

Retirement income eases recessionary pain

Oconee, Pickens see little change; rank 'moderately prosperous'

BY BRETT MCLAUGHLIN
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CLEMSON — The impact of retirement income to fill in the valleys of economic downturns is evidenced in the results of a new Clemson University study that looked at economic development, hardship and prosperity over much of the last decade.

Despite two downturns between 2000 and 2008, the study indicates that the economic well-being of Oconee and Pickens counties remained essentially unchanged.

The source of that stability appears to be linked to income unrelated to wages.

The university study team, headed by economics Profes-

sor Emeritus Bruce Yandle, established hardship and prosperity indexes for every county in South Carolina.

"There are many determinants of prosperity, but we focus on five key indicators that we believe are good signals ... Communities with poor records for these variables will have

trouble sustaining jobs and keeping residents. They will struggle to prosper," Yandle said.

The five variables are: real per capita personal income, real per capita wage income, total population, non-dependent population and total employment.

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MEASURING HARDSHIP

The hardship index findings placed Oconee and Pickens at 33 with 1 being the worst hardship as measured by the population below the poverty line, the share of population less than 5 years old, the unemployment rate and the share of adult population with less than a ninth-grade education.

Generally, hardship is lower where population and employment growth are larger.

Oconee and Pickens both showed little change in either category over the eight-year period of the study. Both counties had 0 to 10 percent population growth and from minus 10 to 0 percent growth in employment.

Statewide, 13 counties showed population growth greater than 10 percent over the study period. Among those 13 counties, seven experienced more than 10 percent employment growth. Those seven counties all ranked among the lowest in hardship in the state.

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Unlike wage income, real per capita personal income measures all sources, including retirement and earned income. The impact of these non-wage revenues is significant in Oconee and Pickens counties.

In terms of wage income, both coun-

ties' index dropped from 2000 to 2008, Pickens going from 10 to 13 and Oconee from 17 to 18 among the state's 46 counties.

In terms of per capita income, Pickens also slipped from 11 to 13, but Oconee climbed from 17 to 14.

Yandle's group used their finding to create a prosperity index for each county. Oconee and Pickens moved up considerably in those rankings when non-wage income was included -- Pickens going from 23 to 14 and Oconee from 26 to 15, placing both counties in the "moderately high prosperity group."

Yandle said real per capita income and growth in per capita wages are "clear signals of progress and increasing prosperity for community members. Further, these two variables act as proxies for other measures of quality of life. For example, high-income communities are more likely to have lifestyle amenities, such as shopping, restaurants, parks, museums and community centers that attract population and spur further growth."

"People want to live where life is good, however good is defined," he said.

To view the entire Clemson University Economic Development study go to: http://upstatetoday.com/pdf/2011_prosperity_report.pdf