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Delaware

District of Columbia

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Missouri

North Carolina

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South Carolina

Tennessee

Texas

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West Virginia

**SOUTHERN BUSINESS LEADERSHIP COUNCIL
SOUTH CAROLINA EMPLOYER SURVEY
Project Report**



May 2008

MISSION STATEMENT

The Southern Institute on Children and Families is an independent, non-profit organization that improves the well-being of children and families through knowledge, leadership and action. We educate through research of policies, systems and practices. We generate greater awareness and equip community and business leaders and policymakers with knowledge to make informed decisions. The Southern Institute on Children and Families is funded through grants and contributions. The southern states included in the work of the Southern Institute on Children and Families are:

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While the primary focus of the Southern Institute on Children and Families is on the South, the Southern Institute directs national programs related to its mission.



**Southern Business Leadership Council
South Carolina Employer Survey
Project Report**

Prepared For

South Carolina Budget and Control Board

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May 2008

This report is dedicated to the memory of Sarah Cardwell Shuptrine (1943-2008), founder of the Southern Institute on Children and Families. It was through her vision and leadership that the Southern Business Leadership Council was conceived and created.

This report was funded by a grant from the South Carolina Budget and Control Board. The findings presented in this report were compiled solely by the Southern Institute on Children and Families and no official endorsement by the sponsors is intended or should be inferred.

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Southern Business Leadership Council
South Carolina Employer Survey
Project Report
May 2008

Executive Summary

Employer voices are critical to the development of actions needed in both the public and private sectors to promote stable employment in the lower-wage workforce. While there is research available on the perspectives of lower-wage workers related to barriers to employment stability, there is little information available on employer views. Engaging employers in sharing their perspectives and their ideas regarding solutions will significantly strengthen the development of action strategies. Also, involvement of employers will greatly enhance the momentum for significant public and private sector action that will mutually benefit employees, businesses and communities as a whole.

South Carolina has developed a plan to improve the tourism industry in the state. The New Carolina Tourism Action Plan calls for bold investment in the tourism industry to enhance the full potential of tourism as a revenue generating industry for the state. One of the recommendations in the action plan calls for improved on-the-job and educational training to be provided to target employment in the hospitality industry because, “Service-industry jobs such as those in tourism are relatively inexpensive to create but attrition is a problem...” Investments in education and training are essential, but there also must be recognition of the “off-the-job” challenges that can and do negatively impact job performance and employment stability of lower-wage employees.

The Southern Institute on Children and Families is a non-profit organization that works to improve opportunities for lower-income families and children, with a focus on 17 southern states, including South Carolina, and the District of Columbia.¹ The Southern Institute established the Southern Business Leadership Council (SBLC) to lead a regional enterprise to engage business and public policy leaders in the development and implementation of comprehensive solutions to societal issues that impede stable employment of the lower-wage workforce. To raise awareness of the issues faced by lower-wage employees and to provide employers with strategies to address issue, the SBLC decided to focus their efforts on the development of the *SBLC Employment Stability Action Plan*.

The Southern Institute received support from the South Carolina Budget and Control Board to conduct the South Carolina Employer Survey Project. This project provides information that can support efforts in South Carolina to improve employment stability in the lower-wage workforce. The South Carolina Employer Survey Project also yielded pertinent information that can be used by South Carolina businesses, foundations, community organizations and public policymakers in

¹ The Southern Institute on Children and Families’ work focuses on Alabama, Arkansas, Delaware, the District of Columbia, Florida, Georgia, Kentucky, Louisiana, Maryland, Mississippi, Missouri, North Carolina, Oklahoma, South Carolina, Tennessee, Texas, Virginia and West Virginia.

assessing workforce stability issues and developing strategies to improve employment stability among lower-wage workers.

The Southern Institute conducted additional employer projects to gather insights from employers in several southern communities, as was done in South Carolina. The Southern Institute synthesized for the SBLC the information collected on employer perspectives related to the barriers to employment stability of the lower-wage workforce and promising strategies to address the barriers. The information collected from the South Carolina Project and from other southern communities contributed to the development of the *SBLC Employment Stability Action Plan*.

The *SBLC Employment Stability Action Plan* identifies public actions, private sector actions and public/private partnerships needed to address identified issues and opportunities, and it includes employment stability action strategies central to workforce development, retention and economic development plans, such as the New Carolina Tourism Action Plan. It provides summaries of public and private sector promising practices that can be replicated in communities across the South and the nation, along with contact information for those wishing to learn more about the design and implementation of the practices.

High profile dissemination and promotion of the *SBLC Employment Stability Action Plan* is planned for 2008 through business, civic and public policy networks. All business and trade organizations that assisted with the SBLC employer research projects will receive the *SBLC Employment Stability Action Plan* when released. The *SBLC Employment Stability Action Plan* provides a roadmap for business, community and public policy leaders in 17 southern states, including South Carolina, and the District of Columbia to improve employment stability in the lower-wage workforce.

This report presents findings from the South Carolina Employer Survey Project. The report describes employer perspectives on issues related to lower-wage employment stability gathered through South Carolina employer interviews. The Appendices provide demographic data and other information related to South Carolina and the Employer Survey Project. Key findings are included in the following sections.

South Carolina Employer Survey Results

A sample group of employers located in South Carolina Metropolitan Statistical Areas (MSAs) were surveyed via telephone interviews. The survey was designed to gauge employer views regarding work/life issues of their lower-wage workers that may impede employment stability. In the survey, lower-wage was defined as earning less than \$13 per hour, which was based on the South Carolina average median hourly wage obtained from data collected by the US Department of Labor, Bureau of Labor Statistics. The hourly rate of \$12.85 was rounded to the nearest whole number for ease of communication with employer respondents. Approximately, forty-nine percent (48.6%) of all workers in South Carolina earn at or below the median hourly wage of \$12.85. Survey data from employers responding were grouped into two categories: 1) small businesses defined as employers having less than 50 employees; and 2) large businesses defined as employers having 50 or more employees.

Employee Attendance and/or Tardiness

More than one-third (36.8%) of survey respondents *agreed* they experience problems with employee attendance and/or tardiness.

- 50.4%* of employers with five or more lower-wage workers *agreed* they have an employee attendance and/or tardiness problem.
- 78.2%* of employers with less than five lower-wage workers *disagreed* employee attendance and/or tardiness is a problem.
- 65.9%* of small businesses *disagreed* attendance and/or tardiness is a problem for their workforce.
- 60.7%* of large businesses *agreed* their businesses experience problems with employee attendance and/or tardiness.

Reasons for Employee Attendance and/or Tardiness Problems

All employers were more likely to indicate employees in their business are late or miss work because of issues related to child care, transportation, employee's health and health of the employee's family member(s).

The reasons cited by large businesses that *agreed* their business experiences employee attendance and/or tardiness problems were as follows.

- Transportation was cited as a major reason for attendance problems for employees according to 82.4%* of large businesses.
- Health of the employee and child care also were indicated as reasons for employee attendance and/or tardiness problems by large businesses.

Of those small businesses that indicated they had an employee attendance and/or tardiness problem, a significant percent (53.2%[◇]) gave other reasons.

- Lack of work ethics and sense of responsibility were cited most often by small businesses as the other reasons for attendance and/or tardiness problems in the workplace.

Employee Turnover

The majority of South Carolina Employer Survey participants (75.1%) *disagreed* their business experiences problems with employee turnover, while 24.9% of respondents *agreed* their business experiences difficulty retaining employees.

* Statistically significant at the 95% level

◇ Statistically significant at the 90% level

- 64.3%* of large businesses *agreed* they have an employee turnover problem.
- 79.7%* of small businesses *disagreed* they have an employee turnover problem.

Of all employers with a retention problem, 55.4% were more likely to *agree* employees leave their business to become employed with another business paying higher wages and 50.8% *agreed* employees leave for better benefits.

- Large employers were more likely (72.2%[◇]) to *agree* employees leave their business to become employed with another business paying higher wages, while small businesses were evenly split on this issue.
- Large employers were more likely to *agree* employees leave for better benefits, while small employers were evenly split on the issue.
- Large businesses were more likely to *disagree* employees leave to pursue better advancement opportunities, while small employers were evenly split on the issue.
- Large businesses were more likely to *disagree* their business experiences problems with turnover because of disciplinary problems such as unacceptable work performance, while small employers were evenly split on the issue.
- Both small and large businesses *disagreed* work hours contributed to employee turnover.

Major Reasons for High Employee Retention

Employers who *disagreed* employee turnover is a problem for their business offered the following explanations as to why they believe it is not a problem for their businesses.[†]

- 44.9% cited excellent work environment/team spirit/job satisfaction.
- 17.9% cited long-term, dependable employees and/or loyalty.
- 9.7% cited treat staff well and/or with respect.
- 7.7% cited good company.

Employee Health Benefits

A little more than half (51.7%) of all survey respondents offer health insurance as a benefit to employees.

* Statistically significant at the 95% level

◇ Statistically significant at the 90% level

† Employers could indicate more than one explanation for why turnover is not a problem for their businesses.

- Less than half (46.1%) of the small businesses surveyed offer health insurance, compared to 100%* of large businesses.
- 48.3% of all the employers surveyed do not offer health insurance, all of which are small businesses.

About 76.2% of employers stated cost as the major reason for not offering health insurance to their employees. This held true for employers with less than five and more than five lower-wage workers, 75.8% and 77%, respectively.

In conclusion, the many issues affecting the stability of the lower-wage workforce cannot be met by businesses alone, but rather require comprehensive public/private partnerships. The last section of the South Carolina Employer Survey Project Report summarizes next steps needed to foster economic development by bolstering the well-being of our lower-wage workforce. Please visit www.thesoutherninstitute.org for additional information on the Southern Institute and the SBLC.

* Statistically significant at the 95% level

Introduction

State economic development plans typically give little attention to the inclusion of comprehensive public and private sector actions that will build the capacity of lower-wage workers to be stable employees. Investments in education and training are essential, but there also must be recognition of the “off-the-job” challenges that can and do negatively impact job performance and employment stability of lower-wage employees. These challenges are often more difficult when the lower-wage employees are parents, especially those working multiple jobs.

In the southern region of the United States, industries most impacted by instability in the lower-wage workforce are health, hospitality and leisure, retail and construction. If left unattended, issues that affect stability in the lower-wage workforce will undermine key development goals for these industries. This will be most important for business sectors that affect tourism since tourism is of special interest in South Carolina. Tourism spending in South Carolina reached \$16.7 billion in 2006 and supported more than 200,000 employees, 10.5% of the employment in the state. With the state’s increased focus on improving tourism the number of employees in industries that make up tourism will continue to grow. A key recommendation in the New Carolina Tourism Action Plan is to improve on-the-job and educational training in order to target employment in the hospitality industry because, “Service-industry jobs such as those in tourism are relatively inexpensive to create but attrition is a problem....”

States that are proactive in the development of strategies to support stability in the lower-wage workforce will see results in the performance of the current workforce. Additionally, including strategies that support lower-wage parents in providing greater opportunities for their children will advance the goals of building readiness in the future workforce.

The Southern Institute on Children and Families is a non-profit organization located in South Carolina that is nationally recognized for its ability to achieve results that improve opportunities for lower-income families and children. A special area of focus for the Southern Institute is the region encompassing 17 southern states, including South Carolina, and the District of Columbia.[‡] The Southern Institute established the Southern Business Leadership Council (SBLC) to lead a southern regional initiative to engage business and public policy leaders in the development and implementation of comprehensive solutions to societal issues that impede stable employment of the lower-wage workforce and restrict opportunities for child development. The SBLC is co-chaired by the Honorable Richard W. Riley, former United States Secretary of Education, former South Carolina Governor and Southern Institute Board Member, and Anne Doss, Executive Vice President for Wachovia. SBLC membership includes local, state and national business leaders. A list of SBLC members appears in Appendix D.

Development of comprehensive public and private sector employment stability action strategies begins with research and analysis of issues and identification of opportunities. While research is available on barriers to employment stability from the perspective of lower-wage workers, there

[‡] The Southern Institute on Children and Families’ work focuses on Alabama, Arkansas, Delaware, the District of Columbia, Florida, Georgia, Kentucky, Louisiana, Maryland, Mississippi, Missouri, North Carolina, Oklahoma, South Carolina, Tennessee, Texas, Virginia and West Virginia.

is little information available on employer views. Engaging employers in sharing their perspectives and their ideas regarding solutions is essential to the development of comprehensive action strategies. The SBLC initiative includes collection and analysis of data on employer views related to employment stability in the lower-wage workforce. SBLC employer research projects were conducted in 2006 and 2007 in Charlotte, North Carolina, the District of Columbia Metro Area and Upstate South Carolina. This report of the South Carolina Employer Survey Project contributes statewide data for South Carolina and provides valuable information for South Carolina economic development leaders and for the SBLC.

The SBLC is currently finalizing the *SBLC Employment Stability Action Plan*, which provides specific public and private sector strategies to promote stable employment in today's lower-wage workforce and strategies to build readiness in the future workforce. Providing employers, public policymakers and community leaders in South Carolina and other southern states with a blueprint for action is essential to the creation of results-oriented partnerships. Employers want information on promising practices they can implement in the workplace. They also are interested in having information on how they can encourage action in the public sector to improve employment stability, especially among lower-wage parents and caretakers.

Following the release and dissemination of the *SBLC Employment Stability Action Plan* in 2008, the SBLC will promote adoption and implementation of its recommendations through business, civic and public policy networks. Achieving action will require public and private sector leadership and investment of resources aimed at improving opportunities for current lower-wage employees and also for improvement in child development opportunities for children in lower-income families to build their workforce readiness. Some of the statistics that point to the need for leadership in South Carolina and other states in the southern region are:

- One out of five southern workers lives below 200% of the federal poverty level (\$42,400 annual income for a family of four in 2008). South Carolina has the tenth highest percent (30%) of families living below 200% of the federal poverty level in the southern region.
- Of the just over 9 million uninsured children up through age 18 in the United States in 2005-2006, a total of 4.2 million (46%) reside in the southern region. Seventy percent (70%) of uninsured children are in families with at least one full-time wage earner. South Carolina has on average 115,115 uninsured children, which is the tenth highest percentage of uninsured children among the 17 southern states and the District of Columbia.
- Southern per capita wages are the lowest in the nation. South Carolina has the fifth lowest per capita wages (\$28,352) in the southern region.
- Labor turnover rates are higher in the South than the national average. South Carolina's turnover rate is 12.1%.
- More than one out of four lower-wage workers in the South work in Retail Trade, an industry with high turnover and low rates of health insurance coverage. More than

80,000 individuals work as retail salespersons, supervisors and managers in South Carolina.

- The South's generally low unemployment rate is misleading because it is affected by lower than average labor force participation. South Carolina has the sixth lowest labor force participation rate (60.1%) and, along with Kentucky and Missouri, the third highest unemployment rate (5.7) in the Southern Region.

Providing greater opportunities for lower-wage workers to achieve employment stability requires business, public policy and civic leaders to actively and effectively collaborate on development and implementation of policies and programs that will mutually benefit lower-wage employees, businesses and communities as a whole. Leaders who are armed with a strategic plan of action will achieve far reaching economic and societal gains.

South Carolina Employer Survey Project

The Southern Institute on Children and Families received support to conduct the South Carolina Employer Survey Project from the South Carolina Budget and Control Board in September 2007. South Carolina is included in the Southern Institute's primary geographic focus described in the Introduction. The South Carolina Employer Survey Project engaged local employers in the identification of issues related to employment stability.

South Carolina has a high concentration of industries that struggle with attrition – accommodation and food services, administrative and support services, retail trade, manufacturing and construction. State level data for South Carolina show a high percentage of lower-income families fall within the target group who will benefit from implementation of employment stability action strategies. The scope of the problem in South Carolina is significant and underscores the importance of identifying and addressing actions that will promote employment stability in today's lower-wage workforce. The future of South Carolina's workforce depends on helping lower-income families access opportunities for themselves and their children.

- 49% of all employees in South Carolina are lower-wage earners, (earning at or below the South Carolina median hourly wage of \$12.85).
- 43% of children in South Carolina live in lower-income families (\$42,400 annual income for a family of four in 2008).
- 82% of children in lower-income families in South Carolina have at least one parent who is employed full-time, part-time or part-year.

The South Carolina Employer Survey Project Report contributes information that supports efforts in South Carolina to improve employment stability in the lower-wage workforce. It also provided valuable information for the Southern Business Leadership Council (SBLC) in its development of the *SBLC Employment Stability Action Plan*. The *SBLC Employment Stability*

Action Plan provides a blueprint for public and private leaders across the southern region to enact progressive policies and programs to promote employment stability in the lower-wage workforce. It also provides the information business leaders and frontline employers say they need on promising practices. Summaries of public and private sector promising practices that can be replicated in communities and states across the southern region and the nation will be included in the *SBLC Employment Stability Action Plan*. Contact information will be provided for those wishing to learn more about design and implementation of the promising practices.

This report presents findings from the South Carolina Employer Survey Project. It also includes data analysis gathered through an SBLC Employer Project conducted in Upstate South Carolina, which includes Anderson, Greenville and Spartanburg counties. The South Carolina Employer Survey Project Report describes employer perspectives on issues related to lower-wage employment stability gathered through interviews with South Carolina employers, including previously gathered data from the Upstate. The Appendices provide demographic data and other information related to the South Carolina Employer Survey Project.

South Carolina Employer Survey Results

The South Carolina Employer Survey Project was conducted to add to the body of knowledge gathered as a part of the Southern Business Leadership Council (SBLC) *Employment Stability Action Plan* initiative. A sample of employers located in South Carolina Metropolitan Statistical Areas (MSAs) was surveyed via telephone interviews. Employers were interviewed to gather their perspectives and insights on the barriers to employment stability and to identify potential promising practices and opportunities related to increasing employment stability in the lower-wage workforce.

Survey Instrument

The South Carolina Employer Survey instrument was developed by the Southern Institute on Children and Families. The questions were designed to gather information about work/life issues faced by lower-wage employees from the perspective of their employers. The survey instrument was field tested and a version of it was used for three previous projects to survey employers in the District of Columbia and the surrounding metropolitan area, the Charlotte, North Carolina metropolitan area and Upstate South Carolina which includes Anderson, Greenville and Spartanburg MSAs. The questions included in the South Carolina Employer Survey fell into two categories.

The first category of questions was designed to gather demographic information about the employers being interviewed. Respondents were asked to describe their role in the business and then to describe certain features about their businesses. The survey asked for demographic information such as the number of employees, the number of full-time and part-time employees, the business industry classification and occupation classification.

In addition, respondents were asked to indicate the percentage of their employees who were lower-wage workers. In this survey lower-wage was defined as less than \$13 per hour, which was the average median hourly wage (\$12.85) of the state rounded to the nearest whole number for ease of communication. Wage data was based on the May 2005 Metropolitan Area Occupational Employment and Wage Estimates as collected by the US Department of Labor, Bureau of Labor Statistics.

The survey also included one optional demographic question related to whether the workforce of the specific business was unionized, not unionized or partially unionized.

The second category of questions was designed to assess the extent to which a business had problems with the employment stability of its workforce and to assess the extent to which benefits were provided to employees, including referrals for assistance from public programs. Several questions were included regarding issues related to absenteeism, tardiness and turnover. Follow-up questions were asked in some instances to gather employers' impressions of why they did or did not have problems with employees reporting to work and doing so on time. Also, follow-up questions were asked about why employers did or did not have a turnover problem. Respondents also were asked to identify benefits and incentives they make available to employees. Additional questions were asked to gather more detail about the provision of health insurance.

Respondents were not required to identify themselves or their business names and were assured that survey responses will be kept confidential and no individual employer will be identified in reporting the data.

In an attempt to increase participation, respondents were given the opportunity to win an iPod by entering their name and contact information into a drawing. This identifying information about the respondents was used only for that purpose and identities were kept confidential.

Methodology

The Southern Institute contracted with MarketSearch, a market research firm based in Columbia, South Carolina, to perform telephone interviews using the survey instrument with employers in South Carolina. MarketSearch has extensive experience in designing and conducting studies for business, government and non-profit organizations worldwide.

MarketSearch obtained a random sample of businesses in South Carolina using Standard Industrial Classification codes provided by the Southern Institute (See Appendix C). These codes were selected based on the Southern Institute's knowledge and statistical data related to industries more likely to employ lower-wage workers.

MarketSearch staff dialed a total of 3,367 telephone numbers between November and December 2007. A screening question was used to eliminate those employers who did not have at least one lower-wage worker. This screening question along with other guidelines for completing the interviews resulted in 250 ineligible employers who did not complete the survey. One thousand sixty-six (1,066) employers declined to complete the survey and 1,867 employers from the

sample could not be reached. One hundred seventy-six (176) telephone interviews were completed. One hundred one (101) respondents entered their names in the drawing to win the iPod.

As previously stated, an employer survey project in the Upstate of South Carolina, which includes Anderson, Greenville and Spartanburg MSAs, was completed in August 2007. Employers from this portion of the state were excluded from the sample of businesses for the state for purposes of this project. However, data from that initiative on businesses with lower-wage workers was combined with the employer survey data from this project for analysis purposes. As a result, a total of 261 interviews were analyzed for this project report.

Results Analysis

Profile of the South Carolina Survey Respondent Employers

The results from the South Carolina Employer Survey show the following:

- Almost one-fourth of employers (23.4%) described their industry classification as Retail Trade, 15.3% as Health Care and Social Assistance and 13.8% as Accommodation and Food Services.
- Almost one-fourth (23.4%) of employers indicated their occupational classification was Sales and Related Occupations, 10.3% as Food Preparation and Serving Related Occupations and 7.7% as Construction and Extraction Occupations.
- Most of the employers (88.9%) were for-profit organizations with a non-unionized employee workforce.
- About one-third (32.2%) of businesses have no part-time employees, while 41.4% of businesses have five or fewer employees who work part-time.
- Almost all businesses (96.1%) participating in the survey have at least one lower-wage worker.
- More than half (54%) of employers surveyed have five or more employees earning less than \$13 per hour.

Employers responding to the survey were grouped into two categories: 1) small businesses defined as employers having less than 50 employees; and 2) large businesses defined as employers having 50 or more employees.

- The majority of employers (88.8%) were small businesses. More than half (51%) of the businesses surveyed had fewer than 10 employees.
- Of all employers, 10.7% were large businesses.

Employee Attendance, Tardiness and Turnover

Lower-wage workers often face challenges that interfere with job stability, attendance and tardiness. Workforce related issues such as lack of stable child care and transportation can negatively impact employers of lower-wage individuals. The challenges faced by lower-wage workers are reflected in high employee absenteeism, high turnover and low morale. Employee issues such as attendance, tardiness and turnover are stressful to families and contribute to higher training costs and lost productivity for businesses. Results from the South Carolina Employer Survey regarding attendance, tardiness and turnover issues are outlined below.

Employee Attendance and/or Tardiness

Employee absenteeism and tardiness can prove to be costly for employers. In 2005, an annual survey on unscheduled absences conducted by CCH, Inc. found that the average per-employee cost for unscheduled absenteeism was \$660. As of 2006, absenteeism could cost some large employers as much as \$850,000 per year in direct payroll costs. The high cost of employee absenteeism not only hurts individuals who risk losing their jobs but also can result in lost productivity, low morale and temporary replacement labor costs for employers.

Findings:

- 36.8% of employers *agreed* they experience problems with employee attendance and/or tardiness.
- 63.2% of employers *disagreed* they experience problems with employee attendance and/or tardiness.
- 78.2%* of employers with less than five lower-wage employees *disagreed* employee attendance and/or tardiness is a problem.
- 50.4%* of employers with five or more lower-wage employees *agreed* they have an employee attendance and/or tardiness problem.

Survey respondents who indicated they had an attendance and/or tardiness problem were asked to identify what they perceived as the major reasons their business experienced these problems. Employers were more likely to indicate that employees in their business are late or miss work because of issues related to child care, transportation, employee's health and health of the employee's family member(s).

Contrary to past research on workers in the South, employers in South Carolina were less likely to perceive there is an attendance and/or tardiness problem with their employee workforce for reasons associated with dependent adult care or housing. Some employers raised the issue of irresponsibility and a lack of work ethics as other reasons why employees in their workplace are late or miss work.

* Statistically significant at the 95% level

Employee Turnover

High rates of turnover, absenteeism and staff vacancies have been identified as having a negative impact not only on the families of lower-wage workers but also on employers and consumers. Direct costs for replacing workers, which include recruitment, orientation, training and termination of the worker being replaced, are expensive. In a study of lower-wage paraprofessional direct care workers in the health care industry, the estimated recurring annual cost of training due to direct care worker turnover was more than \$34 million. A commonly used conservative rule-of-thumb calculates the per worker cost of turnover at 25% of the employee's annual compensation amount. Using the 25% rule-of-thumb estimate would yield a total cost of turnover in the range of \$4,200 to \$5,200 per direct care worker.

Findings:

- 24.9% of respondents *agreed* their business experiences difficulty retaining employees.
- Employers with a retention problem were more likely to *agree* employees leave their business to become employed with another business paying higher wages (55.4%) and offering better benefits (50.8%).
- Employers with retention problems were more likely to *disagree* that employees leave to pursue better advancement opportunities (50.8%).

Employers were evenly split on whether or not disciplinary problems such as unacceptable work performance are an issue for the workforce. Work hours were less likely to be viewed by employers as turnover issue for their workforce; 69.2% *disagree* that work hours were an issue for their employee workforce.

Major Reasons for High Employee Retention Among Respondent Businesses

Twenty-five percent (25.3%) of all survey respondents reported a 0% employee turnover rate, and 57.9% of employers reported a 1%-24% employee turnover rate. The majority of South Carolina Employer Survey participants (75%) *disagreed* their business experiences problems with employee turnover. These respondents offered the following explanations as to why they believe employee turnover is not a problem for their businesses.[†]

- 44.9% cited excellent work environment/team spirit/job satisfaction.
- 17.9% cited long-term dependable employees and/or loyalty.
- 9.7% cited they treated staff well and/or with respect.
- 7.7% cited that they had a good company.

[†] The percentages add up to greater than 100% because employers were able to indicate more than one explanation for why turnover is not a problem for their businesses.

- 7.1% cited they were a small company/don't have that problem.
- 6.6% cited good pay.
- 6.6% cited having mature staff.
- 5.1% cited having a great boss, leadership and/or management.

Benefits and Incentives Employers Made Available to Employees

Research shows employee benefits and incentives are important to employee retention, morale and job satisfaction. Offering benefits to employees, particularly to part-time workers who are most likely to also be lower-wage workers, is increasing and serves as a turnover reduction tool for employers. Making benefits available to part-time workers can have a significant impact on retention, particularly in service occupations where there is a higher rate of lower-wage workers.

The South Carolina Employer Survey responses about benefits and incentives offered to employees, as well as previous research done regarding the relationship between benefits, perks and employee retention, lend support to the idea that offering benefits and incentives to employees can assist in increasing workforce retention. Table 1 lists benefits and incentives all employers participating in the South Carolina Employer Survey made available to their employees.

TABLE 1	
South Carolina Employer Survey Results	
Benefits/Incentives Made Available to Employees	
Benefits/Incentives	Response Rate[□]
Paid Vacation	63.6%
Health Insurance	51.7%
Paid Sick Leave	36.0%
Pension/Retirement Plans	29.9%
Flexible Work Options	29.5%
Health Insurance for Dependents	20.7%
Long-term Disability	19.2%
Short-term Disability	18.4%
Paid Maternity Leave	12.3%
Investment Planning	10.0%
Cafeteria Plan/Flexible Spending Accounts	8.4%
Paid Sick Dependent Leave	8.4%
Employee Assistance Programs	7.7%
Transportation	5.0%
Tuition Reimbursement	5.0%
Other Benefits/Incentives	18.4%
Don't know	0.8%
None	22.6%
Source: Southern Institute on Children and Families. <i>SBLC South Carolina Employer Survey</i> , 2008.	
□ The Response Rate column refers to the percent of all employers who responded to the question of what benefits/incentives they offered to their employees. Respondents were asked to list all benefits/incentives they offer.	

Employee Benefit: Health Insurance

Employer-sponsored health insurance is one of the most commonly offered benefits to employees. Although employer-sponsored health care coverage is continuing to erode in the United States due to costs, this form of health insurance remains the primary way working families obtain health care coverage. Yet, lower-income families with at least one full-time worker are much less likely than middle-income families to receive employer-sponsored health insurance (49% versus 77%). The South Carolina Employer Survey results are listed below.

Findings:

- A little more than half (51.7%) of the employers offer health insurance as a benefit.
- A significant percentage (58.3%[◇]) of employers with less than five lower-wage workers report a 75%-100% participation rate in the company's health insurance plan.

[◇] Statistically significant at the 90% level

- Less than half (46.1%) of the small businesses surveyed offer health insurance, compared to 100%* of large businesses.
- 48.3% of all the employers surveyed do not offer health insurance, all of which are small businesses.
- About 76.2% of employers stated cost as the major reason for not offering health insurance to their workforce.

Of the employers offering health insurance:

- 26.7% indicated all of their employees participate in the employer-sponsored plan.
- 34.8% pointed out their employees do not participate in the employer-provided health care coverage plan because they are enrolled in a health insurance plan offered through a family member's employer.
- 18.5% indicated cost (too expensive) as the reason employees do not participate in the employer-sponsored health care plan.
- 6.7% indicated ineligibility (i.e., have to work 40 hours or more) of employee as a reason some employees do not participate in the employer-sponsored health care plan.
- 1.5% indicated participation in public health insurance programs as a reason employees do not participate in the employer-sponsored health insurance plan.

Business Size and Lower-wage Workforce Stability

Small-scale cross analyses were conducted to determine whether there were any differences between employer responses based on the size of the business. Survey data from employers responding were grouped into two categories: 1) small businesses defined as employers having less than 50 employees; and 2) large businesses defined as employers having 50 or more employees. Survey findings based on business size for the South Carolina Employer Survey are reviewed below.

Findings:

- 88.9% of the businesses participating in the study were small businesses.
- 10.7% of respondents were large businesses.
- 51.0% of business respondents had fewer than 10 workers.

* Statistically significant at the 95% level

- 39.3%* of large businesses were in the Health Care and Social Assistance industry.
- 25.9%* of the small business respondents were in the Retail Trade industry.

Survey results from the South Carolina employer interviews do not align with findings from previous research on small businesses, including studies conducted by the Southern Institute. Previous research has shown that small businesses commonly pay lower wages, offer few or no benefits and often have part-time positions. Findings from this project that highlight the differences between small and large businesses and the wages and benefits they offer employees are contrary to other research. The findings are discussed on subsequent pages.

Findings:

- Of all the businesses participating in the study, small businesses were more likely to pay a wage greater than \$13 per hour.
 - About 49% of small businesses had five or more of their employees earning lower wages (less than \$13 per hour).
 - Almost all (96.4%*) of the large businesses had five or more employees earning lower wages.
- About one-third (33.2%) of participating small businesses had no part-time workers, 46.1%* had one to five and 20.7% had six or more who work part-time.
- 71.4%* of large businesses had six or more part-time workers.

Employee Attendance and/or Tardiness Based on Business Size

Findings:

- 65.9%* of small businesses *disagreed* attendance and/or tardiness is a problem for their workforce.
- 60.7%* of large businesses *agreed* their businesses experience problems with employee attendance and/or tardiness.

The reasons cited by large businesses that *agreed* their business experiences employee attendance and/or tardiness problems were as follows.

* Statistically significant at the 95% level

- Transportation was cited as a major reason for attendance problems for employees according to 82.4%* of large businesses.
- Health of the employee and child care also were indicated as reasons for employee attendance and/or tardiness problems by large employers.

Of those small businesses that indicated they had an employee attendance and/or tardiness problem, 53.2%[◇] gave other reasons. Lack of work ethics and sense of responsibility were cited most often by small businesses as the other reasons for attendance and/or tardiness problems in the workplace.

More than two-thirds (65.9%*) of small businesses *disagreed* their business experiences attendance and/or tardiness problems.

- 33.3% of small businesses credited good employee attendance to an excellent work environment, a “like-family” environment and/or job satisfaction.
- 17% of small businesses reported reliable, long-term and loyal employees as a reason for no problems with attendance and/or tardiness.
- 11.1% of small businesses credited good employee attendance to employees’ enjoyment in working at their business.
- 7.8% of small businesses attributed good employee attendance to a responsible and mature workforce.

Employee Turnover Based on Business Size

Unlike other research findings on lower-wage workers, overall the businesses in South Carolina that responded to the survey were more likely to report high employee retention. However, there were differences in employee retention between small and large businesses.

Findings:

- 79.7%* of small businesses *disagreed* they have an employee turnover problem.
- 64.3%* of large businesses *agreed* they have an employee turnover problem.

Small businesses provided the following reasons for retention of their employees.

- 45.9%* of small businesses cited excellent work environment/team spirit/job satisfaction.

[◇] Statistically significant at the 90% level

* Statistically significant at the 95% level

- 17.3% of small businesses cited long-term, dependable and loyal employees.
- 9.7% of small businesses cited that they treat staff well and with respect.

Of all businesses surveyed, 24.9% indicated employee turnover was a problem for their workforce. Based on business size, employers stated the following reasons for employee turnover.

Findings:

- Large employers were more likely (72.2%[◇]) to *agree* employees leave their business to become employed with another business paying higher wages, while small businesses were evenly split on this issue.
- Large employers were more likely to *agree* employees leave for better benefits, while small employers were evenly split on this issue.
- Large businesses were more likely to *disagree* staff leave to pursue better advancement opportunities, while small employers were evenly split on this issue.
- Large businesses were more likely to *disagree* their business experiences problems with turnover because of disciplinary problems such as unacceptable work performance, while small employers were evenly split on this issue.
- Both small and large businesses *disagreed* work hours contributed to employee turnover.

Benefits and Incentives Small and Large Businesses Made Available to Employees

The findings in this study are similar to other research that has shown businesses with a greater number of employees usually make more benefits available to workers than businesses with fewer employees. Businesses with a large workforce usually offer more attractive and a greater range of employee benefits including retirement benefits and paid holidays and vacations. Businesses with few workers find themselves financially unable to match the benefits offered by large employers.

Results from the South Carolina Employer Survey show health insurance and paid vacation are two of the most frequently available benefits to employees of all business sizes.

The South Carolina Employer Survey findings show:

- 51.7% of all businesses offer health insurance.
- 63.6% of all businesses offer paid vacation time.

[◇] Statistically significant at the 90% level

Although a large percentage of participating businesses of all sizes make health insurance and paid vacation available, differences exist between small and large businesses in the rate at which these benefits are offered.

- 46.1% of small businesses offer health insurance to employees.
- 100%* of large businesses offer health insurance to employees.
- More than half of small businesses (60.8%) offer paid vacation to employees while 89.3%* of large businesses offer paid vacation.

Twenty-five percent (25%) of small businesses did not offer any benefits to employees, whereas all of the large businesses offered one or more benefits. Survey results also showed some statistically significant differences between the types of benefits large employers offer compared to small employers. These differences are outlined in Table 2.

TABLE 2 South Carolina Employer Survey Results Comparison of Select Benefits/Incentives Offered by Small and Large Businesses		
Benefits/Incentives	Small Business Response Rate[□]	Large Business Response Rate[□]
Health Insurance	46.1%	100.0%*
Pension/Retirement Plans	25.0%	71.4%*
Health Insurance for Dependents	15.1%	67.9%*
Long-term Disability	13.8%	64.3%*
Paid Sick Leave	33.2%	60.7%*
Employee Assistance Program	4.3%	35.7%*
Cafeteria Plan/Flexible Spending Accounts	6.0%	28.6%*
Source: Southern Institute on Children and Families. <i>SBLC South Carolina Employer Survey, 2008.</i>		
[□] The small and large business response rate columns refer to the percent of all employers who responded to the question of what benefits/incentives they offered to their employees. Respondents were asked to list all benefits/incentives they offer.		

Table 4 in Appendix A shows all of the benefits and incentives participating small businesses made available to their employees by percentage of those responding.

Health Insurance Benefit

Businesses of all sizes are reducing the availability of health insurance to their employees due to growing costs associated with health care coverage. Studies reveal a strong association between

* Statistically significant at the 95% level

business size and whether employees have health insurance coverage through their employer. Employees of businesses with few staff members are usually at greatest risk for lacking employer-sponsored health care coverage. Further, lower-wage workers in all size businesses are at higher risk of being uninsured.

Results from the South Carolina Employer Survey support what is usually observed about the relationship between business size, lower-wage workers and the availability of and participation in health insurance plans offered through employers. As previously indicated in this report, all (100%*) large employers in this study indicated that they offer health insurance. However, only half of them report a 75%-100% participation rate in employer-sponsored health insurance. Fewer than half (46.1%) of small businesses participating in the study offer health insurance as a benefit to their employees. Of these small businesses offering health insurance, 49.5% report a 75%-100% participation rate.

Of all employers surveyed, 49.6% indicated an employee participation rate of 75%-100% in the employer-sponsored health insurance plan. When asked what the major reason was for non-participation by employees in the company's health insurance plan, 34.8% indicated that employees participate in a plan offered through a family member's employer. A little more than 18% of employers indicated the reason employees do not participate is because the cost of premiums is too high. More than one-fourth (26.7%) of employers indicated that all employees participate in their employer-sponsored health insurance plan.

Cost also was the most commonly stated reason employers gave for not making health insurance benefits available to employees; all of these employers were small businesses. Of employers not offering health insurance benefits, 76.2% stated cost as the reason for not doing so, followed by 7.9% of employers indicating not enough employees and/or have part-time employees.

Conclusions

Nearly half (48.6%) of all workers in South Carolina earn at or below the median hourly wage of \$12.85, and the issues they face are extremely relevant to the state's economic development. This project surveyed a sample of randomly selected employers of lower-wage workers located in the South Carolina Metropolitan Statistical Areas (MSAs). These employers shared their perceptions of work/life issues faced by their lower-wage workers that may impede employment stability. We were able to analyze the survey responses based on different employer groups, such as small (under 50) and large (50 and over) employers, and employers that had 5 or more and 4 or fewer lower-wage workers, to better understand how these issues differ depending on the employer type.

The findings indicate that more than one third of employers have a problem with attendance and tardiness, with that problem being more prevalent among large businesses and businesses with more than 5 lower-wage employees. Employers indicated their employees are late or miss work due to issues related to child care, transportation, and health. Turnover was a problem for the

* Statistically significant at the 95% level

majority of large employers but was a problem for only 20% of small businesses. Half of those experiencing a turnover problem reported workers leave for better pay or benefits, while more than 44% of those without a turnover problem cited that fostering an excellent work environment and job satisfaction were main factors in retaining employees.

There were a range of benefits offered, with large businesses offering more benefits than small businesses. One quarter of small businesses offered no benefits at all. Health insurance remains a benefit out of reach for many small businesses due to high costs, and even when offered, many lower-wage workers cannot afford the premiums.

These findings point out that comprehensive public and private sector actions are needed that will build the capacity of lower-wage workers, particularly parents, to be stable employees. Issues such as child care, transportation and health coverage can often not be solved by businesses acting alone.

Next Steps

Employer voices are critical to the development of actions needed in both the public and private sectors to promote stable employment in the lower-wage workforce. The South Carolina Employer Survey Project yielded data and analysis that can be used by South Carolina businesses, foundations, community organizations and public policymakers in assessing workforce stability issues and developing strategies to improve employment stability among lower-wage workers.

About 30 million people visit South Carolina each year. The hospitality and leisure employment opportunities are outgrowing overall private sector employment in South Carolina. With increased growth in the number of visitors to the state, job opportunities in the tourism industry also will continue to grow. Supporting lower-wage employees to be stable and thereby productive on the job should be a high priority for business and policy leaders in the state.

The South Carolina Employer Survey Project contributed valuable information to the development of the *Southern Business Leadership Council (SBLC) Employment Stability Action Plan*, which is a blueprint that can help inform business, community and policy leaders on strategies to implement to improve employment stability of the lower-wage workforce. The *SBLC Employment Stability Action Plan* identifies public actions, private sector actions and public/private partnerships needed to address identified issues and opportunities, and it includes employment stability action strategies central to workforce development, retention and economic development plans. It provides summaries on public and private sector promising practices that can be replicated in communities across the South and the nation and contacts for information on design and implementation.

High profile dissemination and promotion of the *SBLC Employment Stability Action Plan* is planned for 2008 through business, civic and public policy networks. The South Carolina Budget and Control Board and all business and trade organizations that assisted with the SBLC employer research projects will receive the *SBLC Employment Stability Action Plan* when released. The *SBLC Employment Stability Action Plan* will provide a blueprint for business,

community and public policy leaders to improve employment stability in today's lower-wage workforce and to improve child development opportunities for children in lower-income families to help build their readiness to enter tomorrow's workforce.

Please visit www.thesoutherninstitute.org for additional information on the Southern Institute and the SBLC.

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APPENDICES

APPENDIX A
SELECT SOUTH CAROLINA EMPLOYER SURVEY DATA

TABLE 3	
South Carolina Employer Survey Results	
Benefits/Incentives Made Available by Small Businesses (< 50 Employees)	
Benefits/Incentives	Response Rate^Δ
Paid Vacation	60.8%
Health Insurance	46.1%
Paid Sick Leave	33.2%
Flexible Work Options	28.9%
Pension/Retirement Plans	25.0%
Health Insurance for Dependents	15.1%
Short-term Disability	14.7%
Long-term Disability	13.8%
Paid Maternity Leave	9.9%
Investment Planning	8.6%
Paid Sick Dependent Leave	6.9%
Cafeteria Plan/Flexible Spending Accounts	6.0%
Transportation	4.7%
Tuition Reimbursement	4.3%
Employee Assistance Programs	4.3%
Information About Public Benefits and Programs	3.4%
Advance Earned Income Tax Credit	3.0%
Child Care	2.6%
Paid Paternity Leave	2.6%
Housing Assistance	2.2%
Dependent Adult Care	0.4%
None	25.0%
Don't Know	0.9%
Source: Southern Institute on Children and Families. <i>SBLC South Carolina Employer Survey, 2008.</i>	
^Δ Column 2 refers to the percent of all employers who responded to the question of what benefits/incentives they offered to their employees. Respondents were asked to choose all benefits they offer.	

**APPENDIX B
DEMOGRAPHICS OF SOUTH CAROLINA**

TABLE 4 Median Income for South Carolina		
	Median Hourly	Median Annual
South Carolina	\$12.85	\$26,730
National	\$14.61	\$30,400
<p>Sources: US Department of Labor, Bureau of Labor Statistics. <i>May 2006 National Occupational Employment and Wage Estimates: National</i>. Washington, DC: US Department of Labor, Bureau of Labor Statistics, Metropolitan Area Occupational Employment and Wage Estimates, January 2007. http://www.bls.gov/oes/current/oes_nat.htm</p> <p>US Department of Labor, Bureau of Labor Statistics. <i>May 2006 State Occupational Employment and Wage Estimates: South Carolina</i>. Washington, DC: US Department of Labor, Bureau of Labor Statistics, Metropolitan Area Occupational Employment and Wage Estimates, January 2007. http://www.bls.gov/oes/current/oes_sc.htm</p>		

TABLE 5
Lower-wage Workers in South Carolina

Standard Occupational Classification (SOC) Major Groups in South Carolina	Number of Employees with Incomes at or less than \$12.85[□] per hour under each SOC Major Group
13-0000 Business and Financial Operations Occupations	1,000
21-0000 Community and Social Services Occupations	3,010
25-0000 Education, Training, and Library Occupations	5,290
27-0000 Arts, Design, Entertainment, Sports, and Media Occupations	3,620
29-0000 Healthcare Practitioner and Technical Occupations	12,770
31-0000 Healthcare Support Occupations	36,120
33-0000 Protective Service Occupations	14,630
35-0000 Food Preparation and Serving Related Occupations	166,330
37-0000 Building and Grounds Cleaning and Maintenance Occupations	63,580
39-0000 Personal Care and Service Occupations	31,360
41-0000 Sales and Related Occupations	134,440
43-0000 Office and Administrative Support Occupations	160,220
45-0000 Farming, Fishing, and Forestry Occupations	2,690
47-0000 Construction and Extraction Occupations	32,670
49-0000 Installation, Maintenance, and Repair Occupations	7,080
51-0000 Production Occupations	109,220
53-0000 Transportation and Material Moving Occupations	111,010
Total Number of Workers Earning = < \$12.85 per hour	895,040
Total Number of Workers	1,840,190
Percentage of Workforce Earning = < \$12.85 per hour	48.6%

Sources: US Department of Labor, Occupational Safety & Health Administration. *Standard Industrial Classification (SIC) System*. Washington, DC: US Department of Labor, 2005. http://www.osha.gov/pls/imis/sic_manual.html

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[□] Refers to the survey instrument discussion on page five of this report.

Note: Standard Occupational Classification (SOC) System: This system is being adopted by federal statistical agencies to classify workers into occupational categories for the purpose of collecting, calculating or disseminating data. All workers are classified into 1 of more than 800 occupations according to their occupational definition. To facilitate classification, occupations are combined to form 23 major groups, 96 minor groups and 449 broad occupations. Each broad occupation includes detailed occupations requiring similar job duties, skills, education or experience.

TABLE 6
Percentage of Population 16 Years and Over in Labor Force With Children Under 6 Years Old

	Population 16 Years and Over in Labor Force	With Children Under 6 Years	Percentage
South Carolina	2,151,989	213,591	9.9%
National	152,193,214	14,292,278	9.4%

Source: American Community Survey. *American FactFinder*. Washington, DC: US Census Bureau, 2006, <http://factfinder.census.gov>

TABLE 7
Percentage of Families with Below Poverty Income in Last 12 Months

	All Families	Families with Female Householder no Husband Present	Female Householder no Husband Present with Related Children Under 5 Years	Female Householder no Husband Present with Related Children Under 18 Years
South Carolina	11.9%	33.8%	51.6%	41.5%
National	9.8%	28.6%	45.2%	36.9%

Source: American Community Survey. *American FactFinder*. Washington, DC: US Census Bureau, 2006, <http://factfinder.census.gov>

TABLE 8
South Carolina and National Demographics
Familial and Parental Characteristics of Children Under Age 18 by Income Level
(Figures are Percentages)

FAMILIES				
	SC		National	
Poor	19		17	
Low Income	40		36	
Above Income	60		64	
PARENTAL EDUCATION				
	Low Income		Above Low Income	
	SC	National	SC	National
Less than High School	20	25	4*	3
High School Diploma	39	36	19	17
Some College or More	41	39	77	79
PARENTAL EMPLOYMENT				
	Low Income		Above Low Income	
	SC	National	SC	National
Employed Full-Time, Year Round	57	56	90	92
Employed Part-Year or Part-Time	25	25	7	7
No Parent Employed	17	19	3*	1
PARENTAL MARITAL STATUS				
	Low Income		Above Low Income	
	SC	National	SC	National
Married Parents	42	48	79	83
Single Parents	58	52	21	17
AGE OF CHILDREN IN FAMILY				
	Low Income		Above Low Income	
	SC	National	SC	National
Less than 6 Years Old	36	37	34	31
At Least 6 Years Old	64	63	66	69
HOME OWNERSHIP				
	Low Income		Above Low Income	
	SC	National	SC	National
Own Home	51	43	88	83
Rent Home	49	57	12	17
FAMILY STRUCTURE				
	Low Income		Above Low Income	
	SC	National	SC	National
At Least One Parent Present in the Household	92	96	98	98
No Parent Present in the Household	8	4	2*	2

REFERENCE AND NOTES

Source: National Center for Children in Poverty (NCCP). *50-State Demographics Data Wizards*. New York, NY: NCCP, 2007, <http://www.nccp.org/tools/demographics/>

* *This estimate should be used with caution. It may be unreliable due to a small sample size.*

Note 1: Poor is defined as families and children with a family income below the federal poverty threshold.

Note 2: Low Income is defined as families and children with a family income less than twice the federal poverty threshold.

Note 3: Above Low Income is defined as families and children with a family income at or above twice the federal poverty threshold.

Note 4: The Federal Poverty Threshold is \$10,400 in 2008 for an individual. These thresholds vary by family size, for example the Federal Poverty Threshold for a family of three with two children was \$17,600 in 2008, \$17,170 in 2007, and \$16,600 in 2006.

Note 5: State data were calculated from the Annual Social and Economic Supplement (the March supplement) of the Current Population Survey from 2004, 2005 and 2006, representing information from calendar years 2003, 2004 and 2005. NCCP averaged three years of data because of small sample sizes in less populated states. The national data were calculated from the 2006 data, representing information from the previous calendar year.

TABLE 9
Demographics for South Carolina and United States

Prenatal Care and Low Birthweight¹		
	South Carolina	United States
Percent of Babies Born to Mothers with Late or No Prenatal Care	4.4%	3.7%
Percent of Babies Born with Low Birthweight	9.6%	7.7%
Teen and Single Mothers¹		
	South Carolina	United States
Percent of Births to Mothers under 18	14.5%	11.3%
Percent of Births to Single Mothers*	40.1%	33.5%
Educational Levels of Population 25 and Older		
	South Carolina ²	United States ³
Percent of Population 25+ Without a High School Diploma	18.7%	14.5%
Percent of Population 25+ With a High School Diploma	32.6%	31.7%
Percent of Population 25+ With a Bachelor's Degree	14.9%	18.3%
Housing²		
	South Carolina	United States
Percent of Housing Units Owner Occupied	70.3%	67.3%
Percent of Housing Units Renter Occupied	29.7%	32.7%
Percent of Housing Units Vacant	16.1%	11.6%
Sources:		
¹ Kids COUNT Data Center. Baltimore, MD: The Annie E. Casey Foundation, 2001 http://www.kidscount.org/datacenter		
² American Community Survey. American FactFinder. Washington, DC: US Census Bureau, 2006. http://factfinder.census.gov		
³ US Census Bureau. Current Population Survey: 2006 Annual Social and Economic (ASEC) Supplement: Washington, DC: US Census Bureau, March 2007.		
*Percent of births to single mothers includes paternity acknowledgement.		

APPENDIX C STANDARD INDUSTRIAL CLASSIFICATION (SIC) SYSTEM

The SIC system has been used throughout the Federal Government to group establishments into industries. Listed below is the SIC Division Structure.

Division A: Agriculture, Forestry and Fishing

- Major Group 01: Agricultural Production Crops
- Major Group 02: Agriculture Production Livestock and Animal Specialties
- Major Group 07: Agricultural Services
- Major Group 08: Forestry
- Major Group 09: Fishing, Hunting and Trapping

Division B: Mining

- Major Group 10: Metal Mining
- Major Group 12: Coal Mining
- Major Group 13: Oil and Gas Extraction
- Major Group 14: Mining and Quarrying of Nonmetallic Minerals, Except Fuels

Division C: Construction

- Major Group 15: Building Construction General Contractors and Operative Builders
- Major Group 16: Heavy Construction Other Than Building Construction Contractors
- Major Group 17: Construction Special Trade Contractors

Division D: Manufacturing

- Major Group 20: Food and Kindred Products
- Major Group 21: Tobacco Products
- Major Group 22: Textile Mill Products
- Major Group 23: Apparel and Other Finished Products Made From Fabrics and Similar Materials
- Major Group 24: Lumber and Wood Products, Except Furniture
- Major Group 25: Furniture and Fixtures
- Major Group 26: Paper and Allied Products
- Major Group 27: Printing, Publishing and Allied Industries
- Major Group 28: Chemicals and Allied Products
- Major Group 29: Petroleum Refining and Related Industries
- Major Group 30: Rubber and Miscellaneous Plastics Products
- Major Group 31: Leather and Leather Products
- Major Group 32: Stone, Clay, Glass and Concrete Products
- Major Group 33: Primary Metal Industries
- Major Group 34: Fabricated Metal Products, Except Machinery and Transportation Equipment
- Major Group 35: Industrial and Commercial Machinery and Computer Equipment
- Major Group 36: Electronic and Other Electrical Equipment and Components, Except Computer Equipment
- Major Group 37: Transportation Equipment

Division D: Manufacturing (continued)

Major Group 38: Measuring, Analyzing and Controlling Instruments; Photographic, Medical and Optical Goods; Watches and Clocks

Major Group 39: Miscellaneous Manufacturing Industries

Division E: Transportation, Communications, Electric, Gas and Sanitary Services

Major Group 40: Railroad Transportation

Major Group 41: Local and Suburban Transit and Interurban Highway Passenger Transportation

Major Group 42: Motor Freight Transportation and Warehousing

Major Group 43: United States Postal Service

Major Group 44: Water Transportation

Major Group 45: Transportation by Air

Major Group 46: Pipelines, Except Natural Gas

Major Group 47: Transportation Services

Major Group 48: Communications

Major Group 49: Electric, Gas and Sanitary Services

Division F: Wholesale Trade

Major Group 50: Wholesale Trade-durable Goods

Major Group 51: Wholesale Trade-non-durable Goods

Division G: Retail Trade

Major Group 52: Building Materials, Hardware, Garden Supply and Mobile Home Dealers

Major Group 53: General Merchandise Stores

Major Group 54: Food Stores

Major Group 55: Automotive Dealers and Gasoline Service Stations

Major Group 56: Apparel and Accessory Stores

Major Group 57: Home Furniture, Furnishings and Equipment Stores

Major Group 58: Eating and Drinking Places

Major Group 59: Miscellaneous Retail

Division H: Finance, Insurance and Real Estate

Major Group 60: Depository Institutions

Major Group 61: Non-depository Credit Institutions

Major Group 62: Security and Commodity Brokers, Dealers, Exchanges and Services

Major Group 63: Insurance Carriers

Major Group 64: Insurance Agents, Brokers and Service

Major Group 65: Real Estate

Major Group 67: Holding and Other Investment Offices

Division I: Services

Major Group 70: Hotels, Rooming Houses, Camps and Other Lodging Places

Major Group 72: Personal Services

Major Group 73: Business Services

Division I: Services (continued)

- Major Group 75: Automotive Repair, Services and Parking
- Major Group 76: Miscellaneous Repair Services
- Major Group 78: Motion Pictures
- Major Group 79: Amusement and Recreation Services
- Major Group 80: Health Services
- Major Group 81: Legal Services
- Major Group 82: Educational Services
- Major Group 83: Social Services
- Major Group 84: Museums, Art Galleries and Botanical and Zoological Gardens
- Major Group 86: Membership Organizations
- Major Group 87: Engineering, Accounting, Research, Management and Related Services
- Major Group 88: Private Households
- Major Group 89: Miscellaneous Services

Division J: Public Administration

- Major Group 91: Executive, Legislative and General Government, Except Finance
- Major Group 92: Justice, Public Order and Safety
- Major Group 93: Public Finance, Taxation and Monetary Policy
- Major Group 94: Administration of Human Resource Programs
- Major Group 95: Administration of Environmental Quality and Housing Programs
- Major Group 96: Administration of Economic Programs
- Major Group 97: National Security and International Affairs
- Major Group 99: Nonclassifiable Establishments

Source: Standard Industrial Classification (SIC) system. US Department of Labor, Occupational Safety & Health Administration. http://www.osha.gov/pls/imis/sic_manual.html

APPENDIX D
ABOUT THE SOUTHERN BUSINESS LEADERSHIP COUNCIL

The Southern Business Leadership Council (SBLC) was established in 2002 by the Southern Institute on Children and Families from the vision of the late founder and former president and chief executive officer, Sarah C. Shuptrine. The SBLC was created to engage southern business and public policy leaders in the development of comprehensive solutions to societal issues that impede stable employment of the lower-wage workforce, and to support efforts to achieve greater opportunities for child development. The Honorable Richard W. Riley, former United States Secretary of Education, former South Carolina Governor and Southern Institute Board Member and Anne Doss, Executive Vice President, Wachovia co-chair the SBLC. Members of the SBLC represent local, state and national business organizations. The SBLC is focused on developing research-based employment stability action strategies that will mutually benefit families and employers in communities across the South.

Southern Business Leadership Council		
<p>Richard W. Riley, Esq. SBLC Co-Chair Nelson Mullins Riley & Scarborough, LLP Columbia/Greenville, SC</p>	<p>Julio Fuentes Florida Hispanic Chamber of Commerce Palm Beach Gardens, FL</p>	<p>Tony Norwood Coca-Cola Bottling Co. Consolidated Charlotte, NC</p>
<p>Anne Doss SBLC Co-Chair Wachovia Charlotte, NC</p>	<p>George L. Johnson BlueCross BlueShield of South Carolina Columbia, SC</p>	<p>William F. O'Connor, Jr. Results, LLC Montgomery, AL</p>
<p>Ingo Angermeier, FACHE Spartanburg Regional Healthcare System Spartanburg, SC</p>	<p>Stephen Jordan US Chamber of Commerce Washington, DC</p>	<p>Kevin C. Sass, FACHE Columbus Regional Healthcare System Columbus, GA</p>
<p>Charlotte Lunsford Berry United Way of America Columbia, SC</p>	<p>Sabine Lang Lang-Mekra North America, LLC Ridgeway, SC</p>	
<p>Natalie J. Brown Bank of America Charlotte, NC</p>	<p>Ray Marshall University of Texas at Austin Austin, TX</p>	
<p>C. Jeff Cook Capital Guardian Trust Company Atlanta, GA</p>	<p>Donald G. (Ike) McLeese Greater Columbia Chamber of Commerce Columbia, SC</p>	
<p>Cindy Cox AT&T Columbia, SC</p>	<p>Elaine Mendoza Conceptual MindWorks, Inc. San Antonio, TX</p>	
<p>John E. Davis Republic Powdered Metals, Inc. Houston, TX</p>		
<p>Note: The Southern Business Leadership Council (SBLC) is an initiative of the Southern Institute on Children and Families.</p>		

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