



## SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE

CHAD WALLDORF, Chairman  
HOWELL CLYBORNE, JR.  
EMERSON F. GOWER, JR.

FRANK A. RAINWATER  
Executive Director

**11:45 P.M. – Lunch: Room 417 – 4<sup>th</sup> Floor Rembert Dennis Building  
(BEA Board and Staff, State Agency Working Group, Regional Advisory Committee)**

### **AGENDA**

#### **South Carolina Board of Economic Advisors Annual Regional Advisory Meeting October 15, 2014**

**12:30 P.M., Room 335 – DNR Conference Room  
3rd Floor Rembert C. Dennis Building**

1. Welcome by Chairman
2. Review of Current Forecast Assumptions (F. Rainwater)
3. Presentations by Regional Advisory Committee Members
  - A. Personal Income and Employment Growth in South Carolina for FY2013-14 and FY2014-15

[Mr. Rick Kaglic](#) - Senior Regional Economist – Federal Reserve Bank of Richmond, Charlotte, N.C. Branch.  
Dr. Mark Witte – Assistant Professor of Economics - College of Charleston  
[Dr. Russell Sobel](#) - Professor of Entrepreneurship - The Citadel  
[Dr. Joey Von Nessen](#) – Research Economist – University of South Carolina  
[Mr. Michael Brown](#) – Economist – Wells Fargo Securities, Charlotte, N.C.
4. BEA Discussion of Forecast Assumptions
  - A. Major factors affecting the economy
  - B. Developing range of Personal Income and Employment Growth Rates for FY2013-14 and FY2014-15
5. Closing Comments and Discussion
6. Other Business
8. Future Meeting Schedule:
  - A. November 10, 2014 upon adjournment of RFA meeting – Forecast Meeting
  - B. December 16, 2014 upon adjournment of RFA meeting
  - C. 2014 Calendar at <http://www.rfa.sc.gov/calendar?m=11&y=2014>
9. Adjournment

**Please note that the Agenda is subject to change.**  
For further information, please contact Karen Rhinehart at (803) 734-2265,  
or visit the RFA webpage at [www.rfa.sc.gov](http://www.rfa.sc.gov)

**PRELIMINARY GENERAL FUND REVENUE  
FORECAST FOR FISCAL YEAR 2015-16**

**KEY ECONOMIC INDICATORS**

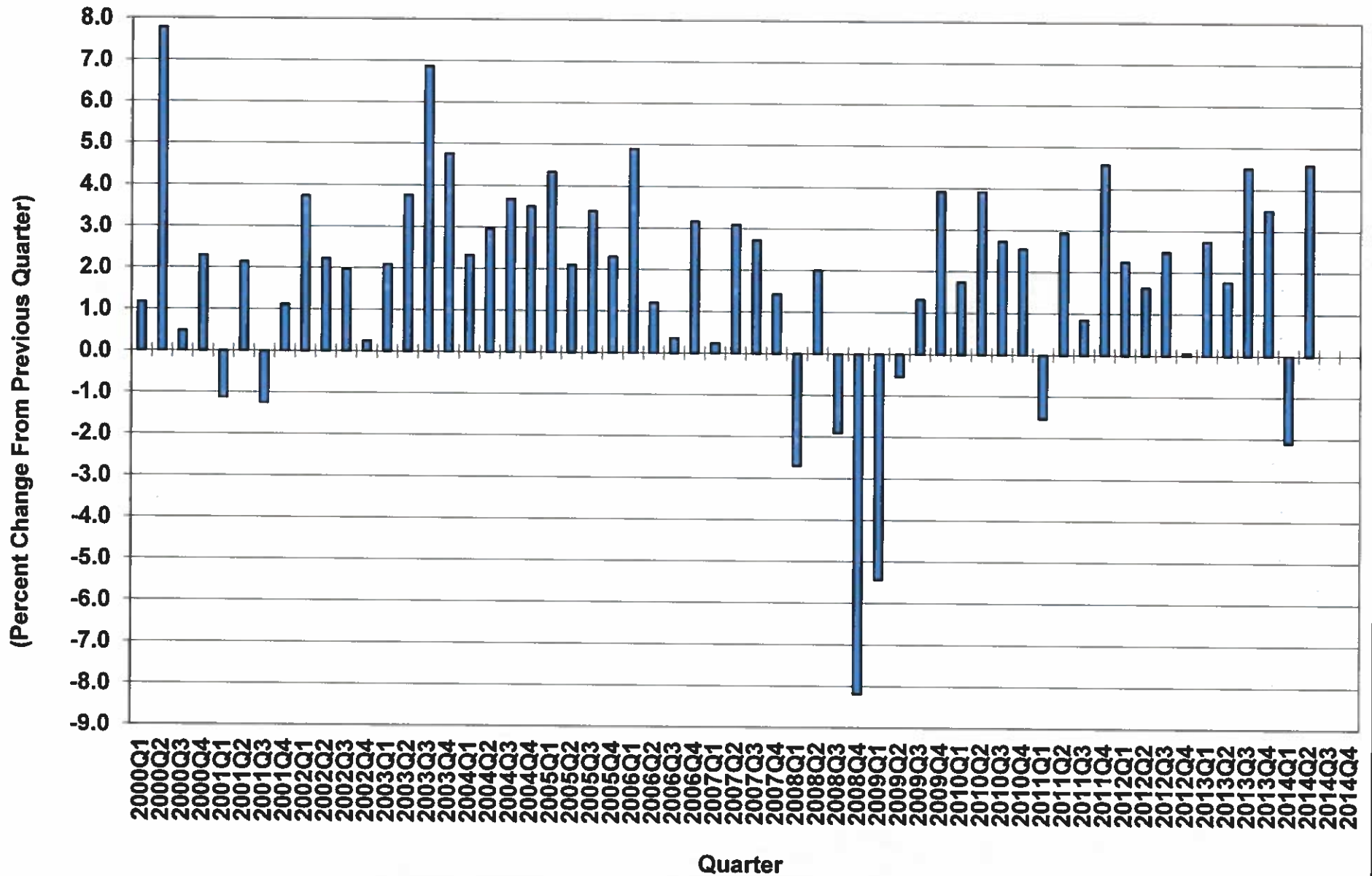


**Presented by the Staff of the Board of Economic Advisors**

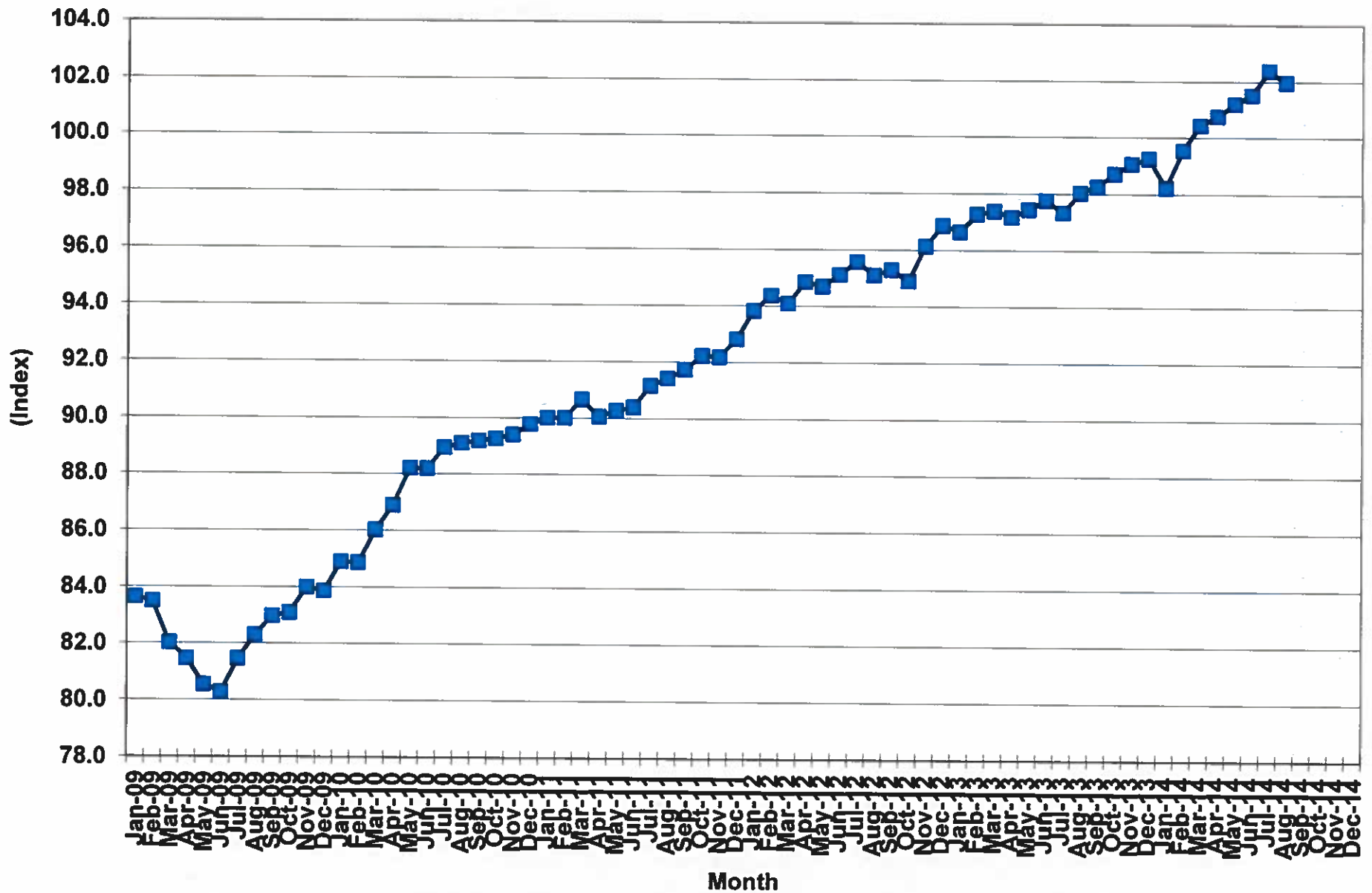
**October 10, 2014**

**State of South Carolina  
Revenue and Fiscal Affairs Office  
Board of Economic Advisors  
Rembert Dennis Building, Suite 402  
Columbia, SC 29201  
[www.rfa.sc.gov](http://www.rfa.sc.gov)  
803-734-3805**

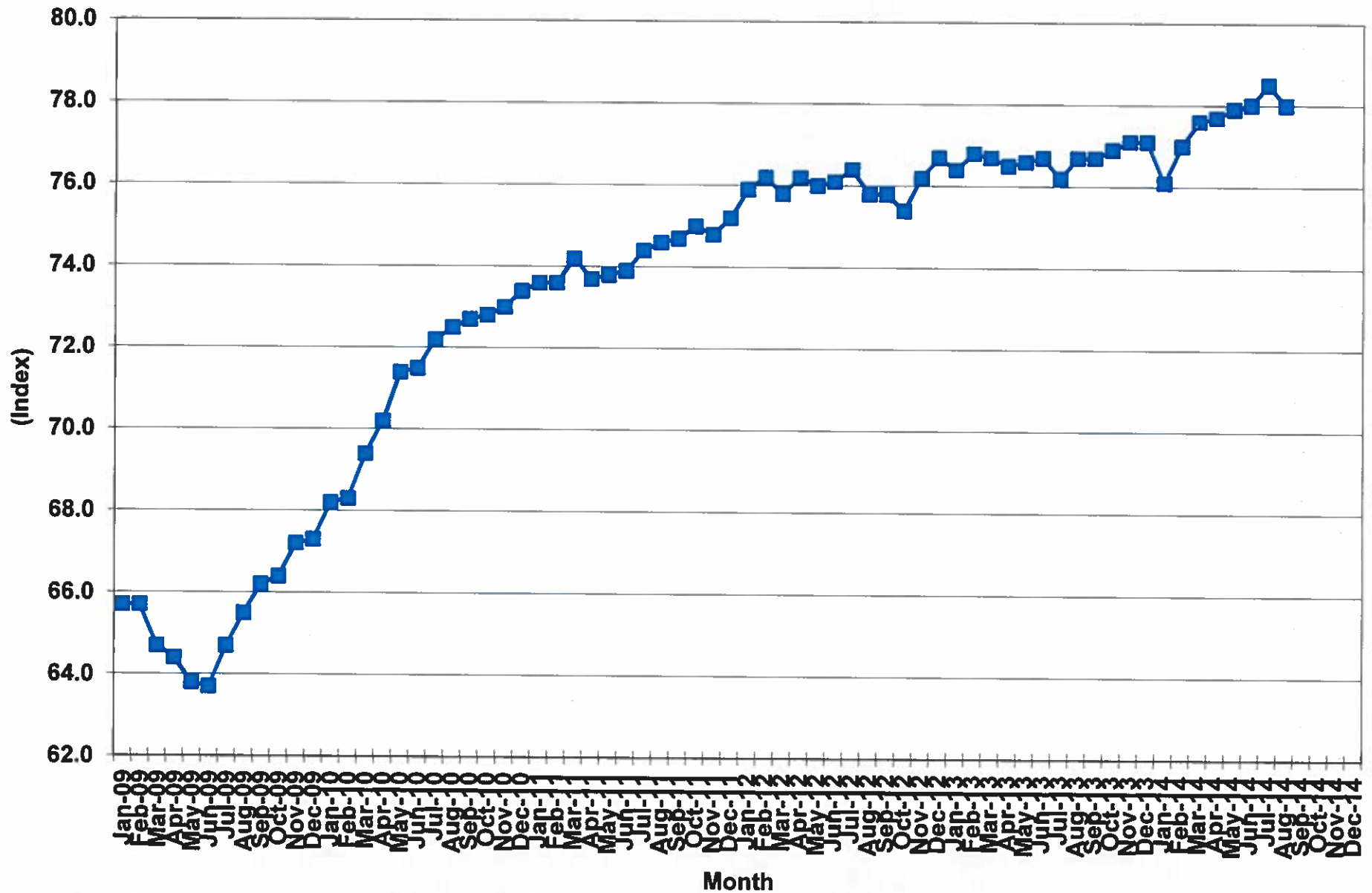
# Real Gross Domestic Product in the U.S.



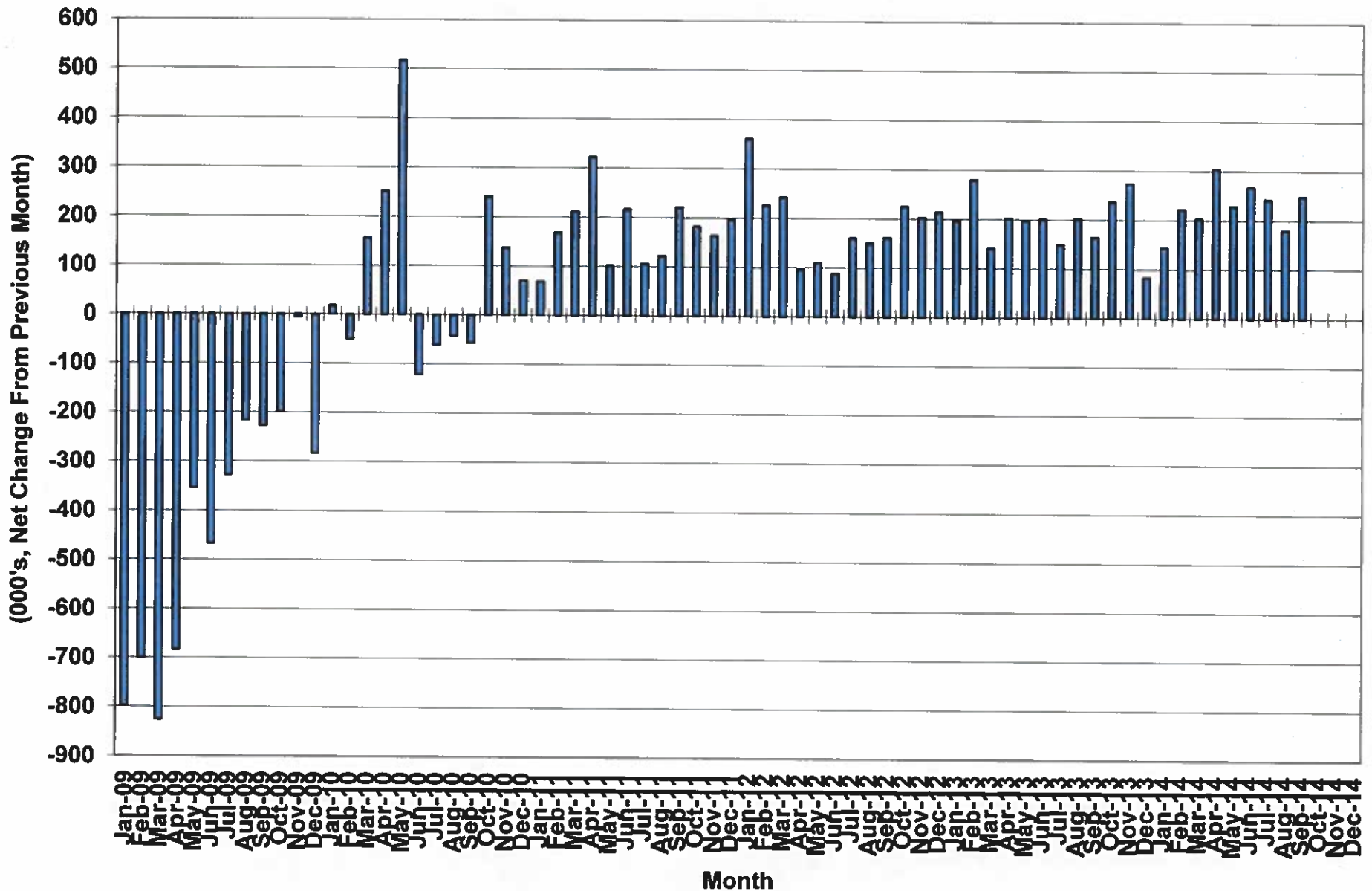
# Industrial Production in Manufacturing in the U.S.



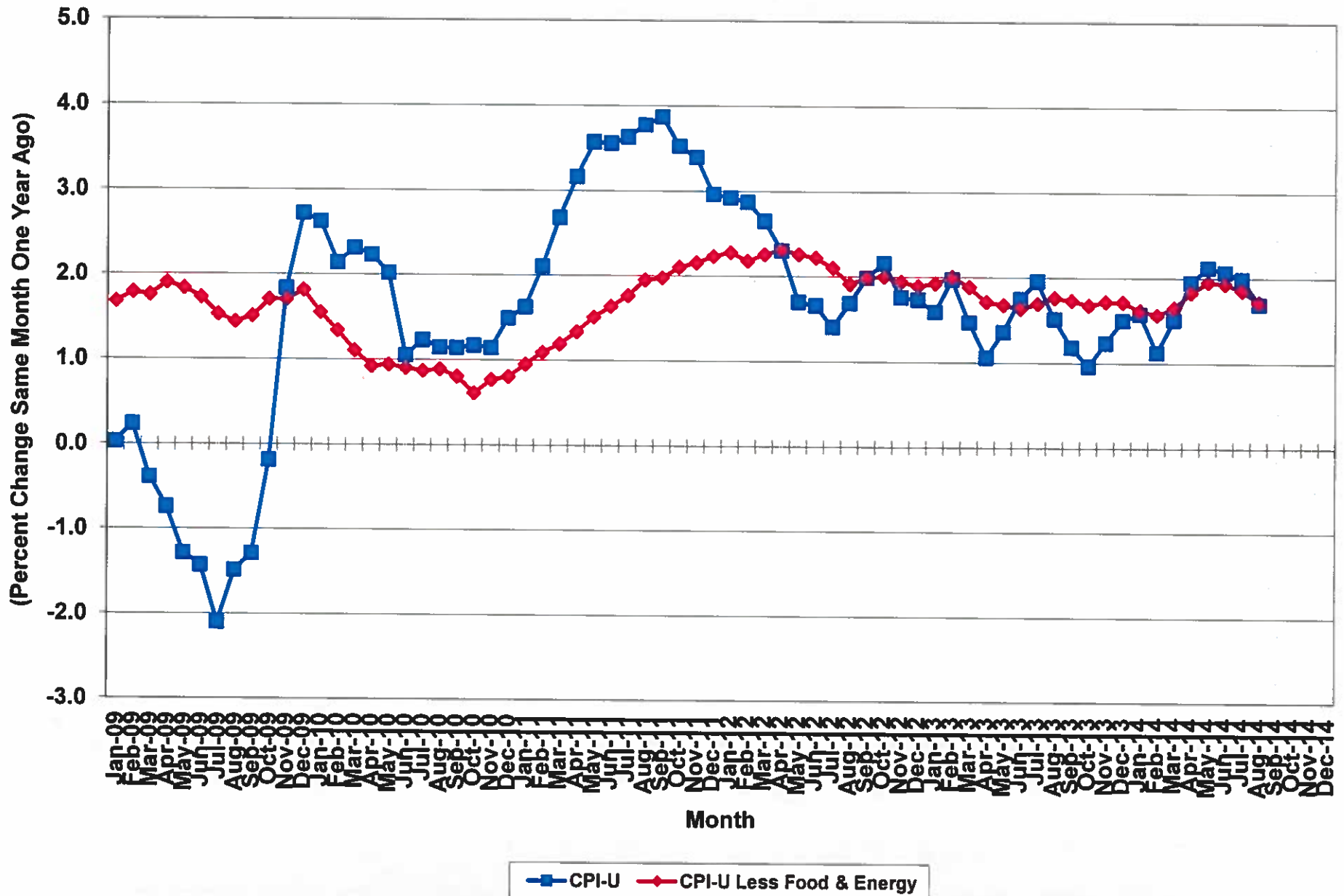
# Capacity Utilization in Manufacturing in the U.S.



# Net Change in Employment in the U.S.

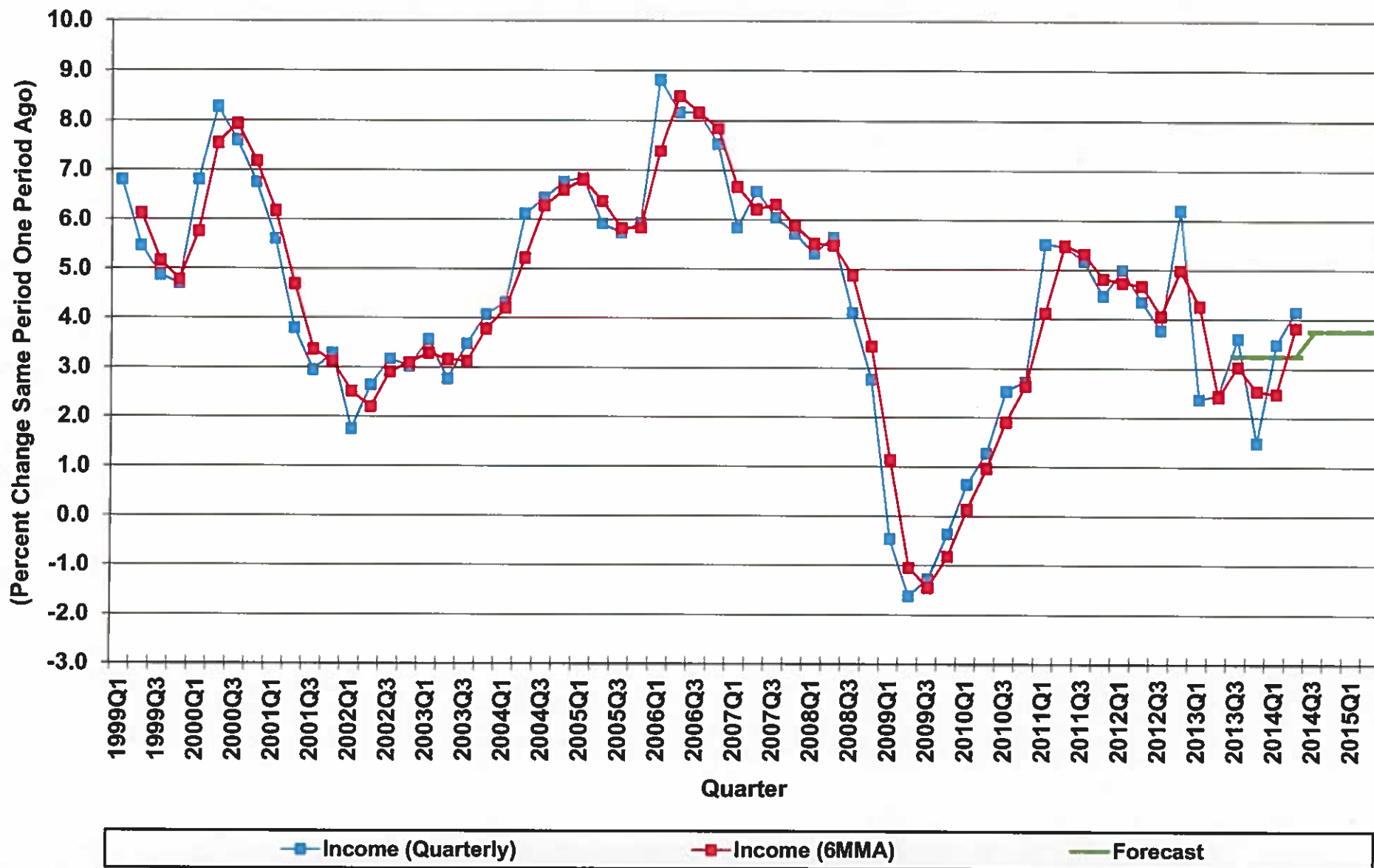


# Inflation in the United States



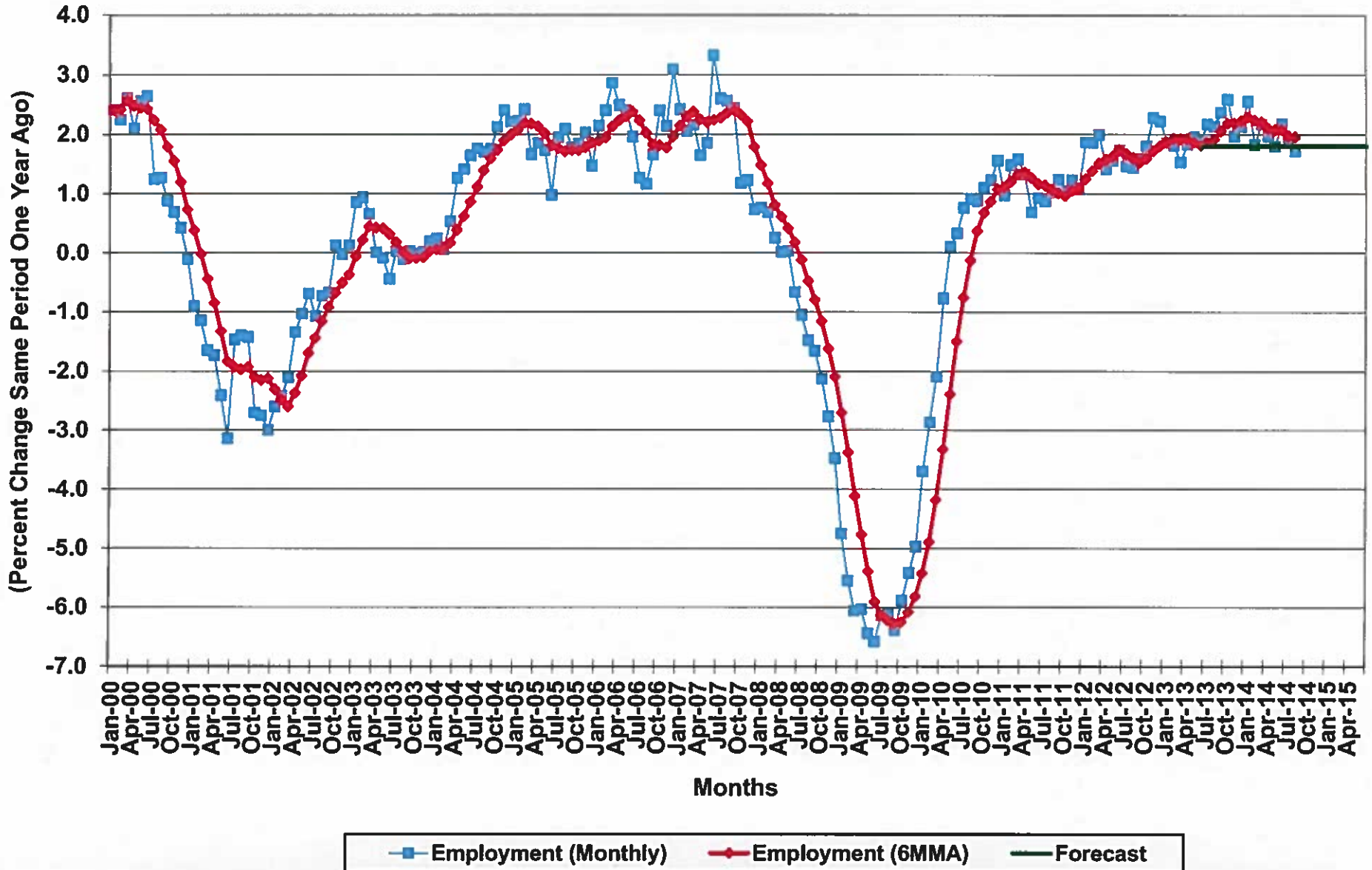
Source: U.S. Department of Labor, Bureau of Labor Statistics

# South Carolina Personal Income Trends

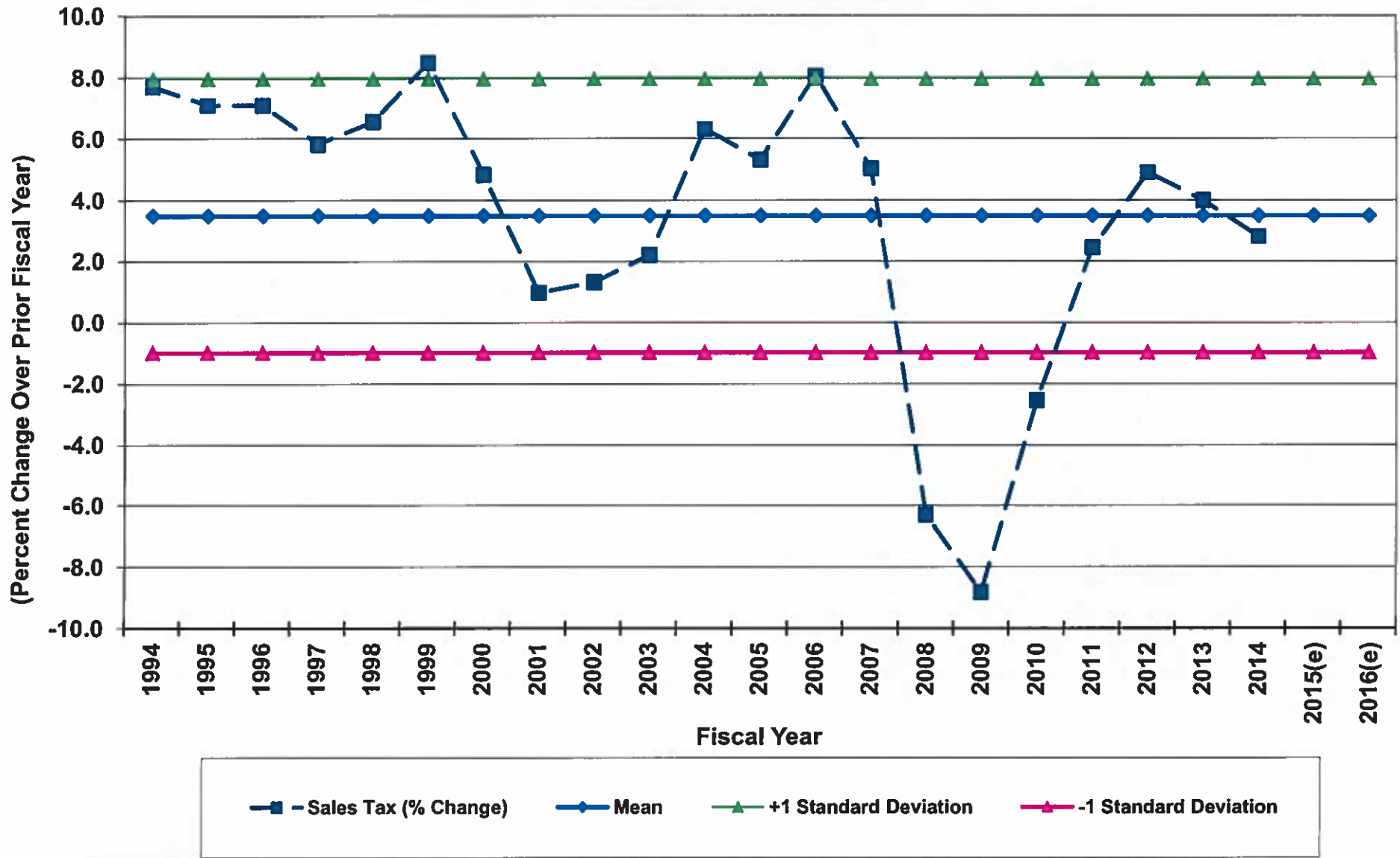




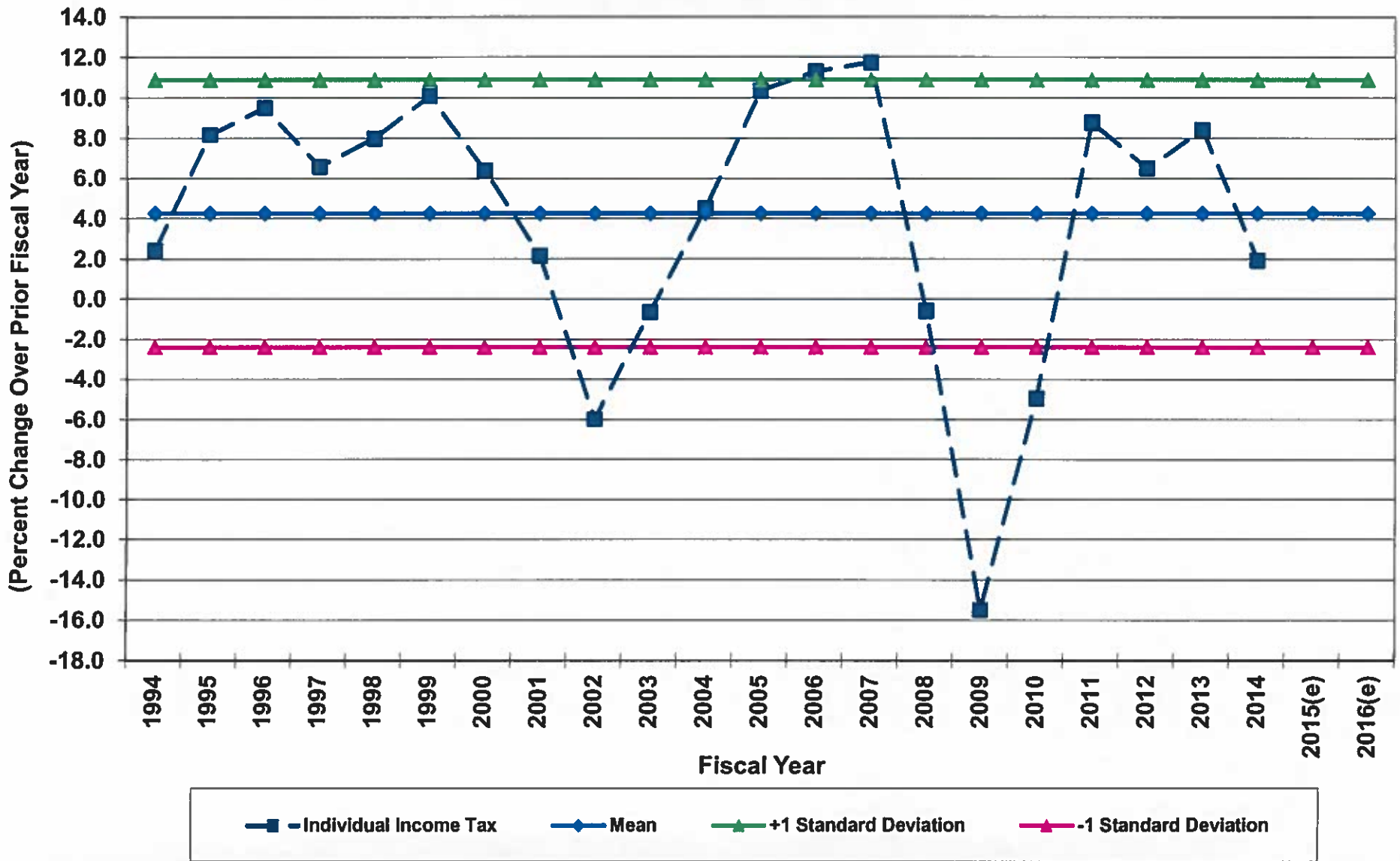
# South Carolina Employment Trends



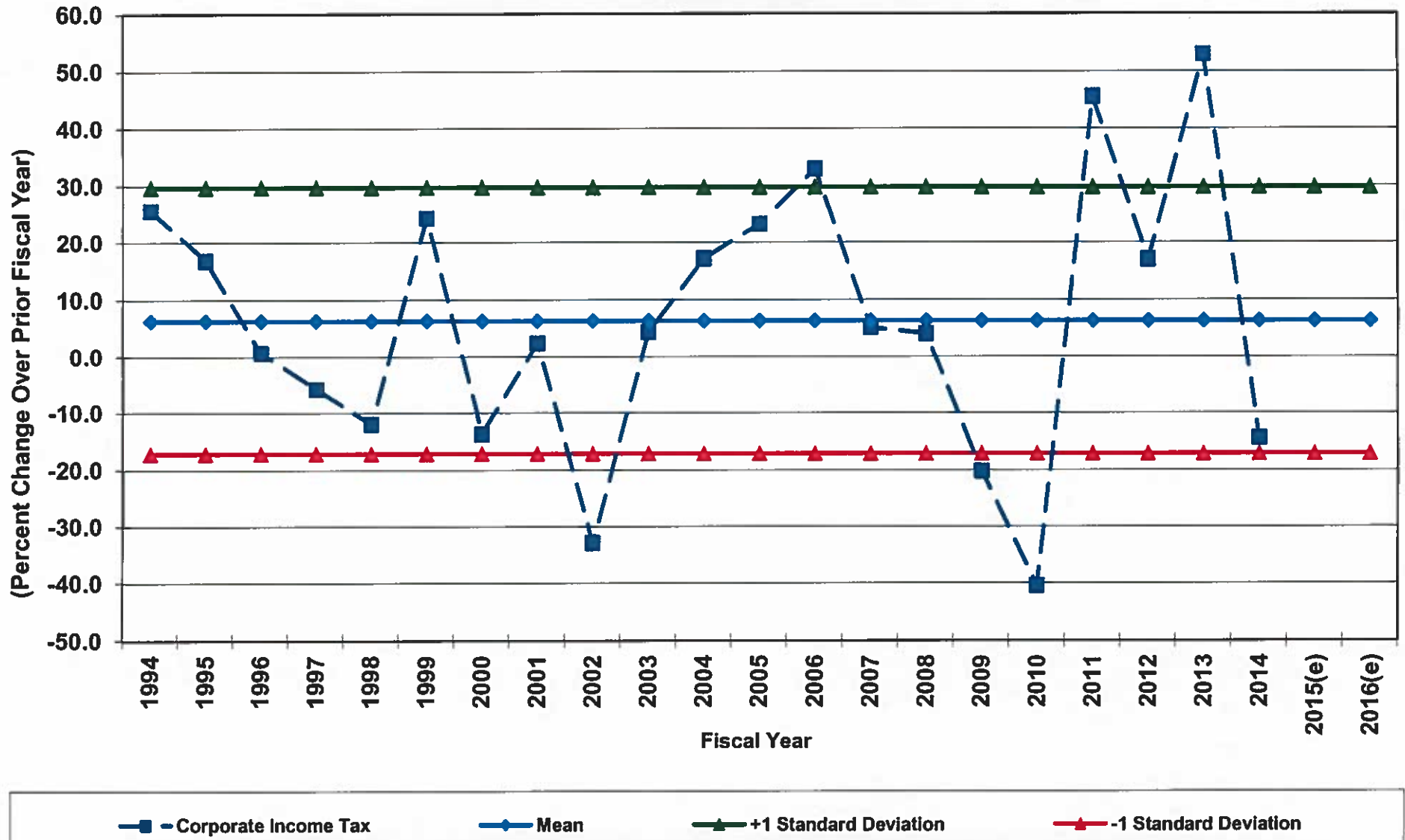
## General Fund Sales Tax Revenue Growth in South Carolina



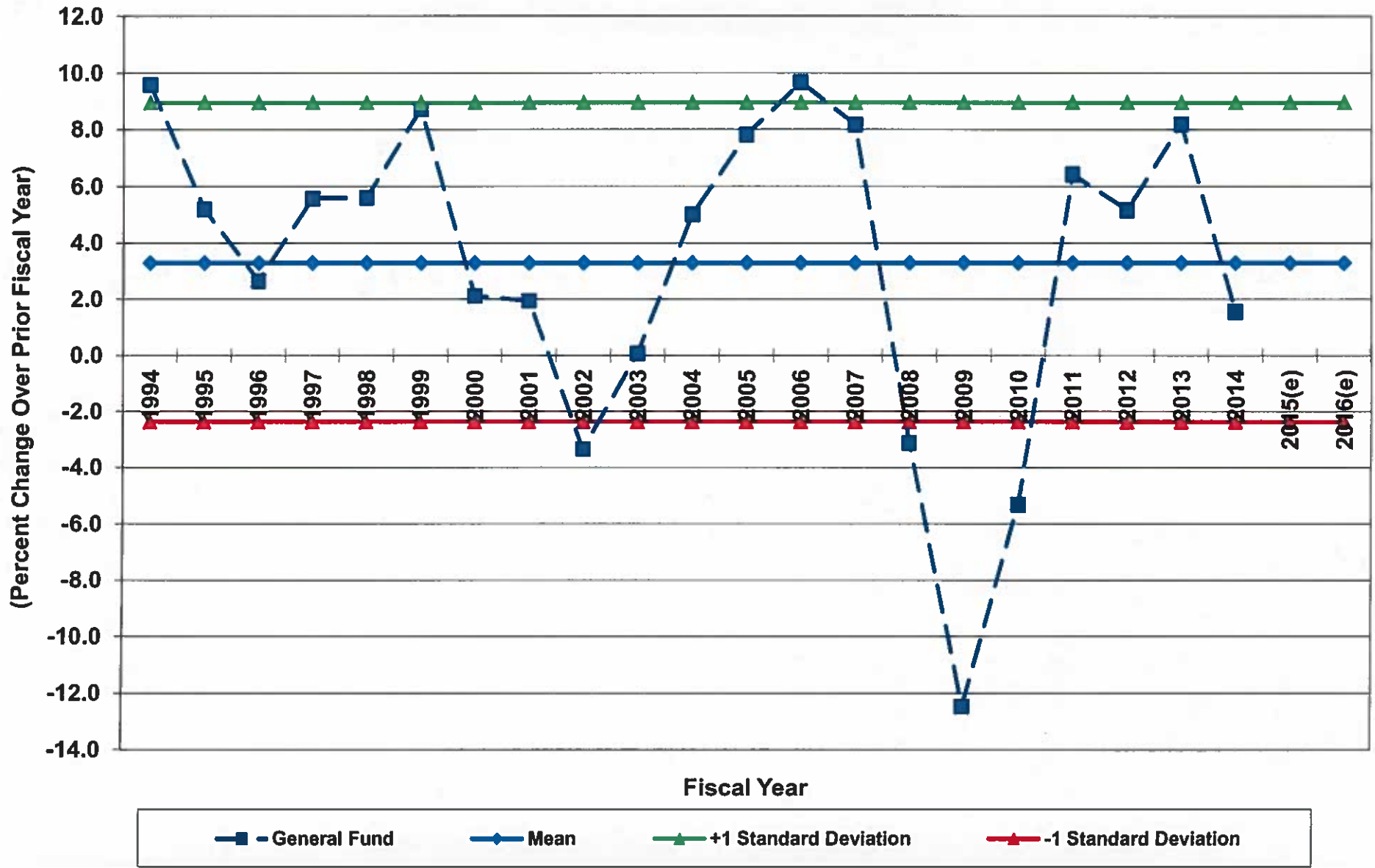
# General Fund Individual Income Tax Revenue Growth in South Carolina



# General Fund Corporate Income Tax Revenue Growth in South Carolina



# Growth in General Fund Revenue in South Carolina



**South Carolina Board of Economic Advisors  
Regional Advisory Committee  
Economic Forecast Assumptions**

**What is your forecast growth rate for the following variables:**

Variable	Actual FY2013-14	Most Recent	Current 2/ Forecast Rates FY2014-15	Forecast FY2014-15	Forecast FY2015-16
S.C. Personal Income 1/	3.2%	4.2%	3.75%		
S.C. Employment	2.1%	1.7%	1.8%		
Inflation Rate (CPI-U)	1.6%	1.7%	2.0%		
Sales Tax	2.8%	3.6%	3.0%		
Individual Income Tax 1/	1.9%	4.3%	3.0%		

Notes: 1/ Growth rate affected by income accelerated from January 2013 into December 2012 ahead of "fiscal cliff" negotiations.  
2/ Current forecast rates as of May 21, 2014.

Sources: U.S. Department of Commerce, Bureau of Economic Analysis  
U.S. Department of Labor, Bureau of Labor Statistics  
S.C. Board of Economic Advisors

BEA/RWM/10/08/14

**Issues to Consider**

- What are the significant/specific factors/sectors affecting personal income?**
- What are the significant/specific factors/sectors affecting employment?**
- What are the key risks you see over the next 20 months?**
- Are there any other key points that should be considered?**