



SOUTH CAROLINA LABOR FORCE PARTICIPATION TASK FORCE

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NASWA Summit Breakout Session - September 21, 2022

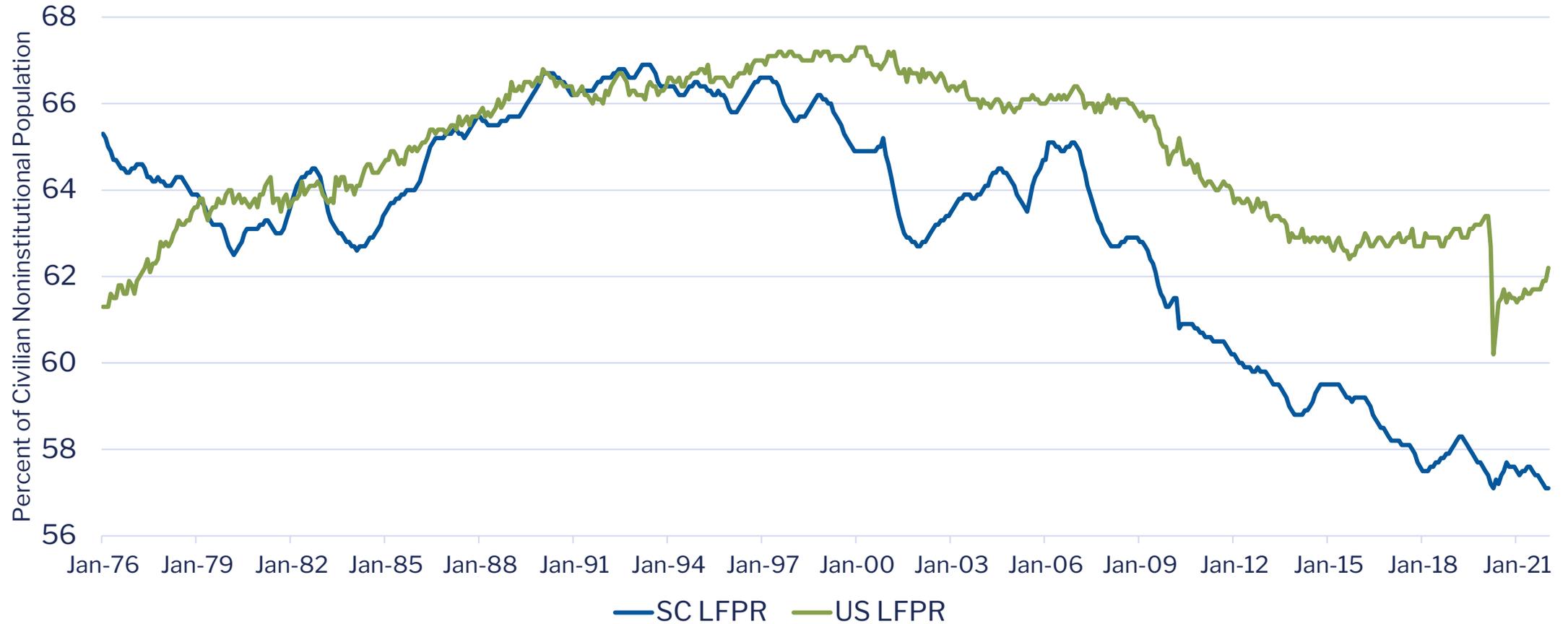
WHY A TASK FORCE?

- ▶ As of August 2022, South Carolina had a labor force participation rate of 57.0 percent.
 - Fifth lowest rate among the 50 states
 - 5.4 points below the national average

- ▶ South Carolina's LFPR was broadly in line with the national rate until the mid-1990s, when a divergence began to appear.

- ▶ Two basic questions emerged:
 - Why is this happening?
 - What can we do to stop it?

SOUTH CAROLINA AND U.S. LFP RATES, 1976-2021



STARTING THE PROCESS

- ▶ The task force was first convened on March 23.
 - Eleven people were asked to serve on the task force, which included leaders from across academia, government, and the private sector, plus a DEW colleague (Dr. Erica Von Nessen, sr. economist) and me.
 - Erica and I developed an initial analysis and presented it to the group.

- ▶ Two further meetings followed to determine next steps.

- ▶ All materials are available online at <https://dew.sc.gov/taskforce>.

TWO TRACKS

- ▶ It was determined that, to better understand the labor market dynamics at play, two research products would be required.
- ▶ One would evaluate the question from a macro level, working to identify fundamental shifts in the state's demographic and economic characteristics correlated with trends in the LFPR. Chmura Economics & Analytics was selected as the vendor, and results are expected later this fall.
- ▶ Another would evaluate the question from a micro level ...

THE SURVEY

- ▶ The massive surge of unemployment filings during the initial wave of the pandemic provided a unique research opportunity.

- ▶ DEW was able to use its UI records to identify individuals who:
 - Were present in our wage data in 2019
 - Filed a UI claim in 2020, thereby providing contact information to DEW
 - Were not present in our wage data in 2021

- ▶ We wanted to ascertain how many of these people had dropped out of the labor force, their reasons for doing so, and how they might be convinced to return.

NOW INTRODUCING ...

DRS. JENNIFER MILLER AND RON LANDIS, MILLAN CHICAGO LLC

THE SURVEY & RESPONDENTS

- ▶ Survey included items capturing current work status, perceived barriers to employment, work history, and demographic characteristics.
 - Average time to complete was slightly less than 5 minutes.
- ▶ The initial database included approximately 150,000 individuals. All were sent invitations to complete the survey.
- ▶ Results are preliminary and based on responses as of August 31. Data collection closed on September 9 (several hundred additional data points to be added).
- ▶ 5,977 opened the survey link (RR = 3.98%) and 5,933 provided consent.

THE SURVEY & RESPONDENTS

► Overall Respondent Characteristics

Age	Frequency	Percentage
24 or younger	366	6.40%
25-34	1104	19.31%
35-44	1158	20.26%
45-54	952	16.66%
55-64	1165	20.38%
65 or older	928	16.24%
Choose not to answer	43	0.75%
Grand Total	5716	100.00%

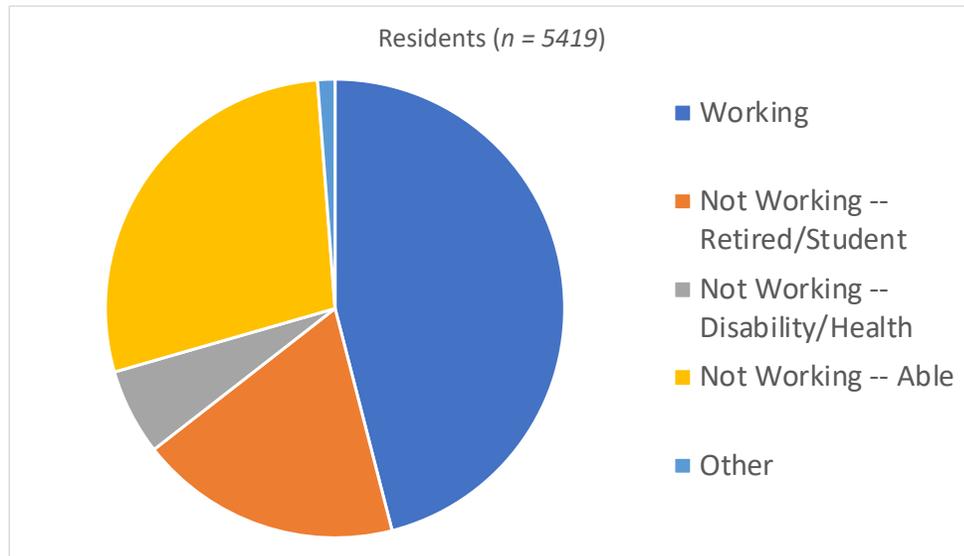
Race	Frequency	Percentage
American Indian	41	0.72%
Asian	70	1.23%
Black/AA	1929	33.80%
Native HI	11	0.19%
White	3172	55.58%
Two or More Races	111	1.94%
Choose Not to Respond	373	6.54%
Grand Total	5707	100.00%

Gender	Frequency	Percentage
Choose not to answer	72	1.27%
Female	3896	68.46%
Male	1710	30.05%
Other	13	0.23%
Grand Total	5691	100.00%

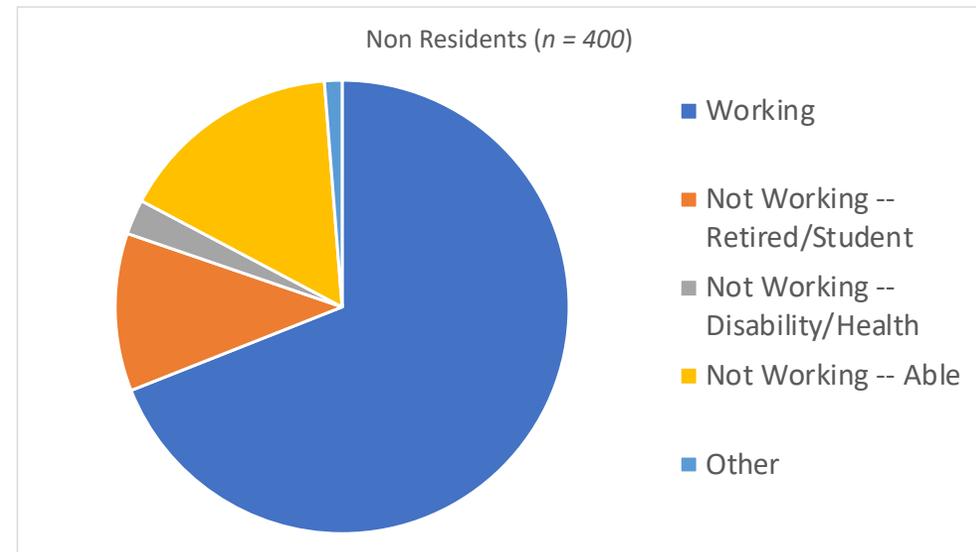
Gender	Count of Ethnicity	Count of Ethnicity2
Choose not to answer	551	9.91%
Hispanic or Latino	194	3.49%
Not Hispanic or Latino	4815	86.60%
Grand Total	5560	100.00%

PRELIMINARY RESULTS

► Current Work Status by Residency



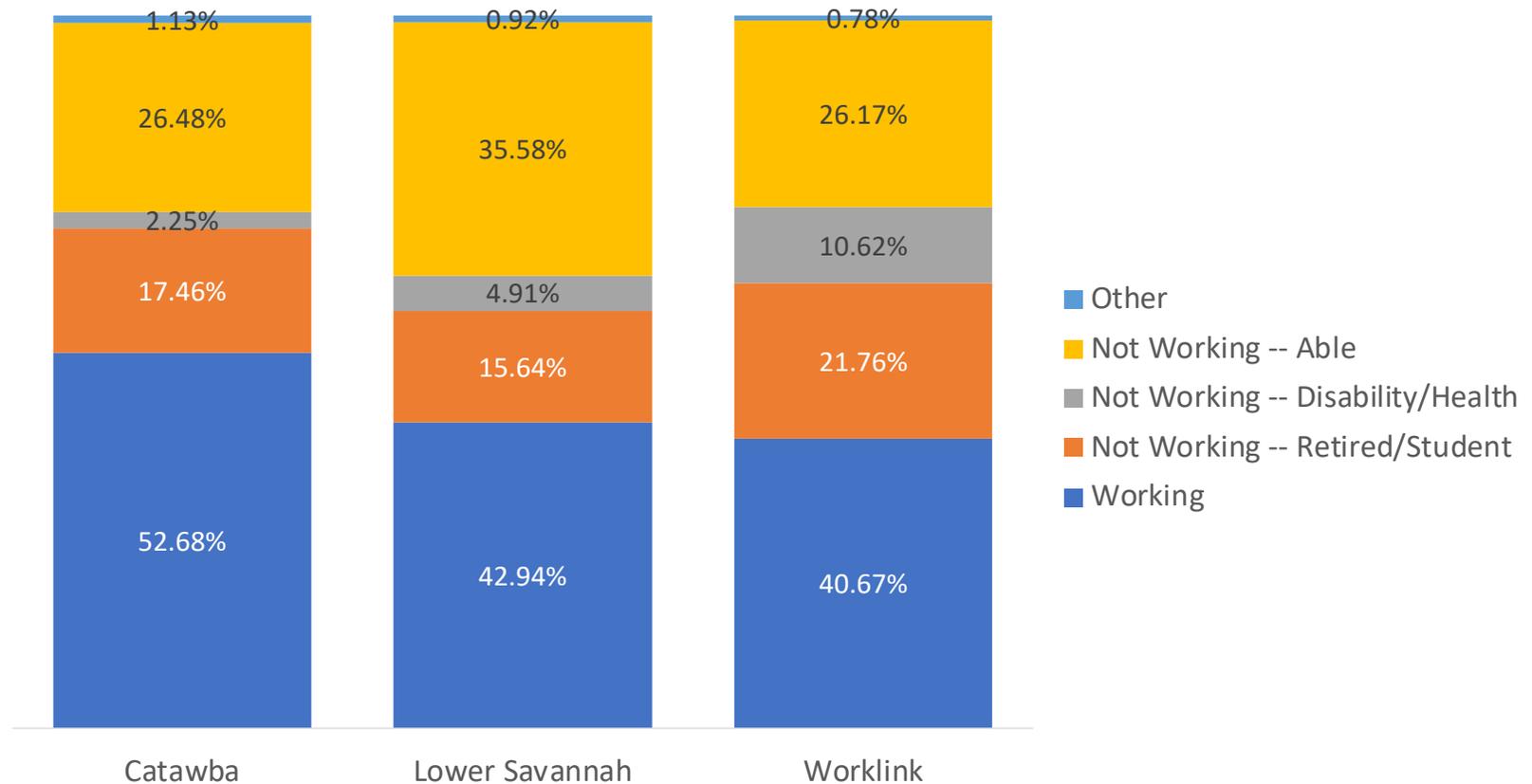
Resident	Frequency	Percentage
Working	2493	46.00%
Not Working -- Explained	1000	18.45%
Not Working -- Disability/Health	329	6.07%
Not Working -- Able	1531	28.25%
Other	66	1.22%
Total	5419	100.00%



Non Resident	Frequency	Percentage
Working	276	69.00%
Not Working -- Explained	45	11.25%
Not Working -- Disability/Health	10	2.50%
Not Working -- Able	64	16.00%
Other	5	1.25%
Total	400	100.00%

PRELIMINARY RESULTS

► Current Work Status by Workforce Development Area



PRELIMINARY RESULTS

► Barriers to Employment for South Carolina Residents

<i>Inhibitor</i>	<i>Frequency</i>	<i>Percentage</i>
Low Paying Jobs	354	26.22%
Health	317	23.48%
Gaps in Employment History	299	22.15%
Lack of Transportation	294	21.78%
Undesirable Hours	250	18.52%
Disabilities	236	17.48%
Stay with Child	211	15.63%
Lack Child Care	208	15.41%
Too Old	185	13.70%
Criminal Record	177	13.11%

Note: Values don't sum to 100 given that people could select multiple barriers.

PRELIMINARY RESULTS

► Barriers to Employment for South Carolina Residents by Gender

<i>Inhibitor</i>	<i>Female Frequency</i>	<i>Male Frequency</i>
Low Paying Jobs	24.40%	30.00%
Health	23.66%	21.94%
Gaps in Employment History	21.99%	23.06%
Lack of Transportation	21.47%	22.22%
Undesirable Hours	21.68%	9.72%
Disabilities	15.81%	20.83%
Stay with Child	19.79%	4.17%
Lack Child Care	20.31%	3.33%
Too Old	12.88%	15.28%
Criminal Record	10.16%	20.83%

Note: Values don't sum to 100 given that people could select multiple barriers.

PRELIMINARY TAKEAWAYS

- ▶ Current work status patterns are not the same across workforce development areas.
 - Different work zones have different profiles for both percentage of people working and different types of non-working status.

- ▶ In terms of barriers to employment, there are differences across gender groups.
 - Women attached significantly greater importance than men to staying home with children, a lack of childcare, and inflexible hours.
 - Men attached significantly greater importance than women to low paying jobs, having a criminal record, and having a disability.

THANK YOU FOR YOUR TIME!