

SOUTH CAROLINA ECONOMY: CHANGES AND CHALLENGES

Presented to

Leadership Berkeley Government

June 15, 2023

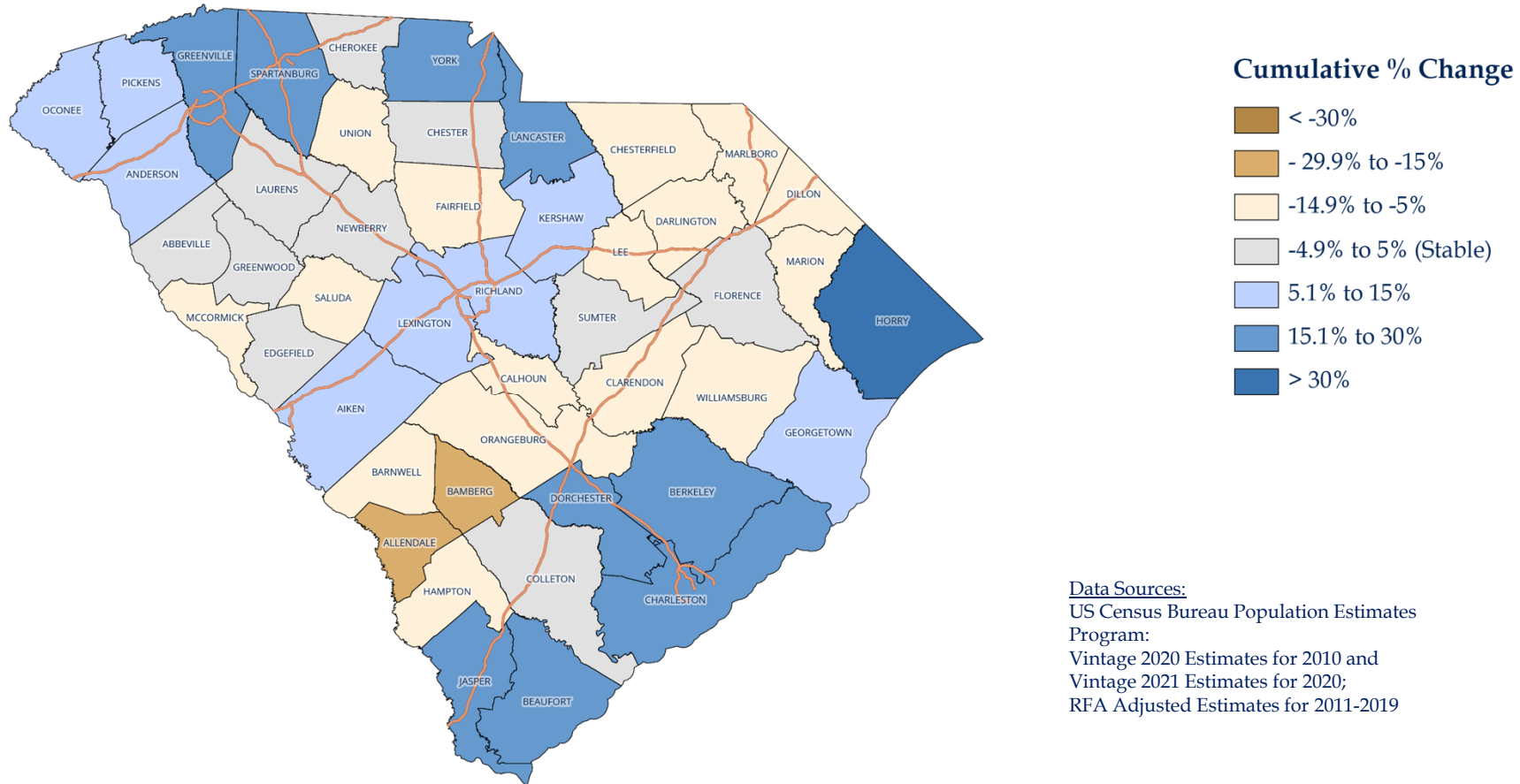
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Demographics

South Carolina's Population Change, 2010 - 2020

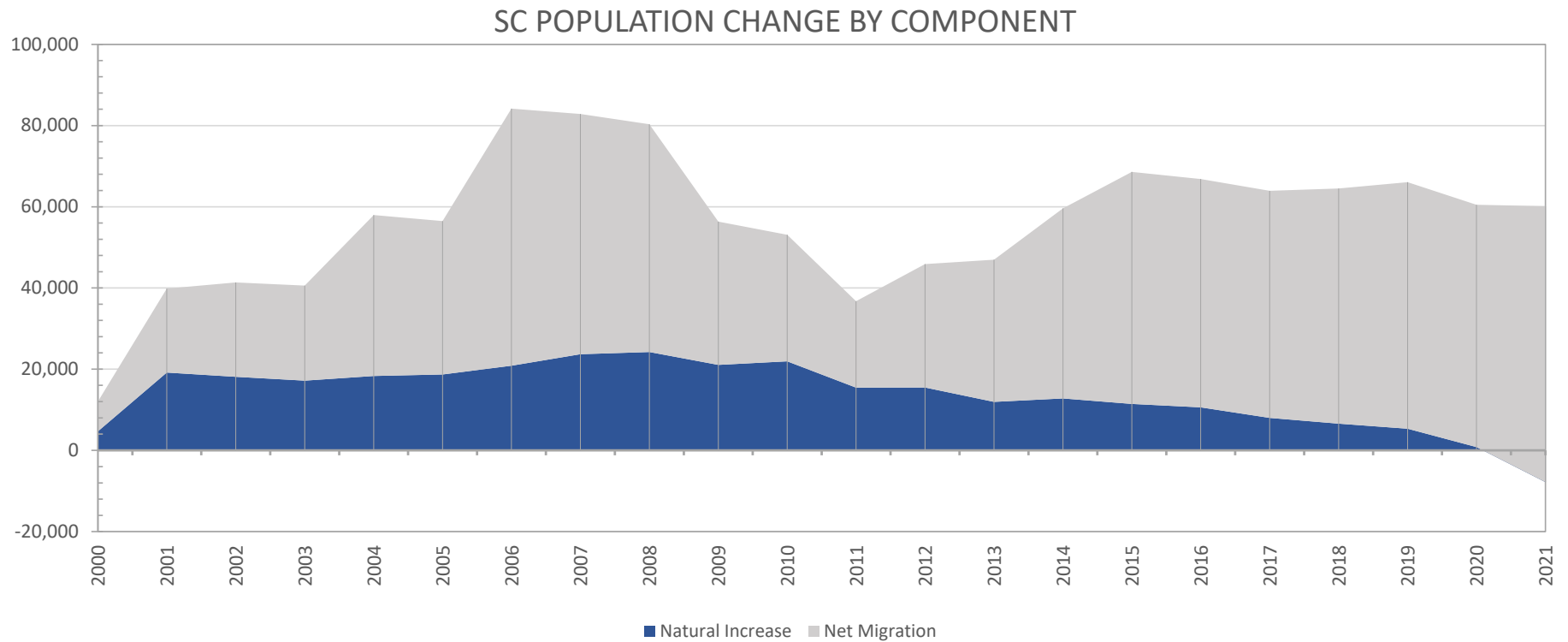
Varied by county from +30.8% (Horry) to -22.8% (Allendale)



Data Sources:
 US Census Bureau Population Estimates
 Program:
 Vintage 2020 Estimates for 2010 and
 Vintage 2021 Estimates for 2020;
 RFA Adjusted Estimates for 2011-2019

Components of Population Change

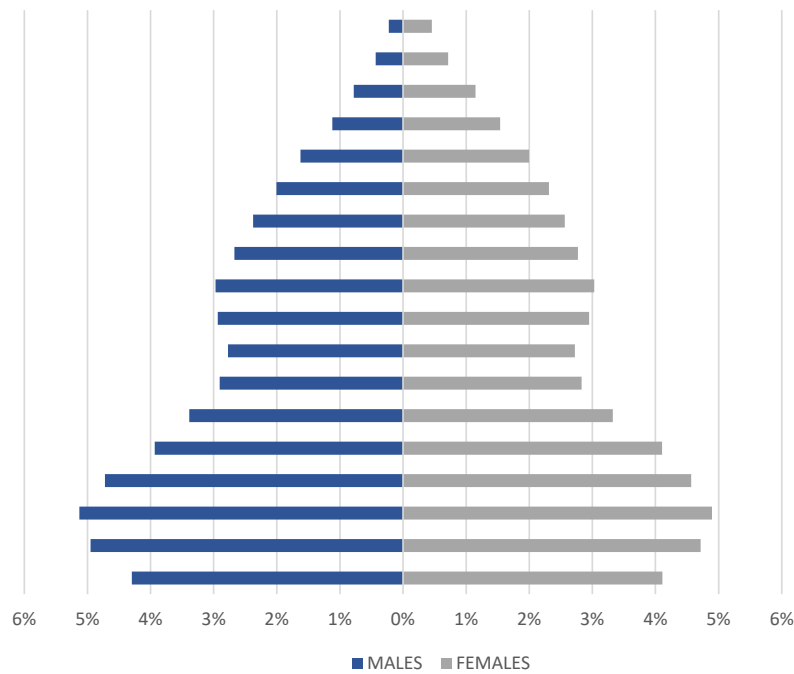
The state's population growth over the past twenty years was driven by in-migration; deaths exceeded births in 2021



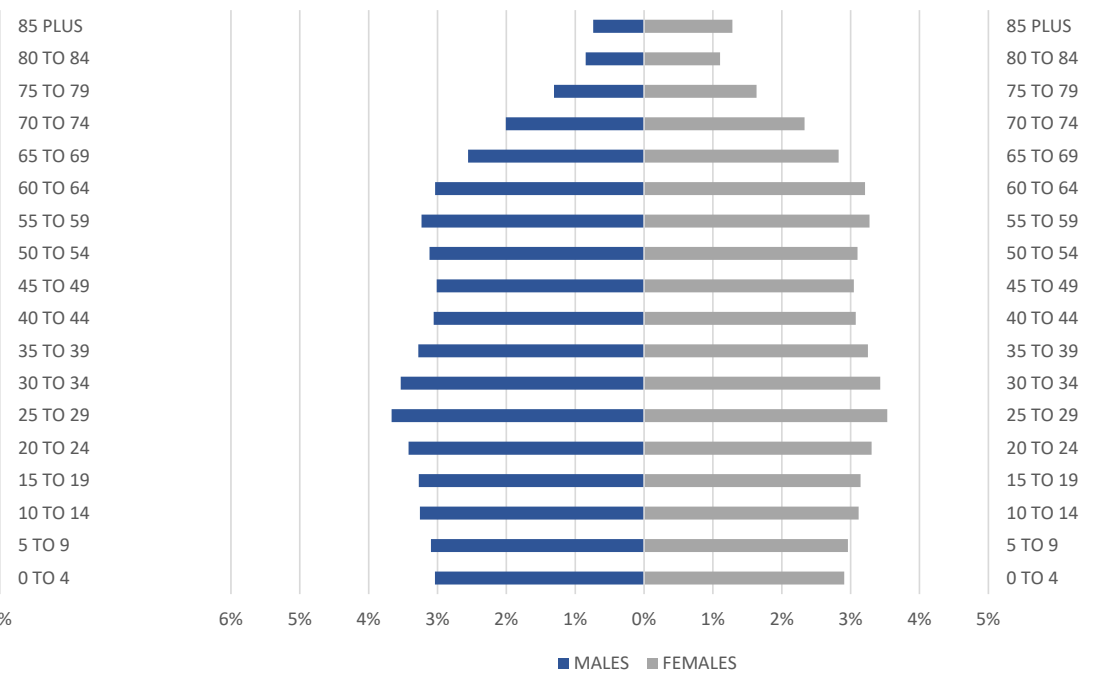
US Population Pyramid

The age distribution of the US population has shifted significantly as the 'baby boomers' age; the median age has increased from 28 in 1970 to 39 in 2020

1970 POPULATION PYRAMID



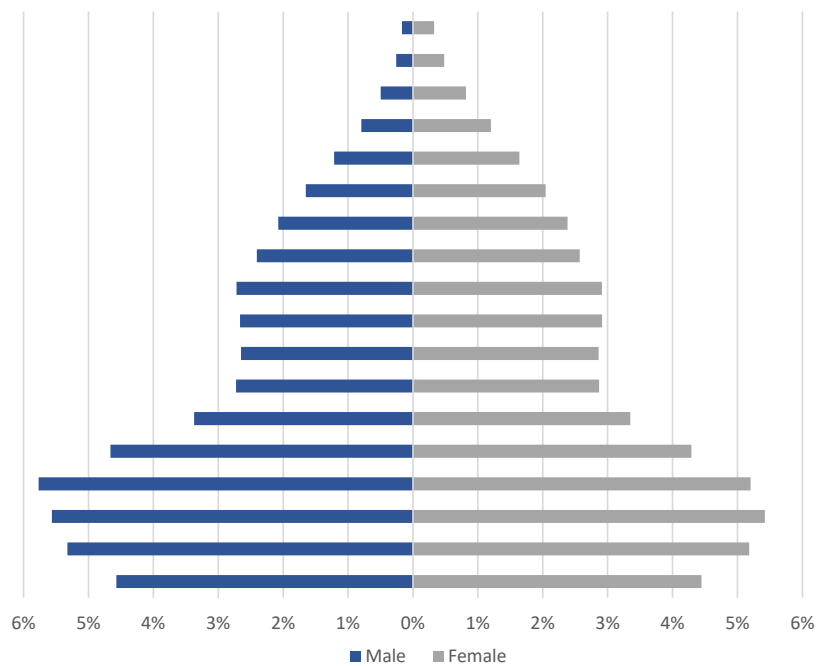
2020 POPULATION PYRAMID



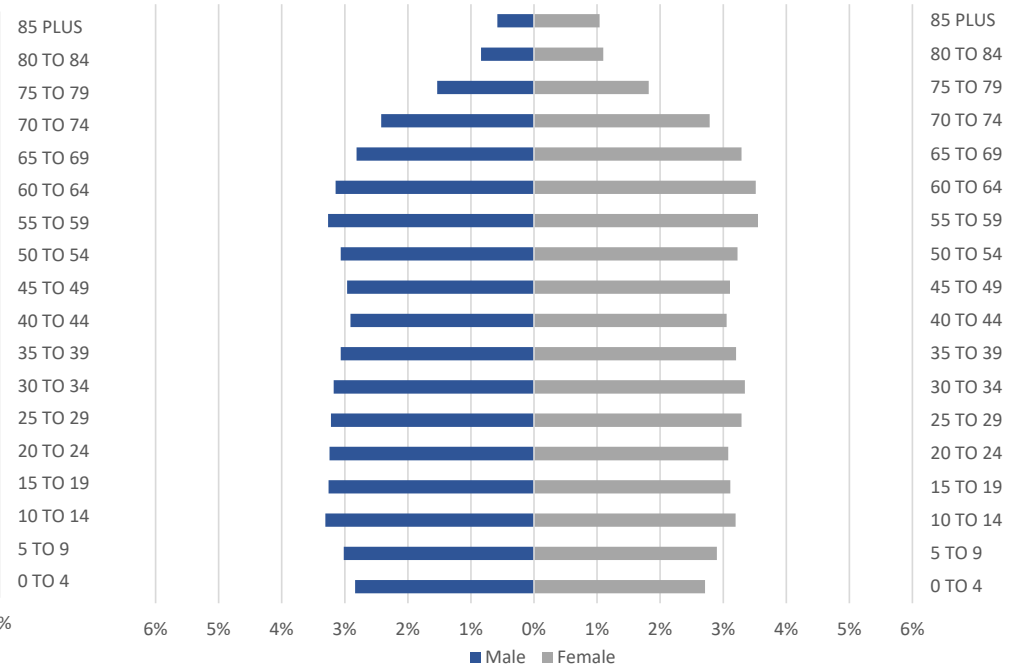
SC Population Pyramid

The age distribution of the state's population has shifted dramatically since 1970; the median age has increased from 24 in 1970 to 40 in 2020

1970 POPULATION PYRAMID

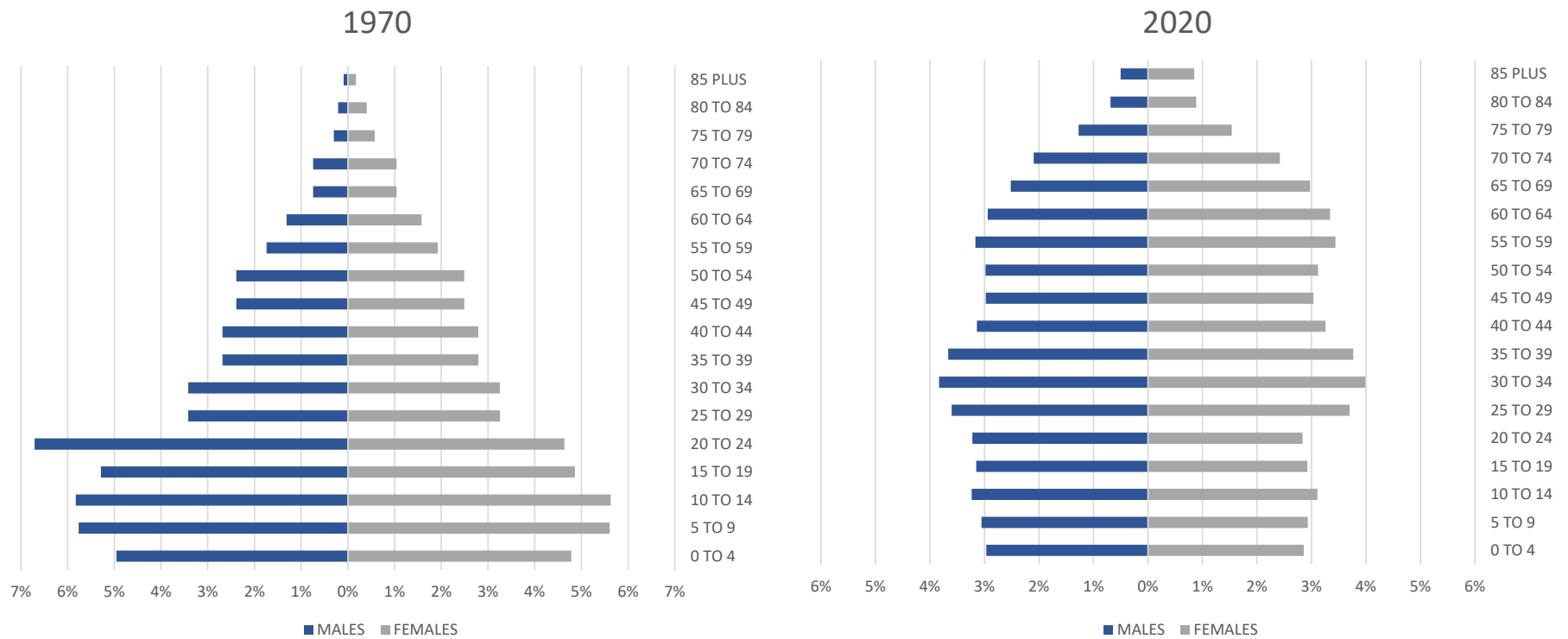


2020 POPULATION PYRAMID



Source: S.C. Revenue and Fiscal Affairs Office 3/20/08/25/2020

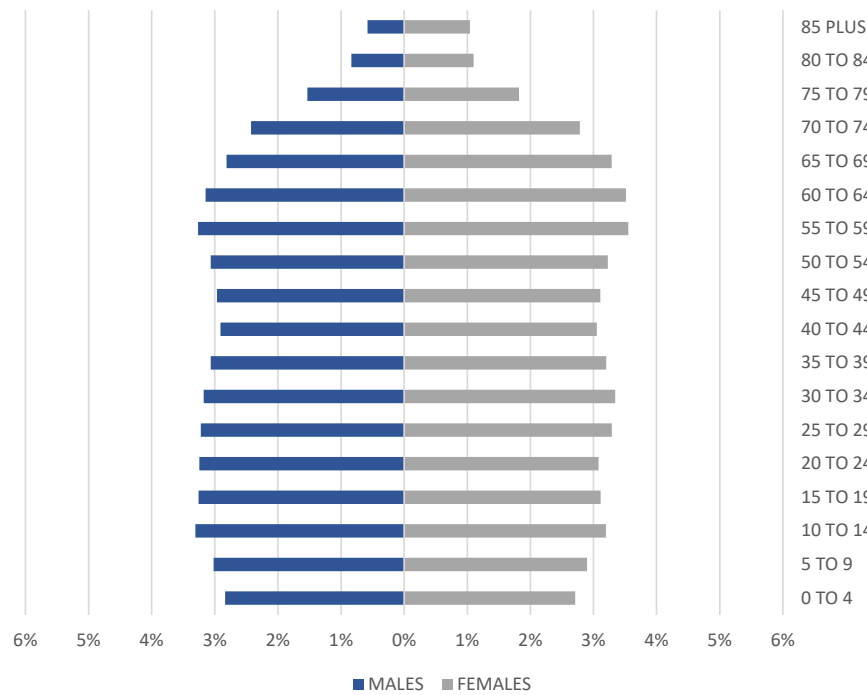
Berkeley-Charleston-Dorchester Population Pyramid



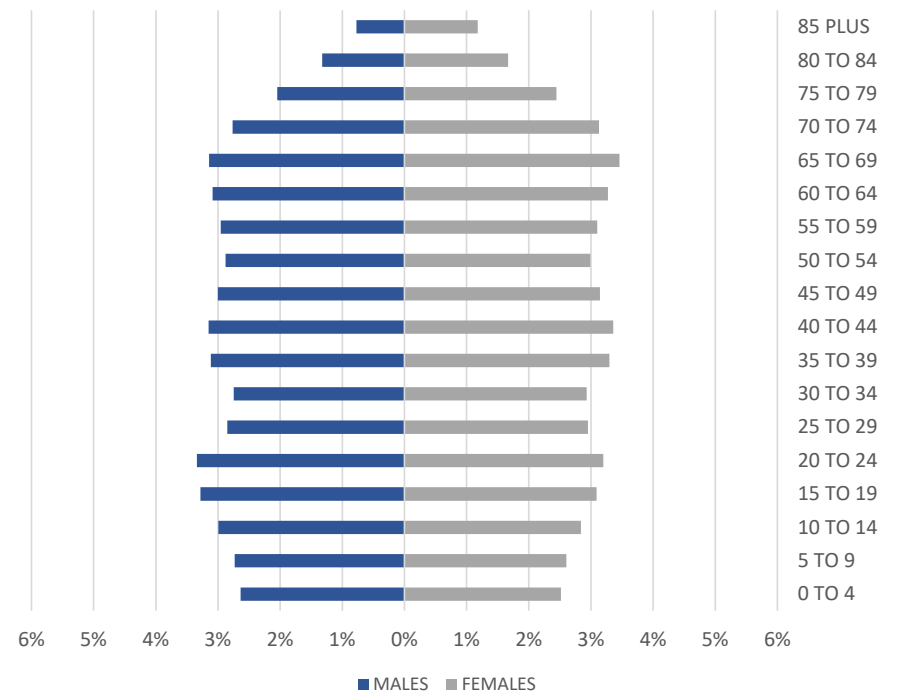
SC 2030 Population Projections

The median age is expected to increase from 40 to 42 over the next decade

2020 POPULATION PYRAMID



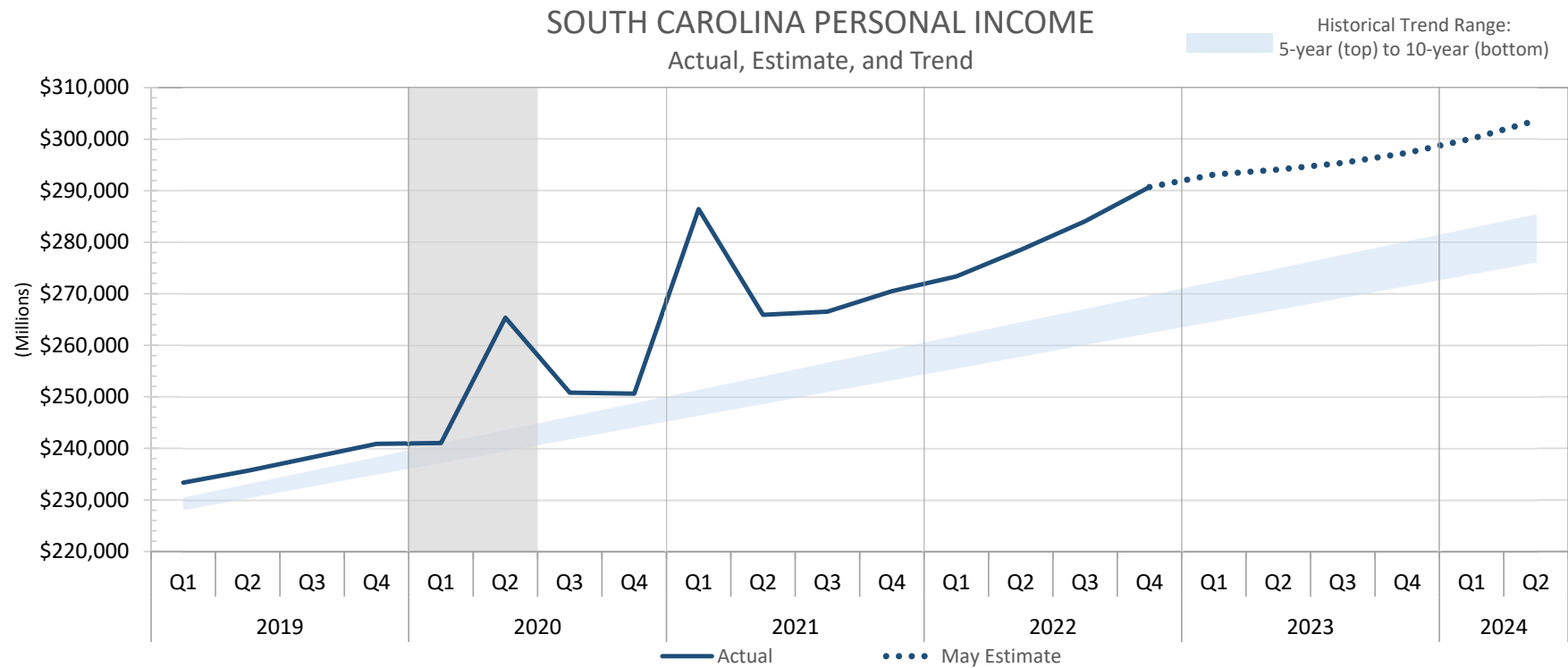
2030 POPULATION PYRAMID



ECONOMICS

SC Personal Income

Personal Income is growing well above our historical trend, but growth is expected to slow in FY 2023-24

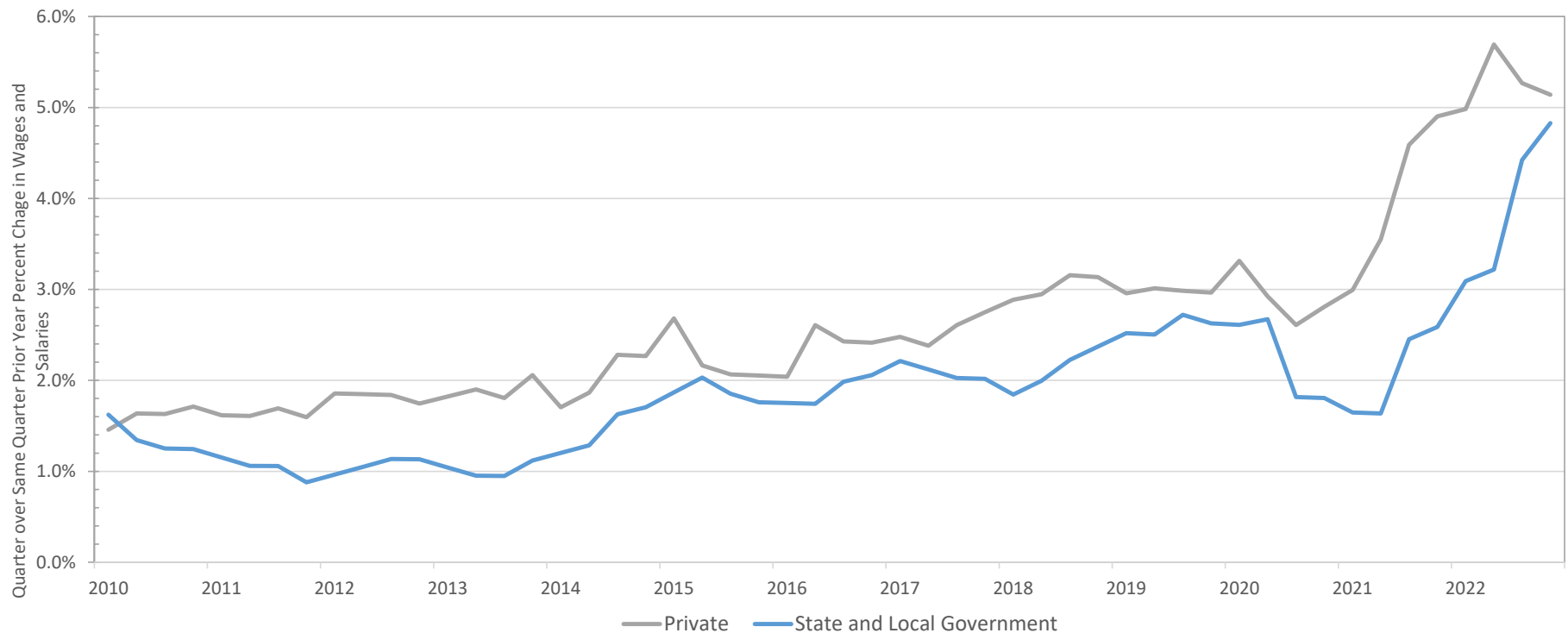


Data Source: U.S. Department of Commerce, Bureau of Economic Analysis; S.C. Board of Economic Advisors-RFA/lhj/05/09/2023

US Wage and Salary Growth

Private sector wage growth has far outpaced the public sector since the pandemic; competition for workers is driving up wages, and government sectors are lagging behind

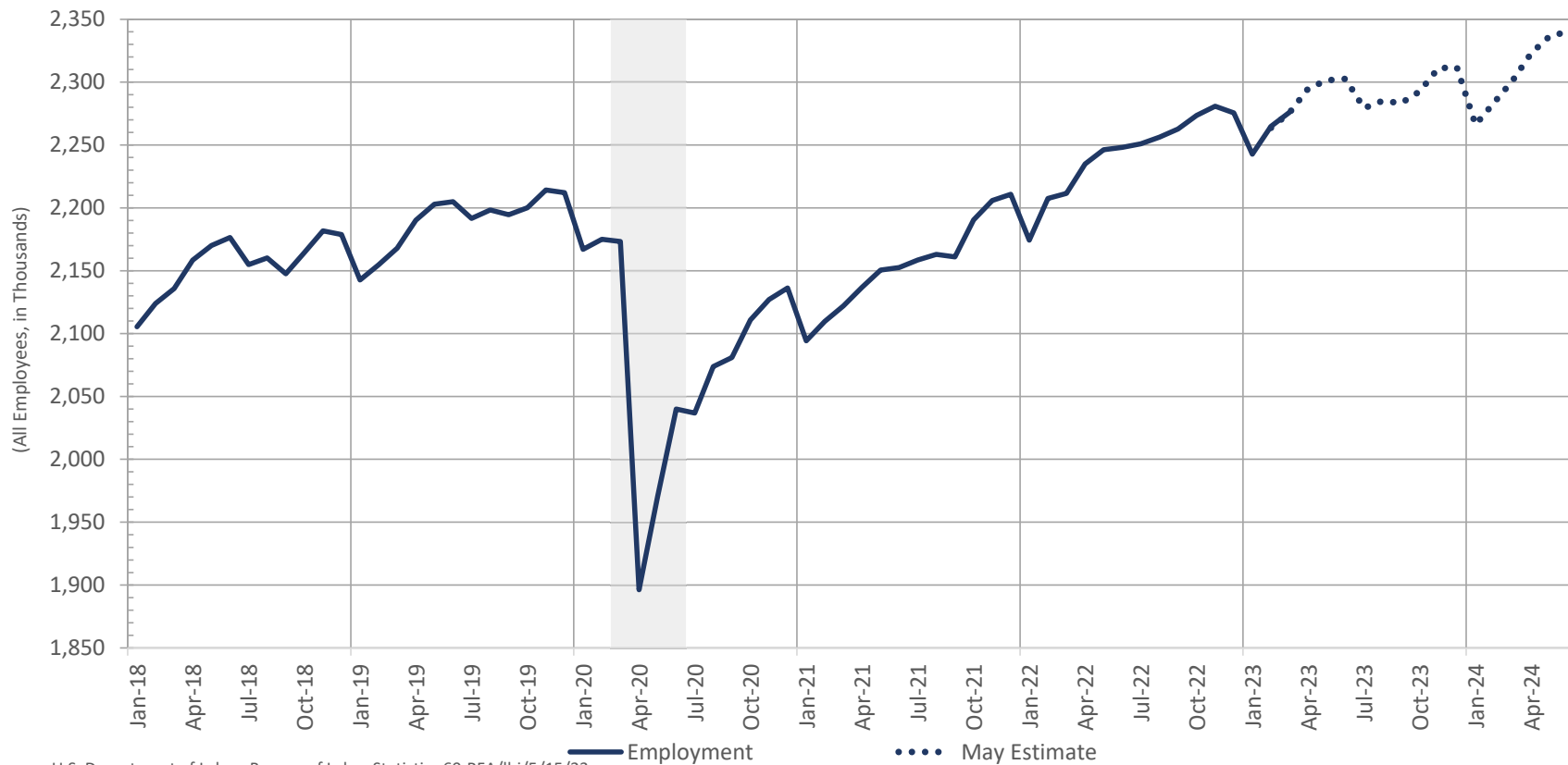
US WAGE AND SALARY GROWTH



Source: U.S. Bureau of Labor Statistics, Employment Cost Index: Wages and Salaries: Private Industry Workers, Government Workers 318-RFA/lhj/04/11/2023

SC Employment Above pre-pandemic levels

TOTAL NONFARM EMPLOYMENT IN SOUTH CAROLINA

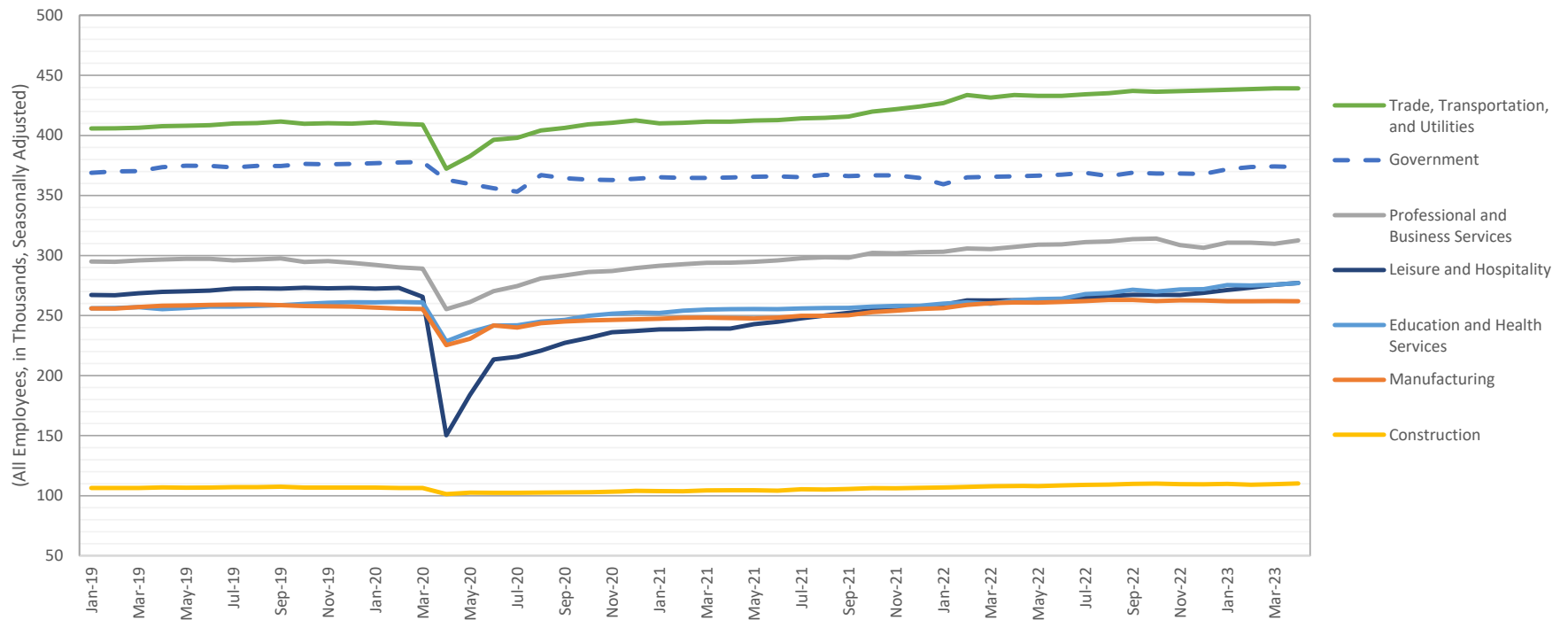


Source: U.S. Department of Labor, Bureau of Labor Statistics 60-RFA/hj/5/15/23

SC Employment by Industry

While most sectors recovered by 2022, the Leisure and Hospitality sector just recently reached pre-pandemic employment; government employment is still below pre-pandemic levels

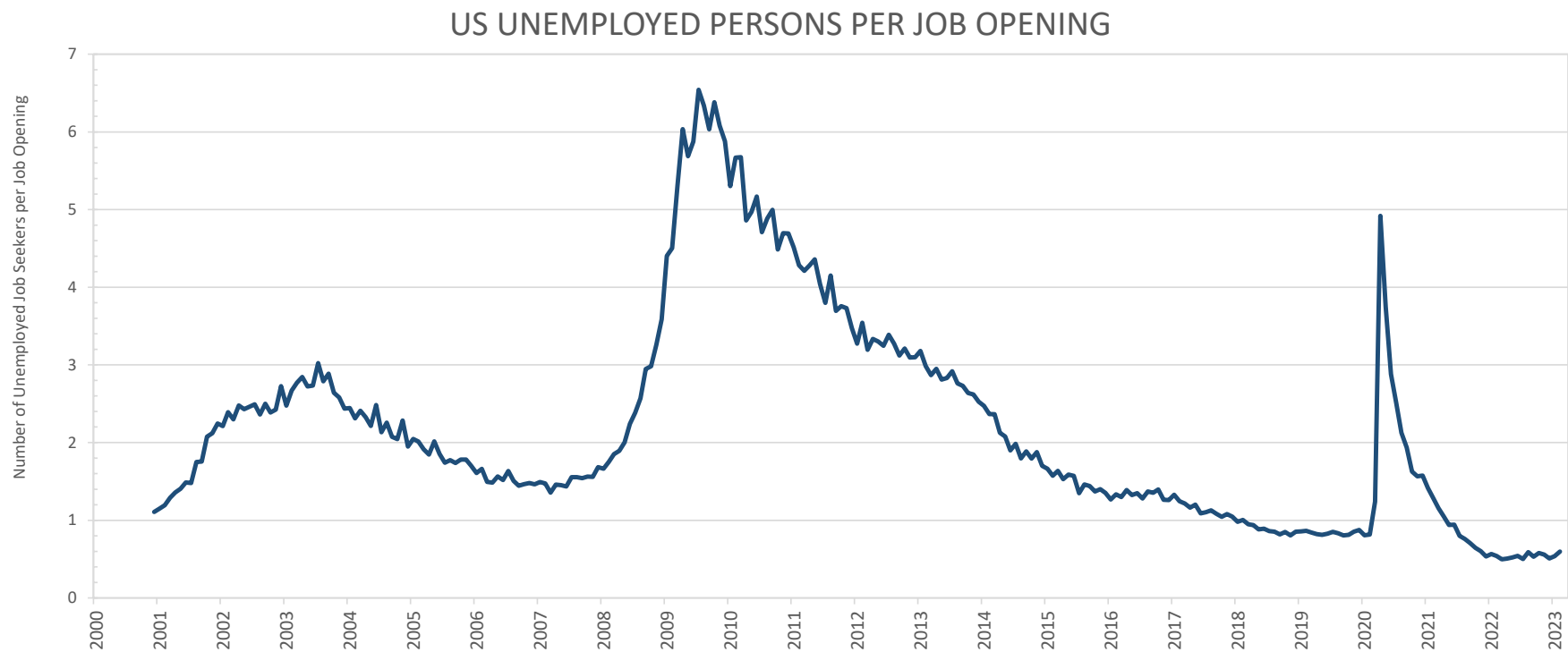
SOUTH CAROLINA EMPLOYMENT BY INDUSTRY SECTOR



Source: U.S. Bureau of Labor Statistics 325-RFA/lhj/6/1/2023

US Unemployed Persons Per Job Opening

The US labor market remains at historic levels of tightness as employers compete over a smaller pool of potential workers

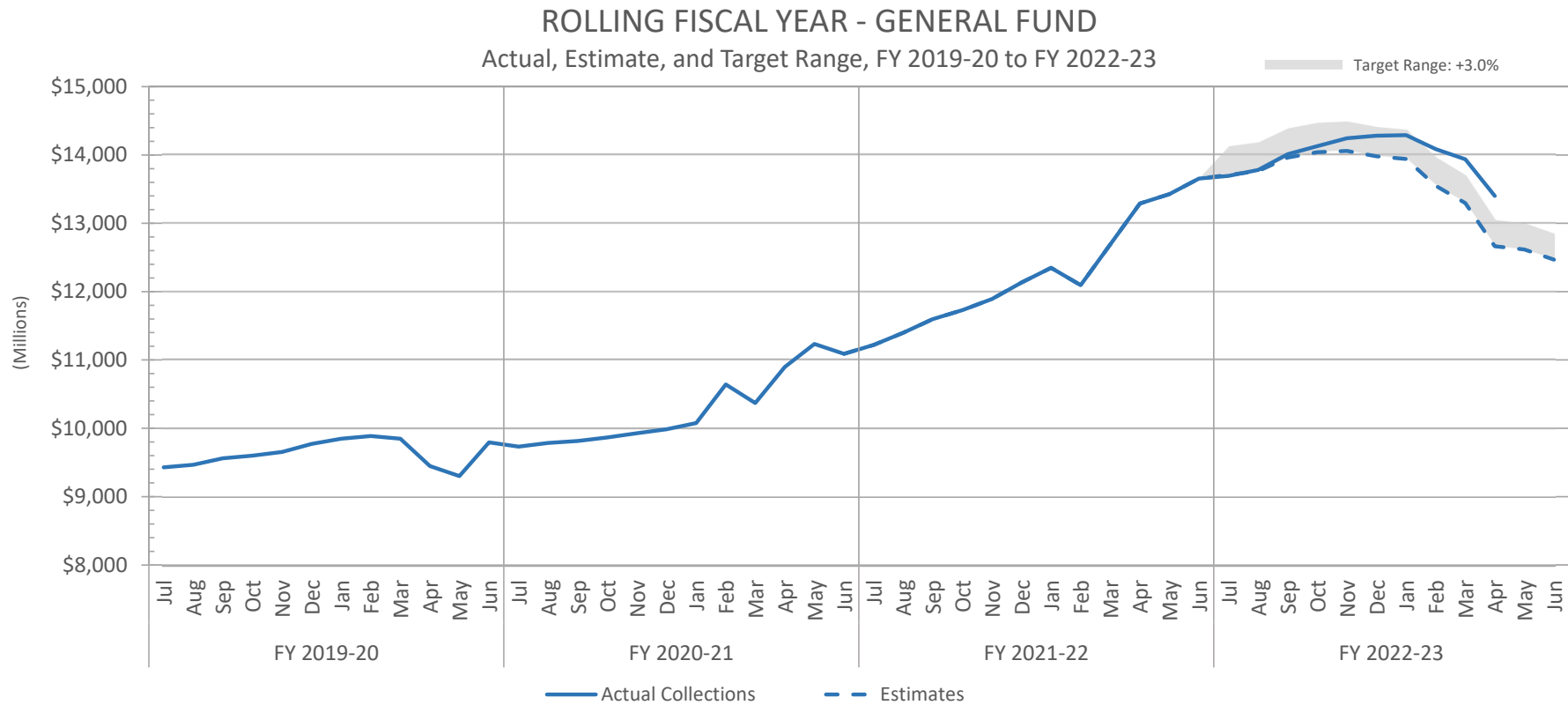


Source: U.S. Bureau of Labor Statistics, CPS and JOLTS; 259A - RFA/lhj/04/19/23

STATE FINANCES AND BUDGET

General Fund – Actuals vs. Feb. Estimates

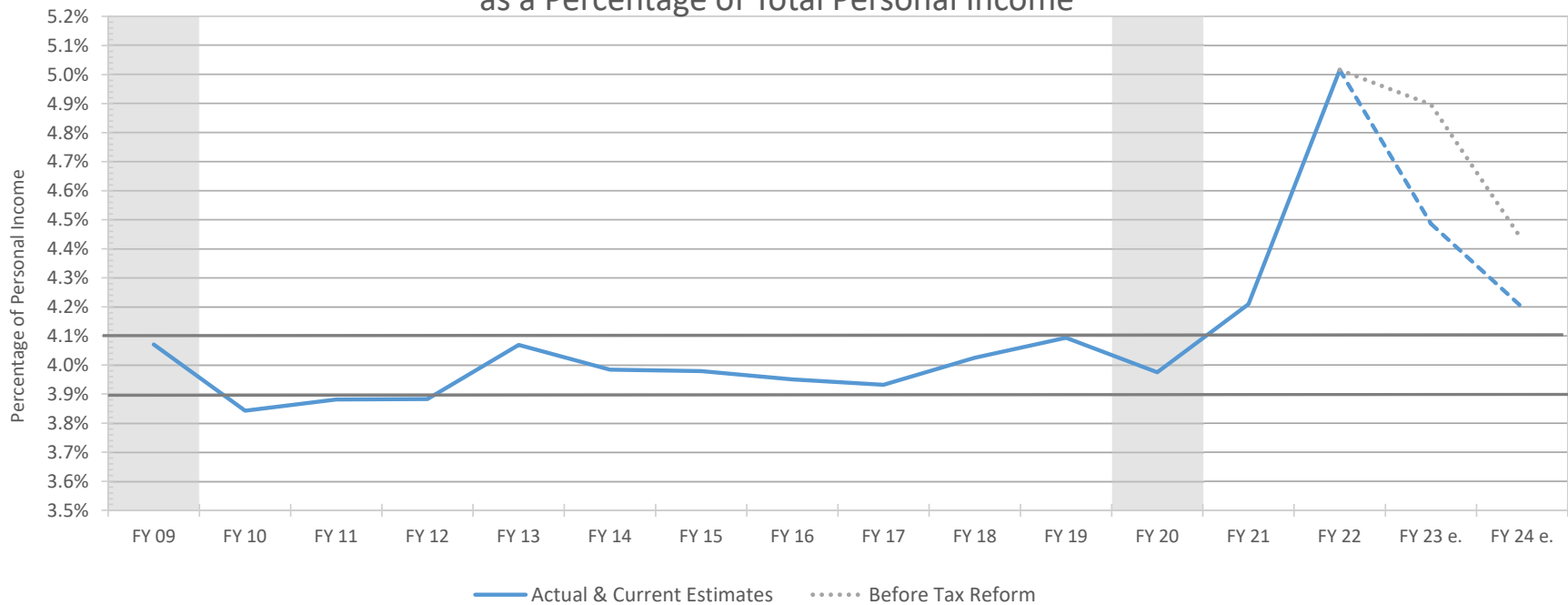
Revenues continue to grow faster than expected and are \$736.7 million above the estimate year-to-date



General Fund Revenue as a Percentage of Personal Income

Revenue has historically remained around 4% of income but has been well above that range since FY 22; tax reform will bring revenue closer to this range, but estimates are still higher than normal

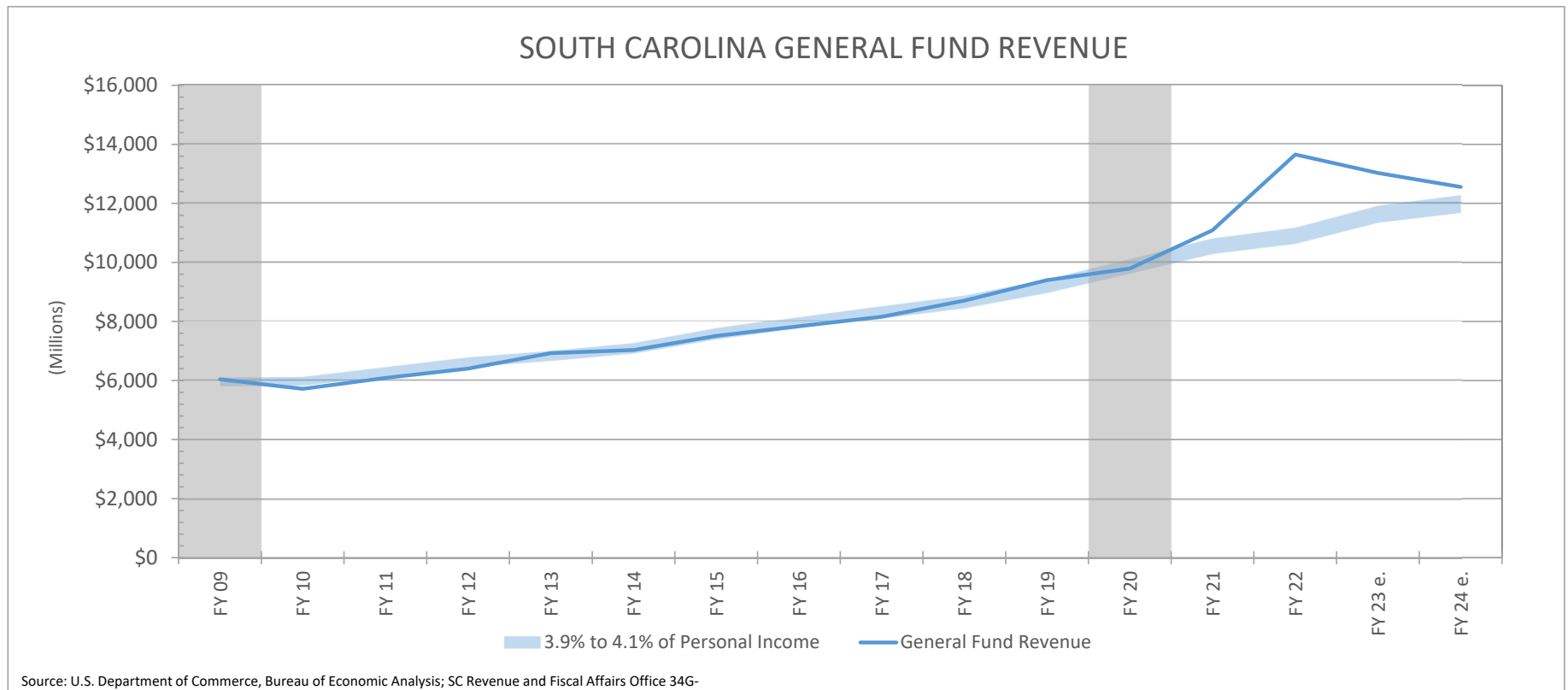
SOUTH CAROLINA GENERAL FUND REVENUE
as a Percentage of Total Personal Income



Source: U.S. Department of Commerce, Bureau of Economic Analysis; SC Revenue and Fiscal Affairs Office 34F-LHJ/5/10/23

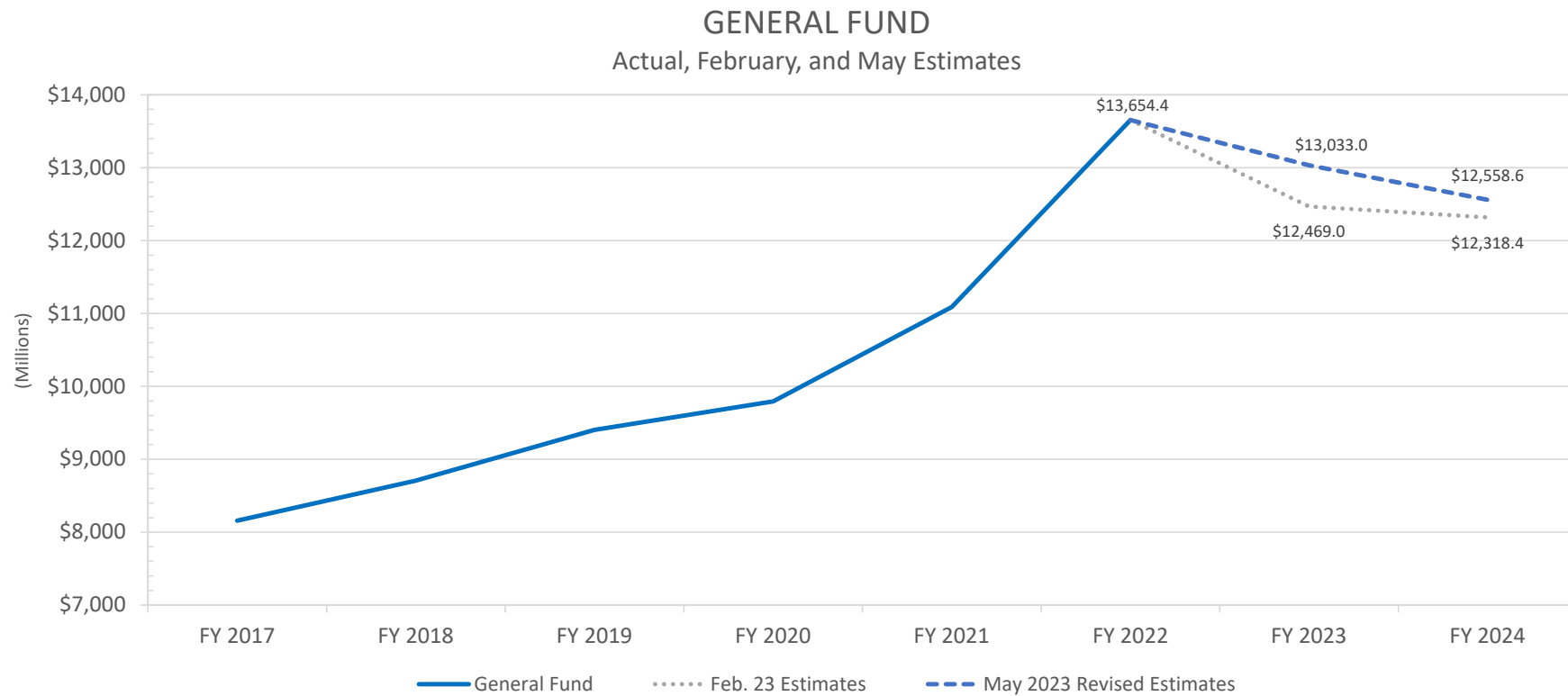
General Fund Revenue – Relative to Personal Income

In dollars, revenue exceeded the 4% of personal income range by \$2.5 billion in FY 2021-22



General Fund – May 2023 Forecast Revision

Increase FY 2022-23: \$564 million; FY 2023-24: \$240 million

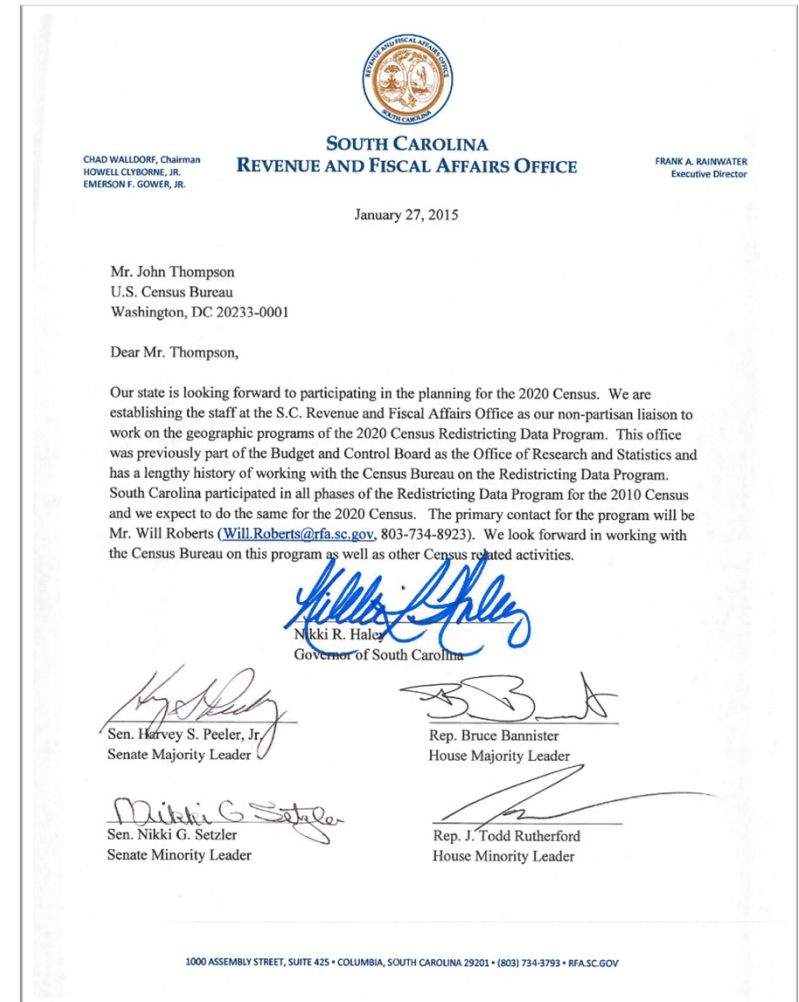


REDISTRICTING

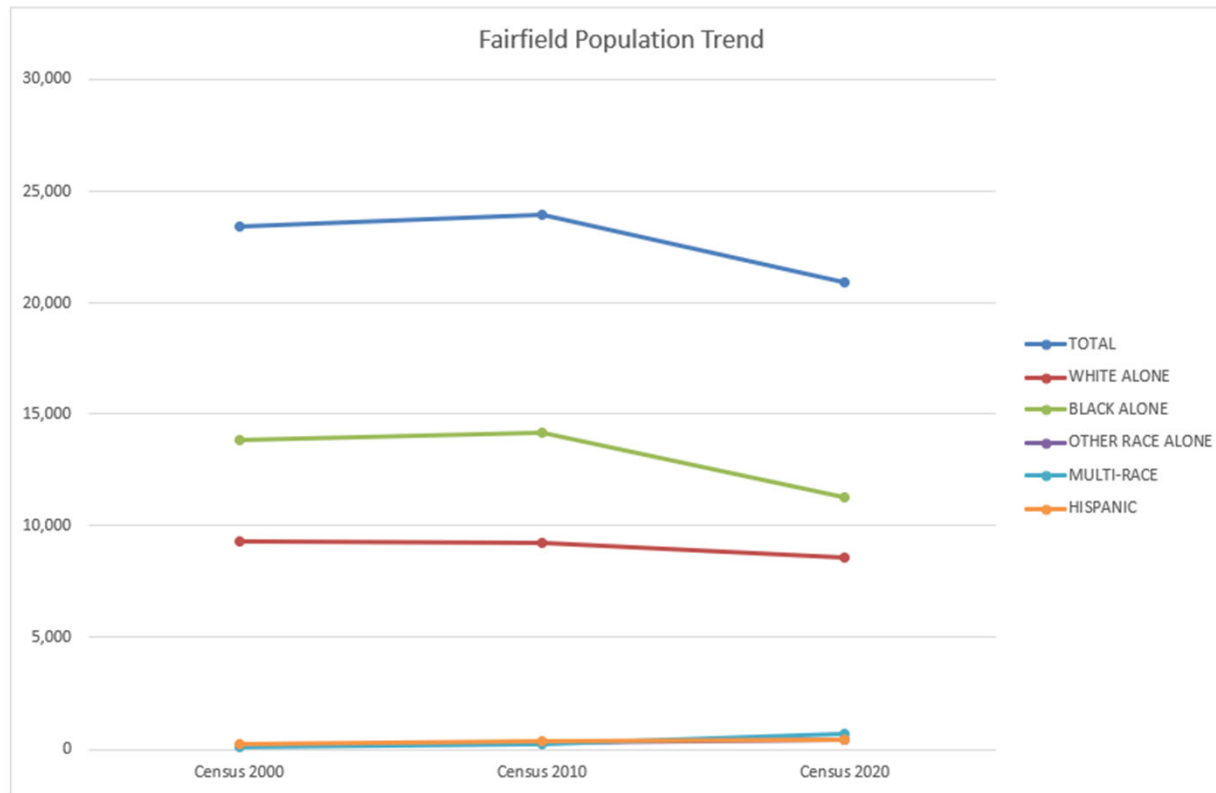


SC Revenue and Fiscal Affairs Office

- Official State Contact with Census
- Maintain official precinct maps (SC Code of Laws §7-7-30 et seq.)
- Coordination with other mapping programs
 - Jury Areas (SC Code of Laws §22-2-30)
 - Transportation Network Company (SC Code of Laws §58-23-1610)
 - Incorporation (SC Code of Regs 113-200(A))
- Prep Work
 - Local Update of Census Addresses (LUCA)
 - Boundary and Annexation Program
- Served as technical advisors to the Federal Courts
- Redistricting Services
 - Provide redistricting services in accordance with redistricting law and principles
 - RFA is not providing legal advice



Redistricting Report Population Trend



Redistricting Report

2020 Census Applied to 2010 County Council Districts

2020 CENSUS BENCHMARK REPORT

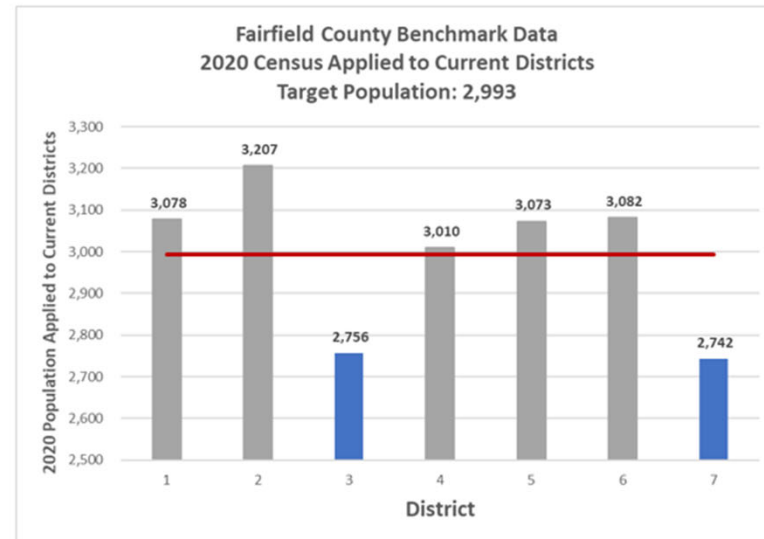
The population of Fairfield County has decreased 12.56% from 23,956 to 20,948. As a result, the ideal district changed from 3,422 to 2,993. The Benchmark Report noted a deviation range of 15.54% (the sum of the highest deviation, 7.17%, and the absolute value of the lowest deviation |-8.37%|) which is above the maximum range of 10%. RFA recommends a deviation range of 5%.

The following table and chart show which districts are (under-) or over-populated indicating potential adjustments needed to be within the allowable deviation range.

TABLE 1: 2020 CENSUS COUNTS APPLIED TO CURRENT DISTRICTS

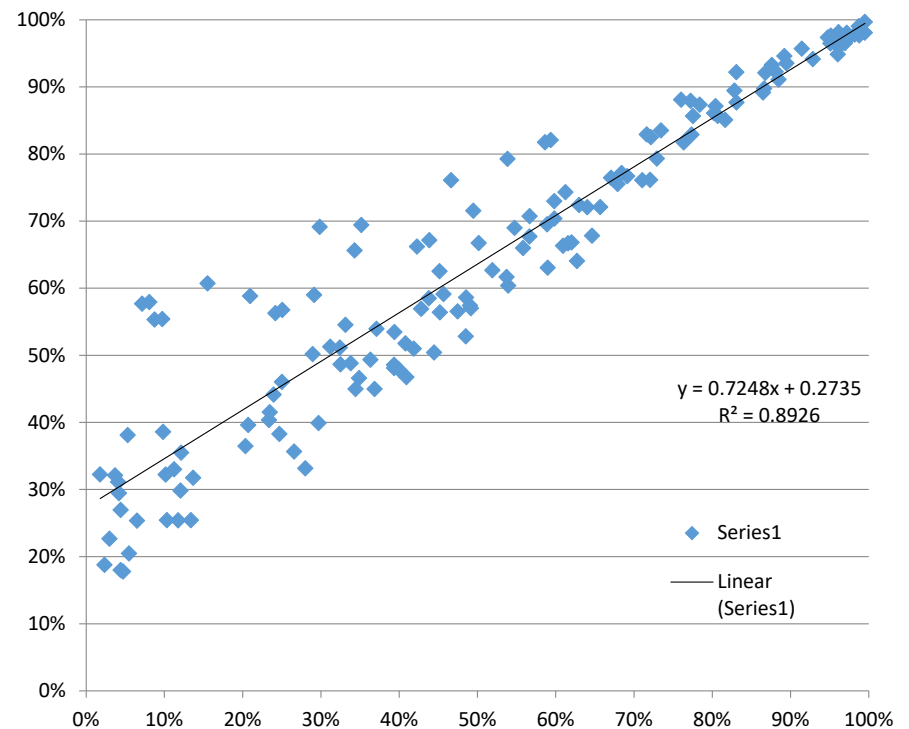
CHART 1:

District	2020 Census	Goal	Over/(Under)	% Deviation
1	3,078	2,993	85	2.85%
2	3,207	2,993	214	7.17%
3	2,756	2,993	(237)	-7.91%
4	3,010	2,993	17	0.58%
5	3,073	2,993	80	2.69%
6	3,082	2,993	89	2.99%
7	2,742	2,993	(251)	-8.37%
Lowest	-8.37%			
Highest	7.17%			
Range	15.54%			

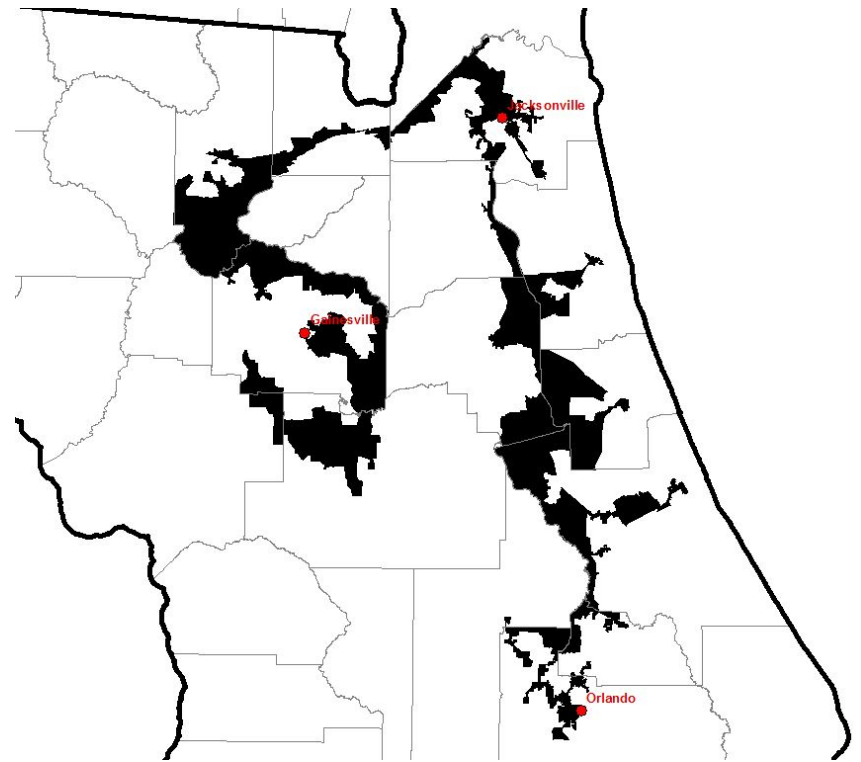
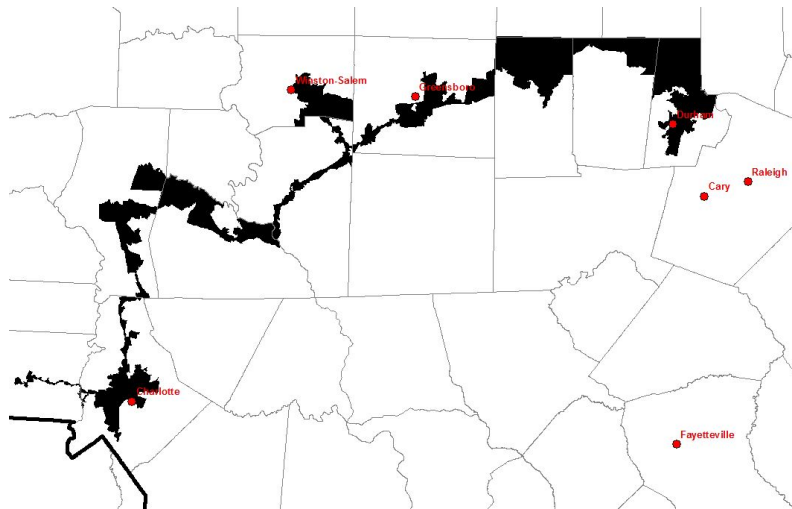


Voting Rights Act – 3-Prong Test

- Thornburg v. Gingles (1986) – 3 prong test for vote dilution claim.
 - Minority group must be large and geographically compact to draw a majority-minority district. Minority district must be able to be drawn at +50% minority VAP – Bartlett v. Strickland.
 - The minority group must be “politically cohesive”.
 - Block voting by the majority usually defeats the minority’s candidate of choice.



Examples of Racial Gerrymandering

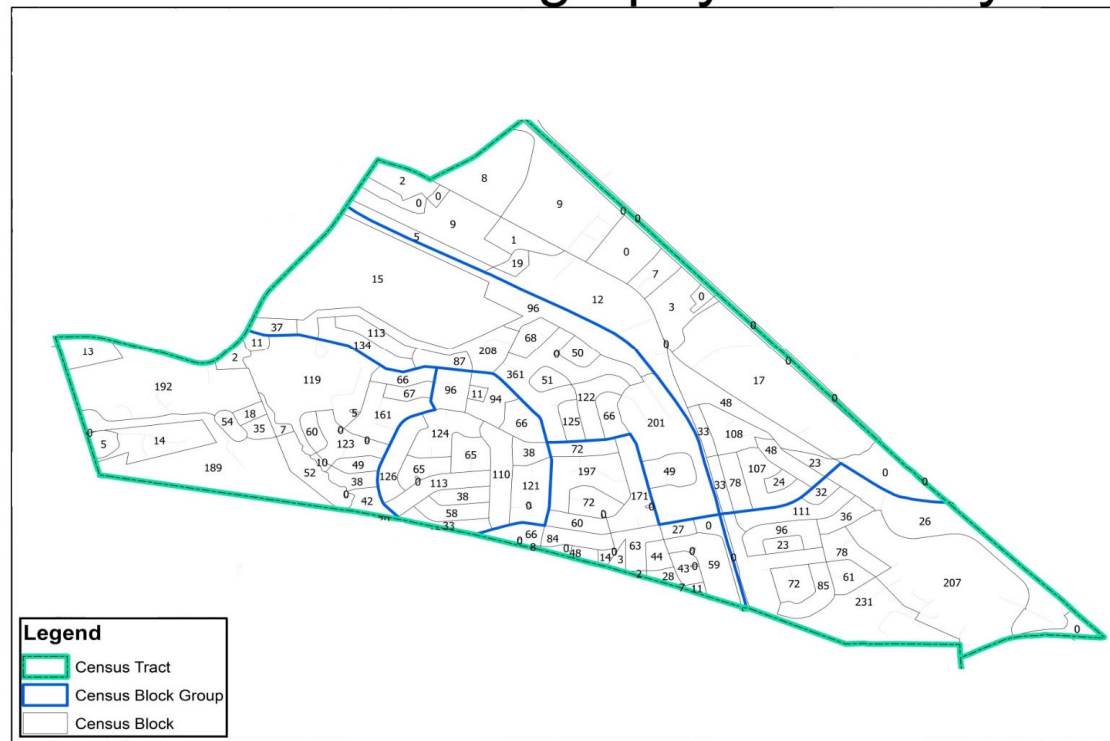


Traditional Redistricting Principles

- Contiguousness – All parts of the districts must be touching. Point contiguity is acceptable.
- Compactness – Districts should be able to pass an “eye” test as well as can be measured by statistical models.
- Constituent Consistency – Preserving the core of existing districts and respecting incumbents.
- Communities of Interest – Examples are school districts or attendance zones, neighborhoods.
- Voting Precincts – Avoid splitting precincts. General Assembly has the authority to redraw voting precincts. Precincts are typically redrawn after redistricting has occurred or a large population change in one geographic area. RFA is responsible for maintaining office maps for voting precincts (§1-11-360).

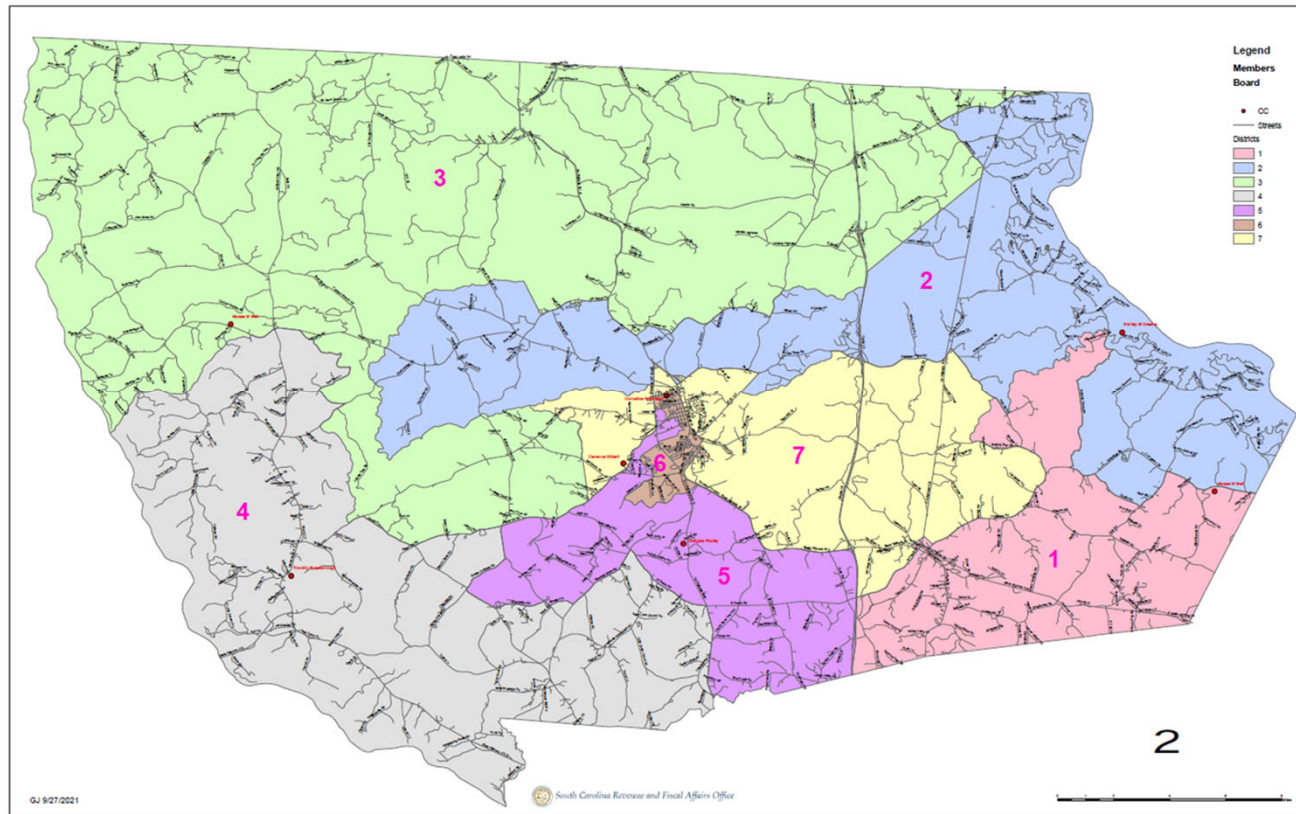
Tools - Census Tract, Block Group, and Block

Census Geography Hierarchy



Redistricting Report 2010 County Council Districts Lines

Fairfield County Council Benchmark 2020



OTHER KEY ITEMS

Key Programs Affecting Local Governments

- Millage Rate Increase Limitation §6-1-320:
[Millage Rate Increase Limitations | South Carolina Revenue and Fiscal Affairs Office](#)
- County Boundary Program §4-3-2:
[County Boundary Program | South Carolina Revenue and Fiscal Affairs Office](#)
- Local Government Finance Report §6-1-520:
[Local Government Finance Report | South Carolina Revenue and Fiscal Affairs Office](#)

Questions?

Thank you!