

Triangle jobless rate dips but may head back up

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RALEIGH — The Triangle's job market improved in January as nearly 6,100 more people found jobs, and the unemployment rate fell to 4.8 percent, its lowest level since December 2001.

But economists warned that employers are likely to put off hiring until the confrontation with Iraq is resolved. And they cautioned that the job market appears to have worsened in February and March, ensuring higher unemployment rates in coming months.

"I wouldn't expect this drop in unemployment to hold up," said Mark Vitner, an economist for Wachovia Securities in Charlotte.

Unemployment rates for North Carolina's metropolitan statistical areas were announced Tues-

day by the state Employment Security Commission and adjusted for seasonal factors by Wachovia Securities.

The Raleigh-Durham-Chapel Hill area saw its unemployment rate fall from an upwardly revised figure of 5.2 percent in December. The decline was in line with improvements in the national and state rates for January, which were 5.7 percent and 6 percent, respectively.

One encouraging number from Tuesday's report was the growth in Triangle employment, which rose to 665,639 jobs. That was up 6,069 from December and 8,805 from January 2002.

Campbell Harvey, a Duke University economist who studies geopolitical risks, said the imminent war with Iraq is causing employers to postpone hiring and capital investments and even to lay off workers, noting that 308,000 U.S. job losses were reported in February. Harvey said that is not likely to change until the situation with Iraq is resolved.

"It's just not good business to make major investments in the face of major uncertainty," he said. "If this uncertainty continues much longer, we will continue to see deferral. We will continue to see retrenchment. And that will push us into another recession."

Still, Harvey said a quick and successful war could prompt businesses to make capital improvements and hire more workers.

Locally, the unemployment rate fell from 5.2 percent to 4.9 percent in Wake County. Durham County saw its rate drop from 5.9 percent to 5.2 percent, while Orange County's rate declined from 3.3 percent to 3 percent.

Without adjusting for seasonal factors, joblessness rose in 75 of North Carolina's 100 counties, fell in 16 and stayed the same in nine.

The Employment Security Commission cited a seasonal decline in tourism, post-holiday layoffs by retailers and poor winter weather as reasons for the higher unemployment rates.

Tyrrell County in the east had the state's highest rate, 15.4 percent, because of layoffs in the service and food sectors. Gates County in the northeast had the lowest rate, 2.8 percent.

The Employment Security Commission released the county rates several weeks later than usual because of efforts to reclassify job sectors under a new system created by labor statisticians in the United States, Mexico and Canada. Also, the U.S. Bureau of Labor Statistics recently changed the way it calculates state unemployment rates, but those changes had little bearing on Tuesday's numbers, the ESC said.

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