

Population trends, projections show Georgia, N.C. with much larger growth than S.C. in youth and working-age population
Education and workforce emphasis critical in South Carolina

To sustain and improve its economic competitiveness, South Carolina must make every effort possible to continue to improve public school graduation rates and the skill level of its youth given declining youth and working-age adult population trends and projections for the state in relation to border states Georgia and North Carolina. During the 28 years from 1980 through 2008, South Carolina's share of the three states' total youth population (0 to 17 year olds) has decreased by 4.0 percent from 22.2 percent to 18.2 percent as a result of much faster youth population growth trends in the border states as shown in Table 1. Rapid growth over the nearly three decades in Georgia has pushed its three-state share of youth up by 4.7 percent to 43.5 percent in 2008. North Carolina's youth trends during the timeframe are more stable than the other two states: the state's youth share of the tri-state area was 39.0 percent in 1980 and 38.3 percent in 2008. Numerically, South Carolina's youth population count grew by 124,261 during the 28-year period; while North Carolina increased by 585,942 and Georgia rose by 902,711.

Table 1 – 17-and-under population by state, 1980-2008

| State | 1980 Census | Tri-state youth share | 1990 Census | Tri-state youth share | 2000 Census | Tri-state youth share | 2008 Estimate | Tri-state youth share |
|-------------|-------------|-----------------------|-------------|-----------------------|-------------|-----------------------|---------------|-----------------------|
| S.C. | 941,966 | 22.2% | 920,207 | 21.6% | 1,009,641 | 19.6% | 1,066,227 | 18.2% |
| N.C. | 1,657,735 | 39.0% | 1,606,149 | 37.8% | 1,964,047 | 38.2% | 2,243,677 | 38.3% |
| Ga. | 1,646,130 | 38.8% | 1,727,303 | 40.6% | 2,169,234 | 42.2% | 2,548,841 | 43.5% |

Source: U.S. Census Bureau, 1980-2008 data

Reasons for much greater youth population growth in North Carolina and Georgia during the timeframe as opposed to our state include a larger and greater-growing base of working-age adults (see Table 2) and a younger median age population. Similar to the youth trends, South Carolina's working-age adult population (18 to 64 year olds) has decreased relative to Georgia and North Carolina during the 28-year period. From 1980 to 2008, South Carolina's percentage share of the three states' total working-age adults has decreased by 2.5 percent from 21.5 percent to 19.0 percent as shown in Table 2. North Carolina's share has also declined (1.7 percent) though not as heavily as our state. Georgia has experienced strong expansion of the 18-to-64 cohort, lifting its tri-state share by 4.2 percent from 37.4 percent in 1980 to 41.6 percent in '08. Numerically, South Carolina's working-age adult population grew by 924,752 during the 28-year timeframe; while North Carolina increased by 2,218,835 and Georgia by 2,855,635. Greater growth in working-age adults in North Carolina and Georgia over the time period would appear logically mostly due to better overall economies and employment opportunities in those states compared to South Carolina.

Table 2 – 18-to-64 population by state, 1980-2008

| State | 1980 Census | Tri-state adult share | 1990 Census | Tri-state adult share | 2000 Census | Tri-state adult share | 2008 Estimate | Tri-state adult share |
|-------------|-------------|-----------------------|-------------|-----------------------|-------------|-----------------------|---------------|-----------------------|
| S.C. | 1,892,526 | 21.5% | 2,169,561 | 20.7% | 2,517,038 | 19.6% | 2,817,278 | 19.0% |
| N.C. | 3,620,850 | 41.1% | 4,218,147 | 40.2% | 5,116,218 | 39.8% | 5,839,685 | 39.4% |
| Ga. | 3,300,244 | 37.4% | 4,096,643 | 39.1% | 5,231,944 | 40.7% | 6,155,879 | 41.6% |

Source: U.S. Census Bureau, 1980-2008 data

Workforce implications

The result of our state's decreased youth and working-age adult populations over time relative to the border states is greater current workforce challenges for our state in providing a trained and trainable workforce for industry – an increasingly critical component in 21st Century economic development. **Having a skilled workforce in the 21st Century economy is generally defined as possessing a large supply of workers with strong academic skills (math, science and literacy), coupled with applied and social skills, such as critical thinking, problem solving, teamwork and work ethic. A workforce with these inherent skills is considered creative, innovative and entrepreneurial and benefits business and industry by making improvements on the product or service line and reducing operational costs. Communities, regions and states with large, skilled workforces offer expanding and relocating companies' facilitation for employee recruitment and retention.**

The population trends show that Georgia and North Carolina – both of which are our state's main competitors in industrial and business recruitment – have a much larger current and future workforce supply to choose from than South Carolina, meaning our state's margin of error in training for a future, skilled workforce is less.

Now looking to the future – Population projections

If the youth and working-age adult population trends over the 28-year period continue forward, South Carolina's percentage share of the tri-state current and future workforce will continue to dwindle in relation to the border states, presenting more workforce competitiveness issues for our state.

When examining youth (0 to 17 year olds) and working-age (18 to 64 year olds) population trends and projections to Year 2030, two scenarios seem plausible. One is the future growth rates for the three states could resemble the growth rates during the 28-year period from 1980 to 2008. The other is future growth rates for the tri-state area could duplicate the growth rates during a smaller window of time, say from 1990 to 2008. (Due to less-refined annual population estimates' methodology during the 1980s and 1990s, it's considered inappropriate to use intercensal estimate year totals as a baseline for measurement; instead preferring a Census year total.)

The growth rate scenario that projects South Carolina's 2030 youth and working-age populations in the best light compared to the border states is the measurement from 1980 to 2008. In regards to youth, during the 28-year timeframe our state's youth population increased on average by 4,438 annually; while North Carolina's grew by 20,927 per year and Georgia's rose by 32,240 annually. Under this projection scenario, South

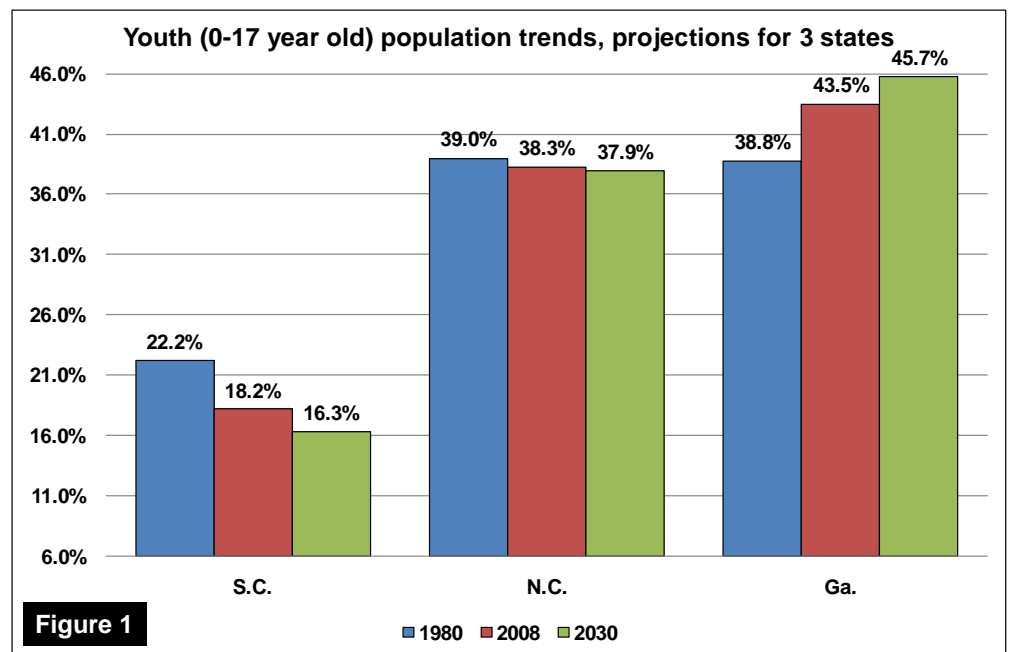
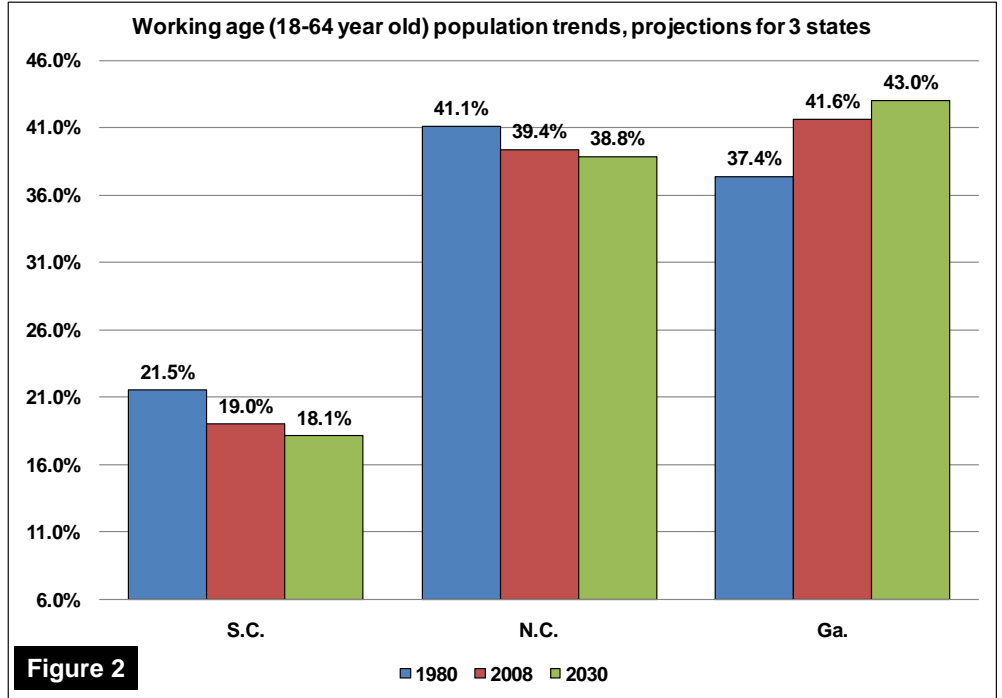


Figure 1

Carolina's tri-state youth population share would be 16.3 percent in 2030, down 1.9 percent from

2008's 18.2 percent and a total of 5.9 percent since the 1980 tally of 22.2 percent as shown in Figure 1. North Carolina's youth total would be 37.9 percent of the tri-state share in 2030 and Georgia's projects to 45.7 percent. (If the 1990-2008 growth rate were applied to the future projections, South Carolina's tri-state youth share in 2030 would be 15.9 percent, North Carolina 38.7 percent and Georgia 45.4 percent.)

Similarly, the 1980-2008 working-age population growth rate scenario presents South Carolina in the best light compared to the border states. During the 28-year timeframe, our state's working-age population increased on average by 33,027 annually; while North Carolina's rose by 79,244 per year and Georgia's by 101,987. Under this projection scenario, South Carolina's tri-state working-age population share would be 18.1 percent in 2030, down 0.9 percent from 2008's 19.0 percent and a total of 3.4 percent since 1980's 21.5 percent tally as shown in Figure 2. North Carolina would also experience a relative reduction in working adults, though not as severely. North Carolina's tri-state working adult share would be 38.8 percent in 2030. Given the projection data, Georgia would have 43.0 percent of the working-age population in 2030, up a total of 5.6 percent since 1980. (If the 1990-2008 growth rate were applied to the future projections, South Carolina's tri-state working-age population share in 2030 would be 18.0 percent, down 0.1 percent from the projection based on the 1980-2008 growth rate; while North Carolina would stand at 38.9 percent and Georgia at 43.1 percent. **It could reasonably be interpreted that South Carolina's trends both in youth and working-age adult populations are presented more favorably compared to the border states when including the decade of the 1980s because that timeframe represented more of an "older-generation economy" when our state was in better economic standing compared to U.S. averages, and state population and immigration totals would have been higher. As the overall economy has transformed more since 1990, South Carolina's youth and working-age adult population trends don't hold up as favorably as border states North Carolina and Georgia, both of which are considered overall to have higher skilled workforces in the new, global economy that emphasizes skill acquisition for workers.**



What this means for S.C. now

Given decreasing youth and working-age adult totals relative to our competitors in North Carolina and Georgia, South Carolina must continue to invest in public education and make progress in improving youth educational attainment levels to therefore increase our overall supply of skilled workers in both the short-term future and the long term. **With significantly less future human resources to choose from compared to the border states, it stands to reason that our**

margin of error for leakage in the form of students not graduating high school must be reduced from traditional levels, given the increasing skill requirements on the part of business and industry. The outcome of further investments in public education and continuous improvements is transitioning our state’s present workforce asset into a higher value asset and improving the return on investment for business and industry. Continuous improvements to South Carolina’s workforce could also improve our state’s overall economy relative to the border states in the future and, in part, affect factors that control the migration of the under-65 population.

The state’s public education system has made improvements this decade in graduation rates and standardized test scores and advancements must continue if our state expects to be competitive in the long-term global economy, which has an emphasis on post-secondary training and adaptive and highly skilled workers.

Table 3 offers an independent calculation of the state’s public school graduation rate through the decade. The graduation rate measurement estimates the percentage of students who graduate from the public high school system with a diploma over time – generally within four or five years of beginning the 9th grade. The graduation rate estimate doesn’t include students who drop out but later enroll in Adult Education to earn a diploma or GED, which is the more common of the two Adult Ed certifications. The table shows for academic year 2008-'09 an estimated 71.8 percent of South Carolina students who were 8th graders in 2004-'05 graduated from high school with a diploma. The rate is considered an “overall graduation rate” and not an “on-time, four-year rate” because while students who take longer than four years to graduate exit the cohort, they’re replaced by older students in earlier cohorts who have also taken longer than four years to graduate. Generally, every academic year this decade the state has showed gains. The three-year averages also reveal improvements. Solid improvements have been accomplished due to the concerted efforts of many of South Carolina’s public school districts and also due to an increased accountability system put in place by the state Department of Education.

Conversely, Table 3 also shows the overall leakage from the state’s K-12 system in the form of students not graduating with a diploma. For example, an estimated 28.2 percent of 8th graders in academic year 2004-'05 failed to graduate in 2008-'09. (Percentage estimates in Table 3 are likely within 2 to 3 percent of the true “overall graduation rate” from the high school system.)

Table 3 – State public school 8th grade-to-graduation rate estimates

| '00-01 | '01-02 | '02-03 | 3-yr. avg. | '03-04 | '04-05 | '05-06 | 3-yr. avg. | '06-07 | '07-08 | '08-09 | 3-yr. avg. |
|--------|--------|--------|------------|--------|--------|--------|------------|--------|--------|--------|------------|
| 56.8% | 57.2% | 64.8% | 59.5% | 60.9% | 61.8% | 66.2% | 63.0% | 67.5% | 70.9% | 71.8% | 70.1% |

Source: SC Dept. of Education’s 8th grade enrollment totals and diploma counts

Correspondingly as graduation rates have increased, Table 4 illustrates a higher percentage of students are now enrolling in college or other post-secondary training upon completing high school as opposed to earlier in the decade. The table shows for the Class of 2007-'08 in South Carolina, an estimated 52.0 percent of students – when measuring the full cohort at the end of the 8th grade or beginning of the 9th grade – enrolled in post-secondary education or training in the first fall term after when they would have finished high school, which would have been Fall 2008. (Again, percentage estimates are likely within 2 to 3 percent of the true rate of entry into postsecondary. Data for the Class of 2008-'09 in the state will not be available until May 2010.)

Table 4 – State public school 8th graders eventually entering college or other post-secondary

| '00-01 | '01-02 | '02-03 | 3-yr. avg. | '03-04 | '04-05 | '05-06 | 3-yr. avg. | '06-07 | '07-08 |
|--------|--------|--------|------------|--------|--------|--------|------------|--------|--------|
| 42.0% | 42.9% | 49.8% | 44.8% | 46.2% | 47.4% | 49.7% | 47.7% | 50.6% | 52.0% |

Source: SC Dept. of Education's 8th grade enrollment totals and College Freshman Report

Other educational measurements also show improved public school performance this decade. The state's average composite score on the ACT, possibly the best available measurement of students' "post-secondary readiness," has risen from 19.3 for high school students in the Class of 2000-'01 to 19.8 for the Class of 2008-'09; while the U.S. average only improved by one-tenth of a point during the timeframe from 21.0 to 21.1. Increased average scores depict a more prepared student body for post-secondary education and would logically reduce college remediation issues. Despite the test score increase, South Carolina still ranked 46th of the 50 states in the U.S. on the ACT in '09, and two states ranking below our state had 100 percent student participation on the standardized test which naturally drives down scores.

Another key indicator of students' potential success for graduating high school is to measure whether they are reading on grade level during the middle school years. If students are reading below grade level when they enter middle school, their risk of not graduating high school later on increases dramatically, given the rigor of classes they will encounter in both middle school and high school. An average of 67.4 percent of state middle schoolers (6th through 8th graders) were measured as reading on grade level during the second and third year that the PACT – the state's former standardized test – was administered in South Carolina. In the final two years of the PACT, 71.8 percent of state middle schoolers were reading on grade level. (Scores during the first year of a new state standardized test are invariably low for multiple reasons; so PACT scores in 1998-'99 are not used for comparison with later years. Also first-year scores on the PASS in academic year 2008-'09 aren't considered.)

Over time on the PACT, middle schoolers achieved even bigger gains in Math. In the second and third year of the test, 60.3 percent of state middle schoolers performed at least on grade level on PACT Math. In the final two years on PACT Math, 74.2 percent of middle schoolers scored at least on grade level.

Given the ever-increasing skill requirements that characterize the 21st Century, global economy, the state public school system now faces the significant challenge of continuing improvements toward the goal of producing a highly skilled and competitive workforce in the present environment of increasing poverty levels, negative family/social trends and significant budget cuts. Without improvements to South Carolina's workforce, population trends will almost assuredly continue into the future and our state's overall competitiveness will be put at risk of decline.

Summary points – Why is this important?

- South Carolina's youth and working-age adult populations have been declining relative to border states North Carolina and Georgia – our main competitors in industrial and business recruitment – since 1980.
- With less youth and working-age adults, South Carolina's strategy for having a large supply of skilled workers in the current and future global economy in order to recruit business and industry must involve increased educational attainment levels.
- Improvements have been made in the state public school system in the last decade and must continue for our state to sustain and improve its economic competitiveness. Continuous educational improvements would improve our state's economy and positively affect migration into the state of the under-65 population.

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