

Transformation of economy curtails region job base

The transformation of the U.S. economy to a more knowledge-based economy has had a large impact on Sumter County and consequently the Santee-Lynches Region. The “knowledge economy” currently developing in the U.S. and abroad involves global interconnection of product and labor markets, rapid technological change in all economic sectors, and shortened production and product cycles. Given greater accessibility to less-expensive overseas labor and new technologies necessitating fewer workers, rural counties and regions in South Carolina and across the Southeast have suffered major “growing pains” in the form of lost lower-skilled, lower-wage manufacturing jobs – an industry sector these areas have traditionally depended on for their economic livelihood. The Santee-Lynches Region alone lost 6,613 manufacturing jobs, or 33 percent of its manufacturing base, during the seven years from 2000-’07 as shown in the table below.

County employment changes, 2000-’07

County	Manufacturing		Non-manufacturing		Total jobs		% change in total jobs
	2000	2007 (change)	2000	2007 (change)	2000	2007	
Clarendon	1,646	978 (-41%)	5,994	6,883 (+15%)	7,640	7,861	+2.9%
Lee	459	419 (-9%)	3,584	3,379 (-6%)	4,043	3,798	(-6.1%)
Sumter	12,685	7,902 (-38%)	29,018	29,959 (+3%)	41,703	37,861	(-9.2%)
Kershaw	5,078	3,956 (-22%)	12,974	14,131 (+9%)	18,052	18,087	+0.2%
TOTALS	19,868	13,255 (-33%)	51,570	54,352 (+5%)	71,438	67,607	(-5.4%)

*Note: Job count totals don't include the 6,100 active-duty military at Shaw Air Force Base in Sumter
Source: Quarterly Census of Employment and Wages, 2000-’07 annual data*

Sumter County, the region’s industrial and population center, has suffered the brunt of the losses. A total of 4,783 manufacturing jobs were lost in the county during the seven years, representing 72 percent of the region’s total losses. The region has featured some gains in the non-manufacturing sector, 2,782 jobs, but not enough to offset losses. Many of these non-manufacturing job additions likely don’t offer the wages and benefits that the lost manufacturing jobs did. It’s widely accepted that lower-skilled, lower-wage manufacturing job losses are expected to continue throughout the U.S. and Southeast in the future. **To remedy these losses, Sumter and the other rural counties must further diversify their economies in part through increased emphasis on education and advanced training of youth to produce a more skilled future workforce.**

Why is this important?

- **Manufacturing job losses in the four counties since 2000 have had a negative impact on population growth and normal tax base expansion in the region.**
- **With a reduced manufacturing base, residents face increased unemployment levels and the likelihood of being forced to commute out of town to work if they desire to maintain their residence. Increased commuting costs often result in less discretionary income for a worker. The decline in household incomes consequently also dampens new commercial business in the region.**