

# Nation's 'Carpet Capital' Struggles To Recover

Ashley Hopkinson, Associated Press

DALTON, Ga. (AP) — Factories dot the highway and carpet retailers and mills line the main street through this town nestled in the north Georgia foothills of the Blue Ridge Mountains, making clear why Dalton was dubbed Carpet Capital of the World.

Many of those businesses are shuttered now, hinting at one of the city's more dubious distinctions: The city has lost more jobs per capita in the past year than any other in the U.S. Between June 2011 and June 2012, 4,600 jobs in this city of 100,000 have disappeared, according to the United States Bureau of Labor Statistics.

Factories in and around Dalton produced three-quarters of the nation's flooring until the housing bubble burst and brought one of the largest U.S. manufacturing industries to its knees. Thousands lost their jobs, and the unemployment rate spiked from 4.7 percent in 2007 to 12.7 percent in 2009, according to the Georgia Department of Labor.

Recovery has been elusive here, in part because virtually every other business in town relied on the prosperity of carpet. Support industries, such as trucking, suddenly had less to haul and had to find ways to make up for it. Officials say they're fighting to bring their city back from the brink.

Elaine Bell, a lifelong Dalton resident, was among those who lost her job at a local carpet factory in 2009. She's willing to work any job — she hasn't found full-time work since losing her factory job. But her hope dwindles every time she hears the word "no."

"I've been all over Dalton since 8 o'clock this morning and that's all I've heard: We ain't hiring," Bell said.

Bell said she's barely getting by, trying to keep up with gas prices and the cost of taking care of her elderly mother.

Of those 4,600 jobs lost, only 400 were in manufacturing. Most of the rest were in construction, hospitality and other private sector services stinging from carpet's decline. And that ripple effect is to be expected, said Rajeev Dhawan of the Economic Forecasting Center at Georgia State University.

The Great Recession was a deep one, and nationwide the recovery has been weak compared to past economic downturns. For Dalton, a city that relied almost entirely on the success of a single industry, it was deeper.

"To come out of that hole you require an absolutely brand new booming industry going bonkers to absorb all the people," Dhawan said.

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Published on Industrial Maintenance & Plant Operation (<http://www.impomag.com>)

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The backbone of Dalton for years was its own "big three" of carpet manufacturers, just as a much larger city, Detroit, relied entirely on the "big three" of car manufacturing: GM, Ford and Chrysler. Much like Detroit, the failure of big industry led to problems for other businesses.

Carpeting was once the "bread and butter" for the trucking company Rosedale Transport Inc., said executive vice president Nathan Wooten. But that changed when fewer new homes were being built, meaning the demand for new carpet plummeted. Now, the company has cut carpet transport by 15 percent and hopes to continue making it a smaller share of its business. Wooten said beverage transport has helped offset some of the losses.

"We don't need to depend on industries that are as dependent on the economy," Wooten said. "We made the conscious effort to go into business with people who were not as affected by the economy as flooring is."

However, city officials say the latest unemployment numbers don't tell the full story. They say that if the state and national economies improve, Dalton will follow.

"Everything here is set up for a rapid recovery if our state government and federal government can come up with a plan that makes sense for the economy," said David Pennington, Mayor of Dalton.

For instance, Pennington said, the city's sales tax is the lowest in the state. The city treasury has money and a balanced budget. Companies that make fiberglass, vinyl tile and chemicals have come to town as well as department stores like Kohl's.

But to keep growing, residents need help getting the right job education and training, Pennington said.

"More and more of these jobs are becoming high-tech, and our workforce in Georgia is not prepared for that," Pennington said, adding that the city has partnered with technical schools and the Department of Labor to ensure training is available for those who need it.

Just as the carpet industry had to find ways to become more efficient and cost-effective, so will the city's workers, said Brian Anderson, president of the Dalton-Whitfield Chamber of Commerce. But the city's legacy of manufacturing leaves it poised for a comeback, he said.

"The uniqueness of our region is that we do 24/7 manufacturing pretty well," Anderson said. "People already know how to work in a manufacturing environment, you just maybe have to trade the kind of product you are producing or the machinery you are working with."

**Source URL (retrieved on 09/20/2014 - 8:35am):**

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