Private sector slowly adds jobs

BMW, Boeing helping state battle double-digit jobless rate

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Private-sector jobs in the United States trickled back into the economy in September even as government jobs waned and pushed the net number of jobs nationwide down by 95,000. It's a scenario emerging on the national level that is mirrored in the Upstate, with this week's announcement of 600 more contract jobs at BMW.

The Labor Department reported the U.S. unemployment rate held steady at 9.6 percent — topping 9.5 percent for 14 consecutive months. That hasn't happened since the Great Depression in the 1930s.

The private sector, in the weakest showing since June, added 64,000 jobs. That was overwhelmed by the government showing. Government lost a net total of 159,000 jobs in September.

Local governments cut 76,000 jobs last month, most of them teachers. That is the largest cut by local governments in 28 years, according to The Associated Press. About 77,000 temporary federal census jobs ended, and state governments shed 7,000 jobs.

"Private-sector payrolls are not even keeping pace

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with population growth and growth in the labor force," Brian Levitt, corporate economist at Oppenheimer Funds, told *USA TODAY*. He largely cites the reluctance of small businesses to boost hiring.

Current statistics indicate that 4.6 unemployed workers exist for every job opening in the country, said Christine Owens, executive director of the National Law Employment Project in New York.

South Carolina, with an unemployment rate of 11 percent in August, is seeing some pickup in private sector jobs, several experts said.

BMW Manufacturing Co. just announced plans to hire 600 additional contract workers for its Greer facility, making a total of 1,600 contract positions announced in the past three months. Bobby Hitt, BMW spokesman, also said the company plans to begin moving some of those contract workers to permanent BMW employees in the near future.

The momentum behind the hiring has come from the launch of the next generation X3 sports activity vehicle, built in Greer for the first time, as well as growing demand for the X5 SAV and the X6 sports activity coupe, he said.

These 600 new positions are expected to take BMW through the end of the year, he said.

A new $750 million Boeing assembly facility, under construction in North Charleston, also is spreading a need for workers across the state. Boeing, which is building the facility for its 787 Dreamliner, said Friday it has begun hiring and will continue hiring over the next 18 months.

"It will be a gradual ramp up as we begin production," Boeing spokeswoman Candy Eslinger told *The Greenville News*.

Boeing officials said total employment at the site is

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around 3,000, reflecting the number of direct and contract employees performing airplane-related work.

That figure doesn't take into account the number of construction workers for the joint venture building the facility, Boeing officials said.

Officials of the joint venture, BE&K/Turner, said recently more than 800 trade workers are at the site. The design-build team is headquartered in Greenville.

Boeing officials said the 1.2 million-square-foot facility in North Charleston should begin production by July.

Other companies plan to hire, although on a smaller scale.

Acumen IT announced plans to hire more than 10 new employees over the next 18 to 24 months. Most of the positions will be in the Greenville corporate headquarters although some will be in regional offices in Charleston, Charlotte and Atlanta.

It will be filling help-desk support, inside sales and lead generation, customer service representatives, and IT engineers.

"Recovery in service and private-sector jobs continues," said John Silvia, chief economist with Wells Fargo Economics. "Sectors such as education and health, and leisure and hospitality have registered a string of gains in recent months. Manufacturing jobs fell.

"Gains in aggregate hours worked suggest continued moderate, but disappointing growth ahead," he said. "Our outlook is for 2 percent growth in the second half — no double dip."

John A. Challenger, chief executive of Challenger, Gray & Christmas, said, "Employers appear poised to hire. Some people have expressed concern that hiring may never take off due to the fact that companies have learned to be leaner and meaner and will simply operate with smaller workforces from now on.

"However, increased sales will eventually compel companies to hire or risk being unable to meet rising demand. We just are not there, yet."

"Despite continued economic uncertainty, there is some good news to report," said Roy Krause, of Ft. Lauderdale-based SFN Group Inc., an employment solutions firm. "Temporary help services, a leading indicator of future growth in the overall job market, showed year-to-year performance up 23.4 percent from September 2009.

"Although many employers are riding the current economic situation out, we are seeing broad project-based hiring activity in accounting, finance, technology and manufacturing, as well as in administrative and clerical."

The hiring of large numbers such as that at BMW and that anticipated by Boeing in North Charleston has the potential to affect county unemployment rates, said Bruce Yandle, Clemson University economist.

Those direct jobs and the so-called multiplier effect, which states that suppliers and other businesses such as restaurants would create jobs to support the direct jobs, could move unemployment numbers down significantly in some counties.

BMW's hiring spurt "is large enough to have an effect on unemployment," he said.

In addition to slightly increased hiring by some companies, workers are considering the possibility of changing jobs, Krause said. Once the economy improves, companies will need top talent to create and sustain growth.

Still, problems abound in the jobs sector, experts said.

"We have yet to make a real dent in unemployment, and now we are entering the holiday season anxious about how consumers will respond," Owens said.

"It's a profound shame that companies are pocketing more than a trillion in assets instead of hiring, when 14.8 million Americans are out of work.

"All signs point to the need for robust job creation and continued help to the unemployed so the economy can move past this standstill and give unemployed workers the jobs they desperately want and need," she said.

Average unemployment last month remained "extremely high," she said, at 33.3 weeks, or more than eight months.

About 9 million workers are collecting some form of unemployment insurance, including 5 million receiving federal extensions of the benefits. Those benefits, however, will be cut off on Nov. 30 unless Congress renews them.