



# On the Move

Prepared by:  
Robert P. Fenton

## Incoming and Outgoing Minority Prime-Age Populations in South Carolina from 2016 to 2021

### Summary

*As of April 2023, South Carolina has one of the nation's lowest labor participation rates and one of the most rapidly aging populations. To accommodate these measures, the state has mobilized a significant number of resources to entice corporations to relocate production and processing facilities within its borders. This brief examines some of the characteristics of prime-age minority populations that have arrived or left the state from 2016 to 2021. Its aim is to better understand how workforce constraints, wages, educational ambitions, and other factors might contribute to or hamper further economic development in the state.*

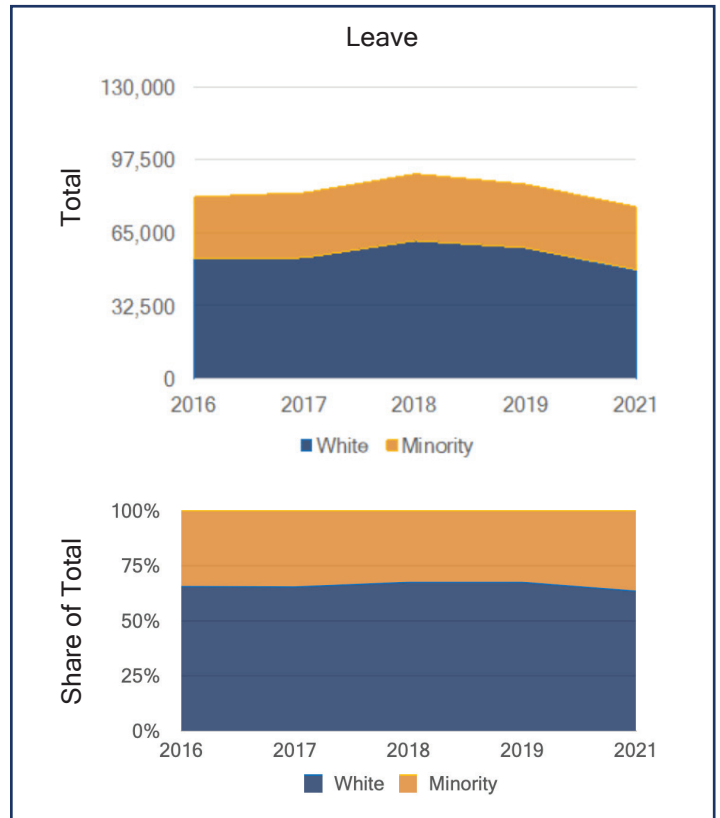
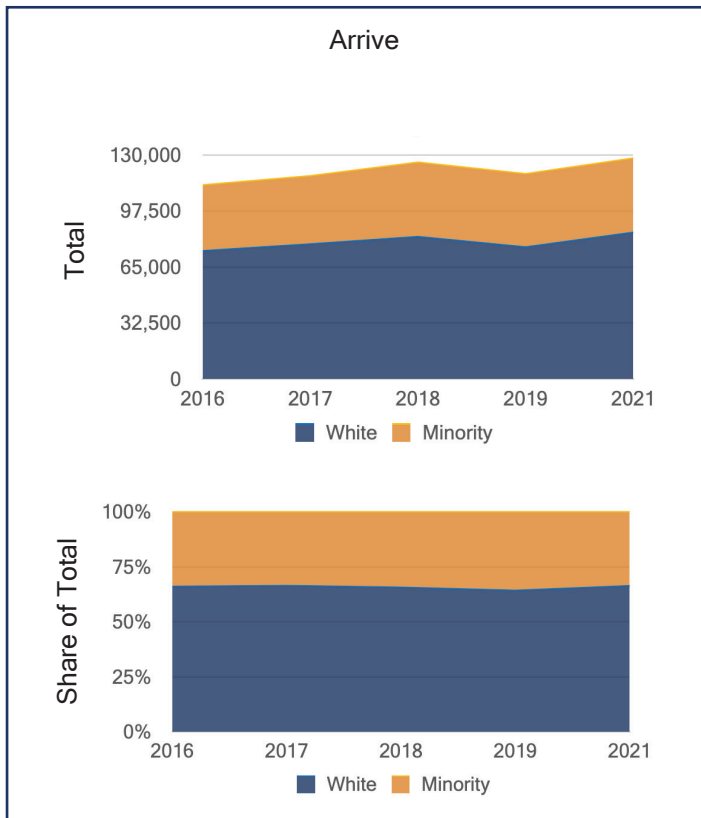
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Much has been written on the issue of workforce participation in South Carolina since the depths of the COVID-19 pandemic in March and April 2020. According to data from the St. Louis Federal Reserve, South Carolina's seasonally adjusted workforce participation rate of 55.9% was the third lowest in the country (ahead of Mississippi and West Virginia), and down nearly one percentage point from the year prior. One of the main reasons is that the state's population is aging and rapidly, as evidenced by data released over the past few years. In fact, in 2021, a record year, much of the state's growth was driven by persons over the age of 55 who were retiring along the state's attractive coastal region. Nevertheless, state and local governments and actors in the private sector, have continued to lay on the "southern charm" in their bids to attract global companies in relocating production and distribution operations into the state.

Simultaneously, the state has pushed heavily on technological infrastructural development that would bring it into the information economy of the 21st Century. Yet, from a planning perspective, pivotal questions remain unanswered: Where will the state find the requisite skilled workers needed to bring its economy into the modern era and what incentives and policies must it adopt to entice a younger workforce to call it home? Next, but of equal importance, particularly for the Commission for Minority Affairs, is the question concerning the role of the ethnic minorities, both from the state and from elsewhere, in these present and emerging economies.

This brief interrogates these issues by exploring the flows of prime-aged (18-54) persons to and from South Carolina from 2016 to 2021. The data indicates that more well-educated (those with at least a bachelor's degree), prime-aged minorities and whites are being drawn to the state, rather than leaving it. This is in spite of data that indicates that wages tend to be higher elsewhere and that a sizeable portion of the arriving minority population is of international origin.

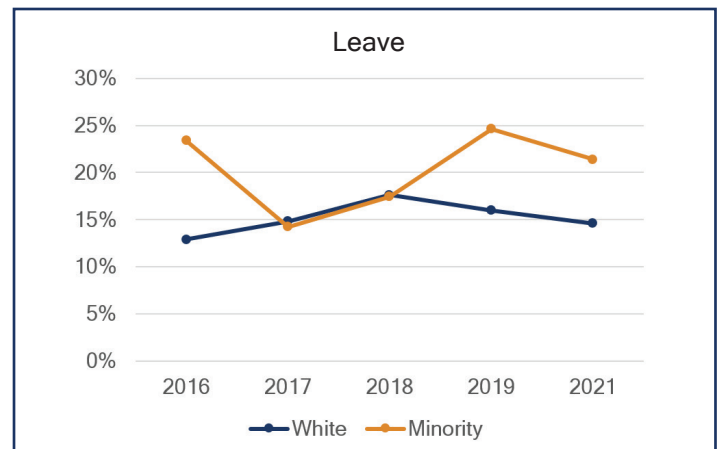
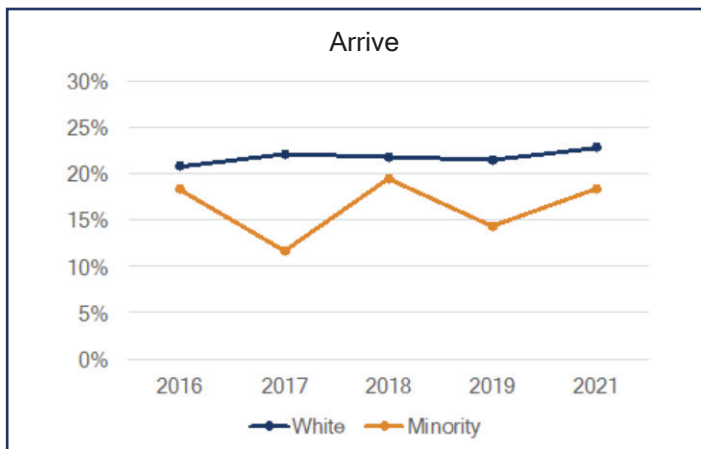


## Characteristics of Prime-Age Minority Populations from 2016 to 2021

Although the state’s population is aging rapidly, a significant portion of it is of prime working age (18 to 54), a number which has increased over the past five years. In 2016, for example, the net-gain to the population was around 31,000 persons, of which around 10,100 identified as a racial/ethnic minority.

By 2021, that number increased to over 51,300, with nearly 15,000 identifying as a minority racial/ethnic group. In total, around 63,000 prime-aged minorities moved to the state over this period, around 34.5% of all new prime-aged residents, a figure which closely aligns with the minority share of the state’s population.

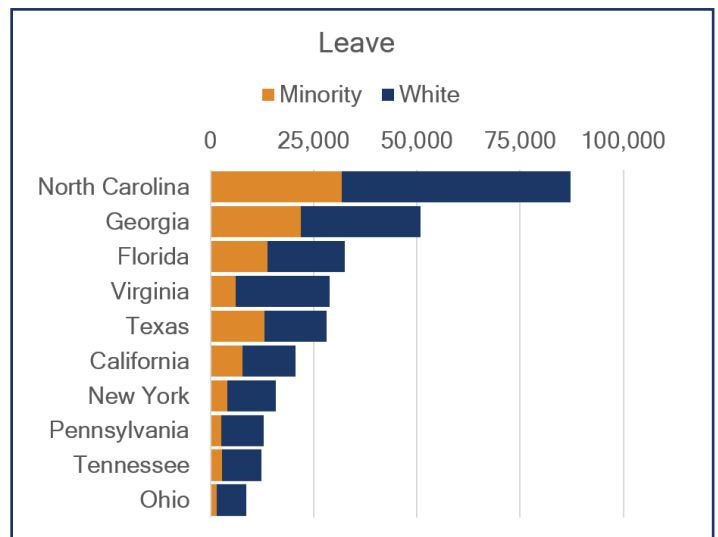
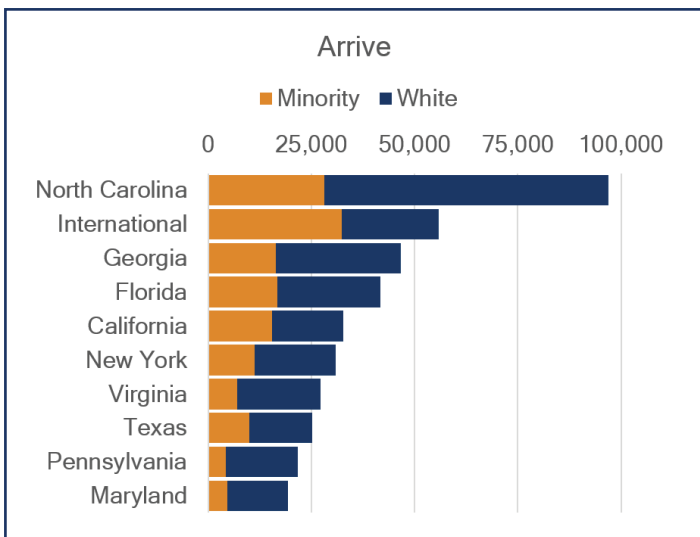
### SHARE OF POPULATION THAT ARE CURRENTLY ATTENDING COLLEGE





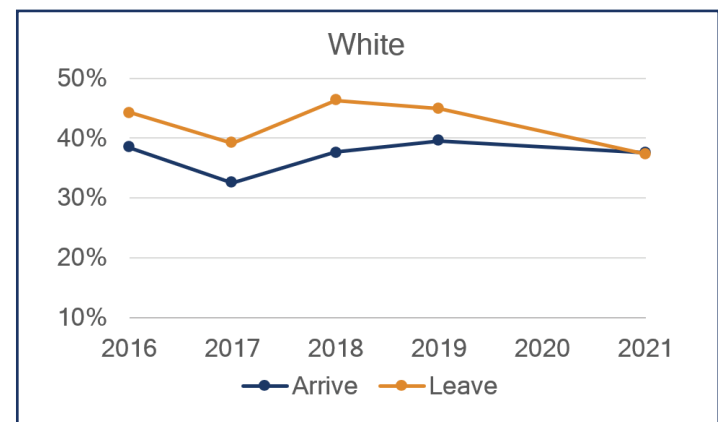
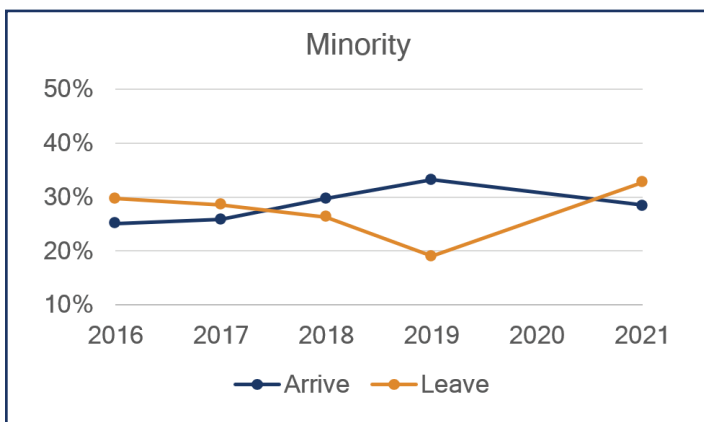
With two well-known Research I institutions in the state (Clemson University and the University of South Carolina), eight historically Black colleges and/or universities, and a wide of array of well-respected liberal arts colleges and smaller public universities, all of which are relatively affordable, South Carolina certainly serves as a destination for college students. Considering enrollment levels have declined over the past decade (see Research Brief 2:2), it would certainly benefit universities to attract non-residents. Around 22% of all white and around 16.5% of all minorities of prime ages arriving in the state were doing so as currently enrolled college students versus around 20% of whites and 15% of minorities that were leaving. Although the difference here is not significantly different, the absolute numbers were: from 2016 to 2021 nearly 87,000 whites came to the state study while around 42,000 sought degrees in other states, and around 34,000 minorities arrived as college students while some 29,000 left to study elsewhere.

ARRIVE AND LEAVE POPULATIONS BY STATE



In general, for new residents, as well as those that were leaving, educational attainment levels tended to be higher than for the total population. Over the period analyzed, 28.6% of minorities that arrived in the state, had a bachelor’s degree or above, slightly higher than the 27.3% that were leaving. For whites, only 37.1% of prime-aged individuals arriving reached this level of educational attainment, while 42.6% of those that left had at least a bachelor’s degree. From a different angle, minorities constituted 40.6% of the total population growth of persons with at least a bachelor’s degree from 2016 to 2021 in South Carolina.

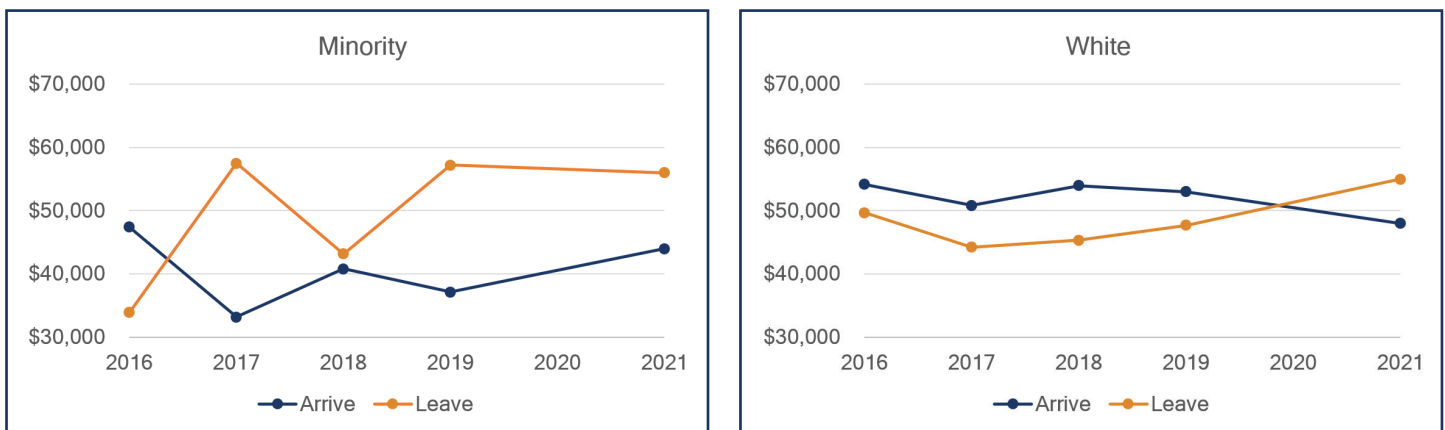
SHARE WITH BACHELOR’S AND ABOVE





In terms of earned personal income, it is a well-known fact that higher educational attainment levels lead to higher wages. In theories of migration, push-pull factors rooted in the logic of rational choice theory whereby migrant flows are explained primarily by referring to the purported economic benefits of moving as a form of profit maximization. Our data examines migrants from the perspective of the state’s boundaries, both as destination and point of departure. For most of the past six years, for minorities with at least a bachelor’s degree, those emigrating tended to earn more than those immigrating. For whites, the opposite was true, except for the 2021 data, which shows that emigrants earned more than arrivers. Minority emigrants tended to earn about the same, or slightly more, than white emigrants, but white arrivers tended to earn significantly more than minority arrivers. That said, there was more convergence in 2021 between whites and minorities, both leavers and arrivers, than in previous years, an indication of a tightening labor market and a growing share of remote workers in the workforce.

MINORITY AND WHITE [BACHELOR’S AND ABOVE] MEDIAN PERSONAL INCOME BY MIGRATION STATUS)



## Conclusion

Although our analysis focuses on a small sliver of the state’s overall yearly population churn, the importance of this analysis is vital for coming to grips with the currently tight labor market and for the prospects of economic development in the future. South Carolina has long been a destination state due to its relatively moderate cost of living and mostly agreeable climate, but it has seen younger talent head towards neighboring and/or larger states with more robust economic opportunities. This is particularly true for young minority professionals who may feel that opportunities are more freely accessed in states like Georgia, North Carolina, Florida, California, and Texas.

Likewise, data demonstrates that a sizeable portion of the state’s prime age population are coming directly from international locations. In summary, prime-age workers, particularly those with higher educational attainment profiles, should be incentivized to remain in the state via favorable economic development policies. These policies should ensure that the state’s increasingly diversifying population is well represented, and that historical gaps in educational attainment levels and income levels between minorities and whites be reduced via this development.

Contact info: Robert P. Fenton [rfenton@cma.sc.gov](mailto:rfenton@cma.sc.gov)

Note on methods: All data sourced from 2016-2021 American Community Survey One-Year Public-use Microdata Samples in R using the tidycensus package. Data scripts are available via request to the Director of Research and Planning.