



How South Carolina's Unemployment Rate is Calculated

Who is Measured as Unemployed?

People are counted as “employed” and “unemployed” by the US Bureau of Labor Statistics (BLS). These definitions are based on objective, measurable criteria and are used nationwide, meaning the criteria defining an unemployed person in South Carolina are the same as for an unemployed person anywhere else in the nation.

To be counted as **employed**, a person must be 16 or older and worked for pay or profit during the survey week. This includes part-time and temporary work, as well as regular full-time, year-round employment. An individual who works at least one hour for pay or profit or at least 15 unpaid hours in a family business during the survey week is counted as employed. To be counted as **unemployed**, a person must be 16 or older and have no job at all during the survey week. However, that person must be able, available and actively looking for work.

The total number of employed and unemployed individuals make up the labor force. This information, along with survey data from employer establishments, and unemployment claims data are placed in a statistical model that is used to estimate total unemployed and employed data for the state each month. For the unemployed, Unemployment Insurance claims data used in this statistical model is defined as the number of people who filed a weekly continued claim during the survey week without any earnings. The Unemployment Insurance claims data do not include a full count of the total unemployed for there can be individuals who have exhausted benefits; and those who are jobless, looking for work, and do not even qualify for benefits who are still considered unemployed.

The state's unemployment rate is the ratio of the total unemployed to the total labor force. The official rate is seasonally adjusted to remove influences of weather, holidays, the opening and closing of schools and other recurring seasonal events. This permits easier observation and analysis of cyclical, trend and other non-seasonal movements in the data.

$$\text{Unemployed/Labor Force} = \text{Unemployment Rate}$$

Where Do These Numbers Come From?

The US Census Bureau is designated by BLS to conduct a monthly survey of approximately 60,000 households nationwide. This survey is known as the Current Population Survey (CPS). The CPS includes households in every state and is conducted during the week of the 12th day of the month. Census interviewers determine the employment status for the previous week of all members of the survey households who are 16 and older. The basic question asked is “what were you doing last week?” If individuals held a job, they would be classified as employed. If they had no job, but were able, available and actively looking for one, they would be classified as unemployed. In South Carolina about 1,000 households are surveyed monthly.

County Unemployment Rates

The county labor force data are disaggregated from the statewide not seasonally adjusted labor force data using BLS's methodology. The sample size of the CPS is not large enough to provide a statistically valid labor force estimates at the county level; therefore, a different methodology is used for the counties than for the state. Like the state unemployment rate, the unemployment rate for the county is the ratio of the total unemployed to the labor force for the county.