



### **Scope of Solicitation – Acquire Services**

The South Carolina Department of Employment and Workforce (DEW) has convened the South Carolina Labor Force Participation Task Force to investigate the causes and impacts of our state’s relatively low rate of labor force participation (LFP)—57.2 percent as of March 2022, the fifth lowest in the country — and potential policy solutions. This solicitation is for research and analysis in the fields of economics, demographics, and other social sciences to produce evidence-based findings that would inform the work of the task force.

### **Scope of Work/Specifications – Statement of Work**

[repeat paragraph above]

Research Questions: Responses must clearly and thoroughly identify the methodology designed to answer each of the questions specified below. If any answers only apply to specific geographic areas within the state and/or individuals with certain demographic characteristics, this should be specified as necessary, ensuring that the findings are as actionable and inclusive as possible.

1. How will increasing the LFP rate impact the economic vitality of the state?  
What would the potential impacts in terms of payrolls, fiscal impact, etc. that LFP growth (e.g., a one percentage point increase in LFP rate) could produce for the state and its people? How would the potential benefits compare vis-à-vis other economic growth-oriented policies the state could pursue?
2. How is South Carolina different from other states with higher participation rates?  
As noted, our state’s LFP rate is among the lowest in the country, but this was not always the case, and neighboring Georgia is much closer to the national average today. What is driving this differential, both historically and in the present? Is South Carolina’s LFP rate lower than average after accounting for demographic and migration trends unique to our state? Does South Carolina’s industrial mix, prevailing wages, or other macroeconomic factors contribute to lower LFP?

Can a decomposition exercise (e.g., Abraham and Kearney (2020)) for South Carolina and other states of interest provide additional insight on the factors driving the state’s performance?

3. Is there additional research from other states or countries that can inform South Carolina policy?  
Have other states, or research entities operating at the state level, produced reports that evaluate the question of LFP and its policy implications? Have any jurisdictions adopted policies that are explicitly or implicitly designed to increase their LFP rate, and if so, were they effective? What datasets can be brought to bear on these questions?

4. Is it possible to differentiate chronic versus acute factors that have affected the labor force participation over time (e.g., no childcare for five years versus car issues in a particular week)?
5. Are there differences in labor force participation rate between and within urban and rural areas of the state that can be quantified? Are there factors that impact certain areas of the state that may not be as influential in others?

Historically, labor participation rates in rural areas tends to lag more urban areas of the state. What are the most recent available statistics on that divide in South Carolina? Additionally, anecdotal reports from businesses indicate that even amongst metropolitan areas there may be differences in the degree to which they are having difficulties finding workers for their open jobs. Is there data available that speaks to potential differences in labor markets among the urban population centers of the state?

6. Have there been significant policy changes in the state in terms of education, taxes, unemployment benefits, social benefits, etc. that may have had an influence on labor force participation?
7. How do we identify the characteristics of those not in the labor force to better understand how they can join the workforce or return to work?

There are many individual characteristics that might drive a person's LFP decision making, including but not limited to age, broadband and transportation access, caregiving requirements, disability and health status, discouragement over job prospects, educational attainment and opportunities, geographic location, a lack of sufficient work skills or credentials, previous incarceration, and other barriers to entry. How can the State of South Carolina identify individuals that are most likely to consider entering or returning to the labor force and make it easier for them to address or remove these restrictions on LFP and increase the size of our workforce?

8. What policies or strategies can be put in place to increase our state's LFP rate or halt the continued decline in the face of demographic changes?

Considering all the above, what evidence-based policies or strategies can reasonably be put in place by the State of South Carolina to address the challenges posed by falling LFP? What would be the costs and benefits of these efforts? What changes would be needed in state law to facilitate such policies, if any? How might any such strategies affect the state, economically or otherwise? Is it possible to better quantify all the factors that impact the LFP rate and their relative influence on the trends in the state's rate?

9. Are there specific factors that uniquely impact participation rates in each county of the state that could be addressed?

What efforts can be taken to a) identify those in a particular geography who are not in the labor force and b) understand their barriers to employment? Are certain policies and strategies identified from a statewide perspective applicable to the situation in each county or are there additional unique factors that need to be addressed by policies, strategies, or actions at a local level?

Additional Requirements: The successful response will include all the following:

1. A detailed description of the final products to be delivered. These products must include a final report and presentation to the task force at minimum.
2. A timeline for completion of the project, with individual phases identified using a Gantt chart or similar method. All final written deliverables are to be provided to the task force no later than September 30, 2022.
3. Additional resources and assistance required from DEW and/or other State of South Carolina entities that will be required to successfully complete the project. This should include an inventory of any non-publicly available data that will be needed.
4. Evidenced understanding of the work conducted by DEW and the U.S. Bureau of Labor Statistics, as well as other sources as applicable, referencing products and data series that will be used to inform this project.
5. A detailed breakdown of the monetary compensation required for completion of this project. Such an accounting must include itemized expenses for wages (indicating the hourly rate and number of hours billed) and fringe benefits paid by employee or contractor, as well as software, materials, travel, other services, and indirect costs.
6. A complete curriculum vitae for the principal investigator (PI) and other key personnel that will be involved in the development of deliverables to the task force, as well as a brief narrative of any previous research conducted by the PI in labor economics and/or related fields if applicable.

#### **Evaluation Rubric**

Each application will be scored out of a possible 20 points. The following criteria will be used:

1. Methodology (10 points): How does the applicant plan to address the listed research questions? Are these approaches well-grounded in academic and/or professional literature? Is the proposed analysis possible with the data sources specified? Will final deliverables provide the State with actionable policy guidance? Is the methodology transparent, i.e., are there any “black boxes” that would prevent findings from being replicable?
2. Experience (5 points): Has the research team conducted similar studies previously? What are the credentials, publication history, etc. of the PI and other key personnel?
3. Cost (5 points): How does the proposed cost compare to that of other applicants? Is the budget sufficiently itemized? Are there unusual or questionable expenses?