

Council of Governments Panel Discussion



SOUTH CAROLINA DEPARTMENT OF
Employment and Workforce
“The Workforce Agency”

Executive Director Dan Ellzey

November 22, 2022

EMPLOYMENT SITUATION

Month	Employed ¹	Unemployed ¹	Unemployment Rate
February 2020	2,249,353	67,120	2.9%
April 2020	2,042,032 (-207,321)	268,537 (+201,417)	11.6% (+8.7 percentage pts)
October 2022 (preliminary)	2,307,838	78,578	3.3%
NET CHANGE (October 2022 vs February 2020)	+58,485	+11,458	+0.4 percentage pts

Post Pandemic Employer Demand	
Jobs: +58,485	Postings: +40,976
	Feb 2020: 64,000 ²
	Oct 2022: 107,000
Total Change in Demand: +99,461	

Location	Unemployment Rate
United States	3.7%
Georgia	2.9%
North Carolina	3.8%

1. Household Survey: Nationally, there is a monthly Current Population Survey of about 60,000 households conducted by the Census Bureau for the Bureau of Labor Statistics (BLS) to determine employment status of the civilian population. This information, along with other inputs, are used by DEW to operate the Local Area Unemployment Statistics program, which estimates the number of individuals employed and those not employed, but actively seeking employment for statewide and a variety of substate geographies.
2. Approximation of daily jobs posted in SC Works Online Services Database.

EMPLOYMENT SITUATION: MORE RECENT DEVELOPMENTS

Month	Employed ₁	Unemployed ₁	Unemployment Rate
June 2022	2,326,257	77,941	3.2%
July 2022	2,323,963	75,661	3.2%
August 2022	2,320,199	74,521	3.1%
September 2022	2,315,768	75,404	3.2%
October 2022 (preliminary)	2,307,838	78,578	3.3%

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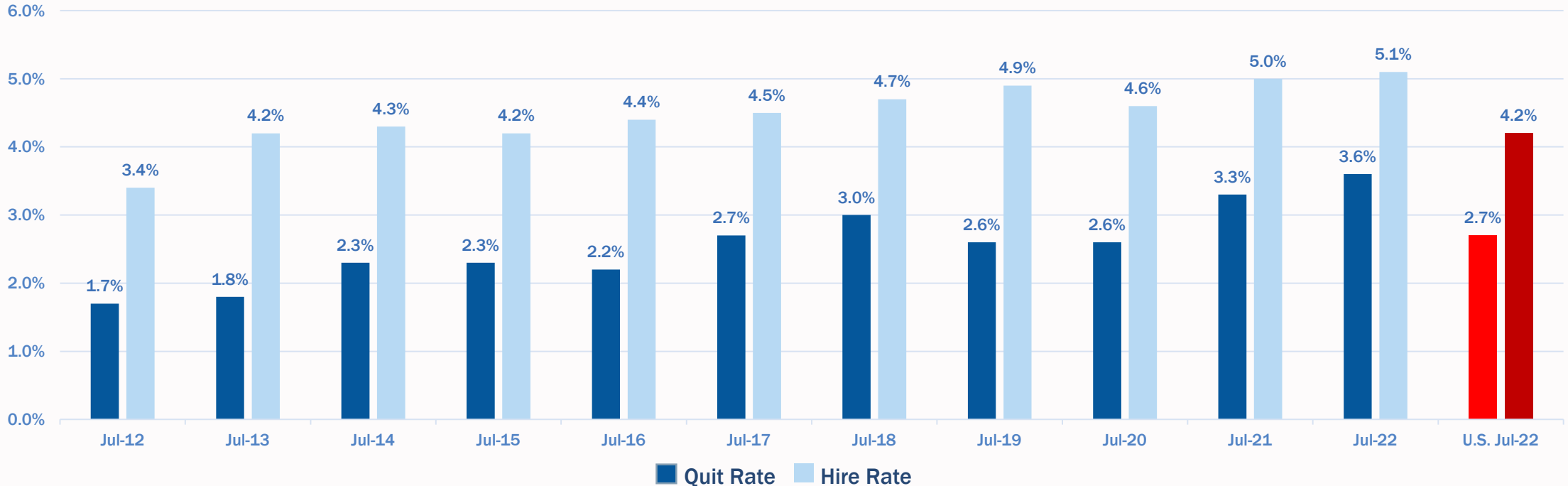
WHERE WE ARE NOW – OCCUPATIONAL GROWTH

Occupation Category	May 2016	May 2021	# Change	% Change
Management	87,700	113,230	+25,530	+29.1%
Business and Financial Operations	74,980	88,710	+13,730	+18.3%
Computer and Mathematical	37,660	41,420	+3,760	+10.0%
Architecture and Engineering	37,800	39,230	+1,430	+3.8%
Life, Physical, and Social Science	9,110	10,790	+1,680	+18.4%
Community and Social Service	24,850	31,010	+6,160	+24.8%
Legal	13,080	14,540	+1,460	+11.2%
Educational Instruction and Library	114,000	104,880	-9,120	-8.0%
Arts, Design, Entertainment, Sports, and Media	18,100	19,270	+1,170	+6.5%
Healthcare Practitioners and Technical	119,740	128,190	+8,450	+7.1%
Healthcare Support	55,380	75,280	+19,900	+35.9%
Protective Service	46,730	45,690	-1,040	-2.2%
Food Preparation and Serving Related	195,840	196,760	+920	+0.5%
Building and Grounds Cleaning and Maintenance	69,340	64,960	-4,380	-6.3%
Personal Care and Service	51,820	39,960	-11,860	-22.9%
Sales and Related	219,130	212,830	-6,300	-2.9%
Office and Administrative Support	297,900	287,600	-10,300	-3.5%
Farming, Fishing, and Forestry	4,000	3,530	-470	-11.8%
Construction and Extraction	73,560	80,820	+7,260	+9.9%
Installation, Maintenance, and Repair	90,490	89,240	-1,250	-1.4%
Production	195,120	178,130	-16,990	-8.7%
Transportation and Material Moving	143,480	201,250	+57,770	+40.3%

WHERE WE ARE NOW – OCCUPATIONAL PROJECTIONS

Occupation Category%	2020 Base	2030 Est.	# Change	% Change
Management	107,340	122,136	+14,796	13.8%
Business and Financial Operations	96,426	110,123	+13,697	14.2%
Computer and Mathematical	47,453	55,770	+8,317	17.5%
Architecture and Engineering	41,723	46,697	+4,974	11.9%
Life, Physical, and Social Science	12,820	14,076	+1,256	9.8%
Community and Social Service	30,255	34,153	+3,898	12.9%
Legal	16,048	18,125	+2,077	12.9%
Education, Training, and Library	108,158	120,313	+12,155	11.2%
Arts, Design, Entertainment, Sports, and Media	24,846	28,344	+3,498	14.1%
Healthcare Practitioners and Technical	131,074	149,535	+18,461	14.1%
Healthcare Support	78,846	97,002	+18,156	23.0%
Protective Service	48,424	56,171	+7,747	16.0%
Food Preparation and Serving Related	194,239	234,618	+40,379	20.8%
Building and Grounds Cleaning and Maintenance	83,393	95,118	+11,725	14.1%
Personal Care and Service	57,855	69,367	+11,512	19.9%
Sales and Related	241,778	259,857	+18,079	7.5%
Office and Administrative Support	291,901	300,198	+8,297	2.8%
Farming, Fishing, and Forestry	9,532	9,628	+96	1.0%
Construction and Extraction	99,532	106,676	+7,144	7.2%
Installation, Maintenance, and Repair	93,730	105,521	+11,791	12.6%
Production	189,685	201,541	+11,856	6.3%
Transportation and Material Moving	194,688	228,047	+33,359	17.1%+

SOUTH CAROLINA QUIT AND HIRE RATES



- As economy surpassed “full employment” in the late years of the expansion, workers felt more comfortable quitting their jobs, with quit rates averaging nearly 3 percent in 2018 and 2019.
- After a brief drop in 2020, this acceleration resumed as the state’s economy accelerated.
- July 2022
 - 80,000 quits, fourth highest among states.
 - 115,000 hired, highest among states (<https://dew.sc.gov/news/2022-09/south-carolinas-labor-market-dynamism-continues>).

WORKFORCE DEVELOPMENT CHALLENGES

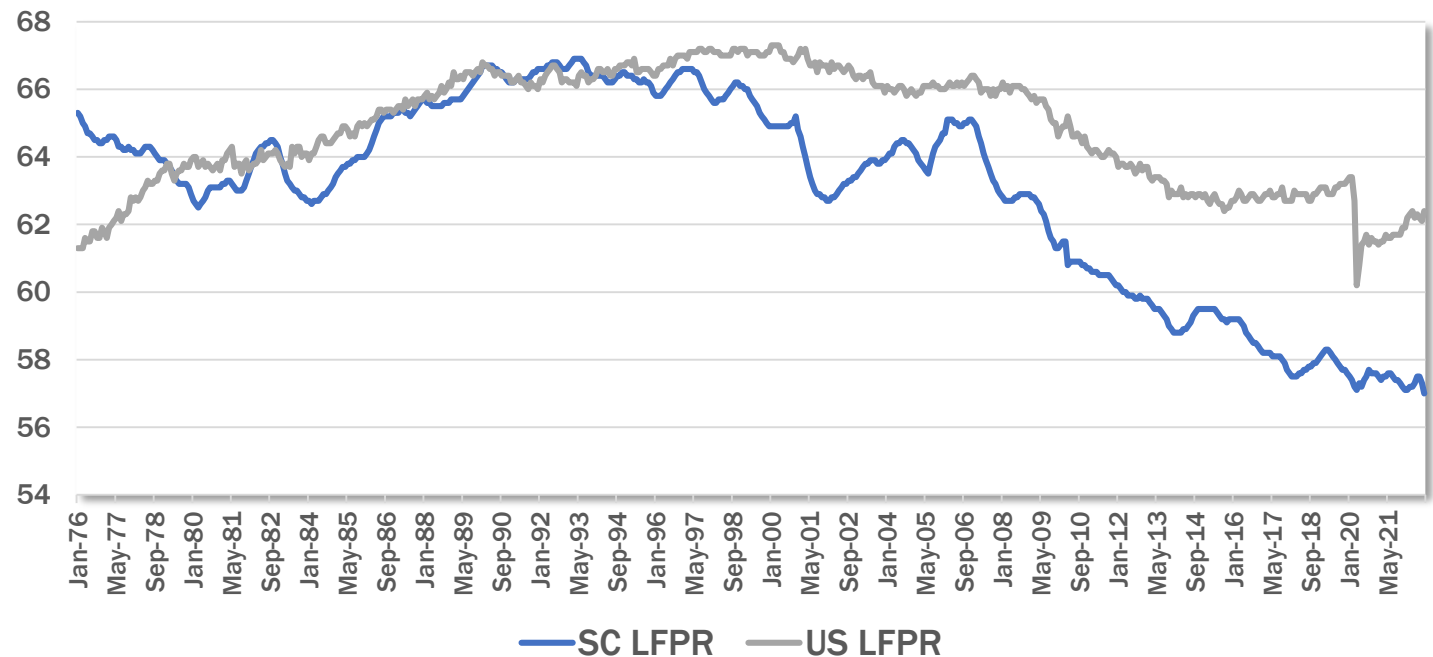
- Labor Force Participation
- Where are the Workers

LABOR FORCE PARTICIPATION RATE

Labor Force Participation Rate = $\frac{\text{Number of Employed} + \text{Number of Unemployed but Looking}}{\text{Adult Civilian Population}}$

$$56.7\% = \frac{2,307,838 + 78,578}{4,211,601}$$

	Participation Rate October 2022
South Carolina	56.7%
United States	62.2%



The cost of a low labor force participation rate:

- If we increase Labor Force Participation by 1% in the state it means \$1.2 billion in extra payroll.

SOUTH CAROLINA'S CHANGING GENERATIONS

Decade-by-decade comparison of the percentage of the labor force in that generation and the current number in the labor force.

Generation	Ages	1992	2002	2012	2022	2022 Number
Silent	75 and up	26%	13%	3%	1%	19,208
Baby Boomers	57 to 75	51%	46%	35%	18%	437,823
Gen Xers	41 to 56	23%	33%	35%	32%	758,791
Millennials	25 to 40	n/a	7%	27%	36%	848,086
Gen Z	Up to 24	n/a	n/a	n/a	13%	318,483

- Millennials became the largest generation in the labor force in 2016.
- This trend is continuing, and generations behind the Boomers are smaller in general, further heightening the labor shortage.
 - While the Millennial labor force is still growing, it is unlikely that it will reach the peak size of the Boomer labor force.
 - The Census Bureau projects that the Millennial Population will peak at 75 million, which would require a labor force participation rate of 88% to equal the number of Boomer jobs at the peak.
- The labor shortage is a long-term issue that the United States will be dealing with for years.

LABOR FORCE PARTICIPATION TASK FORCE

Created to:

- Analyze why a small percentage of South Carolinians work compared to the rest of the nation.
- Look at how labor force participation can be increased in the state.
- Provide a report at the end of the analysis for organizations around the state to use to identify potential solutions.

Comprised of:

- Economists
- Academia
- Researchers
- Business Leaders



THREE-PRONGED APPROACH TO LABOR FORCE

- Labor Force Participation Taskforce Survey
- Labor Force Participation Taskforce Research
- Laurens Direct Connect Pilot

1. LABOR FORCE PARTICIPATION TASK FORCE: SURVEY

Survey:

- To gather information from individuals who:
 - Worked in South Carolina in 2019.
 - Filed for unemployment in 2020.
 - Were not found in recent wage records in the state.
- Individuals were asked about:
 - Current work status.
 - Demographics.
 - Work history.
 - Actual or perceived barriers to employment.
 - How they might be convinced to return to workforce.
- More than 6,000 people responded (out of 150,392.)
 - Response rate was approximately 4%.
 - With such a large sample size, researchers were able to speak about
 - Population in general
 - Analyze results by demographic characteristics and location within the state.



1. LABOR FORCE PARTICIPATION TASK FORCE: SURVEY

Key Findings:

- **Working:..... 46%**
Even though they are not in our wage records, these individuals reported working full-time, part-time or through self-employment.
- **Not working, not available to work:..... 26%**
(i.e. students, retirees, disability or health issues)
- **Not working, but could work:..... 28%**
 - The most frequently identified barriers to work are:
 - Lack of good paying jobs.
 - Gaps in employment history.
 - Lack of transportation.
 - More optimal working hours.
 - Disabilities.
 - Four primary factors that would get people back to work are:
 - Better paying jobs.
 - Work closer to home.
 - More flexible jobs hours.
 - More flexible job conditions (i.e. work from home.)

Common Barriers to Employment Consistently Found in Every Subgroup:

Barrier	Percent
→ Low pay jobs	23%
Health	20%
→ Gaps in employment history	19%
→ Lack of transportation	18%
→ Optimal hours not available	16%
→ Disabilities	15%
Lack of child care	14%
Stay with child	13%
Age (too old)	12%
Criminal record	11%

1. LABOR FORCE PARTICIPATION TASK FORCE: SURVEY

Demographics:

- **Not working, but could work:**
 - **Average: 28% for all demographics**
 - African-Americans: 32%
 - People aged 55 or younger: 33%
 - People without college degrees: 31%

Gender:

- **Standout barriers for women**
 - Work hours
 - Childcare
- **Standout barriers for men**
 - Criminal history
 - Lack of information about jobs

Barrier	Females	Males
Low pay jobs	23%	27%
Health	20%	19%
Gaps in employment history	20%	20%
Optimal hours not available	20%	9%
Lack of Transportation	19%	18%
Lack of child care	19%	
Stay with child	18%	
Disabilities	15%	19%
Age (too old)	12%	15%
Low self-esteem	10%	9%
Criminal record		19%
Lack of information about jobs		8%

1. LABOR FORCE PARTICIPATION TASK FORCE: SURVEY

Race:

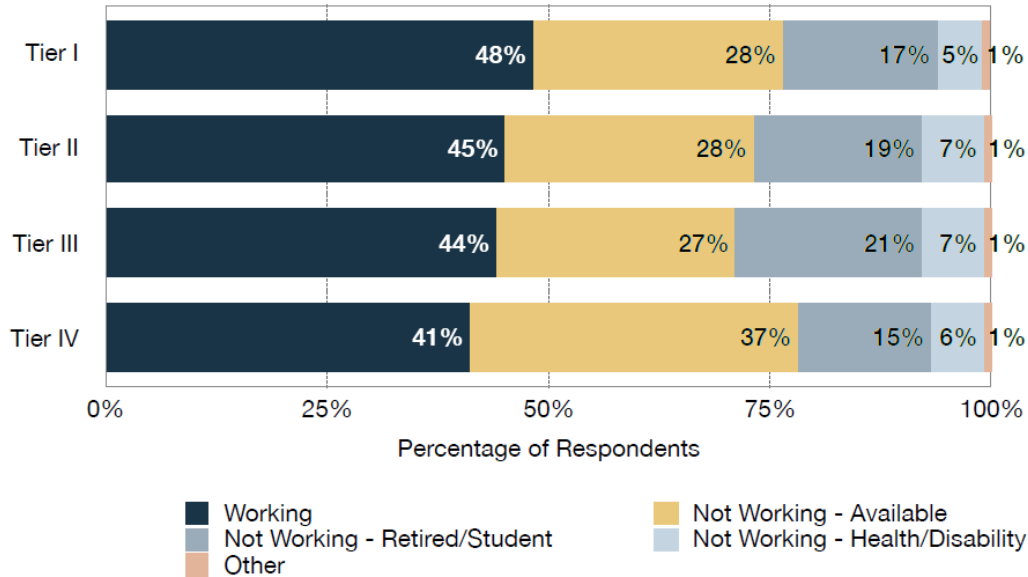
- **Standout barriers for African-Americans**
 - Criminal history
 - Lack of training
- **Standout barriers for whites**
 - Advanced age
 - Low self-esteem

Barrier	Black/African American	White
Low pay jobs	22%	24%
Health	18%	25%
Gaps in employment history	17%	23%
Optimal hours not available	17%	17%
Lack of Transportation	21%	18%
Lack of child care	16%	13%
Stay with child	11%	16%
Disabilities	14%	17%
Age (too old)		19%
Low self-esteem		14%
Criminal record	13%	
Lack of information about jobs		
Lack of training	8%	

1. LABOR FORCE PARTICIPATION TASK FORCE: SURVEY

Geography

- Not working, but could work:
 - Tier I¹ counties: 28%
 - Tier II counties: 28%
 - Tier III counties: 27%
 - Tier IV counties: 37%



- Tier IV counties
 - Transportation was the highest barrier.
- All other counties
 - Low pay was the highest barrier.

Barrier	I	II	III	IV
Low pay jobs	22%	24%	25%	23%
Health	20%	22%	23%	17%
Gaps in employment history	19%	23%	18%	15%
Optimal hours not available	17%	17%	15%	12%
Disabilities	17%	13%	14%	19%
Lack of transportation	16%	18%	16%	27%
Lack of child care	14%	15%	11%	12%
Stay with child	14%	13%	13%	12%
Age (too old)	13%	11%	10%	11%
Criminal record	11%	12%	12%	11%

2. LABOR FORCE PARTICIPATION TASK FORCE: RESEARCH

Research:

- Analyze why a small percentage of South Carolinians work compared to the rest of the nation.
- Look at how labor force participation can be increased in the state.
- Provide a report at the end of the analysis for organizations around the state to use to identify potential solutions.
- Analysis Report Expected in the Fall of 2022.

This research and survey will help to inform reemployment strategies to assist those who may not currently be in the labor force to overcome barriers and achieve employment.



3. LAURENS DIRECT CONNECT PILOT

1. A hands-on, bottom-up approach to the labor force participation rate problem.
 - One county at a time.
2. Identify individuals with earnings in 2019, filed for UI in 2020, and did not have earnings in 2021.
 - Data collected from SUITS, MyBenefits Portal, and RFA Database.
3. Work with CBOs and FBOs to identify additional people who may want work.
4. Reach out to this group and offer job search assistance.
 - If interested in a job:
 - Job matching
 - Help with resume
 - Help with job application
 - Refer to employers
 - If not interested in job:
 - Why not?
 - Training?
5. Work with employers to hire those interested in going back into the workforce.
6. To date:
 - 1,124 received an email and all called directly.
 - 97 completed the survey.
 - 19 scheduled one-on-one appointments.

SOURCE OF EMPLOYEES

APPROXIMATE ANNUAL ENTRY POPULATION:
132,500

APPROXIMATE ANNUAL EXIT POPULATION:
108,700

- HS and College Students seeking employment ¹ **41,000**
- Individuals released from prison seeking employment ² **5,000**
- Individuals moving to SC & seeking employment ³ **86,500**



- 33,300** Workers retiring ⁶
- 7,500** Individuals dying ⁷
- 4,400** Individuals going to prison ⁸
- 63,500** Individuals moving out-of-state ⁹

Individuals re-entering the labor force
UNKNOWN

Assumed Static	
Individuals residing elsewhere working in SC	Individuals residing in SC working elsewhere
121,700	181,100
October 2022	

Individuals voluntarily leaving labor force
UNKNOWN

SOURCE OF EMPLOYEES

	UI Claimants (Unemployed)	Unemployed and Looking for Work	Unemployed and Not Looking for Work	Employed
Number of South Carolinians	6,544	78,578	1,825,185	2,307,838
Programs	<ul style="list-style-type: none"> WRAP Weekly Job Match 	Recent Graduates Prison Release Moving to South Carolina <ul style="list-style-type: none"> SC Works Workforce Specialists 	Sideliners <ul style="list-style-type: none"> Labor Force Participation Taskforce Direct Connect Statewide Program 	<ul style="list-style-type: none"> Job Changes Underemployed

- Job Fairs: In-person and Virtual
- Social Media Research
- Military Programs: Seven
 - Virtual Job Fairs
- Prison Release Program: Virtual Job Fairs
- Individuals Employer Programs

Solutions