South Carolina Data

TRENDS

NOVEMBER 2020

DIRECTOR'S CORNER

Welcome to the new *Data Trends* monthly newsletter from SC DEW! As some of you may have noticed, over the last several months we have been quietly changing the contents of our forerunner publication, *Insights*, first updating and expanding the monthly economic indicators we publish, then moving away from our original title, and now launching the redesigned layout you see in front of you.

To better expand and diversify the type of original research we present to you each month, the most notable change you'll see is the removal of our typical Employment Summary lead-in. This information is still available in its original form as part of the monthly "Employment Statement Press Release" dew.sc.gov/tools-resources/news-announcements, with detailed data available at scworkforceinfo.com or bls.gov. As always, our dedicated team of Labor Market Information (LMI) professionals are ready to assist you with any questions you may have on how to access or use the data.

In place of the Employment Summary data, you'll now find a new piece of original research each month, highlighting South Carolina-specific trends in the labor force or presenting LMI data in a novel, but accessible way. And, of course, we've also been careful to preserve the most popular features from our old version: the collection of monthly economic indicators starting on page 12.

I am very proud of this first edition of our revamped monthly newsletter and would like to express my gratitude to the talented staff in the Communications Department and LMI Division, whose hard work made this a reality. I feel this new layout better represents the current state of our LMI Division and brings us closer to our goal of becoming the definitive source for Labor Market Information & analysis in the state of South Carolina. We want to drive the workforce research agenda on behalf of our constituents and hope you'll play an important role in that as we move forward. Keep bringing us your feedback, your ideas, your opinions, and your questions and together we will put South Carolina on the map as THE state for insightful, free-of-charge labor market research!

With Warm Regards,

Brian R. Nottingham
Director, LMI Division
SC Department of Employment and Workforce

AT A GLANCE

INTRODUCTION

In this month's feature, we're taking a closer look at recovery from unemployment peaks, both during the Great Recession of the late 2000s and as part of the COVID-19 Pandemic. While there is far from universal consensus on what defines a "recession", research economists tend to point to two consecutive quarters of negative Gross Domestic Product (GDP) growth as the harbinger of a recession cycle. With such a long lead-in time required to even define the mere existence of a state of a recession, it is not surprising that real-time analysis, concurrent with the onset or recovery of a recession is sometimes hard to find.

To side-step the issue of timeliness of GDP data (and as nod to our place of primacy in the collection, dissemination and analysis of labor market information), we are going to focus on tracking the last and current recessionary cycles utilizing monthly data on the unemployment rate, both seasonally and non-seasonally adjusted. Before jumping into our comparison of rates and alternative paths to recovery from peak unemployment rates, let's start with a few important comments (and disclaimers) about what the monthly unemployment rate is and what it measures.

The Bureau of Labor Statistics, in partnership with state workforce agencies like the Department of Employment and Workforce, collects data every month from individuals, employers, and the state's unemployment compensation system itself to estimate current counts of the state's workforce. Three primary pieces of individual-level data are reported: a count of residents currently employed, a count of residents currently unemployed but actively seeking employment, and — by adding these two counts together — a count of the state's labor force. For now, let's take a closer look at only the interaction of these numbers to produce the unemployment rate.

The unemployment rate is calculated by dividing the total number of unemployed citizens by the number of citizens in the labor force (employed + unemployed), yielding a percentage of unemployed citizens in the labor force. Translating these hard counts of workers into a percentage allows for standardized comparisons across different areas (counties, states, or MSAs) that have vastly different population sizes — like the comparative county-level mapping that appears as part of this article. With the almost universal consensus that a low unemployment rate is better than a high unemployment rate, it is important to note that criticism of the utility of the rate as a measure of economic vitality does exist. To be classified as "unemployed" by the Bureau of Labor Statistics, an individual must have actively looked for work in the last 4 weeks. Once an individual has stopped looking for work — even if they still do not have a job— they are no longer counted as either unemployed or as a member of the labor force. Following this through to its aggregate impact on the unemployment rate itself, there are 2 paths to an improved rate: unemployed individuals find jobs and become counted among the group classified as employed or they simply stop looking for work, exit the labor force and are no longer counted as unemployed. Obviously, the first scenario is better than the latter, but the unemployment rate will improve (decrease) if either scenario plays out on a large enough scale.

As part of next month's feature, we're going to take a closer look at this relationship between the labor force, employment counts, and unemployment counts, but for now, let's focus only on the unemployment rate itself.

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UNEMPLOYMENT RATE RECOVERY TRACKING:
THE GREAT RECESSION VS. COVID-19 RECESSION, WITH ALTERNATE PATHS TO FULL RECOVERY

Legend: — Great Recession — COVID-19 — • Linear Recovery • • • GR-Type Recovery • • • M-Type Recovery
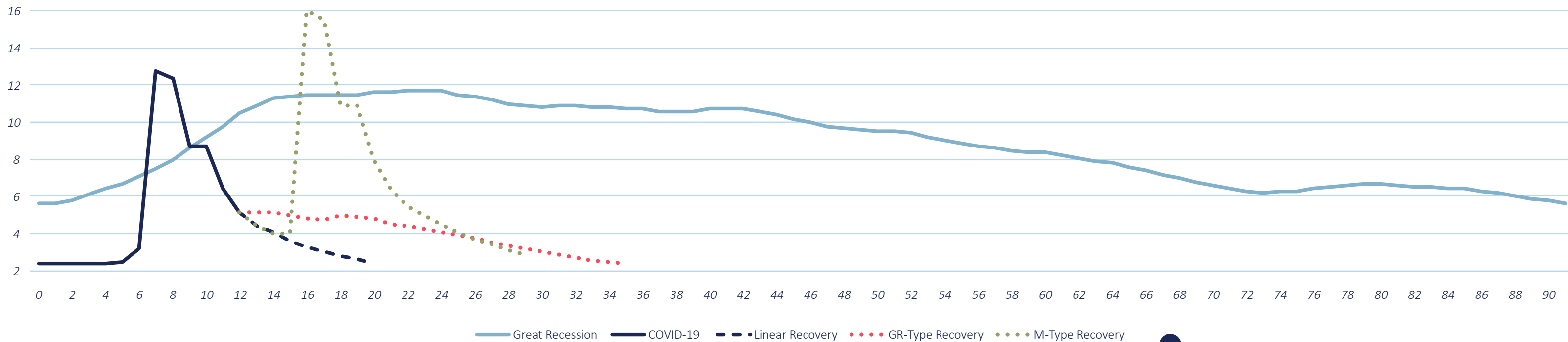
STATEWIDE UNEMPLOYMENT RATE RECOVERY

The line graph above plots the monthly, seasonally adjusted unemployment rates from the Great Recession and the current COVID-19 Recession side-by-side so we can compare both the scale and duration of the peaks (to date). The vertical (y) axis shows unemployment rate, by percentage, and the horizontal (x) axis shows the months passed from the pre-recession low unemployment rate, through the peak high unemployment rate, back to the previous pre-recession low. Obviously, for the current COVID-19 unemployment spike, the journey from peak to a full recovery of the pre-pandemic low unemployment rate remains incomplete.

The differences between the current COVID-19 recovery and our recovery from the Great Recession are striking and immediately apparent and, of course, reflect the causes for each. The Great Recession took the path that economists and researchers are used to witnessing: slow and steady worsening of the unemployment rate over months, with an even longer return from the peak to pre-recession lows. During the Great Recession, it took nearly 2 years (22 months) to traverse the ground between the pre-recession low unemployment rate of 5.6% to the peak rate of 11.7% and over 3 times as long (69 months) to move from the peak rate of 11.7% back to the pre-recession low of 5.6%.

The COVID-19 spike in unemployment rates, however, with the almost over-night shutdown of vast swathes of the economy in response to the threat of the virus, looks nothing like recessions of the past. Even if we extend the path to the peak back to September of 2019, the first month that South Carolina hit its pre-COVID-19 unemployment rate low of 2.4%, the spike from low to the high rate of 12.8% (April 2020) took only 7 months. The recovery — though incomplete — has been equally staggering. Within only 5 months of the peak, South Carolina dropped nearly 75% of its pandemic unemployment rate high, sitting at 5.1% in September of 2020.

Given the rapid recovery to date and the existence now of 5 months' worth of post-peak rate data, we wanted to model a few potential alternative paths to unemployment rate recovery in the coming months. The factors that go into a full recovery are far too many to list in the space allotted here, but let's start with the caveat that a full predictive model of recovery is beyond the scope of this piece. So many factors — some economic, some political, some individual — combine to shape a state's unemployment rate that any attempt to predict the future almost always ends in folly. With full recognition of that fact, and with the acknowledgment of our belief that our readers will take these
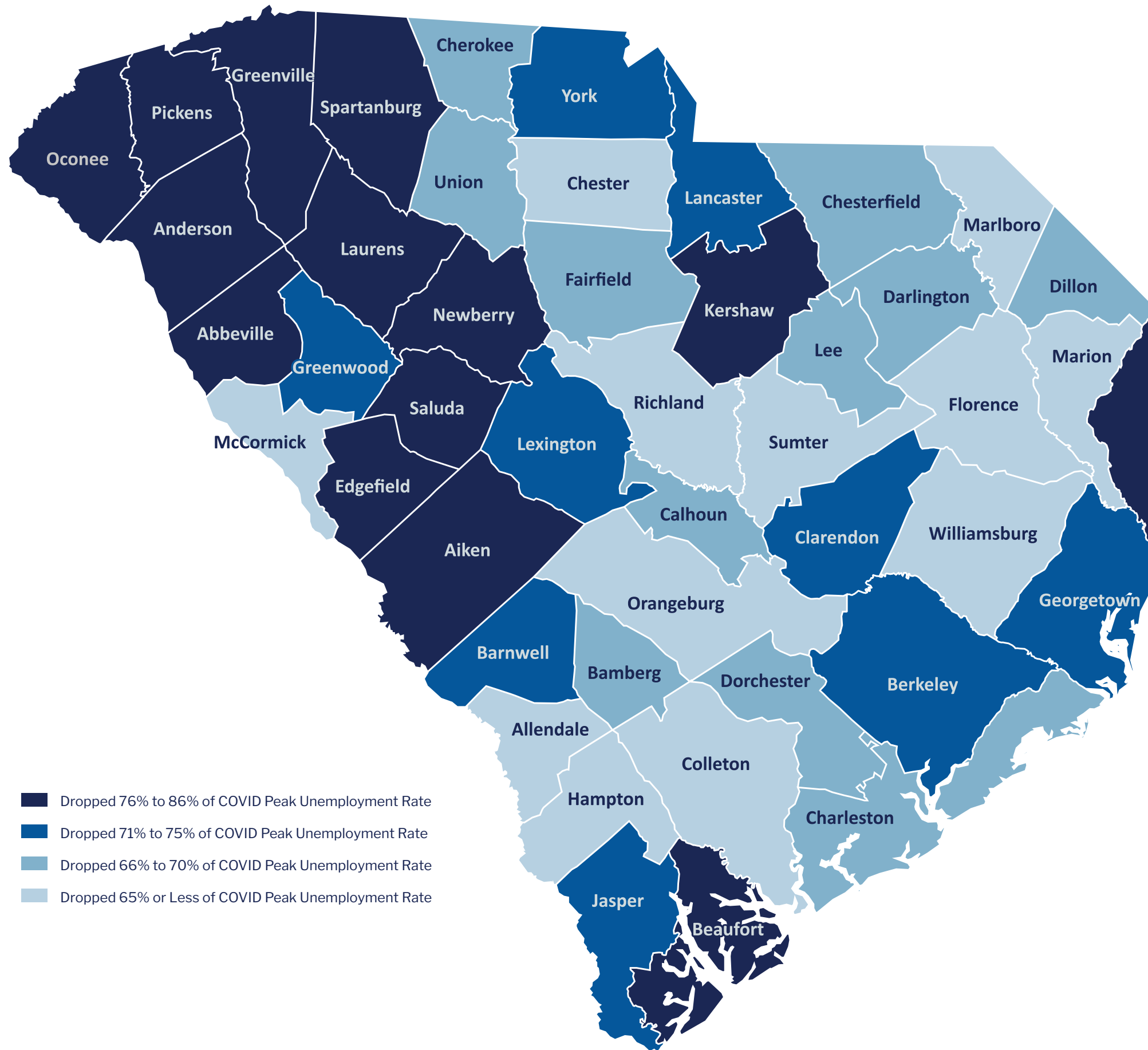
alternatives in the vein they were intended — as an incentive for further discussion, thought, and consideration (and decidedly not as a prediction of the future), we mapped three alternatives to recapturing previous lows in the recovery line graph.

The first alternative — marked with a dark blue dashed line — shows what we hope to be the most likely scenario: Linear Recovery. Following the peak of 12.8% in April and the hovering rate of 12.4% in May, we've seen the rate fall steadily at a decelerating linear pace. That's to say it keeps declining, but the rate of the month-over-month decline is slowing in a steady, but predictable manner. This is as we would expect, because as we get closer and closer to previous unemployment rate lows, it becomes harder and harder to lose the last few percentage points; the unemployment rate will continue to improve, but it will fall more slowly as the rate continues to drop. Under this scenario, we could expect a return to the previous low unemployment rate of 2.4% around May 2021, just in time for tourist season.

The second alternative — marked with a red dotted line — shows what the recovery would look like if it followed the path of our recovery from the Great Recession. We have no reason,

necessarily, to believe that the current COVID-19 recovery would slow to a pace comparable to that of the Great Recession (where it took nearly 3.5 times longer to recover the post-recession low than it took to reach the recession peak in unemployment rate), but should this recovery take the form of what we witnessed in the Great Recession, we could expect a return to our prior low unemployment rate of 2.4% sometime around August 2022.

Finally, the third alternative — and the one we hope to avoid — is represented by the dotted green line. This "M-type" (or sometimes referred to as a "K-type") recovery represents what a second wave of COVID-19 shutdowns might look like. Controlling for the current predicted rate of recovery by December, this model anticipates a second spike of COVID-19 and its affiliated impact on the economy sometime in the winter of 2021. If the spike mirrors the magnitude of the first one — and started from a higher unemployment rate than the 2.4% that preceded the last spike, this model posits a new all-time high of 16% followed by a rapid, linear recovery, to be completed sometime around February of 2022.

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COUNTY COMPARISONS: COVID-19 PARTIAL RECOVERY

Shifting away from what the future full recovery may look like to the situation as it stands today, let's take a look at the current county level numbers. The map to the left shows each county's rate of recovery from its high unemployment rate during the COVID-19 peak. For most counties, this was the month of April 2020. There is a great degree of variation between counties and their "normal" unemployment rates, with counties along the coast, for example, being extremely susceptible to seasonal changes in employment associated with the tourism industry. To sidestep these issues, we standardized the measures of recovery by comparing a county only to itself: a county with pre-COVID unemployment rate of 5.0%, for example, needs to only return to 5.0% to be considered fully recovered. Conversely, a county with a pre-COVID unemployment rate of 2.4% will need to return to that lower level to be considered fully recovered.

To calculate the specific recovery rate for each county, first we subtracted the pre-COVID-19 low unemployment rate from the COVID-19 high unemployment rate. This number represents the absolute gain in unemployment rate. Next, we calculated the change in unemployment rate from the COVID-19 high through the most recent month of available data, September 2020. Finally, dividing this value by the absolute gain in unemployment rate yields a recovery ratio between 0 and 1, or 0 and 100%, for each county.

This map shows that rate of recovery for every county in South Carolina: the higher the percent of the unemployment rate lost, the greater the recovery. As the map shows, the unemployment rate recovery through September 2020 has been strongest in the northwest corner of the state — with many of these counties dropping 76% or more of their COVID-19 unemployment rate peaks. You can find detailed, county-level data from both the Great Recession and the current COVID-19 recovery on the next page.

Be sure to check the LMI Division website at scworkforceinfo.com in the coming months to continue to track the recovery or find extensions of this article. Questions or comments on the data or content of this summary should be directed to Brian Nottingham at bnottingham@dew.sc.gov.
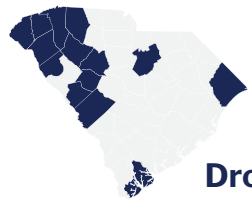
Legend:
- Dropped 76% to 86% of COVID Peak Unemployment Rate
- Dropped 71% to 75% of COVID Peak Unemployment Rate
- Dropped 66% to 70% of COVID Peak Unemployment Rate
- Dropped 65% or Less of COVID Peak Unemployment Rate

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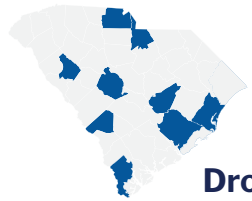DEPARTMENT OF EMPLOYMENT
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Dropped 76% to 86% of COVID Peak Unemployment Rate

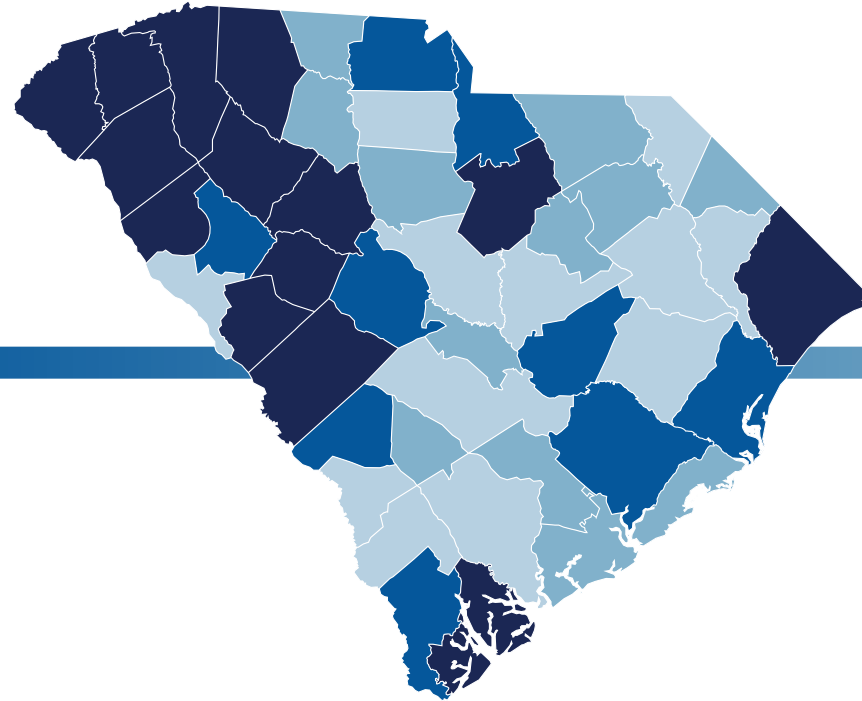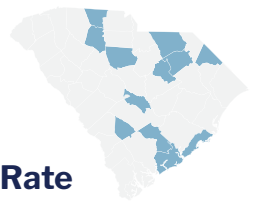| County	Peak Unemployment		Months to Peak		Recovery Rate Sept.	Months to Partial Recovery	
	Great Recession	Corona-cession	Great Recession	Corona-cession		Great Recession	Corona-cession
Abbeville	15.3%	9.5%	14	8	82%	54	4
Aiken	10.2%	10.0%	14	8	83%	58	4
Anderson	13.6%	12.6%	22	7	79%	38	5
Beaufort	9.7%	12.0%	21	7	82%	51	5
Edgefield	10.9%	10.4%	21	7	83%	51	5
Greenville	10.8%	12.2%	21	7	78%	46	5
Horry	15.9%	22.5%	32	7	82%	51	5
Kershaw	12.3%	9.6%	32	8	76%	47	4
Laurens	13.9%	14.2%	21	8	78%	46	4
Newberry	12.3%	8.8%	15	7	76%	52	5
Oconee	14.6%	12.0%	16	7	86%	52	5
Pickens	11.9%	11.0%	33	7	84%	63	5
Saluda	11.1%	7.2%	25	8	84%	47	4
Spartanburg	13.2%	15.0%	32	7	76%	46	5
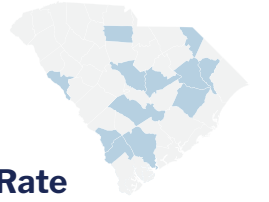
Dropped 65% or Less of COVID Peak Unemployment Rate

County	Peak Unemployment		Months to Peak		Recovery Rate Sept.	Months to Partial Recovery	
	Great Recession	Corona-cession	Great Recession	Corona-cession		Great Recession	Corona-cession
Allendale	22.5%	13.9%	32	8	65%	39	2
Chester	22.1%	16.0%	34	8	62%	27	4
Colleton	15.2%	9.6%	33	8	61%	45	4
Florence	12.2%	9.1%	21	8	64%	46	4
Hampton	15.2%	7.7%	25	10	62%	46	2
Marion	21.3%	11.9%	26	7	58%	33	5
Marlboro	22.8%	17.5%	24	7	65%	32	5
McCormick	17.8%	11.6%	10	7	65%	38	5
Orangeburg	17.8%	14.3%	32	13	65%	47	4
Richland	10.1%	10.1%	38	8	64%	28	4
Sumter	13.2%	11.0%	27	7	63%	46	5
Williamsburg	19.9%	12.7%	33	8	65%	44	4

Dropped 71% to 75% of COVID Peak Unemployment Rate

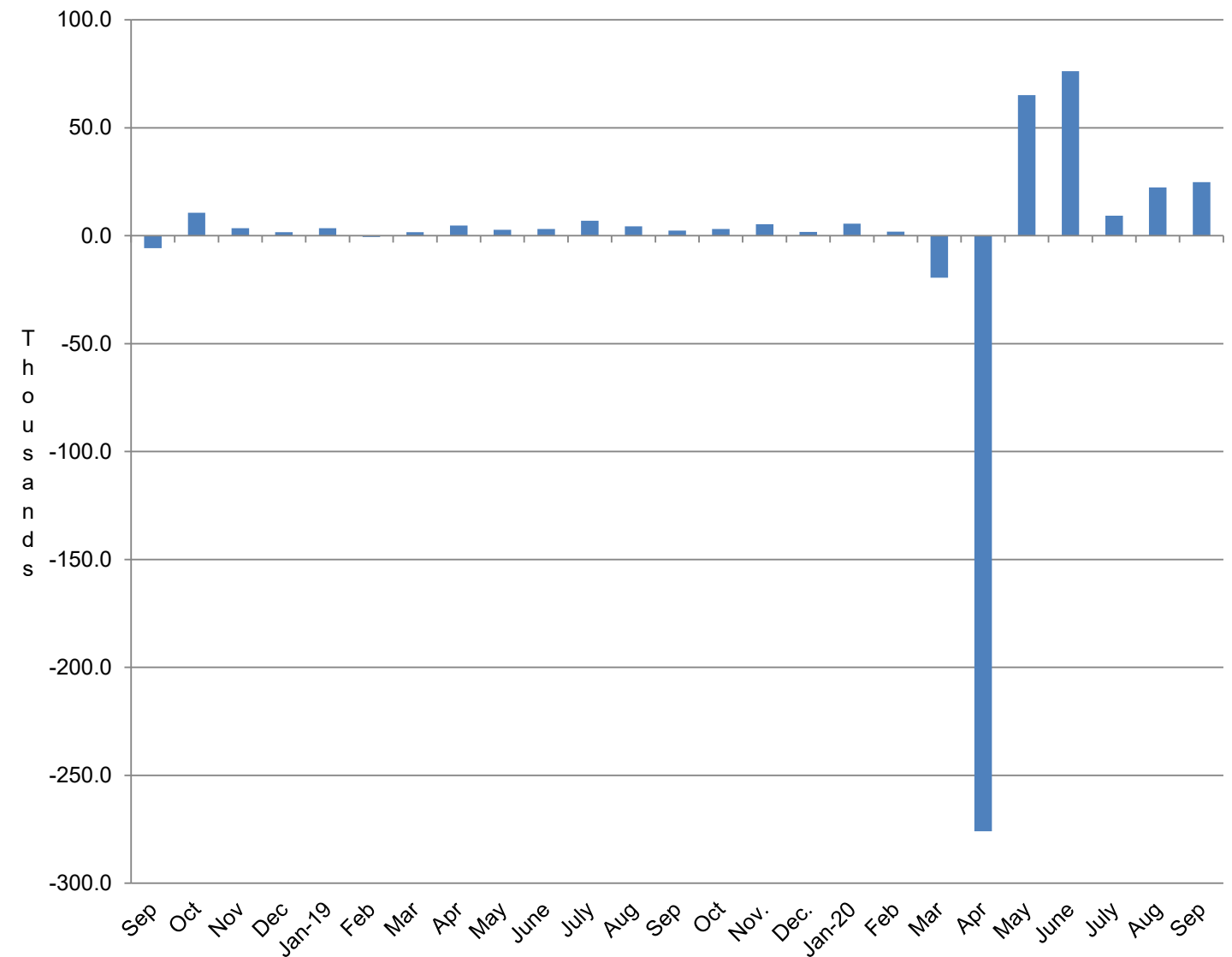| County	Peak Unemployment		Months to Peak		Recovery Rate Sept.	Months to Partial Recovery	
	Great Recession	Corona-cession	Great Recession	Corona-cession		Great Recession	Corona-cession
Barnwell	19.4%	11.7%	21	8	71%	44	2
Berkeley	11.0%	11.0%	25	8	72%	53	4
Clarendon	15.5%	11.3%	44	7	71%	32	5
Georgetown	17.7%	15.1%	32	7	74%	51	5
Greenwood	13.1%	11.3%	15	5	71%	52	4
Jasper	10.9%	9.6%	29	8	71%	50	4
Lancaster	18.3%	13.3%	27	8	71%	34	4
Lexington	8.8%	8.1%	21	8	74%	46	4
York	14.6%	12.5%	20	8	72%	51	4

Dropped 66% to 70% of COVID Peak Unemployment Rate

County	Peak Unemployment		Months to Peak		Recovery Rate Sept.	Months to Partial Recovery	
	Great Recession	Corona-cession	Great Recession	Corona-cession		Great Recession	Corona-cession
Bamberg	18.5%	13.2%	50	13	66%	29	4
Calhoun	14.5%	10.2%	28	8	70%	51	4
Charleston	9.6%	13.1%	32	7	70%	46	5
Cherokee	17.1%	16.5%	19	7	70%	52	5
Chesterfield	17.9%	10.9%	14	7	70%	39	5
Darlington	14.4%	10.6%	33	8	66%	45	4
Dillon	16.8%	9.3%	34	8	70%	46	4
Dorchester	10.5%	11.5%	25	8	70%	53	4
Fairfield	16.2%	13.2%	46	8	68%	32	4
Lee	17.7%	12.4%	21	8	67%	44	4
Union	20.4%	18.3%	27	7	68%	41	5

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South Carolina Job Changes by Industry
September 2019 - September 2020 (SA)

SOUTH CAROLINA NONFARM EMPLOYMENT TRENDS FOR SEPTEMBER—SEASONALLY ADJUSTED

The Current Employment Survey of businesses in South Carolina marked an increase of 24,800 nonfarm payroll jobs over the month to a level of 2,119,700.

Industries reporting gains were Leisure and Hospitality (+8,200); Other Services (+7,300); Professional and Business Services (+4,900); Manufacturing (+3,600); Trade, Transportation, and Utilities (+1,500); Financial Activities (+600); Construction and Information (+300), respectively.

Decreases were noticed in the Government (-2,600) industry. Retail trade declined by (-1,000).

From September 2019 to September 2020, South Carolina's economy has lost 79,600 seasonally adjusted, nonfarm jobs.

Only the Other Services (+8,700) and Construction (+2,200) industries reported gains over the year.

Decreases were reported in Leisure and Hospitality (-46,800); Education and Health Services (-14,200); Trade, Transportation, and Utilities (-11,100); Government (-9,300); Professional and Business Services (-5,800); Financial Activities (-1,800); Information (-800) and Manufacturing (-400). Retail Trade declined (-7,900) over the year.

For the Metropolitan Statistical Areas, seasonally adjusted, total nonfarm payroll job increases were seen in six areas.

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

www.SCWorkforceInfo.com

(Employment and Wage Data section)

S.C. Total Nonfarm Monthly Job Change
2018 - 2020

Economic Indicators (September 2020)		
Top Job Growth by MSA (SA)		
MSA	**Over Month % Change**	**Over Year % Change**
Greenville MSA	1.72%	-1.98%
Sumter MSA	1.62%	-5.28%
Columbia MSA	1.09%	-4.35%
Florence MSA	1.00%	-2.16%

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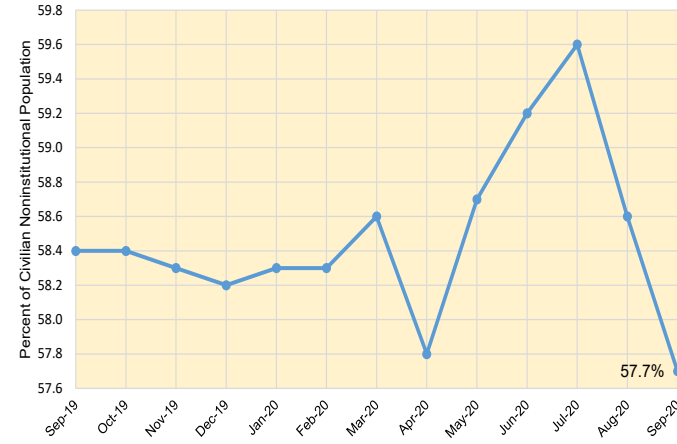SOUTH CAROLINA DEPARTMENT OF EMPLOYMENT AND WORKFORCE

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SOUTH CAROLINA ECONOMIC INDICATORS

S.C. Gross Domestic Product
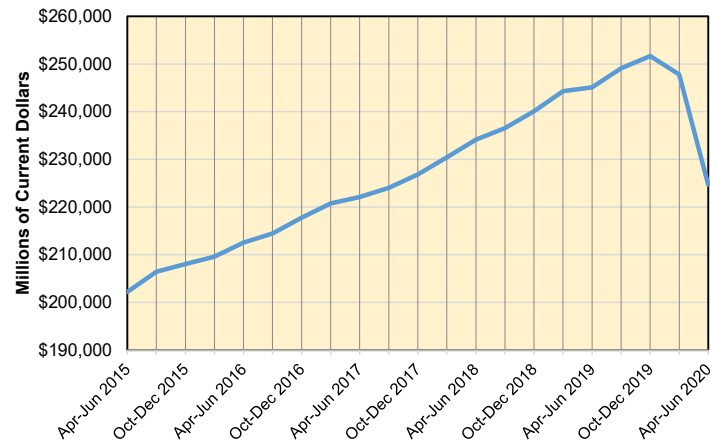
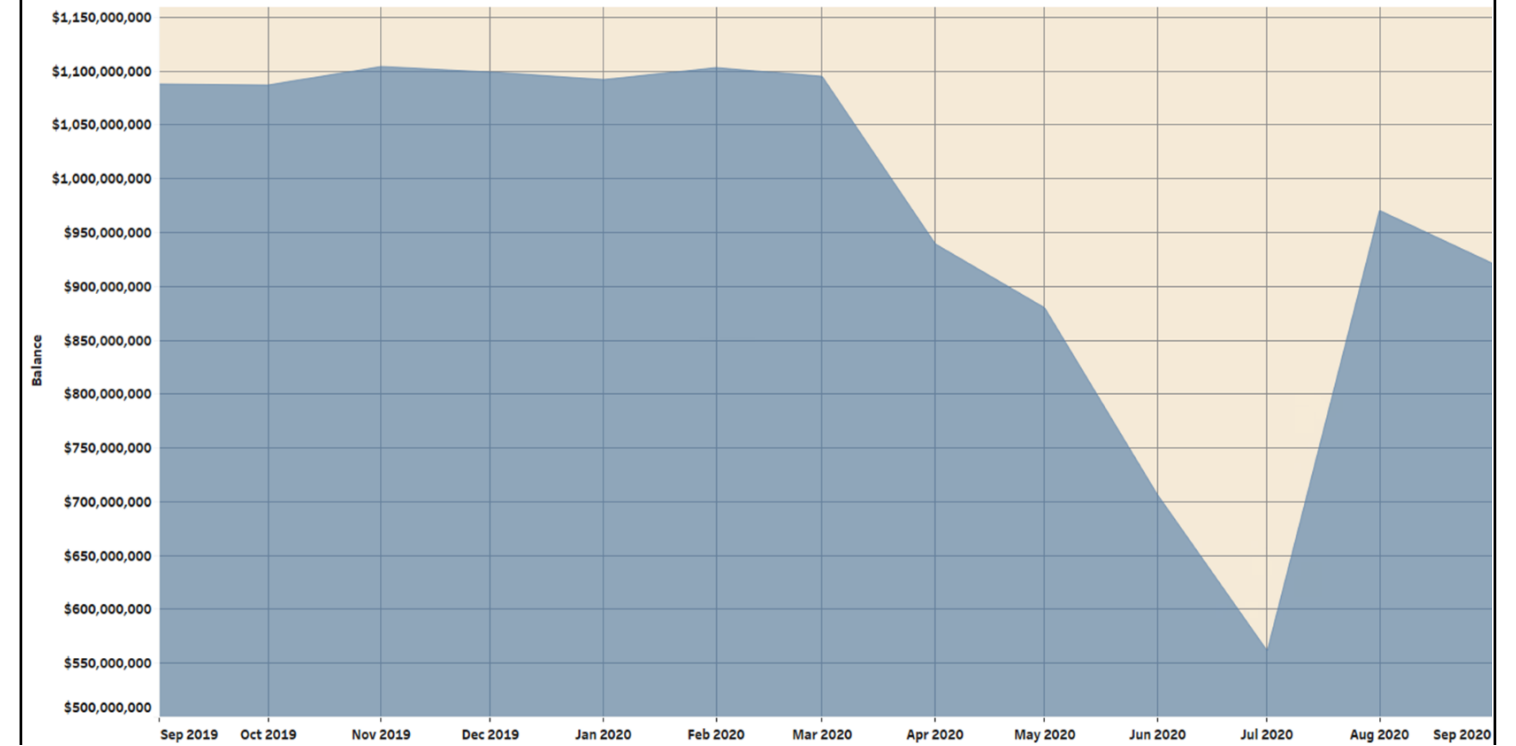Source: U.S. Bureau of Economic Analysis

S.C. Labor Force Participation Rate

57.7%

Source: DEW, Local Area Unemployment Statistics (LAUS)

S.C. Unemployment Trust Fund Balance
Source: U.S. Department of the Treasury, Bureau of Fiscal Service

S.C. Job Postings by Industry, September 2020

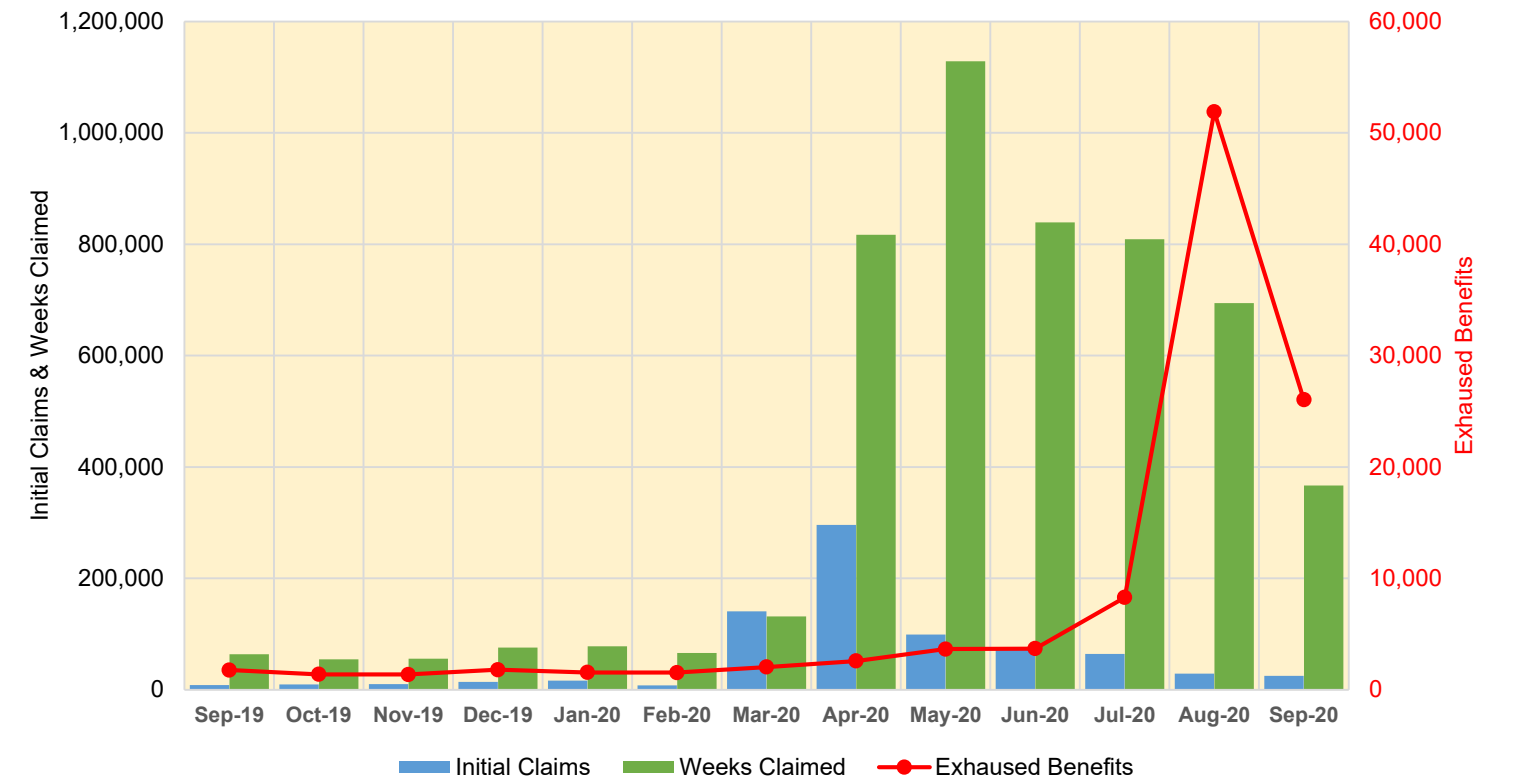| NAICS Code	Industry	Job Postings
62	Health Care and Social Assistance	10,600
44-45	Retail Trade	7,519
72	Accommodation and Food Services	3,971
31-33	Manufacturing	3,201
52	Finance and Insurance	2,815
61	Educational Services	2,633
54	Professional, Scientific, and Technical Services	2,502
92	Public Administration	1,964
56	Administrative and Support Services	1,677
48-49	Transportation and Warehousing	1,470
23	Construction	1,162
53	Real Estate and Rental and Leasing	1,148
81	Other Services (except Public Administration)	1,019
51	Information	783
42	Wholesale Trade	479
71	Arts, Entertainment, and Recreation	350
22	Utilities	130
21	Mining, Quarrying, and Oil and Gas Extraction	118
11	Agriculture, Forestry, Fishing and Hunting	68
55	Management of Companies and Enterprises	56

Source: Labor Insight Jobs (Burning Glass Technologies)

S.C. Average Weekly Wage by Industry Group, 2020Q1

Industry Group	Avg Wkly Wage	Perc Chg from Yr Ago
Total, All Industries	$921	2.7%
Natural Resources and Mining	$831	-3.0%
Construction	$1,064	3.7%
Manufacturing	$1,184	-3.0%
Trade, Transportation and Utilities	$831	-0.8%
Information	$1,335	4.8%
Financial Activities	$1,489	6.5%
Professional and Business Services	$1,067	7.2%
Education and Health Services	$931	5.3%
Leisure and Hospitality	$360	3.7%
Other Services	$680	4.9%
Public Administration	$914	2.2%

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

S.C. Monthly Unemployment Claims Statistics

Source: U.S. Department of Labor

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# WHAT ARE THE TOP OCCUPATIONS IN KEY S.C. INDUSTRIES?
GRAPHICAL REPRESENTATIONS OF STAFFING PATTERNS FOR KEY INDUSTRIES

An excerpt from a presentation on DEW's LMI website....

- A staffing pattern is a listing of the detailed occupations that make up an industry.
- Through DEW's Employment Projections Program comes an industry-occupation matrix of employment for each occupation within each industry.
- This presentation highlights a selection of the staffing patterns of some of the state's key industries in a graphical way with block sizes and color scheme relative to level of employment (2018) for the top occupations.

Top Occupations by Employment in S.C.'s Manufacturing Industry
Source: DEW, Employment Projections Program
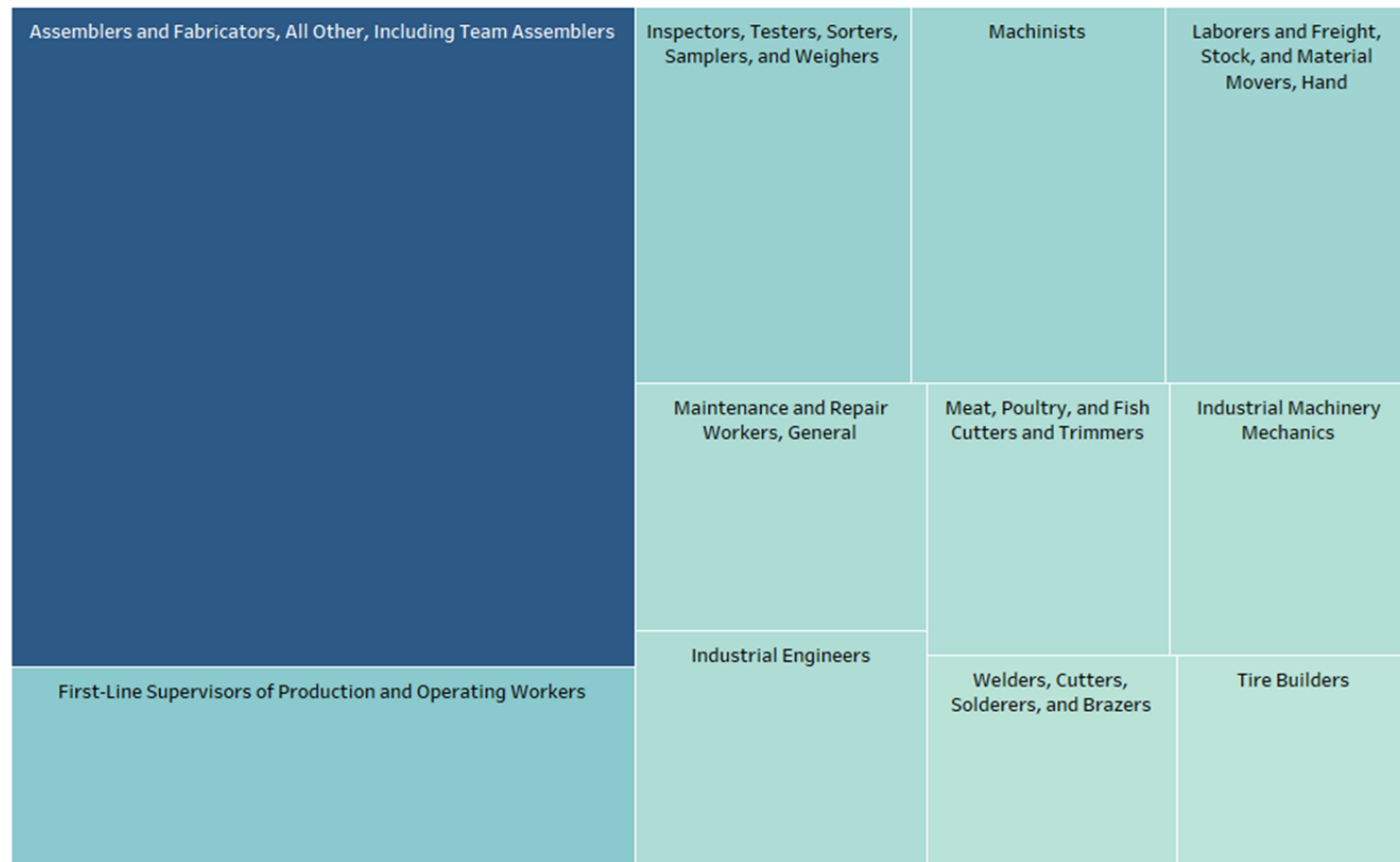
CLICK HERE FOR THE FULL PRESENTATION ON DEW'S LMI WEBSITE.

Find more information at
scworkforceinfo.com

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!

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