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## SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE

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### **The S.C. Board of Economic Advisors reaffirms its FY 2018-19 forecast, expects continued economic growth**

COLUMBIA – The S.C. Board of Economic Advisors (BEA) reviewed economic conditions today and reaffirmed its forecast for the 2018-19 fiscal year amid indicators of sustained growth in South Carolina.

The BEA also adopted new lottery estimates for the current and upcoming fiscal years. The new estimate of \$425.3 million for both the current fiscal year and FY 2018-19 is \$7.3 million, or 1.7 percent, higher than projections previously proposed by the S.C. Education Lottery Commission and adopted by the BEA in February.

In addition, the BEA continued to assess economic conditions and monitor its revenue forecast for the current fiscal year. For FY 2017-18, the BEA noted revenue collections, thus far, are close to expectations and, as a result, did not adjust its forecast.

Through the first three quarters of the current fiscal year, actual revenue collections exceeded the estimate by \$87.7 million. However, the bulk of the excess revenue is attributable to timing differences in processing income tax returns and does not reflect a change in economic activity. Moreover, the other major revenue categories show collections that are close to expectations.

To date, the state economy is tracking closely to the FY 2017-18 forecast growth rates for key economic indicators. The FY 2017-18 forecast projects personal income and employment to grow 4.25 percent and 1.8 percent, respectively.

Employment is expanding at an average rate of 1.5 percent through the first eight months of the fiscal year. The latest available figures show personal income is growing at an annual rate of 3.7 percent and it is expected to increase the remainder of the fiscal year in line with the overall forecast.

For the upcoming 2018-19 fiscal year, the BEA expects continued growth with the key indicators of personal income and employment projected to increase at 4.25 percent and 1.8 percent, respectively, a similar pace as the current budget year. Growing national and world economies, a favorable business climate, and continued consumer spending are some factors contributing to the BEA projections. The revenue forecast for FY 2018-19 estimates general fund revenue at \$8,838.4 million, which represents growth of 4.1 percent.

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#### About the S.C. Board of Economic Advisors

The S.C. Board of Economic Advisors (BEA) serves as the chief economic advisor and general economic consultant to the State. The BEA prepares and reviews economic forecasts and general fund revenue projections and advises the General Assembly and the Governor. Under South Carolina law, the BEA is comprised of: one member appointed by the Governor to serve as chairman, one member appointed by the chairman of the Senate Finance Committee, one member appointed by the chairman of the House Ways and Means Committee, and the Director of the Department of Revenue, a member who serves ex officio with no voting rights.

#### Members of the BEA

Appointed by the Governor - Edward B. Grimball, Chairman

Appointed by the Chairman of Senate Finance Committee - Emerson F. Gower, Jr.

Appointed by the Chairman of House Ways and Means Committee - H. Howell Clyborne, Jr.

Director, Department of Revenue (ex officio) - Hartley Powell