



Economics Group

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South Carolina Continues to See Modest Job Growth

South Carolina's economy continues to see modest job gains. Employers added a net 2,000 jobs in June, with construction accounting for roughly two-thirds of the gain. The unemployment rate was unchanged at 3.5%.

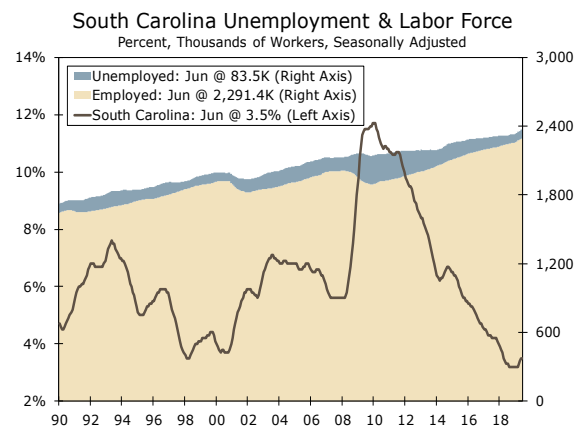
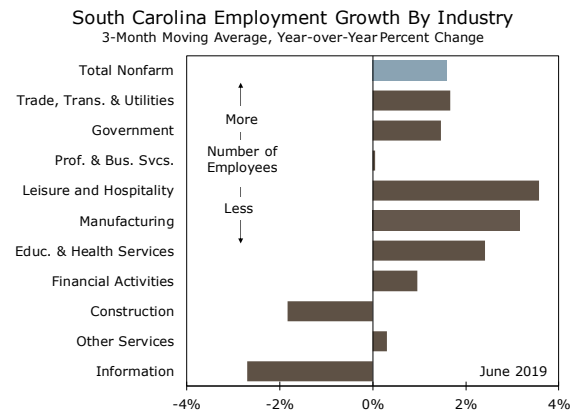
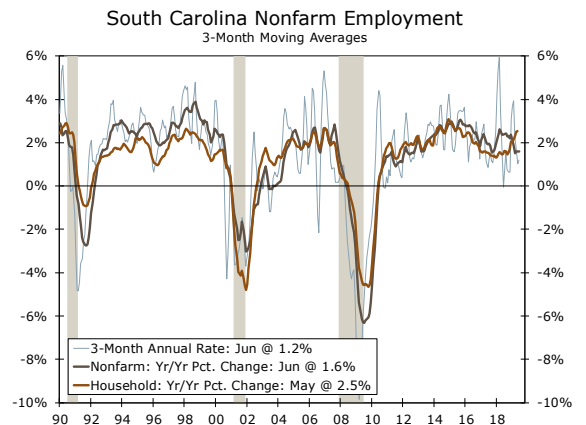
Modest But Broad-Based Employment Gains

Nonfarm employment continues to rise modestly across South Carolina. Employers added 2,000 net new jobs in June, with 1,300 of those jobs added in construction. Trade, transportation & utilities added 800 jobs during the month while government also added 800 jobs. Employment also rose modestly in financial services (+300 jobs) and in the leisure & hospitality sector (+100) but fell slightly in manufacturing (-300) and education & health services (-700). June's 2,000-job gain follows a rare 400-job drop in May. Employment has risen at just a 1.2% annual rate over the past three months in South Carolina and the year-over-year gain has fallen 0.8 percentage points to 1.6% since June 2018.

June's job growth was well below the pace seen over the past year, which saw nonfarm payrolls rise 1.5% and 33,200 net new jobs added. While job growth appears to have decelerated over the past few months, the year-over-year data still look solid. We prefer non-seasonally adjusted data for year-over-year comparisons and seasonally adjusted data only for month-over-month comparison. The year-over-year data provide a better assessment of South Carolina's tourism sector than the paltry 100-job gain reported for June. Hiring in South Carolina's leisure & hospitality sector has been volatile this past year due to Hurricane Florence and the floods that followed it. This year's unusually late Easter also caused some gyrations in the monthly data. By all accounts, tourism to Hilton Head, Charleston and Myrtle Beach appears to have gotten off to a strong start this summer.

South Carolina's manufacturers continue to show a great deal of resiliency in the face of continued uncertainty surrounding international trade. China has been the fastest growing market for South Carolina exports, and investment from China has been growing rapidly in the Palmetto State. The festering trade dispute has slowed exports and made for a more difficult operating environment for some of the state's larger manufacturers, particularly BMW, which exports the vast majority of its output. Despite the difficulties surrounding international trade, overall manufacturing jobs are up solidly year-over-year, rising 2.5%, with 6,300 net new jobs being added. Construction employment accounted for the largest number of jobs added in June and is now up modestly on a year-over-year basis. Construction jobs have been a drag on South Carolina's employment growth ever since the plug was pulled on construction of Sumner nuclear plant.

South Carolina's unemployment rate remains slightly below that of the United States, at just 3.5%. 6,237 people were added to the labor force in June, which slightly exceeds the 5,393-person employment gain. Household employment is up 50,799 over the past year compared to a 33,200-job gain in nonfarm employment. The stronger household employment partly reflects the growing number of residents from York, Lancaster and Chester counties commuting to jobs in the booming Charlotte area.



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