

Questions January 8, 2013

Q. We heard that the economy in Georgia is continuing to make progress and that the state jobless rate has continued to decline. Do you have any statistics?

A. I have recently been to meetings where we heard from two economists, one from Georgia Tech and one from the Eastern Region of the US and both are very positive on the economic future of Georgia. They point to the continuing reduction in unemployment, the large growth in the stock market (with one predicting that it would reach the 17,000 mark by the end of 2014) and the liquidity in the marketplace. Durable goods sales are increasing, the negative balance of trade is decreasing, auto exports are increasing, fuel prices are stabilizing and without a war or oil crisis, they both were encouraged for the next three to four years about our economy.

Q. What are the unemployment numbers for Georgia?

A. I know that some people question the unemployment numbers but these come from the state and not the federal government. How they are arrived at and whether they are accurate or not, I have no idea. But here the numbers from the State of Georgia unemployment statistics. Two large milestones have been reached and they may be seasonal, but the State Unemployment rate is now shown to be 7.7% as of November which is down from 8.1% in October. According to an article I read in the December 26th issue of the Pickens County Progress, the Labor Dept. reports that the unemployment rate is at its lowest point since November of 2008 when it was 7.6%.

Q. Why has the unemployment rate continued to go down?

A. The State Labor Commissioner Mark Butler said the unemployment rate is down because of strong job growth and a very good drop in new claims for unemployment insurance benefits. He also said, "The number of new jobs is the best October to November growth since 2007 and the number of new claims is the lowest for any month since September 2007. Both of these numbers pre-date the recession."

Q. How does the Union County unemployment rate compare with other counties in our region and the state? Our region is consistently lower than the rest of the state.

We are consistently one of the lowest ranked counties with our unemployment rate and this is another time when lower is better. Some county rates from our region or as follows: Banks Co 5.4%, Dawson Co 5.5%, Forsyth Co 5.3%, Habersham Co 6.5%, Hall Co 5.9%, Lumpkin Co 7.1%, Rabun Co 9.2%, Stephens Co 6.9%, Towns Co 6.1%, **Union County 5.5%**, and White Co 6.6%. The average unemployment rate for the Georgia Mountains Region, which includes most of these counties, is 6.1% as of November 2013.

Q. What is considered the full employment rate?

A. It varies, but economist seem to agree that it can range from 4% to 6.2%, so based on current numbers, Georgia is certainly getting close and our region may almost be there.

Q. Do you feel that these low unemployment numbers are something to be excited about?

A. I do, with caution. We know that many people with jobs may have lower paying jobs than they have had in the past and that certainly is not good, but the trend is positive. Once we reach full employment, then the pressure and demand for higher wages usually follows. It is now winter and I think if we see these numbers hold or stay close until Spring, we can really start to be excited about long term reduced unemployment. While we know there are still people out of work, these are amazing numbers when we were at 7.3 % just 10 months ago and now 5.5%. Another interesting statistic is that unemployment insurance initial claims for Union County were 72 in November of 2012 and down to 34 as of November 2013. So we have evidence and statistics to be cautiously optimistic about the future.