

The background features a dark blue field with a repeating pattern of small white stars. On the left, a large, light blue crescent moon is partially visible. On the right, a stylized palm tree with a textured trunk and fan-like fronds is depicted in a lighter blue shade. A white rectangular border frames the central text area.

# South Carolina:

## *Structural Factors Associated with Poverty*

Research Brief: Executive Summary  
November 2020



# Introduction

Poverty is an experience that occurs when people do not have adequate resources to fully engage in society. The Sisters of Charity Foundation of South Carolina works to address the root causes of poverty and its effects in South Carolina “through action, advocacy, and leadership.” Since 1996, the Foundation has invested over \$75 million across all 46 South Carolina counties through more than 3,000 grants. In 2020, as an outcome of the Foundation’s

strategic plan, staff members partnered with the Rural & Minority Health Research Center at the University of South Carolina to conduct research that quantitatively assesses the factors that contribute to poverty throughout the state. The explicit goal of the research was “to identify, acknowledge, and examine the systemic and policy factors that lead to, reinforce, and exacerbate poverty specifically for residents of South Carolina.”

## Poverty in South Carolina

In the U.S., poverty estimates are calculated as the share of the population that falls below a certain income based on family size. According to the U.S. Census Bureau, in 2018 an estimated 16% of South Carolina’s population experienced poverty, compared to the national average of 14.1%. Importantly, this number only reflects a count of the population experiencing poverty without capturing the depth or severity of need.

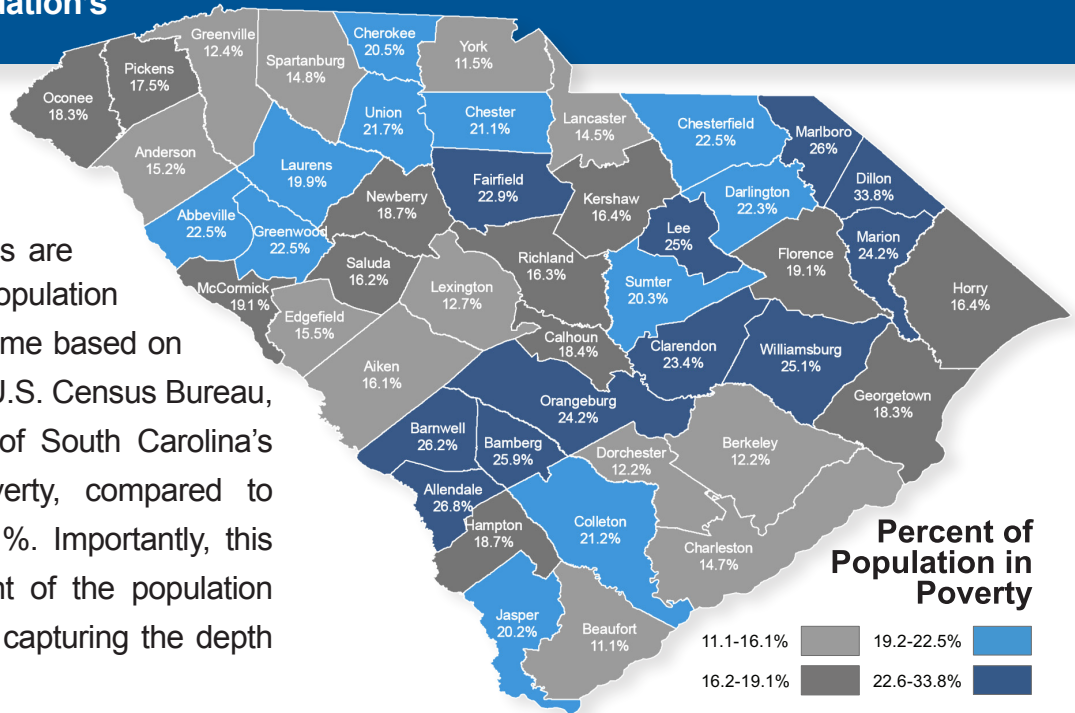


Figure 1. Percent of Total Population in Poverty by South Carolina County, 2018  
Source: U.S. Census Bureau American Community Survey, 2014-2018

## Conceptual Model

In order to effectively address poverty, it is necessary to understand and use an underlying theory of its causes. This research utilized a structuralist approach, focusing on factors that are outside individual control or are at an institutional, community, or public policy level. Investigating these factors with a specific lens towards their contributions to poverty may broaden and deepen the understanding of the needs of people in society. The conceptual model used to visualize the relationship of these factors is provided.





## Structural Factor: Economic Stability

Economic stability means that people have access to steady incomes that allow them to meet their needs. However, policies and practices within financial systems affect the opportunities that are available to people as well as their financial security. **For South Carolinians, economic stability is jeopardized by an inability to make a living wage, achieve financial self-sufficiency, and accumulate assets.**

For those who are employed, adequate compensation and availability of employment-associated benefits (e.g., health insurance, paid sick leave, and caregiver leave) are critical elements that affect the resources available to South Carolina families. The annual median household income in South Carolina was \$51,015 in 2018, compared to \$60,293 in the U.S. The impact of lower average wages is intensified by almost a third of businesses in the state (30%) offering no benefits to their employees at all as of 2017. In 2019, South Carolina had the lowest union membership of all 50 states at 2.2%, limiting the options for employees to collectively seek higher incomes and benefits.

Carolina—those that do not have a deposit account with a mainstream (FDIC insured) financial institution—was 8.5% compared to 7.1% in the U.S. This lack of access to mainstream financial institutions occurred more frequently among Black and Hispanic South Carolina households. Related, high amounts of personal debt are common among residents in the state.

**As of 2018, the state ranked second in the nation for medical debt burden with 27% of South Carolinians having medical debt in collections compared to 16% nationally.**

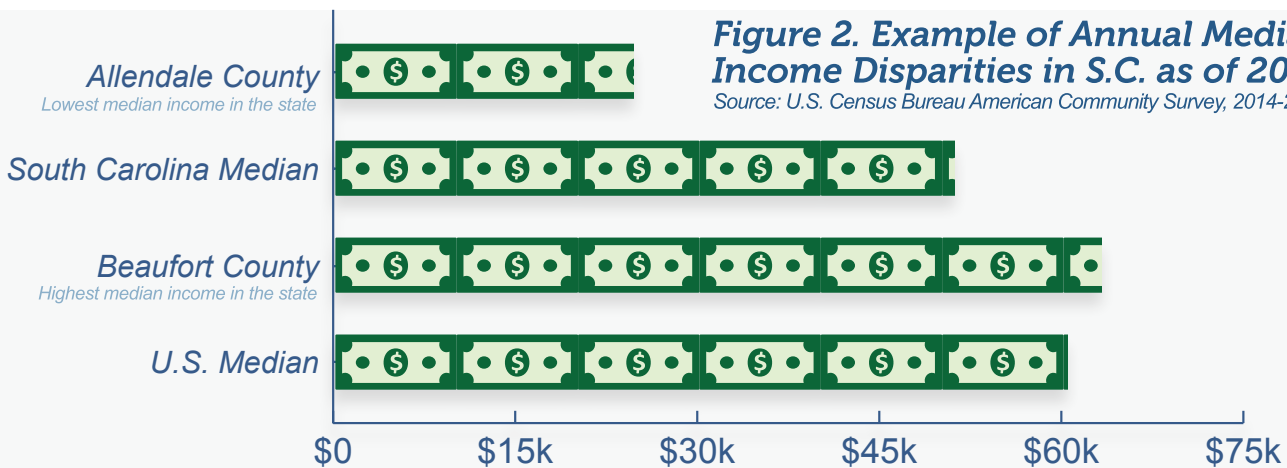
Finally, asset accumulation for South Carolina families is a critical step to long-term, generational economic stability. Barriers such as emergency expenses, limited income mobility, and income and wealth inequalities prevent many from achieving this financial security. **For example, of the total number of employer firms in the state in 2017, only 16% were solely-female owned and 78% were white-owned.** Simply put, those who played a part in creating wealth were less often a racial/ethnic minority and/or female person.

**The annual median household income in South Carolina was \$51,015 in 2018, compared to \$60,293 in the U.S.**

Stagnant wages and benefits as well as lack of access to mainstream financial institutions and high debt burdens limit South Carolinians' financial self-sufficiency. In 2017, the proportion of unbanked households in South

**Figure 2. Example of Annual Median Income Disparities in S.C. as of 2018**

Source: U.S. Census Bureau American Community Survey, 2014-2018





## Structural Factor: Neighborhood + Physical Environment

The physical spaces where families reside—their homes, their neighborhoods—must be supported by adequate and equitable infrastructure and policies that promote safe, healthy environments that help families prevent housing instability. *For South Carolinians, adequate physical environments are threatened by residents' inability to access affordable housing and/or transportation as well as exposures to risks associated with natural disasters.*

Access to affordable housing for South Carolina families is determined by overall costs of homeownership as well as disparities in access to the process of homeownership itself, high rent payments, and a high number of renter evictions. The struggle to obtain and retain affordable housing affects both low and middle income persons, leading to many challenges including **half (49.8%) of South Carolina renter-occupied households spending greater than 30%** of their income on housing costs in 2018. Further, when residents struggle to pay their rent on time, South Carolina's legal environment easily allows evictions—as opposed to late notices—to be used as a method to obtain rent payments. In 2016, the state had the highest eviction rate in the nation at 8.9%, compared to the U.S. at 2.3%.

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Access to reliable, affordable transportation is a necessity for all people in South Carolina where public transportation access is limited and overall costs are high. **Currently, 27 public transit providers operate in the state, and many do not reach rural areas with high need for services.** Across the entire state, high transportation costs mean that an individual with an income at the federal poverty level spent an average 73% of their income on transportation and 112% for both housing and transportation in 2019. The national average of these estimates was 64% and 108%, respectively.

Lastly, all South Carolinians have some exposure to risks associated with the state's vulnerability to natural disasters. While the state's coastal counties are obviously at high risk for tropical systems, significant flooding, wildfires, and severe storms involving tornadoes have affected inland counties over the past five years as well. **These events' effects are long-term for residents, mostly because communities are often unable to access needed aid.** Challenges faced by residents in the aftermath of a disaster include limited communication with government authorities due to technology or language barriers; distrust of authorities due to discrimination; ineligibility related to ownership requirements, including families affected by heirs' property issues; and paperwork hurdles to include lengthy application processes.

**80%** of South Carolina's Counties are at or above the national average for evictions.





## Structural Factor: Education

Educational attainment serves as a strong foundation for increases in economic mobility and financial security later in life, thereby preventing and/or reducing experiences with poverty. Yet, institutional, community, and policy elements associated with educational attainment obstruct children’s ultimate success. ***In South Carolina, children’s education is specifically hindered by barriers students face in accessing the tools necessary for them to succeed academically, differential access to high quality K-12 education, and a lack of access to and preparation for post-secondary education and/or careers.***

Barriers to academic success begin at an early age. **Over half (53%) of South Carolina children ages 3-4 between 2016-2018 were not enrolled in any type of school (e.g., preschool, kindergarten, Head Start, etc.).** Academic barriers resulting from inadequate technology are also common in the state. In 2018, 13.8% of South Carolina households did not have any type of computer compared to 11.2% of households nationally. Also, 52% of South Carolina households with an annual income of less than \$20,000, and 24.2% of households overall, did not have an internet subscription, compared to 45.3% and 19.1% of U.S. households, respectively.

Access to high quality K-12 education in the state is associated with adequate funding of systems and investments in staff member recruitment and retention. **In South Carolina, the average per pupil funding estimated for state Fiscal Year 2019-2020 was approximately \$10,513—less than the national**

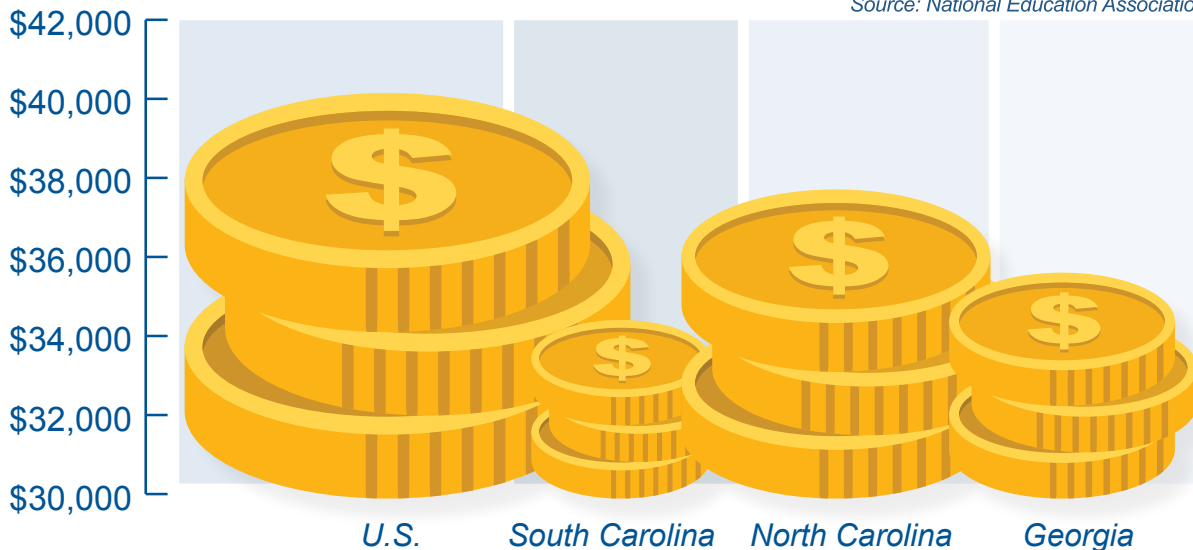
**average of \$12,612.** Related, the average teacher salary was approximately \$49,737 for the 2018-2019 school year. Compared to other states, teachers in South Carolina earn approximately 25% less on average than those with similar educational attainment.

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Financial investment in K-12 education is directly associated with higher student academic performance and career readiness, starting with graduation. In school year 2018-2019, 19% of South Carolina students did not graduate from high school, thus failing to obtain the minimum educational qualification provided by the state’s public education system.

**Figure 3. Average Teacher Starting Salary in South Carolina Compared to the U.S. and other Southeast States, 2018-2019 School Year**

*Source: National Education Association*





## Structural Factor: Food Security

The relationship between food security and people's experience with poverty is critically important as food is a necessary element for human survival. Although many Federal and local programs are well-known for their work to address hunger in the state and nation, there are still too many structural barriers for people to obtain access to the food they need. *For South Carolinians, food security is compromised by an inability to afford to buy the food needed to feed their families as well as limited regular access to healthy food sources.*

Consistent access to enough food to support a household's nutritional needs may be limited by the cost of food itself. **Between 2018-2019, grocery store prices increased 0.9% in the U.S.**—of which the price of fresh vegetables increased the most at 3.8%. In 2019, U.S. households in the lowest income quartile spent 36% of their income on food (\$4,400) compared to households in the highest income quartile at 8% (\$13,987). For a family of four including two adults, a preschooler, and a school-age child to be financially self-sufficient in South Carolina, the average household food budget per month was \$725 in 2020. Yet, **South Carolina families who were food insecure and received benefits from the Supplemental Nutrition Assistance Program (SNAP) in 2019 were provided an average of just \$267.40 monthly in food benefits, a net difference of -\$457.**

In addition to high costs, physical access to food sources is a challenge in South Carolina. **Areas of low food access and grocery store closures align with high concentrations of fast food establishments and not enough healthy food outlets.** Nearly half of the state's residents—approximately 2.3 million—lived in areas of low food access in 2015. The definition of low food access includes the number of people who lived more than either, (a) 1/2 mile in an urban area or (b) 10 miles

in a rural area, from their closest supermarket. Over a third (38%) of people with low food access in the state (865,834) were also low-income in 2015. **In 2016, there were 812 grocery store outlets identified across South Carolina, ranging from small town markets to conventional grocery stores.** By early 2020, 105 of these stores (12.9%) had closed.

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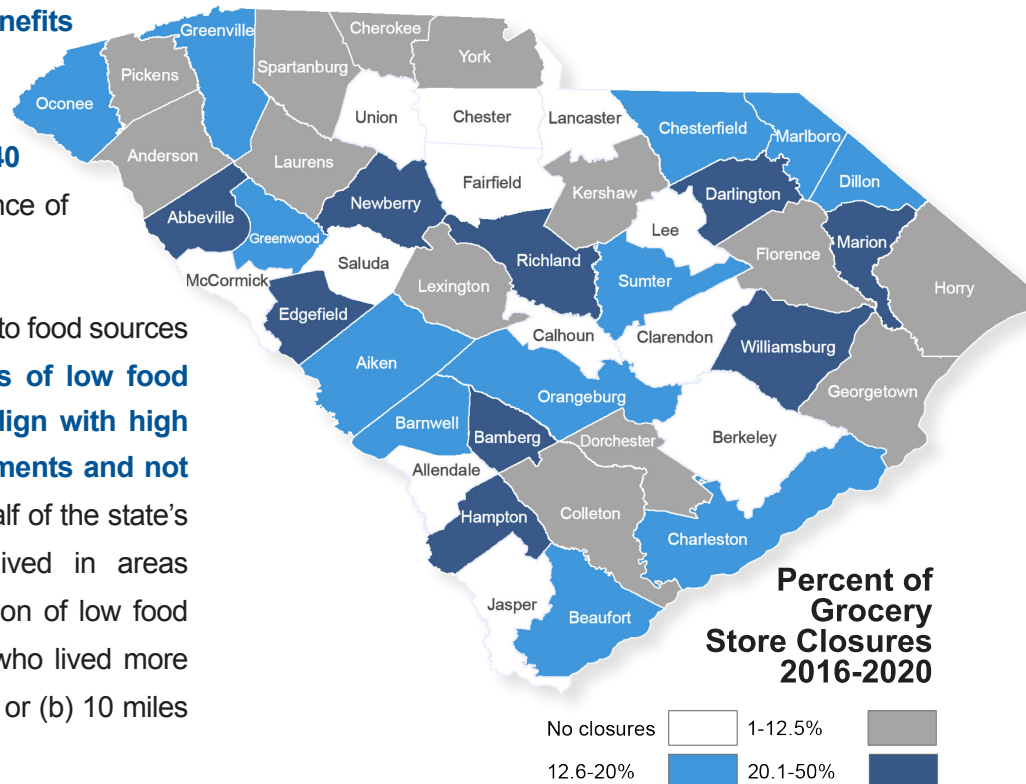
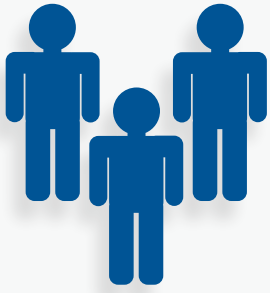


Figure 4. Percent of Grocery Store Closures by South Carolina County, 2016-2020  
Sources: www.PolicyMap.com; Author Analysis



## Structural Factor: Community + Social Context

Community and social context play a role in determining resources that are available at the local level for preventing and addressing poverty, as social integration, cohesion, and the collective will of community members to address common concerns both produce and are affected by the structural elements in place. ***For South Carolinians, community and social context are defined by limited cohesion between different groups within the broader community, a lack of adequate representation of all residents in decision-making processes, and the effects of structural discrimination, especially structural racism.***

Limited social cohesion may be identified in areas of the state that experience persistent poverty. These areas, where greater than 20 percent of the population has been identified as experiencing poverty in every U.S. Census since 1980, are primarily located in rural South Carolina. There are 12 persistent poverty South Carolina counties (26% of all counties in the state). Over half (52%) of the state's 46 counties (n=24) are also identified to have persistent child poverty.

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Civic engagement includes the availability of and access to local organizations that serve community members. In 2017, South Carolina had only 11.7 organizations per 10,000 people compared to the national rate of 18.4. Civic engagement also includes voter participation. ***In the 2016 election for the U.S. president, 67.7% of registered voters in the state participated. However, there was an 8.2% difference in the proportion of white registered voters participating (70.2%) versus the proportion of non-white registered voters participating (62.0%).*** Gaps in voting participation between white and racial/ethnic minority populations may be explained by barriers such as the inability to access voter registration methods, voter roll purges, documentation requirements, lack of interest in the candidates, and/or lack of access to

voting—including illness, disability, conflicting schedule, lack of transportation, and/or inconvenient polling place.

Lastly, quantifying structural discrimination in South Carolina, or in any other location in the U.S., is a difficult task. However, the presence of structural discrimination based on race/ethnicity has been documented in the state through outcomes associated with economic oppression, unfair housing practices, and differential access to education, food, and health care for Black and other racial/ethnic minority populations.

South Carolina Persistent Poverty Counties, 2015		
Persistent Poverty	Persistent Child Poverty	
Allendale	Allendale	Florence
Bamberg	Bamberg	Georgetown
Clarendon	Barnwell	Hampton
Colleton	Calhoun	Jasper
Dillon	Charleston	Lee
Hampton	Chester	McCormick
Jasper	Chesterfield	Marion
Lee	Clarendon	Marlboro
Marion	Colleton	Orangeburg
Marlboro	Darlington	Saluda
Orangeburg	Dillon	Sumter
Williamsburg	Fairfield	Williamsburg

Source: U.S. Department of Agriculture Economic Research Service, 2015



## Structural Factor: Health Care

The association between access to health care and poverty is, at best, an issue of quality of life, and, at worst, an issue of the length of life. Structural barriers to obtaining health care services result in delays in needed medical care. **For South Carolinians, access to health care services is limited by the high cost of health care for state residents as well as a lack of local health care services in many communities.**

Affordability of health care is associated with the ability to access health insurance and pay for out-of-pocket expenses. On average, 16.3% of people in South Carolina reported in 2019 that they could not afford to see a doctor in the last 12 months due to the cost of care. For South Carolina families with health insurance, a larger share of their income is used to pay deductible costs compared to others in the nation. **In 2018, over 500,000 people in South Carolina (11%) did not have health insurance at all—or were “uninsured”—for reasons that included the upfront cost of obtaining health insurance and/or lack of availability of coverage through their employer.**

In 2018, there were 224,529 South Carolinians who were uninsured that would also potentially have met the income requirements for Medicaid coverage provided by program expansion, should South Carolina have chosen to exercise this option.

ethnic minority residents. **Rural hospitals in Bamberg, Barnwell, Fairfield, and Marlboro counties closed in the last eight years.** Available services for expectant mothers are severely limited in at least 12 counties in the state (Abbeville, Allendale, Bamberg, Barnwell, Calhoun, Chester, Edgefield, Fairfield, Hampton, Lee, McCormick, and Saluda). While physical accessibility to health care service sites is critical, an adequate number of well-trained health care professionals available to staff these facilities is also needed. **In 2017, the population to primary care physician ratio in the state was 1,498:1, which was worse than the U.S. ratio of 1,330:1.**

**In 2018, there were 224,529 South Carolinians who were uninsured that would also potentially have met the income requirements for Medicaid coverage provided by program expansion.**

In addition to high costs, physical access to health care is a challenge in South Carolina, especially for areas affected by rural facility closures, which are more likely to occur in areas with higher percentages of low income and racial/

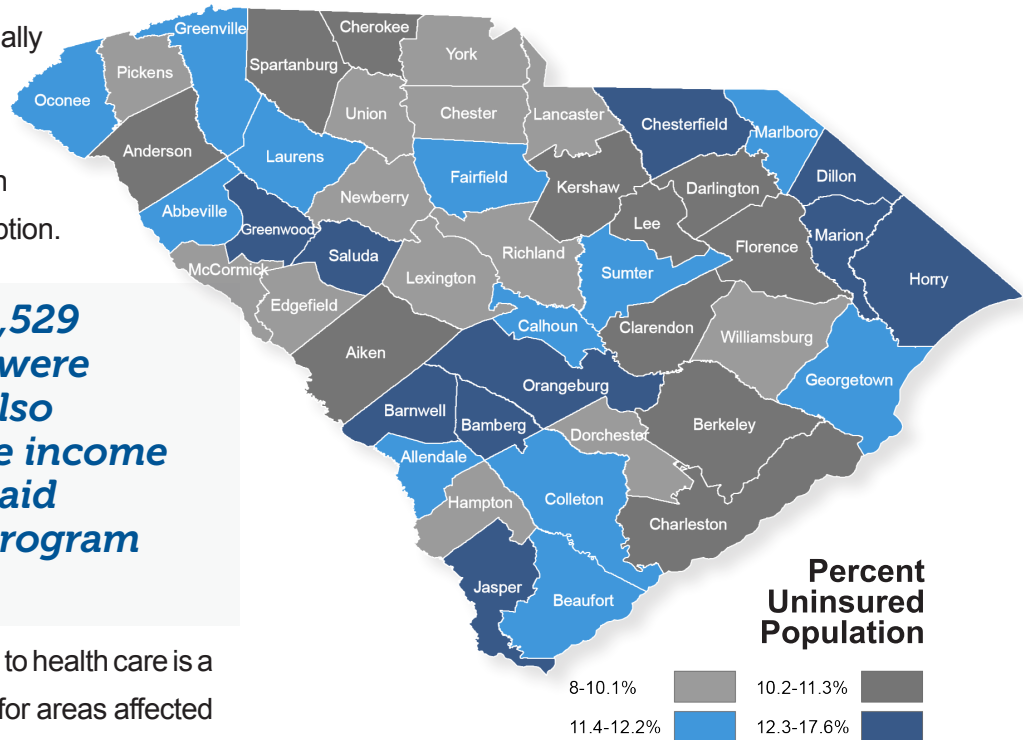


Figure 5. Percent of the Total Population without Health Insurance by South Carolina County, 2018  
Source: U.S. Census Bureau American Community Survey, 2014-2018



# COVID-19 and Poverty in South Carolina

In 2020, the COVID-19 global pandemic caused by a novel coronavirus began its march across the U.S. By November 2020, 180,000 cases with over 4,000 deaths were reported in South Carolina alone. COVID-19 infections disproportionately affected racial/ethnic minority populations and persons with low incomes. Although key data confirming the ultimate economic effects of the pandemic are still forthcoming, poverty and overall economic inequity are expected to be directly and indirectly affected, based on knowledge of current impacts on the structural factors associated with poverty. **In April 2020, unemployment in the state increased to nearly 13% with more than 45% of South Carolinians reporting that a member of their household had experienced a loss of employment.**

Although employment rebounded somewhat over the summer, the unemployment rate in November 2020 remained 2% higher than before the pandemic. **In October 2020, 65.5% of South Carolinians behind on their rent payments reported that they were somewhat or very likely going to be evicted in the next two months compared to 41.4% across the U.S.** Benefit applications increased nearly 400% in South Carolina from the beginning of March 2020 to the beginning of April 2020; yet, as of October 2020, 11.5% of South Carolina households reported that there was sometimes or often not enough food to eat in the last seven days compared to 9.6% of U.S. households. **In October 2020, the percentage of reported medical care delays among South Carolina residents was 24.0%.** As the pandemic continues to surge during winter 2020, additional effects are yet unknown. However, it can be anticipated that the number of residents experiencing poverty, both directly and indirectly as a result of the pandemic, will increase.

## Conclusion

Poverty in South Carolina is a complex, multi-factorial phenomenon that needs to be examined as such. Six structural factors—economic stability, neighborhood and physical environment, education, food security, community and social context, and health care—were evaluated to identify the systemic and policy issues related to each that lead to, reinforce, and exacerbate poverty in the state. Most of the issues examined showed that the outcomes associated with each factor are poor in South Carolina, especially when compared to the U.S. as a whole. While the official estimate of poverty indicated that 16% of the state's residents experienced poverty in 2018, some of the factors measured here affected over half of the state's residents. The consequences of these structural barriers are far-reaching in South Carolina—likely directly or indirectly affecting almost every resident of the state.

It is critical to reflect that this does not mean that the experience is shared equally by all groups. All of the factors examined included elements that disproportionately affected different groups based on their gender and/or racial/ethnic identities. In addition, geographic disparities were also observed, with residents of rural areas typically experiencing a higher burden of poverty and its associated factors compared to more urban areas of the state. Clearly much work is necessary to reconfigure and perhaps even dismantle the structural factors perpetuating poverty in South Carolina if the state is to reduce the frequency and severity of need among its residents.

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