

The Effects of the 2018 Rebenchmark On South Carolina Employment Data

A Brief Analysis



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April 25, 2019

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Beginning in January 2019, nonfarm payroll employment data in South Carolina was revised to incorporate the annual employment benchmarks. The revisions to the data affect all not seasonally adjusted data from April 2017 forward. This annual rebenchmarking process is conducted to mitigate errors in reporting and processing that occur during the regular course of collecting employment data over the year. This is done by basing the employment figures from employment data reported on unemployment insurance tax reports that nearly all employers are required to file with state workforce agencies. These reports are collected, reviewed, and edited by the U.S. Department of Labor, Bureau of Labor Statistics during a period when all fifty states and the District of Columbia have filed completed reports.

In a dynamic economy, firms are continually opening and closing. Regular updating and revising of the employment figures with information from the state unemployment insurance tax reports helps to keep the monthly employment survey up to date with changes in employment levels by businesses and government. The table below illustrates the effects the annual rebenchmark and subsequent revision of the state employment figures had on the original state employment series.

Table 1. Summary of Employment Rebenchmark

Calendar Year	Employment Before Revision (000's)	Percent Change (%)	Employment After Revision (000's)	Percent Change (%)	Net Change (000's)	Net Change (%)
2017	2,091.0	1.77	2,094.8	1.92	3.8	0.16
2018	2,126.1	1.68	2,145.3	2.41	19.2	0.73

Source: U.S. Department of Labor, Bureau of Labor Statistics, Washington, D.C.

The annual revision adjusted payroll employment upward by 3,800 jobs in calendar year 2017 and upward by 19,200 jobs in calendar year 2018 as indicated by the shaded area in Table 1 above. This revision increased employment growth by 0.16 percentage points in calendar year 2017, and increased employment growth by 0.73 percentage points in

calendar year 2018. The annual revision suggests that employment growth in South Carolina was somewhat stronger throughout the data revision period than indicated by the rates of employment growth previously reported throughout the year.

The source of the employment revisions by major employment sectors in calendar year 2018 is described in Table 2. Note that employment comparisons are based upon rounded figures. Overall, total nonfarm employment was revised upward by 19,200 jobs in calendar year 2018 with service-producing employment sectors revised upward by 13,300 jobs and goods-producing employment sectors revised upward by 5,900 jobs over the course of the year.

The goods-producing sector of the economy is comprised of natural resources and mining, construction, and manufacturing industries. The natural resources industry, primarily logging activities, remained unchanged throughout the calendar year. Despite a housing market that started the year off with a bang and finished with a whimper, and a steady rise in mortgage rates throughout the year, construction-related occupations were revised upward by 3,300 jobs. The manufacturing sector was revised upward by 3,300 jobs as durable goods industries, such as automotive and component-parts manufacturers, experienced upward employment revisions of 1,300 positions. An upward employment change of 2,000 workers in the nondurable goods sectors added further to the reported employment gains in the manufacturing industry.

The service-producing sector experienced stronger than previously reported employment growth throughout calendar year 2018 from upward revisions in the overall services industries by 13,300 positions. Professional and business services, primarily a diverse range of small retail businesses and technical occupations such as doctors, lawyers, and engineers, led the charge with an additional 13,100 workers being counted. A continued strong economy, a relocation of individuals moving to the Palmetto state, and an affordable housing environment helped the employment activities of banks, realtors, and financial services industries and boosted spending by consumers in the retail trade sector. The financial services industry realized upward employment revisions of 2,300 workers and the retail trade sector was revised upward by 2,200 over the year. But not all of the service-producing sectors experienced positive employment revisions. The wholesale trade sector was revised downward by 3,100 jobs and the other services sector and the leisure and hospitality services realized downward revisions of 1,300 jobs and 1,000 jobs, respectively.

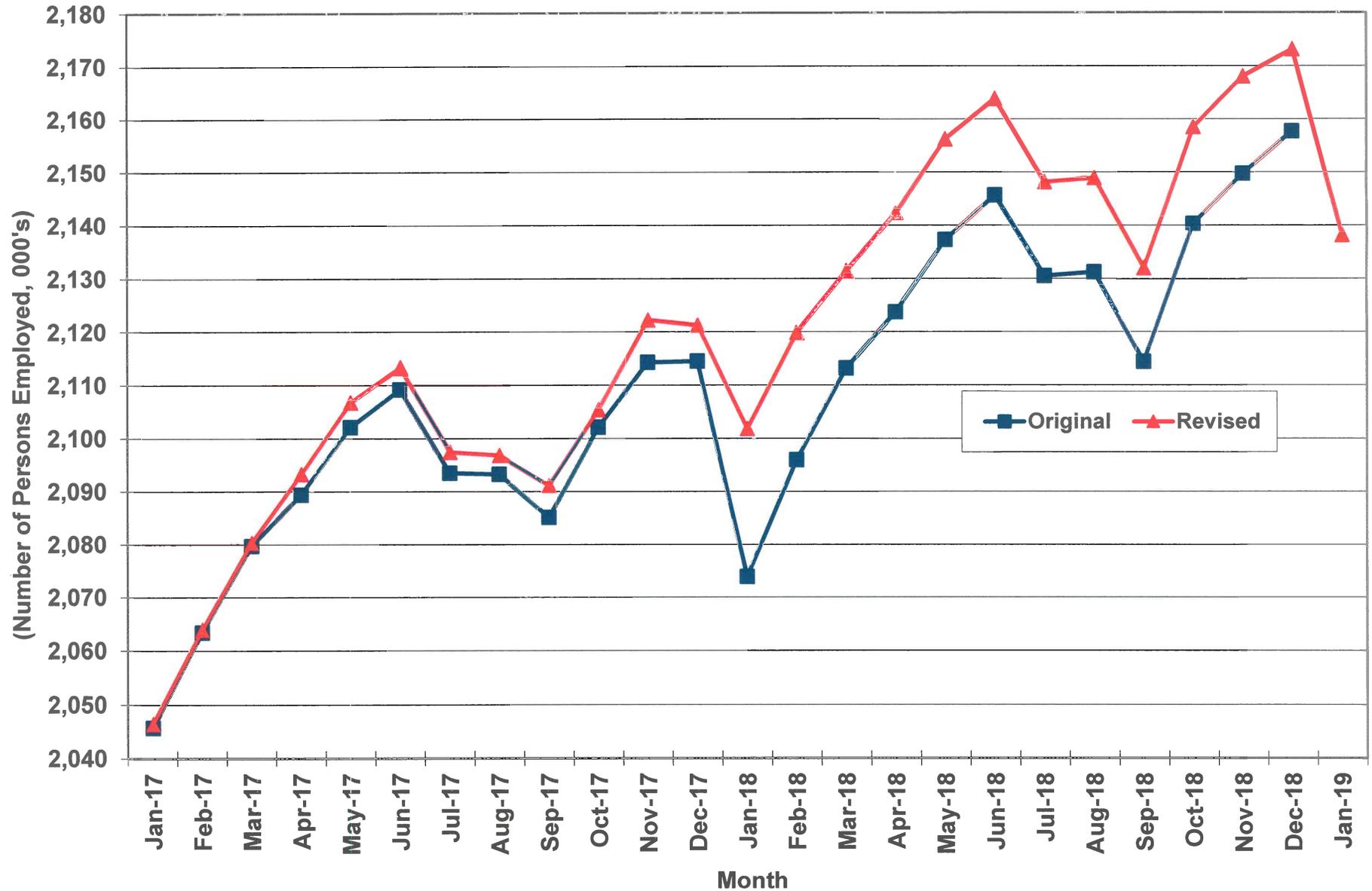
Other sectors that contributed to the overall increase in revised employment include information services (+500 jobs), despite declining employment in the newspaper business, and transportation, warehousing, and utilities (+200 jobs), each experiencing upward employment revisions. The public sector, generally a stable employment sector, experienced mixed results. Overall, the public sector employment was revised upward by 500 workers with the federal government revised upward by 200 workers, state government employment was revised downward by 300 workers, and local government was revised upward by 600 jobs during the calendar year.

**Table 2. The Effects of Rebenchmarking Employment Data in South Carolina
Calendar Year 2018
(Data are in Thousands)**

Employment Sector	Before Benchmark	After Benchmark	Net Change	Percent Change
Total Nonfarm Employment	2,126.1	2,145.3	19.2	0.9
Goods-Producing Employment	348.8	354.7	5.9	1.7
Natural Resources & Mining	4.4	4.4	0.0	0.0
Construction	99.9	102.5	2.6	2.6
Manufacturing	244.5	247.8	3.3	1.3
Durable Goods	143.3	144.6	1.3	0.9
Nondurable Goods	101.2	103.2	2.0	2.0
Service-Producing Employment	1,777.3	1,790.6	13.3	0.7
Trade, Transportation & Utilities	407.0	406.3	-0.7	-0.2
Wholesale Trade	75.0	71.9	-3.1	-4.1
Retail Trade	249.8	252.0	2.2	0.9
Transportation, Warehouse, & Utilities	82.2	82.4	0.2	0.2
Information	27.7	28.2	0.5	1.8
Financial Activities	101.9	104.2	2.3	2.3
Services	872.2	882.9	10.7	1.2
Professional & Business Services	279.8	292.9	13.1	4.7
Educational & Health Services	253.0	252.9	-0.1	0.0
Leisure & Hospitality Services	261.3	260.3	-1.0	-0.4
Other Services	78.1	76.8	-1.3	-1.7
Government	368.5	369.0	0.5	0.1
Federal Gov't	33.8	34.0	0.2	0.6
State Gov't	107.3	107.0	-0.3	-0.3
Education State Gov't	53.1	53.1	0.0	0.0
General State Gov't	54.2	53.8	-0.4	-0.7
Local Gov't	227.4	228.0	0.6	0.3
Education Local Gov't	108.9	109.2	0.3	0.3
General Local Gov't	118.5	118.8	0.3	0.3

Source: U.S. Department of Labor, Bureau of Labor Statistics, Washington, D.C.

Total Nonfarm Employment in South Carolina (Original Series vs. Revised Series)



Growth of Employment in South Carolina (Original Series vs. Revised Series)

