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**ECONOMIC IMPACT OF HOME FURNISHINGS INDUSTRY ON TRIAD REGION
OF NORTH CAROLINA TOPS \$8.25 BILLION**

High Point University Announces Results of Landmark Study

HIGH POINT, NC (June 28, 2007) – During a press conference this morning, High Point University president Dr. Nido Qubein announced the results of a landmark study quantifying the economic impact of the home furnishings industry on the Triad area of North Carolina (High Point, Winston-Salem, and Greensboro).

During the press conference, held at Norton Hall at High Point University, Qubein explained that while studies had been conducted to measure the impact of the High Point Market, there had never been a study to measure the economic impact of furniture-related businesses on the High Point area, Triad region, and state of North Carolina. The facts presented through the study titled, “The Economic Impact of the Home Furnishings Industry in the Triad Region of North Carolina,” are designed to act as a benchmark for future research and provide valuable input to corporate and governmental decisions.

“Although we knew going into this study that the home furnishings industry in the region was huge, we were surprised to discover the true magnitude of its impact,” said Qubein. “This study proves that High Point is the Furniture Capital of the World™.”

The study measured the economic impact in two ways: industry output and employment. Industry output is defined as total industry expenditures, including business imports that are used as inputs to produce goods and includes intermediate and final goods. Employment is defined as jobs created by industry output. The furniture cluster includes four main categories of direct expenditures and employment. They are: furniture and related product manufacturing; major supporting industries; furniture wholesale and retail; and the High Point Market.

Key Findings:

TRIAD REGION

- The economic impact of the furniture cluster upon the Triad region is \$8.25 billion in industry output with more than 69,000 jobs.
- The economic impact of furniture manufacturing across the Triad region is \$4.8 billion in industry output and 34,000 jobs.
- Furniture and related product manufacturing is the largest manufacturing sub sector in the Triad region with over 16,000 jobs.
- Furniture manufacturing generates 17 percent of the total manufacturing jobs in the four-county Triad region.

NORTH CAROLINA

- The economic impact of the furniture cluster in the Triad region upon the North Carolina economy is \$8.94 billion in industry output with more than 69,000 jobs.
- The Triad region contributes 16 percent of the total industry output in North Carolina.
- The Triad region contributes 21.55 percent of the state's manufacturing output and 16.57 percent of the state's manufacturing jobs.

HIGH POINT

- The economic impact of the furniture cluster in the High Point area upon the Triad region is \$3.93 billion in industry output and 31,000 jobs.
- The furniture cluster contributes 20 percent or more of the total industry output produced in the High Point area.
- The High Point area contributes 11 percent of the total output in the Triad region.
- High Point Market has an economic impact of \$1.117 billion, 13.5 percent of the total impact for the region, and creates 12,774 jobs, which is 19.5 percent of the total furniture-related jobs in the Triad region.

“The High Point Market and the enormous industry surrounding it are thriving and growing,” said High Point Mayor Becky Smothers. According to Smothers, just a few examples from this year alone are:

- Legacy Classic Furniture confirmed plans to construct a 347,000-square-foot distribution center in High Point.
- Home Meridian International – one of the nation's Top 20 furniture producers – will locate its corporate headquarters in High Point.
- La-Z-Boy moved its divisional offices to High Point to a new 28,000-square-foot facility.
- Lodging by Liberty – a subsidiary of Brown Jordan International – has selected High Point for its divisional headquarters and furniture manufacturing operations.
- Master Design Furniture has relocated its corporate headquarters to High Point from California.
- Stroheim & Romann, an upscale fabric company, opened a 40,000-square-foot distribution center in High Point.

“All of these companies moved here because this is the home furnishings capital of the world; the entire array of industry resources they need are right here,” added Smothers. “The home furnishings industry is firmly embedded here and \$8 billion represents an incredible amount for the region and the state. That’s certainly worth all of our attention and active support.”

“The High Point Market is the largest home furnishings market in the world, and it is here because the industry is here,” said Brian Casey, president of High Point Market Authority.

In conducting their research, Professors Gerald T. Fox, Ph.D., associate professor of economics in the Department of Accounting, Finance and Economics, Richard M. Hargrove, Ph.D., associate professor of marketing in the Department of Home Furnishings and Design, and David L. Bryden, M.L.S., director of library services, consulted the IMPLAN state and county industry datasets from MIG, Inc., the County and Zip Code Business Patterns, the U.S. Economic Census and the ReferenceUSA™ directory. As the most recent available data was for 2004, they estimated economic effects and employment for 2006 using the standard IMPLAN input-output modeling approach. Their projections are based on price changes only, and are thus conservative in nature. Effects of growth in real output and jobs since 2004 are also excluded from their projections.

At High Point University, every student receives an extraordinary education in a fun environment with caring people. HPU is a liberal arts institution with approximately 3,000 undergraduate and graduate students from 50 countries and 44 states at campuses in High Point and Winston-Salem. It is ranked by US News and World Report 15th among comprehensive universities in the South and in the top 100 nationally. The university offers 68 undergraduate majors, 33 minors and seven graduate-degree programs. It is accredited by the Commission of Colleges of the Southern Association of Colleges and Schools, and is a member of the NCAA, Division I and the Big South Conference.

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The Home Furnishings Capital Of The World™

Home Furnishings Manufacturers



Total Economic Impact = \$8,250,610,564 (yes, billion)*

If you're in the home furnishings industry, you have to be in High Point.



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www.highpoint.edu

* Based on the results of the High Point University study, "The Economic Impact of the Home Furnishings Industry in the Triad Region of North Carolina."
"The Home Furnishings Capital Of The World™" is a registered trademark of the City of High Point, NC.

Commissioned by the City of High Point to measure the scale and impact of furniture-related businesses and to estimate the magnitude of the industry's economic influence on the High Point area, Triad region and state of North Carolina, researchers from High Point University produced a landmark study that proves High Point is "The Home Furnishings Capital of the World™." The facts presented in this study are expected to serve as a benchmark for future research and provide valuable input to corporate and governmental decisions.

Data Sources And Methodology

Professors Gerald T. Fox, Ph.D., Richard M. Hargrove, Ph.D. and David L. Bryden, M.L.S. consulted the IMPLAN state and county industry datasets from MIG, Inc., the County and Zip Code Business Patterns, the U.S. Economic Census and the ReferenceUSA™ directory in producing this report. As the most recent available data were for 2004, they estimated economic effects and employment for 2006 using the standard IMPLAN input-output modeling approach. Their projections are based on price changes only, and are thus conservative in nature. Effects of growth in real output and jobs since 2004 are also excluded from their projections.

Findings

Total Economic Impact and Employment:

Triad Region and surrounding counties:

- Total Economic impact: more than \$8.25 billion
- Employment: 65,362 jobs

State of North Carolina:

- Total Economic Impact: More than \$8.93 billion
- Employment: 69,392 jobs

The Triad Region contains the world's greatest concentration of home furnishings manufacturers and related businesses:

Home Furnishings Manufacturers:494

Fabric, Finish and Hardware Suppliers:120

Other Materials Suppliers:138

All Major Industry Trade Publications and Associations:23

High Point Market Showrooms:2500

Institutes of Higher Learning and Professional Education:4

Commercial Photographers and Printers:399

Furniture Design Firms:61

Transportation and Service Companies:191

Clearly, High Point is The Home Furnishings Capital of the World™ and the home furnishings industry is a vital part of our city, regional and state economy.

The World's Most Extensive Support Network For Home Furnishings Businesses

The breadth and depth of suppliers and furniture-related services available in this area make High Point the prime location for home furnishings company headquarters, manufacturing and distribution facilities, as evidenced by these statements from industry leaders.

“We will be able to take advantage of the tremendous resources here, from designers to photography studios, to an experienced pool of talent from which to recruit.”

– **George Revington**, *President, Home Meridian International on moving his corporate headquarters to High Point*

“The infrastructure of the industry is here...”

– **Joe Elmore**, *Executive VP of Marketing and Project Development, Master Design Furniture*

“The center of the best furniture transportation hub in the country, providing customers the best and least expensive furniture transportation rates in the country.”

– **Kevin O'Connor**, *President and CEO of Samson Marketing (Holding company for Legacy), Legacy Classic Furniture on building the Legacy Classic Furniture distribution center in the Triad*

“High Point, The Home Furnishings Capital of the World™ ... offers the skilled workforce we require...”

– **Paul C. Koehneke**, *VP of Contracting and Special Projects, Brown Jordan International on moving his Lodging by Liberty divisional headquarters to High Point*

“High Point and the Triad offer us access to many, many talented and creative people.”

– **Jack Kreber**, *President, Kreber (commercial photography studio)*

“High Point is a great place for entrepreneurs to thrive. In addition, the elected officials and staff of the City of High Point are very business friendly.”

– **Coy Willard**, *Manager, Capstone Property Group*