atlanta metro area in Hall County. With a diverse but large manufacturing base making up 25% of the economy, Gainesville has a particularly large concentration of poultry processing plants. Equally important to its economy is tourism, which offers several different venues such as Lake Lanier, Road Atlanta, The Atlanta Falcons Football Complex and Chateau Elan.

So far in 2005, Gainesville’s employment has done well, gaining 325 jobs in the 2nd quarter of 2005, which is a 0.5% growth rate. Compared to the 2nd quarter a year ago, the categories to experience the most growth were Government and Retail Trade, both which grew by 250 jobs, Education &

Health, which gained 140 jobs.

Gainesville’s unemployment rate was 3.7% in the 2nd quarter of 2004 but has increased to 4.3% in the 2nd quarter of 2005. While this is higher than a year ago, Gainesville’s unemployment rate is still far below the state’s current 5.1% rate. Looking forward, Gainesville should stay in positive territory with the improving Georgia economy. We expect employment in Gainesville to increase in 2005 by 0.7% and by 1.1% in 2006.

Hinesville-Fort Stewart

Hinesville-Fort Stewart is located on the southeastern coast of Georgia next to Savannah. It is the site of the U.S. Army’s Fort Stewart, the largest infantry base east of the Mississippi. With a payroll of \$650 million and 20,000 employees, 11% of which are civilian, this facility is Coastal Georgia’s largest employer and quite important to industries which cater to the military.

Last year, Hinesville-Ft. Stewart posted the highest growth rate of all of Georgia’s MSA’s, increasing employment by 5.2%. This year, growth appears to have slowed, declining by 0.5% in the 1st quarter and only increasing by 0.5% for the 2nd quarter.

The unemployment rate in Hinesville-Fort Stewart was 5.4% in the 2nd quarter of 2004 and rose to 6.0% in the 2nd quarter of 2005. We expect Hinesville-Fort Stewart to post positive growth for the next couple years, although this MSA seems to exhibit erratic employment growth (6.6% in one quarter and 0.7% the next for example). By analyzing various employment growth averages from the last ten years, we expect employment in Hinesville to increase by 0.9% in 2005 and 2.8% in 2006.

Macon

Macon touts itself as an ideal place for logistic and tech businesses. With employers such as GEICO and Ikon Office Solutions, the city has a high concentration of high-end back office support and claims that it offers all the advantages of Atlanta cheaply. Situated at the junction of I-75 and I-16 and only an hour south of Atlanta, Macon also focuses heavily on distribution centers.

In the 2nd quarter of 2005, Macon decreased by 650 jobs, or 0.6%, compared to the 2nd quarter of 2004. Despite adding 250 jobs in the Government sector and 150 jobs in Leisure & Hospitality, losses in other areas offset this increase. The sec-

Highlights

In Q2 2005, Dalton lost 840 jobs.

Dalton’s employment will decrease 0.5% in 2005 and increase 0.9% in 2006.

In Q2 2005, Gainesville’s employment added 325 jobs.

Gainesville’s employment will increase 0.7% in 2005 and by 1.1% in 2006.

Hinesville is home to the U.S. Army’s Fort Stewart, with payroll of \$650 million and 20,000 employees.

Hinesville’s employment will increase by 0.9% in 2005 and 2.8% in 2006.

Highlights

In Q2 2005, Macon decreased by 650 jobs.

A \$130 million Bass Pro Shops complex will open in 2005, attracting 2-3 million visitors a year. Purdue Farms will expand its facilities, adding 1,000 jobs.

Macon's employment will increase by 0.1% in 2005 and by 0.9% in 2006.

Rome's employment will increase 0.8% in 2005 and 1.4% in 2006.

Savannah's Garden City Terminal is the 5th largest container port in the U.S. and will expand 15% over the next 15 years.

tors to suffer a drop in employment were Manufacturing, which lost 275 jobs, Other Services, which lost 230 jobs, and Construction and Retail Trade, which each lost 200 jobs in this quarter.

A couple recent announcements will help Macon increase its employment base over the next year. Purdue Farms will invest \$9 million in its hatchery just outside Macon, adding 75 jobs. Also, the \$130 million Bass Pro Shops complex to open in late 2005 will include a distribution center and anchor a large shopping complex. According to the Macon Economic Development Commission, the entire project is expected to eventually bring 1,000 jobs to the area and become a tourist destination, attracting 2-3 million visitors a year.

The unemployment rate in Macon rose to 5.4% in the 2nd quarter of 2005, slightly higher than the 4.4% seen a year ago. Considering a stagnant first half, Macon will grow anemically in 2005 at a 0.1% rate but will pick up speed at a 0.9% rate in 2006.

Rome

Tucked directly between Chattanooga and Atlanta, Rome is just slightly south of Dalton in Georgia's northwest corner. Last year, Rome was ranked 12th out of 193 on the Most Livable Small City list, the highest of any other small city within Georgia and the Southeast.

For the 2nd quarter of 2005, Rome has continued to show signs of recovery after four straight quarters of decline in 2004. When compared to the 2nd quarter of 2004, Rome's employment increased by 400 jobs, or 1.0%. Job additions came from Government and Manufacturing, which each increased by 175 jobs, and Construction, Wholesale Trade, Education & Health and Professional & Business Services, all of which increased by 100 jobs.

At nearly 30% of the economy, Rome's economy relies mostly on a spectrum of different manufacturers from various industries, ranging from food processors to carpet manufacturing to paper. Through a series of generous incentives, Rome has succeeded in attracting new manufacturers to the area, thus increasing its manufacturing employment when many manufacturers are looking overseas.

Rome's unemployment rate rose from 4.1% in the 2nd quarter of 2004 to 5.1% in the 2nd quarter of

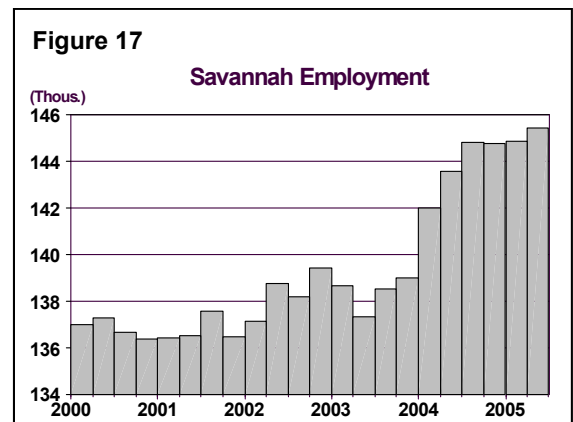
2005, on par with the state's 5.1% average. For the next couple years, Rome should fair better than last year, increasing employment at a 0.8% rate in 2005 and at a 1.4% rate in 2006.

Savannah

For the 2nd quarter of 2005, employment increased by 1,900 jobs, a healthy 1.3% increase over the 2nd quarter of 2004, although a slowdown from the 4.5% rate in last three quarters of 2004. The sectors to add the most growth to the economy were Transportation & Utilities, which added 575 jobs, Government, whose employment rose by 450 jobs, and Retail Trade and Wholesale Trade, which both added 250 jobs.

Savannah has a diverse economy and has positioned itself as the darling of the Southeast. Savannah's port, Garden City Terminal, is a constant source of new business. As the 5th largest container port in the U.S., port authorities forecast that it will expand 15% over the next 15 years, bringing even more growth to Georgia. With the recent expansion, Savannah's strong growth will most likely continue, spilling over into other sectors such as trucking and distribution centers. Such a strategy is evident in a recent announcement from Target Corp., which will build a regional distribution facility just south of Savannah, employing 500 people and possibly 300 more as the facility expands. Savannah also hosts the U.S. Army's Hunter Airfield, the largest infantry base east of the Mississippi. With a payroll of \$200 million and 5,500 employees, 11% of which are civilian, this facility is important to industries which cater to the military.

Savannah has also attracted the attention of numerous magazines and has made it to the top of various "Best Of" lists. Expansion Management Magazine ranked Savannah as #1 among top cities in logistics for its port system, local infrastructure,



and access to Interstate highways and railroads. New York Times Magazine rated Savannah as #12 on its list of trendy hot spots in the world. Outlook Magazine listed Savannah in the top 25 of the best places to live and work. All this publicity has been great for Savannah's tourism industry, which claims 5.8 million annual visitors and \$1 billion in direct spending.

Overall, Savannah's unemployment rate rose to 4.3% in the 2nd quarter of 2005, just above the 4.0% seen in the 2nd quarter of 2004. In 2004, Savannah reaped the benefits from the recent multi-million dollar port expansion effort, the Sea Island G-8 Summit, \$56 million in highway construction dollars and a 4% increase in tourism. As usual, Savannah will post one of the best employment growth rates in the state, with a 1.5% increase in 2005 and 2.2% gain in 2006.

Valdosta

With a metro population of 120,000, Valdosta is the 10th largest city in Georgia, located on the southern Georgia border with Florida. Known as a transportation hub, Valdosta has taken advantage of the intersection of I-10 and I-75, as well as several rail lines, and touts itself as an ideal distribution and manufacturing center. One of Valdosta's largest employers, Moody Air Force Base, employs over 5,000 people and will be receiving additional personnel if the BRAC recommendations are approved in the fall. As the site of several universities, another positive aspect for Valdosta's economy is its supply of an educated workforce. Historically, Valdosta has had one of the lowest unemployment rates in the state.

Over the last several years, Valdosta's economy has consistently done well. For the 2nd quarter of 2005, Valdosta increased employment at a 0.8% rate, or by 400 jobs. The sector to add the most was Manufacturing, which increased by 250 jobs. Other sectors also increased their employment base, adding 100 jobs each: Construction, Retail Trade, Financial Activities and Government.

Valdosta's unemployment rate has typically been the lowest in Georgia. In the 2nd quarter of 2005, the unemployment rate was 3.9%, far below the state's 5.1% average. For 2005, we expect Valdosta to continue its positive growth of 0.9%, followed by 1.3% in 2006.

Warner Robins

This MSA, formerly a part of Macon, is the site of middle Georgia's largest employer, Warner Robins Air Force Base. The base employs 23,000 people and feeds a variety of military-related industries such as aerospace and automotive manufacturing.

In the 2nd quarter of 2005, employment in Warner Robins declined by 0.1%, affected by several sectors that did very well and other sectors that did poorly. Government increased by 170 jobs while Retail Trade and Transportation & Utilities added roughly 100 jobs each. Meanwhile, Education & Health and Leisure & Hospitality offset the gains mentioned above by declining by 160 jobs each. Despite the slow times so far in 2005, Warner Robins will be adding jobs in 2006. Purdue Farms just announced an expansion of their facility, adding 1,000 jobs to the plant. Additionally, the Warner Robins Air Force Base will benefit from the latest BRAC round and incorporate an extra couple hundred more employees in the shuffle.

The unemployment rate in Warner Robins was 3.7% in the 2nd quarter of 2004 but rose to 4.6% in the 2nd quarter of 2005. Looking forward, we expect Warner Robins to increase anemically by 0.2% in 2005 as it gets over a negative first half but then add more jobs at the faster pace of 1.3% in 2006.

Highlights

Savannah's employment will grow by 1.5% in 2005 and 2.2% in 2006.

In Q2 2005, Valdosta added 400 jobs.

Valdosta's employment will grow by 0.9% in 2005 and by 1.3% in 2006.

Warner Robins' employment will increase 0.2% in 2005 and 1.4% in 2006.

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TABLE E
Quality of Job Growth (June 2005)

US, Georgia & Atlanta: Employment Change of NAICS Sectors by Wage Ranking

NAICS Categories	TOTAL	US <i>Employment Level</i>		Georgia <i>Employment Level</i>		Atlanta <i>Employment Level</i>		
		2003	133,537,000		3,917,800		2,277,500	
		Annual Atlanta Wage*	Since Year Ago	Since Nov.'01	Since Year Ago	Since Nov.'01	Since Year Ago	Since Nov.'01
		\$41,080	2,058,000	2,365,000	23,600	(11,900)	14,900	(20,700)
Utilities		\$83,809	5,400	(21,900)	0	(500)	100	(300)
Computer Systems & Designs (Prof. & Biz. Services)		\$76,958	41,400	(69,600)	400	(5,200)	200	(4,500)
Internet Publish (Information)		\$76,907	4,300	(5,600)	(1,400)	(11,100)	(1,400)	(9,000)
Mgt of Companies (Prof. & Biz. Services)		\$71,696	14,800	(19,300)	(600)	(25,300)	(800)	1,500
Telecommunications (Information)		\$67,599	(7,500)	(243,200)	(600)	(16,600)	(800)	(15,800)
Finance & Insurance		\$66,256	95,700	265,800	4,000	7,400	1,800	400
Information		\$65,577	1,000	(404,000)	(1,400)	(23,100)	(1,400)	(17,500)
Air Transport (Transport & Warehousing)		\$64,240	(12,200)	(96,700)	(700)	(3,700)	(700)	(3,900)
Mgmt, Science & Tech (Prof. & Biz. Services)		\$62,563	20,900	64,600	300	(2,400)	(500)	(2,900)
Wholesale Trade		\$58,102	64,000	(10,900)	2,300	(200)	2,400	(5,000)
Acct & Related Services (Prof. & Biz. Services)		\$52,674	51,800	(1,100)	100	(1,700)	300	(1,900)
Federal (Government)		\$50,100	(18,000)	(50,000)	400	(600)	(300)	(900)
Transport & Warehousing		\$49,167	114,800	65,800	(400)	(6,300)	(1,600)	(9,100)
Prof. & Biz. Services		\$48,079	494,000	689,000	10,800	(6,400)	6,500	(2,700)
Durable Goods Manufacturing		\$48,031	14,000	(1,054,000)	(2,900)	(11,700)	(2,800)	(11,200)
Manufacturing		\$47,088	(74,000)	(1,702,000)	(7,500)	(40,900)	(3,800)	(18,300)
Nondurable Goods Manufacturing		\$46,157	(88,000)	(648,000)	(4,600)	(29,200)	(1,000)	(7,100)
Real Estate, Rent And Leasing		\$41,926	55,000	107,200	0	1,300	1,000	2,100
Construction		\$41,515	282,000	439,000	2,300	(2,500)	400	(2,100)
Government		\$41,000	183,000	478,000	12,500	17,300	8,400	10,600
Education & Health		\$37,556	391,000	1,503,000	7,500	44,400	4,800	20,500
Local (Government)		\$36,600	138,000	464,000	10,100	20,200	8,300	12,600
State (Government)		\$35,000	63,000	64,000	2,000	(2,300)	400	(1,100)
Administration & Support (Prof. & Biz. Services)		\$29,264	273,700	579,900	11,700	26,500	6,600	1,000
Other Services		\$27,994	40,000	185,000	(1,800)	(18,900)	400	900
Retail Trade		\$25,757	114,300	8,800	(7,900)	(21,400)	(6,800)	(22,000)
Food & Beverage (Retail Trade)		\$20,823	3,600	(102,800)	(200)	(9,000)	(100)	(6,000)
General Merchandise (Retail Trade)		\$19,865	6,000	21,700	1,000	1,600	500	(1,300)
Leisure And Hospitality		\$17,671	256,000	737,000	3,200	38,500	2,700	21,900
HIGH PAYING JOBS**		\$63,068	139,400	(1,962,300)	(5,245)	(98,189)	(4,780)	(48,928)
LOW PAYING JOBS***		\$25,172	684,000	1,510,700	5,153	13,153	2,852	(3,472)

* Calculated by EFC using the new 28-county definition for the Atlanta MSA.

** High Paying Jobs includes: Computer Systems, Air Transport, Information, Mgmt of Companies, Mgmt of Science & Tech, Finance & Insurance, Manufacturing and Accounting

*** Low Paying includes: Administration & Support, Other Services, Retail Trade and Leisure & Hospitality

Source: Georgia Department of Labor, Employment and Wages Reports, 2003 (Wages), EFC Calculation
Bureau of Labor Statistics (Employment)

FORECAST OF GEORGIA and ATLANTA

August 2005 Report

Tables

Guidelines to Interpreting the Data Tables

Dear Reader,

Table 1A represents an annual summary (history and forecast) for the state of Georgia of basic variables such as *Personal Income*, *Gross State Products (GSP)*, *Nonfarm Employment*, *Population* and *Construction Activity*. Several data series are also included here, such as real disposable personal income, housing starts, manufacturing shipments and hourly earnings. **Table 1B** provides these same indicators on a quarterly frequency.

In **Table 2A**, you will find the history and forecast for Georgia's Nonfarm employment based on the fourteen major and several minor NAICS categories. **Table 2B** presents the growth rate for these employment categories. Additionally, these tables provide you with an annual history dating back to 1995.

Atlanta's employment history and forecast in levels is found, along with the unemployment rate, in **Table 3A**. Like Table 2A, Atlanta's employment is also based on the new NAICS category system. **Table 3B** presents the same data in annual percentage changes.

Table 4 shows the *GSP* and *Personal Income* accounts for Georgia and Atlanta. Population data and Personal Income Aggregates for Georgia and Atlanta, along with its major components, are also reported in this table. GSP by Sector is only available for Georgia.

Finally, **Table 5** contains quarterly historical and annual forecast data for Metro Atlanta's housing permits, arranged by the 20 largest counties. The data source is the US Census Bureau.

We hope that you will find the tables informative, useful and visually pleasing!

Regards,



Dr. Rajeev Dhawan
Director

Forecast Tables - Summary

Table 1A. Annual Summary of the Georgia State University Forecast for Georgia

	HISTORY									FORECAST		
	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Personal Income and GSP												
Personal Income (Bil. \$)	172.1	182.9	198.8	212.1	230.4	240.6	245.0	251.6	266.3	283.1	299.9	317.7
Georgia (% Ch)	8.3	6.2	8.7	6.7	8.6	4.5	1.8	2.7	5.8	6.3	5.9	6.0
U.S. (% Ch)	6.0	6.1	7.3	5.1	8.0	3.5	1.8	3.2	5.9	6.2	6.2	5.1
Personal Income (Bil. 96\$)	184.0	192.2	207.1	217.3	230.3	235.7	236.6	238.5	247.0	256.5	266.7	277.9
Georgia (% Ch)	6.1	4.5	7.7	4.9	6.0	2.3	0.4	0.8	3.6	3.8	4.0	4.2
U.S. (% Ch)	3.8	4.3	6.4	3.4	5.4	1.4	0.4	1.3	3.3	3.4	3.9	3.2
Disp. Income (Bil. 96\$)	160.6	166.7	178.5	187.1	198.0	203.4	209.0	212.6	220.6	227.1	236.1	245.2
Georgia (% Ch)	5.4	3.8	7.1	4.8	5.8	2.7	2.8	1.7	3.8	2.9	4.0	3.9
U.S. (% Ch)	3.0	3.5	5.8	3.0	4.8	1.9	3.1	2.4	3.4	2.1	3.8	2.8
GSP (Bil. \$)	221.8	237.5	255.5	277.3	291.0	299.5	307.4	321.2	340.7	362.5	383.1	404.7
(%Ch)	8.0	7.1	7.6	8.5	4.9	2.9	2.6	4.5	6.1	6.4	5.7	5.6
(Bil. 96\$)	235.5	250.8	265.9	283.1	291.0	292.9	294.8	303.0	314.3	326.7	338.5	351.0
(% Ch)	7.5	6.5	6.0	6.5	2.8	0.6	0.6	2.8	3.7	4.0	3.6	3.7
Employment and Labor Force (Household Survey, % Change)												
Employment	3.3	3.1	2.9	2.3	3.3	0.6	-0.2	0.8	1.3	1.9	2.3	2.2
Labor Force	3.1	3.0	2.6	1.9	3.1	1.1	0.7	0.8	1.1	2.4	2.2	2.2
Unemployment Rate (%)	4.6	4.5	4.2	3.8	3.5	4.0	4.8	4.7	4.6	5.0	4.9	4.9
U.S.	5.4	4.9	4.5	4.2	4.0	4.7	5.8	6.0	5.5	5.0	4.9	5.2
Nonfarm Employment (Payroll Survey, % Change)												
Total Nonfarm	3.7	2.5	3.5	3.0	2.5	-0.1	-1.9	-0.6	1.2	0.8	1.9	1.9
Georgia	2.0	2.6	2.6	2.4	2.2	0.0	-1.1	-0.3	1.1	1.7	1.4	0.9
U.S.	0.7	-0.5	0.8	-2.9	-2.0	-5.4	-5.7	0.3	-0.8	-0.9	0.3	-1.7
Mining	8.0	2.8	7.2	9.4	1.9	-0.0	-4.2	-0.5	1.8	0.2	-0.3	1.4
Construction	0.8	0.6	-0.3	-0.6	-2.2	-6.1	-6.3	-3.1	-1.5	-1.3	-0.5	-0.9
Manufacturing	-0.8	-1.3	0.5	-1.8	-3.3	-5.0	-5.2	-4.9	-2.3	-1.5	-1.3	-1.1
Nondurable Goods	3.0	3.1	-1.4	1.1	-0.9	-7.4	-7.8	-0.9	-0.5	-1.0	0.3	-0.7
Durable Goods	-1.9	2.3	6.6	5.8	3.7	-0.4	-2.3	-1.1	1.7	0.0	1.1	1.5
Trans, Warehs & Utility	4.4	4.6	4.5	3.7	2.5	-0.2	-2.7	0.2	1.0	1.4	1.6	0.9
Wholesale Trade	5.3	1.9	2.1	2.4	2.4	-1.1	-2.1	-1.4	-0.3	-1.3	1.4	1.6
Retail Trade	4.7	3.6	6.5	2.6	2.4	1.0	0.6	1.7	0.8	1.6	0.8	0.9
Financial Activities	7.3	5.0	8.4	5.9	2.9	-1.8	-2.2	-4.9	4.1	2.0	4.1	5.0
Prof & Business Services	4.9	2.6	4.3	1.9	2.5	3.5	3.5	6.2	3.0	1.9	3.6	4.2
Edu & Health Services	5.0	0.9	1.9	2.5	2.1	0.7	0.8	3.2	2.8	1.9	3.0	1.9
Leisure & Hospitality	6.6	6.0	4.4	7.0	6.7	0.3	-8.4	-6.4	-3.8	-0.6	1.9	3.7
Information	-2.3	-0.3	-0.7	0.5	3.9	-1.9	-0.2	-1.3	-0.9	0.9	0.2	0.0
Federal Govt	0.3	1.7	1.9	0.5	0.8	3.0	2.9	1.7	1.3	2.0	2.8	1.4
State & Local Govt												
Population and Migration												
Population (Thous.)	7524.4	7706.7	7886.3	8068.8	8248.5	8408.8	8555.9	8696.4	8847.7	8998.4	9152.5	9312.2
(% Ch)	2.4	2.4	2.3	2.3	2.2	1.9	1.7	1.6	1.7	1.7	1.7	1.7
Construction Activity and Other Economic Indicators												
Georgia Housing Starts	80.5	79.4	88.7	91.0	93.8	94.6	97.1	96.9	102.6	100.5	98.4	98.6
Single Family (Thous.)	65.7	64.5	74.1	76.0	72.3	75.5	78.7	82.2	86.5	88.1	85.0	83.7
Multifamily (Thous.)	14.8	15.0	14.6	15.0	21.5	19.1	18.4	14.7	16.1	12.4	13.4	14.8
MFG Shipments (Bil. 82\$)	89.7	97.1	103.4	105.5	100.3	94.0	95.4	89.9	89.1	87.5	87.7	88.3

Forecast Tables - Summary

Table 1B. Quarterly Summary of the Georgia State University Forecast for Georgia

	HISTORY				FORECAST							
	2004:2	2004:3	2004:4	2005:1	2005:2	2005:3	2005:4	2006:1	2006:2	2006:3	2006:4	2007:1
Personal Income and GSP												
Personal Income (Bil. \$)	263.6	266.2	275.4	277.6	280.8	285.1	288.7	293.2	297.8	302.1	306.4	310.6
Georgia (% Ch)	5.5	4.0	14.6	3.1	4.8	6.3	5.1	6.3	6.4	6.0	5.7	5.7
U.S. (% Ch)	5.6	4.9	12.7	2.6	5.8	6.2	6.4	7.3	5.6	5.3	4.8	5.1
Personal Income (Bil. 96\$)	244.8	246.4	253.3	254.1	254.8	257.5	259.5	262.4	265.3	268.3	270.9	273.6
Georgia (% Ch)	2.3	2.7	11.6	1.2	1.2	4.3	3.0	4.6	4.5	4.7	3.9	4.0
U.S. (% Ch)	1.7	3.3	9.3	0.3	2.4	3.0	3.6	5.2	4.1	3.5	2.9	3.1
Disp. Income (Bil. 96\$)	218.6	220.1	226.4	225.2	225.5	227.9	229.6	232.2	234.8	237.5	239.8	241.4
Georgia (% Ch)	2.4	2.7	12.0	-2.2	0.5	4.4	3.0	4.5	4.6	4.7	3.9	2.7
U.S. (% Ch)	1.2	2.8	9.1	-2.9	1.4	2.8	3.0	5.9	4.0	3.2	2.5	1.9
GSP (Bil. \$)	338.7	342.8	347.6	354.7	359.9	365.2	370.3	375.7	380.9	385.4	390.5	396.1
(%Ch)	6.0	5.0	5.7	8.4	6.1	6.0	5.6	6.0	5.6	4.8	5.5	5.8
(Bil. 96\$)	312.9	315.5	318.0	322.1	325.1	328.5	331.2	334.3	337.1	339.8	342.8	345.9
(% Ch)	2.6	3.3	3.2	5.3	3.8	4.2	3.4	3.7	3.4	3.3	3.6	3.6
Employment and Labor Force (Household Survey, % Change)												
Employment	1.4	1.2	1.0	2.2	2.7	2.2	2.4	2.2	2.3	2.1	2.3	2.2
Labor Force	2.3	1.9	1.3	2.9	3.4	1.8	2.0	2.1	2.3	2.2	2.3	2.2
Unemployment Rate (%)	4.6	4.7	4.8	5.0	5.1	5.0	5.0	4.9	4.9	4.9	5.0	5.0
U.S.	5.6	5.4	5.4	5.3	5.1	4.9	4.9	4.8	4.8	5.0	5.1	5.2
Nonfarm Employment (Payroll Survey, % Change)												
Total Nonfarm												
Georgia	1.1	0.5	0.7	0.2	0.7	1.8	2.0	2.1	2.1	1.9	2.0	1.7
U.S.	2.4	1.2	1.7	1.6	1.9	2.1	1.9	1.4	1.3	0.6	0.8	0.9
Mining	-4.2	2.4	-4.6	-3.5	3.9	1.0	0.9	0.3	-0.1	-1.4	-1.7	-2.0
Construction	-1.1	-0.2	2.6	-0.8	0.0	0.6	-0.7	-1.2	0.2	0.5	-0.2	2.2
Manufacturing	-0.7	-0.6	-2.1	-3.6	-0.5	2.1	-0.5	-0.8	-1.1	-1.6	-1.2	-0.7
Nondurable Goods	-3.2	-2.1	-1.8	-2.6	-0.9	1.4	-1.6	-1.8	-1.8	-1.9	-1.3	-0.9
Durable Goods	2.5	1.2	-2.4	-4.8	0.0	2.9	0.8	0.4	-0.3	-1.1	-1.1	-0.6
Trans, Warehs & Utility	1.8	-0.5	0.4	-0.2	0.4	-1.1	0.2	2.1	1.8	1.7	1.1	1.3
Wholesale Trade	3.6	3.1	2.5	-1.0	1.7	1.4	1.8	2.1	1.8	1.1	0.5	0.7
Retail Trade	0.0	-2.4	-3.4	-3.4	1.7	0.9	2.0	1.0	1.7	1.1	1.2	1.1
Financial Activities	0.8	0.6	1.6	3.3	0.1	2.9	0.3	-0.0	1.0	1.0	0.6	0.8
Prof & Business Services	2.7	2.4	4.4	2.6	-2.4	2.3	4.2	5.2	5.0	4.6	5.4	4.7
Edu & Health Services	0.2	1.7	2.9	1.8	0.4	3.4	2.5	4.1	4.2	4.3	5.6	4.2
Leisure & Hospitality	1.7	0.1	0.5	1.9	3.8	1.5	4.3	3.3	3.2	1.6	1.8	1.8
Information	2.4	-3.2	-3.8	1.7	-0.9	0.9	0.9	1.9	2.5	4.1	3.5	4.6
Federal Govt	6.2	2.3	2.3	-1.1	-0.2	0.9	0.7	0.1	-0.1	-0.0	-0.0	-0.0
State & Local Govt	1.6	2.6	2.2	0.6	2.3	2.7	3.3	3.0	2.4	2.6	2.1	1.3
Population and Migration												
Population (Thous.)	8829.4	8866.6	8904.0	8941.5	8979.2	9017.3	9055.4	9093.8	9132.3	9172.0	9211.8	9251.7
(% Ch)	1.8	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.7
Construction Activity and Other Economic Indicators												
Georgia Housing Starts	98.4	98.9	107.1	102.2	99.3	99.6	100.9	99.3	97.9	97.9	98.5	98.3
Single Family (Thous.)	85.2	85.7	86.6	91.4	88.4	86.6	86.2	85.6	85.2	84.8	84.5	84.1
Multifamily (Thous.)	13.2	13.2	20.5	10.8	11.0	13.1	14.7	13.7	12.7	13.1	14.0	14.2
MFG Shipments (Bil. 82\$)	89.5	88.9	88.4	87.7	87.3	87.4	87.4	87.5	87.6	87.8	88.0	88.1

Forecast Tables - Detailed

Table 2A. Georgia Employment (Levels in Thousands)

	HISTORY									FORECAST		
	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
NONFARM	3527.2	3614.2	3740.7	3854.3	3949.2	3943.7	3869.7	3845.1	3890.9	3921.5	3997.1	4072.1
Manufacturing	544.4	547.6	545.7	542.7	530.6	498.4	466.8	452.1	445.4	439.8	437.4	433.4
Durable Goods	234.0	241.1	237.9	240.4	238.2	220.7	203.5	201.7	200.8	198.9	199.5	198.2
Wood Products	29.4	30.1	30.9	31.5	29.9	26.6	25.8	23.6	24.2	24.5	23.7	22.4
Transport Equip	37.0	39.4	42.1	43.4	43.3	39.4	36.8	43.4	44.6	45.0	46.9	47.7
Nondurable Goods	310.4	306.4	307.9	302.2	292.3	277.7	263.2	250.3	244.6	240.9	237.8	235.2
Foods	61.2	61.4	67.6	69.8	67.0	67.2	66.3	65.6	64.9	65.4	65.5	66.1
Textiles Mills	59.9	59.7	59.4	55.9	53.0	46.5	40.6	38.0	36.0	34.1	32.2	30.7
Non-Manufacturing	2982.8	3066.6	3195.0	3311.6	3418.6	3445.3	3403.0	3393.1	3445.5	3481.8	3559.7	3638.6
Mining	14.4	14.3	14.4	14.0	13.7	13.0	12.3	12.3	12.2	12.1	12.1	11.9
Construction	166.4	171.0	183.4	200.6	204.4	204.4	195.9	195.0	198.5	198.9	198.4	201.3
Trans, Warehs & Util	151.7	155.2	165.5	175.1	181.6	180.8	176.6	174.8	177.7	177.7	179.6	182.3
Wholesale Trade	181.1	189.4	198.0	205.4	210.6	210.3	204.6	205.1	207.1	210.0	213.5	215.3
Retail Trade	426.9	434.8	443.9	454.7	465.8	460.7	451.1	444.7	443.5	437.9	443.9	451.0
Information	113.6	120.4	125.7	134.5	143.5	143.9	131.8	123.4	118.7	118.0	120.2	124.6
Prof & Bus Services	433.3	455.1	493.3	522.2	537.3	527.6	515.9	490.4	510.3	520.6	541.7	568.5
Admin & Support	207.9	216.7	234.6	252.0	259.9	249.9	249.8	247.2	265.0	275.1	285.0	300.7
Prof, Sci & Tech	151.8	160.7	176.1	188.3	197.8	198.5	191.5	191.5	192.3	192.3	203.6	214.2
Mgmt of Comps	73.6	77.6	82.6	81.9	79.5	79.1	74.6	51.7	53.0	53.1	53.1	53.6
Financial Activities	180.8	187.2	199.4	204.5	209.3	211.4	212.8	216.4	218.2	221.7	223.4	225.5
Real Estate & Rent	49.0	50.3	53.5	56.5	59.0	57.9	57.6	58.1	58.8	59.0	59.0	59.7
Fin & Insurance	131.8	136.9	145.9	148.0	150.3	153.5	155.1	158.4	159.3	162.7	164.4	165.8
Edu & Health Service	310.5	318.7	332.3	338.7	347.3	359.4	372.0	395.0	406.8	414.4	429.5	447.4
Education Services	41.2	45.2	48.0	48.9	51.5	57.3	59.0	68.1	70.1	70.6	71.2	72.4
Healthcare Services	269.3	273.5	284.3	289.9	295.8	302.1	313.1	326.9	336.7	343.8	358.3	375.0
Leisure & Hospitality	309.1	311.9	317.7	325.7	332.6	334.8	337.4	348.2	358.0	364.7	375.5	382.7
Other Services	124.9	130.8	135.0	146.5	175.2	188.7	167.9	155.5	156.0	155.5	156.1	154.0
Government	570.1	577.8	586.5	589.6	597.2	610.3	624.8	632.4	638.7	650.2	665.9	674.1
Federal Govt	94.6	94.2	93.6	94.0	97.7	95.8	95.6	94.4	93.5	94.4	94.6	94.6
State & Local Govt	475.5	483.5	492.9	495.6	499.5	514.5	529.2	538.0	545.2	555.8	571.3	579.5
Unemployment Rate	4.6	4.5	4.2	3.8	3.5	4.0	4.8	4.7	4.6	5.0	4.9	4.9

Table 2B. Georgia Employment (Percent Change)

	HISTORY									FORECAST		
	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
NONFARM	3.7	2.5	3.5	3.0	2.5	-0.1	-1.9	-0.6	1.2	0.8	1.9	1.9
Manufacturing	0.8	0.6	-0.3	-0.6	-2.2	-6.1	-6.3	-3.1	-1.5	-1.3	-0.5	-0.9
Durable Goods	3.0	3.1	-1.4	1.1	-0.9	-7.4	-7.8	-0.9	-0.5	-1.0	0.3	-0.7
Wood Products	7.9	2.5	2.6	2.0	-5.2	-10.8	-3.2	-8.7	2.6	1.4	-3.3	-5.7
Transport Equip	2.6	6.4	6.9	3.2	-0.4	-9.0	-6.5	17.9	2.6	1.0	4.2	1.6
Nondurable Goods	-0.8	-1.3	0.5	-1.8	-3.3	-5.0	-5.2	-4.9	-2.3	-1.5	-1.3	-1.1
Foods	3.9	0.5	10.0	3.2	-3.9	0.2	-1.3	-1.1	-1.1	0.7	0.2	0.9
Textiles Mills	-0.9	-0.2	-0.6	-5.9	-5.2	-12.3	-12.6	-6.5	-5.2	-5.3	-5.4	-4.7
Non-Manufacturing	4.2	2.8	4.2	3.7	3.2	0.8	-1.2	-0.3	1.5	1.1	2.2	2.2
Mining	0.7	-0.5	0.8	-2.9	-2.0	-5.4	-5.7	0.3	-0.8	-0.9	0.3	-1.7
Construction	8.0	2.8	7.2	9.4	1.9	-0.0	-4.2	-0.5	1.8	0.2	-0.3	1.4
Trans, Warehs & Util	-1.9	2.3	6.6	5.8	3.7	-0.4	-2.3	-1.1	1.7	0.0	1.1	1.5
Wholesale Trade	4.4	4.6	4.5	3.7	2.5	-0.2	-2.7	0.2	1.0	1.4	1.6	0.9
Retail Trade	5.3	1.9	2.1	2.4	2.4	-1.1	-2.1	-1.4	-0.3	-1.3	1.4	1.6
Information	6.6	6.0	4.4	7.0	6.7	0.3	-8.4	-6.4	-3.8	-0.6	1.9	3.7
Prof & Bus Services	7.3	5.0	8.4	5.9	2.9	-1.8	-2.2	-4.9	4.1	2.0	4.1	5.0
Admin & Support	12.5	4.2	8.2	7.4	3.2	-3.9	-0.1	-1.1	7.2	3.8	3.6	5.5
Prof, Sci & Tech	5.8	5.9	9.6	7.0	5.1	0.4	-3.5	0.0	0.4	0.0	5.8	5.2
Mgmt of Comps	-2.5	5.4	6.4	-0.9	-2.9	-0.5	-5.7	-30.7	2.5	0.3	-0.1	1.0
Financial Activities	4.7	3.6	6.5	2.6	2.4	1.0	0.6	1.7	0.8	1.6	0.8	0.9
Real Estate & Rent	7.1	2.8	6.4	5.5	4.5	-1.8	-0.5	0.7	1.4	0.2	0.0	1.3
Fin & Insurance	3.8	3.9	6.5	1.5	1.6	2.1	1.1	2.1	0.6	2.1	1.0	0.8
Edu & Health Service	4.9	2.6	4.3	1.9	2.5	3.5	3.5	6.2	3.0	1.9	3.6	4.2
Education Services	6.3	9.9	6.1	1.8	5.4	11.3	2.9	15.6	2.9	0.8	0.8	1.7
Healthcare Services	4.7	1.5	3.9	2.0	2.1	2.1	3.6	4.4	3.0	2.1	4.2	4.6
Leisure & Hospitality	5.0	0.9	1.9	2.5	2.1	0.7	0.8	3.2	2.8	1.9	3.0	1.9
Other Services	7.7	4.7	3.2	8.6	19.6	7.7	-11.0	-7.4	0.3	-0.3	0.3	-1.3
Government	-0.1	1.3	1.5	0.5	1.3	2.2	2.4	1.2	1.0	1.8	2.4	1.2
Federal Govt	-2.3	-0.3	-0.7	0.5	3.9	-1.9	-0.2	-1.3	-0.9	0.9	0.2	0.0
State & Local Govt	0.3	1.7	1.9	0.5	0.8	3.0	2.9	1.7	1.3	2.0	2.8	1.4

Forecast Tables - Detailed

Table 3A. Atlanta Employment (Levels in Thousands)

	HISTORY									FORECAST		
	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
NONFARM	1970.2	2036.9	2128.3	2228.4	2289.6	2301.4	2258.6	2236.9	2264.6	2288.3	2331.3	2374.4
Manufacturing	202.7	206.4	209.2	210.1	207.2	197.1	186.0	179.2	176.8	174.2	173.6	172.4
Non-Manufacturing	1767.5	1830.5	1919.1	2018.2	2082.4	2104.3	2072.6	2057.7	2087.7	2114.0	2157.7	2202.0
Construction & Mining	97.3	103.7	112.4	125.5	130.7	131.2	125.9	123.2	126.9	127.5	127.1	129.0
Trans, Warehs & Util	104.2	106.1	113.6	121.3	127.3	125.9	120.7	117.7	119.2	119.3	120.7	122.7
Wholesale Trade	132.4	142.2	150.5	157.3	160.9	161.1	153.4	151.1	152.5	155.7	158.1	159.4
Retail Trade	232.9	238.8	247.2	255.7	263.4	262.4	256.6	248.8	245.9	241.3	244.6	248.2
Information	89.0	94.2	97.9	104.1	111.1	111.7	104.6	95.7	92.4	91.1	91.8	93.1
Prof & Bus Services	313.2	328.4	353.1	377.7	392.0	383.5	365.9	360.5	370.0	377.5	391.9	410.3
Financial Activities	127.5	132.9	140.4	145.6	148.4	150.9	150.7	151.1	151.8	153.9	155.2	156.6
Edu & Health Service	166.2	173.0	178.3	186.0	191.2	200.1	208.1	214.8	221.1	225.5	230.8	236.1
Leisure & Hospitality	181.3	180.2	183.9	189.9	196.3	199.1	200.6	205.0	211.0	217.4	224.4	229.1
Other Services	74.4	77.1	81.7	88.2	88.3	93.5	91.5	92.3	92.8	93.6	94.5	95.1
Government	249.1	254.0	259.9	266.9	272.9	284.9	294.8	297.4	304.1	311.4	318.6	322.5
Federal Govt	46.2	44.2	44.2	44.6	46.6	47.8	48.3	47.0	46.6	46.4	46.3	46.2
State & Local Govt	202.9	209.8	215.8	222.3	226.3	237.1	246.5	250.4	257.5	265.0	272.3	276.3
Unemployment Rate	3.8	3.7	3.3	3.0	2.9	3.5	5.0	4.9	4.7	5.0	5.0	5.0

Table 3B. Atlanta Employment (Percent Change)

	HISTORY									FORECAST		
	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
NONFARM	4.9	3.4	4.5	4.7	2.7	0.5	-1.9	-1.0	1.2	1.0	1.9	1.8
Manufacturing	1.7	1.8	1.3	0.5	-1.4	-4.8	-5.7	-3.6	-1.3	-1.5	-0.4	-0.7
Non-Manufacturing	5.3	3.6	4.8	5.2	3.2	1.1	-1.5	-0.7	1.5	1.3	2.1	2.1
Construction & Mining	8.9	6.6	8.4	11.7	4.1	0.4	-4.0	-2.1	3.0	0.4	-0.3	1.5
Trans, Warehs & Util	-0.0	1.7	7.1	6.7	5.0	-1.1	-4.2	-2.4	1.2	0.1	1.2	1.7
Wholesale Trade	5.1	7.4	5.9	4.5	2.2	0.1	-4.8	-1.5	0.9	2.1	1.6	0.8
Retail Trade	6.9	2.5	3.5	3.4	3.0	-0.4	-2.2	-3.1	-1.2	-1.9	1.4	1.5
Information	5.4	5.8	4.0	6.3	6.8	0.5	-6.4	-8.5	-3.4	-1.4	0.7	1.4
Prof & Bus Services	8.6	4.8	7.5	6.9	3.8	-2.2	-4.6	-1.5	2.6	2.0	3.8	4.7
Financial Activities	5.3	4.2	5.7	3.7	1.9	1.7	-0.1	0.3	0.5	1.3	0.9	0.9
Edu & Health Service	5.1	4.1	3.1	4.3	2.8	4.7	4.0	3.2	2.9	2.0	2.3	2.3
Leisure & Hospitality	5.5	-0.6	2.1	3.3	3.3	1.4	0.7	2.2	2.9	3.0	3.2	2.1
Other Services	5.8	3.6	6.0	8.0	0.1	5.8	-2.1	0.9	0.6	0.9	1.0	0.6
Government	1.1	2.0	2.3	2.7	2.2	4.4	3.5	0.9	2.2	2.4	2.3	1.2
Federal Govt	-4.1	-4.3	-0.1	0.9	4.4	2.6	1.0	-2.6	-1.0	-0.4	-0.3	-0.2
State & Local Govt	2.3	3.4	2.9	3.0	1.8	4.8	4.0	1.6	2.9	2.9	2.8	1.4

Forecast Tables - Detailed

Table 4. Gross State Product and Personal Income (Billions \$)

	HISTORY									FORECAST		
	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Georgia Aggregates												
Personal Income	172.1	182.9	198.8	212.1	230.4	240.6	245.0	251.6	266.3	283.1	299.9	317.7
(Nominal %Ch)	8.3	6.2	8.7	6.7	8.6	4.5	1.8	2.7	5.8	6.3	5.9	6.0
Real Personal Inc (96\$)	184.0	192.2	207.1	217.3	230.3	235.7	236.6	238.5	247.0	256.5	266.7	277.9
(Real %Ch)	6.1	4.5	7.7	4.9	6.0	2.3	0.4	0.8	3.6	3.8	4.0	4.2
Georgia Components of Personal Income												
By Place of Work												
Wages & Salaries	101.7	109.7	120.2	129.9	140.5	143.8	144.4	147.5	154.6	164.6	174.1	184.7
Other Labor Income	20.9	21.7	23.4	25.3	27.3	28.8	31.3	33.4	35.9	38.5	40.6	42.4
Proprietor's Income	14.2	14.5	15.8	17.8	19.2	21.4	21.4	23.8	25.9	27.8	29.0	30.8
Farm Proprietors	1.6	1.6	1.5	1.7	1.4	1.7	1.0	2.0	2.0	1.7	1.1	1.0
Business Proprietors	12.6	12.9	14.3	16.1	17.8	19.7	20.4	21.9	23.9	26.1	27.9	29.8
Less Social Insurance	14.5	15.5	16.8	18.2	19.4	20.2	20.5	21.0	22.2	23.7	25.1	26.7
By Place of Residence												
Divid, Interest & Rent	28.7	31.2	34.4	34.1	37.6	38.8	36.8	36.0	38.0	38.8	41.1	43.6
Transfer Payments	21.4	21.8	22.4	23.8	25.8	28.7	32.4	32.6	34.9	37.9	41.0	43.9
Real Personal Inc (96\$)	184.0	192.2	207.1	217.3	230.3	235.7	236.6	238.5	247.0	256.5	266.7	277.9
% Ch Annual Rate	6.1	4.5	7.7	4.9	6.0	2.3	0.4	0.8	3.6	3.8	4.0	4.2
Real Disposable Inc.	160.6	166.7	178.5	187.1	198.0	203.4	209.0	212.6	220.6	227.1	236.1	245.2
Per Cap, Thous. (96\$)	24.4	24.9	26.3	26.9	27.9	28.0	27.7	27.4	27.9	28.5	29.1	29.8
Gross State Product by Sector, (current dollars)												
Gross State Product	221.8	237.5	255.5	277.3	291.0	299.5	307.4	321.2	340.7	362.5	383.1	404.7
Manufacturing	37.6	39.3	42.1	46.8	46.2	43.3	43.4	43.8	45.7	48.3	50.5	52.8
Mining	0.9	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.1	1.1	1.2	1.2
Construction	10.0	10.7	12.1	13.7	14.4	15.1	15.0	15.8	16.8	17.9	18.8	19.9
Transp, Ware, Utility	14.2	15.0	16.2	17.1	18.2	17.5	17.8	18.5	19.6	20.7	21.8	23.0
Wholesale Trade	17.9	19.6	20.9	22.5	23.3	23.9	23.9	24.2	25.4	26.9	28.5	30.0
Retail Trade	15.9	17.0	17.9	19.3	19.9	20.6	21.7	22.3	23.3	24.6	26.1	27.6
Financial Activities	34.1	37.7	40.4	43.6	47.4	50.7	52.9	55.7	59.5	63.6	67.4	71.4
Prof & Business Services	22.3	25.1	28.1	30.7	32.9	33.8	34.3	35.6	38.1	41.2	44.1	47.2
Edu & Health Services	12.4	13.2	13.8	14.9	16.0	18.0	19.5	20.7	22.2	23.7	25.4	27.2
Leisure & Hospitality	6.8	7.5	7.9	8.8	9.4	9.6	10.1	10.3	10.9	11.7	12.4	13.2
Information	13.3	13.7	15.5	17.7	18.8	20.0	19.8	20.6	21.9	23.5	25.1	26.8
Federal Govt	6.2	6.4	6.4	6.6	7.2	7.4	7.9	8.3	8.7	9.0	9.2	9.5
State & Local Govt	18.3	18.9	20.2	21.5	22.8	24.2	25.8	27.2	28.8	30.5	32.1	33.8
Atlanta Aggregates												
Personal Income	100.0	107.4	118.7	128.3	141.8	148.0	149.9	153.4	161.5	170.6	181.1	192.4
(Nominal %Ch)	9.5	7.3	10.5	8.1	10.5	4.4	1.2	2.4	5.3	5.6	6.2	6.2
Real Personal Inc (96\$)	106.9	112.9	123.6	131.5	141.8	145.0	144.7	145.4	149.8	154.5	161.1	168.2
(Real %Ch)	9.5	7.3	10.5	8.1	10.5	4.4	1.2	2.4	5.3	5.6	6.2	6.2
Atlanta Components of Personal Income												
By Place of Work												
Wages & Salaries	63.7	69.7	77.6	85.3	93.6	95.9	95.2	96.7	100.5	105.0	111.0	117.8
Nonwage Income	36.3	37.7	41.1	43.0	48.2	52.1	54.6	56.6	61.0	65.6	70.1	74.5
Population (Millions)												
Georgia	7.5	7.7	7.9	8.1	8.2	8.4	8.6	8.7	8.8	9.0	9.2	9.3
Atlanta	3.8	3.9	4.0	4.2	4.3	4.4	4.5	4.6	4.7	4.8	4.9	5.0
U.S.	270.1	273.4	276.6	279.7	282.8	285.7	288.6	291.4	294.1	296.8	299.5	302.1

Forecast Tables - Detailed

Table 5. Metro Atlanta Housing Permits

County		HISTORY									FORECAST		
		2003:2	2003:3	2003:4	2004:1	2004:2	2004:3	2004:4	2005:1	2005:2	2005	2006	2007
Barrow	single family	312	332	284	423	357	314	264	460	332	1,349	1,287	1,264
	multifamily	0	0	18	0	0	0	0	0	0	30	28	25
Bartow	single family	240	243	143	253	283	255	232	239	295	1,068	1,035	1,003
	multifamily	204	4	18	24	14	12	26	22	8	60	86	70
Carroll	single family	462	435	370	474	553	482	329	392	399	1,482	1,269	1,176
	multifamily	80	40	4	17	54	9	2	17	38	110	186	203
Cherokee	single family	915	864	876	941	1,119	969	764	923	1,074	3,771	3,876	3,905
	multifamily	0	356	0	76	139	39	18	3	94	252	278	252
Clayton	single family	659	641	537	534	597	479	436	459	490	1,898	1,996	2,087
	multifamily	0	0	60	203	20	518	227	0	0	403	426	394
Cobb	single family	1,318	1,418	1,165	1,407	1,440	1,586	999	1,033	1,452	4,970	4,426	4,598
	multifamily	127	397	430	374	336	283	464	228	0	800	750	791
Coweta	single family	472	623	372	472	462	464	398	502	565	1,909	1,806	1,613
	multifamily	6	258	0	192	0	0	0	4	4	248	240	111
DeKalb	single family	1,151	960	734	859	1,037	1,235	621	631	989	3,412	3,500	3,522
	multifamily	244	432	263	536	490	0	1,932	764	1,108	2,997	1,983	2,004
Douglas	single family	497	581	496	485	500	464	365	399	484	1,782	1,580	1,502
	multifamily	0	0	0	0	0	60	0	0	0	97	130	114
Fayette	single family	203	272	250	256	272	281	139	232	248	954	932	1,005
	multifamily	0	0	0	0	5	0	2	0	0	24	50	42
Forsyth	single family	616	832	1,050	622	758	738	825	1,024	1,012	3,496	3,604	3,678
	multifamily	0	15	28	40	52	27	23	0	11	113	150	125
Fulton	single family	1,405	1,660	1,685	2,091	1,832	2,400	1,685	1,995	2,033	7,064	5,943	5,804
	multifamily	1,168	2,123	1,449	1,244	1,281	2,801	3,585	1,271	2,090	6,722	6,503	6,257
Gwinnett	single family	2,181	2,367	2,306	2,363	2,350	2,333	2,338	2,418	2,391	9,241	8,672	7,451
	multifamily	0	164	124	0	408	280	391	4	31	743	824	976
Henry	single family	1,072	950	911	936	1,014	842	760	959	1,014	3,560	3,405	3,341
	multifamily	0	458	0	264	0	0	0	39	22	240	416	289
Newton	single family	614	616	525	578	688	626	504	801	314	2,413	2,469	2,499
	multifamily	0	0	0	0	0	7	0	0	0	129	295	211
Paulding	single family	715	880	685	721	866	711	629	914	886	3,106	3,074	3,159
	multifamily	22	34	29	8	8	160	0	0	0	186	195	189
Pickens	single family	105	104	101	85	189	121	89	120	143	472	501	536
	multifamily	0	176	0	0	0	0	0	17	0	34	23	35
Rockdale	single family	363	159	132	137	142	170	184	177	233	709	750	789
	multifamily	0	0	0	0	0	0	0	0	0	62	89	75
Spalding	single family	110	130	172	118	154	115	162	137	109	510	548	578
	multifamily	0	0	0	0	0	0	0	0	0	15	89	64
Walton	single family	339	410	303	353	372	286	318	432	497	1,465	1,185	1,212
	multifamily	5	16	15	0	3	20	0	4	3	48	73	29
Totals													
Total Permits (Single + Multi)		15,605	18,950	15,535	17,086	17,795	19,087	18,711	16,620	18,369	67,944	64,672	62,978
	Single	13,749	14,477	13,097	14,108	14,985	14,871	12,041	14,247	14,960	54,631	51,858	50,722
	Multifamily	1,856	4,473	2,438	2,978	2,810	4,216	6,670	2,373	3,409	13,313	12,814	12,256
Percent Change (Year Ago)													
Total Permits (Single + Multi)		-18.2	15.1	9.4	13.2	14.0	0.7	20.4	-2.7	3.2	-6.5	-4.8	-2.6
	Single	-1.5	11.5	27.0	13.0	9.0	2.7	-8.1	1.0	-0.2	-2.5	-5.1	-2.2
	Multifamily	-63.7	28.6	-37.4	14.2	51.4	-5.7	173.6	-20.3	21.3	-20.2	-3.7	-4.4

Source: US Census Bureau

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