

Georgia's unemployment is severe and it's likely to stay bad

Forecasters see job levels returning to what they were in 1998.

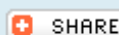
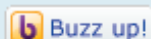
BY [WALTER C. JONES](#) | STORY UPDATED AT 4:21 AM ON THURSDAY, NOV. 19, 2009

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ATLANTA - Georgia remains mired in a severe employment recession, even as the rest of the economy enjoys a modest recovery, according to an economic forecast released Wednesday.

Job losses in the state will continue through 2010, according to a quarterly report issued by the Economic Forecasting Center at Georgia State University.

Georgia's job losses will reach 387,000 and exceed the rate of the national average.

"Employment levels will return to levels last seen in 1998, thereby wiping out the gains of an entire decade," writes Rajeev Dhawan, director of the center, who predicted the state's unemployment rate will peak at 10.7 percent in the fall.

The unemployment rate for metro Brunswick, which is comprised of Glynn, McIntosh and Brantley counties, was 8.8 percent in September. Brunswick had the state's second-highest increase in unemployment claims with 74.3 percent.

Major industries driving the area's economy are adjusting to a lower normal.

Georgia exports are down 17 percent for the first eight months of the year, although Florida's dropped 36 percent. Automobile imports coming through the local port have been a generator of jobs, but sales sputtered once the Cash for Clunkers program ended in September.

Hospitality is tied to the health of the business sector and consumers taking leisure trips or going shopping, all of which remain weak, Dhawan wrote.

"More than a temporary measure, the belt-tightening represents a change in the lifestyle of the players," he wrote. "As this sector adjusts to the new norm, it will not only shed jobs but also see a reduction in room capacity for the upper-price points. Why? The cost-conscious consumer will demand - and get - five-star treatment at three-star prices."

Backing up news of consumer pullback is the release of a survey by the Georgia Credit Union Affiliates showing that 52 percent of their depositors intend to spend less on holiday gifts than last year. At the same time, 45 percent expect to spend the same, and just 3 percent say they'll increase their purchasing.

The online poll of 1,000 credit union members was conducted Oct. 1-8 by Zoomerang and has a margin of error of 3 percent.

It also showed that 76 percent intend to pay for their gifts with cash rather than borrowing on credit cards.

"While Georgians will still spend money to enjoy the holiday season, they're not going to take on more debt to do it; instead, they are looking at their finances with an eye toward the future," said Mike Mercer, president of the credit union association.