

ECONOMIC BRIEF NO. 20

Meaning of Unemployment Rates

This series of economic briefs explores fundamental concepts in economics and community and economic development.

South Carolina's unemployment rate has remained pretty close to the national average of 5.6 percent for quite a while now, but rates differ greatly from county to county.

While 9 counties had unemployment rates of 4 percent or less in September, another 14 counties, half of them in the low country, had rates of 8 percent or more. What do these rates

tell us about the job market in a particular county? Some have health problems, a poor work history, or are unemployable for other reasons.

An unemployment rate of less than 4 percent translates into a labor shortage. At this level of employment, employers may advertise and not find qualified candidates. Under these conditions employers may have to accept less qualified workers, raise wages, or even "import" workers from distant places.

If low unemployment lasts long enough, some employers may decide to relocate to better labor markets. More likely, workers will be attracted into the area from other counties or other states, and the labor force will eventually grow to meet the demand.

Unemployment rates well above the 5.6 percent average, however, present a different set of problems. Workers, even skilled, experienced, dependable workers, have trouble finding a full-time permanent job at a satisfactory wage.

Some counties' high unemployment rates reflect conditions that are tempo-

rary or unique to the locale. Other counties, however, have a history of high unemployment, particularly the counties stretching from Dillon County through Orangeburg County. In this region most employment opportunities are in agriculture and small scale, low skill manufacturing while much of the rest of the state has shifted to higher tech manufacturing and service industries.

Eventually, the best and brightest workers migrate from high unemployment counties to where job opportunities are. Patterns of population gain and decline in South Carolina counties reflect this migration.

Like most economic news, a low unemployment rate is a mixed blessing. It's good news for workers and their families. It's good news in terms of prosperity. But it means that employers have to scramble to fill their openings, and prospective employers may be just a bit wary about locating in areas where workers are hard to find and they have to offer higher wages to compete with other employers.

The system for gathering employment data is not perfect. Unemployment surveys miss self-employed and discouraged job seekers. Other workers are in temporary jobs when they want permanent jobs, working part-time when they want work full time, or holding jobs below their skill and education levels. Some workers counted as unemployed may be halfheartedly job hunting to keep unemployment benefits.

tell us about the job market in a particular county?

Some level of unemployment is normal as workers leave jobs, enter the labor force, or reenter after attending school, maternity leave, military service, or illness. It takes time to match up workers with new jobs. Such people are counted as unemployed while they search. Other unemployed persons are hard to place in jobs because they lack skills, education, or ex-

September
Unemployment Rates-%

Greenville Co.	-2.7
Beaufort Co.	-3.1
Cherokee Co.	-3.4
Lexington Co.	-3.5
York Co.	-3.7
Pickens Co.	-3.8
Spartanburg Co.	-3.9
Horry Co.	-4.0
Richland Co.	-4.0