Jobs report 'best' since 2007

Recovery 'underway' as state enters job creation season, economist says

Upstate unemployment rates drop in February

Nine of Upstate's 10 counties saw drops in their jobless rates in February while Anderson County's rate held steady.

County	Feb.%	Jan.%
Union	20.9	21.8
Cherokee	16.4	16.9
Abbeville	16.3	16.6
Anderson	14.2	14.2
Oconee	14.1	14.7
Greenwood	13.8	14.1
Spartanburg	13.2	13.6
Laurens	12.8	13.3
State	12.5	12.5
Pickens	11.5	11.6
Greenville	10.9	11.2

Source: S.C. Employment Security Commission

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By Jenny Munro and David Dykes
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For the first time in years, economists saw encouraging signs in South Carolina's monthly unemployment report.

"Overall, this month's report is the best we've seen since the recession began" in December 2007, said Don Schunk, research economist with Coastal Carolina University.

"The state's jobless rate held steady even with some growth in the labor force. An economic recovery is underway, but significant challenges remain. A recovery is forming, but I expect it to remain fragile for an extended period."

South Carolina's unemployment rate in February held steady at 12.5 percent as Schunk and others said they are beginning to see signs of improvement.

Local workers like Jarrod Pacholko, a senior environmental designer with Erwin-Penland in Greenville, understand how fragile conditions are. They are grateful they have jobs since many of their friends don't.

"I feel very fortunate," said Pacholko, who is married with two children. "There's a lot of people who are out of work right now. And there's a lot of very creative individuals who are really good at what they do, and they're having a hard time getting work right now."

The 33-year-old from Canada has been working for about a year with Erwin-Penland, a marketing firm. He moved to Greenville from Dallas, Tex.

Sam McClary, an ESC labor analyst, said February was "a fairly decent month." But he said that if workers return to the labor market in large numbers, the jobless rate could increase again.

"What happened in January may spur people coming back into the market," he said.

Greenville County's unemployment dropped to 10.9 percent from 11.2 percent in January. The county reported 24,258 people were out of work and actively seeking a job. That doesn't include those who have become discouraged and stopped looking or those who work part-time but want a full-time position.

Eight counties had lower rates than Greenville, with the lowest Lexington at 9.2 percent. The county with the highest rate was Marion at 22.7 percent.

South Carolina's labor force was estimated at 2,175,356 in February, up 1,375 over the revised January figures, according to the Bureau of Labor Statistics. The number of unemployed workers decreased by 1,035 to 271,140, according to the ESC.

The state's non-farm jobs increased by 13,000 in February with increases in all major sectors except construction and manufacturing. The construction sector lost 500 jobs in February while manufacturing lost 100 jobs. Education and health services led the job gains with 3,000 new positions, followed by government with 2,500 jobs.

McClary said that increases in eight of 10 of South Carolina's major industry segments "is pretty significant. The encouraging thing is that we are entering the season we should be getting job creation."

Also, pent-up consumer demand could help create jobs. People want to take vacations, to buy merchandise and to get their cars fixed. All of those activities support job creation, he said.

Schunk said the state economy "continues to be characterized by high levels of excess capacity — in housing, commercial and office space, industrial production, and retail activity. This excess capacity suggests that the economy can begin to grow — and it is — but without the need for new construction, expansions, or substantial hiring."

Hiring appears to be picking up although the movement is slight and not widespread. Leigh Fibers in Spartanburg recently announced a $10.1 million plant investment that will lead to the creation of 40 additional jobs.

Dick Wilkerson, chairman and president of Michelin North America, said recently that the company's hiring is picking up significantly. The company, with 7,500 employees in South Carolina, is hiring both production and salaried workers in South Carolina.

At Erwin-Penland, the firm's work force has grown 25 percent to 250 employees in the last 18 months, said agency founder and president Joe Erwin. The firm has added new clients and expanded its relationships with other companies despite industry figures that show an $11.6 billion decline in U.S. ad spending last year, he said.

Erwin said he told his employees at the start of 2009, with the economic downturn taking hold, that the firm would feel the effects of the recession, as would every company in advertising, marketing and media.

[illegible] that the only way to grow in an environment like that is to outrun it," Erwin said. "We really put an emphasis on new business growth, reaching out to prospects to add new clients and we were successful."

His clients' spending in a struggling economy tells him conditions are improving "and leading companies are getting aggressive about trying to picture what their business is going to be like when the economy is more fully recovered," Erwin said.

"They know they need to invest now," he said. "They're willing to spend now. What's different is they're spending in very strategic ways."

In Greenville, Michelin North America, the state ESC's Greenville office and East North Street Academy held a career fair this week for parents of the school's students.

Denisha Carver, who just graduated with a medical assistant certificate after an 18-month program at Virginia College, attended the career fair to learn anything she could that

might help her find a job. She also is attending similar programs at Virginia College.

The single mother said she's looking for tips on snagging a job "anywhere you can get it" because finding a job is "real important. I can't pay the bills without one."

Joyce Joy, Title 1 facilitator at East North Street Academy, said the career fair is important to her students as well as their parents.

"Job security has so much to do with their well-being," she said, adding that 85.65 percent of the students at the school are eligible for the free and reduced meals program.



Jarrod Pacholko, 33, a senior environmental designer with the Erwin-Penland marketing firm, says he feels "very fortunate" to have a job. "There's a lot of people who are out of work right now."

GEORGE GARDNER / Staff