

# Expect job market

Path back to pre-recession levels will be slow, experts say

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News on South Carolina's unemployment front has improved in recent months — slightly — but

some experts are predicting that it could take the state until the second quarter of 2013 to reach the same number of jobs it had in December 2007.

The key words are

'slow' and 'gradual.' We're making progress," said Steve McLaughlin, labor analyst with the state Department of Employment and Workforce. "It's in baby-step increments. But we are progressing."

Mark Vitner, senior economist with Wells Fargo Economics Group, said

patience is important. He said he expects "hiring to gradually improve over the next few years." But it probably will take three to four years to replace the jobs lost during the recession.

"There's going to be some life out there," said Bruce Yandle, dean emeritus of Clemson Universi-

## 'progress'

ty's College of Business and Behavioral Science.

Yandle said the country's economy is growing. But he can't say when the day will come when everyone looking for work can find it.

"I am optimistic that we have the basic engine that will get us there," he said. "We're in the middle of a

great transition. That's not going to be fun. It will be costly."

South Carolina's November jobless rate was 10.6 percent, down from 11 percent in September. That's the equivalent of 7,100 fewer people classified as un-

See **JOBS** on page 3A

# JOBS

FROM PAGE 1A

employed in the state over that period, according to the state employment office.

Yandle expects the national jobless rate in December 2011 to sink below 9 percent, maybe 8.9 percent. It's now 9.8 percent.

The state's unemployment probably will come in at 10 percent by the end of next year, down from 10.6 percent. And Greenville County, now at 9 percent, could see a rate of 8.7 percent.

## Growth spots

The job creation engine appears to be creaking back into motion.

The numbers show "momentum in key areas," said John Finan, executive director of the agency. "The state continues to make progress as the unemployment rate declines, while experiencing ongoing growth in the areas of manufacturing, wholesale trade, and health services."

Last month's growth in manufacturing jobs by 500 was notable, he said, because it continues the sector's gradual improvement over the past several months. Manufacturing is a vital sector to the Upstate.

Yandle also sees some job growth — about 40,000 additional jobs by the end of next year. In December 2007, South Carolina had 1.95 million people working. Last month, the num-

ber was 1.82 million, which could reach 1.86 million in a year.

"It's quite possible that if you're unemployed and looking, you may well be looking for a job at the end of 2011. But you will know someone — maybe you — who is again working," he said.

The state's labor force — a combination of workers and the unemployed actively searching for work — has dropped to 2.15 million from 2.17 million two years ago, according to state data.

"One can only speculate as to the reason," McLaughlin said. "The majority of that is workers that have become discouraged."

The U.S. Bureau of Labor Statistics reports that the average length of unemployment has increased from 29.4 weeks in November 2009 to 34.5 weeks last month. Nearly 10 percent of the country's 15.1 million jobless have been looking for work for two years or more.

McLaughlin said smaller groups of people dropping out of the labor market include those going back to school to enhance skills and those who have left to care for a family member. A few may have decided to retire but most workers at retirement age may not have the money to totally stop working.

But "there are a lot of baby boomers planning to retire," many in 2011, he said. While some are likely to change their plans because their investments took a hit during the reces-

sion or they haven't saved enough to comfortably retire, McLaughlin said he expects to see retirements soar in 2011.

## Trouble spots

Over the past six to nine months, "Oil prices really shot up. That touches every aspect of our economy," McLaughlin said. "That affects consumers. They spend money on gas that they might spend elsewhere. Consumer spending can create jobs. Spending on gas just puts it in the tank."

Over the past two years, the state has lost 30,000 construction jobs. And for the past nine or 10 months, the level has been flat.

"Housing will continue to be depressed for the next couple of years, he said. "We'll see more foreclosures. That will put more houses on the market. The interest rates are beginning to rise. Housing will remain under pressure."

That means construction jobs aren't likely to return to the levels of two years ago for some time. Yandle agreed: "I don't see any prospects for a turnaround in construction employment in the next year."

He said a bottom to the crisis has been hit and that South Carolina could finish 2011 with 83,000 construction workers, up from the 80,000 now employed. That will come from some growth in new housing construction and several major industrial projects, such as Boeing in Charleston and the First Quality

Tissue plant in Anderson.

McLaughlin's suggestion for laid-off construction workers — find a new career path.

Manufacturing jobs have increased in the state for months now, with 3,800 more positions last month than in the same month in 2009. Nationwide, however, manufacturing jobs have declined for four consecutive months, said Dave Huether, chief economist

for the National Association of Manufacturers.

South Carolina's manufacturing growth is tempered by the slow rate and the fact that two years ago the state reported about

240,000 manufacturing jobs. In January 2009, the state had a manufacturing work force of 227,899 positions. In November this year, the number totaled 212,200.