Section 4

Economic development, jobs and civic engagement

Goal: To stimulate growth of the area's economy by recruiting more technology-related business and industry with the result being higher-paying jobs and improved quality of life for residents.

Prioritized issues that can be affected by community actions:

A. *Increase the number of new jobs — both manufacturing and non-manufacturing*
B. *Improve individual income measures*
C. *Encourage civic engagement that attracts business investors*

Employment levels

Table 4.1 County employment changes – 2000 through 2007

County	Manufacturing		Non-manufacturing		Total jobs		% change in total jobs
	2000	2007	2000	2007	2000	2007	
Clarendon	1,646	978	5,994	6,883	7,640	7,861	+2.9%
Lee	459	419	3,584	3,379	4,043	3,798	(-6.1%)
Sumter	12,685	7,902	29,018	29,959	41,703	37,861	(-9.2%)
TOTALS	14,790	9,299	38,596	40,221	53,386	49,520	(-7.2%)

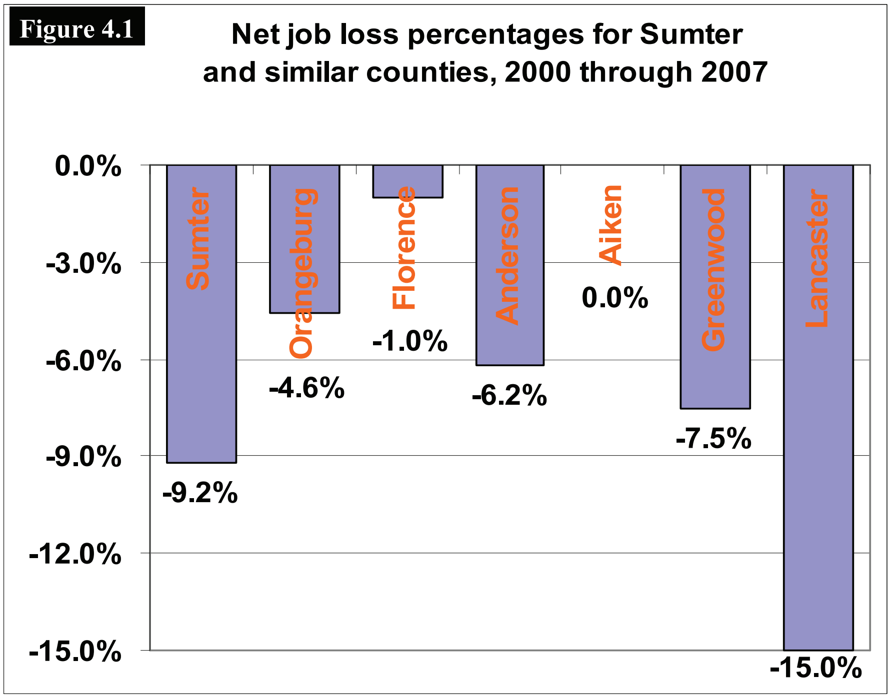
Source: Quarterly Census of Employment and Wages, 2000-07 annual data

An area's level of employment is a major indicator of its economic viability. Table 4.1 shows average annual job levels since 2000 in each of the three counties according to the Quarterly Census of Employment and Wages (QCEW), which is considered the most reliable source of employment information. These are actual jobs located within the three counties and exclude residents who commute outside the tri-county area for work. QCEW jobs data covers about 98 percent of all non-agricultural and non-military jobs in the U.S.; **so, the approximate 6,100 active-duty personnel at Shaw Air Force Base wouldn't be included in the totals.**

The data shows the significant loss of manufacturing jobs since 2000 in the three counties and more specifically Sumter County, the tri-county's industrial center. A total of 5,491 manufacturing jobs were lost in the three counties from 2000 through 2007. Sumter County lost 4,783 of these jobs, or 87 percent, in the timeframe. The majority of the losses have been lower-skilled, lower-wage manufacturing jobs that have moved offshore in the ever-increasing global economy. Some manufacturing losses are also due to technological advances that necessitate fewer workers. The tri-county area, like other rural parts of South Carolina and the Southeast, has traditionally depended on the lower-skilled, lower-wage manufacturing sector for its economic livelihood for decades. Many rural regions across the Southeast are facing similar dilemmas. The data clearly shows the tri-county region has struggled to effectively handle the transitioning of the economy and offset manufacturing losses with substantive gains in other employment sectors. Lower-skilled, lower-wage manufacturing job losses are expected to continue to decline throughout the U.S. According to Sumter Development Board staff, the current base of county manufacturing jobs will continue to decline in the years to come.

Figure 4.1 presents Sumter County's cumulative job losses since 2000 compared to like counties in the state according to QCEW. As the chart reveals all of the comparable counties have been impacted by globalization and the loss the lower-skilled, lower-wage manufacturing jobs as represented by negative overall job growth – or zero growth as in the case of Aiken. However, Sumter, Greenwood and Lancaster counties have been especially hurt because of their traditional dependence on that sector for their economic livelihood. In all three counties more than 30 percent of all jobs in 2000 were in manufacturing. Florence and Aiken counties were much better positioned for the transitioning of the economy in 2000 with manufacturing levels on par with the state average of 18.9 percent at the time. Therefore, these counties were better able to weather the loss of manufacturing jobs since they had more diversified economies. Anderson County (29.6 percent) had a manufacturing level closely behind Sumter and Lancaster in 2000, but it has been better able to offset losses with gains in other sectors. A review of the various counties' manufacturing levels in 2000 and ensuing net job loss percentages through 2007 is pro-

Figure 4.1



vided in Table 4.2 and clearly shows those counties with the highest concentrations of manufacturing have taken the biggest employment hits. To remedy these losses, Sumter and other traditional manufacturing counties must further diversify their economies in part through increased education and training.

Table 4.2 **Manufacturing dependence, net job losses – 2000-'07**

County	Manufacturing dependence in 2000	Total overall job loss from 2000-'07
Lancaster	34.4%	-15.0%
Greenwood	33.5%	-7.5%
Sumter	**30.4%**	**-9.2%**
Anderson	29.6%	-6.2%
Orangeburg	25.4%	-4.6%
STATE	18.9%	+3.7%
Florence	18.2%	-1.0%
Aiken	16.9%	0.0%

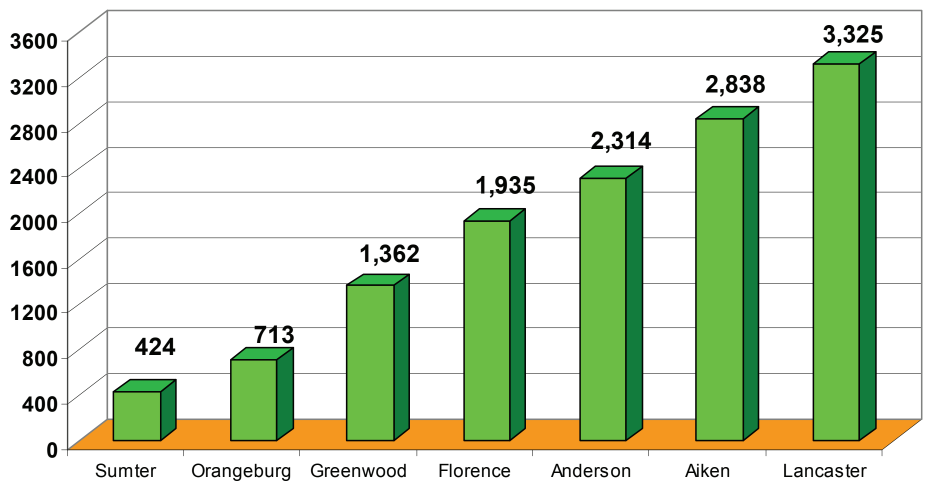
Source: Quarterly Census of Employment and Wages

Job creation by capital investment, 2003-2007

Another measure of county employment trends is to measure job creation as a result of capital investment by industries. The state Department of Commerce tracks county-level capital investment projects that the agency is involved in. Figure 4.2 shows job creation announcements via new industries or expansions for Sumter and comparable counties in the state in the five years from 2003-'07. Typically an industry has at most a five-year window to bring jobs on board. Sumter County had only 424 job creation announcements through Department of Commerce projects for the five-year period, a total well below the other counties. These totals represent a large majority of job creation announcements per county but not all of them because at times a company may expand without involving the Department of Commerce.

Regardless of some adjustments in the counts, the totals are disturbing for Sumter. The totals again call for the need for the county to expand the skill level of its workforce and effectively address quality of life issues covered in other sections of this report in order to attract more industry to the area.

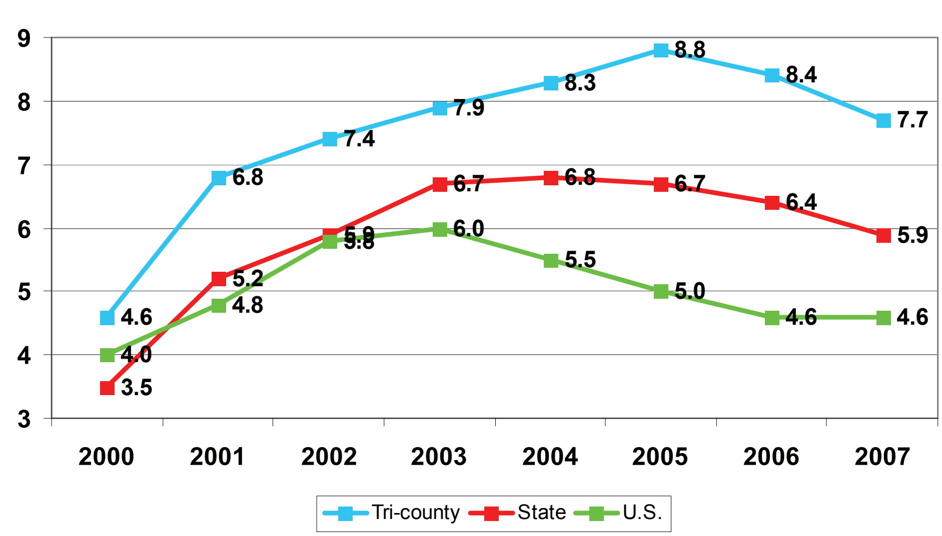
Figure 4.2 Job creation by capital investment, 2003-2007



Annual unemployment rates

With a weakening job picture in the tri-county area since 2000, the unemployment rate has increased. While there is no formula for a reasonable level of unemployment, an acceptable unemployment rate is generally the state average.

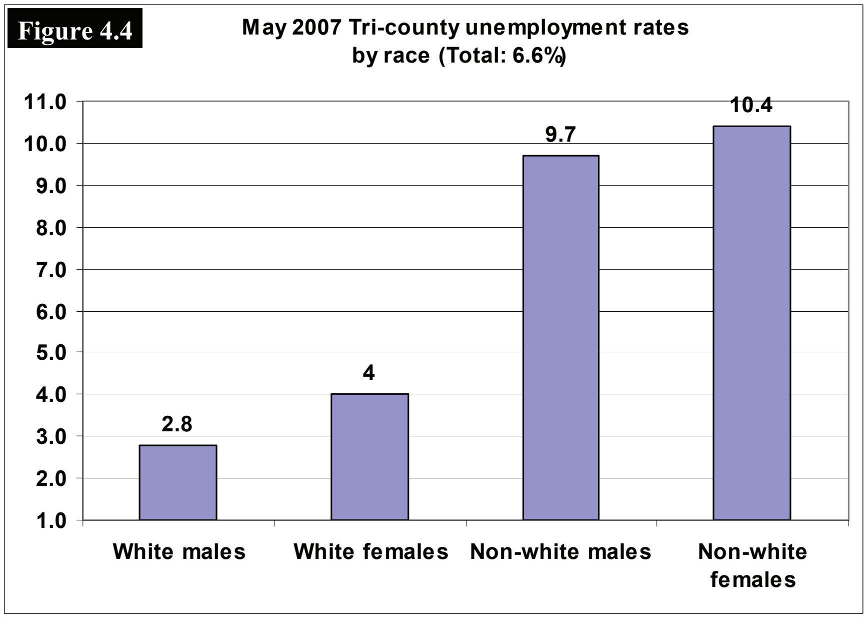
Figure 4.3 Average annual unemployment rates, 2000-'07



While the tri-county, state and U.S. unemployment rates have all increased since 2000 as shown in Figure 4.3, the local area's unemployment has grown at a faster rate. Five consecutive years of rising rates in the first half of the decade caused the area's unemployment rate to peak in 2005 at 8.8 percent before falling in 2006 to 8.4 percent. In 2007 the rate fell again, but statistics show this was not the result of adding jobs but unemployed workers giving up on searching for work and dropping out of the labor force. As mentioned previously, the key reason for higher unemployment in the tri-county area through the years is the loss of lower-skilled, lower-wage manufacturing jobs offshore in the ever-increasing global economy. Some manufacturing job losses are also due to technological advances that necessitate fewer workers. The tri-county area, like other rural parts of South Carolina and the Southeast, has traditionally depended on the lower-skilled, lower-wage manufacturing sector for its economic livelihood for decades.

Figure 4.4 goes inside the tri-county's unemployment rate to measure it by race and gender. This measurement – published by the state Employment Security Commission – applies unemployment percentages generated by Census 2000 to county labor force totals. The Employment Security Commission tracks unemployment by race and gender for selected months out of the year. May 2007 is provided in the accompanying chart. For that month, the tri-county unemployment rate was 6.6 percent. The unemployment rate among whites was 3.4 percent; while the rate for non-whites was basically three times larger at 10.0 percent. The state Employment Security Commission emphasizes these percentages are "loose estimates" based on Census 2000 employment trends, but the overall trends are alarming and necessitate intervention among the African-American population to increase educational and skill levels.

Figure 4.4



Commuting patterns

Unlike the previous QCEW analysis of jobs specifically in a county, unemployment statistics are based on a worker's residence; so a resident could lose his job in his home county via a plant closure but commute to a county with a better overall job base for work and still be counted as an employed worker in his home county even though he lost his job there. This would be a preferred scenario for counties suffering overall job losses to maintain and grow population and might be the case in some suburban counties in the state that are similar to Sumter County in size. However, worker-commuting patterns data shows total work commuters from Sumter to outlying counties has not necessarily grown in recent years as the manufacturing job base within Sumter County has continued to decrease.

Local Employment Dynamics data from the U.S. Census Bureau for years 2002-'06 shows no trend increases in Sumter residents commuting for work to neighboring counties, including Richland and Florence as Table 4.3 reveals. This is likely because Sumter is a fairly isolated county with limited interstate access compared to some suburban counties in the state. These trends support flat annual county population estimates for Sumter through recent years as is discussed in the next sub-section.

Table 4.3 **Sumter work commuters to neighboring counties, 2002-'06**

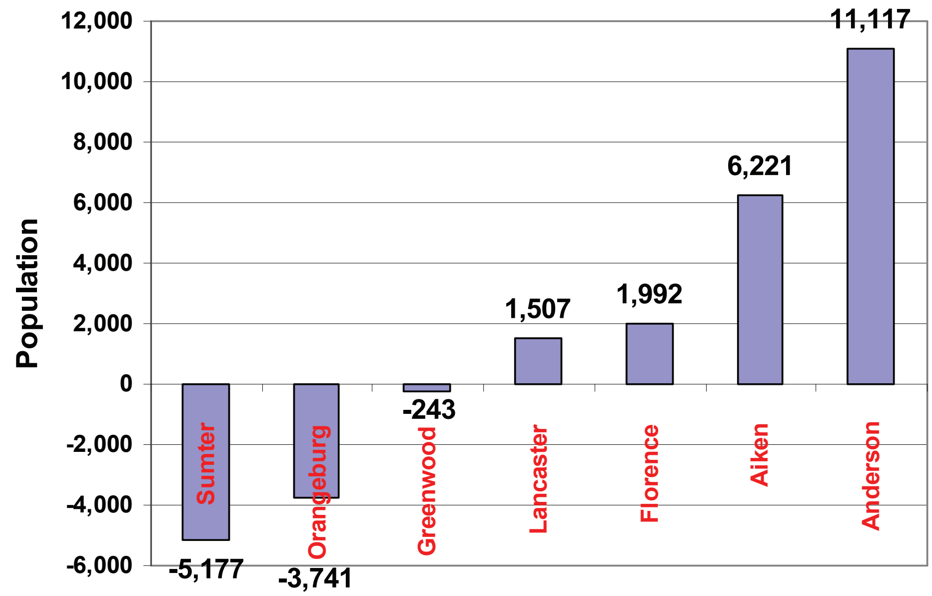
County	2002	2003	2004	2005	2006	Change 2002-'06
Richland	3,675	3,763	3,897	4,047	3,672	-3
Lexington	1,081	1,248	1,203	1,270	1,108	+27
Florence	1,319	1,268	1,205	1,154	1,096	-223
Kershaw	837	814	928	933	699	-138

Source: U.S. Census Bureau, Local Employment Dynamics, 2002-'06 data

As primarily rural counties, Clarendon and Lee have traditionally had well over 50 percent of resident-workers who have had to commute out the county for work daily due to small relative county job bases. Since 2000, job totals within the two counties have been fairly consistent and commuter patterns to various outlying counties from 2002-'06 were relatively unchanged, which supports flat population change in both counties as well. Obviously, with a declining job base in Sumter County, commuter patterns for Clarendon and Lee residents into Sumter have not increased through the years.

Economy affects population totals

Figure 4.5 Cumulative migration totals for counties, 2000-07



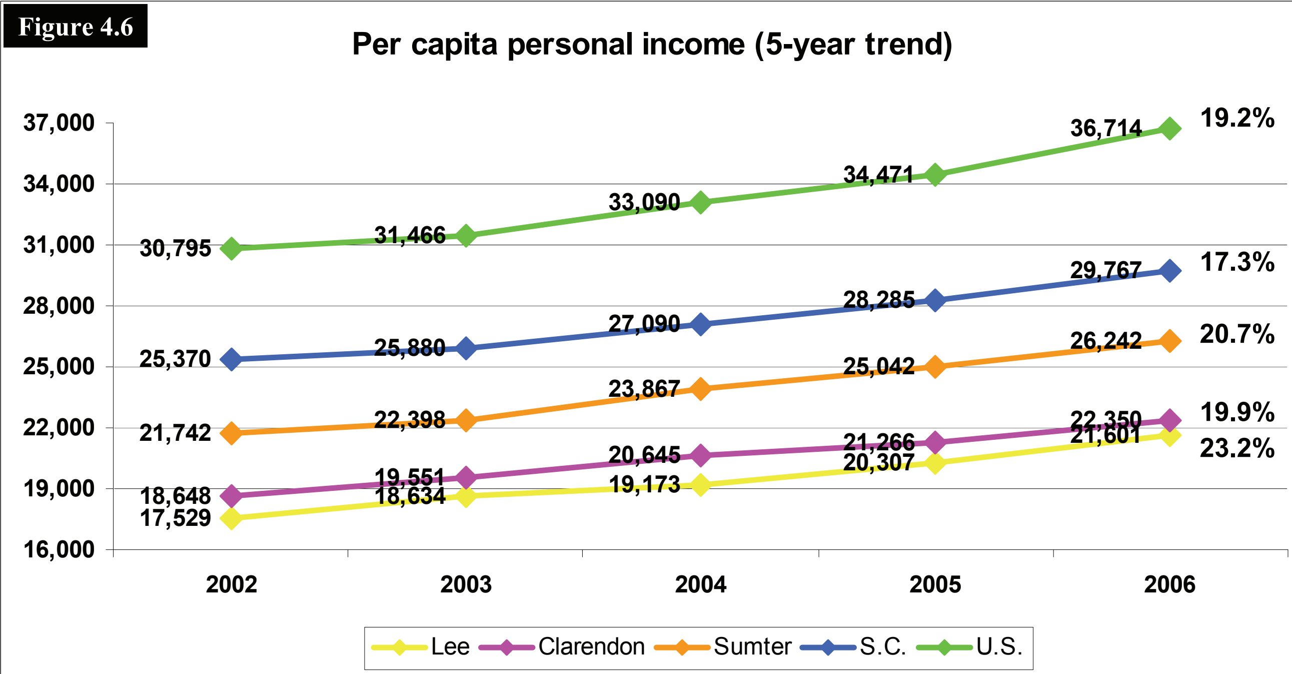
As mentioned, a risk associated with job losses in the tri-county area is the loss of population as residents are forced to move to a new county for employment. Annual Census Bureau population estimates show rural counties in the state have struggled with domestic out-migration as a result of the manufacturing downturn since 2000, curtailing any overall net population growth. Sumter County has actually led the state in domestic out-migration since the 2000 Census according to the bureau's annual population estimates. Other similar counties, such as Anderson and Lancaster, have fared better on population totals despite heavy job losses. This is largely because these counties are in close proximity to major metropolitan centers in Greenville, S.C., and Charlotte, N.C. For example, an Anderson worker could lose his job, gain a job in Greenville and still easily maintain his residence in Anderson and commute. Additionally, new workers coming into the Greenville or Charlotte region could choose to live in one of these counties due to less expensive property taxes. Figure 4.5 shows Sumter and similar counties' domestic migration totals since the 2000 Census. Slightly more reliable population statistics will be provided in the 2010 Census, but the current data certainly shows negative trends for Sumter. Florence and Aiken are examples of counties that have had sustainable economies since 2000 and have therefore benefited in population. Sumter County must move beyond its older economy structure in order to grow.

As historically very rural counties, Clarendon and Lee have never had significant population growth. In estimate years since 2000, Clarendon has had incidental population growth of roughly 300; while Lee has lost about 100 people.

Per Capita Personal Income

Increasing unemployment in the area is a source of great concern, but it's not the only job-related problem facing the area. The pay scales for the three counties are below the South Carolina norm. A factor contributing to the lower wages in the area is the relatively small number of skilled workers in the counties. With fewer technically skilled workers available, major manufacturers are more reluctant to establish operations in the immediate tri-county area.

Figure 4.6



Source: Bureau of Economic Analysis, 2002-'06 data

Per Capita Personal Income (PCPI) is a valuable statistical measure of both state and local economies. PCPI is defined as the total personal income of an area's residents divided by the area's total population. Personal income is the sum of total wages and salaries, other labor income, personal interest and dividend income, transfer payments, proprietors' income and rental income, less personal contributions for social insurance. In simple terms, per capita personal income is what each resident – man, woman and child, even those with no income -- would receive if the yearly income generated by a locality were divided equally among everyone.

South Carolina's per capita personal income has historically been well behind the national average, given the state's high concentration of rural counties like the tri-county area that weigh down income averages. In 2006, South Carolina ranked 45th of the 50 states and eighth of the 12 states in the Southeast.

As would be expected, per capita income measures for Clarendon, Lee and Sumter counties are consistently below the state average, but the counties have made progress during the last five years measured as shown in Figure 4.6. All three counties improved their income levels by percentages greater than the U.S. average of 19.2 percent during the most recent five-year period. Sumter improved by 20.7 percent, Lee by 23.2 percent and Clarendon by 19.9 percent from 2002-06.

The gains aren't necessarily cause to boast since the income levels are still relatively low. In ranking the country's 363 Metropolitan Statistical Areas in 2006, Sumter was 333rd despite its solid percentage gains in recent years.

Per capita income levels can also be slightly distorted because the measurement is dependent on annual county population estimates from the U.S. Census Bureau. Therefore, if a county's population estimate is too low, then its per capita income will be falsely high. For example, Sumter's 20.7 percent increase in per capita income would be falsely high if the county's population estimate is too low. The same scenario could apply to Lee and Clarendon counties. Regardless, it does appear the tri-county area has begun to make income progress.

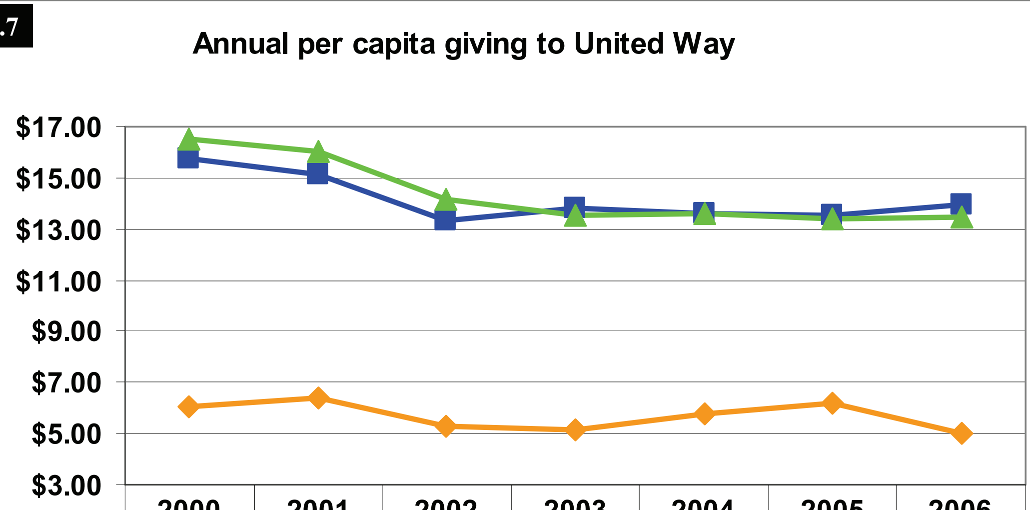
Charitable giving

An indicator of citizens' involvement with local civic organizations is per capita annual giving to the United Way. The United Way is designated as a single donation point to raise funds for local charitable organizations. Nationally, statewide and locally, per capita giving to the United Way decreased from year 2000 through 2006 as shown in Figure 4.7. Giving totals are flat through recent years due in part to extra charities appealing to residents for money. Also higher unemployment rates and tighter financial conditions could be contributing to less per capita giving, especially among agencies in rural areas.

Per capita giving is measured by total giving to the United Way for an area divided by the area's total population. Judging by the graphic, the tri-county's giving appears to be well below the state norm. However, when analyzing the state's 30 United Way agencies about 12 had annual per capita giving totals lower or similar to the tri-county agency. Many of these agencies with low giving levels are based in rural areas, similar to our agency. State per capita averages could be skewed by very high giving levels in metropolitan areas such as Greenville, Columbia and Beaufort.

It's interesting to note the state and U.S. averages. Despite having per capita income levels roughly 80 percent of the U.S. average, our state's per capita giving to the United Way is competitive annually with the national norm.

Figure 4.7



	2000	2001	2002	2003	2004	2005	2006
Tri-county	$6.08	$6.40	$5.28	$5.17	$5.76	$6.18	$5.00
STATE	$15.77	$15.15	$13.34	$13.81	$13.59	$13.54	$13.97
U.S.	$16.50	$16.05	$14.18	$13.54	$13.58	$13.42	$13.49

Source: United Way of America

Other data sources show South Carolina to have giving levels that are competitive with the U.S. average. The National Center for Charitable Statistics at the Urban Institute summarizes charitable giving by state to non-profit organizations -- including churches -- from individual IRS tax returns. In 2005 South Carolina ranked 20th of the 50 states by making an average charitable contribution of $1,352 per tax return. The U.S. average was $1,354. The statistic for each state was measured by weighing total itemized contributions against total tax returns. Urban Institute research suggests about 70 percent of all giving is from itemized contributions; so the statistics aren't exactly precise but they do provide a realistic estimate of states' charitable giving. In other contribution variables produced by the agency, South Carolina ranked in the top 25 percent of all 50 states.