South Carolina Construction and Manufacturing

Industry Employment and Earnings Trends

2016

scworkforceinfo.com

labor market information at your fingertips

South Carolina Construction and Manufacturing Industry Employment and Earnings Trends

Introduction

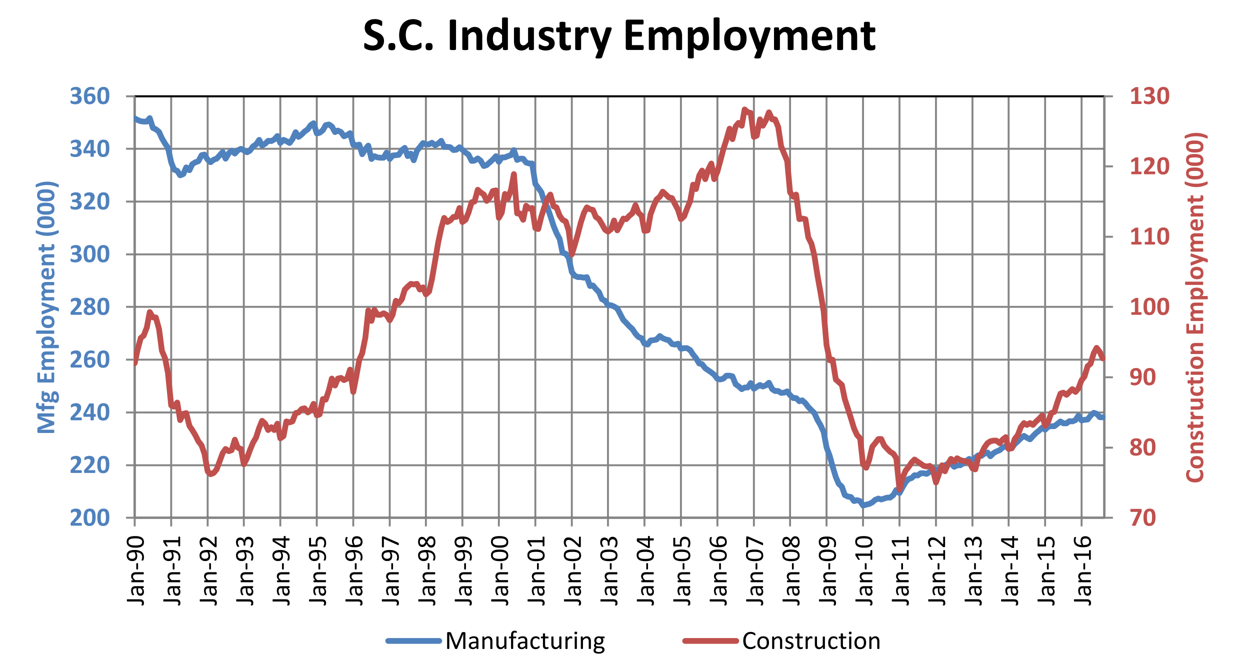
The Construction and Manufacturing industries in South Carolina are important to the state's economy and workforce. In 2015, they represented 21 percent of the economy at more than $42 billion dollars in Gross State Product.[1] This report looks at the trends of employment and wages for the two industries over the past 25 years.

Industry Employment

South Carolina's Construction and Manufacturing industry employment trends have varied significantly over the past quarter century. Construction employment has swung wildly up and down. Although Manufacturing employment has been trending down since 1990, the path has been anything but smooth.

Figure 1 highlights the movement of the employment levels of these two important industries.

Figure 1



SOURCE: Bureau of Labor Statistics, Current Employment Statistics (CES)

---

[1] South Carolina Department of Employment and Workforce, *"South Carolina 2016 Industry Analysis".* https://lmi.dew.sc.gov/lmi%20site/Documents/South Carolina 2016 Industry Analysis.pdf

Construction employment (right-hand scale) grew to a high of 99,300 in June 1990 then fell to 76,200 by February 1992. The industry began on a long growth path, reaching a high level of 118,900 in June 2000. The industry averaged almost 113,000 over the next three and a half years before growing to an ultimate peak of 128,100 in October 2006, a gain of nearly 52,000 from the trough 14 years before. Construction employment peaked 14 months prior to the onset of the Great Recession, no doubt due to the exploding subprime housing finance crisis that ended the housing construction boom. The fall was precipitous with employment declining to a low of 74,000 in January 2011, 2,200 below its previous trough 22 years earlier. Employment has trended up since the recent low to reach a new peak at 94,200 in June 2016.

Manufacturing employment (left-hand scale) peaked in June 1990 at 351,700. It then fell, during the July 1990-March 1991 recession, to 330,000 by April 1991. Employment remained relatively flat with mild fluctuations for the next nine years and ended December 2000 at 334,500. The year 2001 began a long slide in manufacturing employment levels to the beginning of the Great Recession in December 2007, where the level marked 248,000. After having lost 86,500 in employment during the slide, the industry was in for a sharper fall, declining to a low of 204,700 in January 2010. The industry sustained losses of 147,000 jobs over the 20-year period or 42 percent from its high in 1990. Employment has steadily increased in the state since the trough, climbing to a recent high of 239,800 in May 2016.

Construction Industry Earnings

Two metrics used to evaluate an industry are the average hourly earnings and the average weekly earnings of its employees. **Figures 2** and **3** show charts of these two statistics in both current dollars and real (inflation-adjusted) dollars.

Figure 2

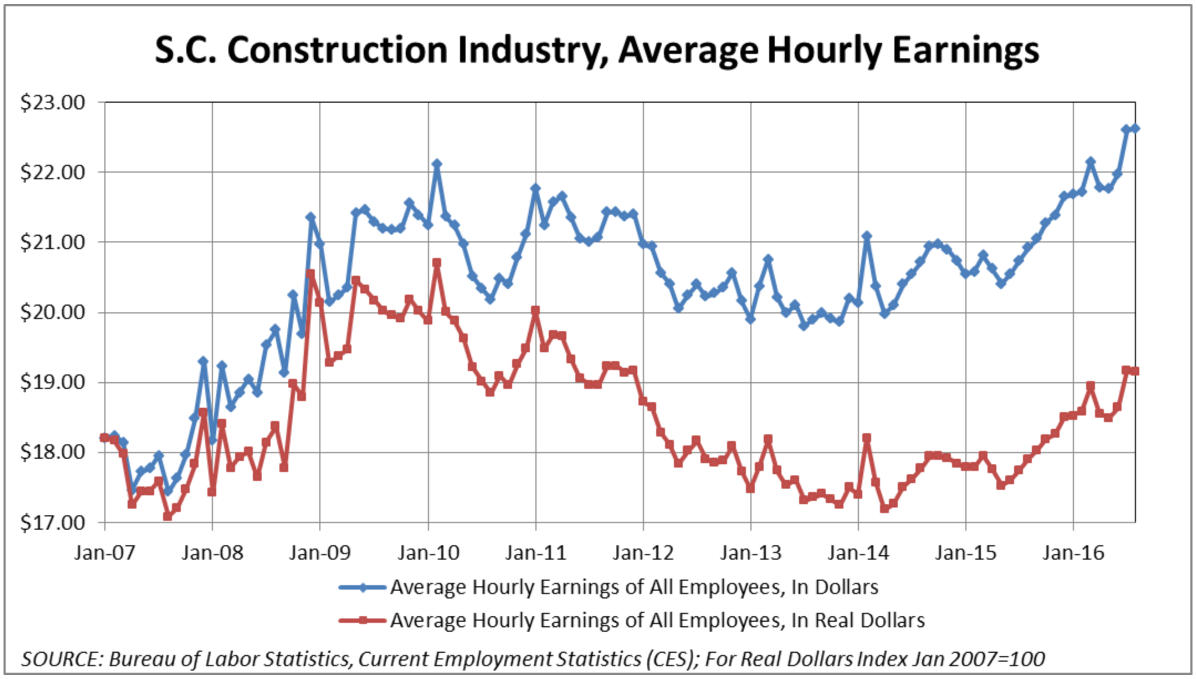
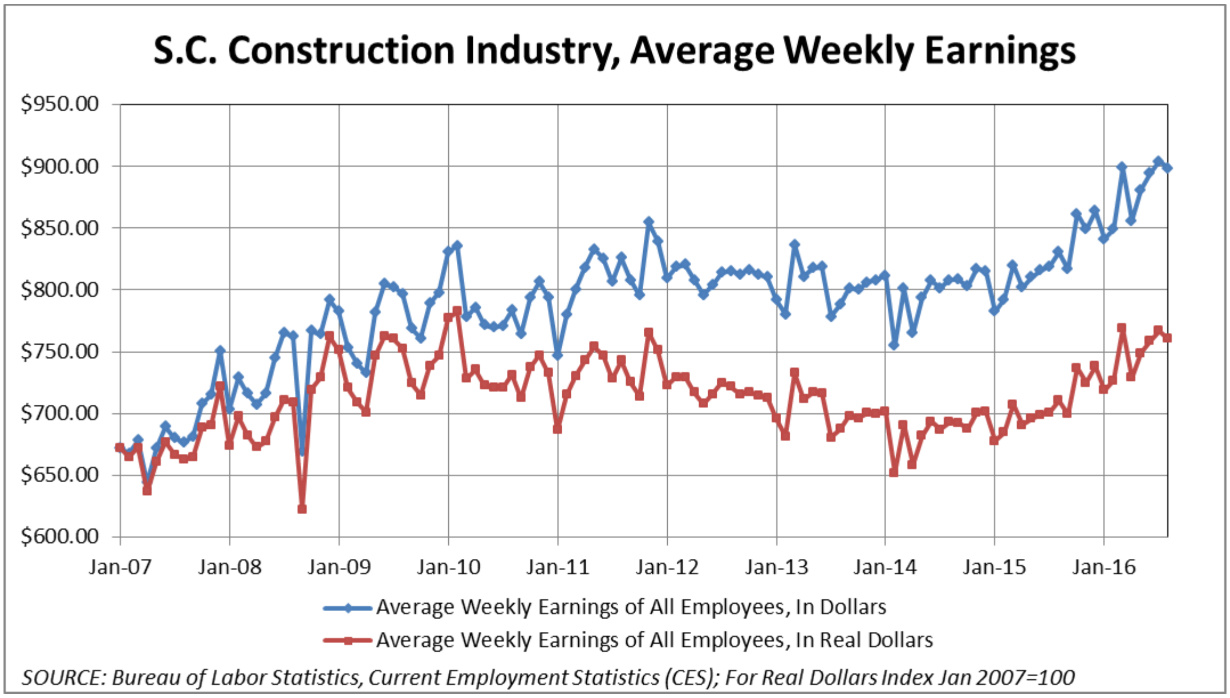


Figure 3



Weekly earnings take into account the number of hours worked. From mid-2007 when employment began its sharp decline to early 2010, hourly and weekly earnings generally increased in current and real terms. From that point, real wages fell until early in 2015. Hourly wages over that period trended down a bit, while weekly wages were relatively flat. In 2015, the trends for all measures pointed up with current dollar metrics exceeding earlier highs and real weekly wages nearly reaching its earlier high of $782.51 in February 2010 by mid-2016. Real hourly construction wages fell sharply during the recovery period from $20.70 in February 2010 to $17.19 in April 2014 but have recovered, reaching over $19 an hour in 2016.

Manufacturing Earnings

Figures 4 and **5** chart hourly and weekly earnings in the Manufacturing industry. Hourly wages rose in early 2007 to a high of $19.76 in current dollars in April before falling back over the next year. From mid-2008 to January 2011 wages gradually rose, then hovered around $20 per hour over the following two years. Since February 2013, hourly wages have increased from $20.84 to $25.02 in July 2016. Real dollar hourly wages roughly tracked the current dollar trends but at a $1 to $2 lower level. Real hourly wages rose from February 2013 at $18.20 to $21.23 in July 2016.

Figure 4

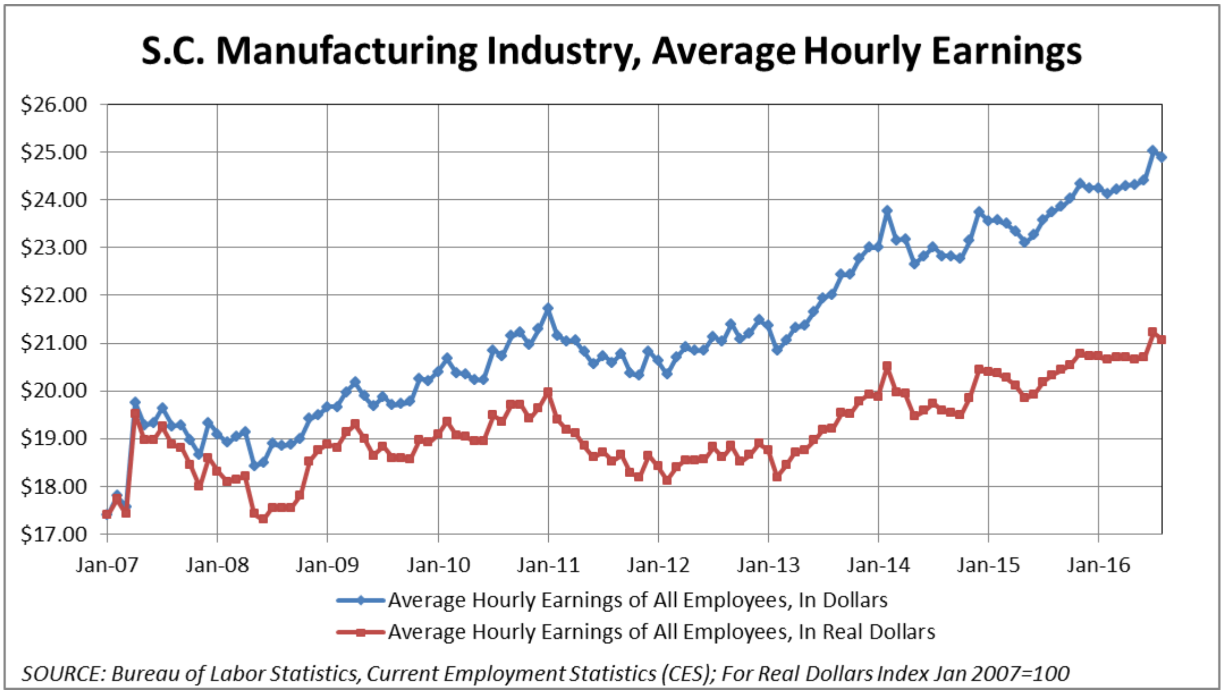
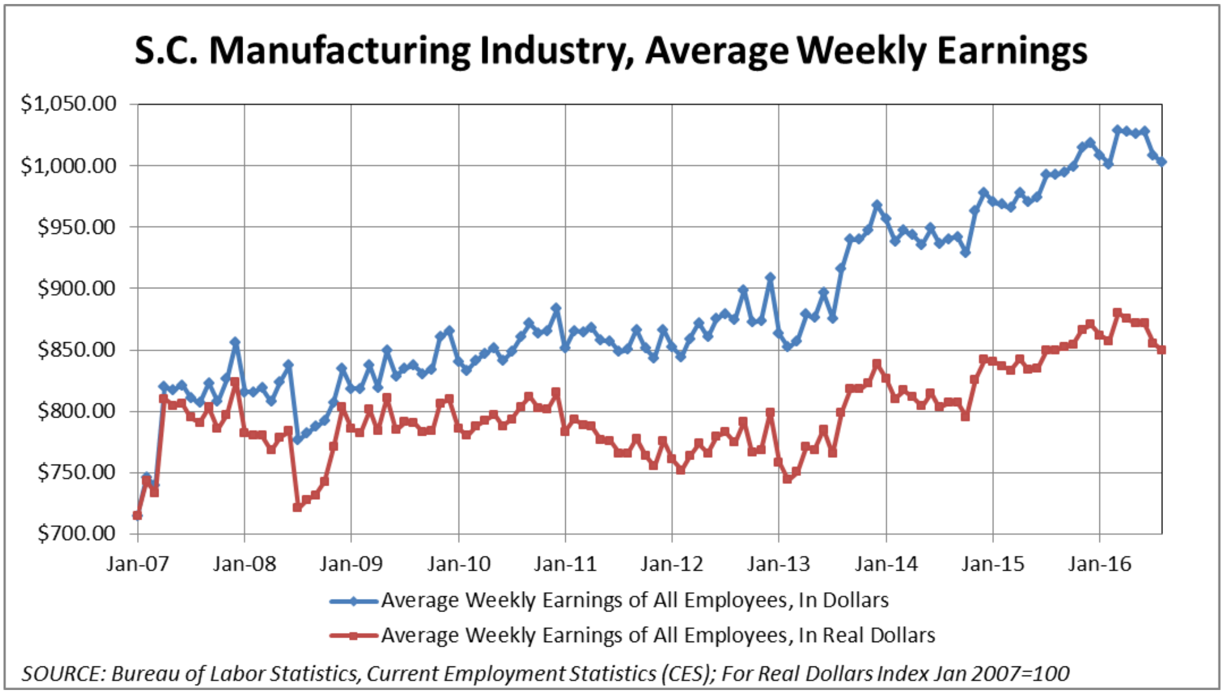


Figure 5



Weekly wages rose in early 2007 before peaking in December at $856.32 in current dollars. Wages fell to $776.38 in July 2008 then gradually grew to $908.60 in December 2012. From that point, wages have generally grown more sharply to reach well over $1,000 in 2016.

In real terms, weekly wages tracked the current dollar trend, peaking in December 2007 at $823.89 before falling to $721.15 in July 2008. For the two-year period from late 2008 to late 2010, wages hovered around $800 a week, then they declined to $744.20 by February 2013. Real weekly wages have since grown to more than $850 in 2016.

Conclusion

The Construction and Manufacturing industries have been through tumultuous times over the past 25 years in South Carolina. Employment and wages have fallen and risen with the flow of the wider state and national economy. Recent trends indicate growth for each of these two industries, presenting brighter prospects for the state and her workers heading into the future.