

After Big Improvement in Recent Months, South Carolina's Jobs Data Was Mixed in March

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Labor market data was mixed in South Carolina during March. The state's unemployment rate fell to its lowest level since November 2008, but payroll employment declined for the first time in six months. On a more positive note, our Carolinas Survey of Business Activity responses suggest that business activity continued to accelerate in April and firms were still adding workers to their payrolls.

According to the state's Department of Employment and Workforce, payroll employment in South Carolina decreased by 2,600 in March on a seasonally adjusted basis. This decline followed a string of five straight monthly gains, the last two of which added nearly 15,000 payroll jobs to the state's employment tally. The weakening in March fell squarely on the private sector, and it was widespread. The losses were most pronounced in education and health services, which experienced a loss of 2,700 jobs in March, and professional and business services, which fell by 1,100 from February's level. Most other industries saw more modest declines. Two exceptions to the downward trend on the private-sector side were trade, transportation, and utilities, and financial activities, which gained 800 and 1,100 new jobs in March, respectively. The public sector made a net positive contribution to job growth in South Carolina for the third straight month in March, the longest such string since early 2010, when the federal government added large numbers of temporary workers to conduct the decennial census. Most of the 1,500 extra government jobs came from local governments, although the state government added back some workers as well. By contrast, federal government employment was flat.

The decline in payroll jobs during March left South Carolina's employment about 26,000 ahead of last March's level. A decline in manufacturing employment left the industry's payrolls about 8,000 ahead of last year, which is still the best performance of any industry in the state. Moreover, the industry's growth rate of 3.7 percent outpaced that of the rest of the nation. Trade, transportation, and utilities, and professional and business services firms added substantial numbers of new workers over the past 12 months as well. By contrast, despite recent gains, financial services firms still employed fewer workers in March than they did 12 months earlier. Construction is the only other industry in the state where employment was down over the year. The recent gains in the government sector left employment roughly 1,500 higher than last March's level.

The unemployment rate in South Carolina dipped another two-tenths in March – its eighth straight monthly decline. This left the unemployment rate at 8.9 percent, down about 1.4 percentage points over the year and at its lowest level in more than three years. Moreover, the year-over-year improvement was noticeable in each of South Carolina's eight metropolitan statistical areas. Encouragingly, our Carolinas business activity index increased for the sixth month in a row during April, reaching its highest level since May 2010. The labor demand indicators continued to suggest that firms were adding to their staff in April. In addition, the corresponding expectations measures in our survey remained solid, indicating that respondents expect business to continue improving in the coming six months.

