

# Economic experts: Positive signs for Upstate,

BY GREG OLIVER  
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CLEMSON — Clemson University economists Bruce Yandle and Rob Carey recently had plenty of good news when it comes to the economy in South Carolina, and especially the Upstate.

The first bit of good news from the economists is the state is mirroring the nation when it comes to economic recovery. Nationwide, 214 counties, or 7 percent of 3,069, had recovered in 2014 to prerecession levels on four indicators: total employment, unemployment rate, size of the economy and median home values. By 2016, 462 more counties had fully recovered.

In South Carolina, Yandle, dean emeritus for Clemson University's College of Business and Behavioral Science, said employment in the large Upstate areas of Greenville, Mauldin and Spartanburg dipped sharply in 2010 before steadily rising the following year and beyond.

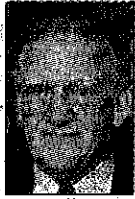
While employment in Greenville and Mauldin, which had been at nearly 380,000 in 2008 before dropping to around 340,000 in 2010 has since risen all the way to more than 400,000 as of January. Spartanburg saw employment go from 135,000 in 2007 down to below 130,000 in 2010 but has since shown a continual rise to nearly 150,000.

Yandle said migration patterns of United Van Lines' customers rank South Carolina No. 2, at 60.1 percent, behind Oregon, 61.2 percent, but ahead of neighboring North Carolina, 57.7 percent among the top three states people are moving

to throughout the U.S. Carey, director of the regional dynamics and economic modeling



Carey



Yandle

laboratory at Clemson University Strom Thurmond Institute, named there is a lot of good economic news occurring statewide. He said breaking ground on the new Dillon Inland Port should improve economic

development potential in the region, that dredging in the Charleston Harbor is expected to start by the end of this year, that permitting work is beginning on the Jasper Ocean Terminal, though actual construction is still several years away.

But Carey added that South Carolina Ports handled an all time record number of containers in January of this year and that the overall volume was up 9 percent over a year ago. The Greer inland port volume is up 25.8 percent over this point last year.

"Colliers is reporting that the growth in ports is leading to an increase in demand for industrial, warehouse and distribution space, that the maturing market makes development of large spec buildings between 200,000 to 700,000 feet more valuable and that vacancy rates are below 10 percent, including 7.1 statewide and 6.9 percent in the Upstate," Carey said.

Carey said other positives include a record number of employment in the state and a

growing labor force. In 2016, he said there were 34 expansions of existing companies, 33 new companies, \$1.9 billion in capital expenditures and 5,396 direct jobs. Through February of this year, Carey said there have been seven expansion announcements, \$58.9 million in capital expenditures and 1,020 direct jobs.

The 5,396 total jobs in 2016 marked a decrease over the 6,353 total jobs created from expansions the previous year while the \$1.9 billion it brought in 2016 was higher than the 2015 total of \$1.3 billion.

Carey said state coincident indexes show South Carolina has been in the "best" category since 2013. The coincident index, he said, is an indicator of the current economic health of a state. The Federal Reserve Bank of Philadelphia, which is the source for the index, bases it off employment, manufacturing hours worked, the unemployment rate and wage and salary disbursements.

The unemployment chart for the 10 Upstate counties shows what Carey feels is "a really good trend."

"While Union and Cherokee were hit very hard in the recession, they and all of the other eight counties have improved drastically in terms of unemployment rate and, as of the most recent data, all are at or

below the national rate," Carey said.

While the 2015 annual official unemployment rate, Carey points out, was 5.3 percent nationally and 5.9 percent in South Carolina, tied with North Carolina and slightly ahead of the 5.8 percent in Georgia, the "real" unemployment rate is higher.

Nationally, the "real" unemployment rate is 10.4 percent whereas South Carolina is higher at 11.4 percent, not only compared to the nation, but also slightly more than the 11.3 percent in North Carolina and 11.3 percent in Georgia.

But those numbers dropped significantly in the 2016 annual average. The nation's official unemployment rate dropped to 4.9 percent while it's

real rate was 9.6 percent. South Carolina's official unemployment rate of 4.9 percent, which equaled the national average, was lower than North Carolina's 5.0 and Georgia's 5.4. The "real" unemployment rate saw South Carolina's 9.7 percent slightly higher than the nation's 9.6 percent, and more than the 9.4 percent in North Carolina while below the 10.5 percent in Georgia.

"The real unemployment rate includes discouraged workers and those who work part-time for economic reasons," Carey said. "The real unemployment rate takes them into account while the official rate doesn't count them at all."

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