

MEMORANDUM FOR THE RECORD

DATE: October 22, 2015
Room 335, Dennis Building
12:40 P.M.

SUBJECT: Board of Economic Advisors Annual Regional Advisory Meeting

ATTENDEES: Board Members – Board Members – Chad Walldorf-Chairman, Howell Clyborne), Emerson Gower, Executive Director, Frank Rainwater, Staff – Robert Martin, Greg DiBiase, Les Boles, Lisa Jolliff, Jade Dunbar, Rebecca Leach, Gordon Shuford, Rachael Fulmer, Will Roberts Guests – Richard Eckstrom, Eddie Gunn, John Barfield (Comptroller General’s Office), Tim Derrick, Matthew Norman (DOR), Grant Gibson and Lisa Catalanotto (Senate Finance), Blythe Littlefield and Katie Owen (W&M) David Seigler(Executive Budget Office), Mellanie Jinnette (Dept. of Education), Scott Ludlum (DOT), Barry Richardson (DMV)

- 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 current forecast assumptions are:

Personal Income	FY 2016 – 4.3%
Employment	FY 2016 – 2.8%
Inflation	FY 2016 – 2.0%
Sales Tax	FY 2016 – 4.3%
Individual Income Tax	FY 2016 – 4.6%

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

Mr. Michael Brown – Regional, Banking
Economist, Wells Fargo Securities

Personal Income	FY 2016 – 5.00%	FY 2017 – 5.20%
Employment	FY 2016 – 2.80%	FY 2017 – 3.00%
Inflation	FY 2016 – 1.90%	FY 2017 – 2.20%
Sales Tax	FY 2016 – 5.30%	FY 2017 – 5.50%
Individual Income Tax	FY 2016 – 5.40%	FY 2017 – 5.60%

Dr. Russell Sobel – Regional, Academia
Professor of Entrepreneurship, The Citadel

Personal Income	FY 2016 – 4.63%	FY 2017 – 4.70%
Employment	FY 2016 – 1.75%	FY 2017 – 1.60%
Inflation	FY 2016 – 2.00%	FY 2017 – 2.15%
Sales Tax	FY 2016 – 3.30%	FY 2017 – 3.40%
Individual Income Tax	FY 2016 – 3.40%	FY 2017 – 3.70%

Mr. Rick Kaglic – Regional, Banking
Senior Regional Economist, Federal Reserve Bank of Richmond

Personal Income	FY 2016 – 4.30%	FY 2017 – 4.00%
Employment	FY 2016 – 2.50%	FY 2017 – 2.00%

Inflation	FY 2016 - 1.30%	FY 2017 - 1.60%
Sales Tax	FY 2016 - 4.70%	FY 2017 - 4.10%
Individual Income Tax	FY 2016 - N/A	FY 2017 - N/A

Dr. Joseph Von Nessen - *Regional, Academia*
 Research Economist, University of South Carolina

Personal Income	FY 2016 - 4.70%	FY 2017 - 4.50%
Employment	FY 2016 - 3.10%	FY 2017 - 3.00%
Inflation	FY 2016 - 2.00%	FY 2017 - 2.00%
Sales Tax	FY 2016 - 3.60%	FY 2017 - N/A
Individual Income Tax	FY 2016 - 3.70%	FY 2017 - N/A

Dr. Frank Hefner - *Regional, Academia*
 Professor of Economics, College of Charleston

Personal Income	FY 2016 - 5.00%	FY 2017 - 5.00%
Employment	FY 2016 - 2.80%	FY 2017 - 3.00%
Inflation	FY 2016 - 1.90%	FY 2017 - 3.40%
Sales Tax	FY 2016 - 5.30%	FY 2017 - 5.00%
Individual Income Tax	FY 2016 - 5.40%	FY 2017 - 5.00%

Robert Martin - *State Government*
 Economist, BEA staff

Personal Income	FY 2016 - 5.25%	FY 2017 - 4.90%
Employment	FY 2016 - 2.00%	FY 2017 - 1.90%
Inflation	FY 2016 - 2.00%	FY 2017 - 2.00%
Sales Tax	FY 2016 - 5.40%	FY 2017 - 5.00%
Individual Income Tax	FY 2016 - 6.20%	FY 2017 - 5.90%

Comments:

- ~Frank Hefner reviewed the recent flooding in South Carolina and how it might affect projections for the year.
- ~Hefner showed economic data from previous natural disasters and concluded that they were not followed by a corresponding drop in growth, but by increased growth.
- ~The Comptroller General asked if level of national debt was being considered as a factor in the growth projections.
- ~Hefner and Sobel responded that it was considered, but would not greatly affect the forecast for FY 2015-16 and FY 2016-17.

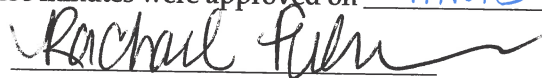
Meeting adjourned 3:15 P.M. (Mr. Gower motioned, Mr. Clyborne seconded).

The next meeting is scheduled for November 10, 2015

Attachments: Agenda, Meeting Materials

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

These minutes were approved on 11/10/15


 Rachael Fulmer