Jobless rate fall sparks optimism

Picture rosier in Greenville, state; economists see some bumps ahead

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While economists don't think South Carolina's unemployment problems are over, the big drop in the jobless rate in April — both statewide and in Greenville County — tells them the worst is over.

The state's unemployment rate fell in April to 11.6 percent, from 12.2 percent in March, while bucking the U.S. trend, with the national average rising to 9.9 percent for the month.

"We're cautiously optimistic," said Steve McLaughlin, labor force analyst with the state Department of Employment and Workforce. "But our economy is still fragile here in South Carolina."

The state's unemployment rate is the sixth highest in the nation, following Florida, 12 percent; Rhode Island, 12.5 percent; California, 12.6 percent; Nevada, 13.7 percent, and Michigan, 14 percent.

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GWINN DAVIS / Staff

IPS Packaging in Fountain Inn has recently added staff, joining a trend of increased hiring in Upstate

JOBS

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Greenville County also experienced a significant decline in its unemployment rate to 9 percent from 10.2 percent the previous month.

Bruce Yandle, dean emeritus of Clemson University's College of Business and Behavioral Science, said the state has survived the worst of the jobs crisis.

"I think for South Carolina it's not going to get any worse," he said.

But the unemployment nightmare probably isn't over.

"Even though we've had employment growth in the state, we could see the unemployment rate nudge up" as people move back into the labor force, Yandle said. Before the year is over, the national unemployment rate could hit 10 percent and South Carolina's rate could hover around 12.5 percent and "hang there for a while."

"We're on a bumpy ride. Fasten your seat belt," Yandle said. "There's a lot of turbulence."

Don Schunk, research economist with Coastal Carolina University, agreed.

"We are seeing employment growth, but it is not yet strong enough growth to accommodate a growing labor force," he said.

"The April data suggest further improvement overall, but for the labor market to be considered healthy, we would need to see a combination of positive job growth, positive labor force growth, and a falling unemployment rate, and we are not there yet."

South Carolina's number of unemployed dropped by 14,648 to a total of 250,400 people who

Upstate jobless rate drops

The 10 counties in the Upstate all experienced significant decreases in unemployment in April as layoffs lessened and mor companies began hiring.

County	April	March
Union	17.7	19.1
Cherokee	14.1	15.7
Abbeville	12.6	14.6
Greenwood	11.2	12.8
State	11.6	12.2
Oconee	11.1	13.0
Spartanburg	10.8	12.2
Anderson	10.7	12.3
Laurens	10.2	11.4
Pickens	9.4	10.2
Greenville	9.0	10.2

Source: S. C. Dept. of Employment and Workfor

SUZIE RIDDLE/St

are out of work and actively seeking a job. The labor force also dropped as fewer people are unemployed and fewer people are entering the labor force. The labor force is significantly lower than it was a year ago, McLaughlin said.

The state reported an increase of 13,000 non-farm jobs in April, with gains in most sectors other than construction, which lost 2,800 jobs, and education and health services, which lost 600 jobs. Manufacturing gained only 500 jobs while seasonal gains were registered in retail and trade, up 1,800 jobs; and leisure and hospitality, up 8,800 jobs.

"On a month-to-month basis, one of the real bright spots over the last several months has been the apparent stabilization of manufacturing employment," Schunk said.

"Since last October, manufacturing employment has generally been trending up. Trends in manufacturing jobs will be one of the most critical indicators as we try to gauge the strength and durability of the recovery. Our fortunes statewide remain tied to strength in manufacturing."

Herb Dew, president of Greenville-based HTI Employment Solutions, is optimistic as he sees a pickup in permanent employees as well as contract workers.

"Our full-time hiring division is going crazy," he said, adding he is trying to hire more recruiters because of the increase in business.

Julie Godshall Brown, president of Godshall Staffing in Greenville, also is optimistic about employment trends.

"The openings we are getting are very specific," she said, adding employers are looking for specific or industry experience and are less flexible in their demands. While that can be frustrating for job seekers, employers want to add exactly the skills needed to their lean staffs.

"We are seeing a pickup in service and manufacturing-related jobs," she said. And the hires are not just contract workers as "we're seeing more direct hire or temp-to-hire" positions.

"Since January, we've seen such an improvement in the numbers and in the attitude of businesses," she said. But "I think it will be a slow improvement."

Dew said that most of his clients are hiring, although "sometimes they're being careful and hiring contract workers. But the conversion to permanent is beginning."

One way he measures the improvement is that last year HTI was handling 700 contract workers. Last week, his company had 1,800 contract workers on the payroll, he said.

For example, Bosch Rexroth, a Fountain Inn plant that makes hydraulics pumps, has expanded its business. The company and HTI recently held a job fair to fill 30 positions, with about 600 candidates showing up.

Also, IPS Packaging has recently hired four full-time people and two interns. The company has opened an office and distribution center in Memphis, Tenn., and is staffing up to handle the new business. And Proterra, a company that builds electric buses, plans to hire 50 people this year and has already hired the initial 10 employees.

Even though South Carolina experienced an April drop in construction jobs, a report on the economic impact of Boeing on South Carolina estimated that during construction of the Boeing facility it would support as many as 5,725 jobs in the Greater Charleston area.

"Despite a few months of job growth, unemployment claims remain too high to be supportive of lasting job growth," said Tim Quinlan, economist with Wells Fargo Economics Group.

Ed Parris, president of Greenville-based Phillips Staffing, said recent surveys show employment activity has improved when it comes to the hiring of contract workers, internships, bi-lingual workers and social media employees, both regionally and nationally.

About 25 percent of the companies participating in a survey by Harris Interactive for CareerBuilder and *USA TODAY* said they plan to hire contract workers during the second quarter of this year and 24 percent indicated they anticipate hiring interns.

About 9 percent plan to hire a new employee to beef up their social media efforts while 33 percent report plans to hire bi-lingual workers.