

ECONOMIC CLIMATE IN WINSTON-SALEM

Situated in the heart of the Piedmont Triad Region of North Carolina, Winston-Salem is the county seat of Forsyth County and the fourth-largest city in the state. The Winston-Salem metropolitan area had an estimated population of nearly 485,000 in 2009,¹ while Forsyth County has an estimated 359,638 residents.²

Winston-Salem has a long history as a manufacturing center with a heavy focus on the textile, furniture and tobacco industries. During the 1940s, more than half of local workers were employed by either R. J. Reynolds Tobacco Company or in the Hanes textile factories. Today, manufacturing remains a part of the Winston-Salem economy, but is not the cornerstone it once was. Caterpillar recently announced it would open a new \$426 million manufacturing plant in Winston-Salem that will create 392 jobs over the next five years, but a Dell computer assembly plant that opened in 2005 is expected to soon close.

Recognizing the need to diversify to better compete in the new economy, Winston-Salem is making a concentrated effort to move its economy to one based on knowledge industries. The local economy is already supported by a diverse range of companies that call Winston-Salem home. In addition to Reynolds American Tobacco Company and Hanes Brands, BB&T Bank, Krispy Kreme Doughnuts, TW Garner Food Company (makers of Texas Pete), Wells Fargo Bank and Lowes Foods have established headquarters in Winston-Salem.

But the city is building on this economic base through critical new investments in education, technology and research. Winston-Salem's Piedmont Triad Research Park, which is planned to be the largest urban research park in the country, is already home to over fifty life science and technology organizations – and continues to grow. The Wake Forest Institute of Regenerative Medicine is one of the largest such programs in the country. And the city has invested in wiring the community through a fiber optic loop that links its research institutions, universities, public sector, libraries and other institutions.

The October 2010 unemployment rate in North Carolina was 9.6 percent. The September 2010 unemployment rate in Winston-Salem was 8.7 percent.³

RECOVERY ACT IN WINSTON-SALEM

Winston-Salem and the surrounding area received over \$75 million in Recovery Act funding, including the following:

- The Department of Transportation (DOT) provided over \$10.5 million for 10 transportation projects in the Winston-Salem area, which are collectively responsible for 50 direct jobs to date, including:

¹ <http://www.census.gov/popest/cities/SUB-EST2008-4html>

² <http://www.census.gov/popest/counties/CO-EST2009-01.html>

³ BLS - State and Local/County level unemployment statistics

- Intersection improvements on Shattalon Drive from Murray Road to Bright Oak Avenue to increase safety in Forsyth County; and
 - Maintenance on existing public transit buses, installation of updated fare boxes, new public transit bus shelters, bus parts and new Trans-AID vehicles to replace the aging fleet.
- The Small Business Administration (SBA) approved 26 Recovery Act-backed loans for Winston-Salem small businesses, supporting more than \$9.5 million in lending, including a \$350,000 loan for Buena Vista Foods, a bakery that specializes in pies.
 - Through the ‘COPS’ Hiring Recovery Program, the Justice Department provided Winston-Salem with nearly \$4 million to hire 25 law enforcement officers, who work in the newly established Crime Reduction Task Force.
 - The Department of Energy (DOE) provided nearly \$2.25 million in Energy Efficiency and Conservation Block Grant funding to Winston-Salem to improve energy efficiency in approximately 60 city-owned buildings by upgrading all fluorescent lighting, installing energy efficient fixtures, upgrading roofs to highly reflective roofs and installing and upgrading energy management controls.
 - The Department of Education provided over \$39 million to Winston-Salem/Forsyth County Schools for various education programs.
 - The Department of Education also provided nearly \$10 million in Pell Grants to increase access to higher education in Winston-Salem.
 - Recipients include Forsyth Technical Community College and Wake Forest University.
 - As a result of this funding, approximately 1,800 students are benefiting from increased Pell Grants in Winston-Salem.
 - The Department of Housing and Urban Development provided nearly \$4 million to the Winston-Salem Housing Authority to rehabilitate several public housing developments, including:
 - 50 homes in the Town View Apartments;
 - 201 homes in Crystal Towers;
 - 195 homes in the Sunrise Towers; and
 - 242 homes in the Cleveland Avenue Homes.

RECOVERY ACT IN NORTH CAROLINA

Total Jobs & Spending

- JOBS CREATED AND SAVED – CEA estimates that **93,000** jobs were created or saved by the Recovery Act in North Carolina through September, 2010.
- TOTAL SPEND – More than \$11.9 billion in Recovery funds has been made available to North Carolina – and more than \$7.9 billion has already been spent.

Investing in Infrastructure

- INFRASTRUCTURE: Over \$1.8 billion has been obligated for 821 infrastructure projects in North Carolina, funding 3,957 jobs through September, 2010.
- CONSTRUCTION – Over \$966 million has been obligated for 457 transportation projects in North Carolina.
- SMALL BUSINESS – 1,348 Recovery Act-backed small business loans have been given to North Carolina small businesses, supporting more than \$522 million in lending.

Relief to Individuals

- TAX RELIEF – Because of the Making Work Pay tax credit, 3.4 million North Carolina working families will collectively receive \$1.7 billion in tax relief.
- UNEMPLOYMENT BENEFITS – More than 900,000 North Carolina residents have expanded unemployment benefits because of the Recovery Act.
- STIMULUS PAYMENTS – More than 1.7 million North Carolina seniors, veterans and other high-need residents have received one-time economic relief payments of \$250, totaling over \$441 million.

Helping States

- TEACHERS – More than **16,000 education positions** were reported as funded by the Recovery Act in Q3 2010 in North Carolina – which has received over \$1.4 billion in State Fiscal Stabilization Funds (SFSF).
- MEDICAID – The Recovery Act has already made over \$2.2 billion available to North Carolina for Medicaid assistance. The state of North Carolina has spent more than \$2 billion of the available funds.
- 'COPS' PROGRAM: Law enforcement agencies in North Carolina received more than \$30.9 million in funding to support 202 police officers' salaries and benefits for three years, including almost \$4 million for 25 officers in the City of Winston-Salem.