

Poverty and South Carolina's Children



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South Carolina is home to nearly 300,000 children living in poverty.

We know that poverty not only impacts children but also their entire families.¹

Twenty-two percent of South Carolina families are living in poverty, and 42% of single-parent families live in poverty.¹ Despite our state's recent economic gains, poverty remains stagnant and disparities across racial, ethnic, and geographic lines continue to grow.

South Carolina's unemployment rate, an important economic indicator, has steadily decreased over the last five years. The reduction in unemployment, however, has not contributed to a reduction in other economic, racial, ethnic and geographic disparities. The percentage of Black children (43%) and Hispanic/Latino children (45%) in poverty is about three times the percent of white children (15%).¹ The rate of children in poverty is now more than twice the state average (27%) in rural counties such as Allendale (56%), while the rate in more urban counties such as Richland remains below the state average (25%).¹ Ninety-five percent of South Carolina parents are employed in the labor force,¹ but working families statewide continue to struggle to make ends meet.

Impact

The widespread and persistent issue of poverty has continued to plague South Carolina's children and families despite the state's economic growth. A systemic decline in well-paying, low-skill jobs accompanied by an increase in low-wage service sector employment has left many working families

unable to meet basic needs.² In South Carolina, a single mother working year-round and full-time at the minimum wage (\$7.25 per hour) earns \$15,080 annually if she takes no time off for illness, vacation, or to care for a sick child.³ Forty-two percent of children in the state live in single-parent families¹, but these earnings are more than \$4,000 below the poverty level for a mother and two children.⁴ A family in this situation cannot earn enough to provide for basic needs. Without systemic change, the cycle of poverty will likely extend to the next generation.⁵

Children living in poverty face multiple barriers to success. Although many exhibit remarkable resilience to the adversity of their circumstances, poor children are less likely to have access to quality health care – which exaggerates health disparities and they are more likely to experience hunger and food insecurity.⁶ Limited access to quality learning environments during the critical years from birth to age 3 puts them behind even before school begins, and they are less likely to reach the educational attainment of their peers above the poverty line.⁸ Children who grow up in poverty are more likely to experience poverty as adults,⁷ and they are more likely to parent a child during their teenage years.⁹

Lack of action to address these serious problems in South Carolina has negative financial implications that are felt by all residents, not only those living in poverty. Lost productivity, increased criminal justice costs, and health care burdens all increase as we fail to address the problem facing our most vulnerable citizens.¹⁰ Current research demonstrates that the toxic stress of poverty during the early childhood years creates the deepest adverse impact,¹¹ and economic supports must be partnered with a two-generation approach of family supports to diminish its effects.¹² The call to action is clear: a focus on early supports creates a brighter future for all of South Carolina's children.

Economic Stability

A child's success is strongly tied to parental well-being, but the web of challenges faced by low-income parents exacerbates the inherent difficulties of raising a family. **The cycle of poverty is maintained by inflexible employment that pays too little to support a family, and inadequate access to reliable child care can lead to missed work hours or even the loss of a job.** Expenses such as health care and educational opportunities for children can be considered luxuries in families struggling to meet basic needs.⁵ Increasing opportunity for children will require supports for all low-income parents in every region of the state to maintain family-supporting jobs.

Today's well-paying jobs overwhelmingly require some level of higher education, but 62% of South Carolina children live in a home where the head of household has never attained a post-secondary degree.¹ Paradoxically, the rising costs of tuition and unpredictable schedules of low-wage employment serve as barriers that impede parents from continuing their education and increasing their job prospects. Low-income families require two incomes to maintain the same standard of living one manufacturing worker provided for a family years ago,⁵ and families must now pay more for the child care and transportation they need to remain employed.⁵ These struggling families can benefit from policies and programs such as increased minimum wage, refundable tax credits, and paid family leave that support them in maintaining resources that foster healthy child development.

Percentage of Black, Hispanic/Latino, and White kids in poverty for 2012, 2013, and 2014

	Black	Hispanic/Latino	White
2012	42%	42%	16%
2013	43%	39%	17%
2014	43%	45%	15%

Key Facts

- Poverty rates are stagnant in South Carolina, even as our economy is improving.
- A child's success is strongly tied to parental well-being, but barriers faced by low-income parents make it difficult to lift their families out of poverty.
- Children living in poverty can benefit from increased access to healthcare and quality learning environments.

Child Care

For working families, access to safe, dependable and affordable paid child care is necessary. However, single-parent families spend approximately 32% of the state median income on full-time regulated child care.¹³

South Carolina's median income for families with at least one child is \$50,967, but that income for Black families is merely \$29,500. For Hispanic families with children, the median income is \$32,300.¹ Child care subsidies provide assistance that has been shown to increase mothers' duration of employment, hours worked, and earnings.¹⁴ When parents do not have to miss work, there is increased productivity and both social and economic benefit to the state.

Health and Well-Being

Healthy children come from healthy families, but parents who work minimum-wage jobs may not have benefits like health care and paid time off. In 2011, 21% of South Carolina's parents lacked health care coverage and only 6% of children in the highest poverty threshold had access to health insurance.¹ When a parent is working a minimum-wage or hourly job, missing work due to illness represents a lost opportunity for much-needed income. Moreover, extended sick days due to lack of medical care constitute a tangible problem for many South Carolinians and lead to a decrease in productivity for businesses across the state. In 2012, for all ages, South Carolina had a higher percentage of uninsured than the national average.¹⁵ Even with the passage of the Affordable Care Act, it is estimated that 194,000 South Carolinians fall in a coverage gap of earning too much to qualify for Medicaid and too little to qualify for tax credits without a state expansion of Medicaid.¹⁶ The families who fall in this coverage gap – approximately one quarter of the uninsured in the state – are forced to make a difficult choice: paying high premiums for quality health care coverage, purchasing lower quality health care, or foregoing care altogether.

A Call to Action

Combating poverty and its effects requires a multi-pronged policy approach that simultaneously increases earning potential and reduces inequality statewide. Research indicates that poverty can be successfully and sustainably reduced by policies that facilitate

“employment-structured” economic transformation.¹⁷ Under such a model, economic stabilizers must be accompanied by work-incentivizing family supports that invest in the education, health, and skills development of all South Carolinians. The Self-Sufficiency Standard for South Carolina¹⁸ is a basic needs measure of cost of living that can be used to refine such anti-poverty strategies and ensure adequate resource allocation. The following policies can be effective to reduce poverty in South Carolina and empower families struggling to make ends meet.

Recommendations

Offsetting the tax burden and work-related expenses of low-wage earners in South Carolina will work to pull families out of poverty, creating a brighter future for the children of the Palmetto State.

Economic Stability

1. Adopt a state refundable Earned Income Tax Credit and Child Tax Credit, and
2. Enact a state minimum wage above the federal mandate of \$7.25 per hour.

Child Care

3. Increase the availability of high-quality child care, and
4. Establish a statewide Paid Family Leave insurance program.

Health and Well-Being

5. Expand Medicaid access to close the coverage gap.

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Children's Trust of South Carolina is the only statewide organization focused on the prevention of child abuse, neglect and injury. The organization trains and educates professionals who work directly with families and also funds, supports and monitors proven prevention programs. Children's Trust is the voice for South Carolina's children and advocates for strong, well-founded policies that positively impact child well-being. Children's Trust is home to Prevent Child Abuse South Carolina, KIDS COUNT South Carolina and Safe Kids South Carolina. For more information, visit scChildren.org.

