Project: Technical Assistance for Industrial Development in Toccoa and Stephens County, Georgia

Project No.: A-692

Project Director: R. B. Cassell

Sponsor: Stephens County Development Authority

Effective: 4-15-63 Estimated to run until: 4-14-64

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Others as appropriate

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Assigned to: Industrial Development Division

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PROJECT TERMINATION

Date September 28, 1964

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PROJECT NO: A-692
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TERMINATION EFFECTIVE: 9-30-64
CHARGES SHOULD CLEAR ACCOUNTING BY: 9-30-64

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AN ANALYSIS OF MANUFACTURING OPERATIONS
IN STEPHENS COUNTY

Technical Report No. 1

by
Roger K. Sund

Industrial Development Division
Engineering Experiment Station
GEORGIA INSTITUTE OF TECHNOLOGY
November 1963
INTRODUCTION

Toccoa, county seat of Stephens County, is situated in northeast Georgia, just eight miles from the Georgia-South Carolina border. In 1960, the county's population was 18,391, of which 7,303 lived in Toccoa.

Large metropolitan centers near Toccoa include Atlanta, Augusta and Greenville (S. C.). Medium-sized cities within 50 miles are Athens and Anderson (S. C.). (See Table 1.)

<table>
<thead>
<tr>
<th>City</th>
<th>1960 Population</th>
<th>Miles (from Toccoa)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Atlanta</td>
<td>1,017,188</td>
<td>96</td>
</tr>
<tr>
<td>Augusta</td>
<td>216,639</td>
<td>130</td>
</tr>
<tr>
<td>Greenville (S. C.)</td>
<td>209,776</td>
<td>65</td>
</tr>
<tr>
<td>Anderson (S. C.)</td>
<td>41,316</td>
<td>49</td>
</tr>
<tr>
<td>Athens</td>
<td>31,355</td>
<td>49</td>
</tr>
</tbody>
</table>


Stephens County's economy is heavily industrialized, with an estimated total of over 3,830 persons (approximately 65% male) employed by manufacturing firms in 1963. The principal manufacturing employers are textile and apparel manufacturers, followed by furniture and metal fabrication firms.

Evidence of the community's interest in economic and industrial development has been demonstrated in the organization of the Stephens County Development Authority with representation from the city and county governments, the Toccoa-Stephens County Chamber of Commerce, both banks and a savings and loan firm. This organization has authority to issue revenue certificates for financing industrial development projects, and has expressed the intent to assist existing industry as well as endeavoring to attract new industry.
This study sponsored by the SCDA, is one of the initial steps in developing a comprehensive program for accelerating industrial growth in the county. A total of 16 firms, employing nearly 95% of the manufacturing wage-earners in Stephens County, were interviewed as a basis for this analysis of manufacturing operations in Stephens County.

EMPLOYMENT

Total non-agricultural employment (by place of employment) in Stephens County was 6,750 in February, 1962. Agricultural employment was estimated to be 220 and manufacturing employment -- 3,550 -- accounted for 51% of all the employed persons in the county at that time.

Although not strictly comparable, the 1960 Census shows the total employment (by place of residence) of Stephens County to be 6,765, with 3,062 in manufacturing and 286 in agriculture. In 1950, the Census had reported total employment of 5,903, with 2,544 in manufacturing and 651 in agriculture.

A continued increase in manufacturing employment is indicated from the data in Table 2.

<table>
<thead>
<tr>
<th>YEAR</th>
<th>EMPLOYMENT</th>
<th>SOURCE</th>
</tr>
</thead>
<tbody>
<tr>
<td>1950</td>
<td>2,544</td>
<td>Census of Population</td>
</tr>
<tr>
<td>1960</td>
<td>3,062</td>
<td>Census of Population</td>
</tr>
<tr>
<td>1962</td>
<td>3,550</td>
<td>Georgia Department of Labor</td>
</tr>
<tr>
<td>1963</td>
<td>3,830</td>
<td>Industrial Development Division, Georgia Tech</td>
</tr>
</tbody>
</table>

2/ U. S. Bureau of the Census, Census of Population, 1960. Only 4.6% of the workers were employed outside Stephens County.
Manufacturing

Textile and apparel firms, which constitute the major manufacturing groups in the county, employ approximately 1,870, of whom 62% are women. There are four companies in this category, operating six plants. Furniture and fixture manufacturers employ close to 940, of whom 87% are men, in six plants. Third in order of employment are machinery, primary metals, and metal fabrication; this group employs over 790, of whom 91% are men, in five plants. The remaining manufacturing employers, including manufacturers of chemical and allied products, food and kindred products, lumber and wood products, stone, clay and glass products, and those in miscellaneous manufacturing industries, have 245 workers, of whom 87% are men.

Trade and Services

The U. S. Bureau of the Census reports that wholesale and retail trade establishments employed 670 persons in 1958, an increase of 63 from the 1954 total. The Georgia Department of Labor estimated the trade employment to be 720 in February, 1962.1 While the Census and the Georgia Department of Labor figures are not strictly comparable, there are indications that this segment of the county's economy is providing additional jobs.

Agriculture

Agricultural employment declined by 365, down from 651 to 286, between 1950 and 1960, according to the U. S. Census. The Georgia Department of Labor estimated agricultural employment at 220 in February, 1962.2

MANPOWER RESOURCES

Labor Supply

A "new industry locating in the Toccoa area could be reasonably assured of an immediate supply of around 3,000 workers, depending upon

2/ Ibid.
the attractiveness, pay rate, and stability of the work, education and degree of skill required by the new job offering," the Toccoa manager of the Employment Security Agency, Georgia Department of Labor, estimated in August, 1963.

A majority (80%) of the operating plants interviewed reported no difficulty in recruiting unskilled trainees for most jobs. Manufacturing employment increased 500 during the last year, and one employer was able to recruit over 200 high school graduates. A number of applicants were from surrounding counties, including Oconee County. The greatest shortage was in qualified office workers and in qualified welders in assembly operation.

In most cases training by the company is accepted as a matter of course. Where labor shortages were mentioned, these generally occurred in plants having very high production standards (the lacquer industry), or competing with higher-wage firms (the metal fabricating industry).

Over 70% of the companies are satisfied with the dependable quality of their workers; low turnover, low absenteeism, and a large number of long-time employees were cited. Some objections were expressed because of the low educational level of the employees and the tendency in the past of some employees to treat their responsibilities lightly. Some mention was made of the desirability of the school system emphasizing technical training for youngsters not planning to go to college.

Wages

Only one employer pays an entry wage above the minimum -- $1.25 per hour. Apparel manufacturers start trainees with a learner's certificate at $1.00 per hour. Some operators in the sewing industry earn as high as $2.50 per hour; the average operator gets $1.30 per hour. The furniture industry starts workers at $1.25; the top grades earn up to $1.75. Most skilled machine operators and finishers earn between $1.40 and $1.55.

Metal fabricating and casting firms pay the highest wages in the area; tool and die craftsmen (the top skill) earn up to $3.02 per hour. Beginning workers and common laborers start at $1.25, with some unskilled workers earning a top pay of $2.09; semi-skilled workers earn between $1.40
and $2.52, and other skilled workers start at $1.85.

Lacquer and specialty chemical manufacturers pay inexperienced workers the minimum $1.25. The top jobs in this industry command $2.00 per hour.

Clerical and stenographic employees usually start at $1.25 per hour and may advance to as high as $450.00 per month. The average wage in this group is between $50.00 and $65.00 per week.

Fringe Benefits

Two-thirds of the employers interviewed had set policies granting paid holidays; all but one provided for some paid vacation. The vacation period varies from half a week to three weeks. Two firms allowed two weeks for all employees, and one of these provided three weeks for employees with over five years' tenure.

All of the firms had insurance programs of varying coverages, but generally included some life, hospitalization and medical insurance.

Christmas bonuses, profits from concessions, and use of company equipment for personal use were other benefits mentioned.

Only six companies had cost data on fringe benefits, showing to some degree what these were costing the employer.

Unions

Employees of two firms are represented by the International Brotherhood of Boilermakers, Iron Shipbuilders, Blacksmiths, Forgers and Helpers (AFL-CIO). The contracts are for terms of two years, and labor-management relations are considered to be good.

No attempts have been made to organize any of the other firms in the last four years. In the last effort, the unions were rejected by substantial margins.
TRANSPORTATION

Railroads

The Southern Railway's Atlanta to Washington (D. C.) main line passes through Toccoa and a branch line serves points en route to Elberton, where it meets the Seaboard Air Line Railroad. Twelve of the manufacturers have either a siding of their own or access to rail loading facilities. The general opinion is that the Southern Railway gives good rail service.

Motor Freight Lines

Four motor freight lines have terminal facilities in Toccoa -- Atlanta-Asheville Motor Express, Inc., Northern Freight Lines, Ryder Truck Lines, Inc., and Harper Motor Lines. Each of these except Ryder, an interstate carrier, offer both interstate and intrastate service. Five other regular route and 20 irregular route common carriers have authority to serve Toccoa on interstate shipments.

A few companies expressed dissatisfaction with less-than-truckload shipments from Atlanta because of some second-day deliveries. One firm was having difficulties with obtaining an equitable rate that would allow shipping of his products at reasonable cost.

Small packages are often shipped by bus from Atlanta to Toccoa.

SERVICES

Tools and dies are made by the larger manufacturers in their own shops. Those that do not have such facilities obtain tools and dies in Atlanta. Plating is either done locally in company shops or at Greenville (S. C.). Electric motor repair, plumbing, and construction repair services generally are obtained locally; a few companies felt that the community could well support an additional plumbing-electric repair firm. Office machine maintenance is obtained from Gainesville or Atlanta. Office supplies and printing needs are filled by Toccoa or Athens firms.
PRODUCTS

The wide variety of finished products (food, textiles, apparel, lumber and wood, printing and publishing, chemical, stone and metal products) manufactured in the Toccoa area, reveals a well-developed, diversified base, for sound economic growth. (See Appendix 1). However, this study did not indicate that any one product had the drawing power to attract a new plant into the area within the near future.

MATERIALS

The major textile operation gets thread (greige) from other company plants, and purchases other supplies from southeastern points (Georgia, Alabama and Tennessee). Furniture manufacturers generally purchase hardwood in central and south Georgia, although some is bought in north Georgia. Finishing materials are obtained in Toccoa and other southeastern points. Hardware items are not purchased in a specific area. Mill supplies are bought from Atlanta and Greenville, (S. C.) firms. (See Appendix 2).

UTILITIES

Firms located within or close to the Toccoa city limits use city water and gas. Others use city gas but have their own water sources. Two gas customers considered the gas rates high; one electric power customer compared the local rates unfavorably with those of TVA. Furniture plants use waste wood and dust for heating and dry kiln fuel. Plants within reach of the city sewerage system are served by it; those that are not connected to the system use septic tanks.
CONCLUSIONS

Toccoa and Stephens County have a broad base for sound economic development. Local manufacturing operations are growing and manufacturing employment has risen steadily over the last 13 years. Labor relations are healthy and no problems are anticipated in this area.

The supply of trained workers is small, and the need for action to improve this situation appears to be the most pressing problem. Additional use of the facilities at the North Georgia Technical and Vocational School at Clarkesville is one possibility. Facilities could be developed in the local school systems to prepare youths entering the workforce immediately after high school.

The Stephens County Development Authority should look to existing industry for opportunities to assist in expansion programs. In particular, two instances have already been identified as a result of this study. Both of these can be translated into plant expansions and employment increases.

Further cooperation with the local manufacturers group, the Northeast Georgia Manufacturers Association, could well develop additional opportunities for expansions or new plant locations.

The Northeast Georgia Manufacturers Association itself ought to study ways to improve transportation services and rates, to increase utility services, and to persuade a local establishment to carry a wide and adequate stock of mill supplies.
Appendix 1

PRODUCTS OF STEPHENS COUNTY MANUFACTURERS

Food Products
- Sausage and meats
- Prepared feeds
- Beverages
- Ice

Textile Mill Products
- Fabric
- Thread finishing

Apparel Products
- Men's and boys' trousers
- Women's blouses

Lumber and Wood Products
- Lumber
- Plywood
- Cabinets
- Non-upholstered furniture (bedroom, dining room, occasional)

Printing and Publishing
- Newspapers
- Business forms

Chemicals and Allied Products
- Cleaning chemicals
- Plastic fillers
- Paints, varnishes, lacquers and stains
- Specialty chemicals

Stone, Clay and Glass Products
- Concrete products
- Monuments

Metal Products
- Carbon and low alloy steel castings
- Fabricated metal products
- Fabricated wire products
- Construction machinery

Miscellaneous Manufacturing Industries
- Caskets
Appendix 2

PRINCIPAL MATERIALS AND SUPPLIES
USED BY STEPHENS COUNTY MANUFACTURERS

<table>
<thead>
<tr>
<th>Material</th>
<th>Source</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Textile Mill Products</strong></td>
<td></td>
</tr>
<tr>
<td>Thread</td>
<td>Local and Southeast</td>
</tr>
<tr>
<td>Fabric</td>
<td>Southeast</td>
</tr>
<tr>
<td>Waist band</td>
<td>Georgia</td>
</tr>
<tr>
<td><strong>Lumber and Wood Products</strong></td>
<td></td>
</tr>
<tr>
<td>Hardwood</td>
<td>Georgia and Southeast</td>
</tr>
<tr>
<td>Veneer</td>
<td>Southeast</td>
</tr>
<tr>
<td>Plywood</td>
<td>Georgia and Southeast</td>
</tr>
<tr>
<td>Wooden spools</td>
<td>Georgia</td>
</tr>
<tr>
<td><strong>Paper and Allied Products</strong></td>
<td></td>
</tr>
<tr>
<td>Paper</td>
<td>Georgia</td>
</tr>
<tr>
<td>Cardboard</td>
<td>Georgia</td>
</tr>
<tr>
<td><strong>Chemicals and Allied Products</strong></td>
<td></td>
</tr>
<tr>
<td>Solvents</td>
<td>Southeast and Outside Region</td>
</tr>
<tr>
<td>Resins</td>
<td>Georgia</td>
</tr>
<tr>
<td>Finishes</td>
<td>Georgia and Outside Region</td>
</tr>
<tr>
<td><strong>Rubber and Plastics</strong></td>
<td></td>
</tr>
<tr>
<td>Buttons</td>
<td>Outside Region</td>
</tr>
<tr>
<td>Hose</td>
<td>Georgia</td>
</tr>
<tr>
<td>Tires</td>
<td>Outside Region</td>
</tr>
<tr>
<td><strong>Metal Products and Machinery</strong></td>
<td></td>
</tr>
<tr>
<td>Steel</td>
<td>Georgia and Southeast</td>
</tr>
<tr>
<td>Alloys</td>
<td>Southeast</td>
</tr>
<tr>
<td>Castings</td>
<td>Georgia, Southeast and Outside Region</td>
</tr>
<tr>
<td>Wire</td>
<td>Georgia and Outside Region</td>
</tr>
<tr>
<td>Tubing (steel)</td>
<td>Outside Region</td>
</tr>
<tr>
<td>Material</td>
<td>Source</td>
</tr>
<tr>
<td>------------------------</td>
<td>---------------------------------</td>
</tr>
<tr>
<td>Metal Products and Machinery</td>
<td></td>
</tr>
<tr>
<td>Machinery</td>
<td>Outside Region</td>
</tr>
<tr>
<td>Hardware</td>
<td>Georgia, Southeast, and Outside Region</td>
</tr>
<tr>
<td>Mill supplies</td>
<td>Georgia</td>
</tr>
<tr>
<td>Cans</td>
<td>Georgia and Southeast</td>
</tr>
</tbody>
</table>