



**LABOR AVAILABILITY
IN SOUTH CAROLINA**

South Carolina

SEPTEMBER 2005

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SOUTH CAROLINA'S INTERSTATE HIGHWAYS



SOUTH CAROLINA

LABOR AVAILABILITY

Location

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

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 five 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. In fact, predictions are that the state will add more than 140,000 to the workforce over the next ten years (*Bureau of Labor Statistics, Employment Projections, 2004*). 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 percent of working time was lost due to labor unrest in 2004. 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 4.5 percent of South Carolina's workers are union affiliated.

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

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 2004 estimates, 4.2 million persons reside in the state of South Carolina. This figure represents a gain of more than 187,988 persons over the 2000 Census population of 4,012,012.

Labor Availability

The availability of labor has been a major contributing factor in the industrial and business growth of South Carolina. The civilian labor force for April 2005 was 2,073,100. 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 2004 was 6.8 percent, slightly above the United States average of 5.5 percent. 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.

In 2003, 32 percent of high school graduates in South Carolina chose not to go to college and chose to seek employment. This statistic, combined with an already relatively youthful population, demonstrates the availability of large numbers of potential job candidates. Civilian labor force estimates for 2004 indicate nearly 300,000 persons residing in South Carolina are aged 20 to 24, which will provide the numbers needed for employers with entry-level jobs.

Work Force Skill Levels

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 TECH's Center for Accelerated Technology Training (CATT).

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

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 Year 2003, over 11,600 students were graduated in the Degree, Diploma and Certificate Programs.

South Carolina Higher Education 2004 Post Secondary Graduates

- | | |
|----------------------|--------|
| • Associate Degrees | 7,200 |
| • Bachelors Degrees | 18,300 |
| • Masters/Doctorates | 5,400 |

CATT, 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 Year 2004, CATT worked with over 97 companies and trained over 5,100 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 30,000 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

This labor force profile examines three issues:

- 1) Labor force characteristics;
- 2) The availability of labor; and
- 3) Average wages and salaries.

Population

The population of South Carolina according to the 2004 estimates was 4.2 million. This figure represents a gain of more than 187,988 persons over the 2000 Census population of 4,012,012. 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

The total civilian labor force in South Carolina, according to April 2005 estimates, was 2,073,100. This represents a gain of more than 76,050 workers or nearly 4 percent over the 2000 Census labor force of 1,997,050.

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 36.1 years (2003) compared with the nation-wide median of 35.9 years. South Carolina also boasts nearly 450,000 of its labor force belonging to the 25-34 year age bracket (2004).

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

Total Population (2004)	4,198,068
Distribution by Age (2004)	
20-34	20.9%
35-49	22.0%
50-64	17.6%
Distribution by Sex (2004)	
Male	48.7%
Female	51.3%
Education (Age 25+)	
High School Graduates	76.3%
Some College	19.3%
College Graduates	13.5%
Post-Graduate Level	6.9%

Employment

Total non-agricultural wage and salary employment for the state was 1,906,571 (2004 annual average). This represents an increase of 30,396 persons in non-farm employment between 2000 and 2004. 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 2000 and 2003. The second table provides a more detailed analysis of employment within the manufacturing sector in 2003.

Employment by Sector			Manufacturing Employment	
	<u>2000</u>	<u>2003</u>		
Mining	0.1%	0.1%	<i>Durable Goods</i>	<i>48.6%</i>
Construction	6.4%	6.3%	Lumber & Wood Products	6.3%
Manufacturing	18.2%	15.6%	Furniture & Fixtures	3.2%
Transport/Utilities	4.8%	3.3%	Nonmetallic Mineral Products	6.8%
Wholesale/Retail Trade	24.1%	16.3%	Primary Metals	4.7%
Fin/Insur/Real Estate	4.4%	5.0%	Fabricated Metal	20.4%
Services	24.8%	35.7%	Industrial Machinery & Equipment	15.9%
Government	17.2%	17.7%	Electrical & Electronic Equipment	8.0%
			Transportation Equipment	23.1%
			Computer Manufacturing	5.7%
			Miscellaneous	5.9%
			<i>Non-Durable Goods</i>	<i>51.4%</i>
			Food & Kindred Products	13.6%
			Textile Mill Products	33.2%
			Apparel	3.0%
			Paper & Allied Products	10.5%
			Printing & Publishing	5.2%
			Chemicals & Allied Products	15.5%
			Rubber/Plastics	16.3%
			<i>Total Manufacturing Employment: 275,573</i>	
			<i>(2003 Annual Average)</i>	
<i>Total Employment: 1,762,970</i>				
<i>(2003 Annual Average)</i>				

Work Force Skill Levels

Overall, South Carolina boasts a higher per capita percentage of production workers than the average percentages for the nation or the Southeastern states. U.S. Bureau of Labor Statistics indicates that 11.6 percent of the employees in South Carolina were production workers in 2003, compared with a 7.7 percent national average.

Unemployment Rate

The unemployment rate represents the number of individuals who are actively seeking work and is a percent of the total civilian labor force. The 2004 statewide annual average unemployment rate was 6.8 percent and represented 139,607 individuals. By comparison, the unemployment rate one year previously was also 6.8 percent and represented 136,297 individuals.

Persons Not in the Labor Force

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 407,000 persons in the age group of 18-64 who are not participating in the labor force.

Persons Age 20-24

Civilian labor force estimates for 2004 indicate nearly 300,000 persons residing in South Carolina are aged 20 to 24, which will provide the numbers needed for employers with entry-level jobs.

Sources of Labor

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

Sources of Labor	
Estimated number of residents	
• Age 18-64 not currently participating in the labor force	407,739
• Currently unemployed.....	139,607
• Labor Force Age 20-24 (2004).....	<u>281,000</u>
Total Potentially Available Labor Statewide:.....	828,346

Employer-Employee Relations

Employer-employee relations in South Carolina are very stable and the state consistently ranks as one of the least unionized in the nation. In 2004, only 4.5 percent 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 2004, an average of less than .01 percent 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 \$30,240 in 2003.

As the adjacent table indicates, average wages in South Carolina overall are below the U.S. average.

	Average Wages and Salaries		
	2003 Average Weekly Wage	2003 Average Annual Salary	2004 Average Manuf. Wage
South Carolina	\$582	\$30,240	\$14.73/hr
United States	\$721	\$37,508	\$16.14/hr

State Labor Analysis

Population - 2004	4,198,068
Population - 2010 (Projected)	4,446,704
Persons Age 18-64 (Primary Workforce) 2004	2,593,525
As a percent (%) of the population	61.7%
Persons Age 20-24 (Civilian Labor Force) - 2004	281,000
Non-Agricultural Employment - 2004 Annual Average.....	1,906,571
Number Unemployed - 2004 Annual Average	139,607
Unemployment Rate - 2004 Annual Average.....	6.8%
Labor Force (Civilian) – 2004 Annual Average	2,046,179
Labor Force Participation Rate - 2004	48.7%
(Labor Force as a percentage of the total civilian population)	
Labor Force (Civilian) – 2000 Annual Average	1,997,450
Labor Force Change (Civilian) - 2000 to 2005	75,650
Males in the Civilian Labor Force.....	48.7%
Females in the Civilian Labor Force.....	51.3%
Labor Force (16-69) Education	
High School Graduates.....	76.3%
Some College	19.3%
College Graduates.....	13.5%
Post Graduate Education.....	6.9%

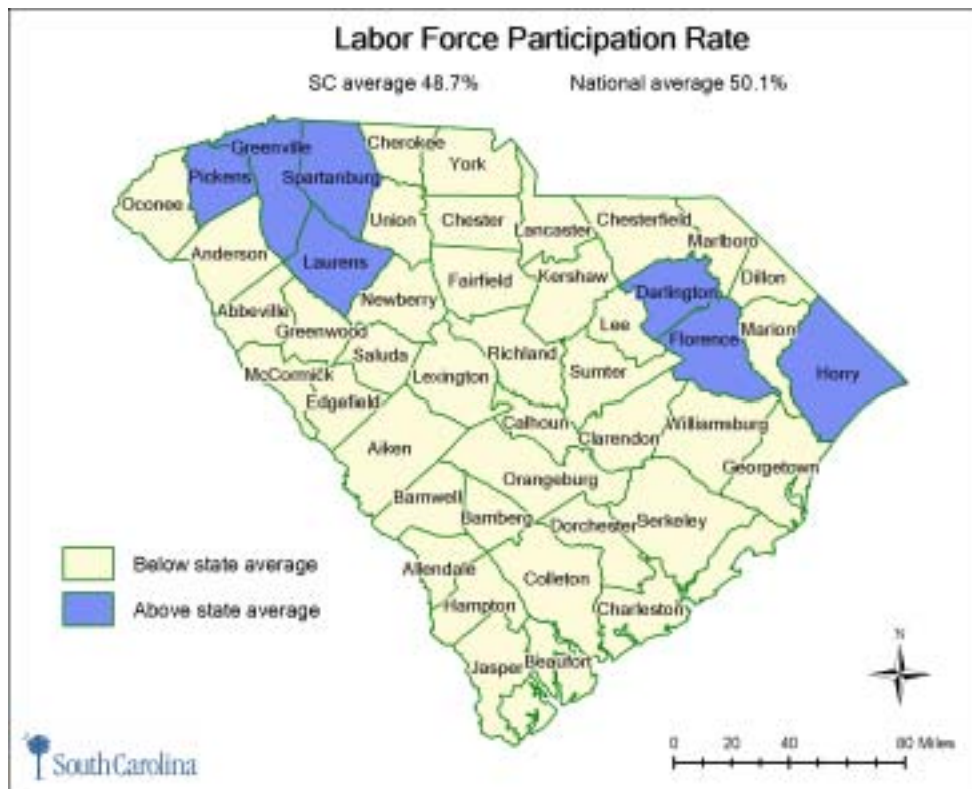
Compiled by: South Carolina Department of Commerce, August 2005.

Percent of South Carolina Labor Force in Agriculture			
Year	Employment in Agriculture	Total Persons Employed	Percent Agriculture of Total Employment
1940	261,056	655,573	39.8%
1950	196,971	755,233	26.1%
1960	94,036	803,733	11.7%
1970	33,697	954,556	3.5%
1980	31,398	1,293,000	2.4%
1990	24,500	1,545,000	1.6%
2000	21,000	1,834,800	1.1%

Source: Census Years

Labor Force Participation Rates	
Year	Rate
1960	34.8%
1970	39.5%
1980	43.3%
1990	50.1%
2000	50.7%
2001	49.8%
2002	49.1%
2003	48.3%
2004	48.7%

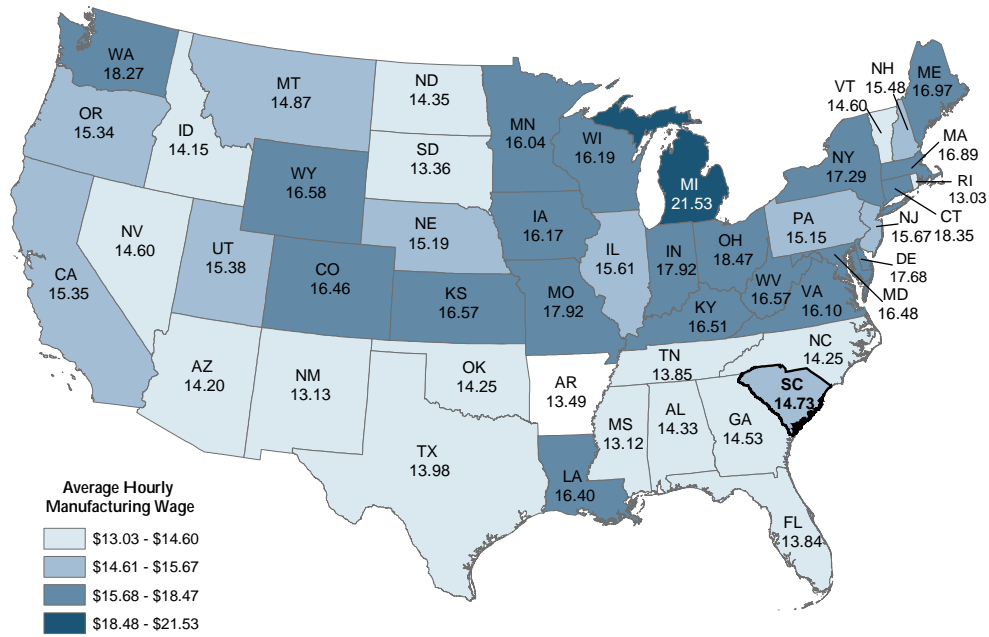
Percent of total population employed or actively seeking employment.



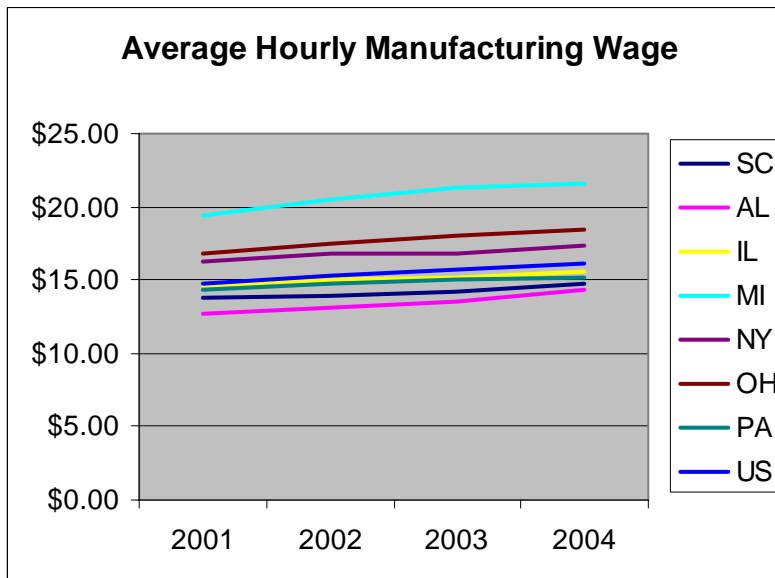
Average Annual Unemployment Rates by County 1997-2004								
County	1997	1998	1999	2000	2001	2002	2003	2004
Abbeville	6.5	4.9	5.3	4.0	7.1	8.7	9.4	8.6
Aiken	6.0	4.6	4.5	4.1	5.0	5.0	5.6	6.3
Allendale	6.7	6.0	6.7	4.3	4.3	4.8	5.5	10.5
Anderson	3.7	3.0	2.8	2.5	4.9	5.8	6.6	7.1
Bamberg	8.2	6.5	7.9	5.0	5.4	5.2	5.3	8.0
Barnwell	7.8	6.6	7.1	6.1	7.0	8.4	9.5	10.4
Beaufort	2.4	2.1	2.1	2.1	2.3	2.6	2.9	4.8
Berkeley	3.9	2.7	3.2	2.9	3.4	3.7	4.3	6.1
Calhoun	6.0	5.0	6.7	4.7	6.3	6.9	6.5	7.5
Charleston	4.2	3.1	3.1	2.8	3.0	3.9	4.3	5.9
Cherokee	3.9	3.8	4.0	4.8	6.7	7.0	8.7	9.6
Chester	9.1	9.0	8.5	7.1	9.4	12.1	14.6	10.9
Chesterfield	7.3	7.8	6.9	5.4	7.8	7.7	10.3	10.6
Clarendon	8.4	6.5	7.0	6.9	7.6	7.7	8.2	9.4
Colleton	4.9	4.4	5.0	4.1	4.5	5.8	7.2	7.8
Darlington	7.2	6.3	6.7	6.2	6.5	7.4	8.4	6.6
Dillon	8.2	7.0	8.8	10.0	10.8	9.5	10.9	10.2
Dorchester	3.6	2.9	2.8	2.8	3.5	3.9	4.2	5.4
Edgefield	4.7	4.5	5.1	3.2	4.2	4.5	4.3	6.6
Fairfield	7.7	8.1	3.6	7.0	11.6	11.5	13.9	9.0
Florence	5.6	4.5	5.0	4.6	5.2	6.4	7.4	6.7
Georgetown	9.6	7.7	7.6	7.5	8.7	9.2	12.4	10.0
Greenville	2.4	2.0	2.2	1.9	2.8	4.1	4.5	4.5
Greenwood	5.0	5.1	6.1	4.8	7.3	9.7	10.1	9.4
Hampton	5.7	5.2	5.5	4.7	5.8	7.7	9.5	9.8
Horry	4.6	3.7	3.6	3.5	4.1	4.5	5.2	6.0
Jasper	3.8	3.3	3.2	3.4	3.4	4.4	5.0	5.5
Kershaw	5.3	4.7	4.7	4.6	5.6	7.1	7.4	7.0
Lancaster	5.3	4.7	3.9	3.9	5.4	6.7	9.8	9.6
Laurens	3.9	3.1	3.3	3.3	7.9	9.8	9.6	5.4
Lee	9.7	8.6	7.9	8.0	7.3	7.3	8.2	9.1
Lexington	2.2	1.8	1.8	1.9	2.4	2.9	3.2	5.5
Marion	8.3	8.5	10.7	7.5	15.4	13.4	15.8	13.9
Marlboro	9.5	9.5	12.5	14.6	12.1	11.7	16.8	14.1
McCormick	12.4	12.4	11.8	9.7	9.8	11.4	13.7	11.8
Newberry	4.6	5.2	4.5	4.6	6.1	7.1	7.2	7.9
Oconee	4.4	3.6	3.8	3.5	5.5	7.2	8.3	7.5
Orangeburg	8.0	7.2	10.4	7.9	9.6	10.5	10.8	10.2
Pickens	3.2	2.8	3.0	2.4	4.3	5.3	6.1	5.1
Richland	3.0	2.2	2.5	2.6	2.9	3.8	4.4	6.7
Saluda	4.1	4.3	4.8	4.2	4.9	5.3	5.0	8.4
Spartanburg	3.8	3.3	3.9	3.3	4.5	6.1	6.9	7.7
Sumter	5.5	4.7	5.0	4.6	6.3	7.0	6.9	8.8
Union	6.5	6.6	6.9	6.2	9.9	12.8	12.6	12.9
Williamsburg	15.8	11.3	11.7	12.2	13.2	14.3	17.1	12.3
York	4.1	3.7	3.8	3.5	4.5	6.5	7.8	7.8
South Carolina	4.5	3.8	4.1	3.7	4.8	5.6	6.8	6.8
United States	4.9	4.5	4.2	4.0	4.8	5.8	6.0	5.5

Source: SC ESC, Labor Market Information Division, August 2005

Average Hourly Manufacturing Wage



Source: *May 2005 Employment and Earnings*, U.S. Department of Labor Bureau of Labor Statistics.

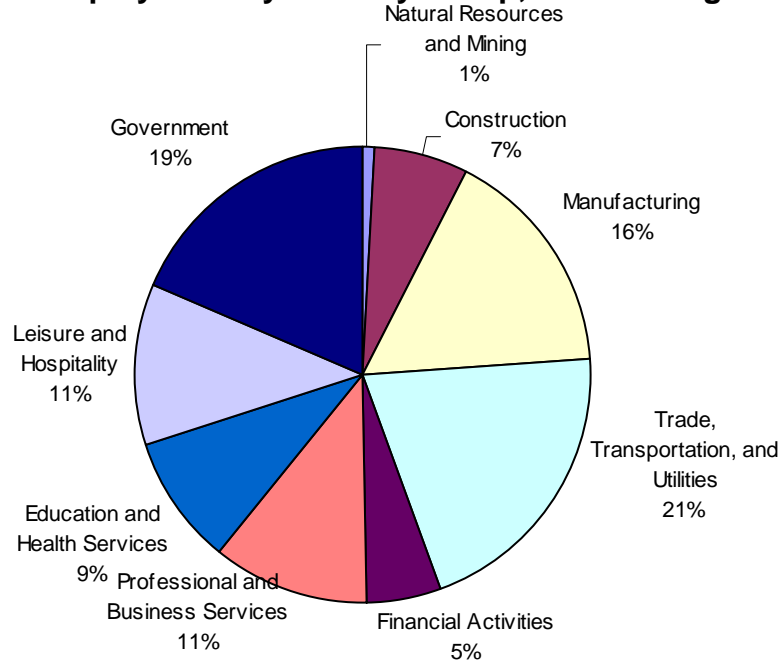


Annual Average of Hourly Average Manufacturing Wages				
	United States [†]	South Carolina [‡]	Dollar Difference	Percent of US
1960	\$2.26	\$1.57	-\$0.69	69.5%
1965	2.61	1.88	-0.73	72.0
1970	3.36	2.51	-0.85	74.7
1975	4.80	3.59	-1.21	74.8
1980	7.27	5.59	-1.68	76.9
1985	9.54	7.61	-1.93	79.8
1990	10.83	8.84	-1.99	81.6
1991	11.18	9.17	-2.01	82.0
1992	11.45	9.48	-1.97	82.8
1993	11.74	9.80	-1.96	83.3
1994	12.06	9.99	-2.07	82.8
1995	12.35	10.15	-2.20	82.2
1996	12.78	10.26	-2.52	80.3
1997	13.17	10.34	-2.83	78.5
1998	13.49	10.52	-2.97	78.0
1999	13.91	10.67	-3.24	76.7
2000	14.32	12.35	-1.97	86.2
2001	14.76	13.79	-0.97	93.4
2002	15.29	14.00	-1.29	91.5
2003	15.74	14.19	-1.55	90.1
2004	16.14	14.73	-1.41	91.2

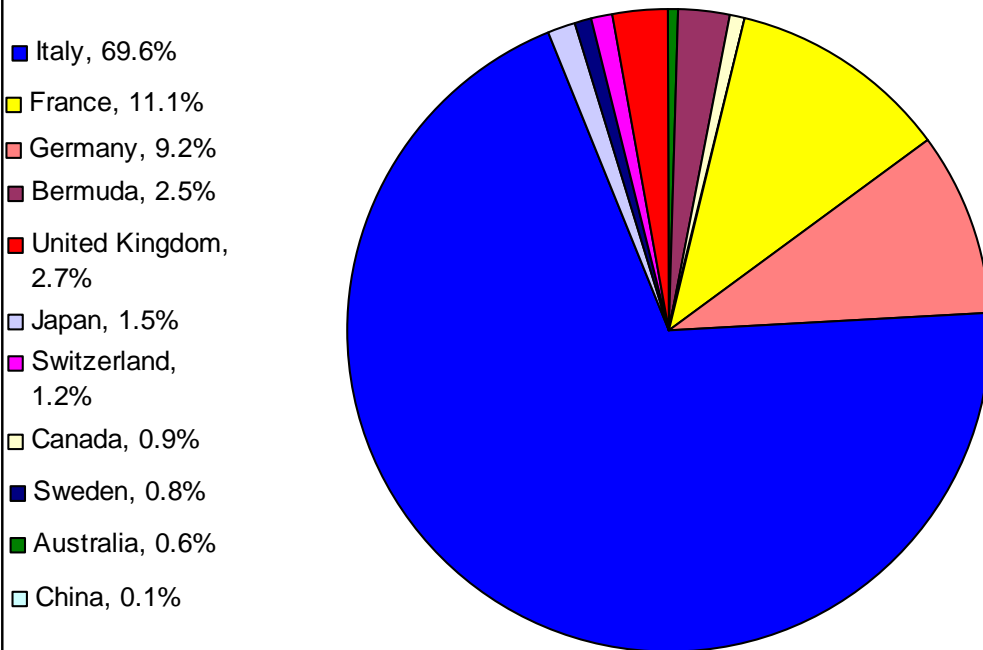
[†] Employment & Earnings, US Department of Labor, May 2005

[‡] Current Employment Statistics, Report on Hours and Earnings, US Department of Labor, BLS, May 2005

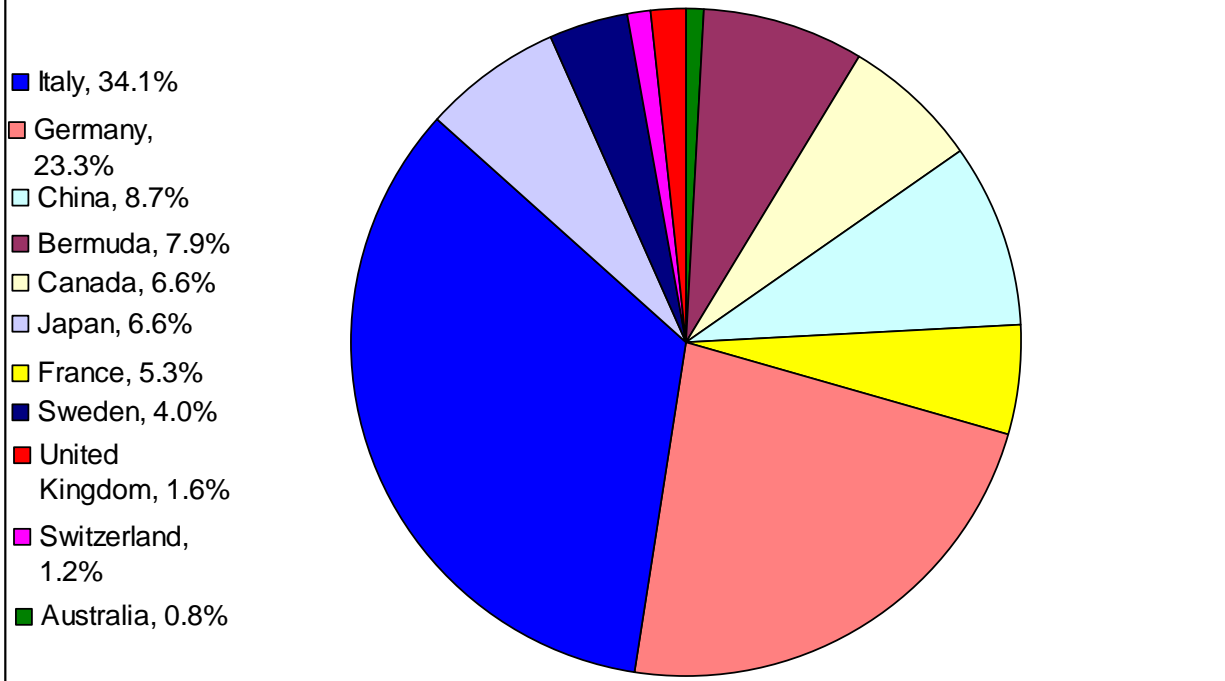
SC Employment By Industry Group, 2003 Average



Percentage of 2004 SC International Capital Investment by Country



Percentage of 2004 SC International Job Creation by Country



South Carolina's Sources of Labor

Estimated number of residents age 18 - 64 not currently participating in the labor force.	407,739
Estimated number of residents currently unemployed.	139,607
Persons 20-24 (2004 – Civilian Labor Force).....	<u>281,000</u>
 Total Potentially Available Labor Statewide:	 828,346

SOUTH CAROLINA'S UNEMPLOYMENT INSURANCE

For new employers, the contribution rate for the first twenty-four consecutive months of coverage is the federally mandated minimum of 3.34 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. The minimum contribution rates range from .54 percent to 5.4 percent by statute. 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.

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 \$303 per week.

The maximum period for the receipt of benefits under state legislation is 26 weeks.

SOUTH CAROLINA'S WORKERS' COMPENSATION INSURANCE

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 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 percent 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

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. Nearly 70 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, contact:

SC Department of Labor, Licensing and Regulation
P.O. Box 11329
Columbia, SC 29211
(803) 896-4300