# The Status of South Carolina’s Women

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Part 1. The Status of Women in South Carolina

During the 20th century, the status of women rose dramatically. Women made significant strides in economic, political, and social advancements. Nevertheless, women do not have gender equity. When key indicators—political participation, employment and earnings, economic autonomy, reproductive rights, and health and well-being—are examined, the inequity is more apparent. This section of the report looks at these key indicators for South Carolina and their change over time.

The foundation for this section of the report is the Institute for Women’s Policy Research (IWPR), particularly its reports for 2000, 2002, and 2004 (available at its website www.iwpr.org). To assure reliable data and issues affecting women are available to policymakers and others, IWPR has produced the statistics and reports on the status of women in the United States since 1996. This section of the report looks at these key indicators.

The charts shown below are based on the 2004 report from the IWPR on the status of women. Note however that the data used derive from a variety of sources using different reporting years. The reporting years are noted in the chart titles. In addition, IWPR developed a full report on South Carolina in 2002, which was also used in the construction of this report.

**Political Participation**

Women can voice their concerns, experiences, and priorities through political participation. In other words, women can express themselves more if more women register to vote and actually vote or if more women hold political office or if women have access to institutional resources. The combination yields a composite index for political participation. The composite was developed by first setting an “ideal score” for each component. For voter registration and turnout, the “ideal score” was set at the value of the highest rate among the states. For elected office, the idea was set to 50 percent, and the ideal for institutional resources was set at 2, that is, having both a commission for women and a bipartisan women’s legislative caucus.

As the map shows, for the political participation composite index, South Carolina ranks 42nd, in the bottom third of the state rankings, and earns a grade of a D-. South Carolina’s grade is the same as its grade in the 2002 and the 2000 studies. South Carolina was ranked 45th in the 2000 study but had moved up to 40th in the 2002 study.
The maps to follow show the components of the composite index. Voting is a fundamental way in which we express ourselves, and South Carolina has remained strong in both voter registration and voter turnout for women. Nationwide, women register and vote at a slightly higher rate than men. And voter registration and turnout, in general, are up during presidential election years.

For Women’s Voter Registrations, South Carolina is in the top third of states. Women’s Voter Registration is the average percentage of women aged 18 and older who reported they were registered to vote in the presidential and congressional elections of 1998 and 2000. South Carolina shows 71 percent of registered women voters and is higher than the national average of 65 percent. South Carolina’s rank on this characteristic moved down from 13th position in 2002 but remains well above the 33rd position reported in 2000 for women’s voter registration.
Women’s Voter Turnout is the self-reported voting record of women. In particular, it is the average percentage of adult women (aged 18 and older) who reported that they voted in presidential and congressional elections in 1998 and 2000. South Carolina ranks 13th with a 56 percent female voter turnout, well above the female voter turnout for the United States at 45 percent. In 2000, the percentage of South Carolina women who voted in 1992 and 1996 was 58 percent (rank 37) compared to 59 percent in the United States. The percentage of South Carolina’s women who voted in 1998 and 2000 (used to develop the 2002 report) of 56 percent changed little, but the relative position moved up to 13th largely because the percentage for the United States moved down to 49 percent.

[Image: Women's Voter Turnout, 1998 and 2000]


Women in Elected Office, reflecting national and state offices held in July 2004, is a composite of the percentages of women as (i) state representatives; (ii) state senators; (iii) statewide elected executive officials and (iv) U.S. representatives, and U.S. senators and governors. After normalizing the percentages, weights were added:

<table>
<thead>
<tr>
<th>Weight</th>
<th>Group</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.0</td>
<td>State representatives</td>
</tr>
<tr>
<td>1.25</td>
<td>State senators</td>
</tr>
<tr>
<td>1.50</td>
<td>Statewide elected executive officials</td>
</tr>
<tr>
<td>1.50</td>
<td>U.S. Representatives</td>
</tr>
<tr>
<td>1.75</td>
<td>U.S. Senators</td>
</tr>
<tr>
<td>1.75</td>
<td>State governors</td>
</tr>
</tbody>
</table>

The results seen in the map below show that South Carolina is last in the ranking, with a score of 0.64, which is about one-third of the U.S. score. The rank was the same in the 2000 and 2002 studies of the status of women, although the score has trended upward showing 0.62 in 2000 and 0.60 in 2002.
The remaining component of the Political Participation Composite Index is Women’s Institutional Resources. The maximum number a state can have is two: (i) a commission for women established by legislation or executive order and (ii) a legislative caucus organized by women legislators. In this regard, South Carolina ranked number one (see map below) because both institutional resources are present. The numbers of institutional resources and the ranks have remained the same from 2000 through the present study.

**Employment and Earnings**

Median annual earnings for women, the ratio of women’s earnings to men’s earnings, women’s labor force participation, and the percentage of women employed in managerial and professional specialty occupations are the four components of the Employment and Earnings Composite Index. To develop the composite index, the four components were first standardized then summed (equal weights applied). The grades were based on “ideal scores.” For women’s
Earnings, the ideal” was the median annual earnings for men in the United States as a whole. For the wage ratio, 100 percent equity was set as the ideal. The ideal labor force participation rate was set at the national figure for men. Lastly, for women in managerial and professional positions, the ideal was set at the highest score among the states.

With a rank of 42 and a grade of D, South Carolina is in the bottom third of states on this index. Although South Carolina exhibited a similar picture in 2000 with a composite grade of D and a rank of 38, the 2004 statistics represent a decline from the 2002 report of a C with a rank of 30 for South Carolina.

Women’s employment status and earnings have grown in importance for the overall well-being of women and their families as demographic and economic changes have occurred.

— The Status of Women in South Carolina, 2002

For South Carolinians, women’s median annual earnings in 2003 dollars are $26,600 in the latest report. This puts South Carolina 37th among the states and 88 percent of the U.S. median annual earnings. The median annual earnings statistic is an average of two years (2001-02). In 2002, the South Carolina figure was reported as $22,212 and ranked 36th among the states. At that time, South Carolina’s median was 88 percent of the U.S. median also. South Carolina’s position had improved somewhat by 2002, moving up to a median of $24,816 that was 92 percent of the U.S. median. The associated rank of 37 represented a slight decline.
For most of the last two decades of the 20th century, the real wage growth for women has been strong. This has come about in large part by a fall in men’s real earnings. About two-thirds of the change from 1979 to 1999 is due to the former while one-third is due to the latter. Women’s earnings have a strong impact on their economic well-being in later years. The economic punch is particularly hard when combined with the facts that women generally can rely on fewer resources (than men can) when they retire, that women generally live longer than men, and, in today’s society, women are less likely to have long-term financial support from a man.

For the United States in general, women’s wages in 2004 remain below men’s, actually 76 percent of men’s (see map below). The earnings ratio for South Carolina women relative to South Carolina men in 2004 was 73 percent, yielding a rank of 38 among the United States. This represents an improved percentage over the 71 percent reported in 2002 (when South Carolina’s earnings ratio was 98 percent of the United States), but a drop in rank from 33 reported in 2002. South Carolina has realized an upward trend in percentage from 2000 when the earnings ratio was 69 percent (or 93 percent of the U.S. earnings ratio) and the rank was 42. So the earnings of South Carolina’s women has improved from 69 cents on the dollar in 2000 to 73 cents on the dollar by the 2004 report.
Earnings are determined partly by human capital, or the development of job-related skills through education, job training, and workforce experience... — The Status of Women in South Carolina, 2002

Related to the wage differential are the pension receipts and benefit levels gaps. The Status of Women in South Carolina in 2002 shows that almost 10 percent fewer S.C. women (17.4 percent) than S.C. men (26.6 percent) receive pension and other retirement income. These percentages compared unfavorably with national percentages of 18.4 percent and 27.8 percent, respectively. Wide gaps are evident when the median annual benefits were considered. For S.C. women, the median annual benefit was $5,100 or 82 percent of the national median for women of $6,200. A reversal is seen for S.C. men whose median annual benefits were $15,600 or 26 percent higher than the national median for men of $12,400.

Another picture of the differences between men’s wages and women’s wages can be seen in the following chart, which shows impact of ethnicity. One can see that the difference is least for Hispanics and greatest for Asian Americans.
Yet another factor composing the Employment and Earnings Index is the level of women’s participation in the labor force—the percentage of civilian noninstitutionalized women aged 16 and older who were employed or looking for work in 2002. In the United States, about 60 percent of women participate in the labor force. In South Carolina, the rate is smaller (57 percent) giving South Carolina a rank of 43 among the states. The South Carolina rate has declined since the 2000 report—60.1 percent (Rank 32) in 2000 and 59.5 percent (Rank 35) in 2002.

Women’s labor force participation rate in South Carolina differs when ethnicity is considered, as the following chart shows. The greatest participation is among Asian American Women, while the least participation is among Native American Women.
The 2002 report on the status of women in South Carolina provides evidence of the changes in labor force participation rates by age. A greater proportion of South Carolina’s women between the ages of 20 and 34 are in South Carolina’s labor force than are their counterparts in the U.S. labor force. Further examination of this statistic shows that, consistent with the trend nationwide, the labor force participation rate of women with children is high. In South Carolina, the percentage of S.C. women with children under age 18 participating in the labor force is higher than the rate for U.S. women.

South Carolina ranks in the middle third (number 31) of the states for the fourth component of the Employment and Earnings Composite Index: Women in Managerial and Professional Occupations. Here, nearly 31 percent of South Carolina’s employed women hold managerial and professional positions. This is slightly below that for the United States of 33 percent. In 2000, the percentage of women holding managerial and professional positions was 29.6 percent (a rank of 28) and rose to 32.8 percent (a rank of 16) by 2002.
Women in Professional and Managerial Occupations, 2001

U.S. percent 33.2; S.C. relative to U.S. 0.95

The following map shows the percentages of women in professional and managerial occupations by ethnicity. Here, White women and Asian American women exhibit a higher percentage of women in these occupations. The least percentage is realized by African American women.

Social and Economic Autonomy

Labor force participation rates and earnings are crucial to a woman’s financial security, but other factors affect a woman’s ability to act independently. Four indicators of women’s ability to exercise control over their social and economic lives are combined to yield the Social and Economic Autonomy Composite Index. These interrelated factors are health insurance, college education, business ownership, and poverty rates.

Each of these indicators was standardized and weighted to achieve the summed composite. Each indicator was weighted 1.0 except poverty, which was given a 4.0 weight. For the percentage
with college education and the percentage above poverty, ideal scores were set at the national level for men. For the percentages of businesses owned by women, the ideal score was set at 50 percent; and for the percentage with health insurance, the ideal was set at the highest percentage among the states. The grade was determined by each indicator’s value relative to its ideal.

Overall, women in the United States have realized improvements in both business ownership and college education. Even so, more women than men are below the poverty level, and many women do not have health insurance. As the map below shows, the grade for South Carolina on this index is D and is ranked 41 among the states. In 2000, South Carolina also earned a D (and rank of 44), though the index was labeled “Composite Economic Autonomy Index.” South Carolina’s rank improved in 2002 to 33 and the grade received was D+. Nevertheless, the indices cannot be compared across years as the weights in 2000 were 1.0 across the board and changed to 4.0 for the poverty indicator in the 2002 report.

A bright spot among the indicators for South Carolina is the percentage of women who have health insurance. As the map below shows, South Carolina with 85 percent of its women having health insurance ranks 25th among the states. Relative to the 2000 report, 81 percent of South Carolina women (rank of 37) had health insurance. In 2002, the percentage had moved up to 89 percent (rank of 9). Generally, South Carolina women have more access to employer-based health insurance, and men actually have less access, than persons in the United States as a whole.
In contrast, only 20 percent of South Carolina women have earned college degrees. This means that South Carolina is in the bottom third of states (rank 39) and 88 percent of the national percentage. Both figures are a step above the 2002 report in which South Carolina ranked 40th among the states with 15 percent of its women having college education. The 2000 report provides the same percentage and rank as its 2002 counterpart. Note that the 2000 and 2002 reports are based on the 1990 Census of Population whereas the 2004 report is based on the 2000 Census of Population.

Within South Carolina, more educational opportunities for women are available today than ever, thanks in part to the state’s Life Scholarships, Palmetto Fellows Scholarships, and Teaching Scholarships. . . .

— The Status of Women in South Carolina, 2002

When ethnicity is introduced, the percentage of college-educated women in South Carolina varies widely. As the chart below shows, about 30 percent of Asian American women in South Carolina have college educations (the highest percentage by ethnicity), and about 10 percent of
African American women in South Carolina have college educations (the lowest percentage by ethnicity).

<table>
<thead>
<tr>
<th>Ethnicity</th>
<th>Percentage of College-Educated Women</th>
</tr>
</thead>
<tbody>
<tr>
<td>All</td>
<td>10.0%</td>
</tr>
<tr>
<td>White</td>
<td>20.0%</td>
</tr>
<tr>
<td>African American</td>
<td>5.0%</td>
</tr>
<tr>
<td>Asian American</td>
<td>15.0%</td>
</tr>
<tr>
<td>Native American</td>
<td>30.0%</td>
</tr>
<tr>
<td>Other/Two or More</td>
<td>35.0%</td>
</tr>
<tr>
<td>Hispanic</td>
<td>25.0%</td>
</tr>
</tbody>
</table>


To develop the women’s business ownership indicator, the five legal forms of organizations (C corps, Subchapter S corps, partnerships, and others) were included based upon any IRS Form 1040, Schedule C filed in 1997. From the following map, with one-fourth of businesses owned by women, South Carolina ranks 30th, the middle third among the states. This reflects no change from the 2002 report, as the underlying data are the same. However, it is an improvement in rank from the 36 reported in 2000, but a decline from the 33 percent reported.

In general, nationwide women-owned businesses are in the services industry, and South Carolina’s women do not differ on this aspect. However, the percentage of South Carolina women-owned businesses that are in the services industry is slightly smaller than that for the nation in 2002. Further, South Carolina women own proportionately more construction and retail businesses than is the national rate. A component of women-owned businesses is self-
employment. Many factors influence the decision to become self-employed. Unfortunately, many aspects of self-employment help to dampen women’s social and economic autonomy. Often self-employment is sporadic, and women hold two jobs. On the plus side, there is an upward trend in earnings potential among self-employed women.

The last indicator included in the Economic Autonomy Composite Index is the percentage of women living above poverty. As is well known, wide disparities exist among counties in South Carolina. Rural counties often have worse statistics than do urban counties on a number of indicators such as median incomes, unemployment rates, and poverty levels. In South Carolina, the rural counties exhibit a disproportionate percentage of households that are headed by females. A rural county does not necessarily have to exhibit poor economic indicators, and several rural counties in South Carolina demonstrate exceptions.

Although South Carolina’s percentage living above poverty (86 percent) is 97 percent of the national percentage of 88, South Carolina’s rank of 39 is the bottom third of the states. The 2004 percentage is a single percentage point above the 85 percent reported in 2000 and a single percentage point below the 87 percent reported in 2002. The ranks reported in 2000 and 2002 are 39 and 35, respectively. The 2002 report examined the percentage living in poverty by type of household and household head with the notable conclusion that the hardest hit households are those single-female-headed households with children.
As might be expected, the picture is different when ethnicity is considered. The lowest percentage among African American women is 76 percent, 14 percentage points below the highest percentage of 90 among White women.

Reproductive Rights Composite Index
This index is comprised of a variety of indicators—many related to abortion such as access, conditions, providers, and services; policies regarding sex education in the public schools, contraceptives and infertility treatments, and adoptions. On this index, South Carolina earned a D- and is ranked 28th among the states. Although in 2000, South Carolina had earned a D+ and was ranked 28th, the profile declined by the 2002 report in which South Carolina earned a D, even with a rank of 36.

1 For a complete description of these indicators, please go to www.iwpr.org.
Related issues are the percentage of women who seek prenatal care in the first trimester, the infant mortality rate, and the percentage of low birth weight newborns. The chart below looks at the first of these indicators by ethnicity. Here, the percentage for all women in South Carolina is almost 80. This puts South Carolina in 44th position among the state. In addition, the disparity among ethnicities is apparent with African Americans and Hispanics having the lowest percentage while White women have the highest. Note that only among Native American women is the percentage for South Carolina larger than that for the United States.

The chart below paints the picture for the infant mortality rate by ethnicity. Unfortunately, the numbers were too small to adequately report the infant mortality rate for any other ethnicity except White and African American. With a 9.0 mortality rate, South Carolina ranks 46th among...
the states. For White women, the rate drops to 6.2, with a rank of 29 (of 49). For African American women, the rate is higher (14.8) but the rank is 19th (of 34).

![Infant Mortality Rate (Deaths of Infants under Age One per 100,000 Live Births) by Ethnicity, 2002](image)

Source: Institute for Women's Policy Research, retrieved 4/7/05 from [http://www.iwpr.org](http://www.iwpr.org)

The percentage of low birth weight babies is seen in the following chart. South Carolina’s percentage (9.6 percent) yields a rank of 47. Note that the percentage of low birth weight babies among African American women is 14 percent and yields a rank of 36 among 44.

![Percentage of Low-Birth-Weight Babies (<5 lbs., 8 oz.) by Ethnicity, 2002](image)

Source: Institute for Women's Policy Research, retrieved 4/7/05 from [http://www.iwpr.org](http://www.iwpr.org)

**Health and Well-Being Composite Index**

The final indicator of the status of women is the composite index on health and wellbeing. Nine measures of physical and mental health for women are included in the composite: (i) mortality from heart disease; (ii) mortality from lung cancer; (iii) mortality from breast cancer; (iv) incidence of diabetes; (v) incidence of Chlamydia; (vi) incidence of AIDS; (vii) prevalence of poor mental health; (viii) mortality from suicide; and (ix) mean days of activity limitations.
Scores for each indicator were developed based upon the highest value for the states and subtracted from 1. Weights were assigned—1.0 assigned to heart disease mortality and to activity limitations; 0.5 assigned to lung cancer mortality, to breast cancer mortality, incidence of diabetes, incidence of Chlamydia, and to incidence of AIDS. The weighted scores were summed, then ranked highest to lowest score. Grades were established based on ideal scores developed from national goals set for the year 2010 as determined by the U.S. Department of Health and Human Services under its Healthy People 2010 program.

“Collectively, women in South Carolina live in poor health.”² South Carolina, with a grade of D, ranked 44 among the states (see map below). Although this represents no change from the 2000 report (grade D and rank 44), it is a decline from the 2002 report (grade D+ and rank 40).

For the mortality from heart disease, the average annual mortality among all women per 100,000 population (in 1999-2001) was age-adjusted to the 2000 total U.S. population. That said, South Carolina is about the midpoint (light bar), with a rate of 209.3 and a rank of 29. The rate for the United States was 90.9. In 2000, the heart disease mortality rate for South Carolina was 106.4 (rank 39), and, in 2002, the rate was 155.0 (rank 28).

When ethnicity is introduced to the statistics, it is apparent that there is a disproportionate effect. For heart disease mortality, African Americans realize a greater impact from heart disease while Hispanics show the least impact (see chart below).

The lung cancer mortality rate for South Carolina (shown below) is improved over the heart disease mortality rate. Here, South Carolina’s rate is 39.5 (rank of 19), compared to 29.4 (rank 11) in 2000 and 38.3 (rank 13) in 2002. The rate for the United States in 2004 was 33.3.
There were too few data points to examine lung cancer mortality rates by the full ethnicity spectrum. However, the disparity between the rates for White women and African American women are shown below. The lung cancer mortality rates are higher for White women than for African American women.

For the third indicator in this composite, breast cancer mortality rate, South Carolina drops down to 27.5 with a rank of 39 in the 2004 report. This compares unfavorably with the rate for the United States of 26.5. In 2002, South Carolina’s breast cancer mortality rate was 27.9 (rank of 24) which is a decline from the 2000 rate of 25.5 but an improvement from the 2000 rank of 30.
There were too few data points to permit an examination of breast cancer mortality rates by the full ethnicity spectrum. However, the rate for African American women is relatively higher than that for White women.

The incidence of diabetes for South Carolina women is disturbingly high (7.7 percent; rank 46) in the 2004 report. The incidence rate for the United States as a whole was 6.5 percent. The 2004 percentage is an erosion from the 6.3 percent (rank 40) reported in 2000 and the 7.0 percent (rank 43) reported in 2002.
Threatening young women’s health are sexually transmitted disease (STDs); Chlamydia is one of these. Though often asymptomatic, Chlamydia can lead to pelvic inflammatory disease which threatens reproductive capacity. In 2004, the rate for South Carolina is 604.3 (rank 44), compared to 455.4 for the United States as a whole. South Carolina ranked last in 2000 with an incidence rate of 581.7, but was able to improve to a rate of 433.7, rank 36, in 2002.

A similar picture emerges when the incidence of AIDS among South Carolina women is examined. South Carolina’s rate is 13.1 giving South Carolina a rank of 43. The rate for the United States as a whole is 9.1. In 2000, the rate was 16.3 giving South Carolina a rank of 46. The rate improved to 13.8 and the rank improved to 44 in the 2002 report. Overall, then, South Carolina is realizing an improving trend.
Though men are more likely than women to suffer from substance abuse and conduct disorders, women are more likely than men to experience psychological conditions such as depression, anxiety, panic, and eating disorders. The poor mental health indicator is constructed by self reports of female respondents to a survey conducted in 2000. The variable is the mean number of days in the past 30 days on which the respondent’s mental health was not good. Women in South Carolina report an average of 4.0 days that is ranked at 32nd in the nation. This compares unfavorably with the average of 3.6 days (and ranked 26th) reported in 2000. The same data were used in the 2002 report; hence, the rate and rank are the same.

“One of the most severe public health problems related to psychological disorders is suicide. . . . Women are much less likely than men to commit suicide, . . . women are two to three times as likely to attempt suicide as men are . . .”^3 Data on the suicide mortality rate were constructed as an average from suicide data among all women per 100,000 population in 1999-2001. The data

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were age-adjusted to the 2000 total U.S. population. The rate and rank for South Carolina women has remained about the same from the 2000 report. They are 4.5 and 36, respectively, for 2000; 4.8 and 31, respectively, for 2002; and 4.7 and 33, respectively, for 2004.

In the 2000 survey conducted by the Center for Disease Control and Prevention, women were asked to indicate how many of the past 30 days would be limited activity days because of health status. In the 2004 report, South Carolina women report 4.4 days, which puts these women in 45th position among the states. The same data were used for 2002, so the reported average and rank is the same. In 2000, the picture for South Carolina was better as women reported only 3.7 days of limited activity, which ranked 27th among the states.
Part 2. Literature Review of the Economic Aspects of Specific Women’s Issues

Domestic Violence
“The U.S. Department of Justice estimates that violence by an intimate partner accounts for nearly 21 percent of all violent crimes experienced by women and 30 percent of female murder victims are killed by an intimate partner” (American College of Obstetricians and Gynecologists, 1999).

“What constitutes domestic violence? Domestic violence can be defined as any relationship of unequal power and control where there is coercion, threats, intimidation, emotional abuse, isolation, minimizing, denying of freedoms, blaming, use of male privilege including spousal rape, or economic denial” (Lynch, 2001). The term gender-based violence specifically addresses the physical, emotional, economical, and/or sexual abuse of girls and women. Domestic violence extends past age groups, racial background or socioeconomic demographics.

“In 92 percent of all domestic violence incidents, crimes are committed by men against women (An Abuse, Rape and Domestic Violence Aid and Resource Collection [ARDVARC], 2005a) Experts have contended that there is no specific risk factor that predisposes a woman to domestic violence, the only common denominator is being born female. However, the evidence does indicate that women who were abused as children and are living at or below the poverty line are more prone to become victims of domestic violence (National Women’s Health Information Center, 2004).

Victims are more prone to be geographically located in areas stricken by poverty, inadequate medical care, poor facilities, high crime, and poor housing opportunities. Low-income housing translates into a low tax base, which manifests poor quality school districts. School districts that have a high tax base due to high property taxes often attract the most qualified teachers and have the best resources.

Numerous studies have found that education about sexuality (including healthy relationships) is most effective when children are taught the effects of abstinence and the importance of safer sexual activities. Students who are academically, culturally, and socially stimulated would be less likely to engage in sex in the early teen years. Children who have two parents at home are also less likely to participate in intercourse in their early teens.

Domestic violence is a crime that escalates . . .
—Farmer and Tiefenthaler, 1997

Domestic violence does not begin with the abuser battering the victim, it is a crime that escalates, usually from verbal outbursts, emotional abuse, grabbing, slapping, and pushing until it evolves into battering. Victims are at a higher risk for severe injury if they attempt to leave or succeed in leaving the abuser. It is estimated that the victim has a 75 percent risk of severe injury once they leave their abuser. “A U.S. Government Accountability Office
(1998) survey of literature on domestic violence and welfare indicated that between 55 and 65 percent of the women on welfare reported having been abused by an intimate partner” (Farmer and Tiefenthaler, 1997).

In 1996, the Report of the American Psychological Association Presidential Task Force on Violence and the Family stated, “A child exposed to the father abusing the mother is at the strongest risk for transmitting violent behavior from one generation to the next” (Violence and the Family, 2005). Abusers usually are abused as a child or witnessed abuse in their home and become abusers in their own adult relationships. If the abuser is a victim of abuse, it is difficult for them to maintain a relationship without violence due to their psychological need and dependence for control.

Domestic violence is crime about control and violence that has deep southern roots. The south has a violent past with deep cultural, historical, and social origins dating back to before industrialization. Violence in southern towns during the pre-antebellum times stemmed from matters of honor and respect. Northern cities were deemed far less violent than their southern counterparts. The most refined gentleman would duel to defend his honor or the honor of his family. Until recently, violence against a woman by her domestic partner was considered a matter that police did not and should not interfere. It was common and acceptable for a man to “discipline” his wife and children without fear of reprisals from society or law enforcement. It was also common for a man to “rape” his wife without providing any legal recourse for the woman. Even today, “South Carolina does not mandate training or protocol [for health care or law enforcement workers] for treating sexual assault survivors” (McGovern, 2004).

Domestic Violence in South Carolina
In 2001, South Carolina ranked number one in the nation for women killed by domestic partners (Fountain, 2004). In 2002, the numbers dropped to 49 women killed by their intimate partners, down from 64 in the previous year (Bolton, 2004). “South Carolina’s rate of 3.15 per 100,000 was more than twice the national average (Saunders-Medlock, 2003).

There are critical service gaps for victims, and domestic violence programs attempt to bridge that gap by creating and maintaining collaborative partnerships with businesses, churches, volunteers, substance abuse treatment services, and legal aid clinics. Below are the victimization rates from 1996 through 2000 provided by South Carolina Law Enforcement Division (SLED) (South Carolina Department of Public Safety, undated):
Currently, there are thirteen domestic violence programs in South Carolina that provide information to access “food, clothing, and other support, job training skills, housing and social securities to access such programs such as WIC and food stamps” (Saunders-Medlock, 2003). Mental health workers, social workers, medical and law enforcement workers often provide guidance on these programs.

Although there are sixteen shelters in South Carolina, maximum stay is only thirty-to-sixty days. Shelters usually do not provide transportation or childcare—which makes looking for gainful employment difficult or nearly impossible. This dilemma often leaves women in the same economically-depressed situation they had been in before they left their abuser. Access to medical care is a major challenge for minority and rural communities, and minority patients often face transportation challenges, cultural barriers, and/or language barriers. Mental health services desperately needed by many victims are not provided. “Women who had serious mental health issues were not being seen with any regularity, and some were told that they had to pay for services and [they] could not” (Saunders-Medlock, 2003). “In the United States, . . . [domestic violence] is a major cause of physical injuries, mental illness, and homelessness among women. In addition to the individual lives affected by domestic violence, it is a global problem with tremendous social and economic implications” (American College of Obstetrics and Gynecologists, 1999). Many women are stuck between a rock and hard place—they may make a little money though not enough to provide adequate subsistence and too much for public assistance. Another tactic used by the abuser—not paying child or spousal support—further controls the victims and their economic circumstances.

“Victims often lose their jobs because of absences due to illness as a result of the violence or absences occasioned by court appearances. Victims may have moved many times to avoid violence. Moving is costly and can interfere with continuity of employment. Many victims have had to forgo financial security during divorce proceedings to avoid further abuse and victimization. As a result, they are impoverished as they grow older” (ARDVARC, 2005b). According to a survey administered by the State of South Carolina (Institute for Public Service and Policy Research, undated), 17 percent of the adult population of South Carolina (22.4 percent of women and 11.6 percent of men) has experienced physical or sexual abuse during an intimate relationship. These numbers may be underestimates of the actual number of victims of domestic violence due to underreporting.
Collectively, there are no uniform statewide reporting systems that characterize or identify victims. According to the South Carolina Office of the Attorney General (2004), a combined total of 63,010 victims from 2002 to 2003 were reported. Amazingly, for only approximately half of these (a total of 27,529) were arrests made between 2002 and 2003.

**Economic Cost Perspective**
Victims of domestic violence often characterize or self-report poor health issues more than women who have not been victimized. Victims suffer from an array of physical and mental disturbances disproportionately more than their counterparts. “Economic loss related to adult domestic violence, including medical costs, other tangible losses, and quality of life losses are estimated at $67 billion per year” (American College of Obstetricians and Gynecologists, 1999). Health issues that may be directly attributed to domestic violence are depression, eating disorders, reproductive abnormalities, substance abuse, and severe anxiety disorders. Primary care providers often experience frustration when attempting to follow-up and continue to treat victims of domestic violence because the victims frequently return to their abuser (Lynch, 2001).

**Violence in the Workplace**
Domestic violence is no longer confined to the home but costs American businesses millions of dollars each year. Employers can no longer afford to “look the other way. . . [V]iolence may directly enter the workplace given that the workplace can be a particularly attractive target for a perpetrator. The workplace is one place that a perpetrator knows the women can be located, and, by harassing her at work, perpetrators are frequently successful in their quest to get victims fired, thereby increasing the victim’s dependence” (Farmer and Tiefenthaler, 1997). If the abuser can affect the victim’s probability of economic independence he can control the victim and her propensity to leave. Women who are abused are frequently tardy or absent from the workplace but are well represented in the labor force.

Women who are abused are generally underemployed lose substantial pay due to violent incidents and do not advance in their careers or have high productivity. Health care costs escalate with each visit to the emergency room or doctor’s office. “Each year, medical expenses from domestic violence totals at least $3-to-$5 billion. Businesses forfeit another $100 million in lost wages, sick leave, absenteeism, and non-productivity” (ARDVARC, 2005a). Abusers miss work for court-ordered counseling sessions, jail time, and court hearings.

As a result of new legislation, employers are now legally required to protect their employees from harm or risk of violence. “An employer is particularly at risk if both the target and the perpetrator are employed. Negligent employment is used to describe a set of torts known as negligent hiring, negligent retention, and negligent supervision. As suggested by their names, these sources of liability result when employers do not act reasonably when hiring, retaining, and supervising problematic employees who cause harm to others in the workplace” (Farmer and
Tiefenthaler, 1997). However, many employers have reserved the right to terminate without cause to protect themselves from liability resulting from violence.

To fight the rising cost of domestic violence in the workplace, many companies have chosen to be proactive in their stance against domestic violence and have developed Domestic Violence in the Workplace Policy Manuals. The manuals offer training to employees to help recognize the signs of domestic violence, which in turn assists in keeping everyone safe including the victim. Companies have also trained their security personnel to be sensitive to domestic violence and to identify the warning signs of danger. Another alternative or intervention technique for workplace violence includes employers providing an Employee Assistance Program. These programs provide confidential counseling for employees on alcohol/substance abuse and psychological problems.

<table>
<thead>
<tr>
<th>Violence in the Workplace—at a Glance (Handgun-Free America, 2004)</th>
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<tbody>
<tr>
<td>• 91.6 percent of workplace shooters were male</td>
</tr>
<tr>
<td>• At least 13.4 percent of the cases reviewed indicated the shooter has a publicly known history of mental illness</td>
</tr>
<tr>
<td>• 9.1 percent of shooters displayed warning signs prior to the shootings—warning signs that were usually ignored by those who noticed them</td>
</tr>
<tr>
<td>• At least 13.4 percent of the incidents reviewed involved the shooting of a current or former intimate partner</td>
</tr>
<tr>
<td>• 78.5 percent of the guns used in the workplace shootings were handguns, and 81.2 percent of those handguns were semi-automatics</td>
</tr>
<tr>
<td>• California and Florida were the most dangerous states when it comes to workplace shootings</td>
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</table>

**Teen Pregnancy and Poor Birth Outcomes in South Carolina**

“In 2003, South Carolina was ranked 45th in the country for infant mortality. Recent figures place the state’s infant mortality rate at 9.5 deaths per 1000 live births, compared to the national average rate of 7.2 deaths per 1000 live births” (McGovern, 2004). Currently, South Carolina does not match federal funding (3:1 ratio) for women’s health care and issues. When a state fails to match federal funding, the funding is allocated to another state.

“Statewide, approximately a quarter of all women—24.8 percent of whites and 28.7 percent of African-Americans—giving birth annually have less than a high school education” (McGovern, 2004). Lower educational attainment for teenage parents generally bears out to low paying employment, poor housing opportunities, and the stigma of welfare. Teenage mothers often become single parents who face a multitude of challenges and obstacles. The children of these teenage parents are generally characterized as having “lower math and reading scores, language and communication skills, social skills, and physical and emotional well-being—than [children] of older mothers” (Terry-Humen, Manlove, and Moore, 2005).
Rural teens are more likely to become pregnant but less likely to receive public assistance than their urban counterparts. The myth that inner city youth are prone and predisposed to teen pregnancy has been eradicated based on recent data collected from the Region IV for Data Management and Utilization. The study found that youth ages 15 –19 years old were more likely to become pregnant in rural areas than in urban areas. Researchers maintain that the data did not include fetal death data. In some rural areas, white teenagers were more likely to become pregnant, and, in other rural areas, black teenagers were more likely to become pregnant. The determinant (as suggested by the researchers) is that “whereas pregnancy rates and birthrates are higher for black teenagers than whites, the likelihood of resolving a pregnancy through abortion is greater for white teenagers. The researchers conclude that these discrepancies might be attributable to divergent norms, values, and preferences (T. Bennett et al., 1997).

Teen mothers are commonly identified as having fragmented families, histories of sexual or physical abuse, low self-esteem, difficult or nonexistent relationships with parents, academic challenges, and parental substance abuse. In contrast, teens who do not have background factors such as those referenced and who have long-term goals and aspirations tend to delay childbearing until later years and generally after marriage. To this end, intervention programs that provide mentoring, decision-making skills, and sex education have been shown to prevent or retard the growth of teen pregnancy rates. “The successful elements of an intervention program include (1) involving parents; (2) involving youth; (3) forging partnerships with the principal, state education policymakers, teachers, community-based organizations, and teachers to figure out the best way to teach sex education; (4) providing after-school activities, community service, and other youth development programs; (5) creating environment for success; (6) relying on programs that are developmentally appropriate and have shown evidence of success; (7) focus on sexual behaviors that lead to pregnancy such as using contraception or initiation of sexual intercourse and include clear messages about prevention; and (8) staff who believe in the program and offer specific, skill building activities” (Shi, 2003).

**Teen Births in South Carolina—Economic Impact**

Of the 900,000 teens in the United States who become pregnant each year, nearly half, (40 percent) are 17 or younger. “Pregnancy rates of teenagers were significantly related to sexual experience. Females who have had sexual intercourse were significantly more likely to get pregnant.” A 5 percent reduction in teen births in 1995-2000 would have resulted in over $56.7 million in savings to South Carolina” (Shi, 2003).

The economic impact of teen pregnancy in South Carolina can be examined on three levels: (i) reduced labor force participation; (ii) welfare spending (to include housing assistance, Temporary Assistance to Needy Families (TANF), and food stamps, foster care, and juvenile justices services); and (iii) medical costs. According to Leiyou Shi, Associate Professor at John Hopkins University, the total economic impact of teen pregnancies in South Carolina amounted to $1.135 billion dollars from 1996 to 2000. This $1.135 billion price tag was
attributed to reduced labor force participation, sales tax revenue, welfare spending, incarceration, and medical costs.

**Women and Social Capital**

Defining social capital is very difficult to corral into a single category but can be described as a combination of “economics, politics, health, education. . . . Also, like social capital, measuring women’s status can be difficult based on the limitations of the existing data” (Caizza and Putnam, 2002). Based on a composite list that examines women and the status of social capital, the criteria is hinged on the following: (i) political participation, (ii) employment and earnings, (iii) economic autonomy, (iv) reproductive rights, and (v) health and well-being—South Carolina ranks 43rd in positive social capital for women. Overall, southern states fared worse for positive social capital for women.

As a general rule, women that reside in states characterized as having high positive social capital have fared better physically, politically, economically, and overall. “In contrast, women’s employment and earnings and reproductive rights are not significantly related to levels of social capital. Social capital is also the most important variable related to women’s health and well-being” (Caizza and Putnam, 2002).

Poverty is directly and indirectly linked to health of children through the manifestation of health, academic achievement, social skills, and life-coping skills. As South Carolina rose “from a century of poverty and relative deprivation and has made important economic progress during the 1970s, followed by slower improvement during the 1980s. From 1970 to 1990, families with children experienced an increase in real (inflation-adjusted) income of 3.1 percent from $29,874 to $30,797” (South Carolina Kids Count, 2004). As the social climate began to shift from two-parent households to single-parent households, many women were forced to join the workforce to support their children. In the 1970s, the term “latch key kid” was coined to describe the growing trend of children left home alone in the afternoon until their mothers arrived from work in the evening.

**Mothers in Labor Force with Children under 6 and 6-17 Years Old in S.C.**

![Graph showing percentage of mothers in labor force with children under 6 and 6-17 years old in South Carolina from 1960 to 1990.](source: 1960-1990 U.S. Censuses)
Bibliography


Part 3. The Economic Impact of Gender Inequality in the South Carolina Labor Force

The first sections of this report discussed many dimensions along which women and men differ in terms of economic status. Ultimately, the disparities between women and men in terms of labor force characteristics reveal themselves in two primary measures: average earnings (the gender wage gap) and labor force participation rates (the gender participation gap). Successful efforts to improve the economic status of well-being by, for example, broadening the range of industries and occupations accessible to women, improving women’s business ownership, reducing women’s poverty rate, reduce teen pregnancy, curb domestic violence and more, would all work to close the gap between women and men in terms of both wages and labor force participation. That is, there are many individual economic dimensions along which men and women differ, but ultimately reducing these differences would be observed in the elimination of the gender wage gap and the gender participation gap.

This section analyzes the potential economic impacts for South Carolina if these labor force gender gaps were erased. The purpose of this analysis is to estimate the economic benefits that could be realized if the male-female earnings and participation gaps were eliminated. Analysis of the steps that would be required to achieve this equality is beyond the scope of this study. Therefore, the purpose here is to present the potential economic benefits for South Carolina if the many efforts to promote women’s economic status are successful in that women’s earnings rise to equal men’s earnings and the female labor force participation rate rises to equal the male participation rate.

Briefly looking ahead to the major results of this section, we find that a potential increase in earnings for women such that gender equality in the labor force is achieved in South Carolina would provide the following economic benefits for the state:

- **A total economic impact of $13.4 billion annually.** This represents all direct and multiplier effects on total sales for South Carolina businesses that would occur if the gender gap in the labor force were to close.
- **A total impact on household labor earnings of $16.9 billion.** This represents all new household income both directly due to closing the gender gap as well as all multiplier effects as the new income ripples through the state economy.
- **A total boost to jobs in South Carolina of more than 144 thousand positions.** These jobs represent all jobs created solely by increased earning and spending power created by closing the gender gap.
- **Increased income and sales tax revenues for South Carolina government of $1 billion annually.** These revenues represent taxes collected directly from higher female earnings as well as taxes on the additional economic activity created by the increase in total earnings.
- **Even incremental improvements in gender gaps will have a substantial positive impact on the state’s economy.** Closing the gender gaps by 10 percent would result in a total impact on economic output of $1.4 billion annually.
The analysis proceeds as follows. First, we consider the nature of the gender wage gap more closely by looking at both the wage gap in terms of full-time and part-time employment. Using data on levels of male and female full- and part-time employment, we provide an estimate of the aggregate gender wage gap in South Carolina for the current labor force structure. Then, we consider the labor force participation difference between men and women and its contribution to the overall aggregate gender wage gap. Then, these two considerations together yield an estimate of the total earnings gap.

Finally, using a standard economic impact methodology, we provide estimates of the economic impacts on the South Carolina economy of labor force inequality. These economic benefits can be interpreted either as the current loss to the economy from the existing gender inequality, or as the potential gains for the economy from successfully closing the existing gender gaps.

**The Gender Wage Gap**

During 2002, median annual earnings for full-time female workers in South Carolina stood at $26,600. For males, median annual earnings were $36,400. That is, these recent figures indicate that median earnings for women in South Carolina are about 73.1 percent of earnings for men, and the annual difference in earnings amounts to $9,800. There are many factors behind this gender wage gap, and, again, an analysis of these factors is beyond the scope of this study. What is relevant here is that this wage gap facing full-time female workers does in fact exist.

For part-time workers, the gender gap virtually disappears. Statistics for the United States as a whole indicate that during 2004, median earnings for men and women aged 25 years and older were equal. Specifically, median weekly earnings for part-time workers stood at $235 for both sexes. If we look at part-time workers aged 16 years and older, the gender gap is reversed, with median weekly earnings for women at $201 and $183 for men.

To estimate the aggregate magnitude of this earnings gap for South Carolina, we need to know the levels of full-time employment for both men and women. During 2002, 877 thousand South Carolina men were employed full-time, while 691 thousand women were employed full-time. Overall, then, 691 thousand women were working full-time, and earning an annual total of $9,800 less than men who worked full-time. The aggregate earnings gap based on these figures therefore stood at $6,771,800,000. That is, the gender wage gap for full-time workers implies that at current employment levels, aggregate female earnings trailed male earnings by $6.8 billion solely because average female earnings were about 73 percent of the level of male earnings. These figures are summarized in Table 3.1.

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5 U.S. Bureau of Labor Statistics, median weekly earnings of part-time wage and salary workers by selected characteristics.
Table 3.1. The Gender Wage Gap in South Carolina

<table>
<thead>
<tr>
<th></th>
<th>Men</th>
<th>Women</th>
</tr>
</thead>
<tbody>
<tr>
<td>Full-Time Median Annual Earnings</td>
<td>$36,400</td>
<td>$26,600</td>
</tr>
<tr>
<td>Full-Time Employment</td>
<td>877,000</td>
<td>691,000</td>
</tr>
<tr>
<td><strong>Total Full-Time Earnings</strong></td>
<td>$31,922,800,000</td>
<td>$18,380,600,000</td>
</tr>
<tr>
<td><strong>Total Full-Time Earnings if Annual Earnings = $36,400</strong></td>
<td>$31,922,800,000</td>
<td>$25,152,400,000</td>
</tr>
<tr>
<td>Aggregate Earnings Deficiency for Women due to Earnings Gap</td>
<td>$6,771,800,000</td>
<td></td>
</tr>
</tbody>
</table>

**The Gender Participation Gap**

The gender earnings gap itself represents a substantial barrier to improving the economic status of women. The earnings gap exists for many reasons including occupational and industrial differences between men and women as well as discrimination. However, the earnings gap itself is not the only major disparity between men and women in terms of labor force outcomes. The earnings gap indicates women expect to earn less in the work force than men. Additionally, women have historically had lower labor force participation rates than men. Therefore, the overall gender earnings deficiency for women should include not just the fact that there is a gender wage gap, but also the fact that there is a gender participation gap. That is, not only do working women generally earn less, but there is also relatively fewer women working to begin with.

The labor force participation rate measures the fraction of the civilian, non-institutionalized population aged 16 years and older that is either working (employed) or not working but actively seeking work (unemployed). Individuals can be out of the labor force for many reasons. People who choose to stay at home are not in the labor force. People who would like to work but are unable to even search for work because of other commitments are not in the labor force. People who have given up looking for work because they have become discouraged are not in the labor force. People who are retired are no longer in the labor force. There are many factors influencing the labor force participation rate, and many reasons that participation rates across different groups of people can differ.

For women and men, labor force participation rates have generally been converging since the late 1940s, as shown for the United States in Figure 3.1. In 1948, the male participation rate was 86.6 percent while the female participation rate was 32.7 percent. By 2004, the male participation rate had fallen to 73.3 percent while the female rate had risen to 59.2 percent.
Recently in South Carolina, the difference in gender participation rates was slightly less than the national difference. In 2002, the male participation rate in South Carolina was 68.9 percent. The female participation rate was 56.9 percent. This lower labor force participation for women, particularly if it is partly due to non-voluntary reasons, further impedes progress in terms of overall economic status.

If women in South Carolina were attached to the labor force similarly as men, this would have translated into an additional 197,757 women in the state’s labor force during 2002. This would represent a roughly 10 percent jump in the size of the state’s labor force. Greater labor force participation for women in South Carolina would benefit not only the economic status of these workers themselves, but also the future growth prospects for the state’s economy more broadly.

The coming decades will bring an unprecedented level of retiring workers as the baby boom generation reaches retirement age. This coming wave of retirees indicates a coming shortage of workers as the current labor force cannot provide enough new skilled workers to fill the gaps that will be created. One potential solution to this future labor shortage is in the form of immigration. However, another avenue available for filling this labor shortage is to make it possible for women to enter the labor force in even greater numbers.

If an additional 197,757 women had been in the labor force in 2002, and if they had found employment at the same rate as men, and if these women entered full- and part-time work at the same proportion as women did previously, there would have been an additional 151,802 women working full-time in South Carolina. Of the other 45,954 female new-entrants into the labor
force, 42,399 would have been employed part-time, and the remainder would have been unable to find a job.

If those additional 151,802 full-time female workers earned the male average earnings, then this entrance into the labor force would have resulted in new aggregate female earnings of $5,525,610,926. If the additional 42,399 part-time workers earned the same amount as existing female part-time workers, this would provide an additional boost of $406 million annually. That is, if South Carolina women earned an amount equal to South Carolina men, then just the increase in women’s labor force participation would have boosted total female earnings by $5.9 billion. Taken together, if South Carolina women were in the labor force at the same rate as men and if full-time earnings for women equaled those for men, then aggregate female earnings in South Carolina would increase by $12.7 billion. These results are summarized in Table 3.2.

<table>
<thead>
<tr>
<th>Table 3.2. The Gender Participation Gap in South Carolina</th>
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<tbody>
<tr>
<td><strong>Men</strong></td>
</tr>
<tr>
<td>Civilian Noninstitutional Population, 16 years and older</td>
</tr>
<tr>
<td>Labor Force</td>
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<tr>
<td>Labor Force Participation Rate</td>
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<tr>
<td>Full-Time Employment</td>
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<tr>
<td>Full-Time Employment for Women if Participation Rate = 68.9%</td>
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<tr>
<td>New Female Full-Time Workers</td>
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<tr>
<td>New Female Full-Time Earnings if New Workers Earned $36,400</td>
</tr>
<tr>
<td>New Female Part-Time Workers</td>
</tr>
<tr>
<td>New Female Part-Time Earnings if New Workers Earned same as Existing Workers</td>
</tr>
<tr>
<td>(From Table 3.1 – New Female Earnings if Existing Workers Earned $36,400)</td>
</tr>
<tr>
<td>Total New Female Earnings from closing the Gender Wage and Participation Gaps</td>
</tr>
</tbody>
</table>

In 2002, total wages and salaries in South Carolina were $56.8 billion. An additional $12.7 billion from increased women’s earnings would represent a 22.4 percent increase in total earnings in South Carolina. This increase in earnings represents a gain in income such that South Carolina’s per capita personal income would rise from $26,138 (83.1 percent of the national average) to $29,201 (92.8 percent of the national average) based on 2003 per capita income levels.
The Economic Impacts of Increased Female Earnings

The previous sections identified a total potential increase in female earnings of $12.7 billion if South Carolina women earned an average annual salary equal to South Carolina men and if they participated in the labor force at the same rate as men. The potential benefits to South Carolina’s economy extend beyond this direct gain in women’s earnings. The increased earnings would result in greater purchasing power and greater spending at South Carolina businesses. These businesses that enjoy an increase in sales would then be able to provide more employment opportunities and labor income as they meet the increased demand. That is, the household spending supported by the new female earnings would result in an economic multiplier effect that would ripple throughout the South Carolina economy, providing an even greater level of economic activity, jobs, household income, and government tax revenue.

The overall economic impacts of the potential gain in women’s earnings can be estimated using standard economic impact analysis. This section first describes briefly the nature of economic impact analysis. We then turn to the estimated impacts for South Carolina given equalization in the economic status of women in the state.

Economic impact analysis requires the identification of a direct effect on the economy. A direct effect is the initial change in an economy that will then lead to additional ripple effects. A direct effect represents an initial injection of funds into the state’s economy. In this case, we have the potential for a $12.7 billion increase in female earnings. While this full amount represents the initial increase in household income, it is not necessarily the initial increase in business activity in the state. This is because some portion of the new female earnings will leak out of the state economy via out-of-state purchases, savings, and Federal taxes. Therefore, some fraction of the $12.7 billion in earnings will be spent at in-state businesses, and it is this level of spending that constitutes the direct effects on the South Carolina economy in this case. However, the direct spending at these South Carolina firms will have a much larger impact on the economy via two distinct channels. The simple example that follows outlines the flow of economic benefits arising from initial spending at, for example, South Carolina restaurants.

Consider an increase in household spending at restaurants. The increased level of activity in the retail trade sector supported by these expenditures will also have an impact on those industries that are suppliers to the restaurants, or the restaurant’s first-tier suppliers. Among the industries that are the largest suppliers to South Carolina’s retail trade sector in general are services, wholesale trade, and finance, insurance and real estate.

Based on detailed industry linkage information, a given direct impact on the retail sector can be traced backward to the associated impact on the suppliers. Additionally, these suppliers’ suppliers, or the restaurant’s second-tier suppliers, will also be met with additional demand, and so on. All of these impacts working through interindustry linkages represent the indirect impact of the initial direct spending at the restaurant.

So far, we have the straightforward direct effects, and the indirect effects that rely on the precise interindustry relationships present in the economy. However, there is yet one more important source of additional impacts. A portion of the employment, and the associated labor earnings, at
the businesses affected by the direct and indirect effects can be attributed to the initial direct household expenditure. A portion of these employee wages and salaries will be spent in the local economy, beginning yet another round of impacts.

For example, restaurant workers will spend a portion of their wages locally on, for example, food, clothing, entertainment and health services. A portion of the wages earned in those industries is attributable to the restaurant worker’s spending, which in turn supports further household expenditures. These impacts stemming from household spending are termed the induced impacts. Figure 3.2 summarizes the direct, indirect, and induced impacts. The total impact of the activities associated with the new female earnings is the sum of these separate impacts.

The successive rounds of indirect and induced impacts do not go on forever. For example, a portion of an increase in household income will be saved, used to pay taxes, or spent outside of the local economy. Money that leaks out of the local area in this way cannot be used to support additional activity. Therefore, the indirect and induced impacts become smaller and smaller over time until eventually the additional activity in each round goes to zero. Because of these leakages, it is useful to consider the notion of an economic multiplier.

An economic multiplier can be used to determine what the total impact (direct plus indirect plus induced) will be given a certain value for the direct impact. For example, if $100 of direct spending within a particular sector ultimately results in a total spending impact of $150, it can be said that the output multiplier is 1.5—the $100 in direct spending times the multiplier of 1.5 equals $150 in total spending or total output. The value of this multiplier varies from sector to sector and is determined largely by the size of the local supplier network.

The above discussion implies that economic impact analysis essentially involves: (i) determining the appropriate levels of direct business activity, and (ii) determining and applying the correct values for economic multipliers to calculate the total impact on output, earnings, and
employment. Estimates of the direct level of economic activity are based on the estimates of the gain in women’s earnings from closing the gender wage and participation gaps.

To accomplish the second step, a detailed structural model of the South Carolina economy was utilized. This model is known as an input-output model. An input-output model contains specific information on economic linkages between different industries. Therefore, the input-output model of the South Carolina economy is equipped to quantify, for example, the pattern of local input purchases by the state’s retail trade sector. This model can be used to estimate the full range of indirect and induced impacts described previously. This report utilizes the input-output modeling software IMPLAN®. With this software, the researcher is able to tailor the model to a specific local area or to the state or national level economy.

The input-output model can be used in conjunction with the direct expenditure data to estimate the direct, indirect and induced economic impacts in terms of three distinct measures as shown in Figure 3.3: total output, labor earnings, and employment. Total output can be thought of as an aggregate measure of total spending resulting from the initial direct expenditure. It includes all spending by consumers and businesses on both goods and services. It is therefore a broad, all-inclusive measure of the impact on total economic activity. It is important to note that this concept of total output is not comparable to measures such as Gross Domestic Product (GDP) or Gross State Product (GSP). These measures are designed to only capture the value of final goods and services, and in this way they do not include spending on intermediate goods or services. Total output as used in this report and as typically used in impact analysis refers to a much broader concept that does include spending on intermediate goods and services.

Labor earnings represent total employee compensation. This measure of earnings includes all payroll expenses for labor, such as wages, salaries and benefits. Finally, employment measures the impact on jobs in terms of the total number of positions.

**Economic Output Impacts**

The potential new female earnings of $12.7 billion annually results in an estimated increase of $8.6 billion in direct in-state spending annually. The total increase in earnings needs first to be reduced to account for taxes. Using a disposable income factor of 0.89, this leaves about $11.3 billion in disposable income. Then, this disposable income needs to be reduced for savings and out-of-state purchases. On average in South Carolina, 75.8 percent of disposable income is spent at in-state businesses. The $11.3 billion in disposable income multiplied by the in-state factor of 0.758 results in the $8.6 billion spend each year in South Carolina.
The direct effect of $8.6 billion in in-state spending then has additional indirect and induced effects totaling roughly $4.8 billion annually. Overall, the total impact on economic output—the sum of the direct, indirect and induced effects—is approximately $13.4 billion annually. That is, after accounting fully for taxes, savings, and out-of-state purchases, South Carolina businesses would expect to see an increase in sales of $13.4 billion annually driven by the increased purchasing power of females if the gender wage and participation gaps close.

Employment Impacts
The total economic output impact in South Carolina of $13.4 billion represents new demand at in-state businesses. This increase in demand and production would result in additional employment opportunities at these in-state businesses. To meet this higher level of output, South Carolina businesses would hire an additional 144,717 people. That is, the increased economic activity at local businesses due to greater female purchasing power would translate into an employment impact of 144,717 new jobs. This is the sum of the direct, indirect and induced effects due to greater female spending.

This total does not include the additional jobs held by women in order to gain this higher level of income. That is, from Table 3.2 we saw that nearly 200,000 more women would be employed either full- or part-time if the gender labor force participation gap were to close. The 144,717 estimated jobs that would be created from greater female purchasing power do not include these jobs directly held by the new women entering the labor force. Rather, these are jobs that are created solely because of the new spending that would take place in the South Carolina economy.

Household Earnings Impacts
The new jobs that stand to be created from closing the gender labor force gaps would themselves contribute an additional $4.2 billion in new labor earnings. Once again, this total only includes the income generated from the expenditures of the new female earnings in South Carolina; it does not include the additional female earnings themselves. If we add the new women’s earnings to this total, we have an aggregate impact on household income in South Carolina of nearly $16.9 billion annually. This total comes from the $12.7 billion in direct female earnings and the $4.2 billion in new earnings that is driven by the expenditures of the new female earnings.

Tax Revenue Impacts
There are many sources of government revenue at the state and local levels in South Carolina. By far the largest sources are the individual income tax, the sales taxes, property taxes, and various charges and fees. It is difficult to accurately quantify the impacts on property taxes and charges and fees from closing the gender gap and the numerous economic benefits that would follow. Undoubtedly, improvements in the economic status of women would only work to boost local property tax bases and would also likely result in greater non-tax revenues for governments, such as through higher education tuition.
However, the potential impacts on income and sales tax revenues are relatively easier to estimate. This is because these revenue streams are directly associated with overall income and spending levels. In South Carolina, approximately 3 percent of total income flows to state government via the individual income tax, and another 3 percent ends up in government coffers via the sales tax. Therefore, a reasonable estimate is that 6 percent of the additional earnings in South Carolina would make its way to the state government’s budget.

The total earnings impact of labor force equality is estimated to be $16.9 billion. Based on this figure, individual income tax collections and sales tax collections for the state government would each be expected to increase by just more than $500 million annually. Therefore, a conservative estimate of the new government revenue that stands to be generated from male-female labor force equality is just more than $1 billion each year. Again, this figure is conservative because it does not attempt to quantify the positive impacts on property tax collections, non-tax charges and fees, or any other miscellaneous tax sources.

The Economic Impacts of Incremental Improvements
The previous sections identified a total potential increase in female earnings of $12.7 billion if South Carolina women earned an average annual salary equal to South Carolina men and if they participated in the labor force at the same rate as men. Clearly, achieving perfect gender equality in the labor force is a daunting task, and indeed may not be an optimal outcome because some factors driving the current gaps are certainly voluntary in nature. Therefore, it may be more instructive to consider the potential economic impacts from marginal improvements in labor force outcomes for women. Here, we consider the economic impacts of alternative scenarios that involve closing the gender wage and participation gaps by 10 percent, 25 percent, and 50 percent—improvements that may be considerably more achievable.

Table 3.3 provides the estimated increase in female earnings and the resulting impacts on economic output, employment, household earnings, and tax revenues from these incremental movements towards perfect equality. As seen here, closing the gender wage and participation gaps by 10 percent still has a substantial positive economic impact on the South Carolina’s economy.

<table>
<thead>
<tr>
<th>Degree of closing the gaps</th>
<th>Female Earnings (billions)</th>
<th>Total Economic Output (billions)</th>
<th>Total Employment (jobs)</th>
<th>Total Household Earnings (billions)</th>
<th>Total Tax Revenues (millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>10%</td>
<td>$1.3</td>
<td>$1.4</td>
<td>14,750</td>
<td>$1.7</td>
<td>$104</td>
</tr>
<tr>
<td>25%</td>
<td>$3.3</td>
<td>$3.5</td>
<td>36,875</td>
<td>$4.3</td>
<td>$260</td>
</tr>
<tr>
<td>50%</td>
<td>$6.5</td>
<td>$7.0</td>
<td>73,750</td>
<td>$8.5</td>
<td>$520</td>
</tr>
<tr>
<td>100%</td>
<td>$12.7</td>
<td>$13.4</td>
<td>144,717</td>
<td>$16.9</td>
<td>$1,000</td>
</tr>
</tbody>
</table>
Closing these gaps by 10 percent would result in an estimated increase of $1.3 billion in direct female earnings. After adjusting for out-of-state spending and other leakages from the state’s economy, the increased purchasing power would have a total impact on economic output of $1.4 billion annually. This level of economic activity would support an additional 14,750 jobs across the state, and an associated $1.7 billion in total new earnings, including the $1.3 billion increase in female earnings directly. Finally, all of this would work to boost state-level sales and income tax collections by $104 million.

Summary
The potential economic benefits for South Carolina of closing the exiting gender gaps in the labor force are immense. Directly and through economic multiplier effects, closing the gender wage and participation gap successfully would result in a gain of $16.9 billion in household earnings annually in South Carolina. This total includes both the increased earnings of women and the additional earnings that stand to be generated due to the expenditures of the new female earnings. In addition to the nearly 200,000 jobs held by new female entrants into the labor force, another 144,717 jobs would be created again because of the new in-state spending supported by the new female earnings.

The expenditures of new women’s earnings would have a total impact on South Carolina business sales of $13.4 billion annually. This economic output figure only consists of the sales that occur because of the spending of the new female earnings. This figure, therefore, does not include the increased production and sales of businesses because they are directly hiring the new female entrants in the labor force. Even as it stands, however, this economic output impact rivals the tourist industry in magnitude. The economic activity that the state stands to gain if the gender gaps are successfully closed would be a significant boost to the state’s economy.