State's factories make comeback



Cindy Bradley assembles an axle system for BMW at the ZF Lemforder plant in Duncan. Factories added 800 jobs in last month. OWEN RILEY JR./STAFF

Jobless rate up despite more jobs in plants

By Rudolph Bell and Jenny Munro
Staff writers

A transmission factory rising out of farmland in northern Laurens County is some of the most obvious evidence that manufacturing is making a comeback in South Carolina, helping to pull the state out of its economic doldrums.

The state's August unemployment numbers show the sector's resilience. Manufacturing grew by 800 jobs in August and 11,000 over the past year, even though South Carolina's jobless rate climbed to 11.1 percent from 10.9 percent in July.

"Manufacturing, and especially the auto manufacturing sector, is helping us," said economist Bruce Yandle.

For example, auto supplier Draexlmaier is putting $24 million into an expansion project that will add to its payroll. And BMW Manufacturing Co., for which Draexlmaier supplies parts, has hired more employees to deal

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Upstate unemployment mixed in August

The Upstate's August unemployment results were mixed, with four counties experiencing a decrease, three an increase and three remaining steady.

County	August	March
Union	17.6%	17.4%
Cherokee	14.3	14.0
Abbeville	12.7	12.7
Greenwood	12.5	12.1
Spartanburg	11.3	11.6
State	**11.1**	**10.9**
Laurens	11.1	12.0
Oconee	10.9	11.4
Anderson	10.4	10.4
Pickens	9.9	10.0
Greenville	9.0	9.0

Source: SC Department of Employment and Workforce

SUZIE RIDDLE/STAFF

GAIN/LOSS IN S.C. MANUFACTURING EMPLOYMENT, 1991-2011



Source: U.S. Bureau of Labor Statistics

SUZIE RIDDLE/STAFF

away, we don't want you here. And I think that's one of the last things Christ would have done."

Putnam, moderator of ARP synod, said the synod gave Erskine's trustees two years to respond to its proposal to change the college's charter.

"Part of that has to do with some of the issues at Erskine, and quite frankly, some of it doesn't," he said. "It has to do with some issues with some other boards we've had where we discovered we did not actually have a written policy about how to remove somebody with cause.

"Really, if anything, it's an effort to try to clarify what has been a longstanding understanding between the two," he said.

Since 1978, faculty members have been required to agree to a statement of Christian faith, but the church doesn't get involved in what professors teach, he said.

Synod officials said they did undertake a six-months study prior to last year's upheaval and determined the board of trustees hadn't been exerting proper oversight, after complaints from students about Crenshaw and others.

And one of the central questions in a lawsuit last year was whether the synod or Erskine's trustees had ultimate control over the college and seminary.

Much of the brouhaha over Crenshaw, though, is based on misinformation, said Cliff Smith, chief communications officer for the college.

"The thing that we want folks to know is that this is not an issue of science versus religion," he said. "We can say that absolutely his religious views are not the issue in this case."

He said professors haven't been pressured not to teach evolution, for example, although the church accepts the biblical ac-

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This year, manufacturing employment has fared even better, growing every month through July, for a net gain of 8,000 jobs in South Carolina.

"Manufacturing is the locomotive that's pulling the train" for both the U.S. and South Carolina economies now, said Yandle, a retired Clemson University economist who has studied the state economy for decades.

Factories have been adding jobs across the country, but they've been doing it by a greater percentage in South Carolina.

Over the 18 months from January 2010 to July 2011, U.S. manufacturing employment grew 2.6 percent, but the growth rate was 5.5 percent in South Carolina.

But while manufacturing employment has grown, the state's labor force has also increased for the fourth consecutive month, with graduates looking for jobs, discouraged workers starting to look for work again and people moving into the state looking for jobs.

At the same time, the number of people employed decreased by 1,700 from July.

Greenville County's unemployment rate remained steady at 9 percent in August, the second lowest rate in the state. The number of unemployed in the county increased by nearly 200, and employment increased by 720. The labor force also grew during the month.

Pickens County reported an unemployment rate of 9.9 percent, down from 10 percent in July. The county's number of unemployed workers fell by 87, its employment grew by 182 people and its labor force increased slightly.

Marion County reported the highest unemployment in August at 19.9 percent, the same as in July. The lowest rate was 8.6 percent in Lexington County, also remaining steady from July.

Within manufacturing, automotive — an industry with a big presence in the Upstate — is the "brightest light" right now, Yandle said.

The auto industry in the Upstate goes beyond the BMW plant near Greer and its supplier network to include big employers that were in the region long before BMW such as Michelin, Bosch and Sage Automotive Interiors, the former automotive fabric division of Milliken & Co.

"We happen to be holding some trumps in a dog-gone tough recovery game," Yandle said.

Automotive manufacturing is also reviving economies in the Great Lakes area, according to a new report from the Brookings Institution, a think tank in Washington.

"The strong rebound of manufacturing, especially in autos, auto parts, and related durable goods, is responsible for the strong economic recoveries of many Great Lakes metropolitan areas," even as the overall U.S. economy remains stalled, the report concluded.

Still, the nation and South Carolina have a long way to go in making up all the factory jobs lost during the Great Recession.

South Carolina lost 41,700 manufacturing jobs from December 2007 to December 2009, according to the Bureau of Labor Statistics.

Chad Moutray, chief economist for the National Association of Manufacturers in Washington, said the U.S. manufacturing sector shed 2.3 million jobs during the downturn and has added back 301,000 jobs since December 2009.

"That means we still have another two million to go," Moutray told Greenvilleonline.com. "But at least we're moving in the right direction."

Lewis Gossett, president of the South Carolina Manufacturers Alliance, said he's optimistic about the state's future prospects in manufacturing.

Gossett said he thinks Orangeburg, Sumter and Florence are well positioned to get possible new jobs from manufacturers that may arrive to supply the new Boeing aircraft plant in North Charleston.

"You've got a major OEM right down the road and very good, strong pro-business communities with extremely good technical colleges," Gossett said.

About the transmission plant in Laurens County, Gossett said it's "about as exciting as it comes."

ZF Group initially said it would spend $350 million on the plant and hire 900 workers.

Earlier this month, however, the company said its plans for the factory had grown with its business, and it now plans to spend $430 million and hire 1,200 people.



Workers at the Duncan plant of ZF Lemforder assemble axle systems. Auto makers are posting strong job gains. FILE/STAFF