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HEADLINE: Furniture job erosion offers no signs of waning in North Carolina

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BODY:

For furniture industry workers in the state and nation, the hard hits keep on coming.

Despite a gradually improving state and national economy and an ongoing effort to stem controversial imports from China, U.S. furniture companies continue to announce layoffs both nationally and in North Carolina. The demoralizing trend continued last week when Hooker Furniture Corp. announced it would close a plant in Maiden near Hickory, a move that will cost 240 workers their jobs when the shutdown is completed this fall.

The erosion of American furniture manufacturing employment reflects an extended and painful economic structural change, said Don Jud, professor emeritus of business administration at the University of North Carolina at Greensboro.

"In my view, it's part of a long-term trend that just continues, one that we've already seen in textiles and apparel," Jud said. Among the other furniture manufacturing job losses this year: La-Z-Boy Inc. earlier this month announced a series of job cuts that will affect more than 500 of its workers, including employees at one of La-Z-Boy's division plants in Caldwell County north of Hickory.

Bassett Furniture Industries Inc. at the first of August announced plans to close a Macon, Ga., plant by Oct. 1, putting about 185 employees out of work. The company has operated the plant for 40 years.

Thomasville Furniture Industries Inc. announced this summer that it will close an upholstery furniture plant in Statesville this fall. The closing will eliminate a factory employing 118 people.

Vaughan-Bassett Furniture Co. Inc., which has led the fight among American furniture manufacturers against Chinese imports of wooden bedroom furniture, in June announced that it will close its plant in Sumter, S.C. The move will eliminate 350 manufacturing, administrative and managerial jobs and represents a 21 percent reduction in company's total work force.

Ethan Allen Inc. closed a plant in Boonville, N.Y., in June after operating the factory for 50 years. The closing put 266 employees out of work.

Steelcase Inc. announced in January that it would close two wood furniture factories, eliminating 640 jobs. The plants were in New Paris, Ind., and Fletcher in western North Carolina.

The number of American workers in furniture and related products dropped 14 percent from 674,900 in January 2000 to 581,700 in July, according to figures from the U.S. Bureau of Labor Statistics. North Carolina furnishings-related employment has been impacted even more in relative terms, as

the work force fell 27 percent from 78,500 in January 2000 to 57,400 in July, according to bureau statistics.

Furniture manufacturing job losses have cut through the Triad. Davidson County, which has had more furniture job losses than any county in the state since 2003, lost 1,767 furnishings jobs since the beginning of last year. Forsyth County has lost 670 furniture jobs since 2003, while Guilford County has lost 239 jobs, according to figures from the N.C. Employment Security Commission.

Virtually all the major U.S.-based furniture manufacturers have established operations in China to take advantage of lower-cost production, Jud said.

"It comes down to the old concept of a shrinking globe," said Jerry Epperson, long-time industry analyst and managing partner with Mann, Armistead and Epperson in Richmond, Va.

Epperson said the future of furniture manufacturing in America may end up at the far ends of the price spectrum.

"At the low end, where the technology allows very little labor content in the product, in those cases the labor benefits in China are negated," Epperson said. "At the other extreme, you'll have furniture that's the most labor-intensive, but the quantities that are made are very small."

Jud said that some level of furniture manufacturing will remain in America as companies respond to niche markets or trends. An example of the opportunities for U.S. furniture manufacturers is reflected in numbers supplied by the American Manufacturing Trade Action Coalition, which is leading the fight to stem imports from China.

While overall furniture employment declined in recent years, U.S. manufacturing jobs in wood kitchen cabinets and countertops increased 9 percent from 147,300 in January 2000 to 160,400 in June.

"But a lot of the mass-market stuff I think will be done overseas, and it's made even easier by the decline in international shipping costs," Jud said. "The American consumer has shown that they want to buy quality products at the lowest possible price. And if those products can be produced better and cheaper overseas, I think the consumers will continue to buy them and we'll have those products in our marketplace."

Imports aren't the only issue putting pressure on the number of people employed in American furniture manufacturing, Epperson said.

Technological advances are allowing U.S. companies to cut production costs to preserve manufacturing onshore, Epperson said. "We're getting more out of our plants than we ever have, and that means we don't need all these facilities anymore," Epperson said. "It isn't just the imports."

Any rehiring in the furniture industry has been minimal in the High Point area, said Dan Williams, manager of the N.C. Employment Security Commission job service office in the city.

"We are getting some things geared toward the fall market, but it's still pretty slow," Williams said.

Adjusting to the shift in furniture employment is made more difficult because jobs in the industry have sustained families for generations, Jud said.

"It's unfortunate that an industry with such a rich history in North Carolina has to confront this," Jud said. "But I think that's the reality."

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