

# South Carolina

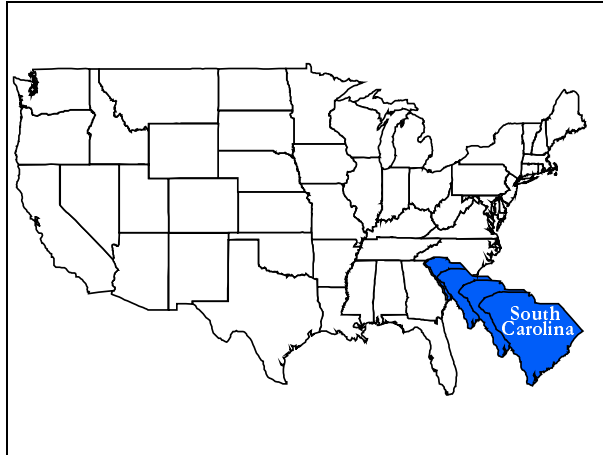
## Labor Availability

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### Location

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South Carolina is located in the Southeastern United States in the heart of the so-called "Sunbelt" region of the country. It is bordered on the east by the Atlantic Ocean, on the north by the state of North Carolina, and on the west and south by the state of Georgia.



### Overview

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For more than 300 years, South Carolina has been committed to creating an environment where both business and people can prosper. Despite her tremendous growth in the last thirty years, South Carolina maintains a positive attitude toward more growth and has the experienced, available manpower to fill the needs of business and industry. The number of workers is growing steadily, and the labor force increases by almost 30,000 workers each year. South Carolinians believe in high productivity through a full day's work. They make a deliberate, personal commitment each day to keeping South Carolina a good place for business and a good place to live and work.

South Carolina has been, and will continue to be, according to current studies, one of the fastest growing states in the Southeast. Industries and businesses of all sizes have found the state to be an attractive area in which to locate. Most established industries and businesses have expanded their facilities one or more times, attesting to the fine business climate, strong work ethic, worker productivity and favorable unit costs.

South Carolina has one of the highest productivity rates and lowest work stoppage rates in America. The latest statistics available show that an average of less than .01% of working time was lost due to labor unrest in 1998. This percentage for South Carolina ranks among the lowest of any state in the United States. The right-to-work law, voted by the people and added to the state constitution in 1954, protects the individuality of every employee. As an indication of favorable management/employee relations, South Carolina ranks near the bottom in terms of union membership as a proportion of nonagricultural employment. In fact, only 1.8% of South Carolina's workers are unionized.

South Carolina offers the finest in that intangible called "livability," stretching from the mountains to the seashore with a wide variety of pleasant and varied surroundings.

## **Population**

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The population growth of South Carolina, along with the large number of young adults entering the labor market each year, provides a major source of trainable workers in the state's growing labor market. According to the 1999 estimates, 3,868,103 persons reside in the state of South Carolina. This figure represents a gain of more than 380,389 persons, or 10.9%, over the 1990 Census population of 3,487,714.

## **Labor Availability**

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The availability of labor has been a major contributing factor in the industrial and business growth of South Carolina. The annual average civilian labor force for 1998 was 1,928,950. Migrating capital and industry have found the growing labor force to be highly attractive in terms of productivity and cost. As a result, most industries and businesses have continued to grow and prosper. The continual growth of area industries has helped provide some selection of jobs for new entries into the labor market, and a more favorable industrial and business balance is being attained. With the rapid growth in population and labor force, the state of South Carolina will continue to be a major attraction to migrating capital and industry.

The average annual unemployment rate for South Carolina in 1998 was 3.8%, slightly below the United States average of 4.5%. The percentage of people participating in the labor force is below the United States average, showing the need for additional work opportunities as well as indicating an available pool of recruitable workers.

A major source of recruitable workers is the large number of persons who are currently working but are considered underutilized and underemployed in terms of earnings. Persons whose gross annual earnings fall below \$10,000 are considered underemployed in today's economy. Ten thousand dollars a year is equivalent to approximately \$4.80 per hour, based on a 2,080 hour work year common to business and industry. Fully 24% of the workers in South Carolina fall into this category. Experience has proven that these people are a prime source of recruitable workers to any business or industry offering full-time employment and more rewarding job opportunities in terms of earnings and future advancement.

A continuing increase in the number of high school graduates who choose not to go to college (over 40%), combined with an already relatively youthful population, will provide large numbers of entry-level job candidates in the future. An

estimated 605,000 persons residing in South Carolina will reach employment age (18) between 1990 and 2000. Slightly more than 50% are male.

## Work Force Skill Levels

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The skill level of the work force in South Carolina is one that continues to change to meet technological challenges. Large numbers of workers throughout the state have received training at one of the 16 technical education schools located strategically throughout the state or through the TECH Special Schools Program.

A key factor in the state's economic growth has been the continuing development of its human resources. Major labor needs and skill requirements have been anticipated and business and industrially oriented programs have been developed to meet both the present and future skill requirements.

## Education

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A wide variety of educational and vocational training programs, designed to reach all segments of the population, is helping to provide a continuing flow of better prepared workers into the state's labor force. A statewide network of 49 modern vocational education centers and 214 public high schools offer valuable basic skill training to the state's high school students.

South Carolina's nationally-acclaimed TECH system, operating under the State Board for Technical and Comprehensive Education, has 16 colleges with a total of 24 campuses and 15 resource centers throughout the state. These TECH colleges ensure a constant supply of workers trained in trades and crafts, as well as administrative duties. The institutions also offer upgrading opportunities for employees, and supervisory development programs are available at the institutions or at a business or plant site. In Fiscal 1998, 9,094 students were graduated in the Degree, Diploma and Certificate Programs.

South Carolina Higher Education 1999 Post Secondary Graduates	
• Associate Degrees	5,300
• Bachelors Degrees	16,000
• Masters/Doctorates	5,500

The Special Schools Program, a separate division of TECH, will design and implement a comprehensive plan to recruit, test and train workers for new and expanding businesses and industries, usually at no cost to the company. In Fiscal 1998, Special Schools worked with 171 companies and trained 8,666 students.

Higher education is provided through three public state universities and nine other public senior colleges. There are also 21 private senior colleges, including seminaries in South Carolina. More than 26,000 degrees were awarded last year in the state's public and private colleges and universities.

South Carolina, with its continuing rapid growth rate and expanding occupationally balanced work force, will continue to be a key attraction to new and expanding businesses and industries seeking an attractive and profitable location.

# South Carolina

## Labor Force Profile

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This labor force profile examines three issues:

- 1) labor force characteristics;
- 2) the availability of labor; and
- 3) average wages and salaries.

### Population

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The population of South Carolina according to the 1999 estimates was 3,868,103. This figure represents a gain of more than 380,389 persons or 10.9% over the 1990 Census population of 3,487,714. Conservative population estimates project the state's population to reach 3,914,200 by 2000, an additional 1.2% growth. During the 1970s, 1980s and 1990s, South Carolina's population growth has exceeded both the U.S. and Southeastern averages, providing a growing labor supply.

### Labor Force

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The total civilian labor force in South Carolina, according to 1999 estimates, was 1,928,950. This represents a gain of more than 230,850 workers or 13.6% over the 1990 Census labor force of 1,698,098.

In general, South Carolina's labor force is younger than the national average and a greater percentage of women participate in the labor force as full-time workers. The median age in South Carolina was 32.6 years (1992) compared with the nation-wide median of 33.4 years. The median age of the state's labor force was 40.6 years (1992) compared with the national median of 41.7 years.

The adjacent table summarizes the demographic characteristics of the working-age population in the state.

### Employment

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**Total Civilian Population (1999)** 3,844,506

**Distribution by Age (1999)**

18-24	11.7%
25-44	32.0%
45-54	10.2%
55 & over	19.8%

**Distribution by Sex (1999)**

Male	47.9%
Female	52.1%

**Education (Age 16-69)**

High School Graduates	76.1%
1-3 Years Beyond High School	26.4%
College Graduates	12.0%
Post-Graduate Level	5.6%

Total non-agricultural wage and salary employment for the state was 1,793,400 (1998 annual average). This represents an increase of 248,400 persons in non-farm employment between 1990-1998. Employment data include all full-time and part-time wage and salaried workers employed in the state. Employment statistics are compiled by place of work, consequently these employment statistics are based only on people who work in the state. These people may or may not reside in the state.

## Employment by Sector

The following two tables examine the distribution of employment by sector in the state. The first table compares employment by sector in 1990 and 1998. The second table provides a more detailed analysis of employment within the manufacturing sector in 1998.

Employment by Sector			Manufacturing Employment	
	<b>1990</b>	<b>1998</b>	<b>Durable Goods</b>	<b>41.9%</b>
Mining	0.1%	0.1%	Lumber & Wood Products	4.3%
Construction	6.6%	6.1%	Furniture & Fixtures	1.3%
Manufacturing	24.8%	20.3%	Stone/Clay/Glass	2.7%
Transport/Utilities	4.3%	4.3%	Primary Metals	2.4%
Wholesale/Retail Trade	22.6%	24.5%	Fabricated Metal	5.4%
Fin/Insur/Real Estate	4.3%	4.4%	Industrial Machinery & Equipment	11.5%
Services	19.0%	23.3%	Electrical & Electronic Equipment	6.7%
Government	18.3%	17.0%	Transportation Equipment	5.2%
			Instruments & Related	1.2%
			Miscellaneous	1.2%
			<b>Non-Durable Goods</b>	<b>58.1%</b>
			Food & Kindred Products	5.1%
			Textile Mill Products	21.1%
			Apparel	6.5%
			Paper & Allied Products	5.0%
			Printing & Publishing	3.8%
			Chemicals & Allied Products	10.1%
			Rubber/Plastics	6.5%
			<b>Total Manufacturing Employment: 363,220</b>	
			<i>(1998 Annual Average)</i>	
<b>Total Employment: 1,793,400</b>				
<i>(1998 Annual Average)</i>				

## Work Force Skill Levels

Overall, South Carolina boasts a higher per capita percentage of craftsmen, operatives and laborers than the average percentages for the nation or the

Southeastern states. U.S. Bureau of Labor Statistics indicate that 33.5 percent of the employees in South Carolina were craftsmen, operatives, and laborers in 1997, compared with a 25.3 percent national average.

## **Unemployment Rate**

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The unemployment rate represents the number of individuals who are actively seeking work and is a percent of the total civilian labor force. The 1998 statewide annual average unemployment rate was 3.8% and represents 73,300 individuals. By comparison, the unemployment rate one year previously was 4.6% and represented 87,150 individuals.

## **Underemployed**

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Persons with gross annual earnings of \$10,000 or less are considered to be underemployed in today's economy. Statewide, 24.3% of the labor force had individual gross annual earnings of \$10,000 or less in tax year 1997. Ten thousand dollars per year is equal to approximately \$4.80 per hour based on a 2,080 hour work year common to business and industry and represents over 468,000 residents. Workers from this relatively low earnings group are among the first to respond to more rewarding job opportunities and are a valuable source of experienced, recruitable workers to new and expanding business and industry.

## **Persons Not in the Labor Force**

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Due to the inherent elasticity of the work force, as more attractive jobs become available, people not currently a part of the labor force or who have withdrawn from the labor force are drawn into the pool of available labor. These people constitute a large group of potential workers who can be recruited to jobs that provide an attractive wage and benefits package. In South Carolina there are over 452,000 persons in the age group of 18-64 who are not participating in the labor force.

## Persons Reaching Age 18

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A continuing increase in the number of high school graduates who choose not to go to college (over 40%), combined with an already relatively youthful population, will provide large numbers of entry-level job candidates in the future. An estimated 605,000 persons residing in South Carolina will reach employment age (18) between 1990 and 2000. Slightly more than 50% are male.

## Sources of Labor

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The following table provides estimates of the numbers of new entrants, unemployed, underemployed, and non-participants in the labor force.

<b>Sources of Labor</b>	
Estimated number of residents	
• with gross annual earnings of \$10,000 or less per year .....	468,735
• age 18-64 not currently participating in the labor force .....	452,230
• currently unemployed .....	73,300
• expected to reach age 18 this year (not going to college) .....	30,270
<b>Total Potentially Available Labor Statewide: .....</b>	<b>1,024,535</b>

## Employer-Employee Relations

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Employer-employee relations in South Carolina are very stable and the state consistently ranks as one of the least unionized in the nation. In 1998, only 1.8% of the state's workers were members of a labor union. Additionally, the state has consistently had one of the lowest work stoppage rates in the United States. In 1998, an average of less than .01% of working time was lost due to strikes in manufacturing and non-manufacturing industries combined.



## Wages and Salaries

The average wage for all full-time and part-time wage and salaried workers in the state was \$25,004 in 1997. As the adjacent table indicates, average wages in South Carolina overall are below the U.S. average.

Average Wages and Salaries			
	1997 Average Weekly Wage	1997 Average Annual Salary	1998 Average Prod. Wage
South Carolina	\$481	\$25,004	\$10.54/hr.
United States	\$583	\$30,336	\$13.49/hr.

## State Labor Analysis

Population - 1999 .....	3,868,103
Civilian .....	3,844,506
Population - 2000 (Projected) .....	3,914,200
Civilian .....	3,890,603
Persons Age 20-54 (Primary Workforce) 1999 .....	1,907,741
As a percent (%) of the population .....	49.3%
Persons Reaching Employment Age.....	605,418
(Reaching 18 between 1990 - 2000)	
Non-Agricultural Employment - 1998 Annual Average.....	1,793,400
Number Unemployed - 1998 Annual Average.....	73,300
Unemployment Rate - 1998 Annual Average.....	3.8%
Labor Force (Civilian) - 1998 Annual Average .....	1,928,950
Labor Force Participation Rate - 1999 .....	50.2%
(Labor Force as a percentage of the total civilian population)	
Labor Force (Civilian) - 1990.....	1,698,098
Labor Force Change (Civilian) - 1990 to 1999 .....	230,852
Males in the Civilian Labor Force.....	1,008,840 - 52.3%
Females in the Civilian Labor Force.....	920,110 - 47.7%
Labor Force (16-69) Education	
High School Graduates.....	76.1%
1-3 Years Beyond High School.....	26.4%
College Graduates.....	12.0%
Post Graduate Education.....	5.6%

Compiled by: Division of Labor Resource Information  
South Carolina Department of Commerce

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# South Carolina's Unemployment Insurance

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For new employers, the contribution rate for the first twenty-four consecutive months of coverage is the federally mandated minimum of 2.64 percent of the employee's first \$7,000 of earned income. After that probationary period, the employer is re-rated annually and a new rate is established based upon the experience of the employer. Although the minimum contribution rates range from .19 percent to 5.4 percent by statute, the rate schedule applicable for 1998 provides for a minimum rate of 1.24 percent to a highest rate of 5.4 percent. This is due to an annual computation known as the statewide reserve ratio, which establishes the range of rates for positive balance employers. The balance in the trust fund and amount of taxable wages reported each year are used in the calculation which determines the applicable rate schedule for each following year. The unemployment contribution rate in South Carolina for 1998 for positive balance employers will range from 1.24 to 2.64 percent. Rates for negative balance employers will range from 2.64 to 5.4 percent. Also, all employers, except those paying the maximum rate of 5.4 percent, non-profit, and state agencies or political subdivisions, must pay a .06 percent additional contingency assessment for 1998.

To qualify for the minimum contribution rate, an employer's reserve balance must be positive and be 9.0 percent or more of the most recent annual taxable payroll. The contribution rates move in increments of 0.35 percent, with penalty rates ranging from 2.64 to 5.4 percent when an employer's reserve balance is negative due to the amount of benefits charged to his account having exceeded the contributions paid. The **average** experience rate is 2.0 percent.

The weekly benefit amount is approximately 50 percent of the individual's average weekly wage up to a maximum of \$238 per week. The average weekly benefits actually received were \$166.37 per week for calendar year 1998.

The average duration of benefits was 9.9 weeks for 1998. The maximum period for the receipt of benefits under state legislation is 26 weeks.

# South Carolina's Workers' Compensation Insurance

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Workers' compensation insurance rates are determined by a schedule proposed by the National Council on Compensation Insurance (NCCI) and approved by the State's Chief Insurance Commissioner. Companies then select an agency of their choice. The premium is adjusted to reflect the loss experience of the individual company.

To establish the full rate in the voluntary market, the State Insurance Commissioner approves a premium rate for the market as a whole in addition to approving various expenses (e.g. general and administrative expenses) for each insurance company. As a result, the rates of each insurance company may differ based on their costs.

If an employer cannot secure coverage in the voluntary market, coverage can be obtained through the assigned risk plan. The Plan is administered by NCCI and the rates are approved by the State Insurance Commissioner. The rate approved is the full rate. Those who seek insurance coverage in the plan are assigned to one of several large insurance companies such as Liberty Mutual, Travelers, AETNA, Hartford, Wausau, etc., who are the servicing carriers to the plan.

For total disability, the award is two-thirds of the employee's average weekly earnings, not to exceed the state's average weekly wage (currently \$483.47) for up to 500 weeks. For partial permanent disability, the payment is computed from the differential of pre-accident and post-accident wages for up to 340 weeks or as determined by a schedule of losses.

On average, the premium per employee is about 63% of the national average. Workers' compensation premiums differ among industries and among job classifications. Average cost is approximately 2.0 percent of payroll.

A company may self-insure with approval from the Workers' Compensation Commission. A financial statement is required and all support documents are considered confidential. Self-insured companies are mostly larger companies. A company may also become a member of a self-insured fund and realize a reduction in rates through group participation.

## South Carolina Department of Labor Division of Occupational Safety & Health OSHA Overview

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In 1936, the South Carolina Department of Labor was created by the General Assembly to enforce the state's labor laws and promote closer employee/management relationships. Over 60 years later, the Department continues to fulfill that mandate with programs covering on-the-job safety and health, employment standards, mediation/conciliation of employer/employee disputes and migrant labor. The Department also inspects and licenses elevators and amusement rides to assure the public's safety.

The South Carolina Department of Labor's Division of Occupational Safety and Health, or OSHA, enforces the state's Occupational Safety and Health Act. The purpose of this OSH Act is to assure working persons a safe and healthful workplace. The Federal government does not initiate compliance within the State of South Carolina.

There are several branches of the South Carolina OSHA, only one of which is the Compliance Section. This section's staff of compliance officers and industrial hygienists conducts inspections to assure compliance with safety and health standards and initiates enforcement procedures in cases of noncompliance.

Another OSHA division is the OSH Technical Support Section which assists employers in interpretation of the OSH standards, and is responsible for the collection of occupational injury and illness statistics.

The Division of OSHA Education, Training and Consultation is perhaps the most important and helpful to both new and existing industries. This section provides assistance to employers to encourage voluntary compliance with South Carolina safety and health laws. This division will perform educational programs for a company and its employees. Most importantly, the division will provide on-site consultations and courtesy inspections. These consultations **do not** pre-empt regular inspections; however, the consultation does provide the company with an idea of what OSHA inspectors will be checking for during a normal visit. These services are free to both the public and private sectors upon request.

For further information concerning OSHA consultants,  
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