

## MEMORANDUM FOR THE RECORD

**DATE:** October 15, 2014  
Room 335, Dennis Building  
12:40 P.M.

**SUBJECT:** Board of Economic Advisors Annual Regional Advisory Meeting

**ATTENDEES:** *Board Members* – Chad Walldorf-Chairman, Howell Clyborne, Emerson Gower, Executive Director – Frank Rainwater, *Staff* –Les Boles, Robert Martin, Debbie Glenn, Lisa Jolliff, Gordon Shuford, Rebecca Leach. *Guests* – (Governor’s Office), (Comptroller General’s Office),(DOR), (B&CB), Daniel Brennan, Mike McDermott, Shakun Tahiliani (Treasurer’s Office), Katie Owens, Ryan Burnaugh (W&M), Craig Parks, Grant Gibson, Lisa Catalanotto, Quentin Hawkins (Senate Finance), Morgan O’Donnell (Executive Budget Office), Ben Twilley (Senate Research), (SC Tech), (CHE), (Dept. of Education), (SCDMH), Tony Cooper (Lottery Commission), (DJJ), (DSS), (SCPRT), Emma Hall (Capitol Information Affiliates).

1. Chairman Walldorf welcomed those in attendance.
2. Frank Rainwater gave a review of the Current Forecast Assumptions. (See attached).

~Chairman Walldorf asked if there were questions.

~Frank Rainwater mentioned that Robert Martin would be running projections on a model. The range of increase in growth options would be between 0.5% and 7.5%.

Personal Income	FY 2015 – 3.75%
Employment	FY 2015 – 1.8%
Inflation	FY 2015 – 2.0%
Sales Tax	FY 2015 – 3.0
Individual Income Tax	FY 2015 – 3.0%

3. Presentations were given by Regional Advisory Committee Members. (See attached)

**Mr. Rick Kaglic** – *Regional, Banking*

Senior Regional Economist, Federal Reserve Bank of Richmond

Personal Income	FY 2015 – 3.7%	FY 2016 – 3.80%
Employment	FY 2015 – 1.80%	FY 2016 – 1.70%
Inflation	FY 2015 – 1.90%	FY 2016 – 2.00%
Sales Tax	FY 2015 – 3.20%	FY 2016 – 3.60%
Individual Income Tax	FY 2015 – N/A	FY 2016 – N/A

**Mr. Michael Brown** – *Regional, Banking*

Economist, Wells Fargo Securities

Personal Income	FY 2015 – 3.50%	FY 2016 – 4.50%
Employment	FY 2015 – 1.50%	FY 2016 – 1.60%
Inflation	FY 2015 – 1.90%	FY 2016 – 2.00%
Sales Tax	FY 2015 – 3.00%	FY 2016 – 3.20%
Individual Income Tax	FY 2015 – 2.60%	FY 2016 – 2.80%

**Dr. Mark Witte – National/State (No presentation submitted)**

Assistant Professor of Economics, College of Charleston

Personal Income	FY 2015 – 3.80%	FY 2016 – 4.40%
Employment	FY 2015 – 2.00%	FY 2016 – 1.80%
Inflation	FY 2015 – 1.10%	FY 2016 – 2.40%
Sales Tax	FY 2015 – 3.10%	FY 2016 – 3.90%
Individual Income Tax	FY 2015 – 2.70%	FY 2016 – 4.10%

**Dr. Russell Sobel - Regional**

Professor of Entrepreneurship, The Citadel

Personal Income	FY 2015 – 4.70%	FY 2016 – 4.90%
Employment	FY 2015 – 1.85%	FY 2016 – 1.70%
Inflation	FY 2015 – 2.00%	FY 2016 – 2.15%
Sales Tax	FY 2015 – 3.30%	FY 2016 – 3.45%
Individual Income Tax	FY 2015 – 3.65%	FY 2016 – 4.00%

**Dr. Joseph Von Nessen - State**

Research Economist, University of South Carolina

Personal Income	FY 2015 – 3.90%	FY 2016 – 4.10%
Employment	FY 2015 – 1.80%	FY 2016 – 1.90%
Inflation	FY 2015 – 1.80%	FY 2016 – 2.10%
Sales Tax	FY 2015 – 2.90%	FY 2016 – 3.10%
Individual Income Tax	FY 2015 – 3.50%	FY 2016 – 3.60%

**Comments:**

- ~There are more renters than homeowners due to higher mortgage rates.
- ~There is a lack of labor force due to lower skills and difficulty passing drug tests.
- ~**Chairman Walldorf mentioned that due to the fact that the price of oil is down, the jobs in the US that are tied to this industry (fracking) are declining.**
- ~There has been a 65% increase in disability and retirement incomes.
- ~Fiscal policy changes could impact the outlook.
- ~The issues in Europe are a concern.
- ~**Russ Sobel mentioned that he would appreciate feedback on how the Advisory Committee is doing.**
- ~**Howell Clyborne mentioned that the information was very helpful.**

Meeting adjourned 2:45 P.M.

Attachments: Agenda, Meeting Materials

Public Notice of this meeting was posted at <http://www.rfa.sc.gov/calendar>

These minutes were approved on 11/22/15.

Karen Rhinehart  
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