

South Carolina Data

TRENDS



DECEMBER 2021 ISSUE



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DIRECTOR'S CORNER

Thank you for reading the December 2021 issue of South Carolina Data Trends, a publication of the South Carolina Department of Employment and Workforce. I am excited to serve our state as the new Labor Market Information Director. I came to DEW from SC Housing, where I was the Chief Research Officer, and previously worked for our sister LMI agency in Ohio.

This month's featured article looks at two hot topics these days: wages and inflation. We've all read stories about rising prices and the challenges that employers are facing finding employees. What do the numbers say about how our state's workers have done during the COVID-19 pandemic? Earnings are going up, yes, but what about standard of living? Read on to find out.

Most importantly, we want to hear from you! If you are reading this, then you are a customer of ours, and I want to know what we can do to serve you better. So please feel free to get in touch with us at lmicustomerservice@dew.sc.gov or (803) 737-2660 and let us know what we can do to help. I look forward to working with you in 2022 and beyond.

Warm winter wishes,

Bryan P. Grady, Ph.D.
Director, LMI Division
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WAGES AND PRICES

Assessing Recent Changes in South Carolina's Standard of Living

It's no secret that the COVID-19 pandemic has caused substantial economic dislocation. Supply chains around the globe are strained, the words "labor shortage" are seemingly everywhere, and households received substantial financial support from the federal government. It can be confusing to sort through whether the economy is in good or bad shape.

In 2021, worries about inflation began to percolate; December's Consumer Price Index showed that prices were seven percent higher than the year before, the highest reading in four decades. At the same time, however, wages earned by South Carolinians also increased substantially as employers compete to attract workers. It is worth focusing on the two data points to sort out these impacts.

LMI, in partnership with the U.S. Bureau of Labor Statistics, produces Current Employment Statistics (CES) data on a monthly basis. These figures come from a survey of employers that provides information on the number of jobs held in various sectors of the economy, both for the state and its metropolitan statistical areas (MSAs). CES also includes data on the average hourly and weekly earnings by employees, which is what is used here to determine typical wages.

It's worth noting that there is another LMI product, the Quarterly Census of Employment and Wages (QCEW), that compiles these data in more detail, but the figures take more time to assemble and therefore are released on a longer lag (the most recent data currently available are for April to June 2021).

In December 2019, before the pandemic, the average South Carolina private sector worker earned \$25.36 per hour. Two years later, in December 2021, this figure increased to \$27.36 per hour, an increase of 7.9 percent. If anything, this understates the increase in earnings, as our state's workers have taken on slightly more hours than before the pandemic and are earning 8.8 percent more per week.

However, different parts of the economy have had widely divergent responses over the past two years. For example, employees in the Educational and Health Services sector were earning 18.3 percent more in late 2021 than in late 2019, while those in Other Services saw their average hourly earnings decrease. Also notable is the greater than average increase in the Leisure and Hospitality sector (14.6 percent), which has the lowest hourly wage by far.

TABLE 1: AVERAGE HOURLY EARNINGS BY ECONOMIC SECTOR²

ECONOMIC SECTOR	DEC. 2019	DEC. 2021	CHANGE
Total Private	\$ 25.36	\$ 27.36	+ 7.9%
Goods Producing	\$ 27.28	\$ 29.57	+ 8.4%
Construction	\$ 26.86	\$ 29.29	+ 9.0%
Manufacturing	\$ 27.49	\$ 29.91	+ 8.8%
Private Service Producing	\$ 24.76	\$ 26.66	+ 7.7%
Trade, Transportation, and Utilities	\$ 22.79	\$ 24.87	+ 9.1%
Financial Activities	\$ 30.82	\$ 32.04	+ 4.0%
Professional and Business Services	\$ 28.73	\$ 29.27	+ 1.9%
Educational and Health Services	\$ 27.24	\$ 32.23	+ 18.3%
Leisure and Hospitality	\$ 14.11	\$ 16.17	+ 14.6%
Other Services	\$ 24.32	\$ 22.90	- 5.8%

Source: Current Employment Statistics. Note: December 2021 data are preliminary.

There is also substantial variability in earnings across the state. Wages only increased by 3.5 percent in the Columbia MSA over the two-year span, but they shot up by 21.8 percent in the Myrtle Beach MSA. Data for Augusta, Georgia, and Charlotte, North Carolina, are included here because a portion of each MSA contains multiple counties within South Carolina

TABLE 2: AVERAGE HOURLY EARNINGS BY METROPOLITAN STATISTICAL AREA²

MSA	DEC. 2019	DEC. 2021	CHANGE
Augusta, GA	\$ 24.65	\$ 25.84	+ 4.8%
Charleston	\$ 28.17	\$ 30.67	+ 8.9%
Charlotte, NC	\$ 30.58	\$ 32.61	+ 6.6%
Columbia	\$ 24.65	\$ 25.51	+ 3.5%
Florence	\$ 21.91	\$ 23.09	+ 5.4%
Greenville	\$ 25.12	\$ 28.54	+ 13.6%
Hilton Head	\$ 24.31	\$ 26.68	+ 9.7%
Myrtle Beach	\$ 20.41	\$ 24.85	+ 21.8%
Spartanburg	\$ 25.50	\$ 27.65	+ 8.4%
Sumter	\$ 20.32	\$ 22.57	+ 11.1%

Source: Current Employment Statistics. Note: December 2021 data are preliminary.

As mentioned previously, the most common measure of inflation is the Consumer Price Index (CPI), also produced by the Bureau of Labor Statistics, which assesses the prices of goods and services in urban areas across the country. To be more specific, there are an array of CPIs that measure the cost of specific items, as well as indices for specific geographic areas. While there is not an index specifically for South Carolina or any of its MSAs, there is one for the South Atlantic Census region and another for MSAs in the South region with fewer than 2.5 million people, officially called “Class B/C cities.”



All three measures tell basically the same story. The national CPI reading was 256.974 in December 2019 and 278.802 in December 2021, an increase of 8.5 percent. The South Atlantic and South B/C indices show slightly larger price increases over the past two years (9.2 percent and 9.1 percent, respectively).

Of course, the CPI is an imperfect measure of inflation. Its calculations are based on a fixed bundle of goods and services that are designed to be a representative sample of what a typical household purchases. While this makes intuitive sense, it ignores the fact that people will choose to buy different things based on changes in their prices. It is also, again, specific to urban areas, which means it does not attempt to measure inflation in rural communities that might vary from the national figure.

So on average, the purchasing power of South Carolinians has not appreciably improved despite increases in wages because of inflation. If anything, prices have increased slightly faster than what workers earn. However, as we have seen, wage growth has been extremely uneven both by industry and geography during the pandemic. Ultimately the answer isn't the most satisfying: Whether the economy is good or bad depends on who you are.

SOUTH CAROLINA'S EMPLOYMENT TRENDS FOR DECEMBER 2021 — SEASONALLY ADJUSTED

The Current Employment Survey² of businesses in South Carolina marked an increase of 2,600 nonfarm payroll jobs over the month to a level of 2,162,200.

- Industries that reported gains were Trade, Transportation, and Utilities (+2,700); Manufacturing (+1,500); Education and Health Services (+1,100); Other Services (+500); and Leisure and Hospitality (+400).
- Decreases were observed in the Professional and Business Services (-2,100); Construction (-700); Financial Activities (-500); Information (-200); and Government (-100) industry.
- Retail Trade increased (+1,000) over the period.

From December 2020 to December 2021, South Carolina's economy picked up 44,900 seasonally adjusted, nonfarm jobs.

- Industries with strong growth were reported in the Trade, Transportation, and Utilities (+15,900); Leisure and Hospitality (+9,000); Manufacturing (+5,600); Other Services (+5,400); Education and Health Services (+5,300); Government (+3,500); Construction (+2,300); and Information (+200).

- There were declines noticed in the Financial Activities (-2,100) and Professional and Business Services (-200) industries.
- Retail Trade increased (+6,500) jobs over the year.

Over the month, seven of the Metropolitan Statistical Areas, seasonally adjusted, total nonfarm payroll job increased. Leading gains were seen in Columbia (+2,400); Spartanburg (+1,000); Myrtle Beach (+900); Hilton Head (+800); Charleston (+400); Greenville (+400); and Florence (+100). Sumter remained flat over the month.

Over the year, seven of the Metropolitan Statistical Areas saw an increase in seasonally adjusted payroll. Leading with employment gains were in Charleston (+11,300); Greenville (+10,900); Columbia (+8,700); Myrtle Beach (+6,500); Spartanburg (+5,500); Hilton Head (+2,000); and Florence (+600). Sumter saw a decline (-700) over the year.

To see the monthly not seasonally adjusted data series, go to

jobs.scworks.org

(Employment and Wage Data section)



SOUTH CAROLINA ECONOMIC INDICATORS

S.C. JOB POSTINGS BY INDUSTRY, DECEMBER 2021

NAICS CODE	INDUSTRY	JOB POSTINGS
62	Health Care and Social Assistance	16,580
44-45	Retail Trade	9,915
72	Accommodation and Food Services	7,747
52	Finance and Insurance	5,606
31-33	Manufacturing	5,588
54	Professional, Scientific, and Technical Services	4,844
92	Public Administration	2,963
61	Educational Services	2,881
56	Administrative and Support and Waste Management and Remediation Services	2,634
48-49	Transportation and Warehousing	2,420
53	Real Estate and Rental and Leasing	2,337
51	Information	1,993
23	Construction	1,813
81	Other Services (except Public Administration)	1,262
42	Wholesale Trade	758
71	Arts, Entertainment, and Recreation	752
22	Utilities	392
11	Agriculture, Forestry, Fishing and Hunting	106
21	Mining, Quarrying, and Oil and Gas Extraction	99
55	Management of Companies and Enterprises	76

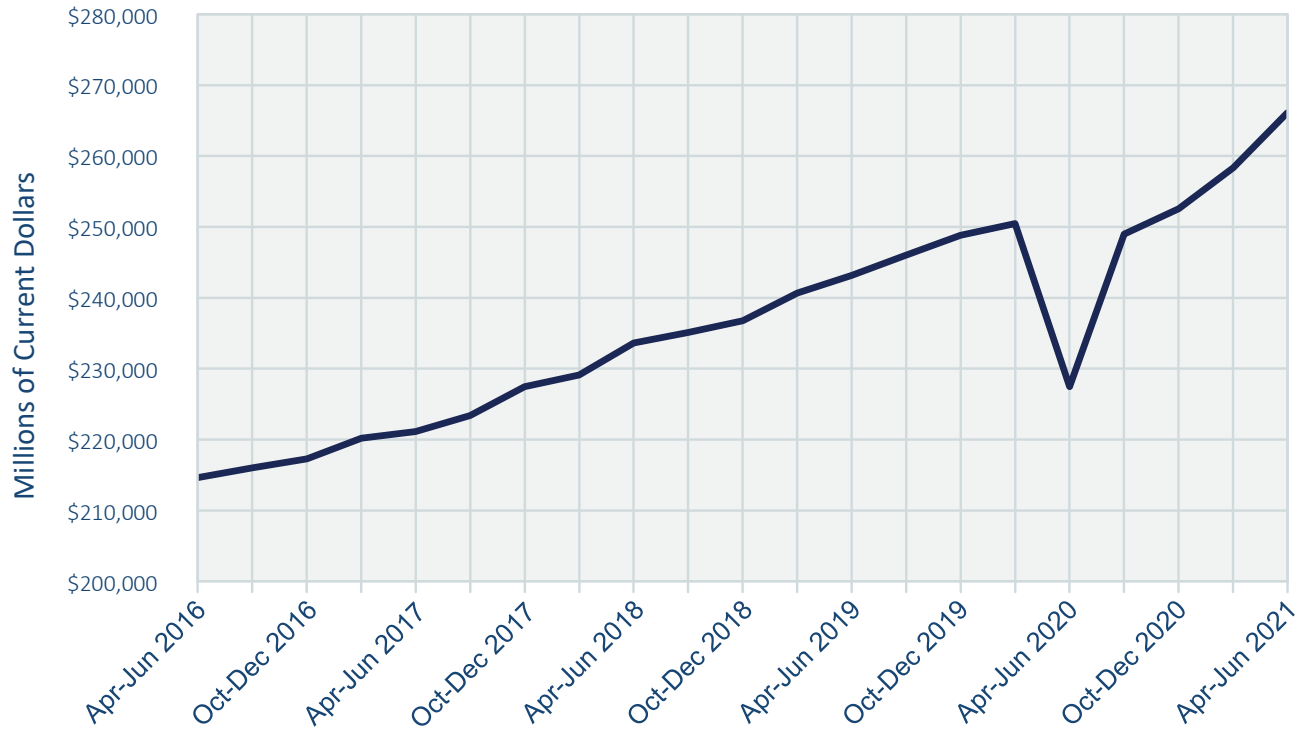
Source: Labor Insight Jobs (Burning Glass Technologies)

S.C. AVERAGE WEEKLY WAGE BY INDUSTRY GROUP, 2021 Q2

INDUSTRY GROUP	AVG. WEEKLY WAGE	PERC CHG FROM YR AGO
Total, All Industries	\$977	5.2%
Natural Resources and Mining	\$887	7.9%
Construction	\$1,117	6.5%
Manufacturing	\$1,216	6.6%
Trade, Transportation and Utilities	\$882	6.8%
Information	\$1,532	17.0%
Financial Activities	\$1,340	5.8%
Professional and Business Services	\$1,108	4.5%
Education and Health Services	\$1,031	6.4%
Leisure and Hospitality	\$424	15.5%
Other Services	\$765	6.5%
Public Administration	\$983	3.1%

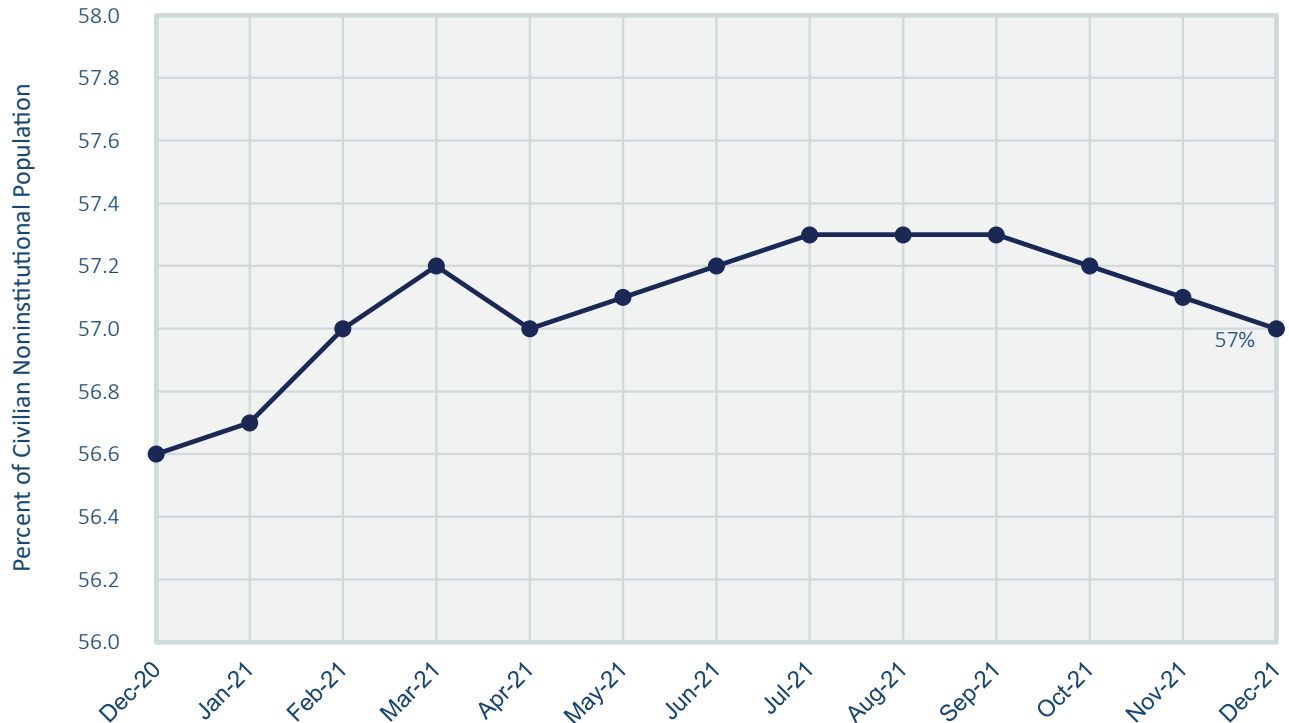
Source: DEW, Quarterly Census of Employment and Wages (QCEW)

S.C. GROSS DOMESTIC PRODUCT



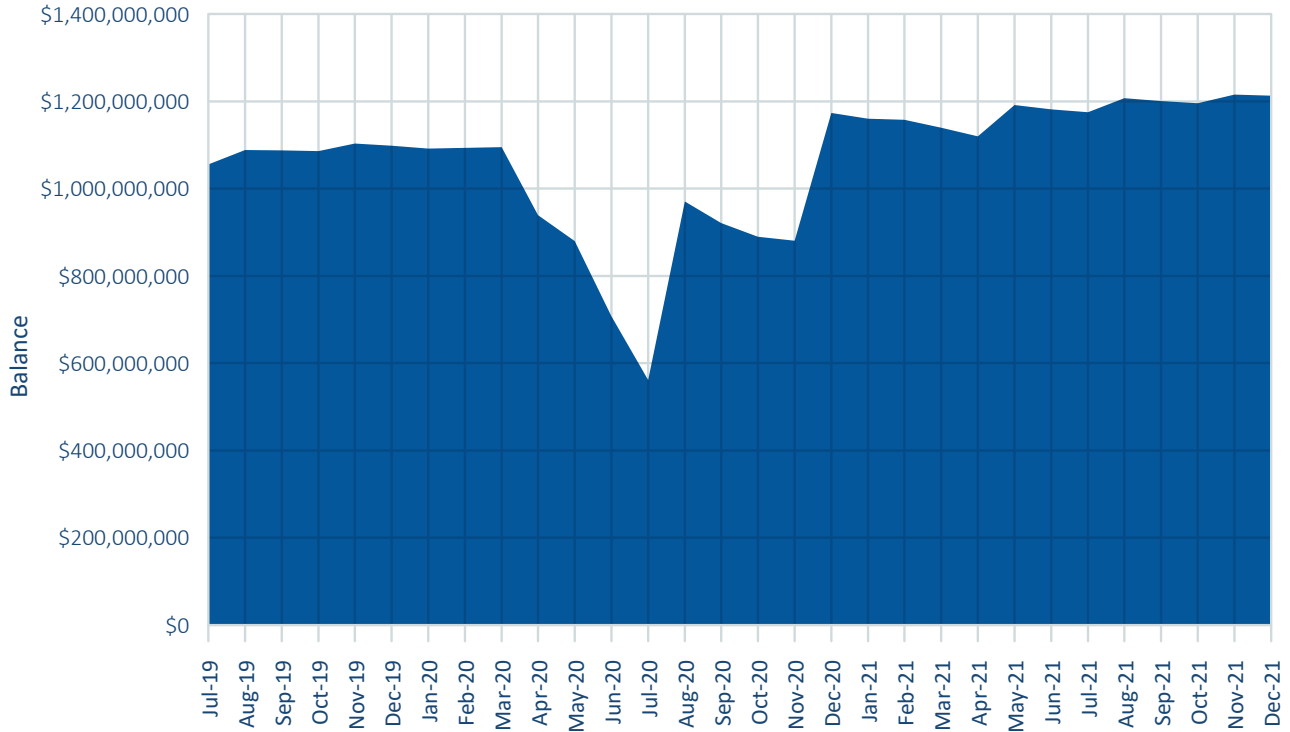
Source: U.S. Bureau of Economic Analysis

S.C. LABOR FORCE PARTICIPATION RATE



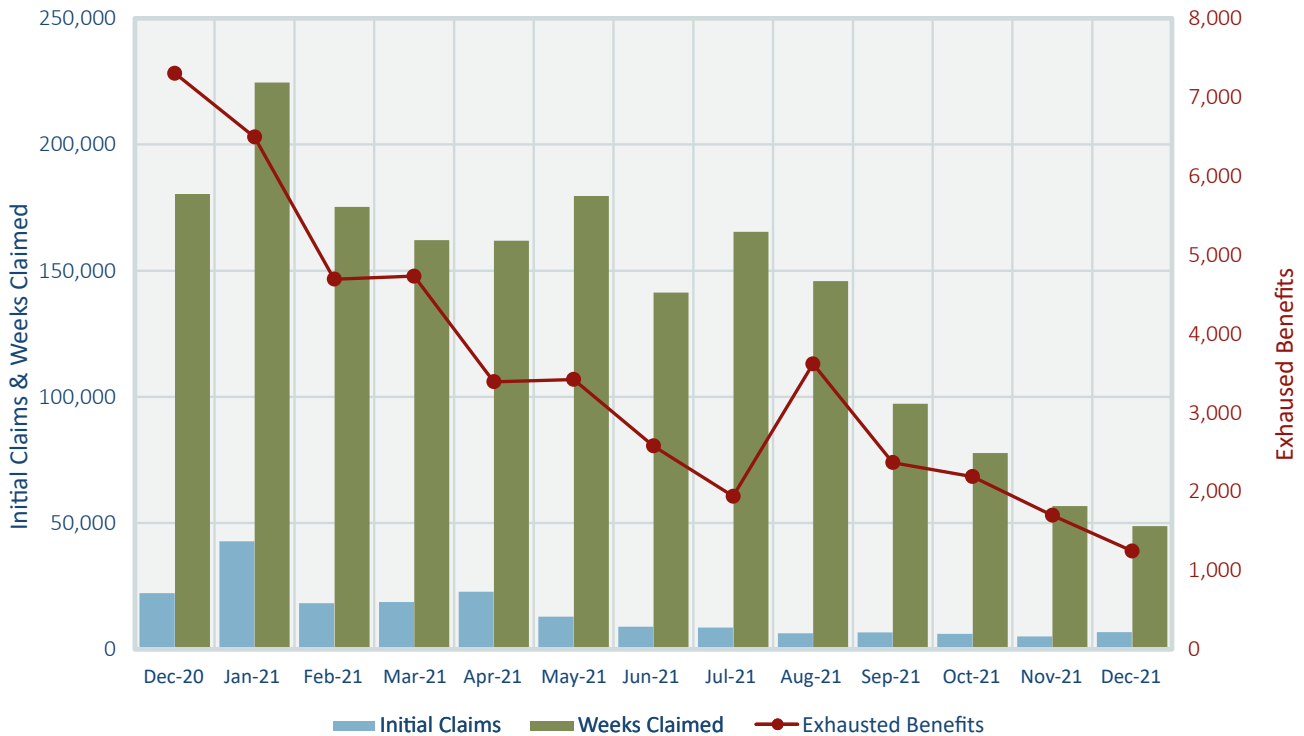
Source: DEW, Local Area Unemployment Statistics (LAUS)

S.C. UNEMPLOYMENT TRUST FUND REPORT BALANCE



Source: U.S. Department of the Treasury, Bureau of the Fiscal Service

S.C. MONTHLY UNEMPLOYMENT CLAIMS STATISTICS



Source: U.S. Department of Labor

All statistics provided in this Trends issue came from two separate sources: The Current Employment Statistics (CES) and the Local Area Unemployment Statistics (LAUS).

Nonfarm payroll employment estimates come from the monthly Current Employment Statistics (CES) program, which surveys approximately 145,000 businesses and government agencies and represents roughly 557,000 worksites nationally. The survey data is used by the BLS to derive the monthly estimates. It includes payroll employment in nonfarm industries during the reference period, which is the pay period including the 12th day of the month. It is a payroll survey; therefore, it counts the number of jobs in the area being surveyed. If someone lives in South Carolina but commutes to another state for work, then they will not be counted in South Carolina's labor market statistics under the CES program because they are on the other state's payroll. Also, if a person has more than one job, it's possible that they are counted more than once. This is beneficial because one of the main uses of the survey is to look at economic growth, such as job creation. The data from the CES survey gives a glimpse at which industries are declining and which are increasing based on the changes in the employment estimates; it does not provide the number of people that are employed.

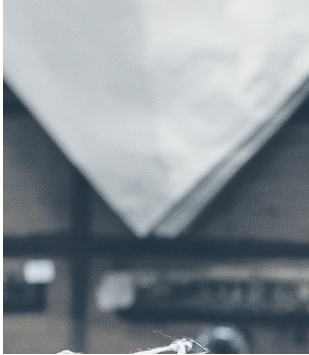
The Local Area Unemployment Statistics (LAUS) program calculates the state-level monthly unemployment rate, a model-based estimate, using inputs from multiple sources, including the Current Population Survey (CPS), the CES program, the unemployment insurance system, and the U.S. census. This program counts people, rather than jobs, based on their place of residence. Again, with the example of the commuter, a person who lives in South Carolina, but works in another state would, in this case, be included in South Carolina's employed labor force since the measure is residence-based. The unemployment rate is used to capture a snapshot of the labor force by providing an estimate of the percentage of the civilian noninstitutional population aged 16 years and over that is unemployed and looking for work.

The accompanying table illustrates some of the differences between the two figures and helps to highlight the fact that the two are not directly comparable. However, they may be used together to better understand the state of the labor market.

CURRENT EMPLOYMENT STATISTICS (CES)	LOCAL AREA UNEMPLOYMENT STATISTICS (LAUS)
Data is published by Industry	Data is published by County
Counts Jobs	Counts People
Utilizes an Establishment Survey	The Current Population Survey (CPS), which is a Household Survey , is used to calculate LAUS
Reference week is the Pay Period that includes the 12 th of the month	Reference week is the Calendar Week that includes the 12 th of the month
A job held by a person on unpaid leave during the reference week is not counted since they are not receiving pay	A person on unpaid leave is counted as employed because they will return to their job
Does not count self-employed workers	Does count self-employed workers
Does not include agricultural workers	Includes both agricultural and non-agricultural workers
Does not count unpaid family workers	Counts unpaid family workers if they worked at least 15 unpaid hours for a family business or family farm during the reference week
Workers on strike during the entire reference period are not counted	Workers on strike during the reference week are counted as employed in LAUS

TECHNICAL NOTES

- 1. **Household Survey (Current Population Survey)** is a monthly survey of about 60,000 households conducted by the Census Bureau for the Bureau of Labor Statistics. This survey provides monthly statistics on employment, unemployment, and related subjects analyzed by the Bureau of Labor Statistics.
- 2. **Current Employment Statistics Survey** is a monthly survey of about 40,000 employers which yields estimates of nonagricultural wage and salary employment, hours, and earnings by industry.
- 3. **Seasonally Adjusted** Seasonal adjustment removes the effects of events that follow a more or less regular pattern each year (i.e. tourist-related hiring and school closings in the summer). These adjustments make it easier to observe the cyclical and other nonseasonal movements in data over time.
- 4. **Not Seasonally Adjusted** Effects of regular or seasonal patterns have not been removed from these data.



Find more information at
jobs.scworks.org



Do you need some help finding the data you need? Have a great idea for a research project you'd like to discuss with someone? We love to collaborate!

DATA TRENDS is prepared by the LMI Division of the S.C. Department of Employment and Workforce with funding provided by the US Department of Labor. Featured data is prepared in conjunction with the Bureau of Labor Statistics and current month estimates are always preliminary, with all previous data subject to revision.