

Job creation inches up; jobless rate

Workers still facing tough market

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The morning after Thursday's stunning stock market drop, the government said that private-sector employers picked up the hiring pace a little in July, resulting in a dip in the national jobless rate to 9.1 percent.

A net 117,000 jobs were added last month — 154,000 by private employers while government

cut its payroll by 37,000 positions, according to the Bureau of Labor Statistics.

That's better than the past two months, which were also revised higher. But the jobless rate drop from 9.2 percent resulted in part because some job seekers workers became discouraged, stopped looking for work and fell off the rolls.

But the increase in job creation is a move in the right direction, economists said.

"What a relief," said Mark Vitner, senior economist with Wells Fargo Securities. "Payrolls rose by 117,000 in July. The modest rise was better than expectations and allays some fears. The data still show the economy losing momentum, however, thanks largely to government cut-backs."

Still, the economy needs twice as many net jobs per month to rapidly reduce unemployment. The rate has topped 9 percent in every month except two since the recession officially ended in June 2009.

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"While it's comforting to end a week filled with bad economic reports on a brighter note, for the millions of unemployed Americans desperate to get back to work who are running out of hope, the economy seems to be running on empty," said Christine Owens, executive director

ticks down

of the National Employment Law Project.

"Even with July's gains and the upward revisions to May and June's employment data, the economy is still not adding nearly enough jobs to make a serious dent in unemployment."

Clemson University economist Bruce Yandle said that "any breath of positive news is welcome. It's nice to see even if it's not big enough to make a real difference. This has not been a good eight or 10 days as far as financial markets go."

He said the biggest blow was the steep downward revision of GDP data — not only for this year but back to before the recession officially began in December 2007.

"We found we were in a much deeper hole than we thought," he said. "That shift was profound, a tectonic shift."

The stubbornly high unemployment rates were in fact a proxy for the real state of the economy, Yandle said. When employers started adding jobs, they

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began from a much lower level, as the economy actually contracted by 5 percent rather than the 4 percent initially thought.

"We haven't recovered," he said. But that doesn't mean the United States won't see growth, just that the economy has further to climb.

Although Yandle hasn't worked with the new data, he said there's a possibility that South Carolina could be looking at 2014 rather than 2013 as the time it reaches pre-recession job levels.

But "I have the feeling that South Carolina is going to outstrip the nation" in climbing out of this hole, he said. "We have some

good things going on here. As a small economy, when we get big news like Boeing or BMW, it can make a real difference."

James Taylor, regional vice president of Robert Half International, a professional staffing and consulting firm, said his client load indicates that South Carolina employers are hiring.

"We're seeing positive signs in the private sector," he said. "We're seeing our private sector growing. The manufacturing sector overall is continuing to hire at a pretty healthy pace. When private business is hiring, it's always good" — even if government employment continues to decline.

Employers "are looking for positions that can have an immediate impact on profitability and growth," he said. That means jobs in fields such as customer

service, field reps, marketing, IT and financial analysts. It also means that employers are looking for education, training and skills. College graduates 25 and older face an unemployment rate of only 4.3 percent.

South Carolina, which will report its July unemployment rate in mid-August, currently has a jobless rate of 10.5 percent, up from 10 percent in May. Greenville County, consistently one of the counties with the lowest unemployment rates, reported 9.4 percent for June.

MAU Workforce Solutions, a temporary staffing partner, recently announced ramped up hiring for production workers and forklift operators for BMW Manufacturing. Kohl's just announced plans to hire 130 people for its new Easley store.

Also, data on registrations with the Virtual One Stop, www.sconestop.org, from June 2010 to June 2011 show that the state Department of Employment and Workforce aided more

than 3,000 employers find people for job openings and helped just over 25,000 South Carolinians find jobs, said Mary-Kathryn Craft, DEW spokeswoman.

The "help" could be anything from simply registering in the Virtual One Stop system to search for jobs to more extensive in-person services such as resume writing coaching or classes on networking and interviewing skills, she said.

People who have been unemployed for a year are more likely to remain unemployed, according to the U.S. Congress Joint Economic Committee. In comparison, less than half of the newly unemployed were still looking for work after five weeks while 29.9 percent were already employed. Only 8.7 percent of those unemployed for at least a year will find a job in the next few months.

About 6.3 million have been out of work at least six months and 4.4 million of those have been unemployed over a year, according to the BLS.



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