BUSINESS

Economist: 'Better times lie ahead'

Rising hemlines tied to economic growth

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Employers will hire more, construction will pick up and, perhaps like skirt hemlines, gross domestic product (GDP) growth will rise.

In other words, "better times lie ahead in late 2014 and early 2015. Incomes will rise, and employment will continue to grow apace," Clemson University economist Bruce Yandle told *The Greenville News* Monday.

Yandle, dean emeritus at Clemson's College of Business & Behavioral Science, said in "The Economic Situation" report for June that the word from fashion mavens is that "the mini skirt is back" and that means "better times are on the way" for the economy.

His data shows that during the 1983 recession, "the most severe in history until the Great Recession," hem lengths were "dragging the ground."



Yandle /

Hems were just above the knee in 2008.

Yandle guesses that "the 2014 high hems will square with 3 percent real GDP growth in the second half of the year."

While the first quarter's performance was reduced drastically by severe winter storms that affected regions nationwide, Yandle said, the nation's economy is doing better than the most recent first quarter GDP data suggest.

Doing better means that "slow growth this year with hardly any gain in per capita income."

He also said there are strong undercurrents in the weak economic waters.

"We see these reflected in rising energy consumption, increases in manufacturing employment, large increases in truck sales, and improvements in the construction economy," he said.

The larger economy is being restrained by uncertain economic policies, unanswered questions about the employment costs associated with healthcare reform, and the unregistered impact of rapid growth in costly regulations, such as the just announced carbon reduction regulations affecting coal-fired electric utilities, Yandle said.

As always, there is unevenness in economic performance across the 50 states, Yandle said.

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South Carolina is faring better than the nation as a whole, leading in growth in manufacturing employment over the last 12 months, he said.

South Carolina also ranks 5th in gains in the share of the over-25 population with a bachelor's degree, he said.

The Charleston and Lowcountry economy "form one of the nation's most vibrant," and the Upstate "lies right in the middle of the 'Charlanta Economy,' which is huge and growing," Yandle said.

"This expanding economy is larger than that of the Houston region, the Dallas region, Northern California, and a just a wee bit smaller than the Southern California economy," Yandle said. "The Upstate's prospects continue to brighten."