



SOUTH CAROLINA DEPARTMENT OF
Employment and Workforce

WE ARE

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CELEBRATING WORKFORCE DEVELOPMENT MONTH!

Labor Force Participation in South Carolina

NASWA Summit

September 13, 2023

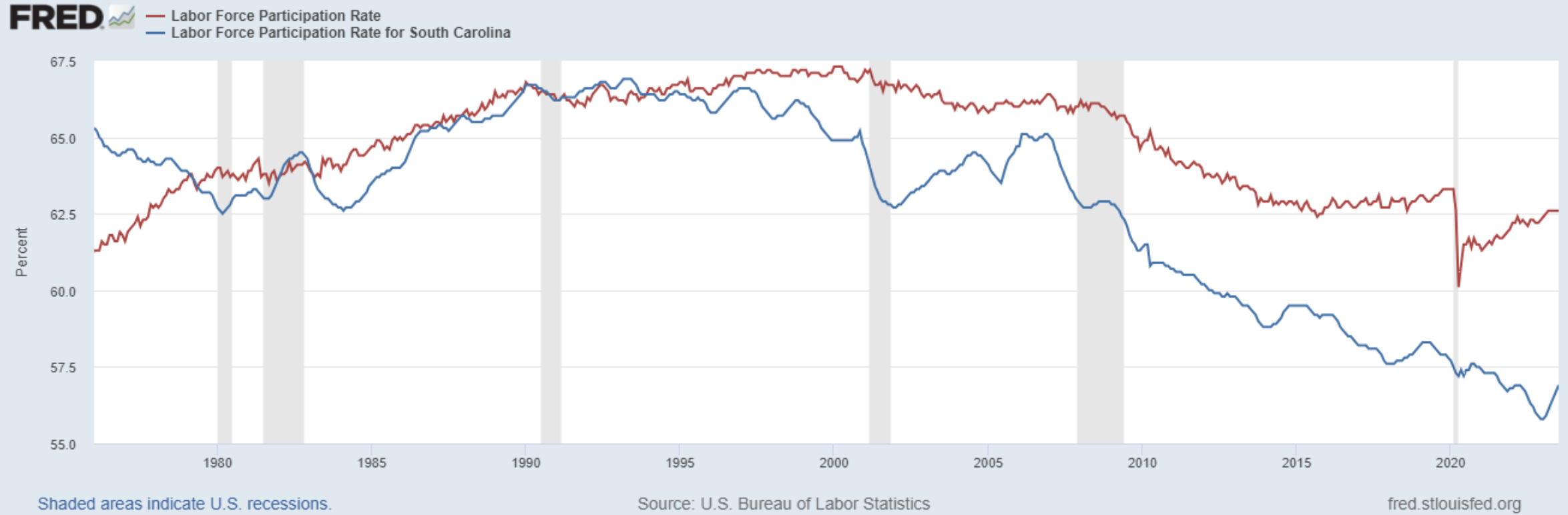
Los Angeles, CA

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Assistant Executive Director
for Labor Market Information



THE PROBLEM IN ONE CHART





SOUTH CAROLINA LABOR FORCE PARTICIPATION TASK FORCE

dew.sc.gov/taskforce

ABOUT THE TASK FORCE

- The Task Force met six times between March 2022 and April 2023. It consisted of eleven people from across academia, government, and the private sector.
- Dr. Erica Von Nessen and I represented DEW and developed a preliminary analysis.
- It was determined that, to better understand the labor market dynamics at play, two research products would need to be commissioned.
- One would evaluate the question from a macroeconomic level, working to identify the fundamental shifts in the state's demographic and economic characteristics correlated with trends in the Labor Force Participation Rate (LFPR).
- Another would evaluate the question from a micro-level.

SURVEY METHODOLOGY

- 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, and
 - Were not present in our wage data in 2021.
- We wanted to ascertain how many of these people dropped out of the labor force, their reasons for doing so, and how they might be convinced to return.

THE TOP-LINE FINDING

- About 46 percent of respondents stated they are currently working in some form.
 - Note that UI wage records do not include contractors or sole proprietors.
- An additional 26 percent are people who are not available to work (i.e., students, retirees, those with disability or health issues).
- This leaves 28 percent who are not working but could work, including:
 - 32 percent of Black/African American respondents
 - 33 percent of respondents aged 54 or younger
 - 31 percent of respondents without a college degree
 - 37 percent of respondents living in Tier IV counties

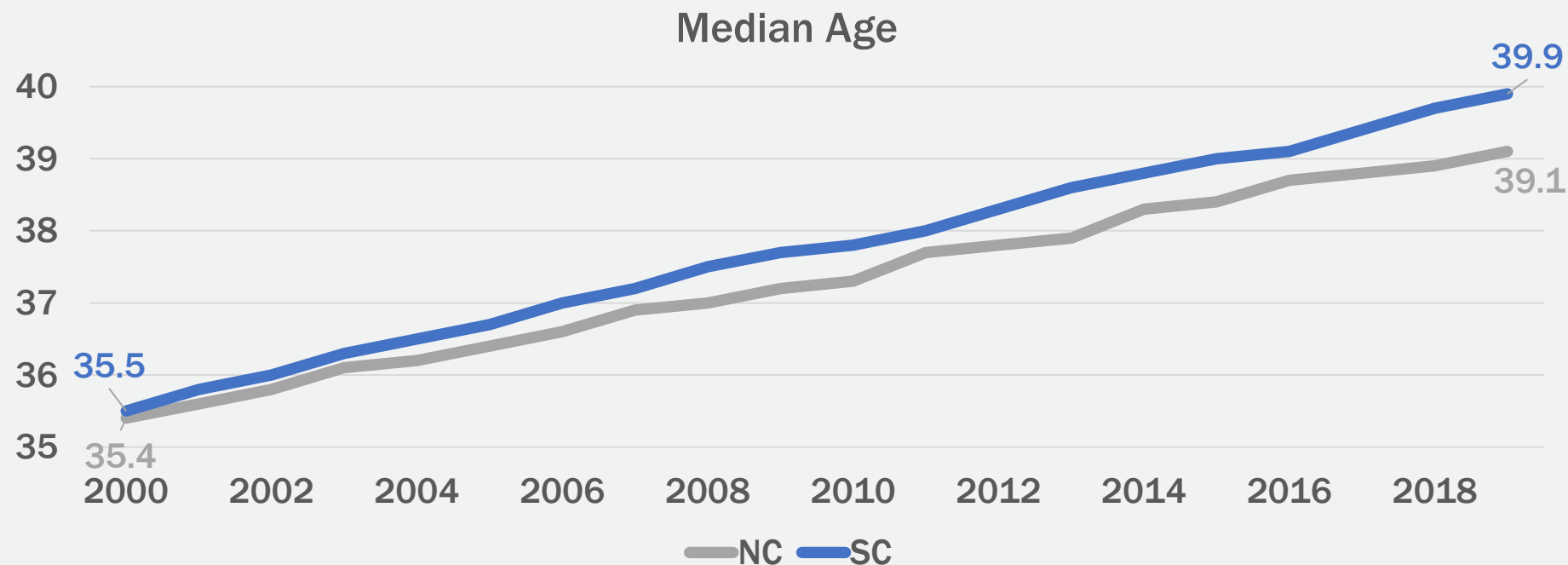
TOP 10 BARRIERS TO ENTRY

Barrier	Percent
Low pay jobs	23%
Health	20%
Gaps in employment history	19%
Lack of transportation	18%
Optimal hours not available	16%
Disabilities	15%
Lack of child care	14%
Stay with child	13%
Age (too old)	12%
Criminal record	11%

KEY SURVEY TAKEAWAYS

- **Results suggest there may be several policy levers to improve the state's LFPR:**
 - Improved communication about relevant job opportunities
 - Increased availability of child care and rural transportation
 - Enhanced accommodations for persons with health issues
 - Facilitation of more flexible working conditions where possible
- The question of low pay requires further research to determine whether salary expectations are reasonable.
- The other study identified the most crucial factor...

AGING IS THE MOST CRUCIAL FACTOR



- A decomposition analysis found that over 70 percent of declining labor force participation between 1994 and 2019 in South Carolina was attributable to an aging population.
- The share of the population 65 or older nearly doubled from 11.9 percent to 23.3 percent.

Source: American Community Survey, US Census Bureau

POSSIBLE POLICY RECOMMENDATIONS

- **Older Workers**
 - Develop job placement programs designed for this population
 - Dedicate staff at workforce centers to assist these workers
 - Encourage self-employment and update skills to transfer to new jobs
- **Workers with Disabilities**
 - Adopt framework of employment as first and preferred option
 - Incentivize private sector employment for businesses employing or owned by workers with disabilities
- **Young Adults**
 - Strengthen career-related content in middle and high school
 - Encourage employers to offer quality paid internships, job shadowing, summer youth employment programs
- **Formerly Incarcerated**
 - Remove overly restrictive policies on hiring and occupational licensing
 - Assist jobseekers with explaining gaps in employment history
- **Caregivers**
 - Encourage private sector employers to offer more family friendly policies, including flexible work schedules, paid family leave, and child care vouchers

HOW A TASK FORCE BECOMES A LAW

- In small part because of the Task Force, the salience of labor force participation as a political matter had increased.
- Rep. Murrell Smith became Speaker of the House in May 2022 and declared workforce development a legislative priority.
 - After the 2022 session, he convened an ad hoc committee to study the issue.
 - In January, the Speaker filed H.3726, the Statewide Education and Workforce Development Act.
 - The bill was amended before being passed and signed into law in May as Act 67.
- Act 67 takes the work of the Task Force and codifies it as legislative intent.

S.C. CODE OF LAWS SECTION 41-30-540

(A) The [Coordinating Council on Workforce Development] shall:

[...]

(4) Use data and analysis to create measurable, time-sensitive metrics for the [Unified State Plan] ... includ[ing] but not limited to:

- (a) ten-year labor participation rate target; and**
- (b) ten-year target for the number of South Carolinians who possess a high-quality credential or postsecondary degree;**



COORDINATING COUNCIL FOR WORKFORCE DEVELOPMENT (CCWD) MEMBERS:



- FIRST STEPS EXECUTIVE DIRECTOR*
- K-12 SCHOOL COUNSELOR
(Superintendent of Education Appointee)▲
- CAREER AND TECHNOLOGY EDUCATION DIRECTOR
(Superintendent of Education Appointee)▲
- SCHOOL DISTRICT SUPERINTENDENT
(Superintendent of Education Appointee)▲
- EDUCATION OVERSIGHT COMMITTEE DIRECTOR*
- TECHNICAL COLLEGE PRESIDENT
(State Board for Technical and Comprehensive Education Chair Appointee)
- FOUR-YEAR COLLEGE OR UNIVERSITY PRESIDENT OR PROVOST
(Presidents of Four-year Universities Appointee)
- RESEARCH UNIVERSITY PRESIDENT OR PROVOST
(Presidents of the Research Universities Appointee)
- SENATE EDUCATION COMMITTEE CHAIR APPOINTEE
- HOUSE EDUCATION AND PUBLIC WORKS COMMITTEE CHAIR APPOINTEE

- STATE WORKFORCE DEVELOPMENT BOARD CHAIR*
- REPRESENTATIVE OF A LOCAL WORKFORCE DEVELOPMENT BOARD
(Department of Employment and Workforce Appointee)*
- S.C. MANUFACTURING EXTENSION PARTNERSHIP PRESIDENT*
- S.C. RESEARCH AUTHORITY CHAIR*
- DEPARTMENT OF PARKS, RECREATION, AND TOURISM DIRECTOR*
- COMMISSIONER OF AGRICULTURE*
- STATE HOUSING, FINANCE, AND DEVELOPMENT AUTHORITY
- EXECUTIVE DIRECTOR*
- OFFICE OF REVENUE AND FISCAL AFFAIRS DIRECTOR*
- VOCATIONAL REHABILITATION COMMISSIONER*
- DEPARTMENT OF VETERANS AFFAIRS DIRECTOR*
- DEPARTMENT OF REVENUE DIRECTOR*
- DEPARTMENT OF LABOR, LICENSING, AND REGULATION DIRECTOR*

- INDIVIDUAL WITH EXPERTISE IN ECONOMIC DEVELOPMENT AND WORKFORCE
(Governor Appointee)*
- INDIVIDUAL WITH EXPERTISE IN ECONOMIC DEVELOPMENT AND WORKFORCE
(Governor Appointee)*
- CURRENT OR PAST SMALL BUSINESS OWNER
(Governor Appointee)*
- CURRENT OR PAST SMALL BUSINESS OWNER
(Governor Appointee)*
- CURRENT OR PAST SMALL BUSINESS OWNER
(Governor Appointee)*
- HOUSE MINORITY PARTY APPOINTEE
- SENATE MINORITY PARTY APPOINTEE
- REPRESENTATIVES OF ANY OTHER AGENCIES OR ENTITIES SELECTED BY VOTE OF THE EXECUTIVE COMMITTEE

KEY

- INDICATES CHAIR
- INDICATES EXECUTIVE COMMITTEE
- ▲ Must have expertise regarding the S.C. Education and Economic Development Act
- ★ Must be representatives from the business community

UNIFIED STATE PLAN (USP)

- The USP is defined in statute as “the comprehensive statewide education and workforce development plan that provides a systemwide approach to streamline and unify efforts of entities involved in education and workforce development.”
- It is designed not to duplicate, but to reinforce other plans that already exist, such as agency strategic plans, federally required state plans (e.g., WIOA, Perkins V, etc.), and regional and local plans, opening new opportunities to address agency needs.
- The CCWD plans to approve the initial USP in December, then each June thereafter.
- To determine what should be in the plan, Act 67 requires a lot of data and analytics.

SOME PROJECTS REQUIRED IN ACT 67

- **Education and Workforce Online Portal**
 - Benefits calculator
 - Career pathways tool
 - Education program alignment toolkit
 - Return on investment analyses
 - Supply gap analysis
 - Workforce dictionary/inventory
- **Enhanced Wage Records**
 - SOC codes & wage/hour information
 - Evidence building system & MOUs
- **LFP Barrier Studies**
 - Childcare
 - Public assistance
 - Transportation

THE PATH FORWARD

- Like many states, South Carolina is facing labor supply constraints and has adopted a new intergovernmental structure for helping to address them.
- The survey results suggest that there are many individual reasons why people who are interested in employment are not in the labor force.
- However, research indicates that the dominant LFP trend is an aging population.
- That said, much more can be done to inform employers and jobseekers about the labor market and ensure a continuous career pipeline from pre-K into the workforce.

THANK YOU