State's jobs climate warms

SC unemployment below national rate

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Greenville County unemployment has fallen to the lowest in the state amid a jobs picture that economists said reflects the depth of South Carolina's recovery since the Great Recession.

"In a word, we are back," said Clemson University economist Bruce Yandle. "Employment has recovered, and that is good news."

Mark Vitner, a Wells Fargo senior economist, said South Carolina's nonfarm employment grew 2 percent from December 2012 to December 2013 and "we've seen some fairly broad-based gains across most categories and a big increase in construction."

"The state's economy seems to be gaining momentum," Vitner told *The Greenville News*, "so it's not all that surprising to see the unemployment rate come

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down as much as it has."

The Department of Employment and Workforce said Tuesday jobless rates dropped last month in all but six of South Carolina's 46 counties, and state unemployment fell below the national jobless figure for the first time since January 2001.

The state's unemployment rate for December was 6.6 percent, down from 7.1 percent a month earlier. DEW officials attributed the declines to combined gains in trade, transportation, utilities and hospitality jobs of about 6,200 jobs.

Greenville and Lexington counties posted jobless figures of 4.9 percent, lowest in the state. Allendale County had the highest, at 14.3 percent.

Vitner said an improving jobs picture in South Carolina will help attract those in search of jobs, especially when they learn unemployment rates are below 5 percent in some areas.

"It may cause a few more people to take a look at Greenville and say 'that's what is going on there,'" he said.

After showing little movement through late spring and summer, South Carolina's jobless rate trended downward during the final four months of last year, with a drop of 1.5 percentage points since August, state officials said.

The jobless numbers show economic muscle in an export-strong economy that is a regional leader, Yandle and other economists said.

Yet there are concerns, particularly about weakness in wage growth and frustration among the underemployed and the long-term unemployed, the economists said.

"Much of the state's employment growth over the last year has occurred in the trade (retail and wholesale) and leisure and hospitality sectors," Yandle said.

"Wages in these two sectors are lower than in the high-wage professional business services and health and education parts of the economy, which have also registered some growth. As a result, overall wage growth is weak."

Sujit CanagaRetna, senior fiscal analyst for the Southern Legislative Conference in Atlanta, said, "The number of long-term unemployed has also increased and is a development that poses additional challenges to policymakers. This may account for state and national unemployment rates actually going down as the long-term unemployed take themselves out of the labor market."

In terms of full employment, economists debate that the rate hovers between 2 percent and 3 percent. That would mean Greenville County's rate is higher than what is usually considered a full-employment environment, CanagaRetna said.

Last month, the number of unemployed people in South Carolina was just more than 142,000, down about 9,800 from a month earlier. The number of employed people increased more than 10,500, to just above 2 million. The labor force was estimated at 2,153,569 people, a small increase from November's 2,152,797.

Manufacturing and business services added 900 combined jobs. Government jobs were down by about 1,100. But over the past year, that sector is up by about 2,500 jobs.

In a statement, Gov. Nikki Haley hailed the latest figures as evidence of the state's hard work.

"Getting our unemployment rate to this nearly six-year low didn't happen overnight and didn't happen by itself — it's the product of Team South Carolina working together to build the kind of business environment that attracts new companies and encourages existing ones to expand," said Haley, a Republican.

"The fact that more South Carolinians are working today than since 2008 proves we are moving in the right direction," she said.

State Sen. Vincent Sheheen, Camden Democrat challenging the governor's re-election this year, said, "The lower unemployment rate would mean more if it wasn't a result of thousands of workers dropping out of the work force and didn't come to the cost of lower wages for working families and local businesses getting pushed to the back of the line by Nikki Haley's policies."

He added that "leadership is about more than just glossing over real problems to paint a pretty picture — it's about improving the lives and livelihoods of the great people in our state and that's not happening right now."