Changing Faces of South Carolina:
A Profile of South Carolina Senior Citizens

Mark Bondo

Abstract

In 2004, Richard Young of the Institute for Public Service and Policy Research published an article, “Aging in America with Some Review of the Status of Older South Carolinians” in the Public Policy in Practice. This paper seeks to further the discussion of senior citizens in South Carolina. Specifically, this paper will address senior citizen impacts and issues on the following areas: demographics, economic, political, health, and transportation. Furthermore, the paper discusses the South Carolina’s status as a growing retirement destination. Senior citizens may not be the economic boon that some suggest, and there may be significant costs associated with becoming a retirement destination. For the seniors residing here, the state may need to address some areas to insure that it is prepared for the aging population’s needs, known and unknown.

Mark Bondo: Mark Bondo is a Research Associate with the Institute for Public Service and Policy Research at the University of South Carolina. Mark holds a Bachelor of Arts from the University of South Carolina and a Master of Public Administration from the University of North Carolina at Chapel Hill. Prior to joining the Institute, Mark worked for the United States Government Accountability Office in Washington, DC.

Introduction:

National trends in demographics indicate that the US society is getting older. Median age for the country has risen from 29 years in 1940 to 35 in 2000. South Carolina is no different than the rest of the country. In 1940, the median age for South Carolina was 22. In 2000, the median age for South Carolina was 35. For the nation, the main drivers for the increase in median age have been a lower fertility rate, the aging “Baby Boom Generation,” and advances in medical science. South Carolina also faces similar drivers. However, another driver pushing the “graying” of the state population has been the immigration of retirees from other states and the out-migration of the younger population. This paper will give an overview of the South Carolina aging population, trends and comparisons with other states in the southeast, and issues about what these trends mean for the state.
The Over 65 Population:

In 2000, approximately 12% (489,000) of the South Carolina population was 65 or older. This represented an approximate 16% (+97,000) increase from 1990. The fastest growing segment of the elderly population was the “very old” or 85 and over group. Between 1990 and 2000, this group saw a 63% (+20,000) increase. The 75 to 84 population group saw a 38% (+45,000) and the 65 to 74 population saw a 10% (+24,000) increase. Looking at a comparison between four southeastern states in Figure 3,

(Florida, Georgia, North Carolina, and Virginia), South Carolina has witnessed the greatest growth of the 65 and over population of any.

In terms of racial diversity, the senior population of South Carolina was primarily white. In 2000, approximately three quarters of the population was white, while the remaining was black. These percentages were largely unchanged from 1990.
When looking at diversity in terms of gender, the senior population was approximately 60% female and 40% male based on the 2000 Census. The gap between male and female population is not unusual considering that women have a higher life expectancy than men. These percentages are nearly the same in 1990.

Most senior citizens in the country and in South Carolina remain in their current home or move within their state or county. A Census report found that there is a large amount of people that may migrate within their state and within their county. For example, someone in South Carolina may live in Lexington County and retire to Beaufort County; or someone may live in Columbia and move to be on Lake Murray in Richland County. However, a large amount of South Carolina seniors choose to remain in their communities and houses, mirroring national trends.

Another component of growth is due to South Carolina and the Southeast having become a retirement destination, according to other studies. Research is also showing that retirement destination states are “spreading out” and “becoming slightly less concentrated” than in the past, where many seniors cluster to a small number of states. It is not unusual to see this spread, because many states may offer many similarities to the past cluster states with desired differences such as cost or amenities. For example, climate and topography may be similar in the coastal environments of Florida and South Carolina.

Between 1995 and 2000, South Carolina had approximately 16,000 net migrants at or over the age of 65, for a net migration rate of 34%, ranking South Carolina 4th nationally. Another study by Longino and Bradley (2003) showed South Carolina receiving a net of approximately 18,236 of in migrants at or over the age of 60 from 1985 to 1990, ranking South Carolina 6th nationally. From 1995-2000, the same study by Longino showed that South Carolina received a net of approximately 28,000 in migrants at or over the age of 60, ranking South Carolina 5th nationally.

Migration into the state appears to be increasing, according to the 2006 South Carolina Mature Adults Count report. Using first time driver’s license data, the report found that from 2002-2005 21,654 persons over the age of 65 were issued South Carolina driver’s licenses for the first time. The counties receiving in-migrants, based on driver’s license data are Horry (3,668), Beaufort (3,271), Greenville (1,585), Charleston (1,348), York (1,160), and Aiken (1,131).

Where are senior citizens migrating to the state of South Carolina coming from? Nationally, the South Atlantic and Mountain states are receiving the most senior in-migrants; the Midwest and Northeast are sending the most out-migrants. A study by Longino showed that from 1985 to 1990, most migrants into the state came from the South and the Northeast. A 2003 Census special report found that most migrants choose to stay in areas closer to where they are from; for example, most migrants from and to the state of California already live in the western part of the country.
The South Carolina counties with the fastest growing senior population are mostly considered to be urban in nature. Beaufort is the fastest growing county with an approximate 76% change in the 65 and over population from 1990 to 2000. However, within the top ten, there are some counties that are rural or very rural.\textsuperscript{14} These counties are McCormick (42%), Georgetown (40%), Oconee (30%) and Kershaw (28%). The top ten counties with the largest population of seniors are all urban. In 2000, Greenville had 44,573 seniors living in the county followed by Charleston (36,858), Spartanburg (36,858), Richland (31,465), and Horry (29,470). Figure 4 illustrates the growth in urban and rural senior populations (using 2000 urban classifications).

The growth of the senior population in the urban environment is not unusual. First, the majority of seniors are most likely aging in place and remaining in the counties where they lived in worked in the past. For those seniors migrating, research has typically shown that seniors desire amenities that are typically available in a more urban setting. Urban amenities typically desired include access to health care and cultural amenities such as universities and the arts. Seniors also desire recreational opportunities and scenic beauty, which depending on the type of recreational amenities, may be more available in a more urban environment such as golf courses and recreational complexes. South Carolina is also seen as desirable place to be because of its climate.\textsuperscript{15}

Another key note about seniors’ migration motivation is their desire to migrate to places with lower taxes and costs of living. South Carolina currently ranks 43\textsuperscript{rd} in the country in state per capita tax collections.\textsuperscript{16} In 2002 Kiplinger’s, a popular financial magazine, rated South Carolina 4\textsuperscript{th} in the nation in terms of low tax burdens for seniors.\textsuperscript{17} According to a Tax Foundation study on state and local tax burdens, South Carolina ranks 30\textsuperscript{th} in 2006.\textsuperscript{18} Looking at states that are in the regions shown by the Census to send the most out-migrants to the state in Figure 5, it is clear that, with the exception of New Hampshire, South Carolina places a lower per capita tax burden on its residents. However, if citizens move to South Carolina primarily because of its low taxes, will they...
also expect the same amount of services that were present in their home state? And, if these services are not available, will they willing to accept higher taxes to pay for them?

Another key component of taxes and the elderly in South Carolina is the homestead exemption and other income exclusions. The homestead exemption allows state residents 65 and over to not pay taxes on up to the first $50,000 of assessed property value. The state government reimburses local governments for lost revenue. Looking at Figure 6, we see that the expenditures for the homestead exemption have grown from approximately 1% in fiscal year 1994 ($48 million) to 3% in fiscal year 2006 ($148 million) of state expenditures. Also, the state allows for the full exemption of Social Security income and the partial exemption of pension income. Furthermore, persons 65 and over can deduct up to $15,000 from taxable income. The expenditures for the homestead exemption and foregone revenue from retirement exclusions will grow as more of the state population ages. This growth will result in increased expenditures for the state government and lost revenue through exemptions.
Income:

Seniors in the state of South Carolina earned less than the state median income, as illustrated in Figure 7. Based on 2000 data, earned a median income of $28,293 and $19,525 (1999 Dollars) for the population groups 65 to 74, and 75, and over respectively. See Figure 8 for a comparison with other states. A majority of seniors’ income appears to be retirement income; in 1999 the mean retirement income or those households with retirement income was $16,933, illustrated in Figure 9 (median income not available). The median income for South Carolina as a whole was $37,082 in 2000.
Some have labeled the older generation as “grey gold.” This concept is due in large part to the demographic’s disposable income. People who are older and retired have typically been seen to use many local government services (such as elementary and secondary education) less and national programs (such as Medicare and Social Security) more. Seniors also tend to have more disposable income than other groups. The disposable income is typically due to the fact that retirees may not have to save for retirement, home purchases, children’s education, and may be in a lower tax bracket – thus they are able to spend more. Some analysts have labeled the retirement population as “recession proof” because retirement income from Social Security and defined benefit plans is extremely stable, regardless of the economy. Also, seniors that migrate bring income earned elsewhere and is thus an asset “not dependent on the local economy.” In fact, many states have made it an economic development strategy to attract the senior population.
Many states and communities are beginning to view the senior population as a potential for economic development without the negative costs of other development opportunities; such as factories which may require tax incentives and create pollution. One study by Longino and Bradley (2003) stated that migrating retirees to Florida in 1990 had $8.3 billion in income.\(^\text{23}\) However, others have warned that the benefits of a retiree population are lessening and may lead to a dual economy. In the past, capital markets tended to be more localized. So, an influx of retirees would probably mean an influx of money into the local banking structure. However, today with national banking companies and a more global economy, the capital benefits to a community from the dropping of assets may be nonexistent. A dual economy is one that is primarily rich and poor. Senior spending is typically service oriented. Service sector jobs which seniors use tend to fall in either high end (such as medical services) or low end (such as retail), with little in between. Also, seniors typically use non-taxed services, such as healthcare more, so there may be little to no growth in sales tax revenue at the state level.\(^\text{24}\) Finally, there could be some questions as to job creation. One study mentioned that growth in the 25-34 age group is an indicator of job creation. However, from 1990-2000, Florida and South Carolina saw a decrease in this group even though they were among the top states in the country for percentage growth in the over 65 population.\(^\text{25}\) Some studies have also questioned the logic of targeting seniors as an economic development strategy. A continued in-migration of senior citizens is needed to maintain and grow a senior driven economy. While such growth may be possible in the near term, there could be slowdowns and even declines in senior population growth. Also, as stated above, senior migration is spreading out, causing states to compete more and more for senior populations.\(^\text{26}\) Finally, communities that choose to focus and cater to seniors may not be as attractive to other demographic groups.

There are also some concerns as to the reliability of senior income over time. Meaning, even though senior income is stable, will seniors outlive their retirement? Reports from the 2003 South Carolina Mature Adults Count showed that retirement plans and

![Figure 10: Percentage of Selected State Population Living in Poverty (2000)](image)
investments made up 42% of retirees income, with 44% coming from Social Security. However, this money may not be enough to keep up with seniors’ living expenses. The senior population, based on one study, was the fastest growing debtors in the US, with 59% carrying debt in 2002 – up from 32% in 1992. Bankruptcies were also up 244% in the senior population from 1991-2002. In the future, one may expect more seniors to be facing poverty. However, when referring to Figure 10, less than two percent of the 65 and over population currently do so. As a comparison, children living in poverty are a larger concern. What happens if money from retirement savings accounts and defined contribution plans is exhausted? With the life expectancy continuing to increase, yet retirement age hovering around the low sixties, retirement income may become a problem.27

Another concern for all seniors is the viability of pension payments in the future. Retirement planning is changing with traditional pension or defined benefit plans being replaced with defined compensation plans.28 For those in or near retirement many are relying on pension plans. In 2003, the Government Accountability Office (GAO) placed the Pension Guaranty Benefit Corporation (PGBC) as “high risk” for agencies with vulnerabilities to the federal government. The report found that significant risk was present in single employer’s financial conditions, which the PGBC covers. For example, citing a PGBC finding, the GAO found that “financially weak companies sponsor over $35 billion in unfunded benefits.”29 This concern increases when analyzing other post employment benefits (OPEB) provided by both public and private entities. OPEB benefits typically include health care benefits. An article in Business Week found that in 2005 in a study of S&P 500 companies that offered such plans, the asset to liability ratio for such plans was 21.7%, compared to 88.3% for pension plans from S&P 500 companies.30 Beneficiaries of plans may see a reduction in benefits and/or a freeze in benefits if companies default on their pension responsibilities.

Reverse migration of senior citizens may also occur. The oldest set of the population (85 and over) have been found to migrate more than other elderly groups. Some of this migration is due to health concerns and the need to move closer to friends and family. Other migration of the oldest old is linked to a reduction of financial resources. And, sometimes the oldest population has a desire to simply return home.31

The migration of retirees, both inter and intra-state/county can be both a benefit and a challenge to local areas. Most seniors own their home. According to the 2000 Census, nearly 85% of seniors are homeowners in South Carolina; nationally seniors have the highest percentage of homeownership of any age group.32 Many studies cite the benefit to the local tax base as property and sales taxes may see an increase in revenue from senior migrants. For example, a 1999 study by researchers at the University of South Carolina Moore School of Business cited that “Charleston, (SC) had the highest housing price appreciation of any city in the US. Some news reports attribute that fact to the influx of seniors.”33 While this effect may be a benefit for local property tax collections and home sellers, there could be a concern that existing fixed income seniors may be priced out of their existing home by an increase in property taxes and other services. The study also found that as seniors move or seek different types of houses that a boom could
occur in some areas among some types of housing, while a glut of traditional housing could affect other markets.\textsuperscript{34}

**Retirees in the Workforce:**

The impact of seniors on the workforce is an important issue for employees and employers alike. From the employers’ standpoint, current and future seniors may represent a large segment of senior management and institutional knowledge valuable to operations. Employers may want to develop programs designed to attract and leverage the talents of this workforce. For those at or near retirement, working in retirement may be beneficial on a number of different levels; such as maintaining a physically and mentally active lifestyle, keeping a connection to others, and providing extra income.\textsuperscript{35}

As stated above, seniors seem to earn less than those in middle age. This may be the result of seniors transitioning to retirement by staying in the workforce but working fewer hours at existing jobs, or working at lower paying jobs. Seniors may have different income earning expectations than younger counterparts. For example, a Merrill Lynch (2006) study of retirees and workforce issues found that many of those in or near retirement desired to stay working, but with greater amounts of leisure time and in different fields than their previous or current employment. The study found that 54% of those surveyed at age 60-70 where in the workforce, retired and in the workforce, or were retired and looking for work. Further, most employees in the survey expected to retire near age 61, but continue working until their early 70’s. Retirees also seem to desire a different line of work than their current or previous occupation, especially ones that enables them to pass on their knowledge.\textsuperscript{36}

This study is somewhat inconsistent with current labor force participation statistics and seniors. These statistics indicate that many of those 65 and over are out of the workforce and living primarily on retirement income. In 2004, approximately 20% of the population aged 65-69 was classified as in the labor force in South Carolina. Please refer to Figure 11 for an illustration of labor force participation. This rate includes employed and unemployed workers. Part of the reduction in labor force participation is from retirees being forced out of the workforce either by layoff or health reasons.\textsuperscript{37} For example in 2005, 31.2% of South Carolinians 65 and older reported having limited activities due to a physical, mental, or emotional problem; this is an increase from 2003 when 26.2% reported the same condition.\textsuperscript{38} Retirement plan requirements may also be a large reason why workers retire early; social security retirement age and pension plans may encourage otherwise healthy workers to retire before they may desire. Other reasons for leaving the workforce include wanting to spend time with family and a desire to pursue other activities.\textsuperscript{39}
Possible reasons for the disconnect between Merrill Lynch and the above labor force numbers may lie in age discrimination and SC’s status as a retirement destination. Eighty percent of those 60 to 70, who had difficulty finding work in the Merrill Lynch survey, cited that people thought they were too old as a barrier to obtaining a job.\textsuperscript{40} From 2000-2004, there were 1,019 age discrimination complaints received by the South Carolina Human Affairs Commission. However, this number has decreased from 344 in 2000 to 127 in 2004.\textsuperscript{41} Another possible reason that seniors in SC are not in the labor force is that South Carolina is more of a retirement destination. Perhaps those that move here do so because they choose not to work at all.

Finally, there are many strategies to leverage the senior workforce. Merrill Lynch found that some strategies that companies may consider include offering flexible work schedules, telecommute opportunities, different benefit packages geared toward different age groups, offering career tracks specifically for executives, among many.\textsuperscript{42} Retirement plans may need to be altered to enable seniors to obtain benefits while working a reduced schedule. Given age discrimination concerns, a strategy to educate employers about the benefits of older Americans in the workforce may also be necessary.

**Education:**

The 65 and over population primarily have high school diplomas. Figure 12 illustrates the educational attainment of the senior population. Taken as a percentage of their respective age group, it is easy to see that the 45-64 population is a much more educated population. Since the current population of those 65 and over are mostly out of the workforce, the main benefits of a retired population may be felt in volunteerism in local communities, with a slight chance for a return to the workforce. One should not assume, however, that just merely being retired equates to a rise in
volunteerism. An Urban Institute (2006) study found that health, higher education status, higher income, strong religious affiliation, all positively influenced volunteer rates.\textsuperscript{43} The same report cited other reports that found that those who volunteer while working will be more likely to volunteer when retired. The larger concern, nationally and statewide, is in the amount of lost human capital from the retirement of the 45-64 segment of the population.

**Politics:**

Will the graying of South Carolina’s population change the political landscape as well? The answer is complex. There have been findings that as people reach old age they participate less actively in politics. While older Americans may participate less actively overall in politics, there is also evidence that they may hone in, and participate more, in issues specific to their age group.\textsuperscript{44}

Age groups may perceive government spending and taxation differently. Typically the different views are tied to perceived benefits and costs to individuals of taxation. One study by MacManus (1995) analyzed data from a number of surveys to assess the differences of age cohorts on taxes and spending. Typically, younger age groups view local taxes on property and national income more favorably because they see a benefit from local spending, especially on schools, and do not face a large income tax burden. Middle aged groups still view local taxes more favorably but view income taxes negatively. Older groups dislike local taxes on property many times because they do not have school age children and are on fixed incomes.\textsuperscript{45}

Some raise the issue that the nation as a whole may face generational struggles as different age groups compete over scarce government resources.\textsuperscript{46} As previously stated, many see the retirement population as a benefit due to a low use of local services. However, this benefit may also be a cost as the research cited above tends to support the conclusion that the retirement population may be less likely to support local taxation increase measures, and current taxes, for which they see little use and benefit. The lack
of support in local taxes seems to be more pronounced in local tax referendum to support education. There has also been some evidence that retirees lobby to lower taxes after migrating to a different state. South Carolina has already experienced property tax anxiety from local citizenry and passed property tax reform in 2006.

Furthermore, South Carolina may become more ideologically diverse as it becomes more of a retirement destination. Retirees from different states and backgrounds may have different views of government and politics than native South Carolinians. Government officials may need to understand this difference when constructing policies and proposals.

Health:

Seniors spend the most, per capita, of any age demographic for health care and are a key driver of growing health expenditures. The US Department of Health and Human Services reported that those 65 and over spent $11,089 (1999) per capita compared to $2,793 per capita for those under 65. For those 85 or older, they account for 8% of health care spending, but only 1.6% of the total US population. The Congressional Budget Office further reports that the 5% of the Medicare eligible population accounted for 43.1% of Medicare expenditures in 2001 and 10% accounted for 61.5% of expenditures. Health care expenditures among the older population are important when one considers that, in 1960 governmental expenditures only accounted for 25% of national health care spending. In 2003, governmental expenditures accounted for 46% of national health care spending. The federal government has taken on more of the burden of funding personal health care spending, funding 9% in 1960 and 33% in 2003. State and local government expenditures have actually fallen from 13% in 1960 to 11% in 2003 of personal health spending.

From a state standpoint, Medicare is not as large an issue as Medicaid. When referring to Figure 14 in FY 2005, state Medicaid expenditures accounted for nearly 27% (approximately $1.2 billion) of South Carolina’s total state expenditures, up from approximately 15% in FY 1997.

<table>
<thead>
<tr>
<th>Eligible</th>
<th>Aged 0-18</th>
<th>Aged 19-64</th>
<th>Aged 65 +</th>
</tr>
</thead>
<tbody>
<tr>
<td>Eligible</td>
<td>51.76%</td>
<td>34.83%</td>
<td>13.36%</td>
</tr>
<tr>
<td>Expenditure</td>
<td>34.46%</td>
<td>43.41%</td>
<td>22.12%</td>
</tr>
<tr>
<td>Expenditures Per Eligible</td>
<td>$2,313</td>
<td>$5,099</td>
<td>$6,134</td>
</tr>
</tbody>
</table>

Nationally, from FY 2002-2004, four-fifths of the increase of Medicaid spending was due to the elderly and disabled – both increases in eligibles and health care cost. Looking at Figure 13, seniors make up the highest cost group. Although seniors account for 13.36% of Medicaid eligibles, they account for 22.12% of expenditures. Of this spending, the overwhelming majority went to nursing home expenditures ($362 million). The next closest expenditure category for seniors was pharmacy services ($168 million). In 2006
pharmacy expenditures for low income seniors will be covered by the Medicare Part D plan.

**Figure 14: South Carolina Medicaid Expenditures (1999 Dollars)**

Medicare has now become an issue to state government through the Medicare Part D prescription drug program. As of January 2006, elderly patients that received prescription drug benefits under Medicaid are now to be covered under Medicare. In South Carolina prior to Medicare Part D, these “dual eligible” persons used the SilverCard program to obtain service. Typically, Medicare was a federally financed program, but now states have a financial stake. To avoid states from allocating their federal Medicaid money that would be used for dual eligible pharmaceuticals, the federal government will use a mechanism known as a “phased down State contribution.” This mechanism is popularly known as the “clawback.” Under the clawback, states will be required to pay a share of the amount of state money to the federal government each month for what would have been spent on Medicaid dual eligibles. This share started at 90% in FY 2006 and will phase down to 75% in FY 2015. Nationally, the Kaiser Foundation cited a CBO study that showed states paying $6 billion in 2006 rising to an estimated $15 billion in 2015. The SilverCard program is now used to finance gaps between Medicaid and Medicare for prescription drug payments for those between 150% and 200% of poverty.

One risk that may affect the elderly population and state finances is long-term care. In 2000, there were 19,180 South Carolinians 65 and older in nursing homes. This figure is a slight increase from 1990, when 18,228 South Carolinians were in nursing homes. However, the 1990 figure includes all people in nursing homes, such as those who are younger than 65 and in need of long term care. In FY 2004, 71.5% of all state nursing home residents used Medicaid as the primary payment option. Nationally, it has been estimated that approximately 43% of all nursing home patients are or will become Medicaid eligible. Based on a MetLife (2005) survey of nursing home and home care costs, it would cost $141 a day or $51,465 annually on average for one person in a semi-private room in a nursing home in Columbia, South Carolina. In Charleston, it would
cost $138 a day or $50,370 annually per person on average for a semi-private room in a nursing home. For a private room, it would cost and average of $158 ($57,670 annually) a day in Columbia, or $153 ($55,845) a day in Charleston. These costs are much lower than the national average of $176 for a semi-private room ($64,240 annually) and $203 for a private room ($74,095 annually). With seniors living longer, and the cost of nursing home care high, Medicaid may be sought by more seniors as a means of paying for long-term care.\textsuperscript{61}

Home-based long-term care is one option that states are using to curb the costs of Medicaid nursing home care. In South Carolina, the differences in price can be large. It is estimated that it can cost $38 a day for community long-term care services, compared to the $141-$158 a day nursing home costs in Columbia.\textsuperscript{62} This cost difference is also buttressed by the bonus of allowing seniors to remain at home.

Because the 65 and over population is the fastest growing part of the national and state population, health is important from a public finance and a basic quality of life perspective. Many health problems that the elderly, and people in general, face may be prevented or mitigated by changing life styles. For example, obesity is a growing trend in the nation as well as in South Carolina, as illustrated in Figure 15. Being overweight or obese is known to place persons at risk for many diseases and ailments such as heart disease, diabetes, and arthritis. Part of the reason for the trend in obesity among seniors is that “the majority of the population takes less care of their diet as they get older.”\textsuperscript{63} The Centers for Disease Control and Prevention reported that during the 2001-2003 time period, approximately 20% of the South Carolinians 65 and over were classified as obese. This percentage is an approximate 5% increase from the 1993-1995 reporting period. However, the CDC reported in 2001 that 61.7% of the South Carolina senior population was at risk for obesity related health problems, up from 29.8% in 1995. The reason for the large increase is that many more seniors are becoming overweight and falling into risk categories associated with obesity. As one would expect, the increase in obesity is mirrored by an increase in hypertension and diabetes along the same years. Figure 16
illustrates the increase in those suffering from hypertension. In South Carolina, from 1993-1995 nearly 45% of those 65 and older suffered from hypertension. In 2001-2003, almost 60% of the same age cohort suffers from hypertension. Diabetes has also increased nationally and in South Carolina, when referring to Figure 17. In 1993-1995 for example, approximately 13% of the population 65 and over were diagnosed with diabetes. In 2001-2003 the cohort with diabetes increased to approximately 18%.

However, even with the increases in diabetes, hypertension, and obesity, South Carolinians at or over the age of 65 have reported a general improvement in health as illustrated in Figure 18. In 1993-1995, approximately 40% of elderly South Carolinians reported their health as fair or poor. In the 2001-2003 reporting period, that percent fell to approximately 31%. Part of the reasons for this reduction in the face of increased health risks may lie from an improvement in disease management.
One risk factor that appears to be decreasing is cigarette smoking. Approximately 8% of the 65 and over population smoked in 2001-2003, compared to 10% in 1993-1995.\textsuperscript{64}

Health is especially important when considering causes of death. During the 1990-2004 time period heart disease was the number one cause of death for those 65 and over in South Carolina, accounting for approximately 29% of all deaths during that time-frame for the relevant population, or 1,465 deaths from heart disease per 100,000. Other leading causes of death included (rates per100,000), cancer (1097), other diseases or residuals (645), and cerebrovascular (stroke) disease (473.3). Looking at causes of death is important when considering quality of life and health care cost.\textsuperscript{65} The above mentioned CBO (2005) report cites that the majority of spending on health occurs in the final year of one’s life.\textsuperscript{66}
Disability is an important concern for the elderly, as illustrated by Figure 19. The Census Bureau has five disability classifications: physical, mental, sensory, go outside the home, and self-care. The older a person is, the more likely he/she is to suffer from a disability or need assistance with daily activities. By looking at Figure 20, this trend is illustrated by the 2004 Census American Community Survey for South Carolina. For those 65 and over, the Census estimates that nearly 43% have at least one disability. The primary disability for South Carolinians over 65 is physical in nature, illustrated by Figure 20. Other disabilities that seem prevalent are mental, sensory, and going outside the home.\textsuperscript{67} This is not unusual, since a going outside the home could be caused by sensory and physical disabilities. And, as it becomes more difficult to leave the home and function, a person may be susceptible to mental ailments such as depression. However, the Census reports that disability rates are declining in the US nationally.\textsuperscript{68}

Another health concern that an aging population faces is mental status changes. One of the more common causes of dementia in the elderly population is Alzheimer’s disease. In 1995, South Carolina had 31,031 cases of Alzheimer’s disease; in 2005 that number increased to 56,870. In 2025, the number of South Carolinians with Alzheimer’s is expected to be over 125,000.\textsuperscript{69}

**Health Network:**

With the population aging, the question must be asked if the South Carolina health network can accommodate the needs of an aging population. Persons at different ages typically require different amounts and different types of medical care. There is some literature that suggests that diseases and ailments may present differently among the elderly than among patients of different age groups. For example, pneumonia among patients over 80 may not be accompanied by a fever and “elderly patients with an acute myocardial infarction (heart attack) often do not experience chest pain.”\textsuperscript{70} These symptoms may be compounded by issues facing the elderly. Many senior citizens may be taking multiple prescription drugs, known as “polypharmacy.” One study cited evidence that approximately 20% of people 65 years or older use five or more
prescription drugs per day, a number that could be pushed much higher if one considers the amount of over the counter drugs taken as well. Polypharmacy can result in increased health risk due to drug interaction. Also, mental status changes may make elderly patients unaware of symptoms or changes in health. Some patients may neglect symptoms because they believe that they are merely the result of old age. Finally, financial worries about healthcare costs may make the elderly avoid preventative healthcare.\textsuperscript{71}

Given the concerns above, do the nation and state need to have a set of skilled medical practitioners educated specifically in geriatrics? Geriatrics is the practice of medicine for the elderly. The 2006 SC Mature Adults Count Report states that there are only 30 certified physicians in geriatrics, or approximately one geriatrician for every 17,000 patients at or over 65 years of age; according to the report, the ratio should be one geriatrician to every 1,000 patients.\textsuperscript{72} The state does sponsor a loan forgiveness program for certified geriatricians who practice medicine in the state for at least five years; however, this program is subject to annual appropriations.\textsuperscript{73}

**Transportation:**

The primary mode of transportation in South Carolina, as in the nation, is the single occupancy vehicle. According to the 2004 American Community Survey, nearly 80\% of all work commutes by those 65 and over in South Carolina were done by driving alone, the state average was nearly 83\%. The next most popular mode of transportation for those 65 and over and for the state commuting to work was a car/van pool at approximately 5\% and 11\% respectively. Public transportation only made up 0.5\% of all of SC’s commutes to work and zero percent for the elderly.\textsuperscript{74}

It is unlikely that the mode of transportation for the elderly will change significantly when they are no longer working. Given disability concerns among the elder population, traveling outside of the house safely may be a real concern. The Americans’ with Disabilities Act mandates that mass transit systems be accessible to those with disabilities.\textsuperscript{75} Title III of the Older American’s Act provides funding for transportation. According to the SC Lt. Governor’s Office on Aging, nearly 40\% of the nearly 9,000 seniors served used a transportation service for all of their trips from FY 2001-2004.\textsuperscript{76}

**Conclusions:**

As South Carolina’s senior population continues to increase, questions remain as to what impact it will have on the state and its citizens. The conclusions below are drawn from the previous discussion:

**Economic Development:**

Many view the retirement population as an economic development opportunity. However, little work has been done to assess the benefits and costs of a senior driven economic development strategy on state and local areas. Logic and some evidence may
lead to a conclusion that those who choose to retire in South Carolina, and those that retire from other places within the state, may be financially secure and healthy enough to do so. At the same time, those who choose to live in South Carolina their entire lives may do so for many different reasons. However, there does not appear to be enough evidence to make a conclusion about either group. In researching this study, little evidence was found quantifying the effect of seniors on the economy in terms of types of jobs created and effects on the tax base. Also unknown are how retirement savings plans (defined benefit and defined contribution) will be affected in the future and if they will remain the stable, recession-proof stream of money that some believe they are.

There are numerous costs associated with aging and becoming a retirement destination. If the state and local governments choose to pursue a senior driven economy, they may open themselves up to increased liability for Medicaid and health related payments for health related expenses. Areas that see a boom in retirement centered housing may put pressure on existing retirees who are living on fixed income. Local governments may also be required or face pressures to provide more services especially for or geared toward the senior population as well.

Seniors now and in the future may represent a valuable amount of human capital. With civilian employment demand expected to outstrip supply in the future, seniors may represent a necessary employment bridge in providing needed skills to the workforce in the short-term and transferring valuable information to younger workers in the long-term. Seniors who work even part time have been shown to have a better than expected retirement than those that do not work at all.77

Seniors may provide a benefit to the local economy if they choose to re-enter the labor force or volunteer their services. This benefit is thought to be more pronounced in the future as the baby boom generation nears retirement. However, retirement alone is not a predictor for volunteerism.

Most studies tend to agree that senior driven economic development is a mixed bag and must be pursued carefully. The best advice may be from Woodward and Teel (1999), “The best use of limited state resources may be to focus on providing the necessary amenities that make South Carolina a desirable state in which to live in for all age groups. Then retirees and other migrants would ‘discover’ the state on their own.”78

Politics:

South Carolina and the nation’s demographic groups face tough choices ahead, especially with the growing cost of government health expenditures. With many important competing needs for government resources, state and local governments may need to build coalitions among groups in order to raise revenue for necessary expenditures. Not only will an aging population challenge government finances to provide existing services and programs to support an aging population; an aging population may make it difficult to provide programs and services for other issue areas and curtail future government activities. In South Carolina and its localities, the aging population and in-migration of
seniors may change the political dynamics of certain areas. Local officials need to be prepared to handle such a change when governing and providing services.

**Health:**

Health for the aging population is a continued concern. South Carolina, and the nation as a whole, may need to address the lack of geriatric specialists in order to meet the needs of a growing senior population. Seniors appear to be healthier and live longer lives today than in the past. National trends indicate that disabilities are on the decline. However, certain risk factors and ailments appear to be on the rise such as obesity, diabetes, and hypertension, which could affect health in the future. Health costs, especially those associated with aging, continue to be a large cost for government and individuals alike and are predicted to grow in the future. Many studies agree that a focus on preventative medicine should be encouraged.
Figures

Median Age
South Carolina Office of Research and Statistics, *South Carolina Statistical Abstract*, Population, Table 3

South Carolina Population Over Age 65

Percentage Change From 1990 to 2000 In Over 65 Population

South Carolina 65 and Over Population in Rural/Very Rural or Urban Counties

Per Capita Tax Collections
US Census: State Government Tax Collection Data
http://ftp2.census.gov/govs/statetax/05staxss.xls

The Homestead Exemption
Historical Analyses: South Carolina, Office of State Budget

South Carolina Median Income
US Census: 2000 Census P56

Median Household Income
US Census, 2000 Census and 1990 Census, P56

Mean Retirement Income
US Census: 2000 Census, P65

Labor Force Participation Rates for the 65 and Over Population

Percentage of Selected State Population Living in Poverty (2000)
US Census: 2000 Census, PCT49

Educational Attainment for SC
US Census: 2000 Census, P37

Medicaid FY 2004 (Table)

State Medicaid Expenditures
Historical Analyses: South Carolina, Office of State Budget

Percent of those 65 and Over who are Obese
US CDC: Behavioral Risk Factor Surveillance System, BRO03a

Percent of those 65 and Over with Hypertension
US CDC: Behavioral Risk Factor Surveillance System, BRB03b

Percent of those 65 and Over with Diabetes
US CDC: Behavioral Risk Factor Surveillance System, BRB03a

Percent of 65 and Over Population Reporting Fair/Poor Health
US CDC: Behavioral Risk Factor Surveillance System, BRH03

Disability Status by Age (2004)
US Census: 2004 American Community Survey, B18001
Type of Disabilities for the 65 and Over Population (2004)
US Census: 2004 American Community Survey, B18003-B18007

Data Sources:

Centers for Disease Control and Prevention: Behavioral Risk Factor Surveillance System.

United States Department of Health and Human Services: Centers for Medicaid and Medicare Services.

Henry J. Kaiser Foundation.

National Association of State Budget Officers


South Carolina Department of Health and Human Services

South Carolina Department of Health and Environmental Control. South Carolina Community Assessment Network.


2 2000 US Census, Tables P12. 77% and 21% are white and black respectively with no other racial group receiving more than a one percent.
3 1990 US Census, Tables P012. 76% and 24% were white and black respectively with no other racial group receiving more than one percent.
9 U.S. Census, 2003
13 According to the Census: Midwest (OH, IN, IL, MI, WI, MN, IA, MO, ND, SD, NE, KS), Northeast (ME, VT, NH, MA, RI, CT, NY, PA), South (DE, MD, DC, VA, WV, NC, SC, GA, FL, KY, TN, AL, MS, AR, LA, OK, TX), Mountain (MT, ID, WY, CO, NM, AZ, UT, NV) Pacific (WA, OR, AK, CA, HI).
14 Rural and very rural classifications are from the South Carolina Office of Research and Statistics. Because the classifications are from 2000, it is possible that a county classified as urban today may have been considered rural in 1950.
16 US Census, 2005
19 Fiscal Year 2006 is an estimate. Numbers in 1999 Dollars. The sharp growth is mostly attributable to raising the exemption to $50,000 from $20,000 in the year 2000.
22 Ibid.
25 Graf and Wiseman. 1990
26 Ibid.
28 A defined benefit plan is one that allows the participant to receive a set payment at regular intervals, after contributing to a retirement plan. A defined contribution plan is one where the participant contributes an amount of money to a retirement plan, but the payment at retirement is depends on the investment choices of the participant.
33 The South Carolina Center for Applied Real Estate Education and Research, 1999
34 Ibid.
36 Ibid. In the survey, “consult” and “teaching” represented 42% of respondent’s desired careers.
41 South Carolina Lt. Governor’s Office on Aging, 2006.
46 Ibid.
52 South Carolina Office of State Budget. Reported in 1999 Dollars. Historical Analyses.
56 South Carolina Lt. Governor’s Office on Aging, 2006
57 2000 US Census, Table P38.
58 1990 US Census, Table P028.
59 South Carolina Lt. Governor’s Office on Aging, 2006.
62 South Carolina Lt. Governor’s Office on Aging, 2006
A going outside the home disability is one where one has difficulty leaving the home by themselves.