

Title: **OP-ED South Carolinians fail short on education, finance, wealth**
 Author: By Robert Meyerowitz for TheNerve.org
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O P - E D

South Carolinians fall short on education, finance, wealth

By Robert Meyerowitz for
TheNerve.org

South Carolina businesses are much more likely to be white-owned than businesses on average in the U.S., and less likely to be owned by women. Does that affect its prosperity?

At the same time, businesses owned by men and by whites are more valuable than minority and female-owned businesses, and the difference in value in South Carolina is even greater than the average national difference.

A greater percentage of the South Carolina workforce toils in low-wage jobs, 30.4 percent, than the national average of 24.2 percent, ranking South Carolina 42nd from the best among all 50 states and the District of Columbia.

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“A savings account or a checking account is often your first opportunity to build wealth,” Wiedrich says. “Low-income people are the most likely to be unbanked and pay more for services that people with a bank account often can get for free.”

Households with savings accounts in South Carolina amounted to 68.2 percent in Prosperity Now’s tally, beneath the U.S. average of 70.8 percent, ranking the state 39th from the top again. If you have the account and savings, you have greater autonomy, Wiedrich says.

And perhaps as a consequence, consumers with prime credit in South Carolina came in at 42.3 per-

cent, sharply below the national average of 51 percent, dropping South Carolina to 46th among all states and D.C.

Taken together, the statistics suggest that too many of the state’s residents live financially precarious lives, or lack basic education in finance. “We think that’s alarming,” says Wiedrich. You flunked

Education is another area where Prosperity Now gives this state a solid “F.”

In part that’s because early childhood education enrollment, at 45.8 percent, lags the national average, at 47.6 percent, placing South Carolina 23rd from the top. Worse, eighth-grade math proficiency, at 25.7 percent, is well below the national average of 32.1 percent, ranking the state 43rd.

Adding insult to injury, the average annual pay for a South Carolina worker is \$46,411, well below the national average of \$52,942 — and those figures are adjusted for cost of living.

These data are some of the findings which led the non-partisan group Prosperity Now, a D.C.-based nonpartisan non-profit that promotes “household financial health,” to give the state an “F” on its recent annual report card, in its category for Business & Jobs. For South Carolina, it argues, this all means prosperity later if ever.

Prosperity Now began life in 1979 as the nonprofit Corporation for Enterprise Development, with the mission

of working “to reduce unemployment and expand opportunity by advocating for policies that would make it easier for entrepreneurs to start or expand a small business.” Its focus since has shifted away from reducing unemployment in particular, and promoting entrepreneurship, and more toward “helping families achieve financial stability... and prosperity in general,” says Kasey Wiedrich, its director of applied research.

Wiedrich, who manages the scorecards, said recently by phone, “We’re looking at the opportunities that households have themselves and to invest in the future. That all ties into the economy of your state.”

And eighth-grade reading proficiency, at 27.8 percent, is well below the U.S. average of 34.3 percent, ranking the state 42nd from the top.

“This is a place where you can think of the workforce of South Carolina,” Wiedrich says. Along with economic development incentives doled out to corporations, South Carolina could “invest in its people right now” by working harder to improve education.

The state’s high-school graduation rate and percent of people with four-year college degrees also fall significantly below national averages. The average college graduate’s debt, at \$30,564, beats the national average and places South Carolina once again at 42nd-best among the 50 states and D.C.

Compounding the prob-

lem, the state’s student loan default rate, at 13.2 percent, again handily beats the national average, at 11.3 percent.

“That’s people defaulting on their student loans in their first three years of repayment,” Wiedrich explains — which may suggest that “people coming out of school aren’t finding jobs that can help them make their loan repayments.”

SHORT ON 3A

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On Prosperity Now’s Policy Scorecard, which lists 53 measures to “put everyone in our country on a path to prosperity,” South Carolina gets credit for a mere 16. It’s dinged for, among other things, not protecting consumers from abusive debt-buying practices, payday lending, car-title lending, and high-cost installment loans,



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as well as failing to provide tenant protections from foreclosures.

It's also faulted, in the policy realm, for failing to limit hospital charges, billing or collection; and not targeting post-secondary financial aid

for high-need students.

Taken together, the absence of policies compose a picture of a market so free it's almost predatory.

"There are business practices that take advantage of loan-income folks, and gov-

ernment has a role in stepping in and stopping that," Wiedrich argues — but there's also a limit to how far it ought to go. "We know there's a need for short-term credit for folks."

More regulation isn't necessarily needed, she says —

"It's being smart about regulation, and ensuring that there are safe and affordable products for people...

"Being able to have financial stability and economic mobility for more households benefits everyone."