



Economics Group

Mark Vitner, Senior Economist
mark.vitner@wellsfargo.com • (704) 410-3277
Hop Mathews, Economic Analyst
hop.mathews@wellsfargo.com • (704) 383-5312

South Carolina Adds 72,500 Jobs, Unemployment Falls to 8.7%

Employment bounced back solidly in South Carolina in June, with employers adding 72,500 net jobs. A rebound in tourism bolstered those totals, but an accompanying rise in COVID-19 cases will likely slow the rebound.

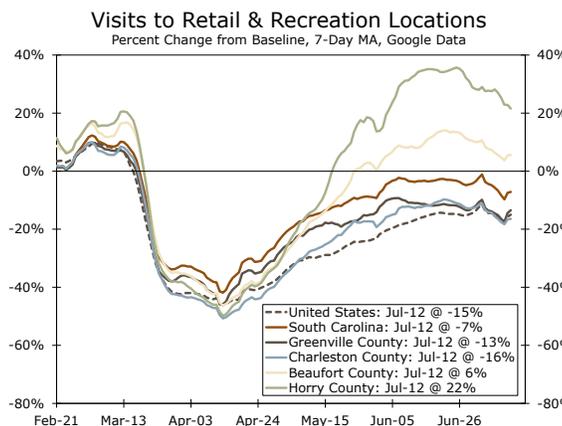
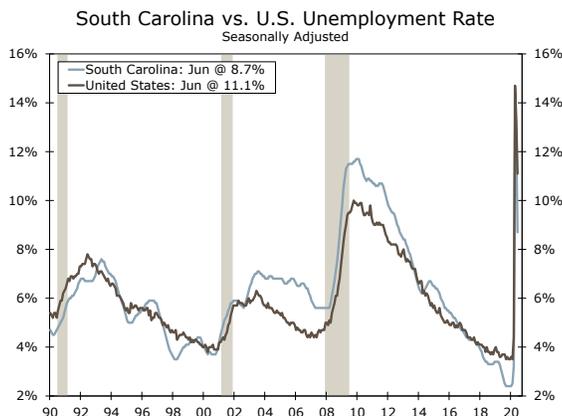
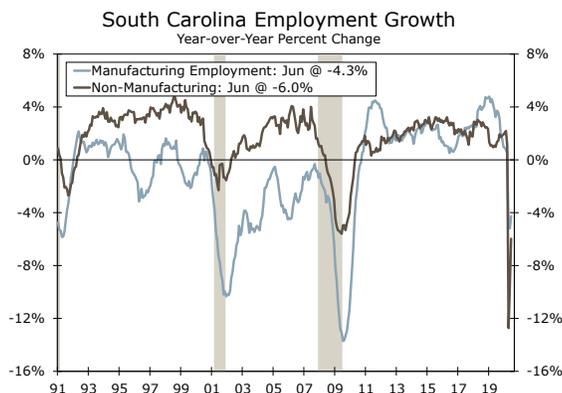
Will The Resurgence in COVID Upend South Carolina’s Recovery?

South Carolina’s economy has bounced back from the near total shutdown of its economy earlier this spring. Employers added 72,500 jobs in June, with the leisure & hospitality sector accounting for more than one-third of the increase. South Carolina’s tourism industry came roaring back around Memorial Day and hotels, restaurants and tourist attractions quickly staffed up, adding 29,600 jobs from mid-May to mid-June. Unfortunately, COVID-19 also came roaring back in South Carolina and most of the high-frequency data we follow, such as the change in seated diners from OpenTable and mobility data from Google, show consumers have grown more cautious about traveling and gathering in crowds. The pullback in engagement will not likely upend South Carolina’s economic recovery but it will likely slow it.

Aside from leisure & hospitality, most major industries added jobs in June. Professional & business services added back 13,700 jobs, with most of the increase coming in administrative services. Trade, transportation & utilities added back 11,900 jobs, with retailers accounting for much of that increase. Other industries bouncing back include education & health services, which added back 6,400 jobs; other services, which added 6,200 jobs; and manufacturing (2,600), construction (1,400), financial services (800) and government (200). The only sectors losing jobs were information (-200) and mining & logging (-100, NSA).

The bounce back in tourism-related jobs is clearly evident in the metropolitan area data. Among South Carolina areas, Myrtle Beach (Horry County) added jobs back at the fastest pace, with employers adding 10,700 jobs, marking a 7.4% increase. The Hilton Head area also saw a big employment bounceback, with Beaufort County adding 4,400 jobs during the month, or a 5.8% increase. The Greenville-Anderson metro area added the largest number of jobs in June, with its 3.3% gain translating in 13,100 jobs. Hiring rose at nearly the same pace in neighboring Spartanburg, where a 3% gain added back 4,500 jobs to the metro area’s payrolls. The Charleston area regained 12,000 jobs in June and Columbia (2,200), Florence (2,800) and Sumter (600) all posted modest gains as well.

While June’s bounce back in employment is encouraging, the resurgence in COVID-19 cases has reached a point that it is causing consumers and businesses to shy away from certain interactions. Hotel occupancy rates have fallen in recent weeks and the mobility data suggests restaurant dining and entertainment spending has slowed. Public policy is also working to slow interactions that are thought to be accelerating the spread of the virus. Many municipalities now require people to wear masks in public places. Bars and restaurants also are required to cut off alcohol sales at 11 pm. While more stringent restrictions may still be implemented, we do not expect to see a return to the lockdowns that we saw earlier this year. The pullback that we have seen over the past month means next month’s employment report will likely be nowhere near as positive as June’s was.



Wells Fargo Securities Economics Group

Jay H. Bryson, Ph.D.	Chief Economist	(704) 410-3274	jay.bryson@wellsfargo.com
Mark Vitner	Senior Economist	(704) 410-3277	mark.vitner@wellsfargo.com
Sam Bullard	Senior Economist	(704) 410-3280	sam.bullard@wellsfargo.com
Nick Bennenbroek	International Economist	(212) 214-5636	nicholas.bennenbroek@wellsfargo.com
Tim Quinlan	Senior Economist	(704) 410-3283	tim.quinlan@wellsfargo.com
Azhar Iqbal	Econometrician	(212) 214-2029	azhar.iqbal@wellsfargo.com
Sarah House	Senior Economist	(704) 410-3282	sarah.house@wellsfargo.com
Charlie Dougherty	Economist	(704) 410-6542	charles.dougherty@wellsfargo.com
Michael Pugliese	Economist	(212) 214-5058	michael.d.pugliese@wellsfargo.com
Brendan McKenna	International Economist	(212) 214-5637	brendan.mckenna@wellsfargo.com
Shannon Seery	Economist	(704) 410-1681	shannon.seery@wellsfargo.com
Jen Licis	Economic Analyst	(704) 410-1309	jennifer.licis@wellsfargo.com
Hop Mathews	Economic Analyst	(704) 383-5312	hop.mathews@wellsfargo.com
Coren Burton	Administrative Assistant	(704) 410-6010	coren.burton@wellsfargo.com

Wells Fargo Securities Economics Group publications are produced by Wells Fargo Securities, LLC, a U.S. broker-dealer registered with the U.S. Securities and Exchange Commission, the Financial Industry Regulatory Authority, and the Securities Investor Protection Corp. Wells Fargo Securities, LLC, distributes these publications directly and through subsidiaries including, but not limited to, Wells Fargo & Company, Wells Fargo Bank N.A., Wells Fargo Clearing Services, LLC, Wells Fargo Securities International Limited, Wells Fargo Securities Canada, Ltd., Wells Fargo Securities Asia Limited and Wells Fargo Securities (Japan) Co. Limited. Wells Fargo Securities, LLC. is registered with the Commodities Futures Trading Commission as a futures commission merchant and is a member in good standing of the National Futures Association. Wells Fargo Bank, N.A. is registered with the Commodities Futures Trading Commission as a swap dealer and is a member in good standing of the National Futures Association. Wells Fargo Securities, LLC. and Wells Fargo Bank, N.A. are generally engaged in the trading of futures and derivative products, any of which may be discussed within this publication. Wells Fargo Securities, LLC does not compensate its research analysts based on specific investment banking transactions. Wells Fargo Securities, LLC's research analysts receive compensation that is based upon and impacted by the overall profitability and revenue of the firm which includes, but is not limited to investment banking revenue. The information and opinions herein are for general information use only. Wells Fargo Securities, LLC does not guarantee their accuracy or completeness, nor does Wells Fargo Securities, LLC assume any liability for any loss that may result from the reliance by any person upon any such information or opinions. Such information and opinions are subject to change without notice, are for general information only and are not intended as an offer or solicitation with respect to the purchase or sales of any security or as personalized investment advice. Wells Fargo Securities, LLC is a separate legal entity and distinct from affiliated banks and is a wholly owned subsidiary of Wells Fargo & Company © 2020 Wells Fargo Securities, LLC.

Important Information for Non-U.S. Recipients

For recipients in the EEA, this report is distributed by Wells Fargo Securities International Limited ("WFSIL"). WFSIL is a U.K. incorporated investment firm authorized and regulated by the Financial Conduct Authority. For the purposes of Section 21 of the UK Financial Services and Markets Act 2000 ("the Act"), the content of this report has been approved by WFSIL, an authorized person under the Act. WFSIL does not deal with retail clients as defined in the Directive 2014/65/EU ("MiFID2"). The FCA rules made under the Financial Services and Markets Act 2000 for the protection of retail clients will therefore not apply, nor will the Financial Services Compensation Scheme be available. This report is not intended for, and should not be relied upon by, retail clients.

SECURITIES: NOT FDIC-INSURED/NOT BANK-GUARANTEED/MAY LOSE VALUE