Economic and Policy Update: Workforce Development in the Spotlight

Adult Education Mid-Year Training
Dr. Bryan Grady, Assistant Executive Director for Labor Market Information
Walterboro, SC – February 2, 2024

LABOR MARKET INFORMATION

SOUTH CAROLINA DEPARTMENT OF
Employment and Workforce

What Does the Labor Market Information Division Do?

- LMI co-produces several data programs funded by the U.S. Department of Labor:
  - Local Area Unemployment Statistics
  - Current Employment Statistics
  - Quarterly Census of Employment and Wages
  - Occupational Employment and Wage Statistics
  - State and local industry and occupation projections

- Other responsibilities include writing annual reports and assisting the public in accessing and providing context for our data. Our public inbox is lmicustomerservice@dew.sc.gov.

- Thanks to Act 67 of 2023, we are currently standing up a new analytics unit to support the Coordinating Council for Workforce Development (more on that in a bit).

- All material produced by the LMI Division is publicly available on our websites at https://scworkforceinfo.com or https://dew.sc.gov.

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South Carolina WIOA Planning Regions

South Coast Regional Analyst

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South Coast Region: Fast Facts

1,099,778 – Population (2022)

Population grew by 49,907 over the last five years and is projected to grow by 28,348 over the next 5 years.

531,663 – Total Regional Employment

Jobs grew by 37,534 over the last five years and are projected to grow by 38,636 over the next five years.

$69.0K – Average Earnings Per Job (2022)

Regional average earning per job are $11.9K below the national average earnings of $80.8K per job.

The table below analyzes past and current residents of South Coast WIOA. The left column shows residents of other counties migrating to South Coast WIOA. The right column shows residents migrating from South Coast WIOA to other counties.

In 2020, 1,101 people have migrated from Richland County, SC to South Coast WIOA. In the same year, 1,008 people left South Coast WIOA migrating to Richland County, SC. The total Net Migration for South Coast WIOA in 2020 was 9,644.

South Coast Region: Migration Patterns
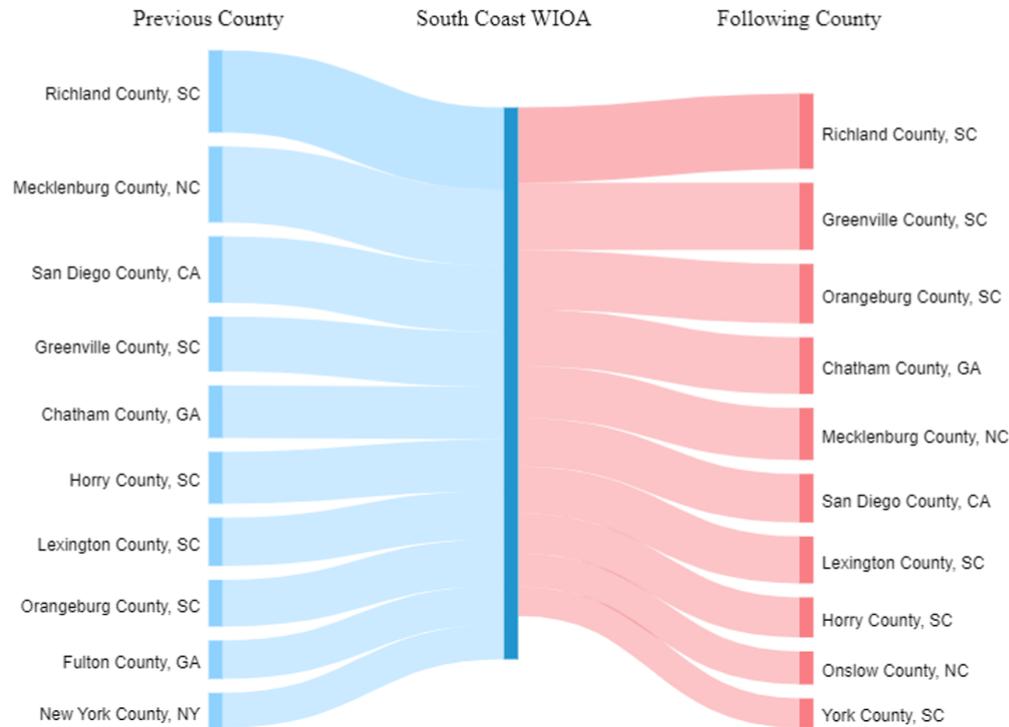
- Contrary to popular commentary, not everyone moving to the coast is from the Buckeye State.

- The largest sources of individuals moving in and out of the region are South Carolina and adjacent states.

- Migration to/from San Diego is likely related to military activity.

Labor Force Participation Rate Trends

South Coast Region: Participation Rate

No matter how many people say that "no one wants to work anymore,"

there are substantially more adults in today's labor force than in the past.

Unemployment Rate by County, December 2023

Source: Local Area Unemployment Statistics, not seasonally adjusted

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Statewide Economic Overview

- The unemployment rate was 3.0% in December, well below the national rate of 3.7% and not far from all-time lows set in 2019.

- According to the US Census Bureau, South Carolina was the fastest growing state during the year ending July 1, 2023.

- Bureau of Labor Statistics data estimate that, as of November, there were 161,000 job openings statewide, well above pre-pandemic levels.

So, if things are good ... Where are the workers?

**The short answer is:
"they're already working."**

Unsatisfying, but true: There were 147,211 more South Carolinians employed in December 2023 than in February 2020.

There was no "Great Resignation."

People who quit their jobs – and the quit rate did go up starting in 2021 – almost always just took other jobs. Stimulus checks and enhanced UI benefits ended back in 2021.
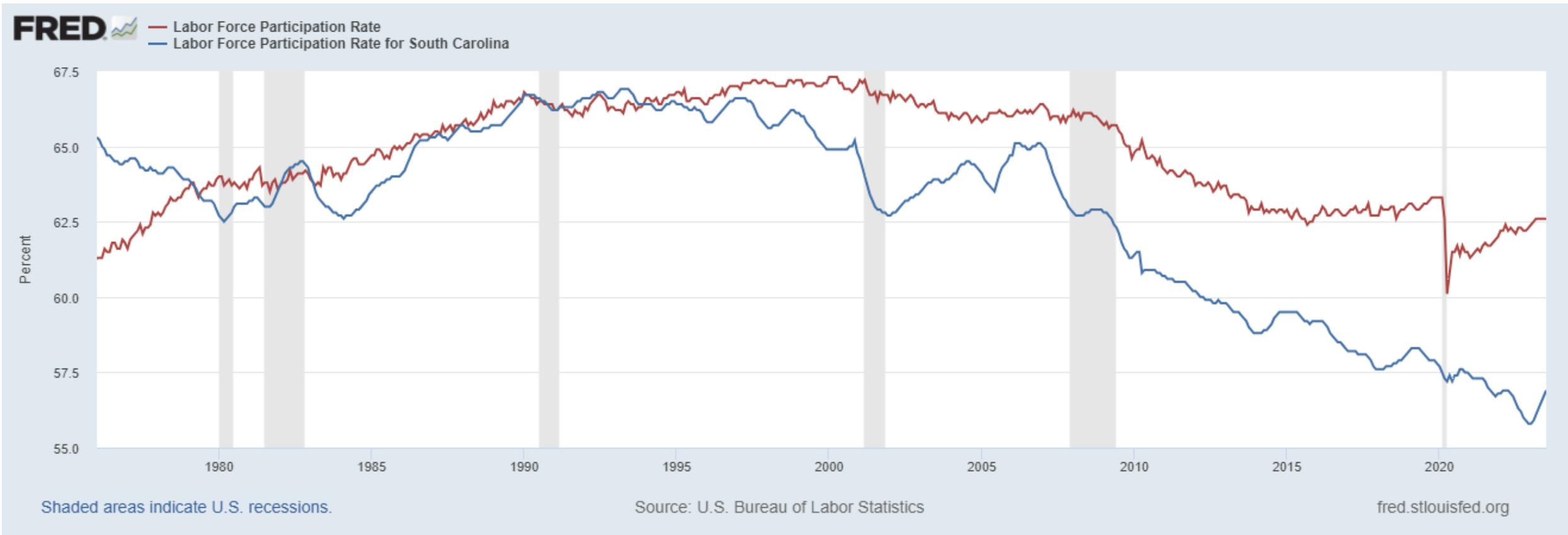
According to the Palmetto Business Barometer survey:

Difficulties in hiring are, along with inflation, the biggest challenges that our state's employers face.

DEW – and increasingly state government as a whole –

Has put a lot of effort into figuring out the causes and potential solutions to this constraint.

The Problem in One Chart

FRED — Labor Force Participation Rate
— Labor Force Participation Rate for South Carolina

Shaded areas indicate U.S. recessions.

Source: U.S. Bureau of Labor Statistics

fred.stlouisfed.org

SOUTH CAROLINA LABOR FORCE PARTICIPATION TASK FORCE

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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%

Aging is the Most Crucial Factor

Median Age

Source: American Community Survey, US Census Bureau
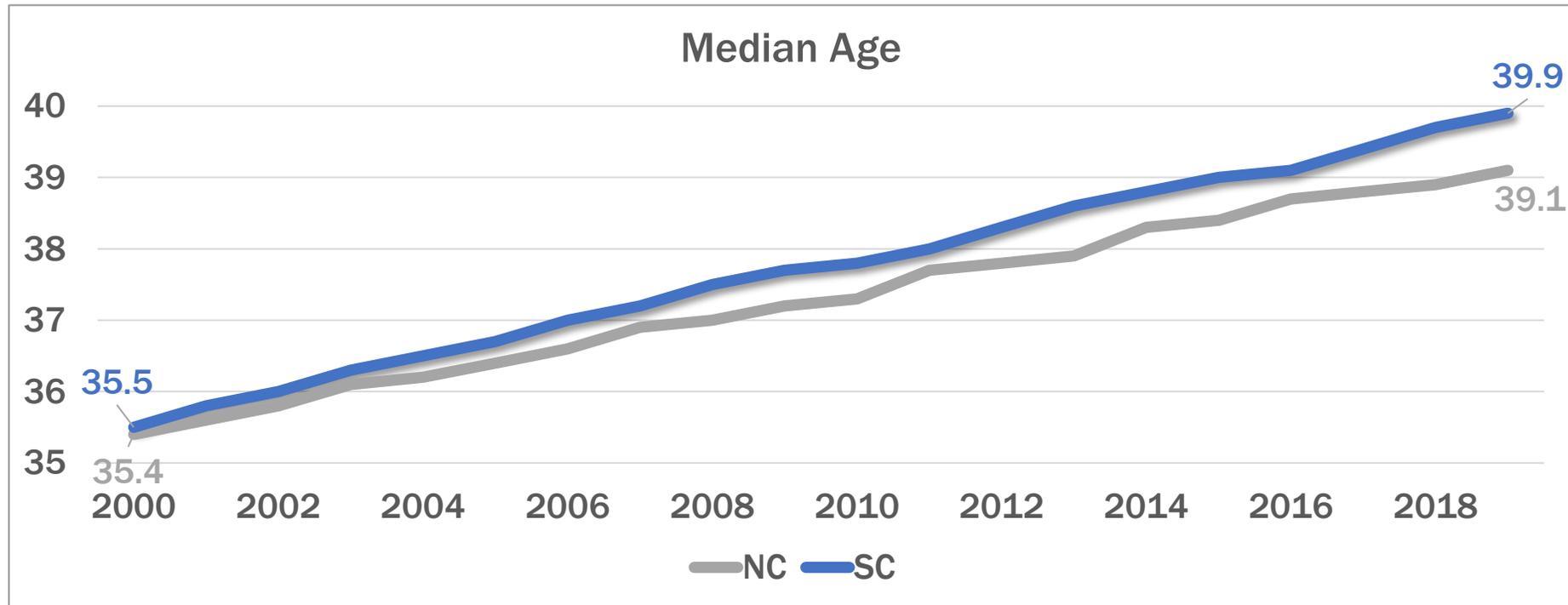
- A decomposition analysis found that over 70 percent of declining labor force participation between 1994 and 2019 in South Carolina was attributable to an aging population.

- The share of the population 65 or older nearly doubled from 11.9 percent to 23.3 percent.

CCWD Timeline

The political salience of labor supply had grown substantially since the economic recovery made hiring a challenge.

May 2022

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.

Commentary: SC Workforce Development Act will give workforce a boost

January 2023

The Speaker filed H.3726, the Statewide Education and Workforce Development Act.

State legislation puts focus on workforce as means for attracting continued investment
BY ELIZABETH HUSTAD EHUSTAD@POSTANDCOURIER.COM

State leaders look to 'streamline' workforce development

THE LOWCOUNTRY'S NEWS LEADER
LAWMAKERS TACKLE WORKFORCE DEVELOPMENT
BILL WOULD CONSOLIDATE WORKFORCE DEVELOPMENT PROGRAMS THROUGH DEW

May 2023

The Bill was amended before being passed and signed into law as Act 67.

Act 67 took effect July 1, reconfiguring the playing field for workforce policy.

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SOUTH CAROLINA DEPARTMENT OF
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COORDINATING COUNCIL FOR WORKFORCE DEVELOPMENT (CCWD) MEMBERS:

STATE SUPERINTENDENT OF EDUCATION

DEPARTMENT OF EMPLOYMENT AND WORKFORCE EXECUTIVE DIRECTOR

INDIVIDUAL WITH EXPERTISE IN ECONOMIC DEVELOPMENT AND WORKFORCE (SENATE PRESIDENT APPOINTEE)*

STATE BOARD FOR TECHNICAL AND COMPREHENSIVE EDUCATION EXECUTIVE DIRECTOR

OFFICE OF STATEWIDE WORKFORCE DEVELOPMENT DIRECTOR*

COMMISSION ON HIGHER EDUCATION EXECUTIVE DIRECTOR

DEPARTMENT OF COMMERCE SECRETARY

INDIVIDUAL WITH EXPERTISE IN ECONOMIC DEVELOPMENT AND WORKFORCE (HOUSE SPEAKER APPOINTEE)*

Column 1

- **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**

Column 2

- **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***

Column 3

- **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

Act 67 Initiatives Within Labor Market Information

- Happening now:

  - Changes to UI wage records
  - Statewide supply gap analysis
  - Return on investment reports
  - Assisting with Unified State Plan

- Coming attractions:

  - "Benefit cliff" products from the Atlanta Fed
  - Online career pathways tool for jobseekers
  - Educational program alignment toolkit
 - Comprehensive evidence-building system

Changes to UI Wage Records

- Currently, UI collects quarterly wage records that include the name and SSN of the employee, how much they earned, and the name and NAICS of the employer.

- Act 67 requires employers to start reporting the number of hours they worked and their SOC code, which is the federal standard for classifying occupations.

- This will dramatically improve our understanding of the state's labor market conditions, as our OEWS program only produces survey estimates on an annual basis.
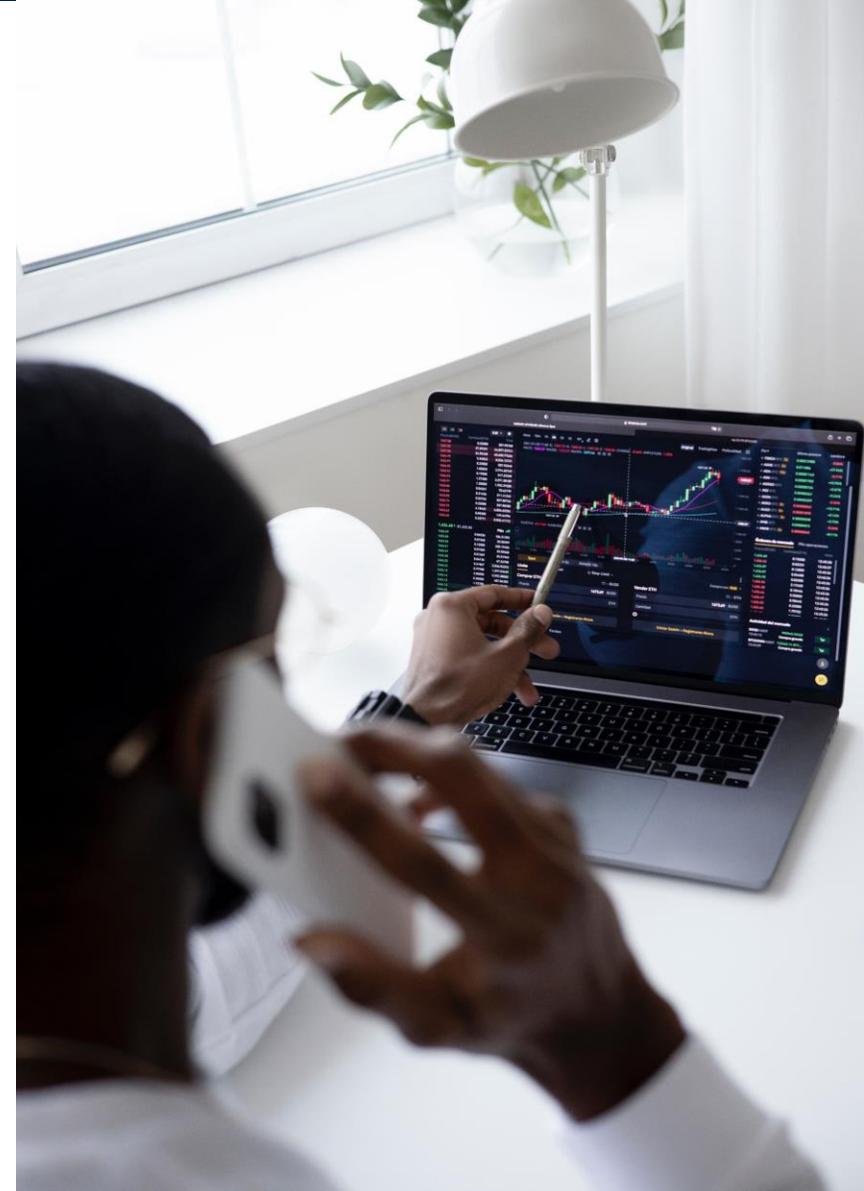
Statewide Supply Gap Analysis

- The supply gap analysis will help determine whether the postsecondary credentials being awarded by our state's colleges and universities prepare workers to meet the needs of the state's businesses. Every SOC codes requiring post-high school education will be assessed.

- The primary challenge is to match the Classification of Instructional Programs (CIP) codes to corresponding SOC codes and allocate them appropriately among multiple possible options. This report is due to be published later in 2024.
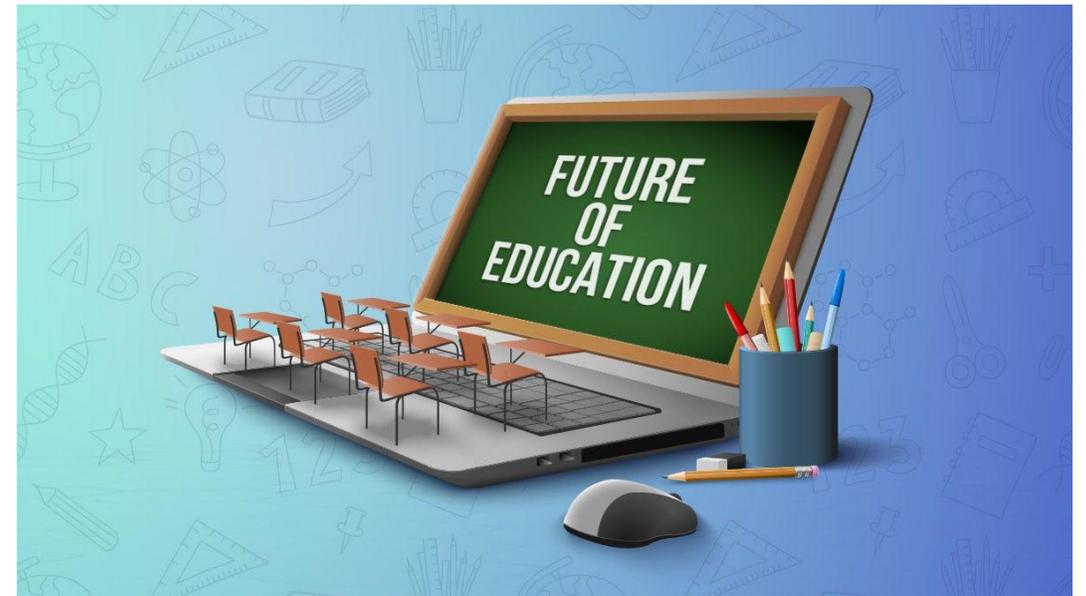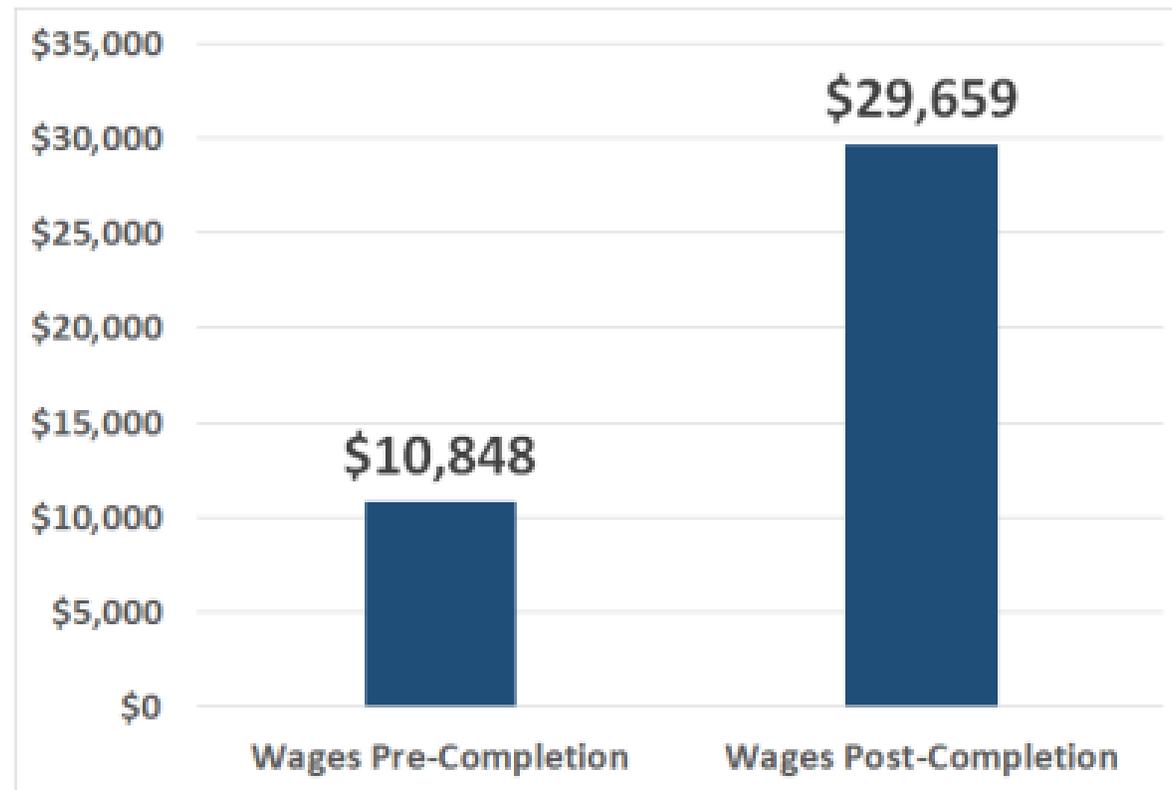
Return on Investment Reports

- While there are salary estimates available for various occupations, there is no way to know what sort of labor market effects a jobseeker can expect from a given credential.

- We are developing a methodology and some pilot reports that would begin to address this deficiency.

- Tools are in development that can extend this to any labor program with an interactive dashboard.

Return on Investment Prototype

Pre– and Post-Completion Wages for Individuals Completing Welding Credentials

◊ Welding programs are typically between 9 and 36+ credit hours costing ~$1,800-$7,200+.

◊ The **median change in wages** pre– and post-completion is **$14,098**. Most students are likely able to **recoup** the cost of the program **within one year** of completion.

◊ 64% of graduates had a wage change of at least $7,200 while over 77% of graduates had a wage change of at least $1,800.

◊ For all graduates working at least one quarter prior to and post the welding program, the **median wage was $29,659.**

Bar chart showing Wages Pre-Completion: $10,848 and Wages Post-Completion: $29,659

Return on Investment Prototype

Change in Industry of Employment
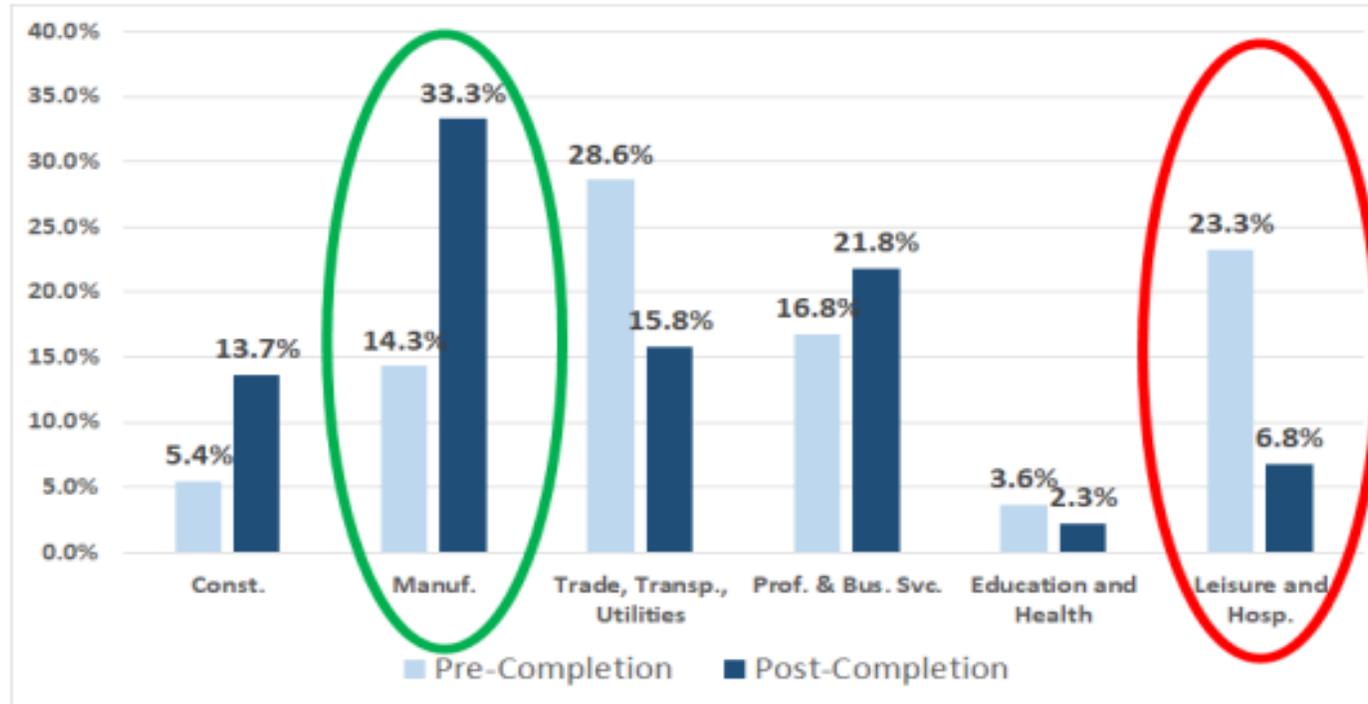
- In the year immediately after completion of a welding program, **46.9% of graduates were working in the Construction and Manufacturing industries**. This compares with only 19.7% working in these two welding-intensive industries prior to program completion.

- Compared to the year prior to program completion, there were **fewer** individuals working in the **Trade, Transportation, and Utilities or the Leisure and Hospitality industries** after completing a welding program.

- SCDEW will begin collecting **occupation data** on workers starting in **April 2024**. Future analysis may be able to specifically document which graduates of welding programs obtain jobs as welders.

Unified State Plan for Workforce Development

(under development, slated for vote by CCWD Executive Committee in March)

Vision: Achieve and sustain South Carolina's workforce potential.

Mission: Through collaboration and coordination, align and enhance South Carolina's education and workforce system so that it is readily accessible, highly effective, and easily understandable.

Draft Goals: 1. Increase understanding about the top industries in South Carolina and the diverse array of occupations within them.

2. Increase skills and experiences of South Carolinians of all ages to ensure they can progress through the career path of their choice.

3. Increase options to overcome barriers South Carolinians face when attempting to access education and enter the workforce.

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Common Data Requests

You have any ideas for products that would help you do your job better

Someone has said they would like to know more about workforce data

You receive any requests for data from businesses of other stakeholders

You have a seemingly impossible question that needs to be answered

The data you have seen in this presentation are just a slice of what we can provide.
Think of us as your own research team – and you don't have to pay us a penny.

Thank you

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