

# INSIGHTS

**5.1%**

August  
Unemployment Rate

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SC Department of Employment and Workforce

Business Intelligence Department

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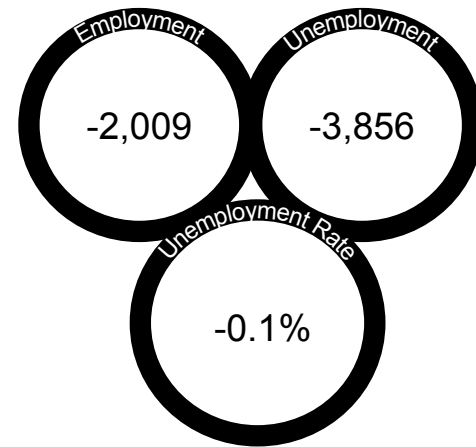
## Unemployment Rate Falls to 5.1 Percent

South Carolina's seasonally adjusted unemployment rate dropped for the fourth consecutive month to 5.1 percent in August from 5.2 percent in July.

Unemployment fell by 3,856 people to 116,998. Employment also decreased by 2,009 to 2,180,876. This resulted in a decline in the labor force of 5,865 to 2,297,874.

Since August 2015, employment has increased by 54,553 along with an increase of 45,086 for the labor force. Unemployment fell by 9,467.

Nationally, the unemployment rate remained the same from July to August at 4.9 percent.



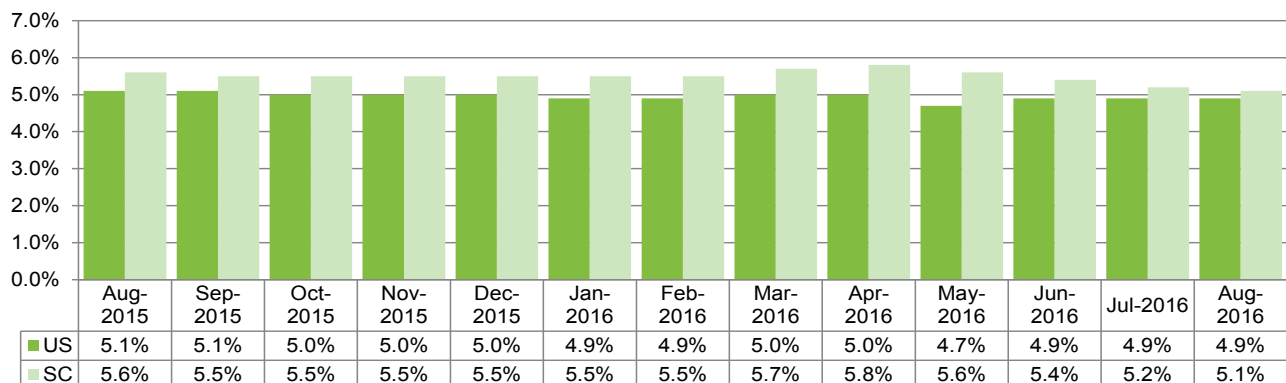
## Economic Indicators

August - Seasonally Adjusted (SA)

United States SC

Labor Force	159,463,000	2,297,874
Employed	151,614,000	2,180,876
Unemployed	7,849,000	116,998
Unemp. Rate	4.9%	5.1%

South Carolina vs US Unemployment Rate  
August 2015 - August 2016



*Insights* is prepared in conjunction with the U.S. Department of Labor, Bureau of Labor Statistics. The current month's estimates are preliminary, while all previous data are subject to revision. All estimates are projected from a first quarter 2015 benchmark. To subscribe to *Insights*, please email [bidcustomerservice@dew.sc.gov](mailto:bidcustomerservice@dew.sc.gov) or to provide feedback please click on the [BID Customer Feedback Form](#).



## South Carolina Ranked 19th Highest of 50 States in August

Unemployment rates were higher in six states during August, lower in three states and stable in 41 states and the District of Columbia (DC).

Ten states had unemployment rate decreases from a year earlier, five states had increases and 35 states and the District of Columbia had no change.

South Dakota and New Hampshire had the lowest jobless rates in August of 2.9 percent and 3.0 percent, respectively. Alaska had the highest unemployment rate of 6.8 percent. In total, 20 states had unemployment rates lower than the National rate of 4.9 percent, 11 states and the District of Columbia had higher rates and 19 states had rates that were not appreciably different from that of the nation.

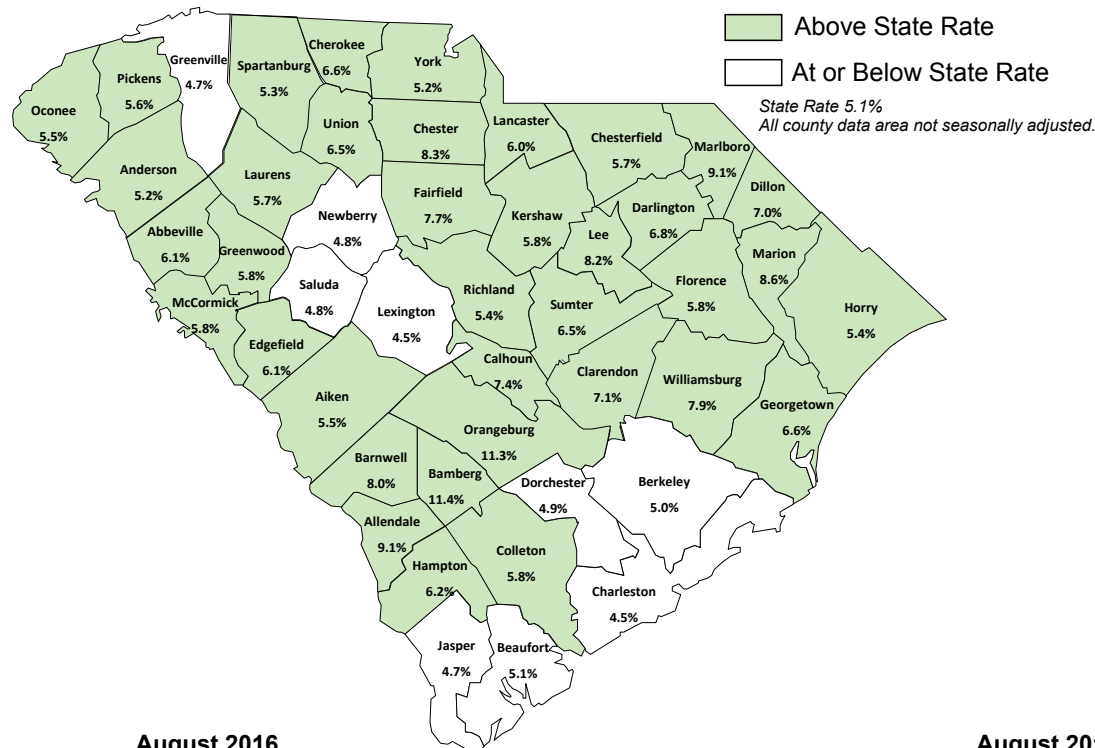
In August, South Carolina ranked 19th highest in the Nation.

## August Unemployment Rate by County

Not seasonally adjusted county unemployment rates were mixed across the state in many of the counties during August. Rates ranged from 11.4 percent in Bamberg County to 4.5 percent in Charleston and Lexington counties. Unemployment was little changed, up by about 2,300 people over the month as summer tourism began to taper off.

Since January, employment levels in South Carolina counties, as a whole, have grown by nearly 56,575 people.

In the near future, retail establishments and transportation/distribution companies will start preparing for holiday seasonal hiring. This will bode well for those counties that have a large retail presence and distribution centers in their areas as the need for temporary help will ramp up.



Alaska	6.8
New Mexico	6.6
Louisiana	6.3
Nevada	6.3
District of Columbia	6.0
Mississippi	6.0
Arizona	5.8
Pennsylvania	5.7
Washington	5.7
West Virginia	5.7
Connecticut	5.6
Rhode Island	5.6
California	5.5
Illinois	5.5
Wyoming	5.5
Alabama	5.4
Oregon	5.4
New Jersey	5.3
Missouri	5.1
Oklahoma	5.1
<u>South Carolina</u>	<u>5.1</u>
Georgia	4.9
Kentucky	4.9
<u>United States</u>	<u>4.9</u>
New York	4.8
Florida	4.7
Ohio	4.7
Texas	4.7
North Carolina	4.6
Indiana	4.5
Michigan	4.5
Tennessee	4.4
Delaware	4.3
Kansas	4.3
Maryland	4.3
Montana	4.3
Iowa	4.2
Wisconsin	4.2
Maine	4.0
Minnesota	4.0
Arkansas	3.9
Massachusetts	3.9
Virginia	3.9
Colorado	3.8
Idaho	3.8
Utah	3.7
Hawaii	3.4
Vermont	3.3
Nebraska	3.2
North Dakota	3.1
New Hampshire	3.0
South Dakota	2.9

August 2016

Highest County Unemployment Rates		Lowest County Unemployment Rates	
Bamberg	11.4%	Charleston	4.5%
Orangeburg	11.3%	Lexington	4.5%
Allendale	9.1%	Greenville	4.7%
Marlboro	9.1%	Jasper	4.7%
Marion	8.6%	Newberry	4.8%

August 2016

Economic Indicators Average Hours & Earnings		
	United States (SA)	SC (Unadj.)
Manufacturing		
Avg. Weekly Earning	\$1,056.82	\$798.53
Avg. Weekly Hours	40.6	40.7
Avg. Hourly Wage	\$26.03	19.62

## South Carolina Nonfarm Employment Trends for August - Seasonally Adjusted

In August 2016, seasonally adjusted, non-farm payrolls increased by 5,700 over the month to a record high level of 2,060,800.

The increase in employment was primarily due to gains in Education and Health Services (+2,600) and Trade, Transportation, and Utilities (+1,400).

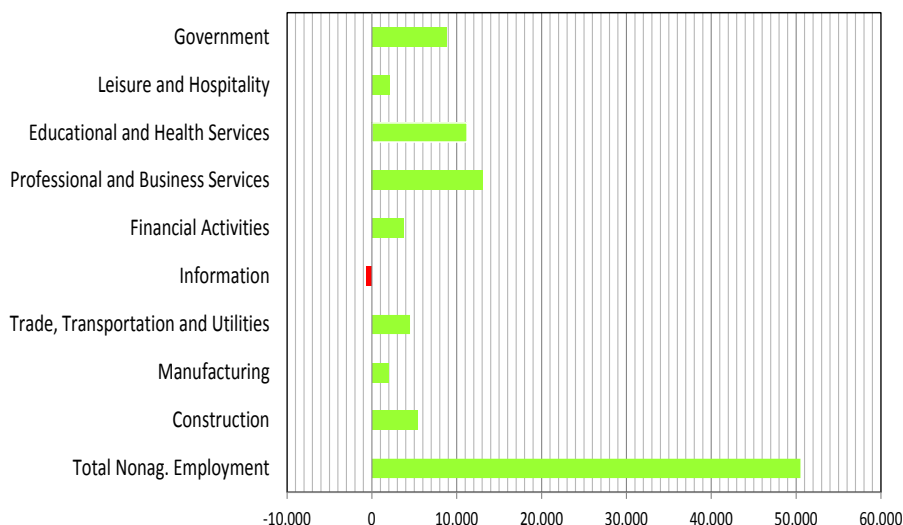
Additional growths were also reported in Other Services (+900); Manufacturing (+400); Information (+300); Construction (+200); Financial Activities (+200); Professional and Business Services (+100); whereas Government remained the same. The only industry reporting a slight decline occurred in Leisure and Hospitality (-400).

Over-the-year growth in nonfarm employment was up 50,500 with growth in the Professional and Business Services (+13,100); Education and Health Services (+11,200); Government (+8,800); Construction (+5,400); Trade, Transportation, and Utilities (+4,500); Financial Activities (+3,700); Leisure and Hospitality (+2,100); Manufacturing (+2,000); and Other Services (+300). Information (-700) saw a dip in payroll.

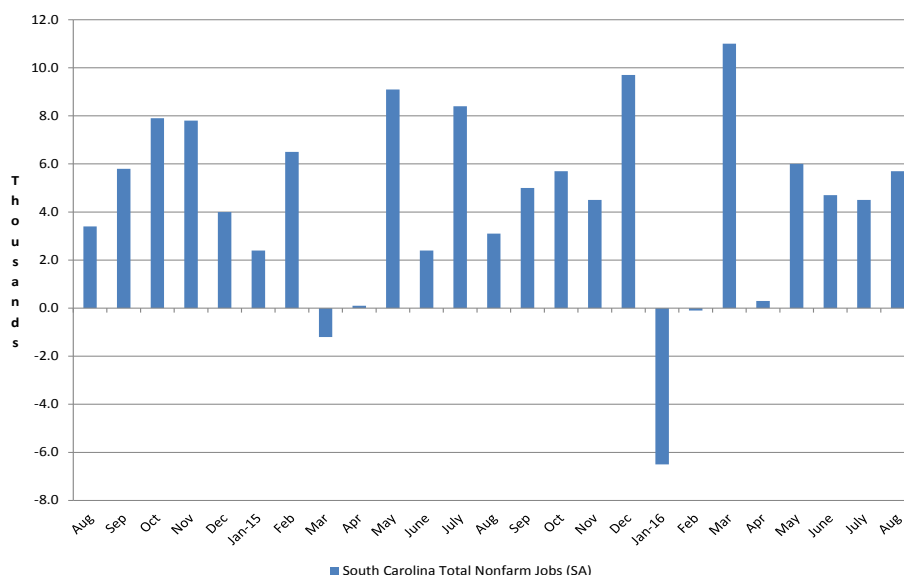
Metropolitan Statistical Areas, seasonally adjusted, total nonfarm payroll employment for over-the-month marked strong job entries were in Florence (+1,100); Columbia (+800); and Sumter (+300). However, Nonfarm payroll employment decreased in Charleston (-500).

Every Metropolitan Statistical Area saw seasonally adjusted payroll employment growth compared to over-the-year. Most noticeable growth were Charleston (+9,200) and Columbia (+8,300), followed by Florence (+1,500) and Sumter (+1,000).

**South Carolina Job Changes by Industry  
August 2015 - August 2016 (SA)**



**SC Total Nonfarm Jobs  
2014 -2016**



### Economic Indicators (August 2016)

#### Top Job Growth by MSA (SA)

	Over Month % Change	Over Year % Change
Charleston MSA	-0.15%	2.74%
Columbia MSA	0.20%	2.15%
Florence MSA	1.25%	1.73%
Sumter MSA	0.75%	2.58%

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

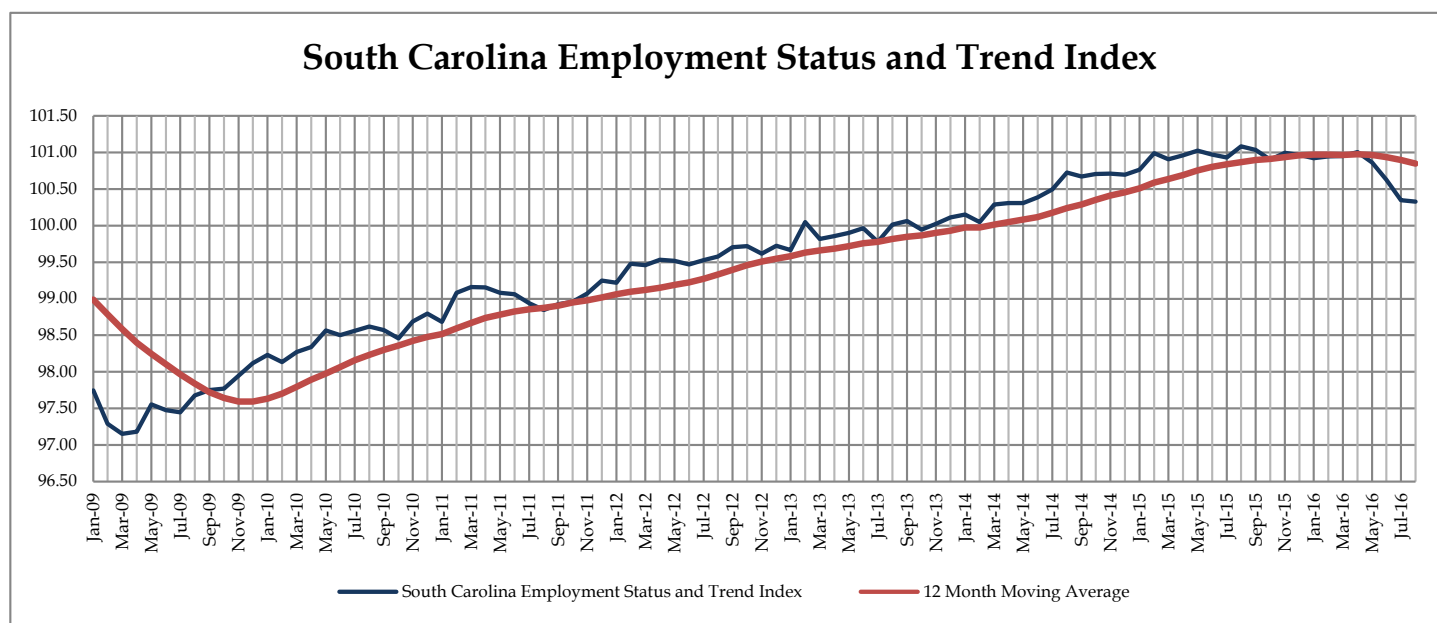
[www.SCWorkforceInfo.com](http://www.SCWorkforceInfo.com)

(Employment and Wage Data section)

**Employment Changes by County**  
**June 2016 through August 2016**

County	Employment			Net Change From	
	Aug 2016	Jul 2016	Jun 2016	Jul '16 - Aug '16	Jun '16 - Jul '16
Abbeville	9,886	9,956	10,000	-70	-44
Aiken	70,906	71,282	70,965	-376	317
Allendale	2,604	2,619	2,594	-15	25
Anderson	85,197	85,830	86,011	-633	-181
Bamberg	5,099	5,136	5,111	-37	25
Barnwell	7,938	7,995	7,978	-57	17
Beaufort	71,712	72,898	72,218	-1,186	680
Berkeley	90,913	92,269	91,409	-1,356	860
Calhoun	6,711	6,730	6,707	-19	23
Charleston	194,526	196,981	195,473	-2,455	1,508
Cherokee	22,198	22,347	22,456	-149	-109
Chester	12,920	12,870	12,975	50	-105
Chesterfield	20,747	20,804	20,848	-57	-44
Clarendon	12,533	12,611	12,582	-78	29
Colleton	16,297	16,402	16,394	-105	8
Darlington	28,418	28,464	28,542	-46	-78
Dillon	12,078	12,148	12,092	-70	56
Dorchester	70,493	71,517	70,855	-1,024	662
Edgefield	10,371	10,398	10,334	-27	64
Fairfield	9,659	9,700	9,671	-41	29
Florence	62,022	62,074	62,479	-52	-405
Georgetown	24,587	24,820	24,743	-233	77
Greenville	232,813	234,592	235,134	-1,779	-542
Greenwood	29,954	30,204	30,259	-250	-55
Hampton	8,072	8,149	8,066	-77	83
Horry	136,812	139,870	138,301	-3,058	1,569
Jasper	11,855	11,970	11,915	-115	55
Kershaw	28,025	28,148	28,066	-123	82
Lancaster	34,807	34,645	34,973	162	-328
Laurens	29,133	29,318	29,372	-185	-54
Lee	6,138	6,175	6,152	-37	23
Lexington	141,061	141,702	141,457	-641	245
McCormick	3,292	3,310	3,319	-18	-9
Marion	12,100	12,208	12,176	-108	32
Marlboro	8,928	9,005	9,004	-77	1
Newberry	18,715	18,826	18,717	-111	109
Oconee	33,504	33,745	33,779	-241	-34
Orangeburg	34,100	34,318	34,313	-218	5
Pickens	53,680	54,048	54,212	-368	-164
Richland	190,452	191,599	191,337	-1,147	262
Saluda	8,915	8,915	8,811	0	104
Spartanburg	133,360	133,374	134,777	-14	-1,403
Sumter	41,817	42,303	42,295	-486	8
Union	10,946	10,940	11,059	6	-119
Williamsburg	12,123	12,204	12,193	-81	11
York	121,840	121,280	122,576	560	-1,296

## South Carolina Employment Status and Trend Index



Data for August, plus revisions to data for the previous two months, show a South Carolina Employment Status and Trend Index (SCESTI) that is further below its 12-month moving average than previously estimated. The SCESTI first fell below this mark in May, and August marks the fourth straight month below this level. Compared to a revised July figure of 100.35, the August SCESTI stands at 100.33.

July's Weekly Manufacturing Hours from the Bureau of Labor Statistics were revised downward from a preliminary 41.7 hours per week to 40.9. August continued the downward direction with a level of 40.7 hours per week. The Conference Board's Consumer Confidence Index was also revised downward in July from 97.3 to 96.7. August witnessed a large rebound of 4.4 points, ending the month at a level of 101.1. While July figures from the Conference Board's Help Wanted Online (HWOL) data remained unchanged, the August numbers declined 800 jobs to 58,900 jobs advertised statewide online. Additionally, the Conference Board's own Employment Trends Index decreased in July to 128.02, from an upwardly revised July figure. Finally, initial claims for Unemployment Insurance were a positive boost to the SCESTI, as they fell from an average 3,272 initial claims per week in July to 2,369 initial claims per week in August.

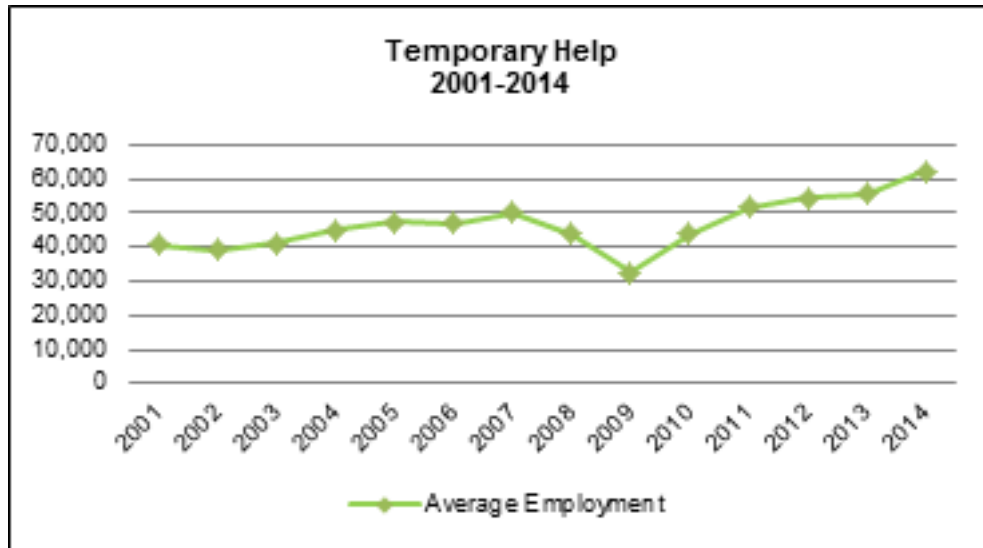
With these revised data points, the SCESTI is now 0.75 points below its year-ago value in August 2015 of 101.13. From a year-over-year perspective, the index had exhibited a period of relative non-movement until May of 2016, when it dropped below its 12-month moving average. Since that time, it has continued to decline to its current value of 100.38.

## Temporary Help Industry

The Temporary Help industry comprises establishments primarily engaged in supplying workers to clients' businesses for limited periods of time to supplement the working force of the client. The individuals provided are employees of the temporary help establishment. However, these establishments do not provide direct supervision of their employees at the clients' work sites.

### Employment Trends

Temporary Help is a large part of South Carolina's employment. During 2001-2014, the average employment ranged from 40,900 – 62,500 workers; accounting for an average growth of 21,590. From 2007 to 2009, the Temporary Help industry saw a drop of over 18,000 workers. Since 2009, more than 29,900 workers have been added since the recessionary period.



### Leading Indicator

Employment in Temporary Help usually has been seen as a leading economic indicator because employers tend to cut temporary workers before they cut regular staff in attempts to control costs. They will also add temporary workers before adding regular staff, in case a recovery from a downward business cycle doesn't hold. Our current recovery might not follow previous patterns because industries using temporary workers may not follow previous recovery patterns; this was seen in the recent recession as businesses used furloughs and hour cuts in addition to layoffs.

In looking at the past decade, data shows that Temporary Help is a good indicator of the state of the labor force, as drops in employment line up directly with recessionary periods and rises in temporary help precede gains in employment. However, there was a large decline of 117 temporary companies from 2006-2007 that did not match up with the increase in employment during the same year. The decline in companies could be due to consolidation or mergers and acquisitions of companies; another possibility is companies leaving the industry due to heavy competition and increase of satellite offices from larger firms.

Temporary Help has made a huge comeback reaching all-time highs and has experienced the quickest turnaround due to demand for workers in other industries in the state. Increases in Temporary Help are a positive indicator of employment; however, it is hard to tell if the contract work turns into a permanent position or if the work was just temporary and was discontinued as employment levels drop.

### Outlook

As the numbers of workers join the labor force in South Carolina, major manufacturers are investing heavily in the state and will acquire many of their workers through staffing agencies. According to S.C. Department of Commerce, an important point to consider when analyzing employment growth or decline in manufacturing is the rise of temporary and contract employment as a staffing model for many manufacturers. Between 2001 and 2010, employment through staffing firms has increased over 5 percent to 49,500 as average weekly wages also increased to \$213 during the same period in South Carolina.

Firms have needs for employees and are turning to flexible methods of employment, such as contract workers and temporary help to address the future risk at hand. Bearing that in mind temporary help and contract worker levels have been at an all-time high as companies heavily rely upon temporary help in time of transition. Many companies are reducing hours, laying off workers or switching to temporary help or contract workers to avoid the extra costs of the new regulations of the Affordable Care Act. Temporary Help is poised to take off with companies potentially restructuring to avoid regulations.