

**Living Wage
and Job Gap Study**

Beaufort County, South Carolina

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I. Introduction

In ongoing policy debates regarding welfare reform and economic development in South Carolina and throughout the nation, unemployment and poverty rates are often relied upon as key indicators of economic well-being. Doing so diverts attention from those with jobs to those without, away from those living at the margins to those who have already fallen into despair. This neglect of the working poor assumes that those with jobs are earning a livable wage, that is, an employment-based income that allows them to meet the basic needs of their families without suffering critical hardship and without dependence on government assistance. This study examines the reality of that assumption for those living and working in Beaufort County, South Carolina. An overview of the economic health of Beaufort County and its residents is provided, a basic needs budget is constructed, a livable wage is calculated, and the extent of living wage jobs currently in the county is estimated.

II. Economic Health

The state of South Carolina has experienced rapid growth over the last decade, exceeding that of most of the nation. For instance, in the period 1992–1997 South Carolina ranked as the state with the second highest gain in service industry employment and the third highest for wholesale trade.¹ In 1999 alone, nearly 50,000 new jobs were added to the state’s economy with a gross state product of 5.4 percent compared to the nation’s 4.2 percent GDP.² The primary reason for growth was and continues to be related to the tourist industry, particularly along the coast in places like Beaufort County’s Hilton Head, an area that received 3,000 of the state’s new jobs in 1999. In addition to hikes in tourist spending, coastal South Carolina has witnessed extensive industrial development. That in conjunction with a similar trend in the interior has helped to create a dynamic and increasingly global economic environment. Yet despite South Carolina’s overall economic health, extreme regional and cross-county disparities exist in standards of living.

Per-capita personal income is a common measure for gauging differences in living standards as it may be understood as a representation of the ability to access goods and services and the discretion with which one is able to do so. As would be generally assumed, per-capita income for non-metro areas in South Carolina have traditionally been lower than that in metro areas, with a representative 16 percent differential in 1997.³ Among counties, based on this measure Beaufort emerges as the wealthiest with a per-capita income approximately 124 percent of the state average and 204 percent of the state’s poorest county.

¹ According to the U.S. Census Bureau 1997 Economic Census Comparative Statistics employment in service industries (taxable) in South Carolina increased by 39.6 percent from 1992 to 1997 and wholesale trade grew by 19.3 percent. Significant changes also took place in retail trade (24.6 percent), construction (20.1 percent), and finance, insurance, and real estate (18.6%) industries.

² First Union. January 2000. *South Carolina Year 2000 Outlook*. Tourism & New Industry Continue to Fuel South Carolina’s Growth. <http://business.firstunion.com/corp_inst> Accessed 10/20/01.

³ For statistical summary see Schunk, D. and D. Woodward. 2001. *A Profile of the Diversified South Carolina Economy*. Executive Summary. <<http://www.iopa.sc.edu/localgov/>> Accessed 10/22/01.

Other standard indicators of the economic health of an area are poverty rate, population change, and unemployment rate. The poverty rate for Beaufort resembles that for the nation at 13 percent and 13.3 percent, respectively, and is reasonably below the state estimate of 14.9 percent.⁴ Both the state and Beaufort county experienced population growth over the last decade, but the change in Beaufort was more than double that of the state as a whole with 39.9 percent county growth compared to a 15.1 percent change across South Carolina.⁵ Also, the unemployment rate for Beaufort County during the same period remained significantly below that of both the nation and the state, as evident in Figure 1.

These trends suggest that Beaufort County is a county of relative affluence, which may be true taken as a whole, but they mask the existence of a certain strata of the county population that has not been able to participate in that economic growth. For example, the unemployment rate for the county's non-white population (3.7) is approximately 176 percent of the county-wide average (2.1) and 247 percent of that of the white population (1.5), as shown in Table 1. Yet, even the stark differences in unemployment underestimate the gap between the wealthy and the poor in Beaufort County.

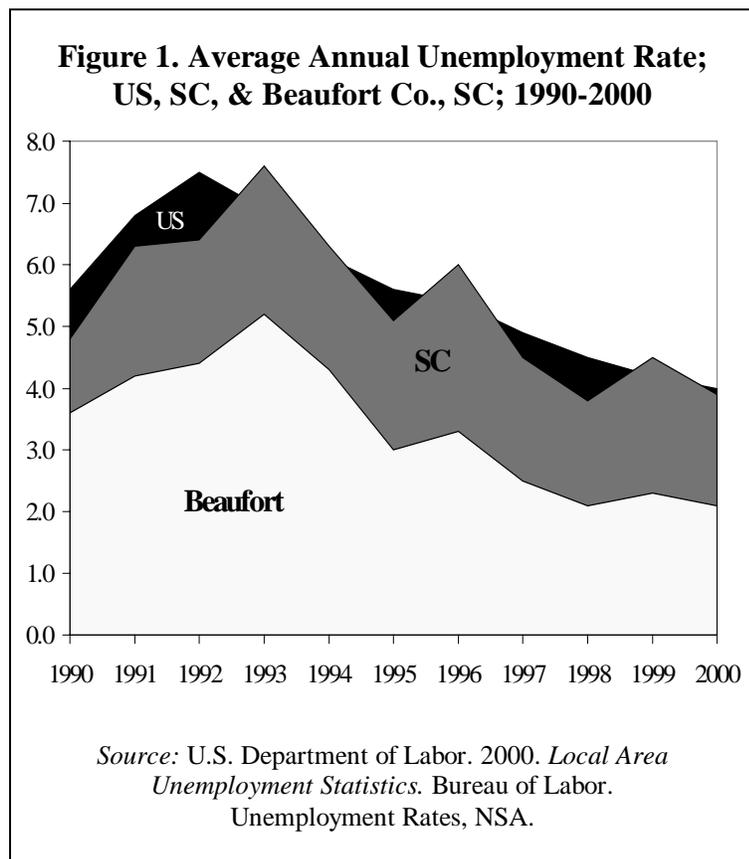


Table 1. Labor Force, Employment, & Unemployment Statistics by Race; Beaufort Co., SC; 1998

% of County	White	Other
% LF	74%	26%
% Emp	75%	25%
% Unemp	54%	46%
Unemp Rt	71%	176%

Ratio White to Non-White Unemp Rate

White / Other	41%
Other / White	247%

Source: South Carolina Budget and Control Board Office of Research and Statistics 2000-2001 *Statistical Abstract*

⁴ Percent persons below the poverty rate based on 1997 model estimates provided by the U.S. Census Bureau State and County Quickfacts.

⁵ Based on U.S. Census Bureau 2000 *Census of Population and Housing*.

For instance, unemployment figures are based on monthly estimates and therefore do not measure the total number of persons who may experience unemployment at any given time throughout the year. According to a 1995 survey conducted by the Bureau of Labor Statistics, that number was 2.44 times the monthly unemployment estimates.⁶ Also, unemployment counts do not include marginally attached workers—those who are unable to seek work for personal or financial reasons (e.g., lack of child care or transportation), new entrants to the labor force, or involuntary part-time workers (i.e., those working part-time for reasons other than personal).

As such, it can be argued that standard indicators of an area's economic health not only underestimate the number of individuals experiencing hardship, but also the degree of their hardship relative to the remainder of the population. Therefore, a better measure of economic health is needed, one that not only provides a more accurate representation of labor market conditions, but also the ability of individuals to meet their basic needs relative to those conditions. One such measure follows by way of estimation of a living wage and its comparison to the wage structure and employment opportunity in Beaufort County.

III. Basic Needs & A Living Wage

Analysts and policy makers often compare income to the federal poverty threshold in order to determine an individual's ability to live within a certain standard of living. However, poverty thresholds do not account for living costs beyond a very basic food budget. The federal poverty measure does not take into consideration costs such as child care and health care that not only draw from one's income, but also are determining factors in one's ability to work and to endure the potential hardships associated with balancing employment and other aspects of everyday life. Further, poverty thresholds do not address geographic disparities in relation to those costs.

This report presents an alternative to the poverty threshold as a measure of basic needs. The market-based approach described here draws upon geographically specific expenditure data from multiple sources in reference to food, child care, health insurance, housing, transportation, and other basic necessities (e.g., clothing). It also considers the additional burden of income-based taxes in determining the minimum financial requirement derived from employment necessary to meet one's basic needs while also maintaining self-sufficiency.

The standard of living supported by this basic needs budget is a step up from poverty as measured by the poverty thresholds, but it is indeed just an estimate of basic needs. It does not allow for what some may consider necessities in reference to the quality of life enjoyed by the majority of Americans. It does not budget funds for pre-prepared meals or those eaten in restaurants, does not include money to be spent on entertainment, and does not allocate leisure time for unpaid vacations or holidays. In addition, it does not provide a financial means for planning for the future through savings and investment or for the purchase of capital assets (e.g., provisions for retirement or home purchases). In essence, it can be viewed as a minimum income standard that if met draws a very fine line between the financial independence of the working poor and the need to seek out public assistance.

⁶ The Department of Labor, Bureau of Labor Statistics collects work experience data for the entire year in supplemental questions to the March Current Population Survey (CPS). The figure reported here reflects the associated findings of the 1995 CPS.

Budget Construction

The individual components of the basic needs budget are presented in the following sections. Each explanation includes the data source(s) and measurement structure of the cost categories. Based on that information, the annual income necessary to meet the basic needs budget is calculated using a simple mathematical formula:

Basic Needs Budget (or After Tax Income) = food costs + child care costs + health insurance costs + housing costs + transportation costs + other necessities costs

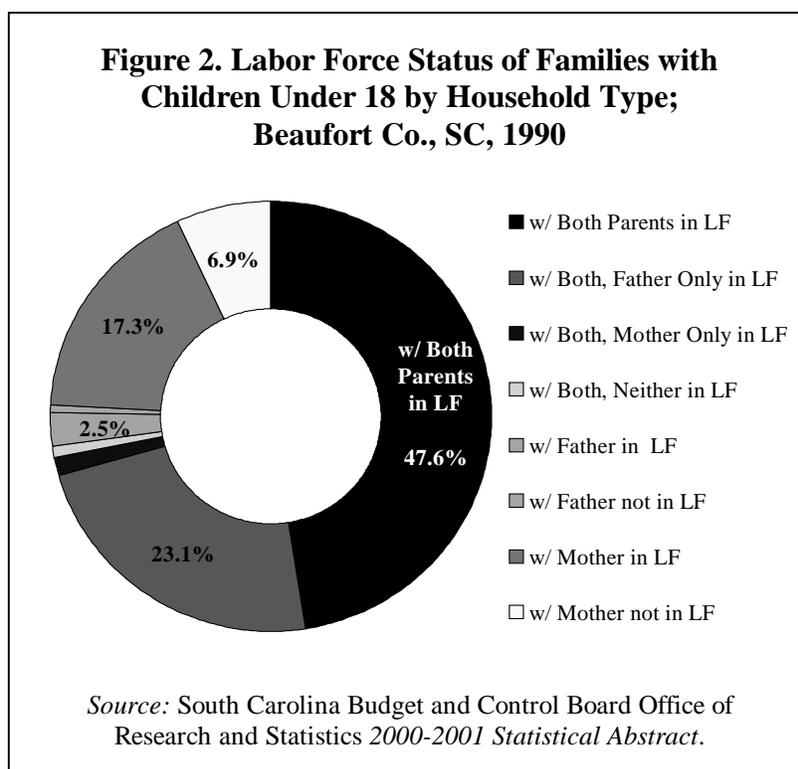
Households

The cost of basic needs was calculated for five different family units that were chosen based on their prevalence in the Beaufort population. The majority of Beaufort households consist of married-couples (see Table 2).

Table 2. Prevalent Family Units; Beaufort County, 2000

Total Households	45,532	100.0%
Married-Couple w/o Children	16,665	36.6%
Married-Couple w/Children	9,820	21.6%
Female Householder w/o Children	1,817	4.0%
Female Householder w/Children	3,181	7.0%
Householder Living Alone	9,796	21.5%
Average Household Size		2.51
Average Family Size		2.90

Source: U.S. Census Bureau. October 2001. *2000 Census of Population and Housing*. Table DP.1. Profile of General Demographic Characteristics: 2000.



Among the households with children, most are composed of two parents participating in the labor force. Where only one parent is in the labor force it is generally the father. However, in one-parent households the majority participating in the labor force are female-headed, as shown in Figure 2.

Food

The food budget is based on the USDA's low-cost food plan.⁷ The low-cost plan is the second least expensive food plan offered from among four plans that specify food purchases that families may make in order to provide a nutritious diet for family members.⁸ The assumptions made in the calculation of the low-cost plan are that families will select lower-cost foods within any particular food group and that all meals (including snacks) will be prepared in the home.

The total food budget included in the basic needs calculation varies by family size, average age for children and adults, and adult gender. Where only one adult is present the budget is based on the average female consumption cost and where two adults are present one is assumed to be female and the other male. The USDA figures, which are at the national scale, were adjusted

⁷ Price estimates for the low-cost food plan are updated by the USDA's Nationwide Consumption Survey. The values used in this work reflect the official USDA food plan costs as of August, 2001.

⁸ The Census Bureau uses the lowest cost food plan published by the USDA, the thrifty food budget, in order to derive federal poverty thresholds. This is a highly criticized practice because the thrifty plan does not provide a very nutritious diet and is only meant for temporary or emergency use.

downward for Beaufort costs based on the Consumer Price Index food at home estimates for non-metropolitan areas in the South.

Child Care

Working parents have found it increasingly more difficult to obtain adequate child care at a reasonable rate. This is particularly true for the working poor whose lack of affordable choices stand as one of the most significant barriers to workforce participation. At the same time, recent welfare reform has made it more difficult for parents to opt out of the labor force and in doing so has created an even greater demand for low-cost child care services than in the past. This situation has placed child care as the second most important factor in determining basic needs budgets for families with children.

Child care costs were taken from a report written by the Children's Defense Fund (CDF) that offers average costs for school-age care, both in care centers and by family care, for most states and some cities.⁹ It is assumed that the lowest care costs possible would be selected by low-income groups; therefore, state estimates for family care in South Carolina were used in the budgeted costs in this work.

Medical Expenses

Medical costs are the most difficult to efficiently calculate due to the multitude of variables that may impact health care expenditures, such as the relative health of household members and the range of coverage and affiliated costs under alternative medical plans. The extent of expenses in the basic needs budget includes health insurance costs where the employer pays part of the premium, and medical services and supplies. Costs for medical services and supplies were derived from regional estimates provided in the Bureau of Labor Statistics Consumer Expenditure Survey.¹⁰ Average monthly costs for Beaufort County were determined by percent of annual income expenditures reported by southern respondents and household size.

Health insurance costs are estimates calculated using the Health Insurance Component Analytical Tool (MEPSnet/IC) provided online by the Agency for Healthcare Research and Quality. Baseline statistics used in the tool are derived from the insurance component of the Medical Expenditure Panel Survey.¹¹ The criteria for cost estimation included premiums and contributions of plans of employees enrolled at private-sector establishments; both single and family plans separately; all provider types combined; average employee contribution; by specific state. Therefore, the health insurance costs in the basic needs budget represent statewide averages for the percentage of total healthcare premiums contributed by employees for both single and family-based premiums.

⁹ This work uses 2000 state estimates for family care as published in CDF's *The High Cost of Child Care Puts Quality Care Out of Reach for Many Families*.

¹⁰ Data extracted from the U.S. Department of Labor, Bureau of Labor Statistics 1999 Consumer Expenditure Survey, Current Expenditure Shares Table, Region of Residence.

¹¹ The Medical Expenditure Panel Survey was conducted in 1998 by the Agency for Healthcare Research and Quality, Center for Cost and Financing Studies.

Housing

Housing costs represent those associated with rental units as calculated by the Department of Housing and Urban Development (HUD). HUD estimates Fair Market Rents (FMR) for housing and utility costs based on the number of bedrooms in each unit, from zero to four bedrooms, and their geographic location as designated by non-metropolitan counties and metropolitan statistical areas (MSA).¹² Basic needs budgets calculated in this study assume a single occupancy unit (zero bedrooms) for an individual adult household, a single bedroom for two adults, and two bedrooms for those with children with a shared room for multiple children.

Capturing the geographic variation for this cost indicator is the most important since housing costs make up the single largest percentage of household expenditures while also exhibiting the greatest degree of regional variation. This is quite clear for Beaufort County as estimated in this work. Housing costs were found to range anywhere from 24 percent of the total basic needs budget for a family of four living in a two-bedroom unit to 43 percent for an individual living in a single occupancy unit. Also, the average Fair Market Rents for Beaufort, a non-metro county, exceed those for both metro and non-metro counties as well as the state of South Carolina as a whole (see Table 3).

Table 3. Average Fair Market Rents; State & County Designation; 2002

	0 BR	1 BR	2 BR	3 BR	4 BR
South Carolina	\$343	\$400	\$474	\$611	\$706
Beaufort County	\$425	\$521	\$600	\$749	\$839
Non-metro Counties	\$303	\$356	\$429	\$550	\$630
Metro Counties	\$418	\$482	\$559	\$727	\$849

Source: Derived from 2002 *Fair Market Rents by State* (Final Data). October 2001. U.S. Department of Housing and Urban Development. *Federal Register* 24 CFR Part 888 May 9 2001.

¹² Fair Market Rents are updated annually. Those used in this work are the final Fair Market Rents for the Housing Choice Voucher Program and Moderate Rehabilitation Single Room Occupancy Program for FY(2002).

Transportation

The transportation budget relies on per mile operational costs provided by ECONorthwest and average miles driven in non-metropolitan areas as reported in the U.S. Department of Transportation Nationwide Personal Transportation Survey (NPTS).¹³ The NPTS provides data on the characteristics of non-commercial travel by all modes of transportation, however, only costs related to personal automobile use were included in the basic needs budget for Beaufort. It is assumed that automobile transportation would be the most likely mode of transportation for Beaufort County residents since the majority resides outside urban or in rural areas.¹⁴ Operational costs include fuel and routine maintenance based on usage as well as a low-cost per-year premium for insurance costs. The budget does not include vehicle purchases and only accounts for one vehicle per household.

Other Necessities

The basic needs budget allows for other necessary items not included in the major budget categories, such as clothing, a telephone, and housekeeping supplies. Expenditures for these other necessities are based on data from the Consumer Expenditure Survey.¹⁵ Annual costs for other necessities reported in the survey equal approximately one-third of total food and housing costs on average for the nation. This nationally aggregated measure was adjusted downward for geographic variations in the percentage of total income spent on housing and food at home reported for households in the South in comparison to the nation as a whole.

Living Wage Estimation

A livable wage is defined as an hourly wage or the annual income necessary to cover basic household needs *plus* all relevant taxes while maintaining economic independence from publicly provided income and housing assistance. As such, estimates for payroll taxes, state income tax, and federal income tax are included in the calculation. Property taxes and sales taxes are already represented in the budget estimates through the cost of rent and other necessities.

A flat rate is applied to both payroll and state income tax. Payroll tax is a nationally representative rate and state tax is based on the lowest income rate for South Carolina as reported by the Federation of Tax Administrators.¹⁶ The federal income tax is derived from standard tax tables supplied by the Internal Revenue Service.¹⁷ The annual after-tax total less the payroll tax

¹³ ECONorthwest determined per mile operational costs based on an average one-way commute distance for each county using commute times reported in the 1990 Census and an average commute speed of 30 miles per hour. See Taponga and Witt 1998 for reference. The NPTS values stem from Table 5.52 of the survey report, *Number of Vehicle Miles of Travel by MSA Size and Time of Day 1990*.

¹⁴ The State of South Carolina reported 67.3 percent of the Beaufort County population residing outside urban areas and 32.7 percent in rural areas in its 1990 county profiles.

¹⁵ Data extracted from the U.S. Department of Labor, Bureau of Labor Statistics 1999 Consumer Expenditure Survey, Current Expenditure Shares Table, Region of Residence.

¹⁶ The payroll tax rate is provided in the Economic Policy Institute *Guide to Creating a Basic Family Budget* and state tax rates for 2001 have been compiled by the Federation of Tax Administrators.

¹⁷ 2000 Form 1040 Instructions were used to calculate the federal tax for this study.

is used for both state and federal taxable income. The tax values are applied to the basic needs budget in the following manner:

$$\text{Annual Livable Income} = \text{annual after tax income} - \text{payroll tax} + \text{state income tax} + \text{federal income tax}$$

Estimated basic needs for each household type and resultant living wages are presented in Table 4. The living wage assumes year-round full-time work, 40 hours per week for 52 weeks, for one adult in each household.

	One Adult	One Adult/ One Child	Two Adults	Two Adults/ One Child	Two Adults/ Two Children
<i>Monthly Costs</i>					
Food	\$139.40	\$244.68	\$300.24	\$405.52	\$510.80
Child Care	\$0.00	\$307.38	\$0.00	\$307.38	\$614.75
Medical	\$68.48	\$220.30	\$220.30	\$256.32	\$292.34
Housing	\$414.63	\$585.37	\$508.29	\$585.37	\$585.37
Transportation	\$143.44	\$143.44	\$143.44	\$143.44	\$143.44
Other Necessities	\$174.31	\$261.15	\$254.38	\$311.75	\$344.87
<i>Monthly After Tax</i>					
Income	\$940.27	\$1,762.32	\$1,426.66	\$2,009.78	\$2,491.57
<i>Annual After Tax</i>					
Income	\$11,283.25	\$21,147.79	\$17,119.88	\$24,117.31	\$29,898.88
Payroll Tax	\$863.17	\$1,617.81	\$1,309.67	\$1,844.97	\$2,287.26
State Income Tax	\$260.50	\$488.25	\$395.26	\$556.81	\$690.29
Federal Income Tax	\$1,564.00	\$2,929.00	\$2,374.00	\$3,341.00	\$4,144.00
<i>Annual Livable</i>					
Income	\$12,244.58	\$22,947.23	\$18,579.47	\$26,170.15	\$32,445.90
Living Wage	\$5.89	\$11.03	\$8.93	\$12.58	\$15.60

Note: All variable estimates were converted to 2001 dollar values using the Consumer Price Index (CPI) Conversion Factors for the year 2001 (preliminary).¹⁸

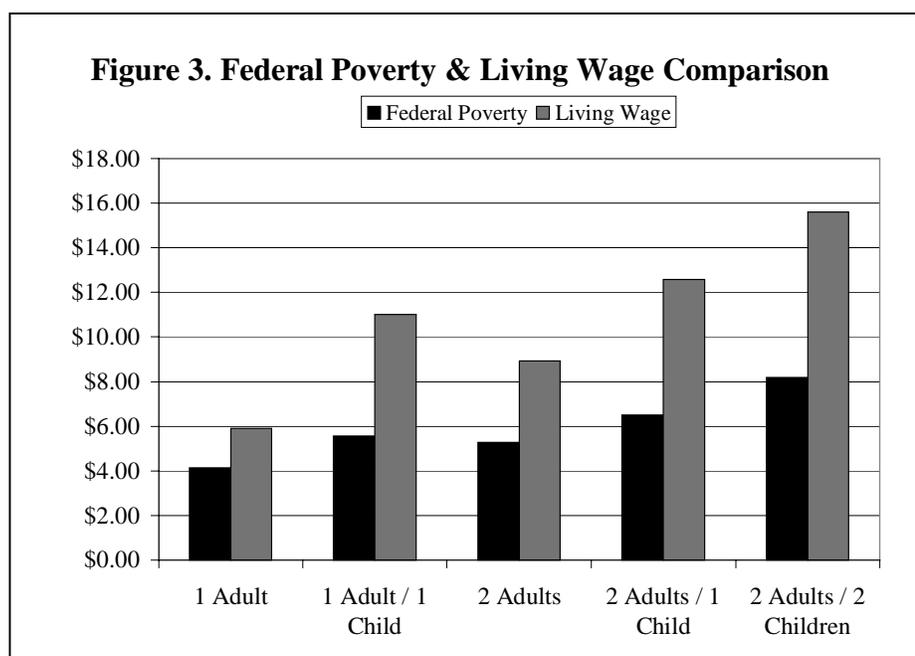
¹⁸ Use of the Consumer Price Index does not alter the composition of the market basket used in the basic needs budget or the relative price structure for the study area. It merely measures how that expenditure base has changed over time due to inflation.

The state of South Carolina does not have a minimum wage law with which to compare the living wage. However, it can be noted that the federal minimum wage (\$5.15/hr.) is below the living wage for all estimated household types.¹⁹ So too is the federal poverty rate (see Figure 3 and Table 5).

Poverty

Living wage estimates for Beaufort range from 143 percent of the federal poverty threshold for one adult to 198 percent of the threshold for a one adult and one child household. This suggests that federal poverty rates severely underestimate economic hardship in Beaufort County. Furthermore, in conjunction with the prevalence of “pockets of affluence” within the county, such as the concentration of wealth exhibited in Hilton Head and Sun City, less fortunate communities (e.g. Shelton Township) who currently have difficulty qualifying for government assistance programs that rely on county-wide poverty fall even further from having their critical needs met than recognized.

1 Adult	143%
1 Adult / 1 Child	198%
2 Adults	169%
2 Adults / 1 Child	194%
2 Adults / 2 Children	190%



Note: All federal poverty measures were derived from the U.S. Census Bureau Poverty Thresholds in 2000 and converted to 2001 dollar values using the Consumer Price Index (CPI) Conversion Factors for the year 2001 (preliminary).

¹⁹ The U.S. Department of Labor provides an overview of minimum wage laws for all states and the majority have laws with wage rates equal to the federal standard of \$5.15 per hour.

Income

A comparison of Beaufort County living wage rates to resident income reveals that about 14 percent of all households have an income below the living wage for one adult and 40 percent have an income below the living wage for the two adult/two child household type. Among the county population as divided by race, approximately 70 percent of all black households have an income below the living wage for two adults and two children and with nearly half remaining below a living wage for households consisting of only one adult (see Figure 4). The group with the fewest number of households with an income below the living wage for that group is white, however the gap narrows as household size increases when taken as a percentage of all households (see Table 6).

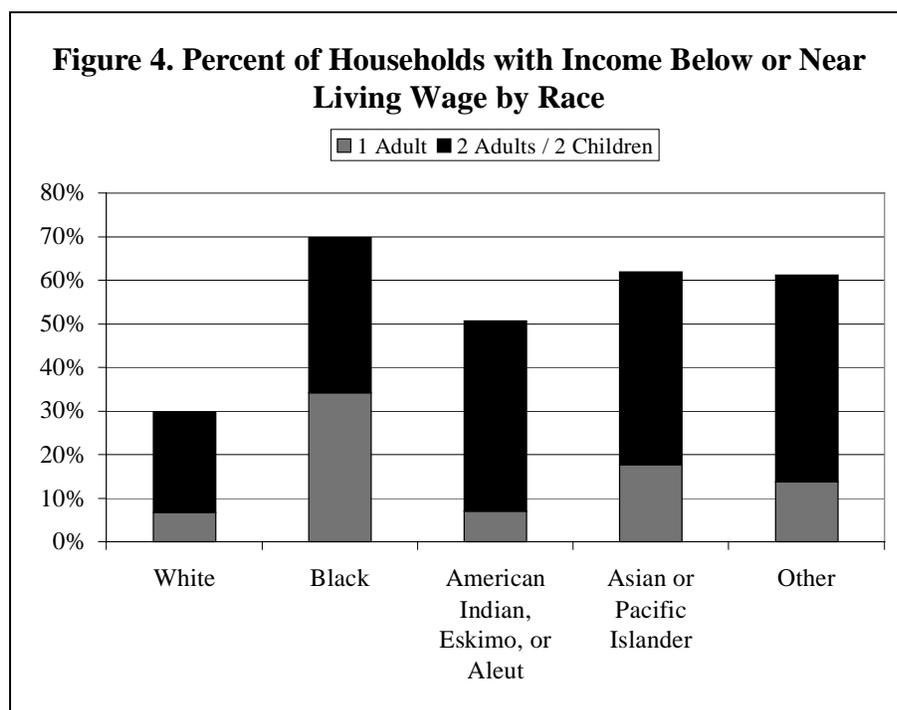


Table 6. Percent of All Households w/Income Below Living Wage

<i>1 Adult</i>	
White	36%
Black	63%
Other	1%
<i>2 Adults/ 2 Children</i>	
White	54%
Black	44%
Other	2%

Note: Income by race estimates are based on the 1990 Census.²⁰ The 1 adult category includes households with an income below \$9,999 and the 2 adult/2 children category includes households with an income below \$24,999. Both are compared to 2001 annual living wage estimates converted to 1990 dollar values using the Consumer Price Index (CPI) Conversion Factors for the year 2001 (preliminary).

²⁰ U.S. Census Bureau. 1990. *1990 Census of Population and Housing*. STF3A. Race of Householder by Household Income. <<http://venus.census.gov/cdrom/lookup>> Accessed 10/22/01.

IV. Job Gap

All major industries in Beaufort supply a living wage that supports a one-adult household (see Table 7). However, the percentage of living wage per industry changes drastically with the increase in household size, particularly for service related industries, which are the largest county employers in aggregate. For example, accommodation and food services employs 21 percent of all workers in Beaufort and yet it only provides 51 percent of the living wage for a two-adult/two-child household. Further, for households with one adult and one child, 58.2 percent of jobs are in industries that on average do not pay a living wage (see Figure 5). The majority that do pay a living wage fall into the construction and health care and social assistance job categories, which together make up 24.3 percent of all jobs by industry.

**Table 7. Annual Mean Employee Pay by Industry
as a Percentage of Annual Living Wage by Household Type**

Industry / Household	1 Adult	1 Adult/ 1 Child	2 Adults	2 Adults/ 1 Child	2 Adults/ 2 Children
Admin, Support, Waste Mgmt., Remediation Svc.	161%	86%	106%	76%	61%
Health Care & Social Assistance	266%	142%	175%	124%	100%
Accommodation & Food Svc.	135%	72%	89%	63%	51%
Other Services	166%	89%	109%	78%	63%
Construction	254%	135%	167%	119%	96%
Manufacturing	251%	134%	166%	118%	95%
Wholesale Trade	284%	152%	188%	133%	107%
Retail Trade	162%	87%	107%	76%	61%
Transportation & Finance & Insurance	252%	135%	166%	118%	95%
Professional, Scientific, & Technical Services	335%	179%	221%	157%	127%
All Industries	342%	183%	226%	160%	129%
	205%	110%	135%	96%	77%

Note: Industry figures based on 1998 estimates converted to 2001 dollar values using the Consumer Price Index (CPI) Conversion Factors for the year 2001 (preliminary).²¹

²¹ Industry data from the South Carolina Budget and Control Board Office of Research and Statistics *2000-2001 Statistical Abstract*. Chapter 4 Business and Industry. Establishments, Employees, and Annual Payroll by Major Industry Group by County, 1998. <<http://www.ors.state.sc.us/>> Accessed 10/18/01.

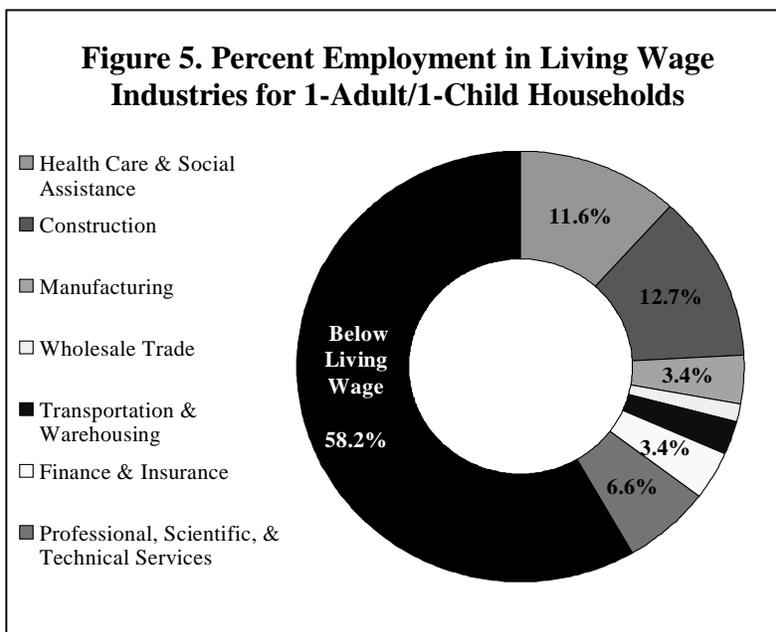


Table 8. Mean Hourly Wage by Occupation as a Percentage of Hourly Living Wage by Household Type

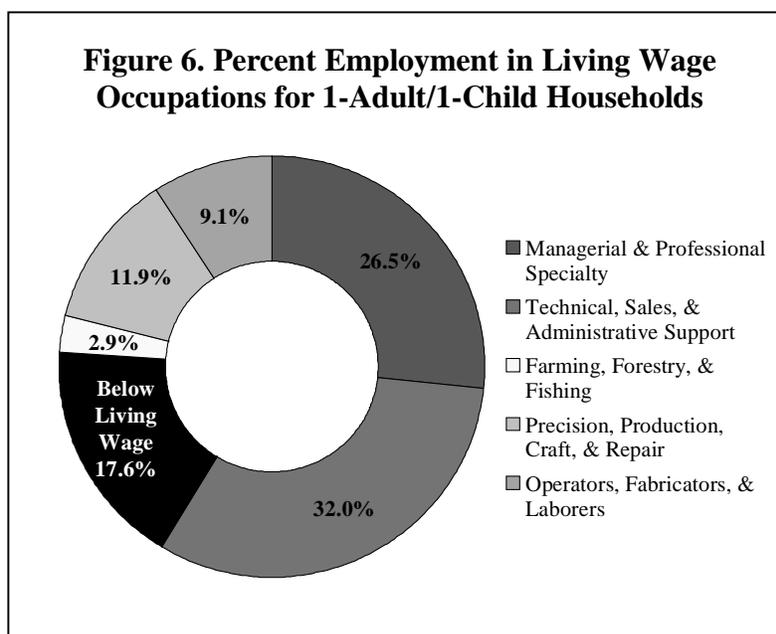
Occupation / Household	1 Adult/		2 Adults/ 2 Adults/ 2		
	1 Adult	1 Child	2 Adults	1 Child	Children
Managerial & Professional Specialty	389%	208%	257%	182%	147%
Technical, Sales, & Administrative Support	339%	181%	224%	159%	128%
Service	163%	87%	108%	76%	62%
Farming, Forestry, & Fishing	261%	139%	172%	122%	99%
Precision, Production, Craft, & Repair	211%	113%	139%	99%	80%
Operators, Fabricators, & Laborers	228%	121%	150%	107%	86%
All Occupations	265%	142%	175%	124%	100%

Note: Employment by occupation estimates are based on the 1990 Census.²² Mean hourly wage estimates were compiled from 1999 occupational employment and wage estimates for the state of South Carolina and were converted to 2001 dollar values using the Consumer Price Index (CPI) Conversion Factors for the year 2001 (preliminary).²³

²² U.S. Census Bureau. 1990. *1990 Census of Population and Housing*. STF3A. Occupation. <<http://venus.census.gov/cdrom/lookup>> Accessed 10/22/01.

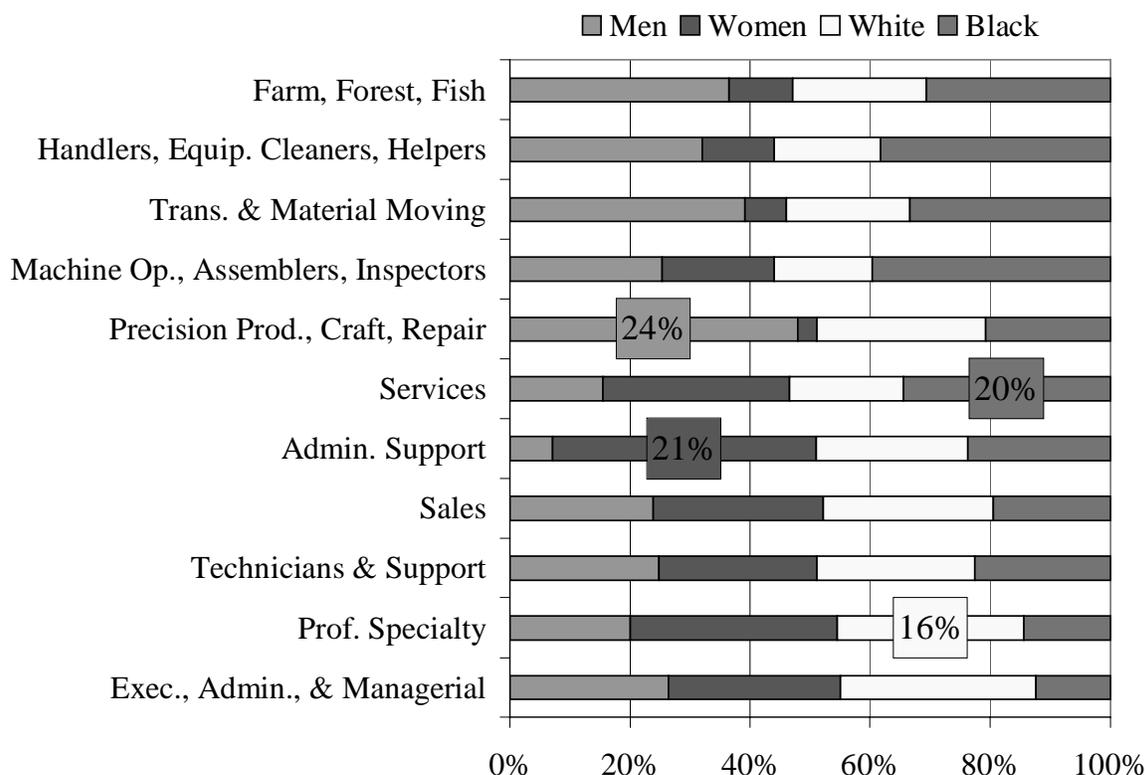
²³ Census occupational categories for 1990 were compared with *Standard Occupational Classification (SOC) Equivalents* provided by the Census Bureau in order to bridge the categorical listings between the 1990 Census and the Department of Labor, Bureau of Labor Statistics *1999 State Occupational Employment and Wage Estimates*. .

Employment by occupation shows a less drastic gap between current wage employment and the living wage (see Table 8). Yet, service occupations remain the lowest of all paying jobs. Such is the case for one-adult/one-child households in which 17.6 percent of all jobs by occupation are in services (see Figure 6).



However, not all occupations are equally held by all job seekers. A breakdown of occupations as distributed by sex and race in South Carolina shows that the lowest paying jobs are held by 20 percent of the employed black population, that is in service occupations, which have a mean hourly wage less than \$10 per hour (see Figure 7). That implies that few black working households greater in size than one adult are earning a living wage in Beaufort County. The disparity between the wealthier of the population and the poorer based on race becomes clearer when contrasting black to white. The largest concentration of jobs by occupation held by the state's white population is in professional specialties (16%), which pay a mean wage more than double that of services at nearly \$23 per hour.

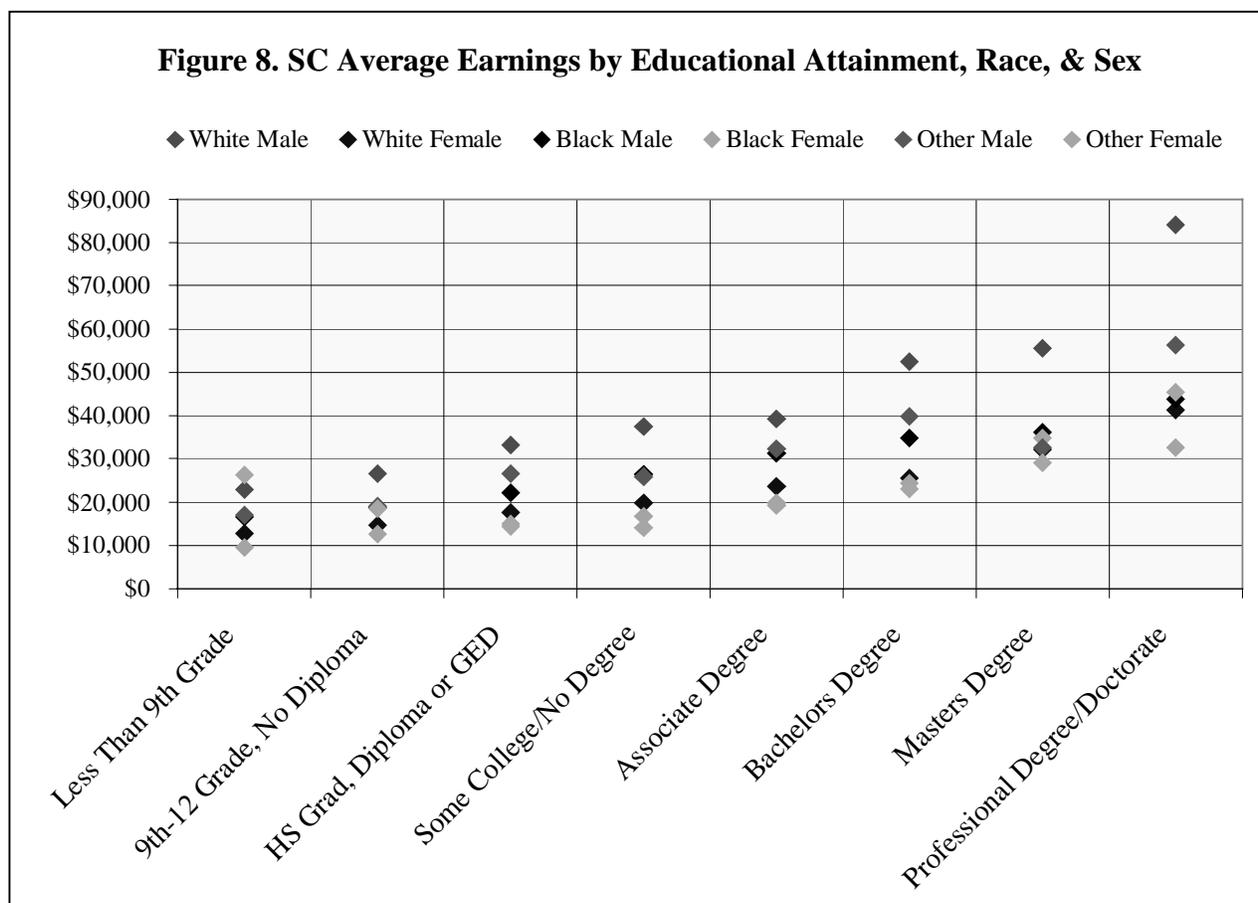
Figure 7. Percent Distribution of Employment in SC by Occupation, Sex, & Race, 1998



Source: South Carolina Budget and Control Board Office of Research and Statistics
2000-2001 Statistical Abstract

Stark differences also exist based on gender. The largest concentration of women working in South Carolina is in administrative support positions that have a mean wage of nearly \$20 per hour. Men, on the other hand, are mostly located in precision production, craft, and repair occupations, which pay significantly less on average at just over \$12 per hour. This suggests that female-headed households are more likely to earn a living wage than are their male counterparts. However, this is greatly skewed by race and education, as shown in Figure 8. In South Carolina men on average earn more than women, particularly as education increases, and white men more so than black, while women remain fairly equal regardless of race.

The relevance to Beaufort is that the majority of the black population has low levels of educational attainment in comparison to the white population (*see* Table 9). Therefore, it is likely that the difference between male and female occupational wage levels is more concentrated in the black households than the white. If true, then black male-headed households can be said to find greater difficulty in achieving a living wage than black female-headed households in Beaufort.



Note: Average earnings figures are based on 1990 estimates converted to 2001 dollar values using the Consumer Price Index (CPI) Conversion Factors for the year 2001 (preliminary).²⁴

Table 9. Educational Attainment by Race; Beaufort Co., SC, 1990

	White	Black	Other
Less than 9th Grade	1.7%	18.1%	10.0%
9th to 12th Grade, no diploma	7.4%	20.4%	20.4%
HS Graduate, diploma or GED	25.3%	33.4%	33.8%
Some College, no degree	25.7%	15.3%	12.7%
Associate Degree	7.2%	4.7%	4.2%
Bachelor's Degree	23.1%	4.9%	14.4%
Graduate or Professional Degree	9.7%	3.2%	4.6%

Source: U.S. Census Bureau. 1990. *1990 Census of Population and Housing*. STF3A.

²⁴ South Carolina Budget and Control Board Office of Research and Statistics. *2000-2001 Statistical Abstract*. South Carolina Average Earnings by Educational Attainment, Race, and Sex 1990.

V. Conclusions

Rent and child care costs represent a severe burden in the ability of working families to achieve economic self-sufficiency. For instance, for Beaufort's average family of two adults and one child, rental costs take up approximately 27 percent of their income and child care uses up another 16 percent. The federal minimum wage covers little more than 40 percent of that household's basic needs budget and the federal poverty measure under-estimates those needs by about 94 percent. Income from full-time, year-round work in existing jobs in Beaufort are inadequate in meeting the basic needs for a significant portion of all households, but that inadequacy is highly concentrated in the black population. The occupations most under-serving the working poor are in the services industries, which based on current economic trends, are projected to grow at a rate far exceeding all other industries.²⁵ Therefore, further research into the potential for increased wages in the services industries as well as greater opportunity for racial equality in education and employment in Beaufort County is needed.

²⁵ For industry employment projections for South Carolina *see* South Carolina Budget and Control Board Office of Research and Statistics *2000-2001 Statistical Abstrac..*

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