

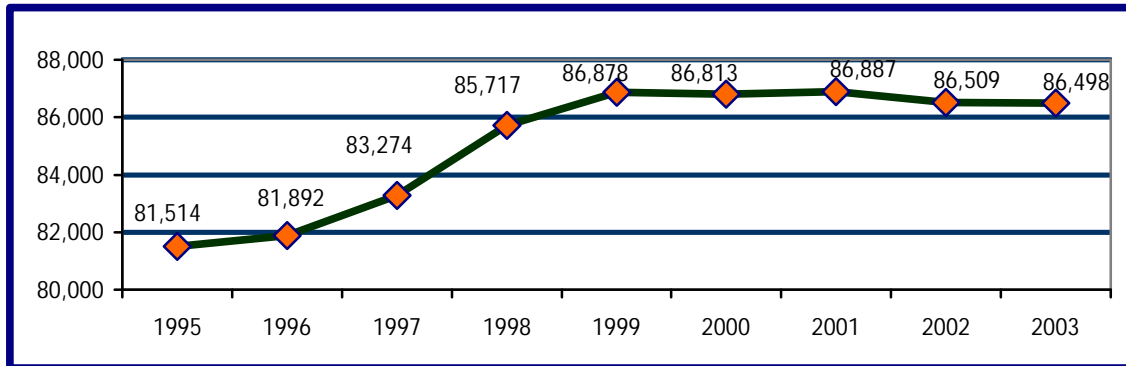
SANTEE-LYNCHES EMPLOYMENT SERIES

REGIONAL EMPLOYMENT LEVEL REMAINS FLAT FOR YEARS Fewer Jobs Within Region Force Many To Seek Employment Outside Region

The national economy is recovering from the Recession of 2000-2001 and is currently growing at about 4% to 5% annually. One thing that differentiates this recovery from those of the past is that the nation's employment is growing at a much slower rate. This "jobless recovery" is negatively affecting the economic growth of the Santee-Lynches Region. This Region, being a predominately rural area, historically trails national recovery trends by approximately a year, but the continuing loss of total employment long after the start of the national recovery cycle is a reason for concern.

The population of the Region has grown by well over 2,500 people since 2000, but the number of the Region's residents employed since the start of the 21st Century has actually decreased. Employment is used here to define Regional residents working, whether employed within or outside their County or the Region in general.

REGIONAL EMPLOYMENT TREND 1995 - 2003



Source: S.C. Employment Security Commission

As can be seen from the above graphic, the Region's working population experienced dramatic employment growth between 1995 and 1999. During this five-year period over 5000 more of the Region's citizens found work. Since the Recession of 2000, this trend has completely turned around and for the last four years the total employment for the Region's residents has remained stagnant. In 2003, there were 380 fewer Region residents employed than in 1999.

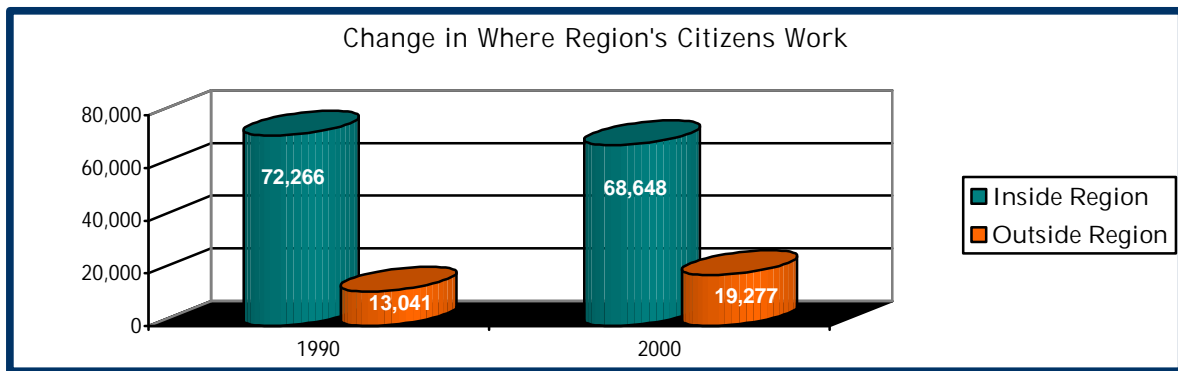
One of the main reasons for this decrease in employment is the loss of jobs within the Region. The latest information available on employment in our four counties is for 2002, but it gives a good indication of the negative trend impacting the Region's job market. In the year 2000, the average number of jobs in our four counties was 71,988. Due to business closings and substantial layoffs, the average number of jobs in the Region had decreased to 68,005 by 2002. This loss of almost 4,000 jobs inside the Four County Region over the last three years should be examined and addressed by all community leaders in both the public and private sectors, since it is a source of major economic and social concern.

The Region's continuing loss of employment appears to extend through 2006. The planned openings of some small manufacturing-associated plants in the more rural

SANTEE-LYNCHES EMPLOYMENT SERIES

counties and the continued growth in the retail, construction, and services sectors are positive signs for the Region in general. However, there are already announcements of the closing of two major manufacturing companies by 2006. These closing will result in the loss of over another 1,000 jobs for the Region.

With the decrease in job opportunities within the Santee-Lynches Region, many in the labor force are traveling outside the Region to secure work. Detailed commuting patterns are only available every ten years through the U.S. Census. Between 1990 and 2000 the most significant change in commuting patterns for our four counties was the increase in migration of Regional workers to jobs located outside the Region. The number of workers who crossed the Region's boundaries for work increased from approximately 13,000 in 1990 to over 19,000 in the year 2000. Over one-half of this increased out-migration consisted of workers from the Santee-Lynches Region going to the Columbia Metropolitan Area for employment.



Source: US Census Bureau

With the loss of almost 4,000 more jobs in the Region since 2000 and a subsequent decrease of only about 400 Region residents employed, it is evident that the out-migration of Santee-Lynches workers has continued at a brisk pace since Census 2000. In 2000, the Region was a net exporter of almost 13,000 workers to the surrounding areas. This number has definitely increased in the last two to three years. Specific corrective actions should be identified and implemented now to slow or neutralize this trend if the Region's economy is to remain viable.

Fewer people employed, a decrease in Region jobs, and the out-migration of workers to find employment in other counties and states are all indicators that the Region is suffering an economic slowdown. If the residents of the Santee-Lynches Region are to prosper and the Counties are to have the tax base to provide the services needed by its citizens, this economic slowdown must be reversed. This is a formidable task during an economic recovery with slight job growth, but it is a task that must be jointly undertaken and successfully accomplished by the Region's public and private sectors.