

SOUTH CAROLINA ECONOMIC UPDATE and CHANGING DEMOGRAPHICS

Presented to

South Carolina Association of CPAs

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Frank A. Rainwater, Executive Director
South Carolina Revenue and Fiscal Affairs Office
1000 Assembly Street
Rembert Dennis Building, Suite 402
Columbia, SC 29201
(803) 734-2265
www.rfa.sc.gov



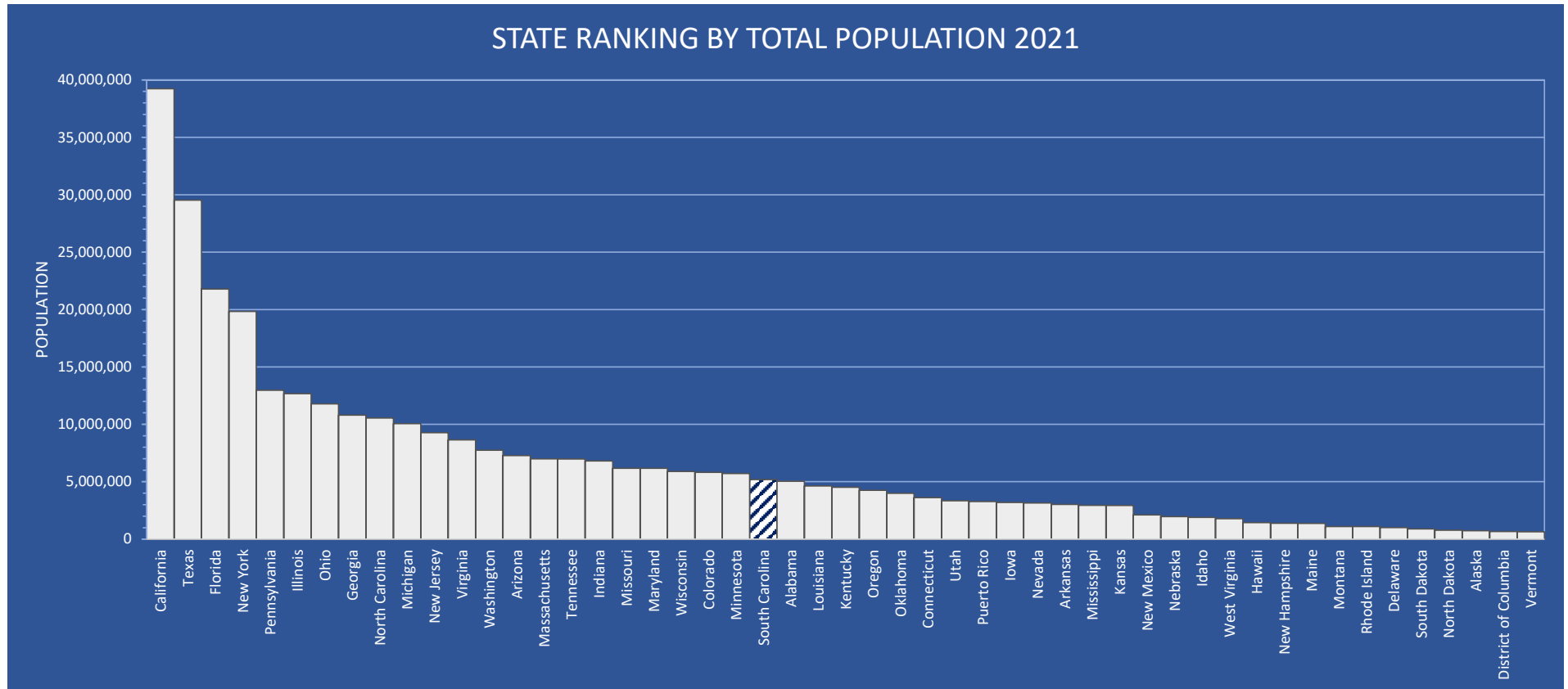
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 - 0-17
 - 18-64
 - 65+

Comparison of Population South Carolina to Other States, 2021

South Carolina is the 23rd Most Populous State in the US

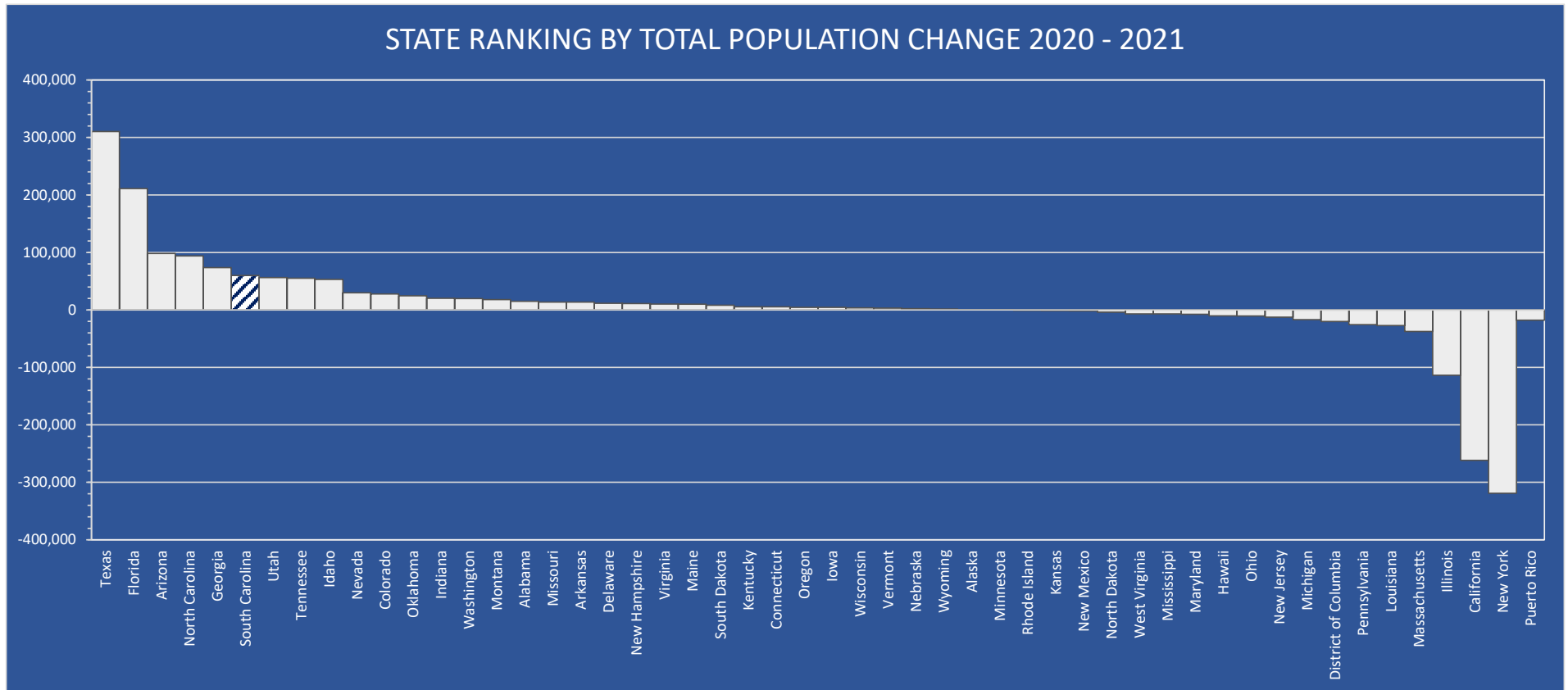
Accounting for 1.5% of the total US population in 2021



Source: Population Estimates Program Vintage 2021 estimates. File Name: Annual Estimates of Resident Population Change for the United States, States, District of Columbia, Puerto Rico, and State Rankings: April 1, 2020 to July 1, 2021

South Carolina had the 6th Largest Population Increase in the US

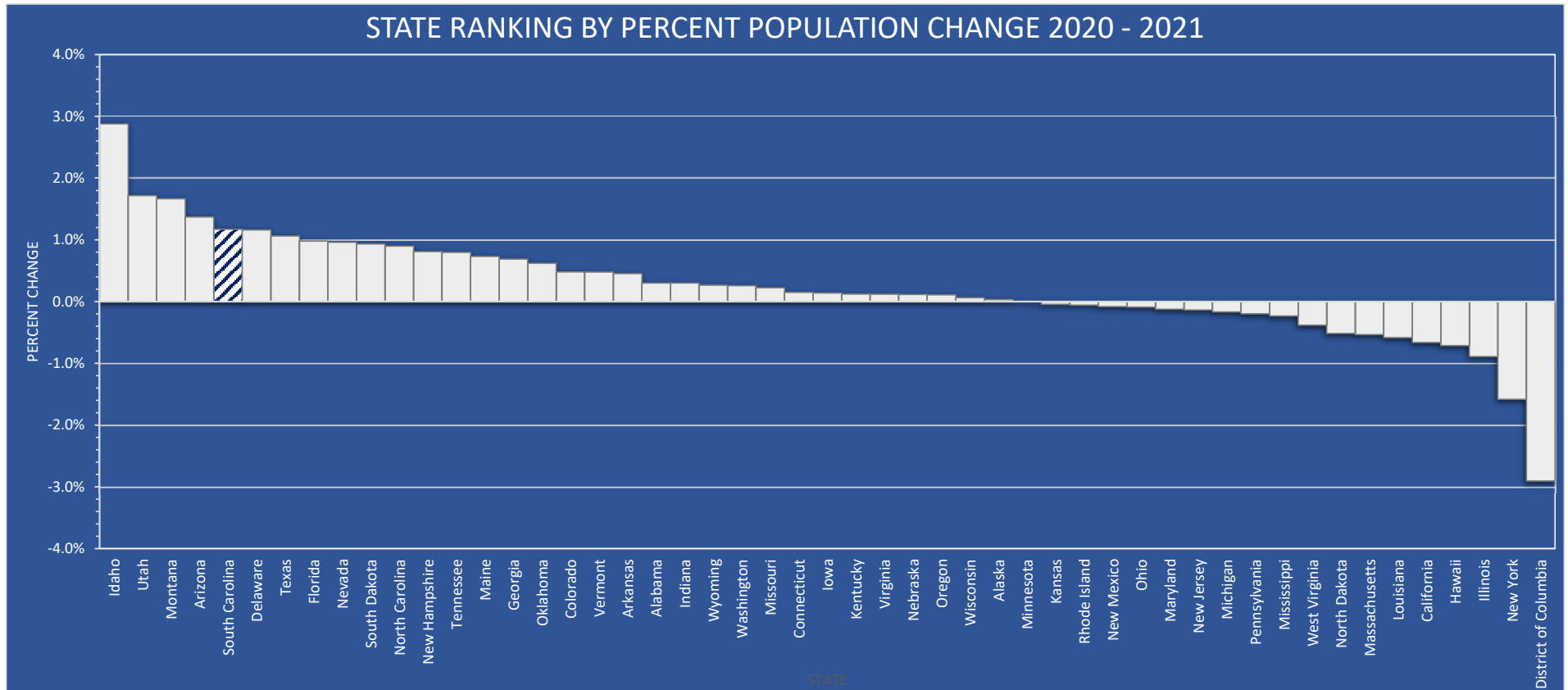
Population increased by 59,976 from 2020 to 2021



Source: Population Estimates Program Vintage 2021 estimates. File Name: Annual Estimates of Resident Population Change for the United States, States, District of Columbia, Puerto Rico, and State Rankings: April 1, 2020 to July 1, 2021

South Carolina had the 5th Highest Percent Growth in the US

Population grew 1.7% from 2020 to 2021



Source: Population Estimates Program Vintage 2021 estimates. File Name: Annual Estimates of Resident Population Change for the United States, States, District of Columbia, Puerto Rico, and State Rankings: April 1, 2020 to July 1, 2021

Population Pyramids

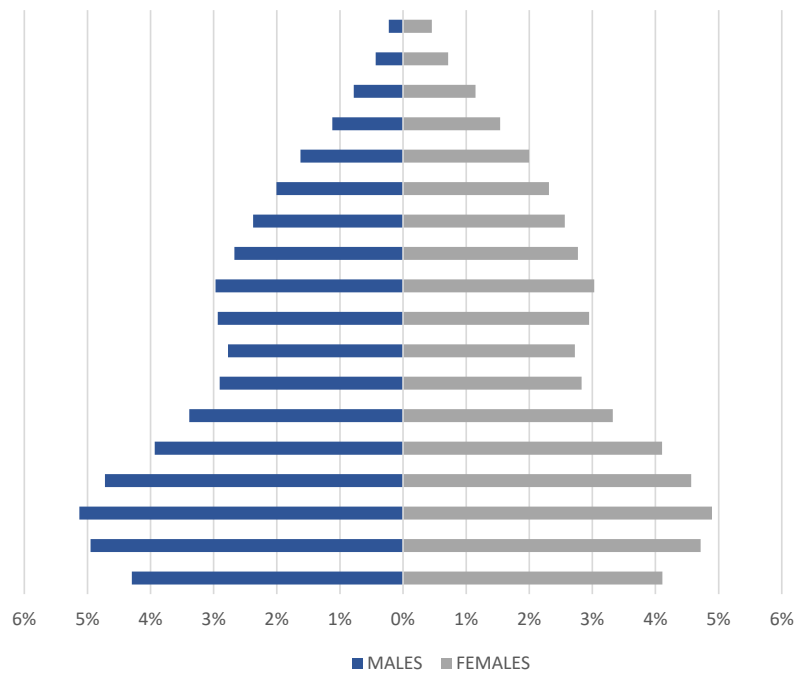
Changes in Age Distribution

United States and South Carolina

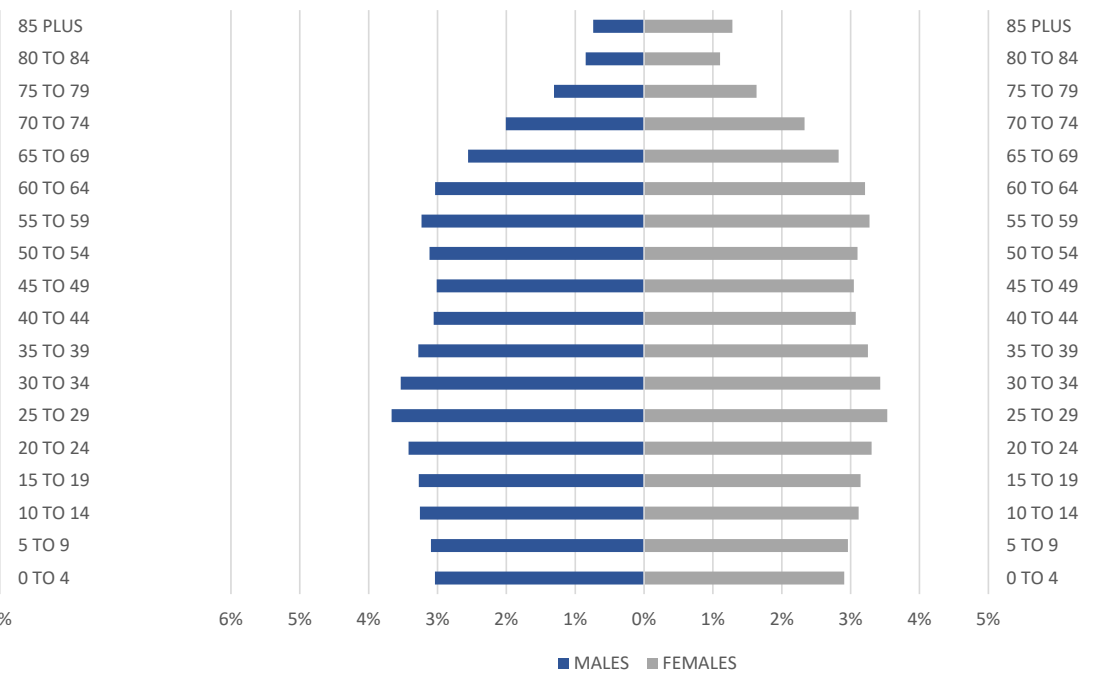
US Population Pyramid

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



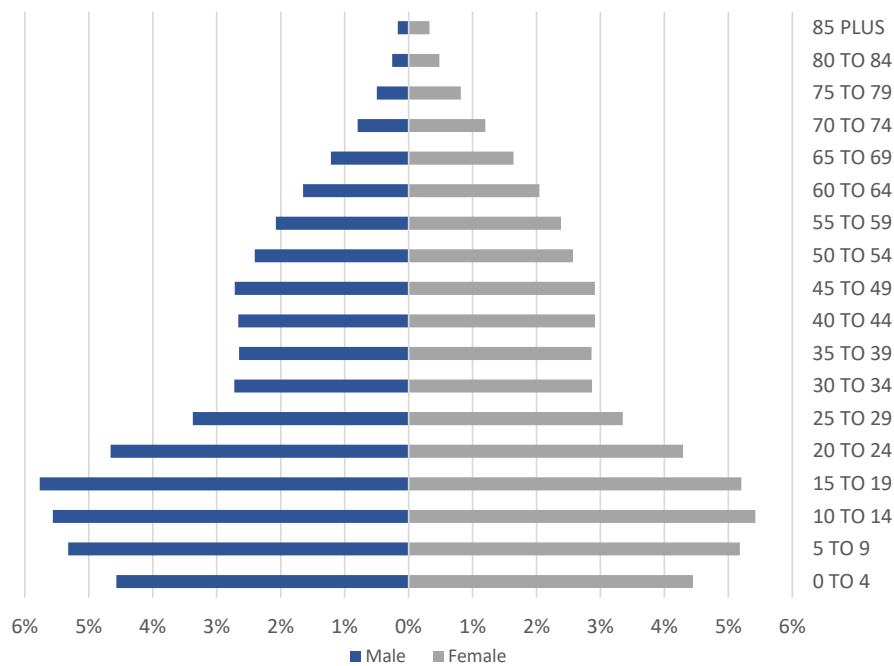
2020 POPULATION PYRAMID



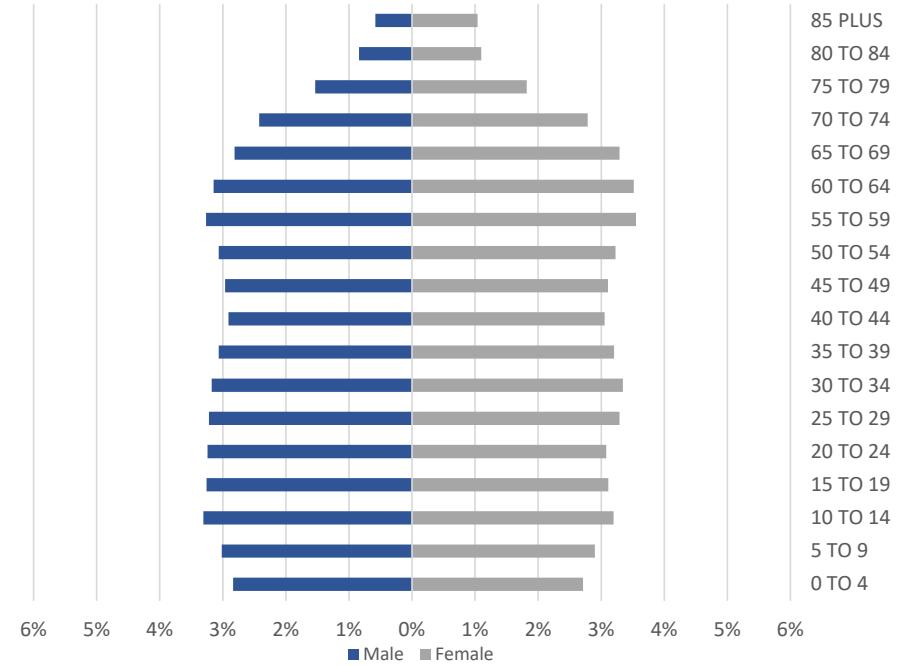
SC Population Pyramid

The age distribution of South Carolina'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

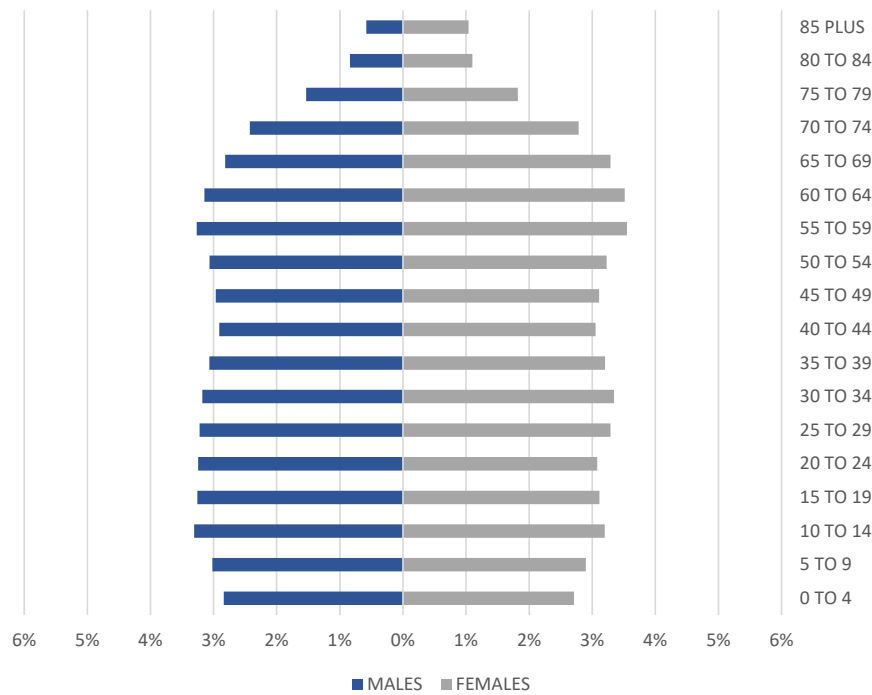


Source: S.C. Revenue and Fiscal Affairs Office 3/20/08/25/2020

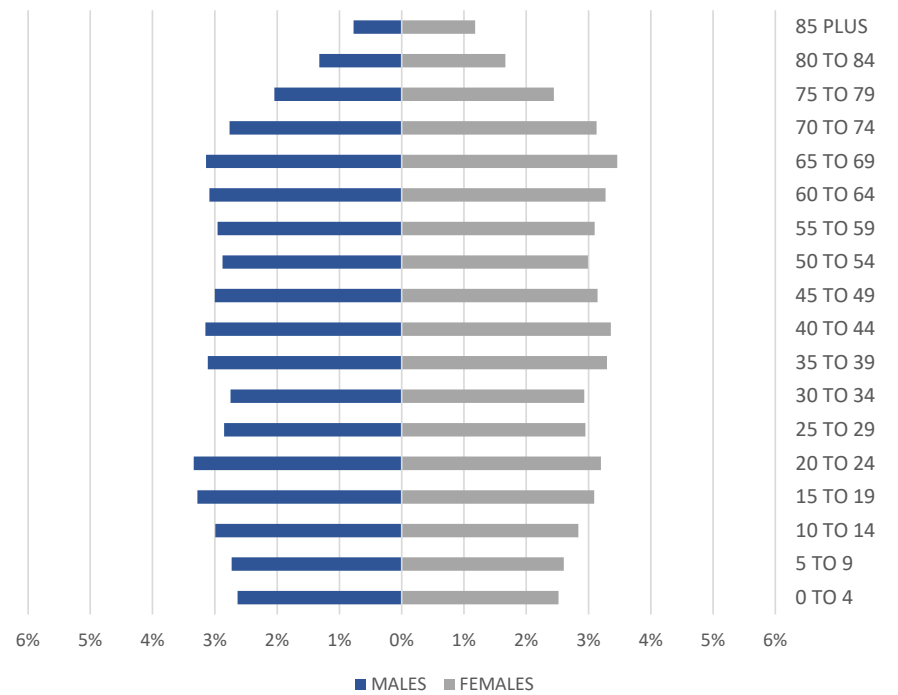
SC 2030 Population Projections

The median age is expected to increase from 40 to 42 over the next decade; all baby boomers will be older than 65

2020 POPULATION PYRAMID



2030 POPULATION PYRAMID



SC Population Pyramid Observations, 1970 - 2030

- In 1970, a population graph of SC looked like a pyramid
 - This is representative of a growing population, with the widest bars at the bottom and narrowing toward the top
 - 'Baby-Boomers' were between the age of 6 and 24
 - The SC median age (24) was younger than the US median age (28)
- In 2020, the graph becomes less of a pyramid and more cylindrical.
 - Workforce age population represents 60% of the total population; down from 63% in 2010
 - 'Baby-Boomers' were between the age of 56 and 74
 - The SC median age (40) was older than the US median age (39)
 - The birth rate in 2020 was 10.7 down from 16.8 in 1990
- Into 2030, the top of the pyramid continues to flatten out
 - Deaths exceeded births in 2021
 - More people are expected to live into their 80's and beyond
 - Growth of the 65+ population is expected to be twice that of the 18 - 64 population
 - The 65+ population is projected to surpass the 0 - 17 population in 2027

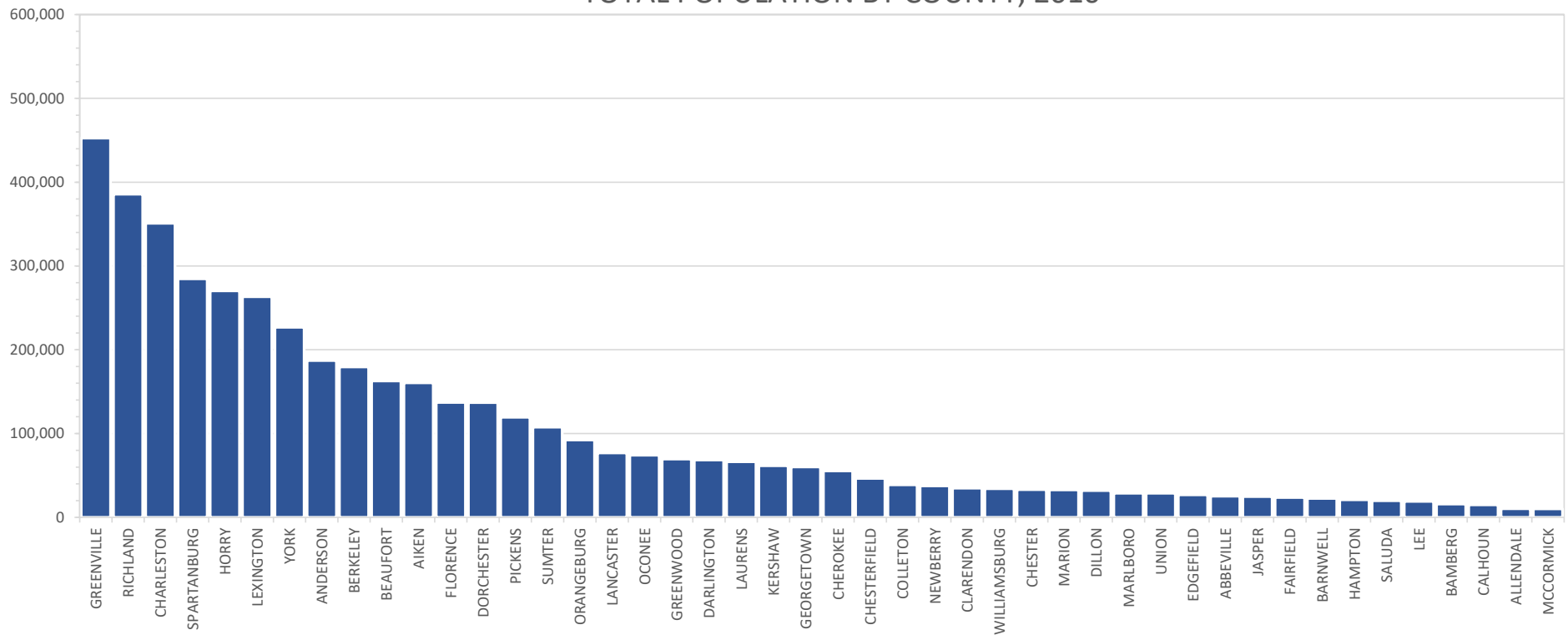
South Carolina Demographics Trends and Projections

**“It’s tough to make predictions, especially about the future”
- Yogi Berra**

South Carolina Population, 2010

Five Largest: Greenville, Richland, Charleston, Spartanburg, Horry
Five Smallest: McCormick, Allendale, Calhoun, Bamberg, Lee

TOTAL POPULATION BY COUNTY, 2010



Source: US Census Bureau, Vintage 2020 Postcensal Estimates

South Carolina Population by County, 2010

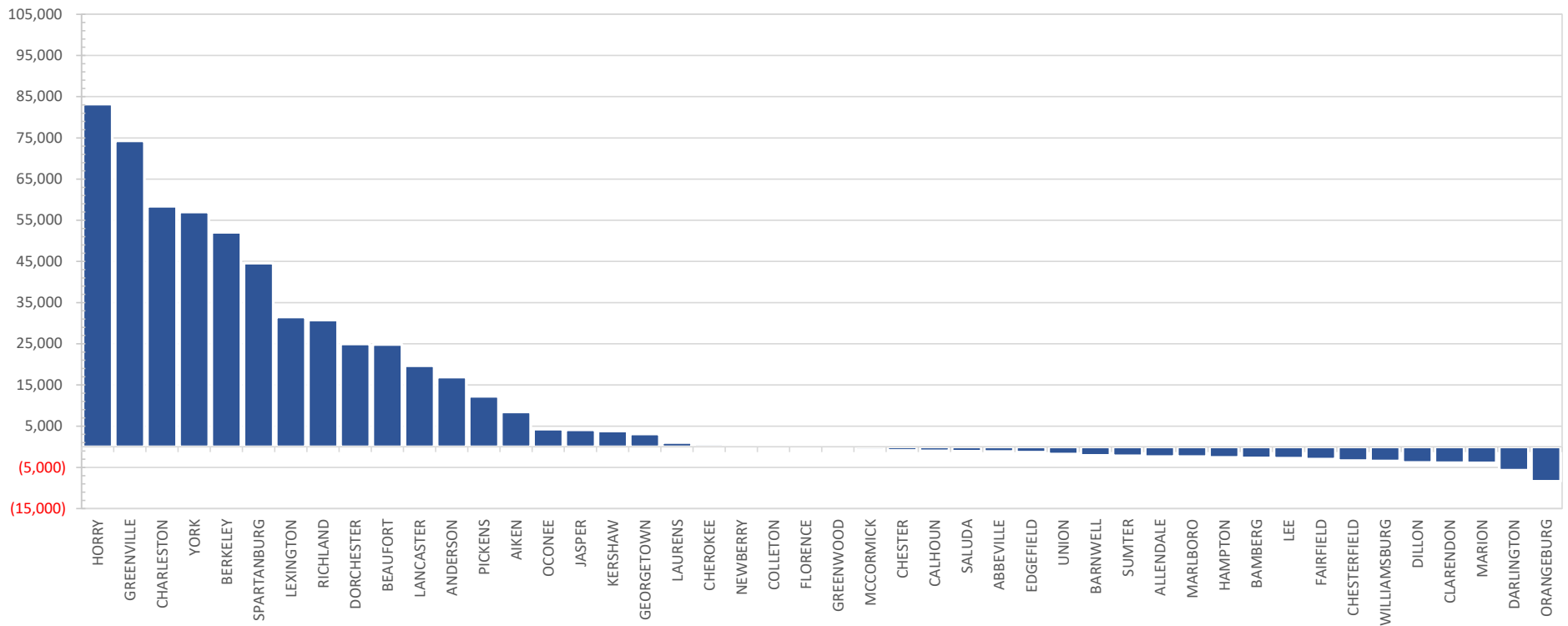
Observations

- 50% of the counties, make up 86% of the state's population
- Six counties have a population of less than 20,000
- Six counties have a population of greater than 250,000

South Carolina Population Change, 2010 - 2020

Horry, Greenville, Charleston, York, and Berkeley experienced the highest growth

POPULATION CHANGE BY COUNTY FROM 2010 TO 2020



Source: Population Estimates Program Vintage 2020 estimates for 2010, Vintage 2021 estimates for 2020

SC Population Change by County, 2010 - 2020

Observations

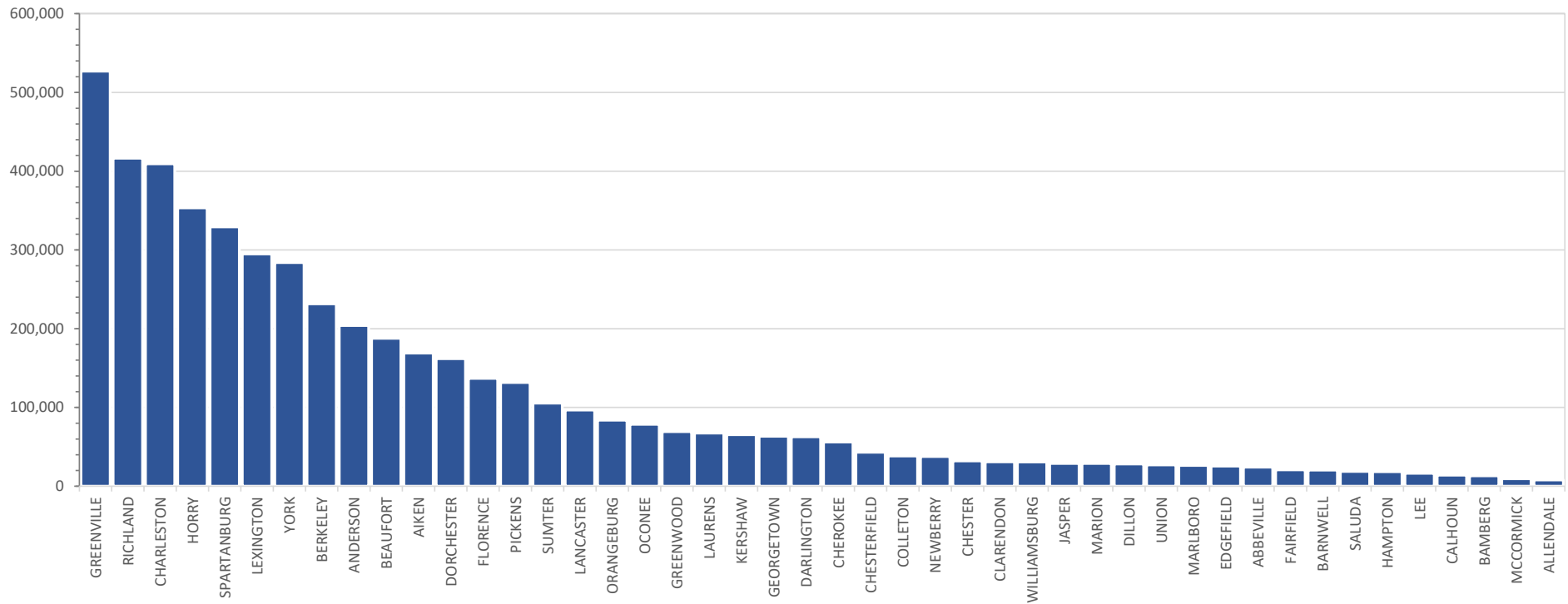
- Approximately 20% (10) of the state's counties had less than a 5% change in total population between 2010 and 2020.
- 40% (18) of SC counties showed over 5% growth and the remaining 40% (18) had a decline of 5% or more during the period
- Horry, Greenville, Charleston, and York had the highest growth
- Orangeburg, Darlington, Marion, and Clarendon had the largest population decrease

South Carolina Population, 2020

Five Largest: Greenville, Richland, Charleston, Horry, Spartanburg

Five Smallest: Allendale, McCormick, Bamberg, Calhoun, Lee

TOTAL POPULATION BY COUNTY, 2020



Source: US Census Bureau, Vintage 2021 Postcensal Estimates

South Carolina Population by County, 2020

Observations

- Allendale became the least populous county in the state
- 50% of the counties, make up 88% of the state's population
- Seven counties have a population of less than 20,000
- Seven counties have a population of greater than 250,000

South Carolina's Population Change, 2020 - 2021

Notable Highlights

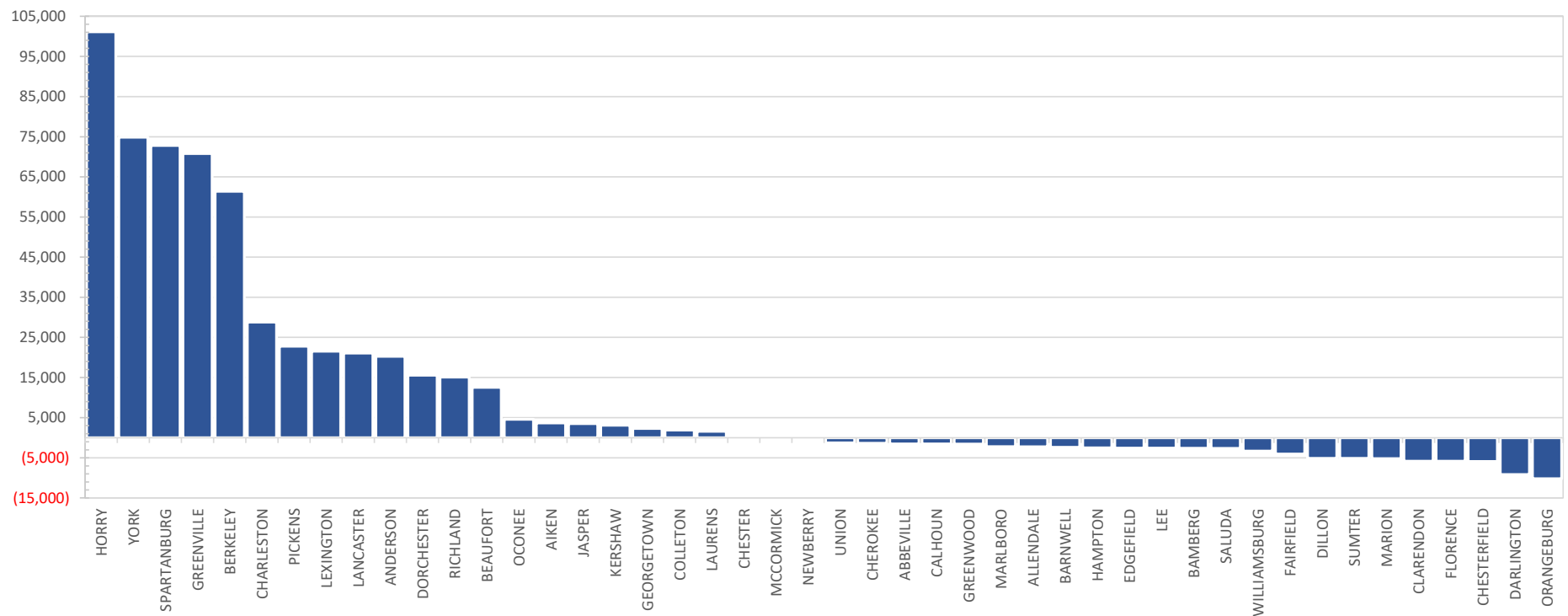
- Lancaster was one of four counties in the US to cross the 100,000-resident threshold in 2021.
 - The others were Cleveland County, NC, Bastrop County, Tx, and Grant County, Washington
- The Myrtle Beach-Conway-North Myrtle Beach SC-NC Metro area was the ranked 3rd in the US in terms of percent growth from 2020 to 2021 (3.7%)
- The Charlotte-Concord-Gastonia, NC-SC metro area (including Chester, Lancaster, and York counties) was ranked 9th in the US in terms of numeric growth from 2020 to 2021 (31,381)

Source: [Over Two-Thirds of the Nation's Counties Had Natural Decrease in 2021 \(census.gov\)](#)

South Carolina Projected Population Change, 2020 - 2030

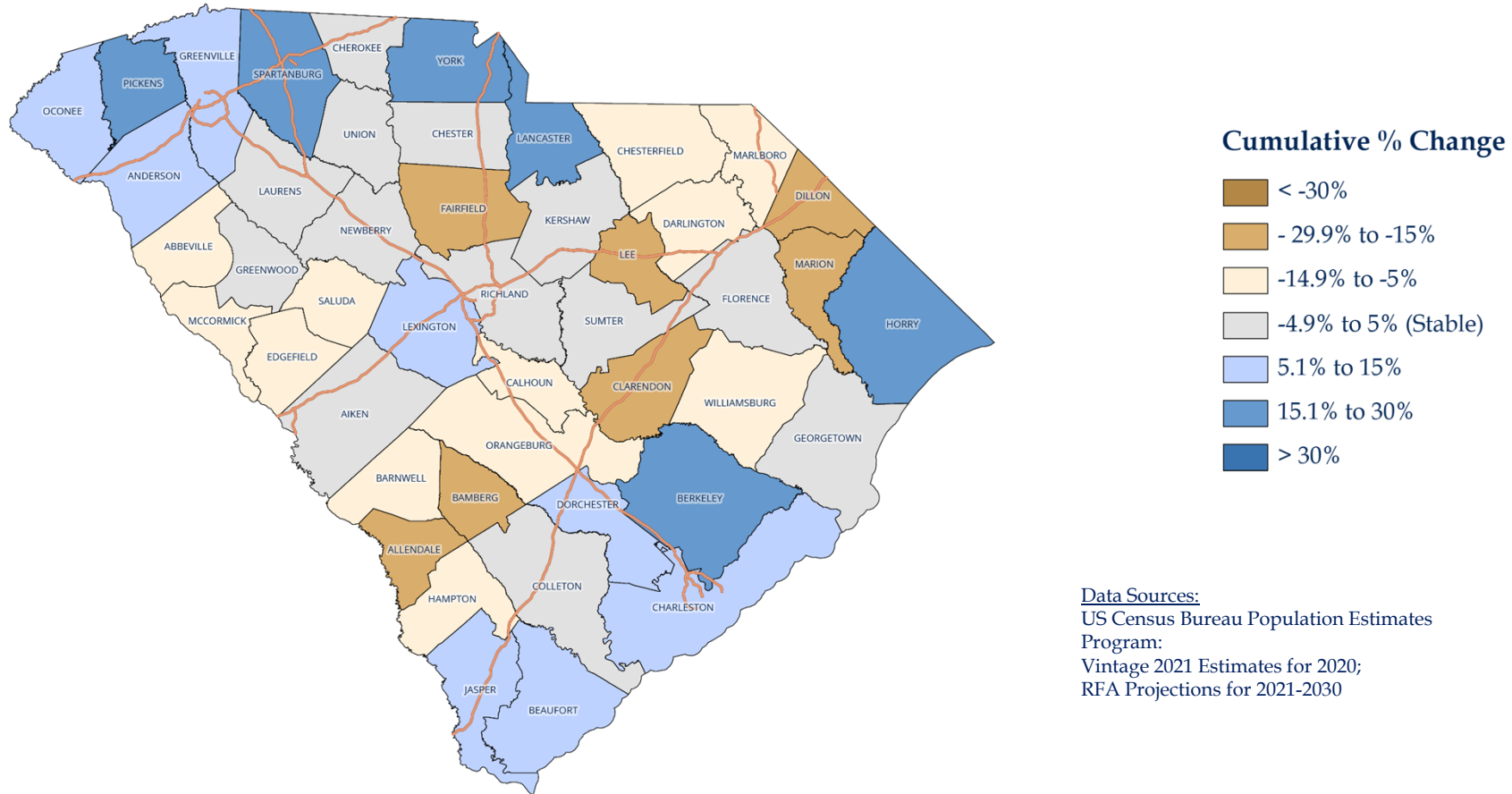
Horry, York, Spartanburg, Greenville, and Berkeley are expected to experience the highest growth

POPULATION CHANGE BY COUNTY FROM 2020 TO 2030



Source: Population Estimates Program Vintage 2020 estimates for 2010, Vintage 2021 estimates for 2020

South Carolina Projected Total Population Change, 2020 - 2030 By County



South Carolina Population Change, 2020 - 2030

Observations

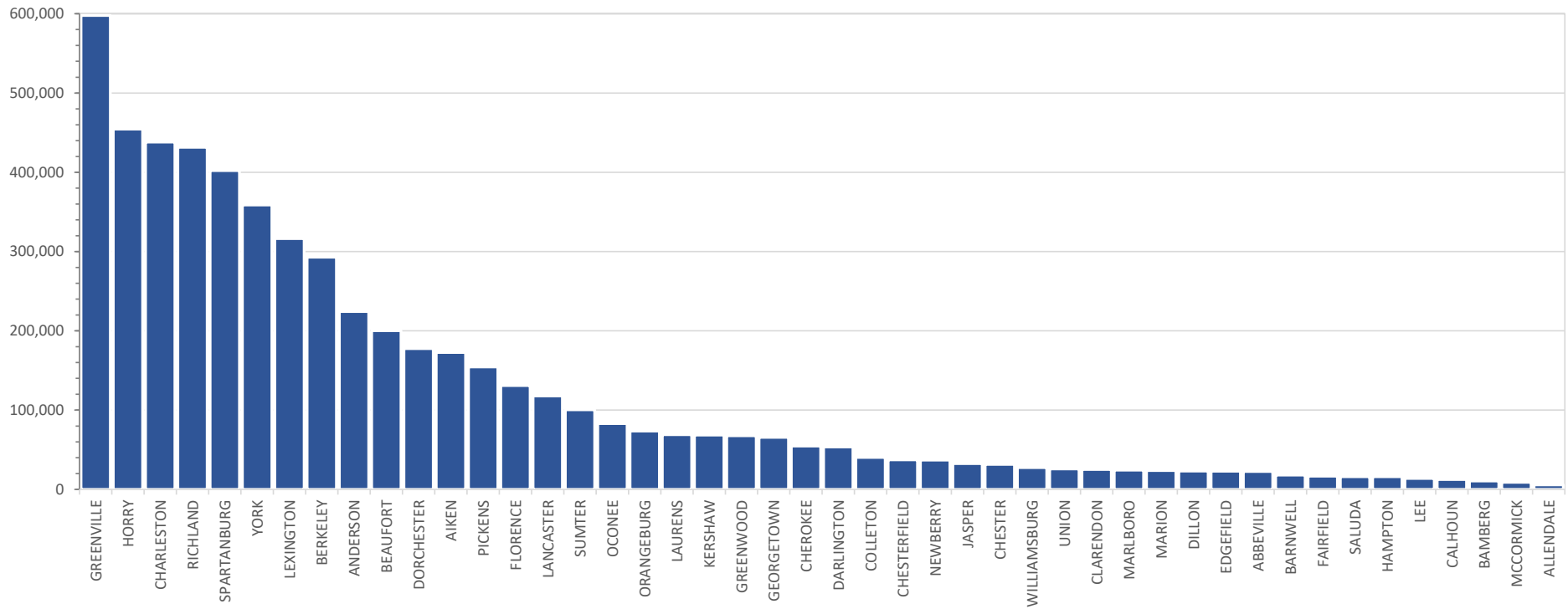
- The I-95 corridor is expected to decline in population
- Total population in seven rural counties is expected to decline by 15 to 30% over the next decade:
 - Allendale, Bamberg, Clarendon, Dillon, Fairfield, Lee, and Marion
- Population growth in the coastal counties is expected to vary over the next decade
- Horry is projected to have the highest gain again this decade, followed by York, Spartanburg, and Greenville
- Orangeburg, Darlington, Chesterfield, and Florence are projected to have the largest population decreases

South Carolina Projected Population, 2030

Five Largest: Greenville, Horry, Charleston, Richland, Spartanburg

Five Smallest: Allendale, McCormick, Bamberg, Calhoun, Lee

TOTAL POPULATION BY COUNTY, 2030



Source: US Census Bureau, Vintage 2021 Postcensal Estimates

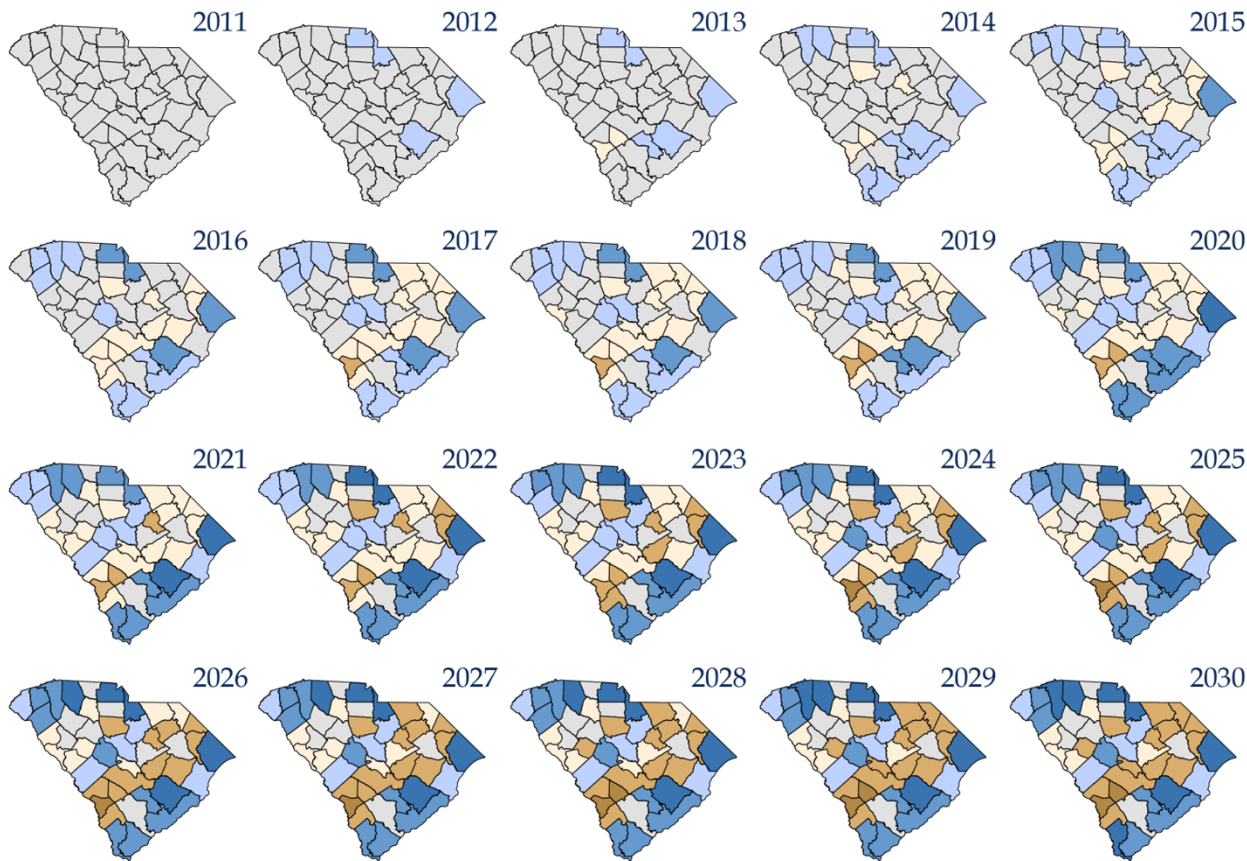
South Carolina Population Projections by County, 2030

Observations

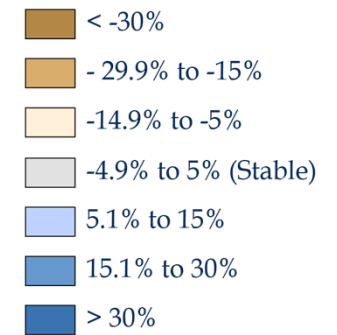
- Horry is expected to move up to the 2nd most populous county in 2030 and Richland is projected to drop to 4th
- 50% of the counties, are likely to make up 90% of the state's population
- Nine counties are projected to have a population of less than 20,000
- Eight counties are projected to have a population of greater than 250,000

SC Estimated Cumulative Population Change, 2010 – 2030

Total Population by County



Cumulative % Change



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; RFA
 Projections for 2021-2030

South Carolina Demographics

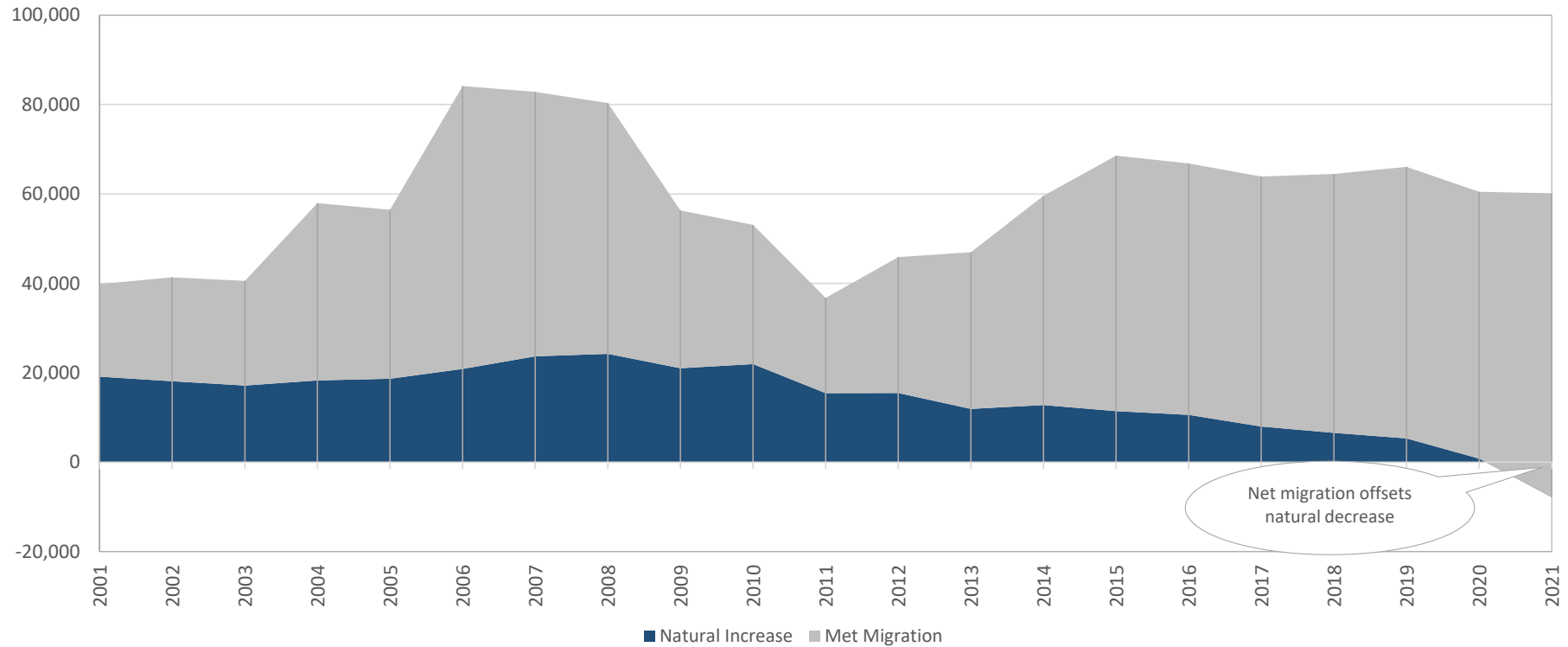
Components of Population Change

Natural v. Migration

Components of Population Change

Natural v. Migration; deaths exceeded births in 2021

SC POPULATION CHANGE BY COMPONENT



Source: US Census Bureau Population Estimates 321-RFA/08/29/2022

Natural Increase – the number of births minus the number of deaths

Net Migration – the number of people moving into the state minus the number moving out

South Carolina Components of Population Change

Natural Increase (births less deaths)

- Between 2000 and 2001
 - 19,139 more births than deaths in South Carolina, resulting in a natural increase in statewide population.
 - 41 counties had more births than deaths.
- Between 2020 and 2021
 - 7,807 more deaths than births in South Carolina, resulting in a natural decrease for the first time since this measure has been provided by the Census Bureau (1990)
 - Five counties had more births than deaths.

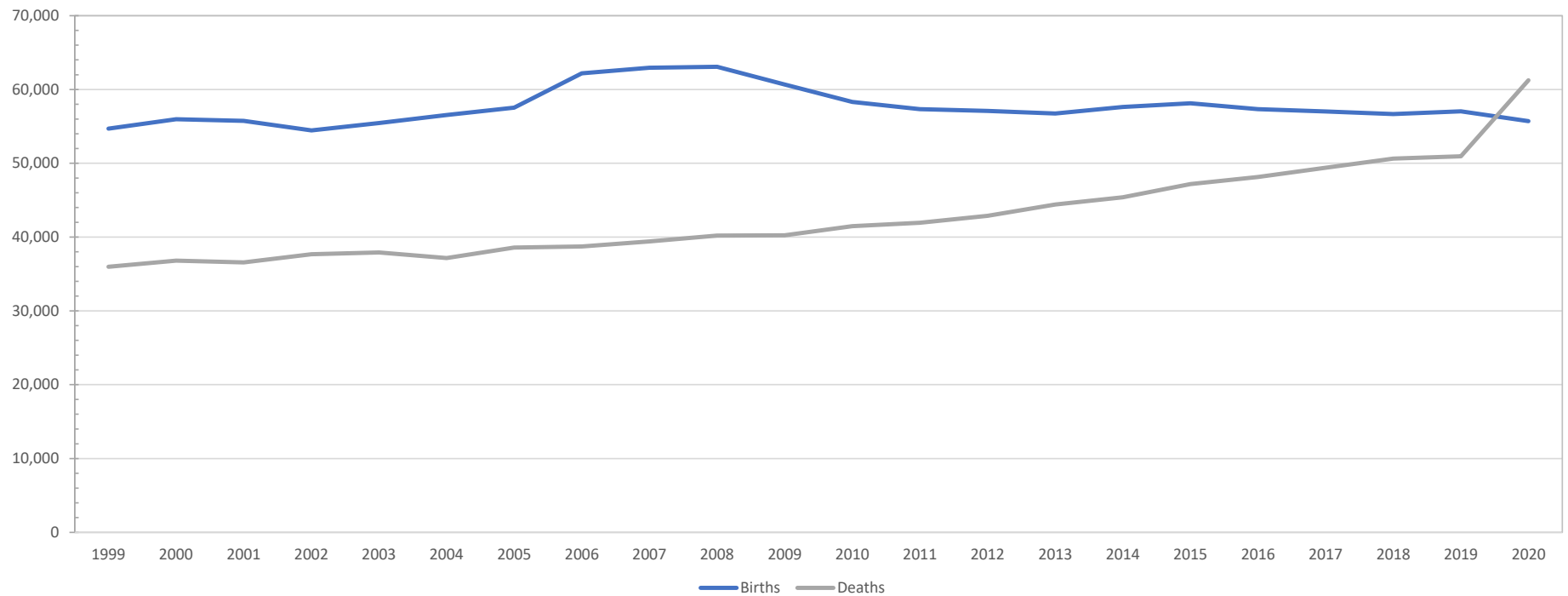
Natural Increase 2000-2001 - Source: Population Estimates Program, Vintage 2010 Evaluation Estimates. File Name: Annual Resident Population Estimates, Estimated Components of Resident Population Change, and Rates of the Components of Resident Population Change for States and Counties: April 1, 2000 to July 1, 2010 (CO-EST2010-ALLDATA)

Natural Increase 2020-2021 - Source: Population Estimates Program, Vintage 2021 Postcensal Estimates. File Name: Annual and Cumulative Estimates of the Components of Resident Population Change for Counties in the United States: April 1, 2020 to July 1, 2021 (CO-EST2021-COMP)

South Carolina Births and Deaths, 1999 - 2020

The number of deaths have increased each year since 2010 while the number of births remained fairly constant; deaths exceeded births in 2020.

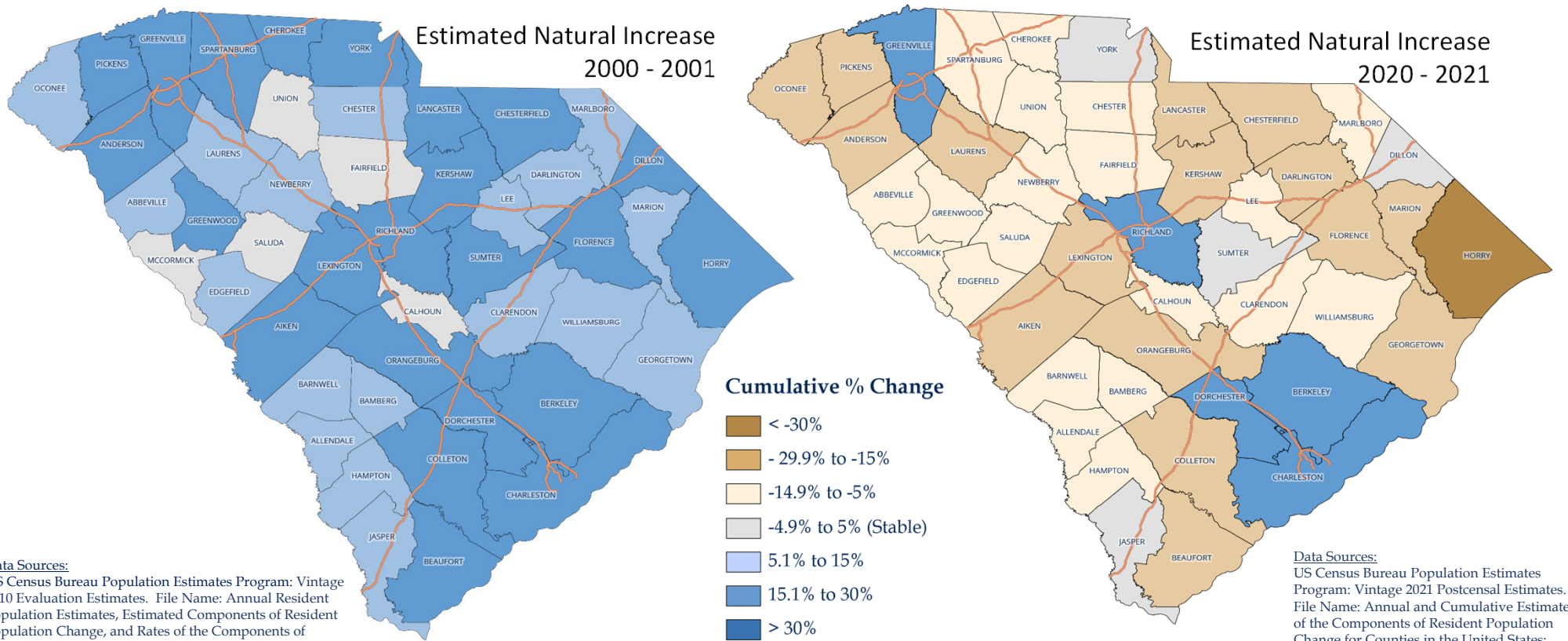
SC BIRTHS AND DEATHS



SC Department of Health and Environmental Control Vital Records Data, SCAN

South Carolina Components of Population Change – Natural Increase

Dramatic shift in the number of counties experiencing a natural increase from 2001 to 2021



Data Sources:
 US Census Bureau Population Estimates Program: Vintage 2010 Evaluation Estimates. File Name: Annual Resident Population Estimates, Estimated Components of Resident Population Change, and Rates of the Components of Resident Population Change for States and Counties: April 1, 2000 to July 1, 2010 (CO-EST2010-ALLDATA)

Data Sources:
 US Census Bureau Population Estimates Program: Vintage 2021 Postcensal Estimates. File Name: Annual and Cumulative Estimates of the Components of Resident Population Change for Counties in the United States: April 1, 2020 to July 1, 2021 (CO-EST2021-COMP)

South Carolina Components of Population Change – Net Migration

More than three times the number of people moved into the state between 2020 and 2021 than between 2000 and 2001

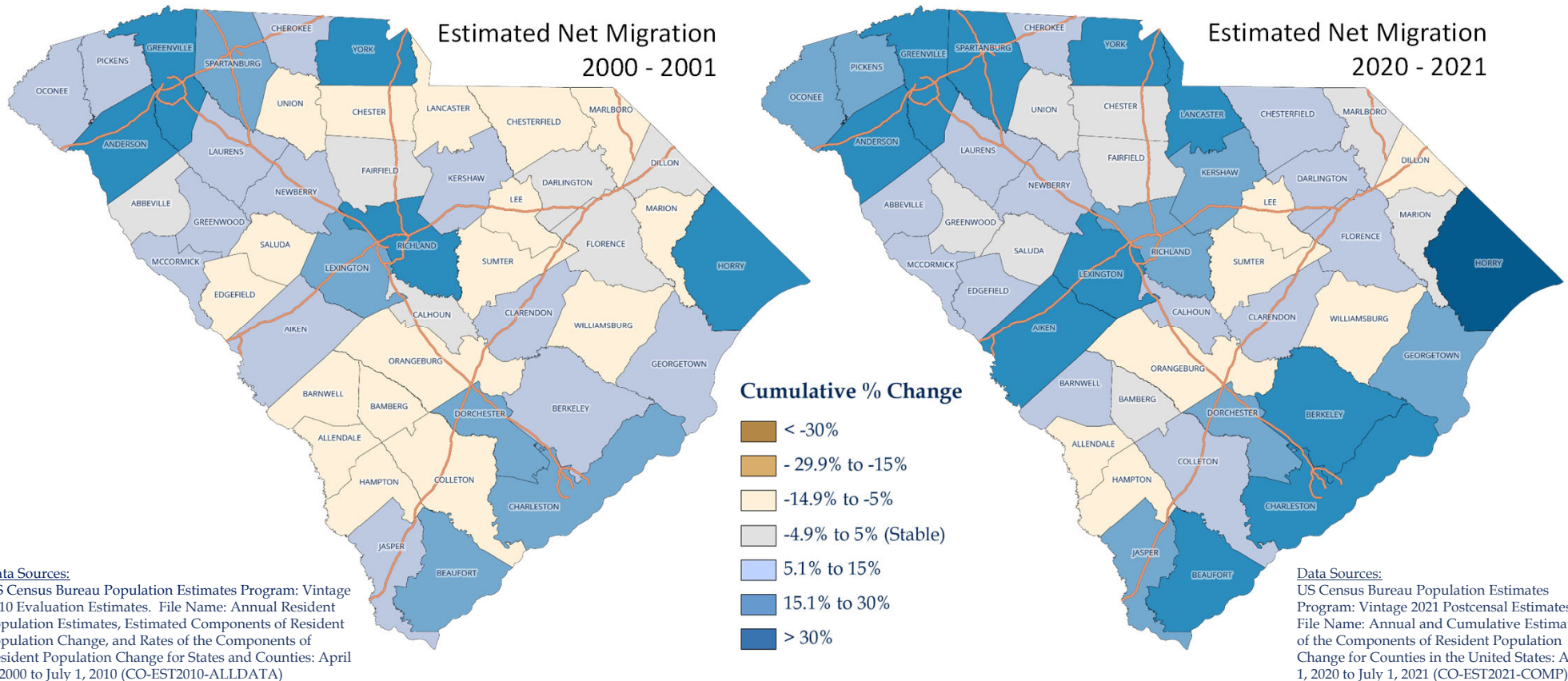
- Between 2000 and 2001
 - 20,696 more people migrated into the state than those who moved out of the state.
- Between 2020 and 2021
 - 67,971 more people migrated into the state than those who moved out of the state.

Net Migration 2000-2001 - Source: Population Estimates Program, Vintage 2010 Evaluation Estimates. File Name: Annual Resident Population Estimates, Estimated Components of Resident Population Change, and Rates of the Components of Resident Population Change for States and Counties: April 1, 2000 to July 1, 2010 (CO-EST2010-ALLDATA)

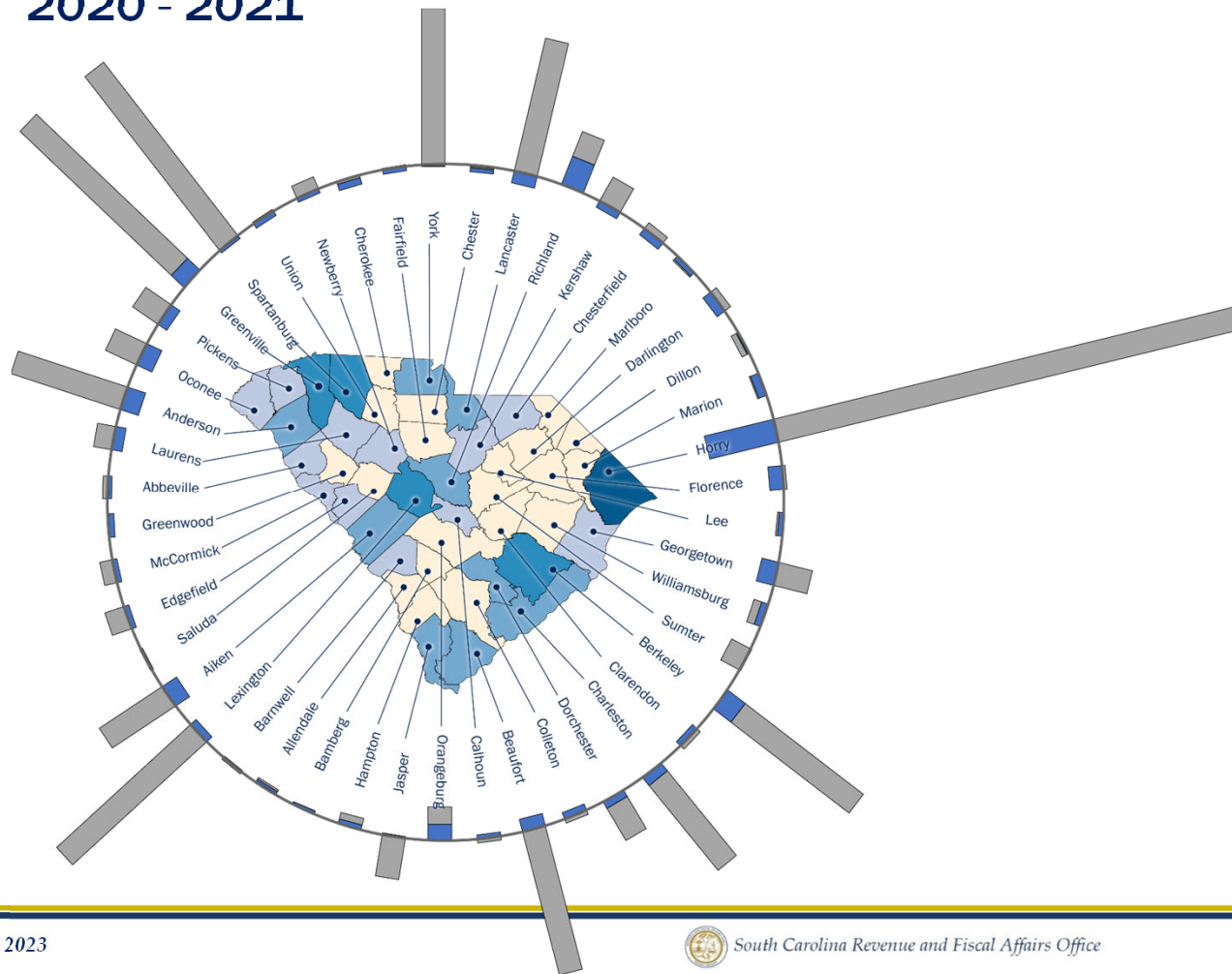
Net Migration 2020-2021 - Source: Population Estimates Program, Vintage 2021 Postcensal Estimates. File Name: Annual and Cumulative Estimates of the Components of Resident Population Change for Counties in the United States: April 1, 2020 to July 1, 2021 (CO-EST2021-COMP)

South Carolina Components of Population Change - Net Migration

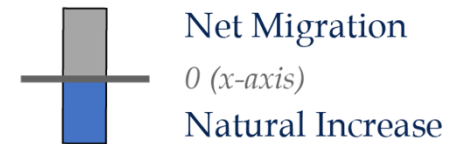
Only seven counties experienced a loss of more than 50 people due to migration from 2020 to 2021 compared to seventeen from 2000 to 2001



South Carolina's Components of Population Change by County 2020 - 2021



Ring Key



Note: Net Migration and Natural Increase values can be negative and positive.

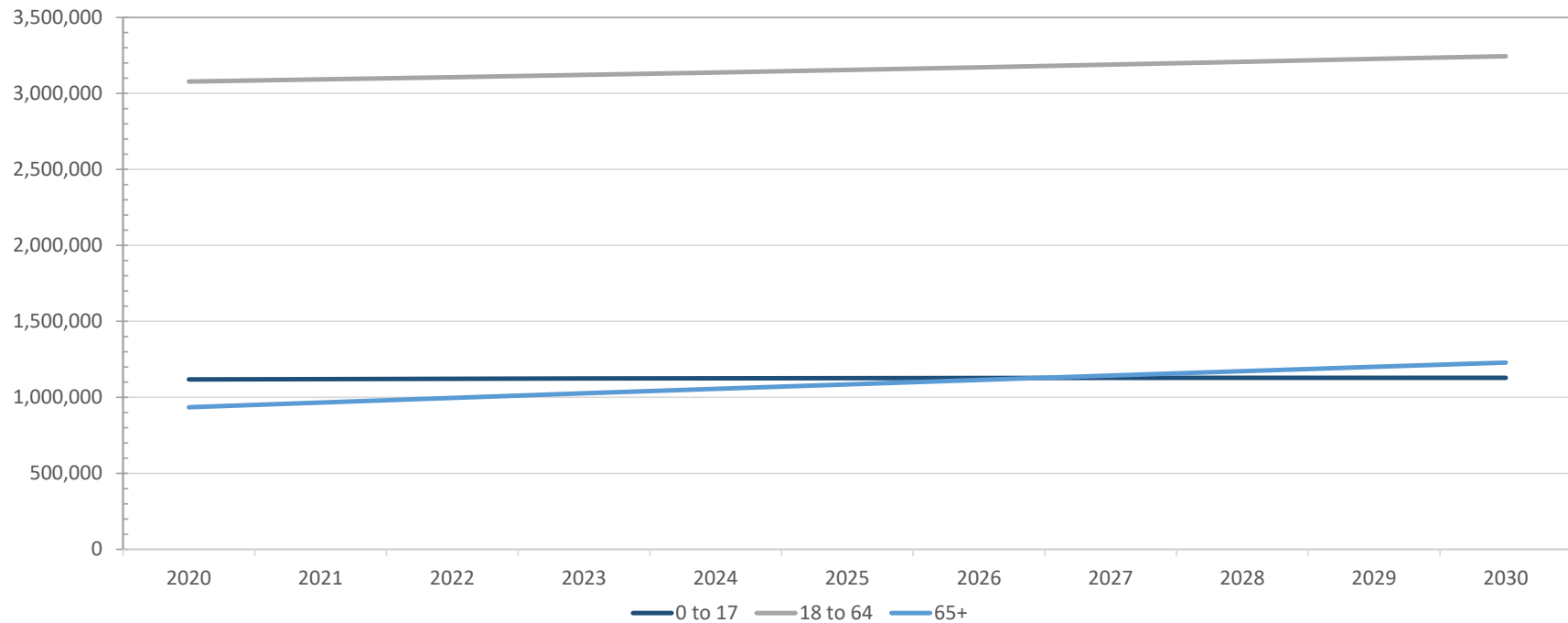
Data Sources:
US Census Bureau Population Estimates
Program: Vintage 2021 Postcensal Estimates.
File Name: Annual and Cumulative Estimates
of the Components of Resident Population
Change for Counties in the United States:
April 1, 2020 to July 1, 2021 (CO-EST2021-
COMP)

South Carolina Population Trends by Age Group

SC Population Projections by Age Group

Population in the 65+ age range is projected to surpass the 0–17 age range by 2027

SC POPULATION BY AGE RANGE
Estimates and Projections

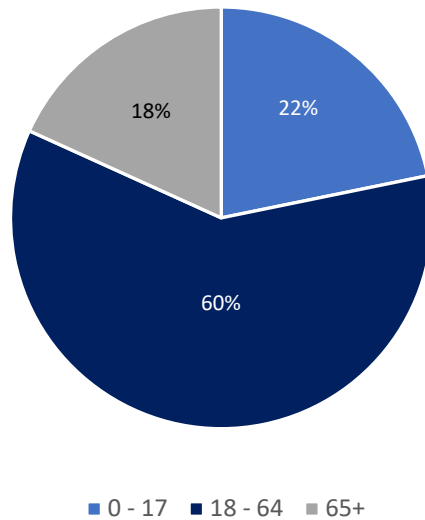


Source: U.S. Census Bureau, population estimates 2020, 2021; S.C. Revenue and Fiscal Affairs Office projections -319/lhj/08/29/2022

SC Projected Population Change, 2020 - 2030

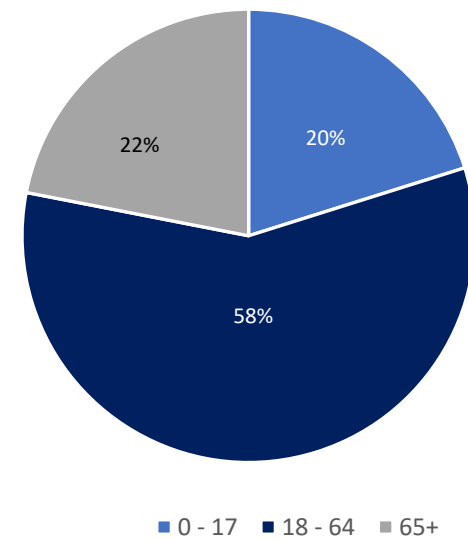
The growth in the 65+ age group makes up over 60% of the total population growth

SC PERCENT OF ESTIMATED POPULATION
BY AGE GROUP, 2020



AGE GROUP	SC POPULATION CHANGE	
	2020 - 2030	PCT
Total	471,013	
0 - 17	10,370	2%
18 - 64	167,328	36%
65+	293,315	62%

SC PERCENT OF PROJECTED POPULATION
BY AGE GROUP, 2030



Who Said...

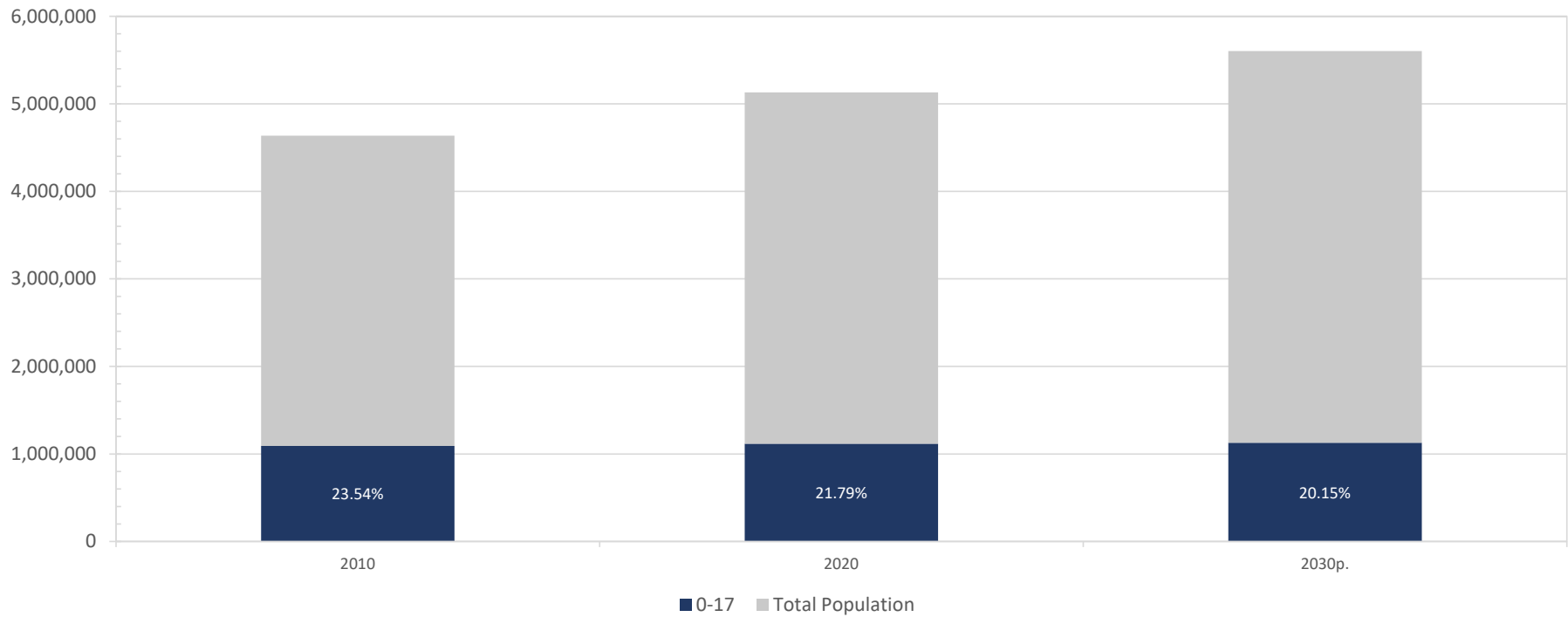
“The children now love luxury. They have bad manners, contempt for authority; they show disrespect for elders and love chatter in place of exercise.”



SC Age 0 - 17 Population

Projected to decline to 20% of total population by 2030

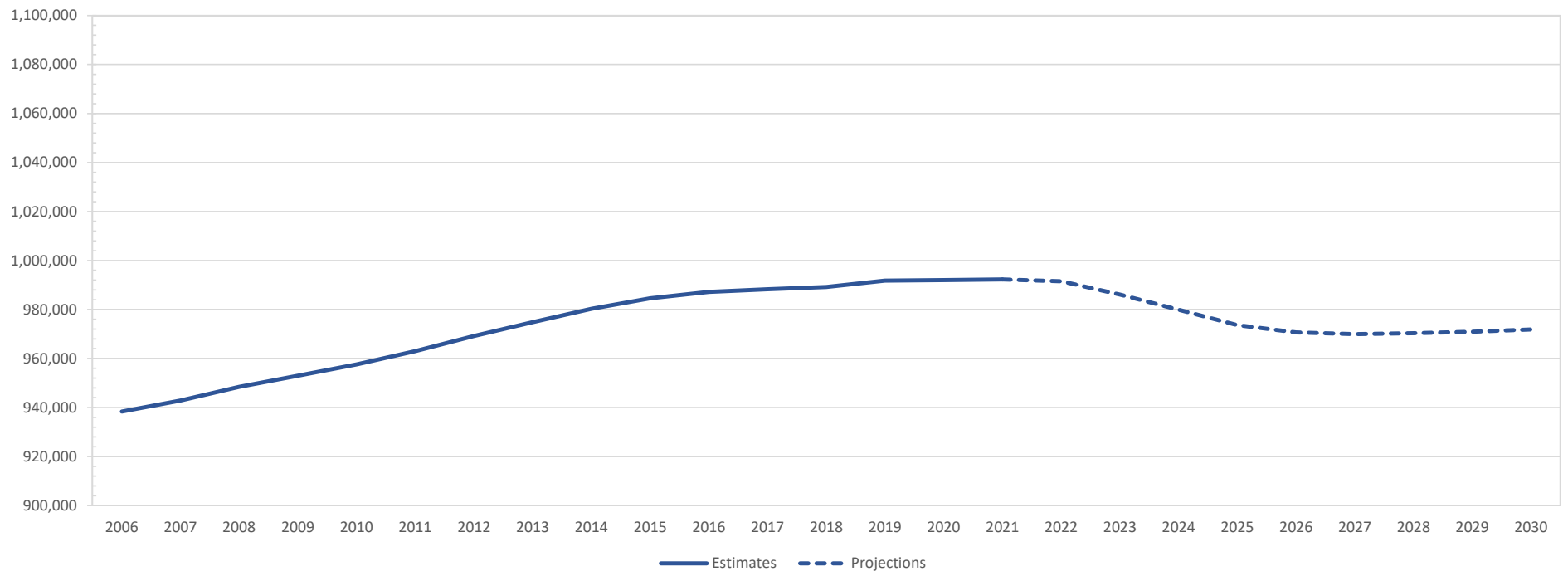
0 – 17 POPULATION AS A PERCENT OF TOTAL POPULATION



South Carolina 0 - 17 Age Group Based on Births

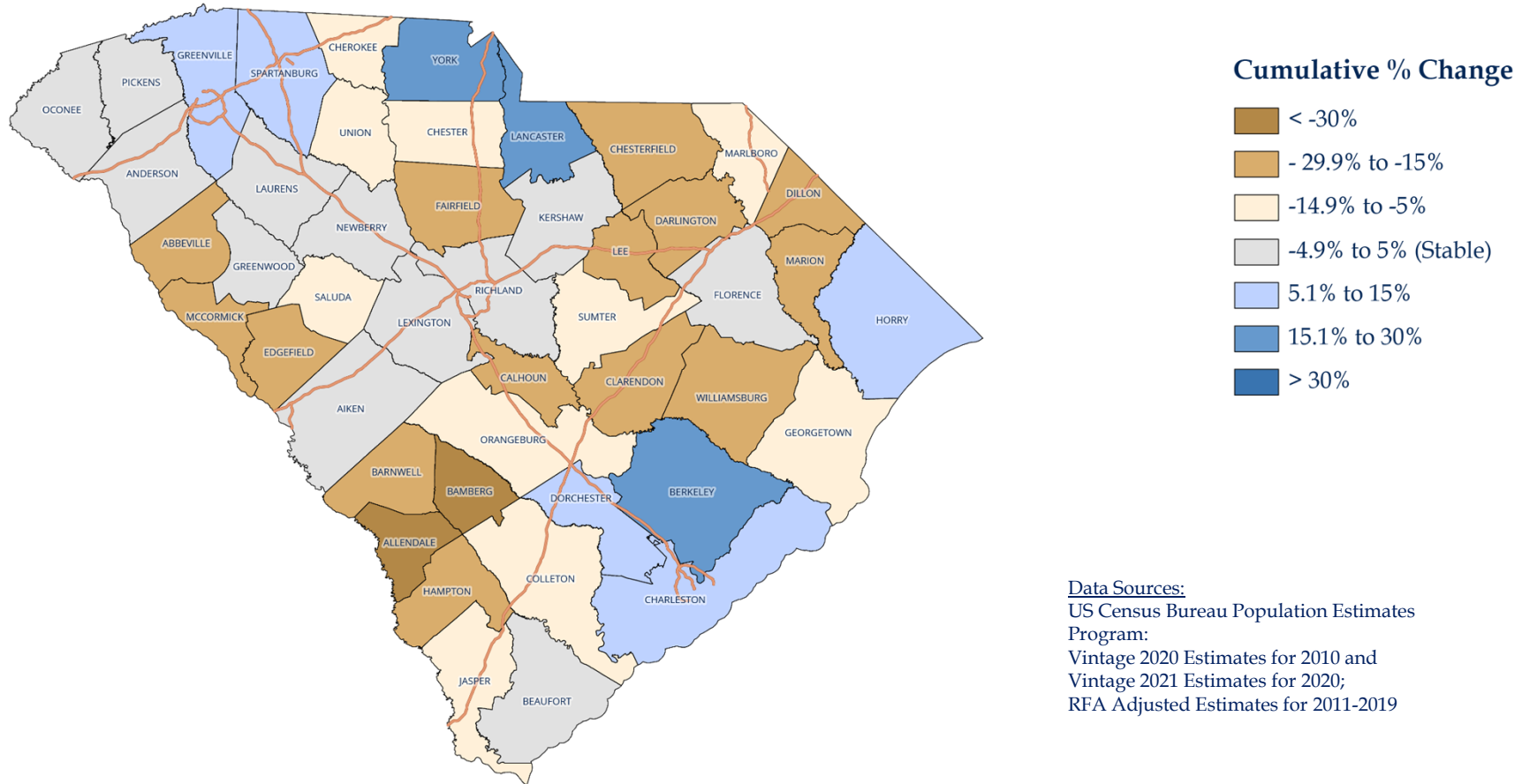
Absent migration, the declining number of births will result in a smaller 0 - 17 population over time.

ROLLING 17 YEAR TOTAL OF BIRTHS



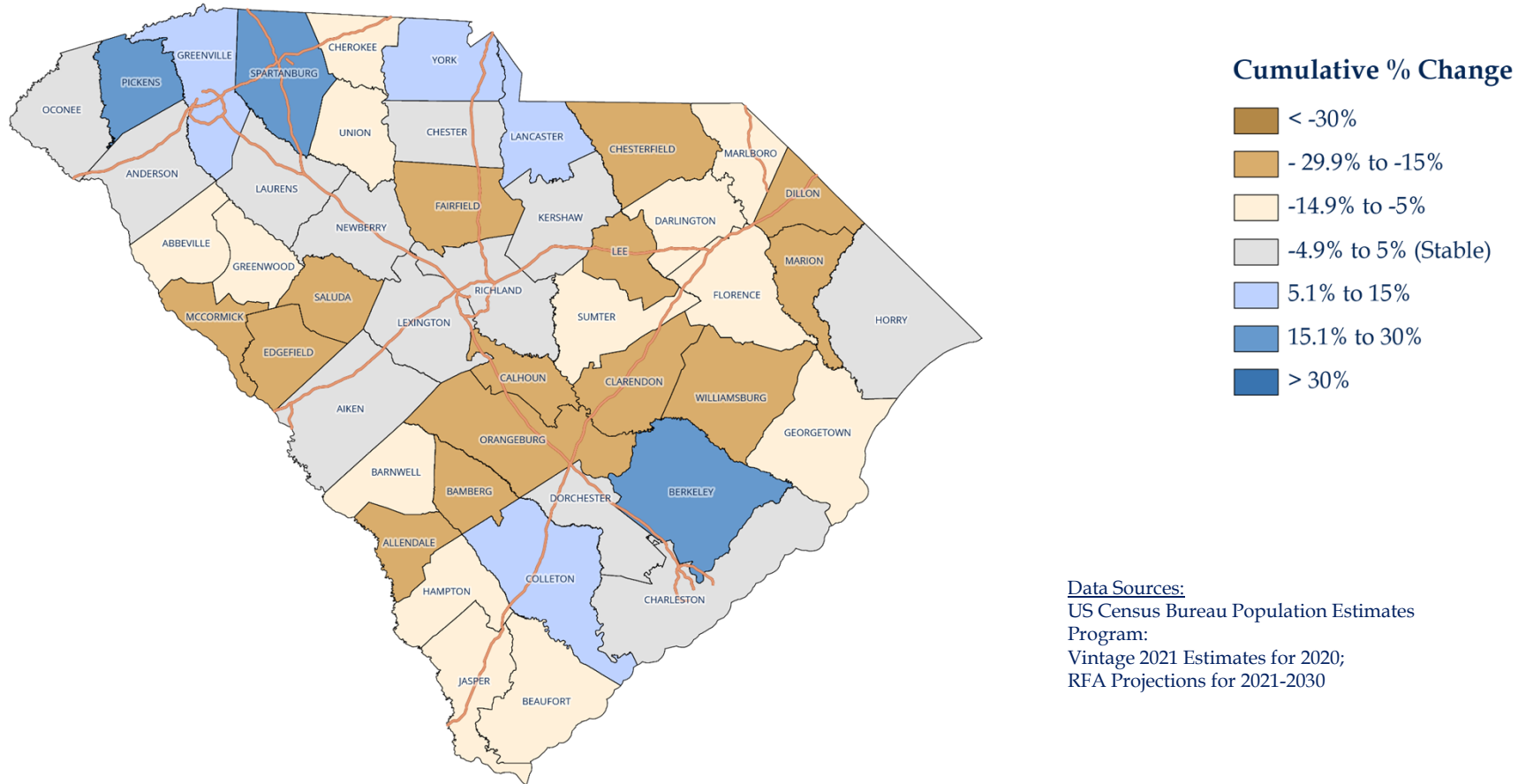
South Carolina Age 0 – 17 Population Change, 2010 - 2020

Only eight counties increased in this age group



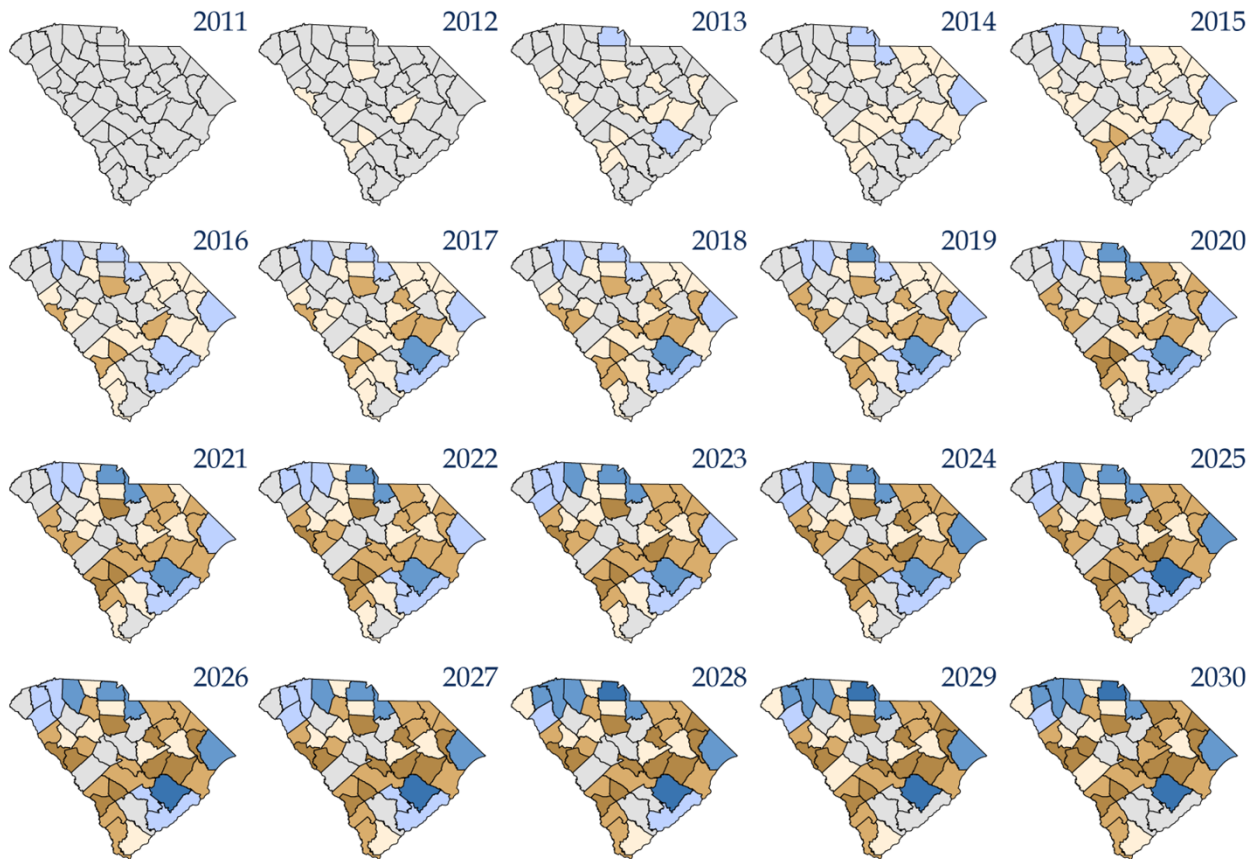
South Carolina Projected Age 0 – 17 Population, 2020 - 2030

Seven counties are projected to increase in this age group

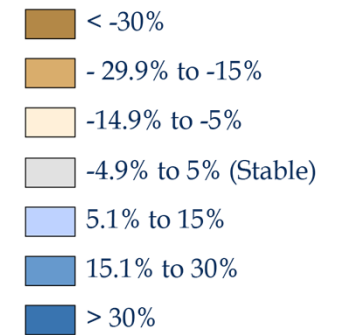


SC Estimated Cumulative Population Change, 2010 – 2030

0 – 17 by County



Cumulative % Change

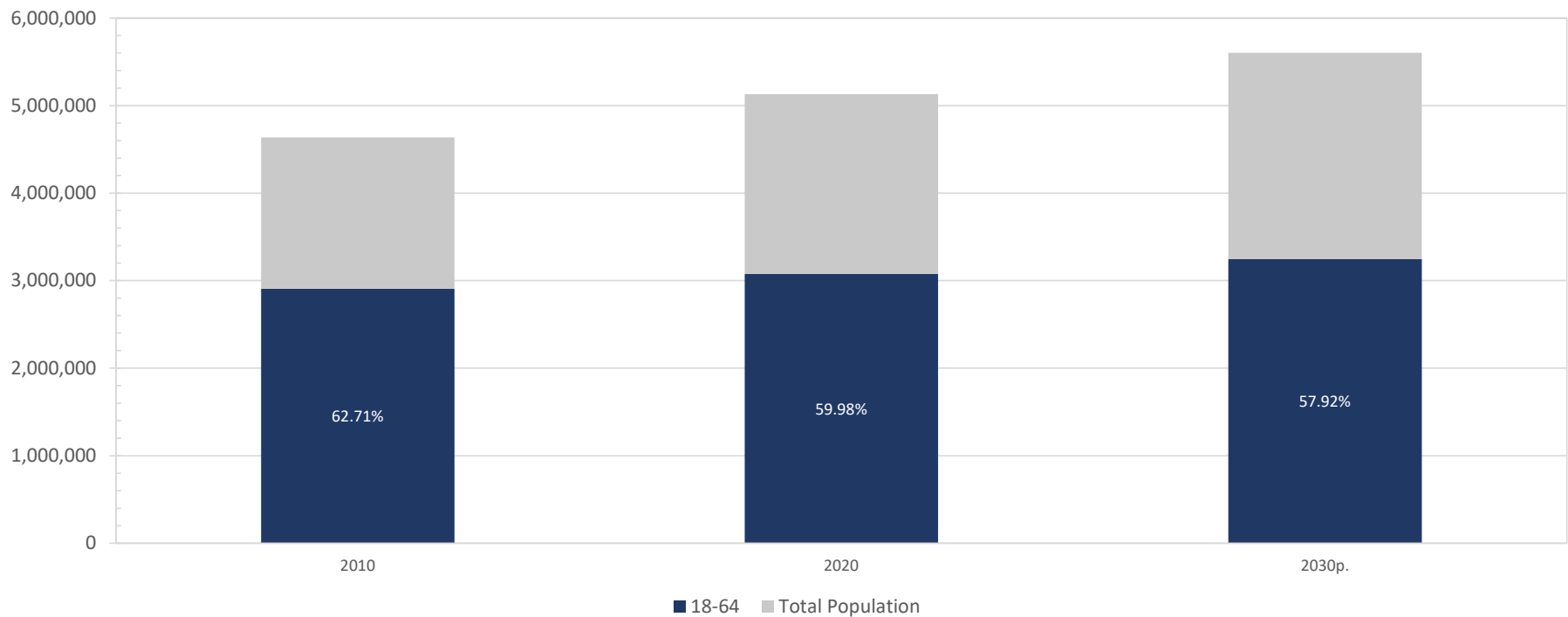


Data Sources:
 US Census Bureau Population Estimates Program:
 Vintage 2020 Estimates for 2010 and
 Vintage 2021 Estimates for 2020;
 RFA Adjusted Estimates for 2011-2019; RFA
 Projections for 2021-2030

SC Projected Age 18 - 64 Population

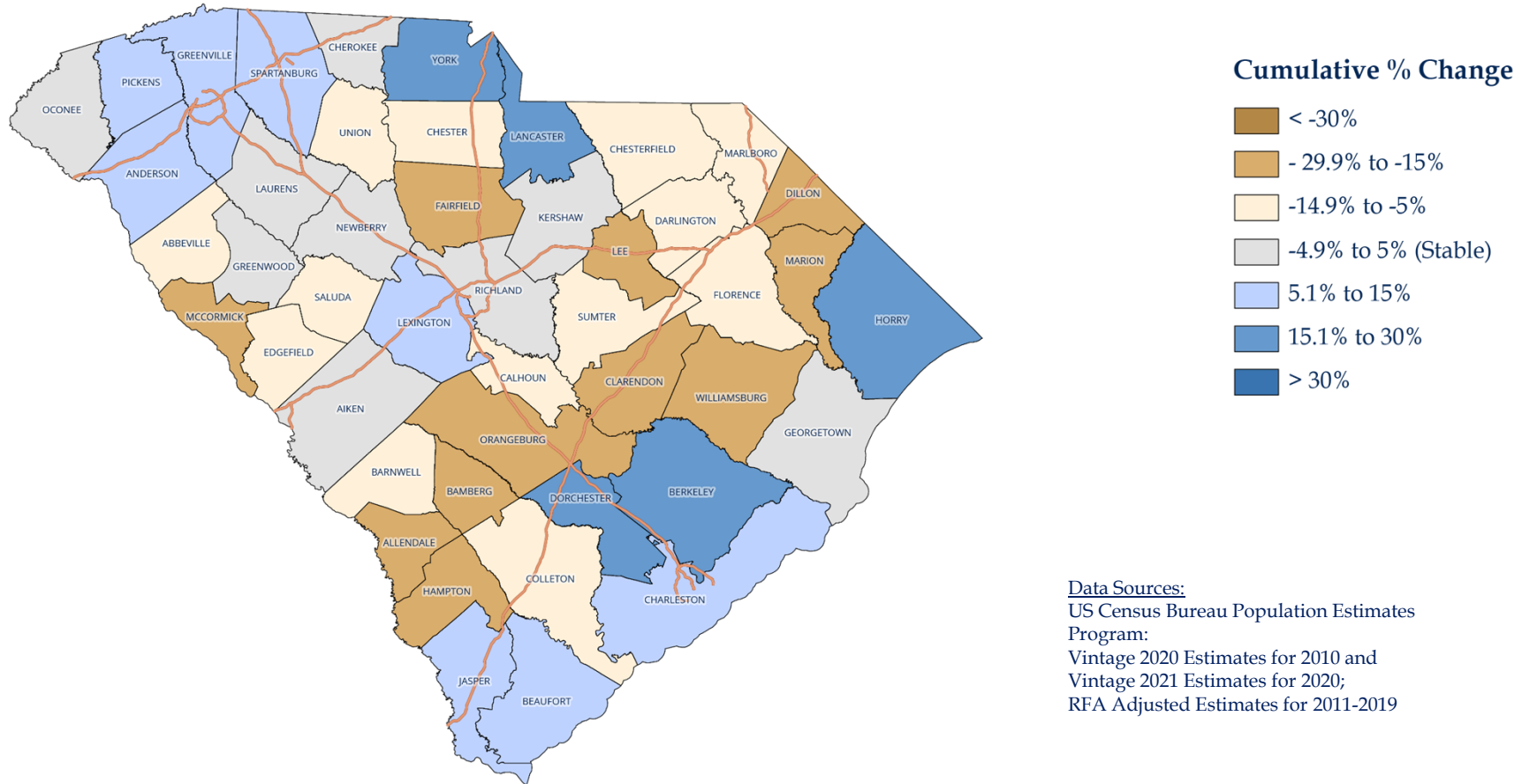
Workforce age population will represent less than 60% of the state's total population in 2030

18 - 64 AS A PERCENT OF TOTAL POPULATION



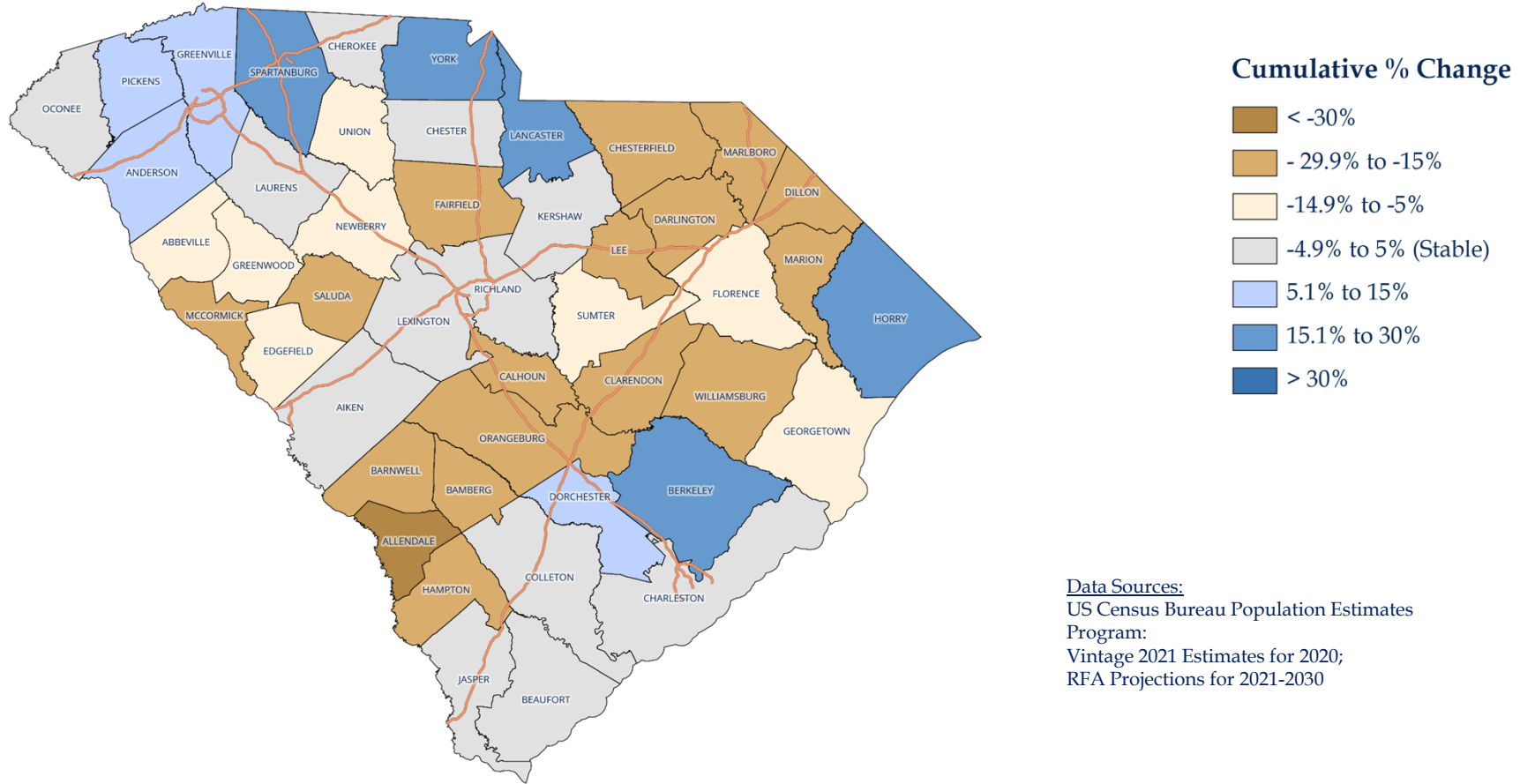
SC Estimated Workforce Age (18 – 64) Population, 2010 – 2020

Thirteen counties increased in this age group



SC Estimated Workforce Age (18 – 64) Population, 2020 – 2030

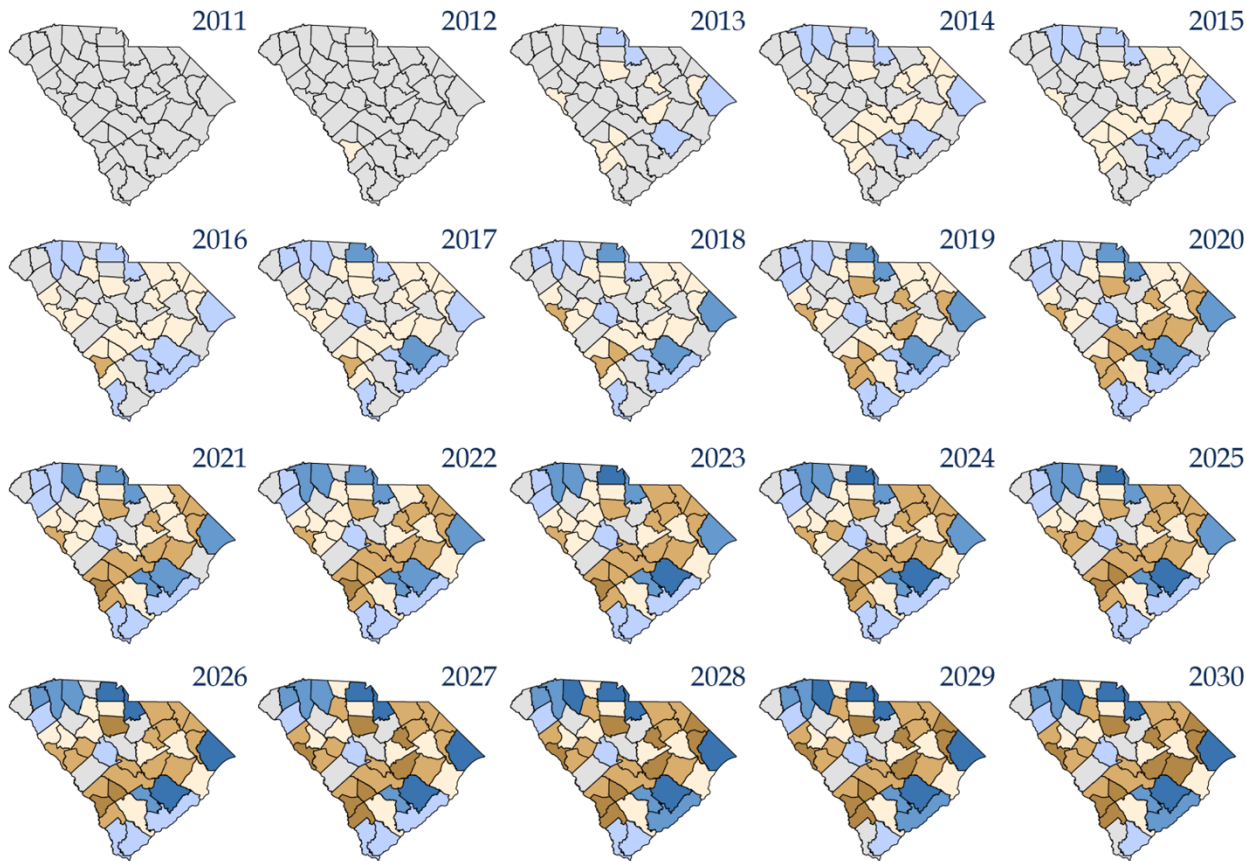
Nine counties increased in this age group



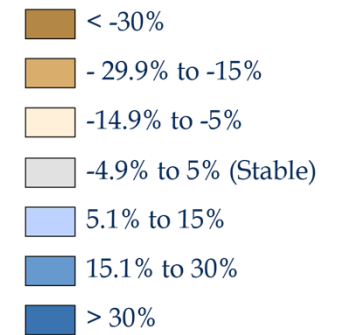
Data Sources:
 US Census Bureau Population Estimates
 Program:
 Vintage 2021 Estimates for 2020;
 RFA Projections for 2021-2030

SC Estimated Cumulative Population Change, 2010 – 2030

18 – 64 by County



Cumulative % Change

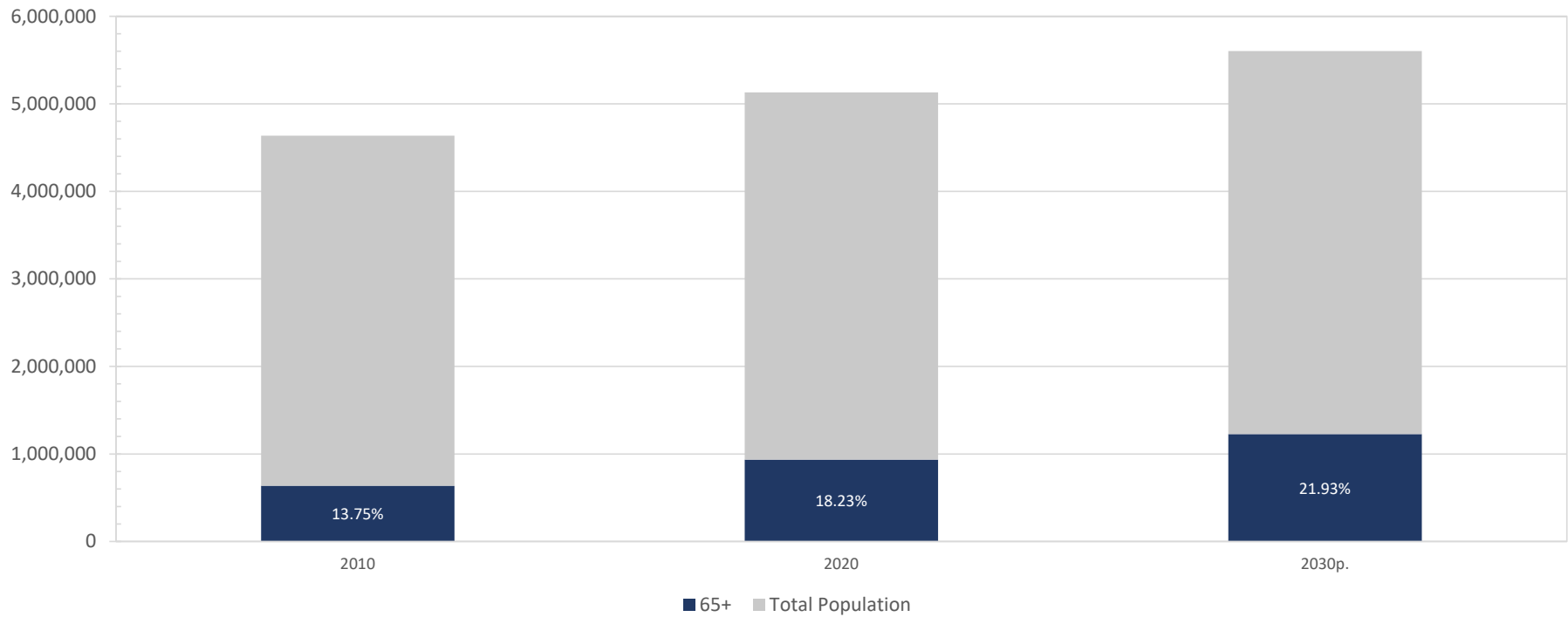


Data Sources:
 US Census Bureau Population Estimates Program:
 Vintage 2020 Estimates for 2010 and
 Vintage 2021 Estimates for 2020;
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SC Projected Age 65+ Population

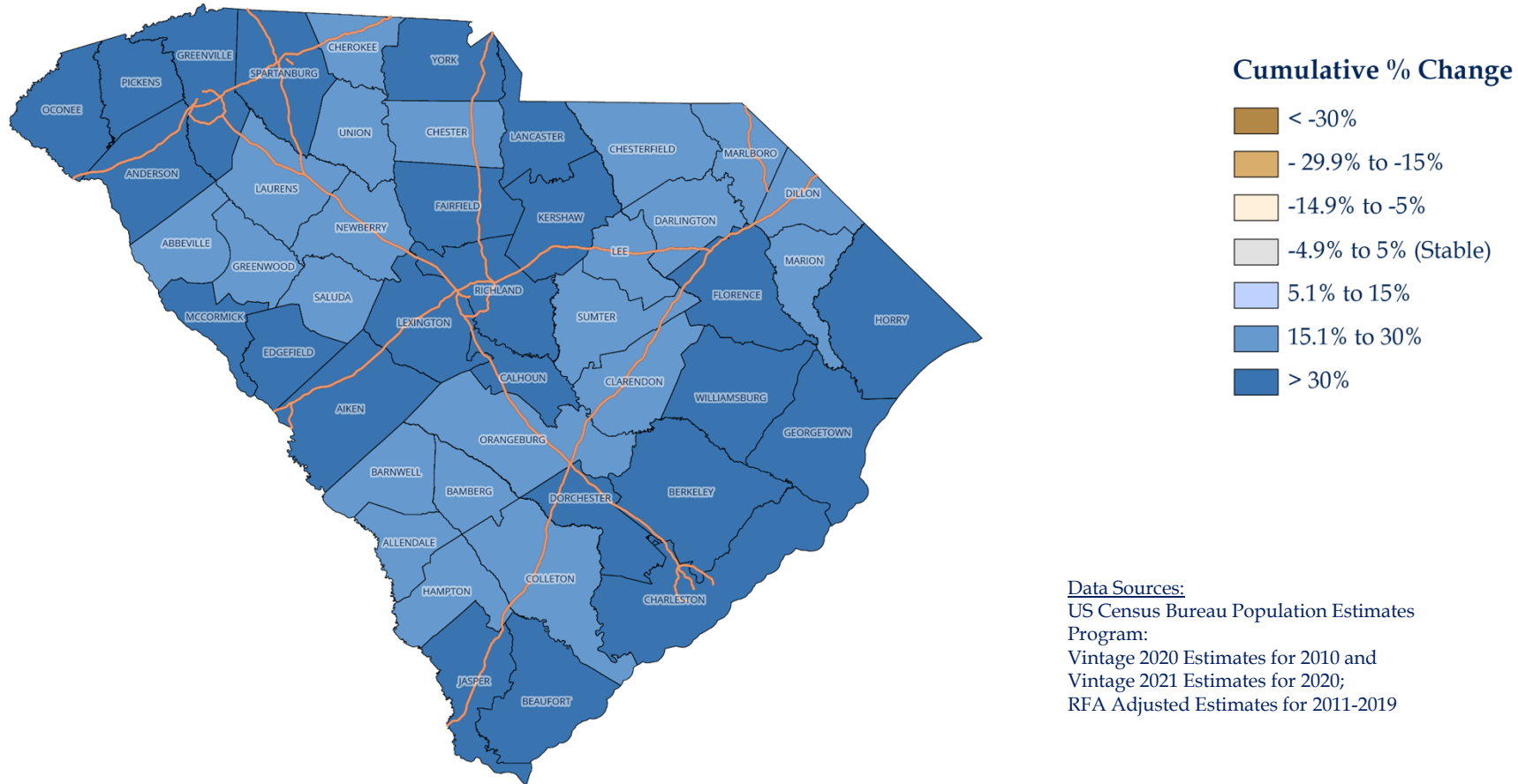
Projected to increase to approximately 22% of total population by 2030

65+ AS A PERCENT OF TOTAL POPULATION



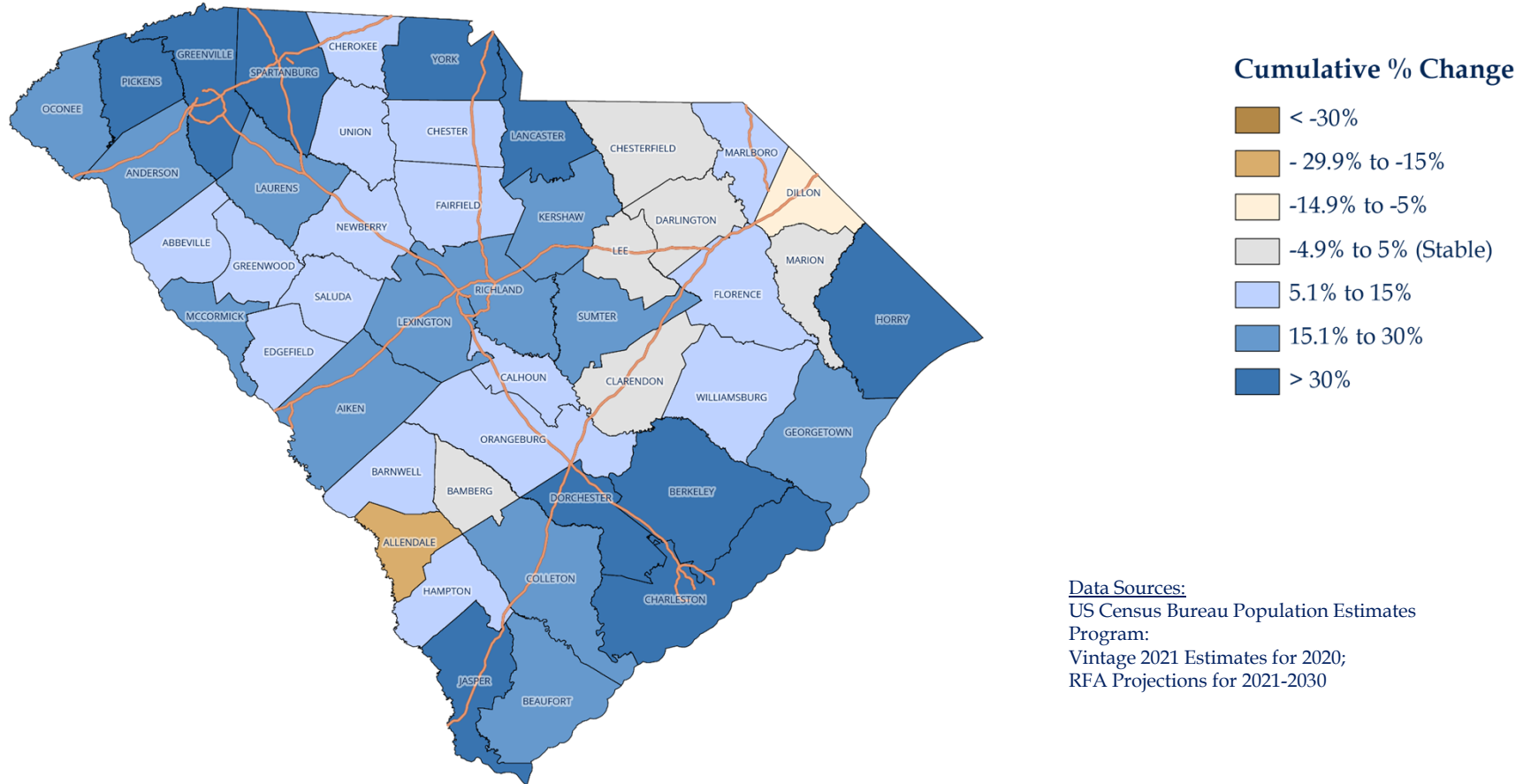
SC Estimated Retirement Age (65+) Population, 2010 - 2020

All counties experienced an increase in this age group



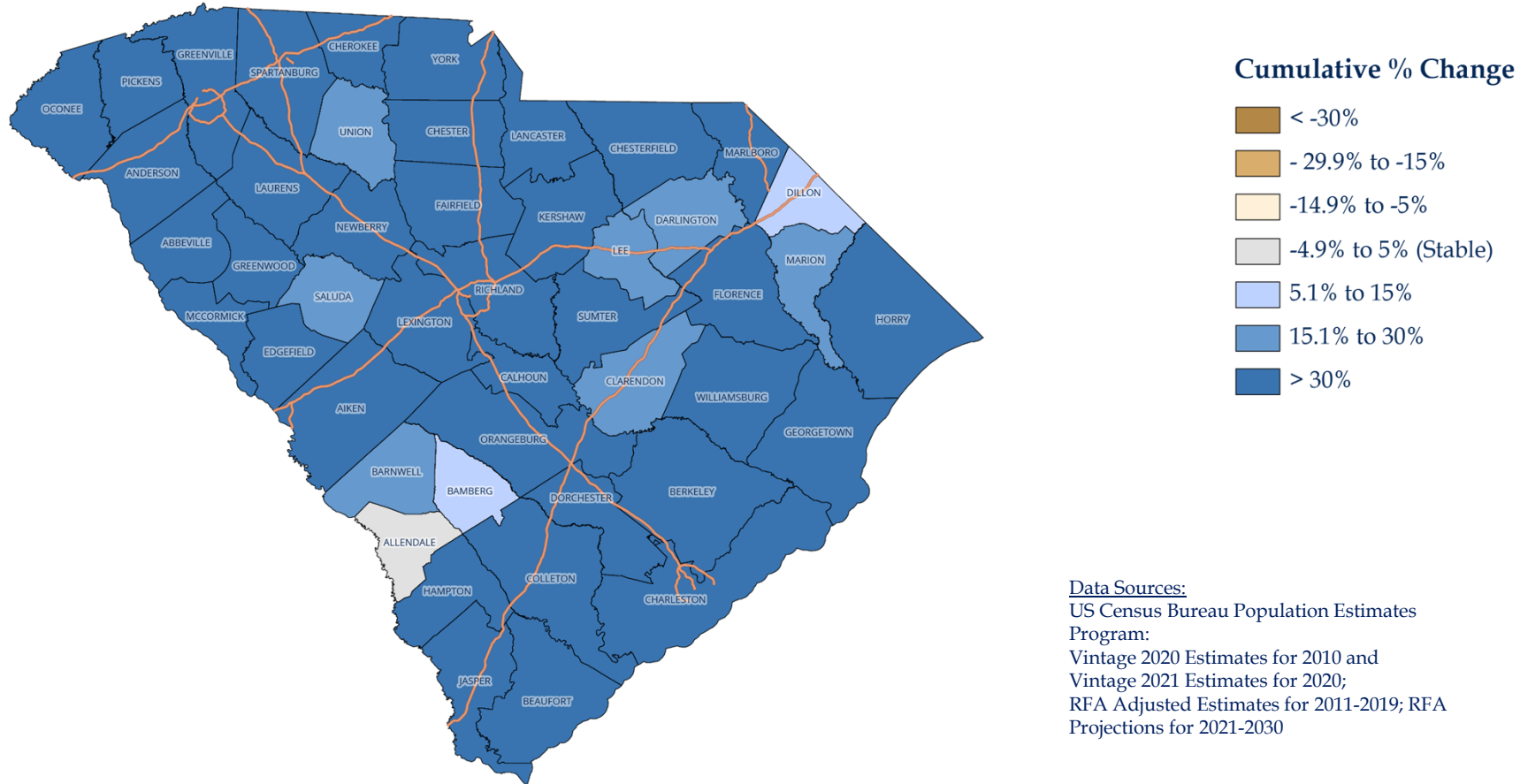
SC Estimated Retirement Age (65+) Population, 2020 - 2030

Thirty-eight counties experienced an increase in this age group

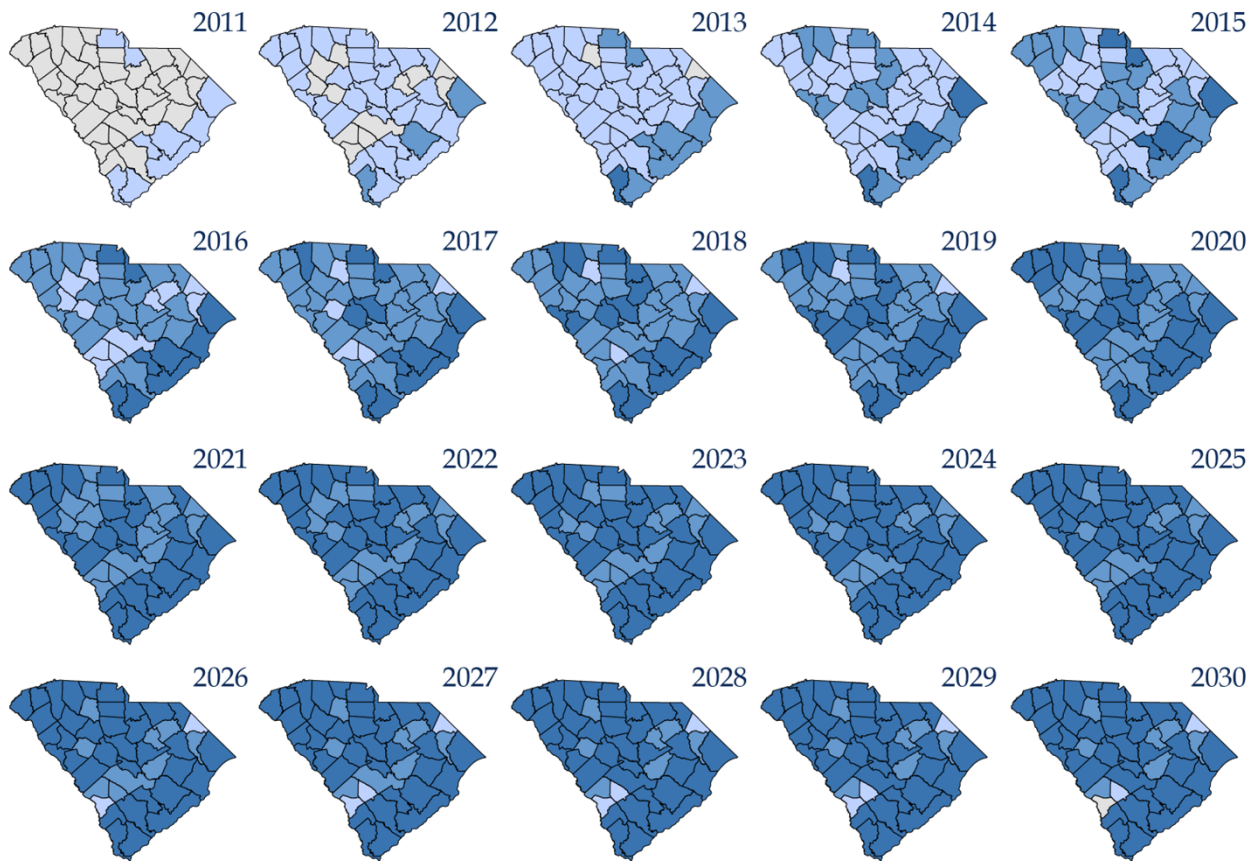


SC Estimated Retirement Age (65+) Population, 2010 - 2030

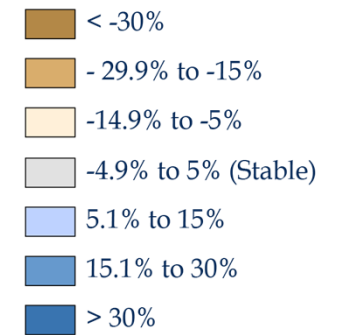
Forty-five counties experienced an increase in this age group



SC Estimated Cumulative Population Change, 2010 – 2030 65+ by County



Cumulative % Change



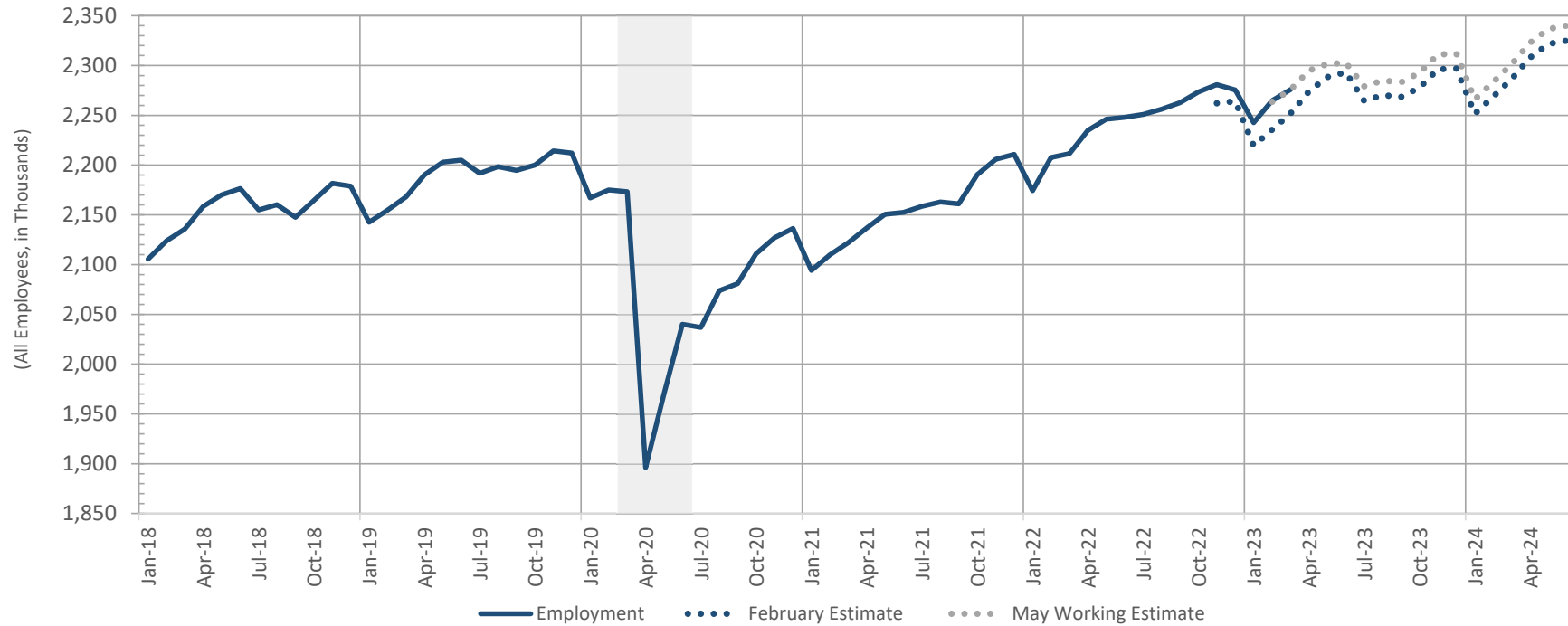
Data Sources:
 US Census Bureau Population Estimates Program;
 Vintage 2020 Estimates for 2010 and
 Vintage 2021 Estimates for 2020;
 RFA Adjusted Estimates for 2011-2019; RFA
 Projections for 2021-2030

Workforce Trends and Challenges

SC Employment

Employment has exceeded pre-pandemic levels

TOTAL NONFARM EMPLOYMENT IN SOUTH CAROLINA

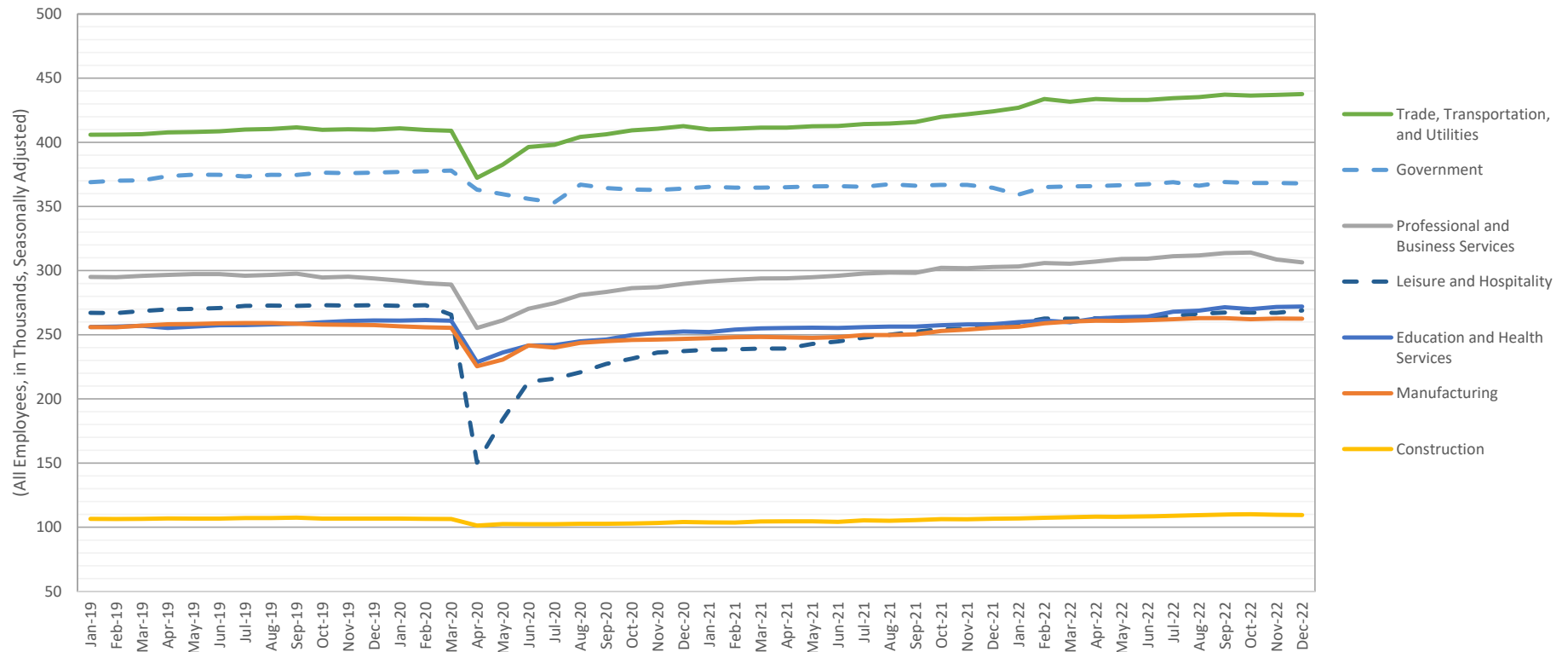


Source: U.S. Department of Labor, Bureau of Labor Statistics 60-RFA/lhj/5/3/23

SC Employment by Industry

Not all sectors have recovered to pre-pandemic employment levels;
Government is below pre-pandemic levels

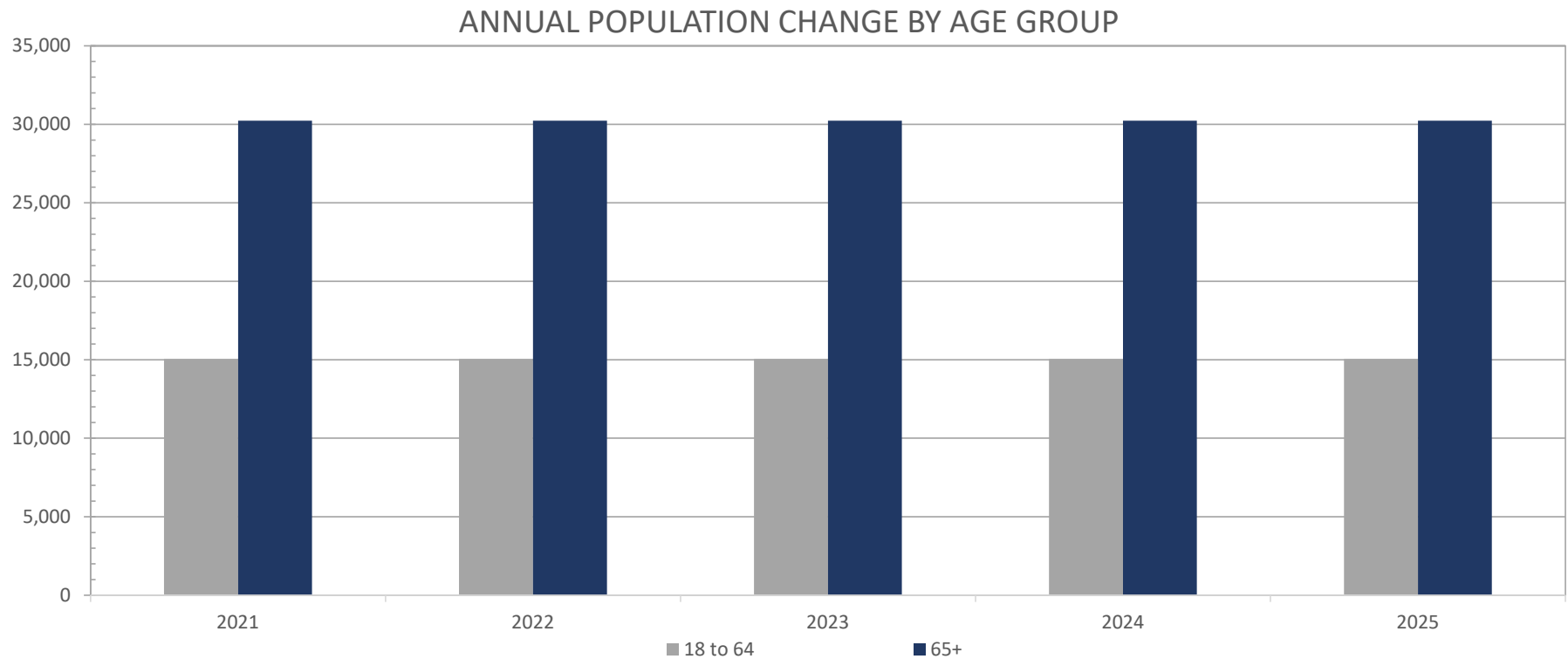
SOUTH CAROLINA EMPLOYMENT BY INDUSTRY SECTOR



Source: U.S. Bureau of Labor Statistics 325-RFA/lhj/4/4/2023

SC Projected Population Change by Age Group, 2021 - 2025

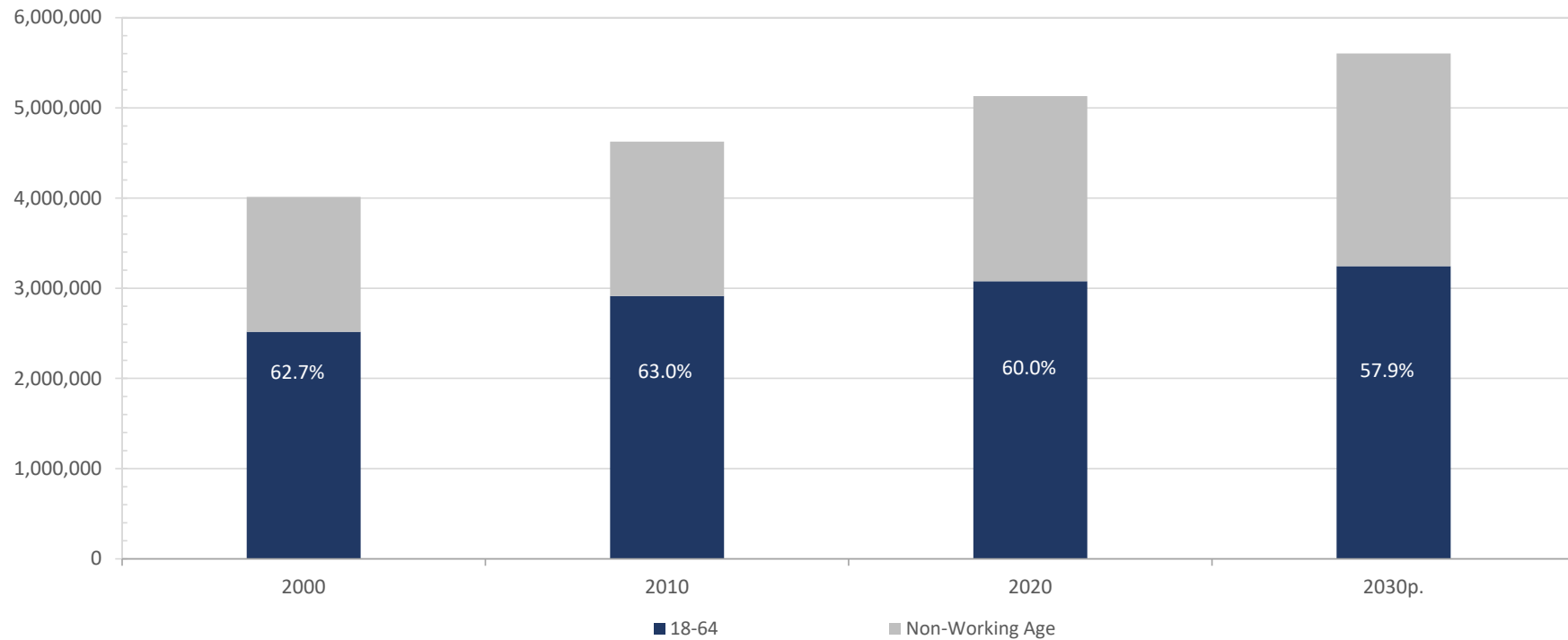
The growth in the retiree age group is approximately twice that of the workforce age group



SC Workforce Population, Age 18 - 64

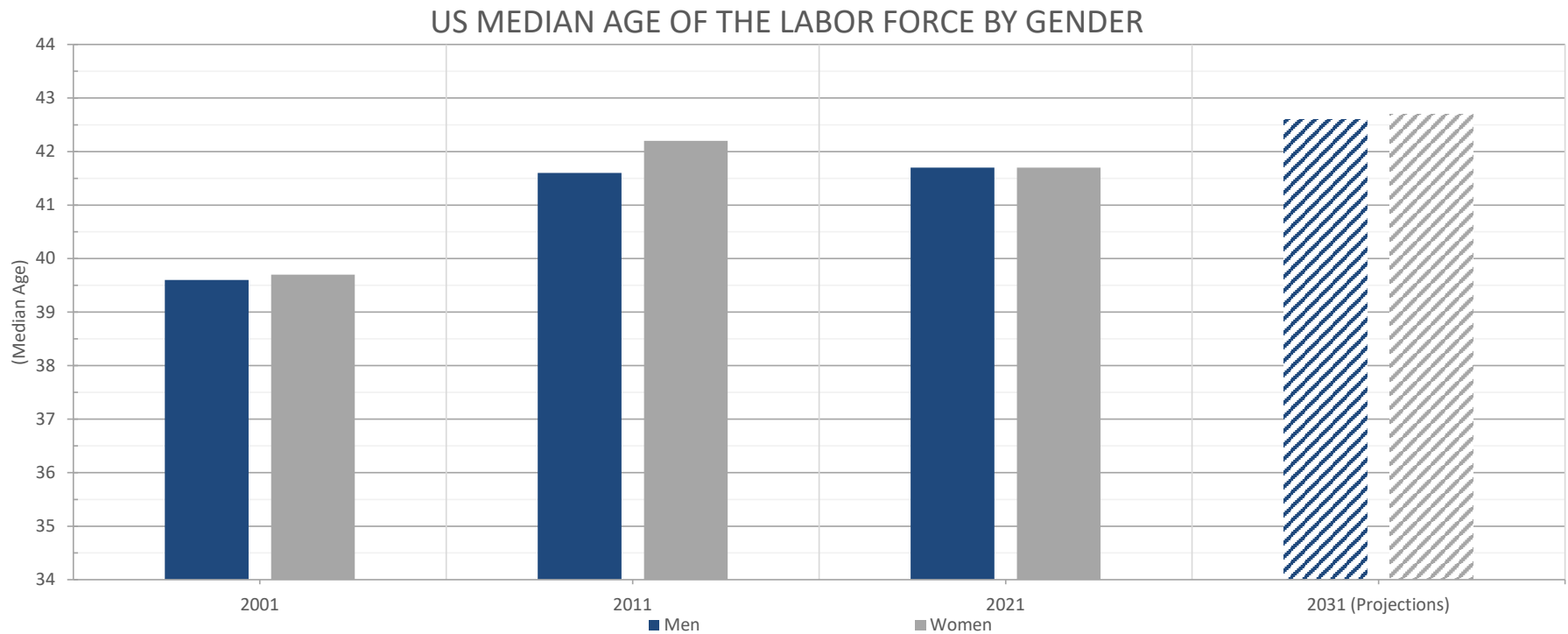
The workforce age population is expected to comprise a smaller percentage of the total SC population; employers may be faced with more demand for goods and services but a relative smaller pool of workers

WORKING AGE VS TOTAL POPULATION



US Median Age of the Labor Force

The median age remained almost the same for men but fell for women from 2011 to 2021; both are projected to increase by one year to 42.6 and 42.7, respectively, by 2031



Data Source: U.S. Bureau of Labor Statistics, Employment Projections Program as of 9/8/2022 326A-RFA/lpw/10/25/22

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

US UNEMPLOYED PERSONS PER JOB OPENING

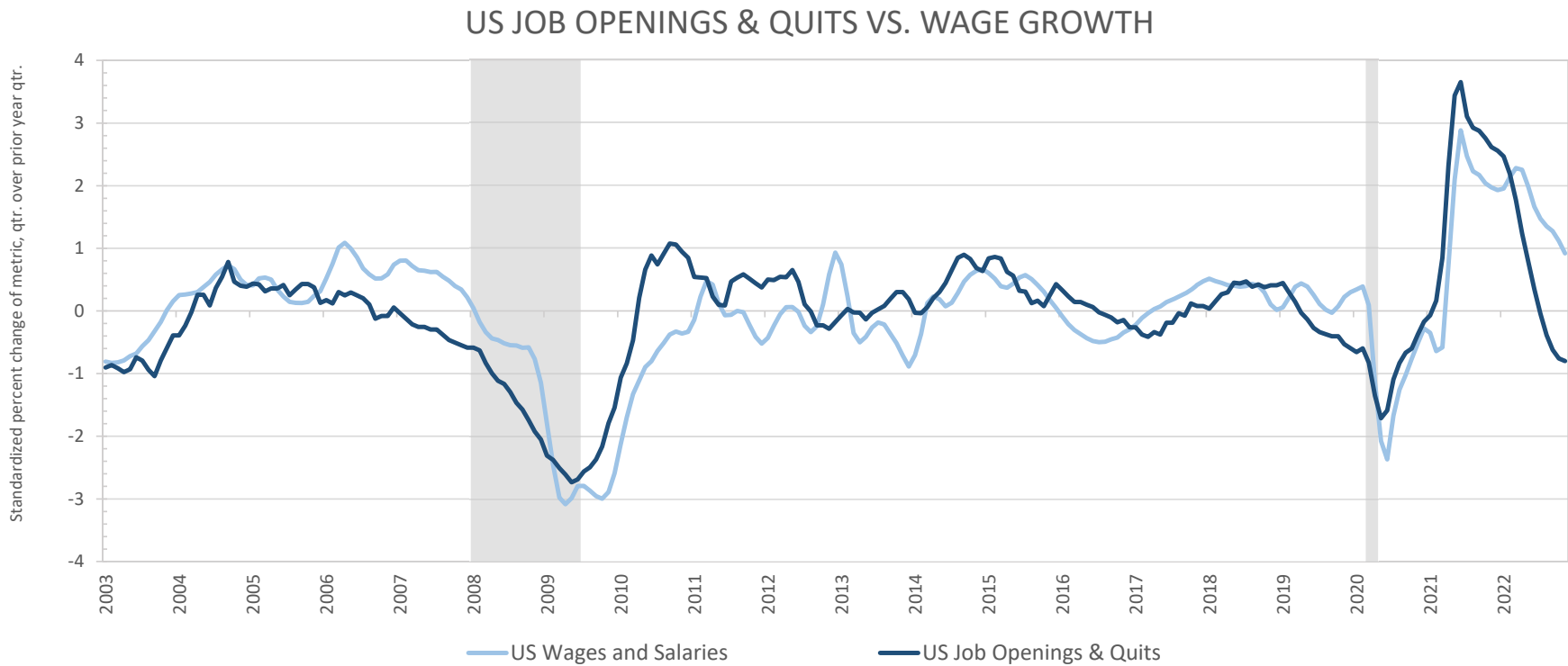


Source: U.S. Bureau of Labor Statistics, CPS and JOLTS; 259A - RFA/lhj/04/19/23



Wages and the Labor Market

Wage growth and labor market tightness remain above historical levels but continue to slow

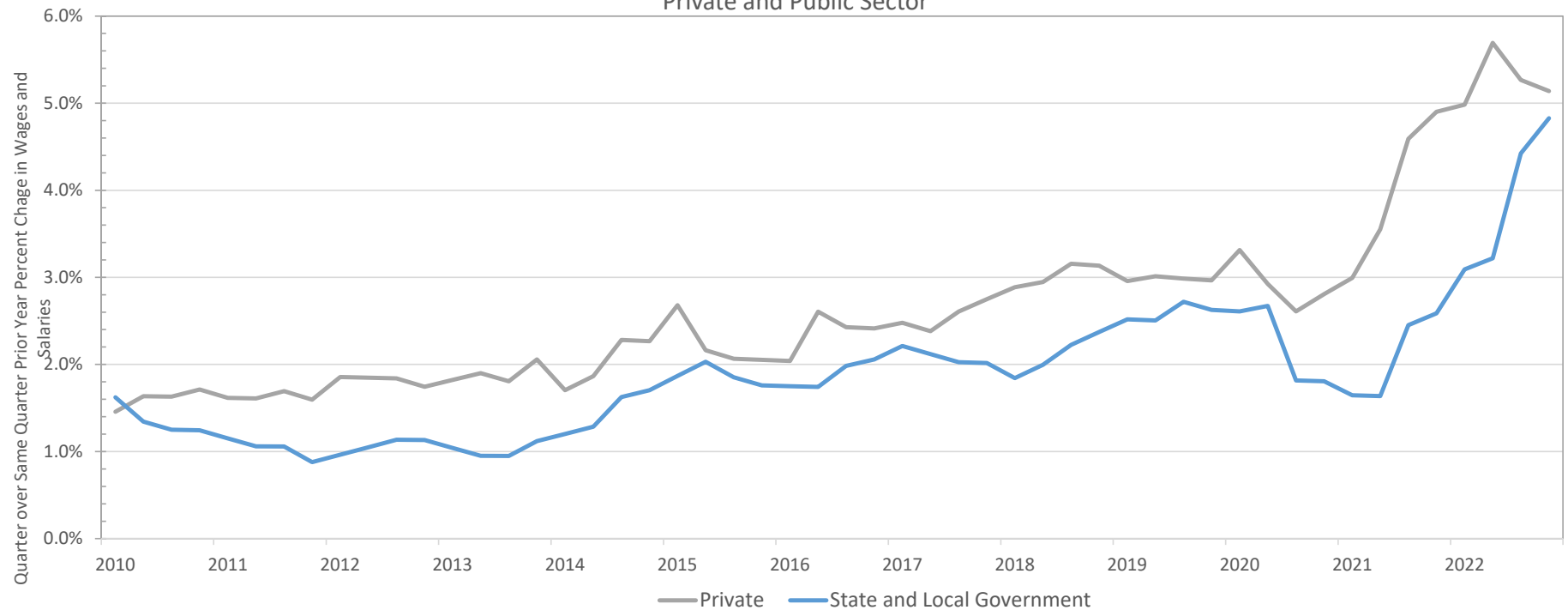


Source: U.S. Bureau of Economic Analysis, Compensation of Employees, Received; U.S. Bureau of Labor Statistics, JOLTS; 309A - RFA/bdc/12/8/2022

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
Private and Public Sector



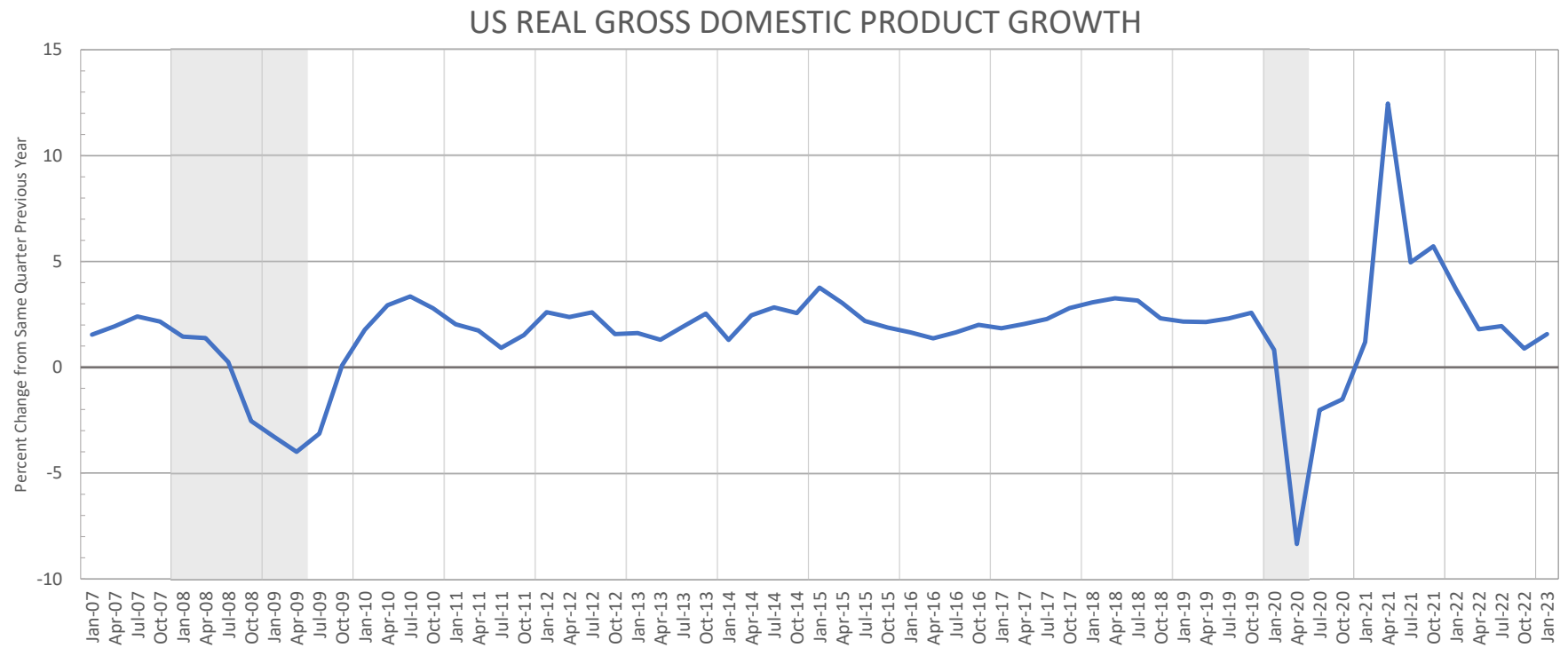
Source: U.S. Bureau of Labor Statistics, Employment Cost Index: Wages and Salaries: Private Industry Workers, Government Workers 318-RFA/lhj/04/11/2023

Economic and Budget Outlook



US Real GDP

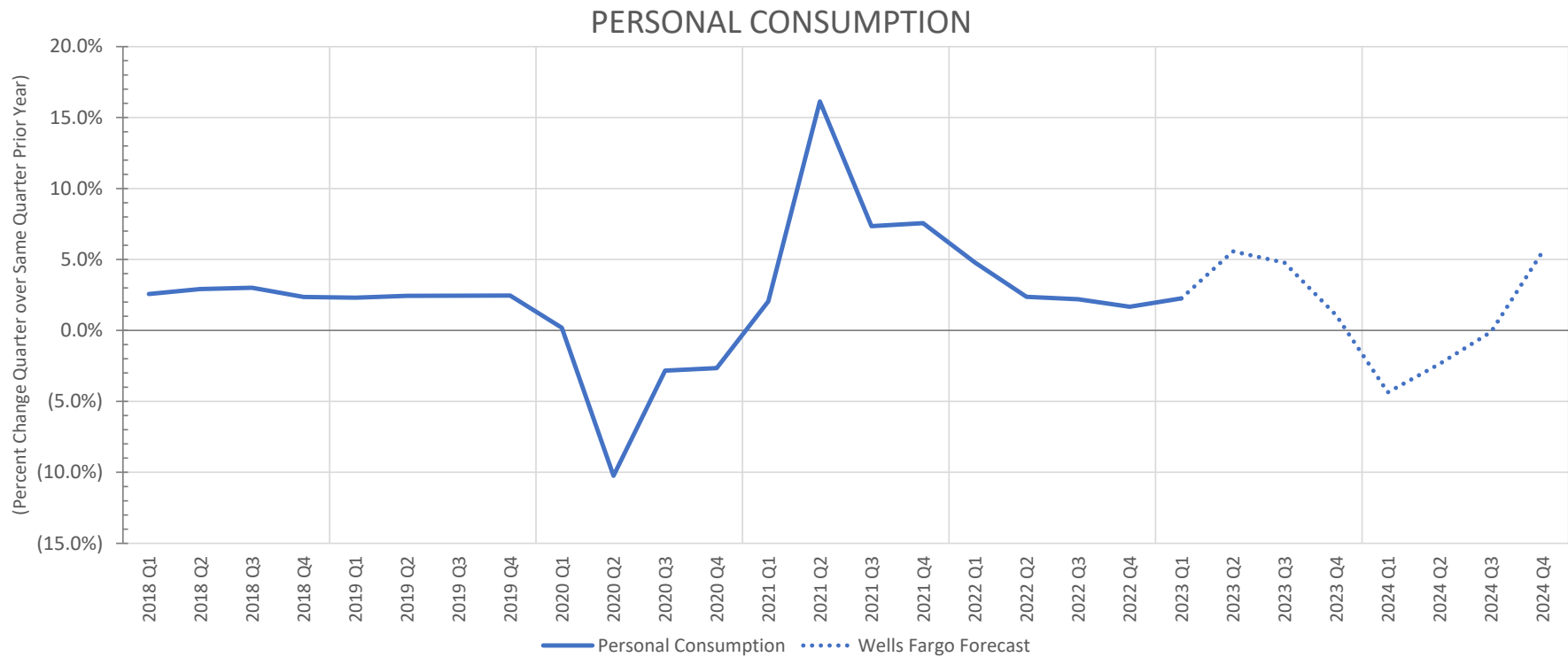
Q1 2023 GDP growth increased to 1.6% over Q1 2022



Source: U.S. Dept. of Commerce, Bureau of Economic Analyses RFA/lhj/266/04/28/2023

Personal Consumption

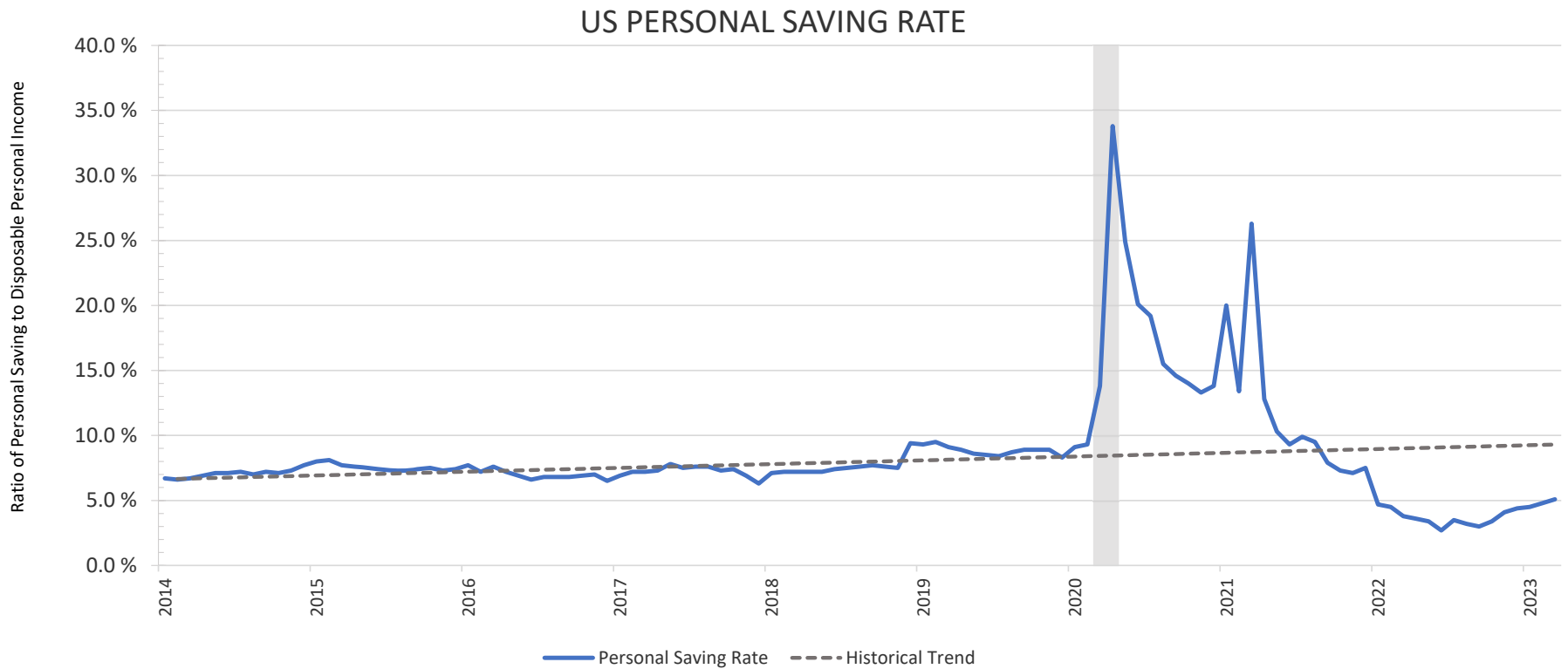
Growth in personal consumption component of GDP is expected to slow in late 2023



Source: Bureau of Economic Analyses; Wells Fargo US Economic Outlook, April 13, 2023 292A RFA/lhj/05/03/2023

Personal Saving Rate

Saving rate remains below historical trend after stimulus impact wears off

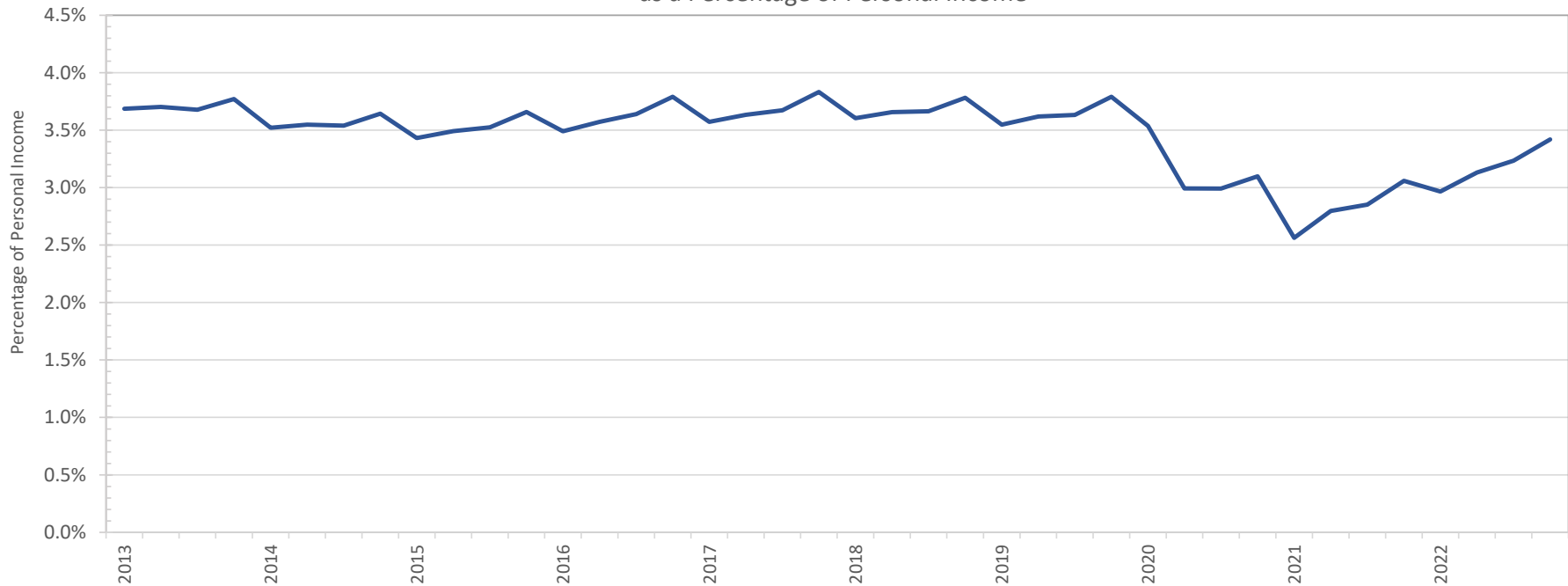


Source: U.S. Bureau of Economic Analysis, Personal Saving Rate [PSAVERT], retrieved from FRED, Federal Reserve Bank of St. Louis; 330-RFA/lhj/5/3/2023

US Consumer Credit Card Debt

Credit card debt as a percentage of personal income is below pre-pandemic levels but rising closer to normal levels

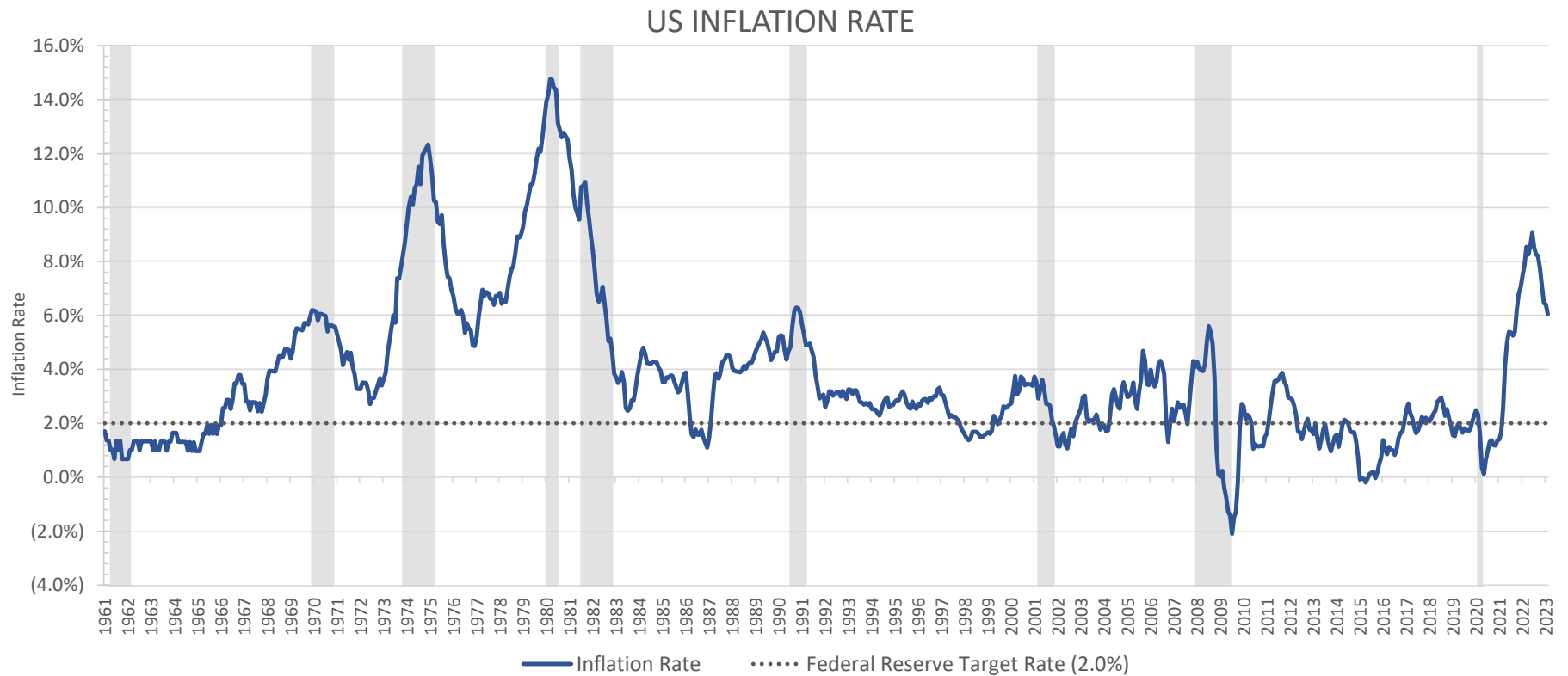
US CONSUMER CREDIT CARD DEBT
as a Percentage of Personal Income



Source: U.S. Bureau of Economic Analysis, Personal Income [PI]; Federal Reserve Bank of Philadelphia, Large Bank Consumer Credit Card Balances: Total Balances [RCCCBALTOT]; retrieved from FRED, Federal Reserve Bank of St. Louis; RFA/330/lhj/05/03/2023

US Inflation - History

Inflation reached a high of 9.1% in 2022; inflation has not been over 9% since 1981

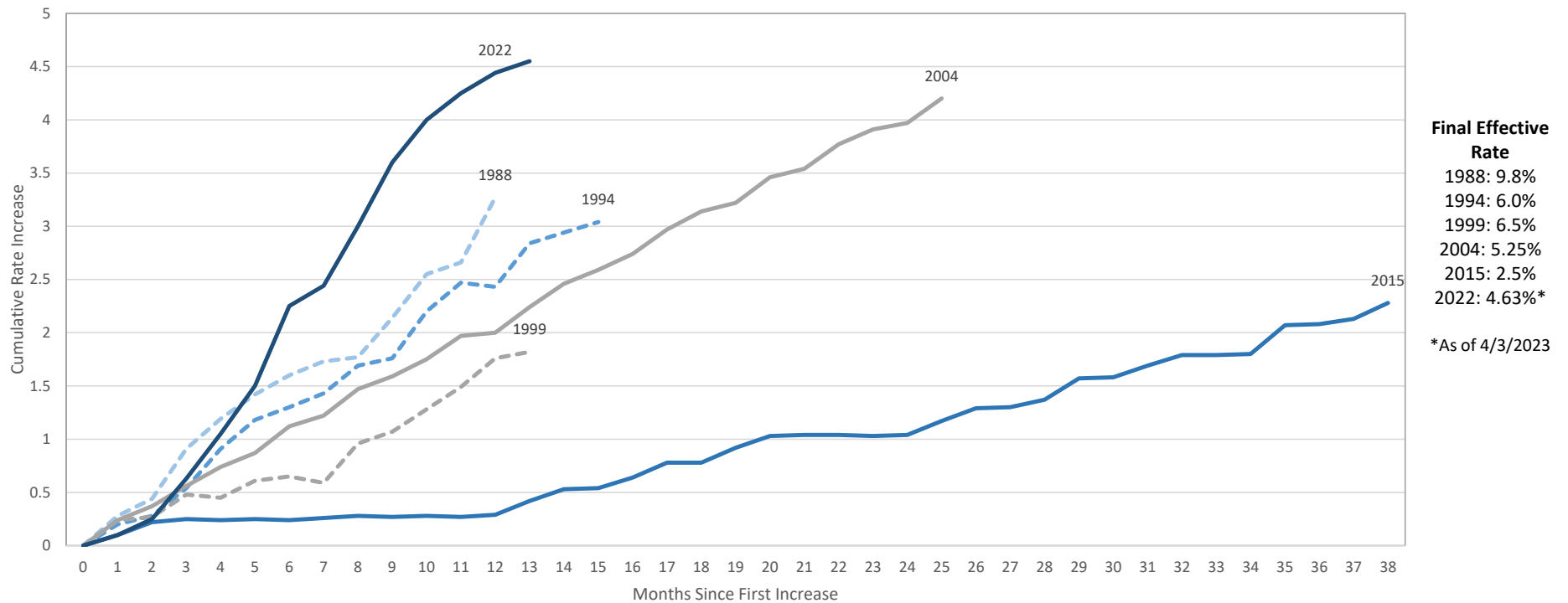


Source: U.S. Bureau of Labor Statistics, Consumer Price Index for All Urban Consumers in U.S. City Average; RFA/316/lhj/03/15/2023

Federal Funds Interest Rate Changes – History

The current increases in the federal funds rate are faster than other periods in the last 30+ years

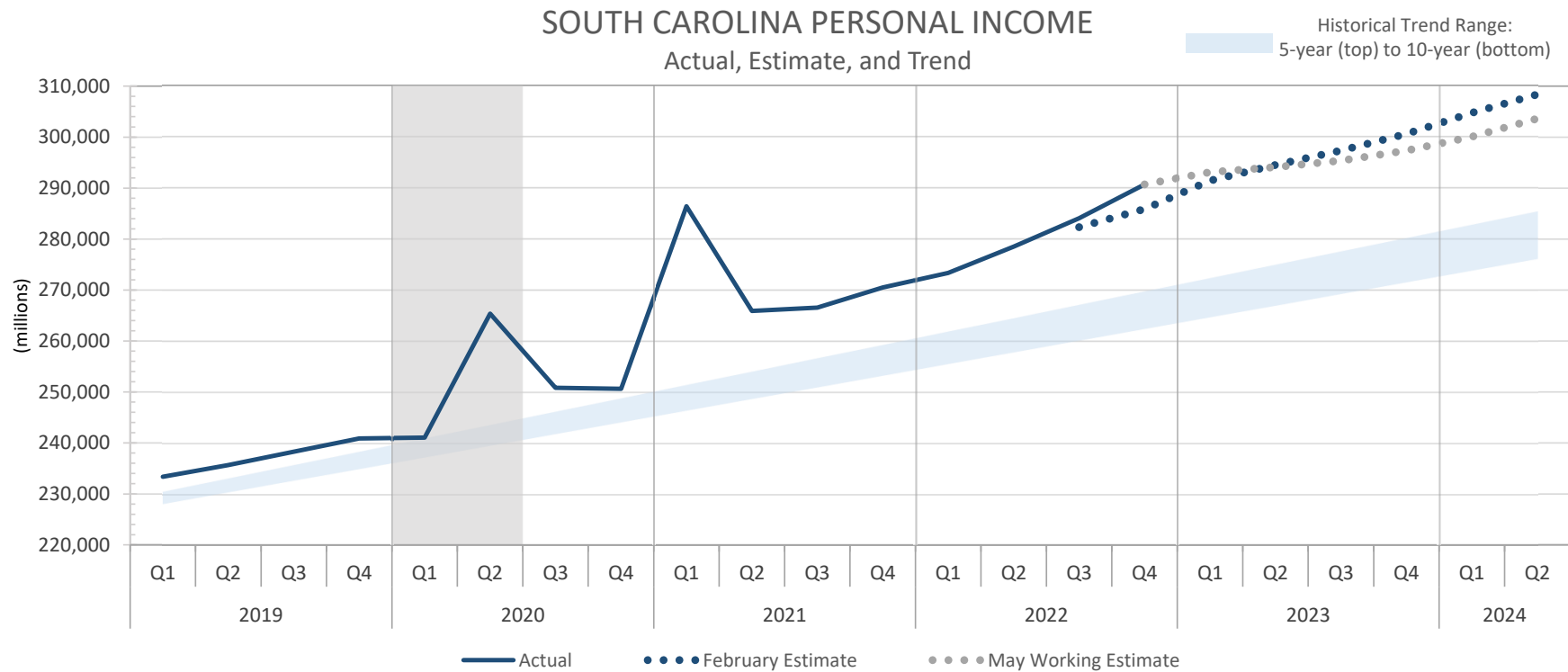
CUMULATIVE CHANGE IN FEDERAL-FUNDS RATE SINCE START OF RATE INCREASE



Source: Board of Governors of the Federal Reserve System via Wall Street Journal and FRED Economic Data 277C-RFA/lhj/4/03/2023

SC Personal Income - Proposal

Proposed increase in the FY 2022-23 estimate takes into account higher than anticipated wage growth year-to-date; slower growth anticipated for FY 2023-24

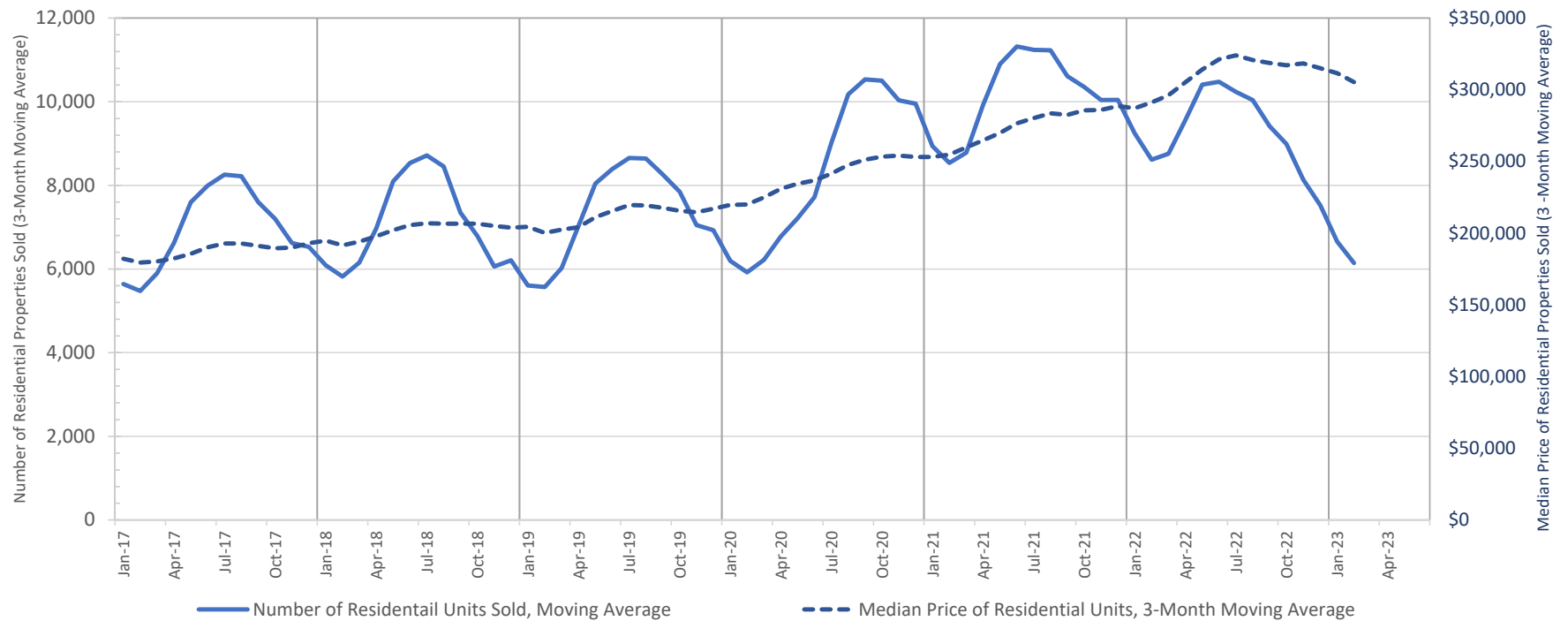


Data Source: U.S. Department of Commerce, Bureau of Economic Analysis; S.C. Board of Economic Advisors-RFA/lhj/04/14/2023

SC Housing Market

Total home sales have declined since the start of interest rate increases; prices are now starting to fall as well

SOUTH CAROLINA RESIDENTIAL HOME SALES
Number Sold vs. Median Sales Price

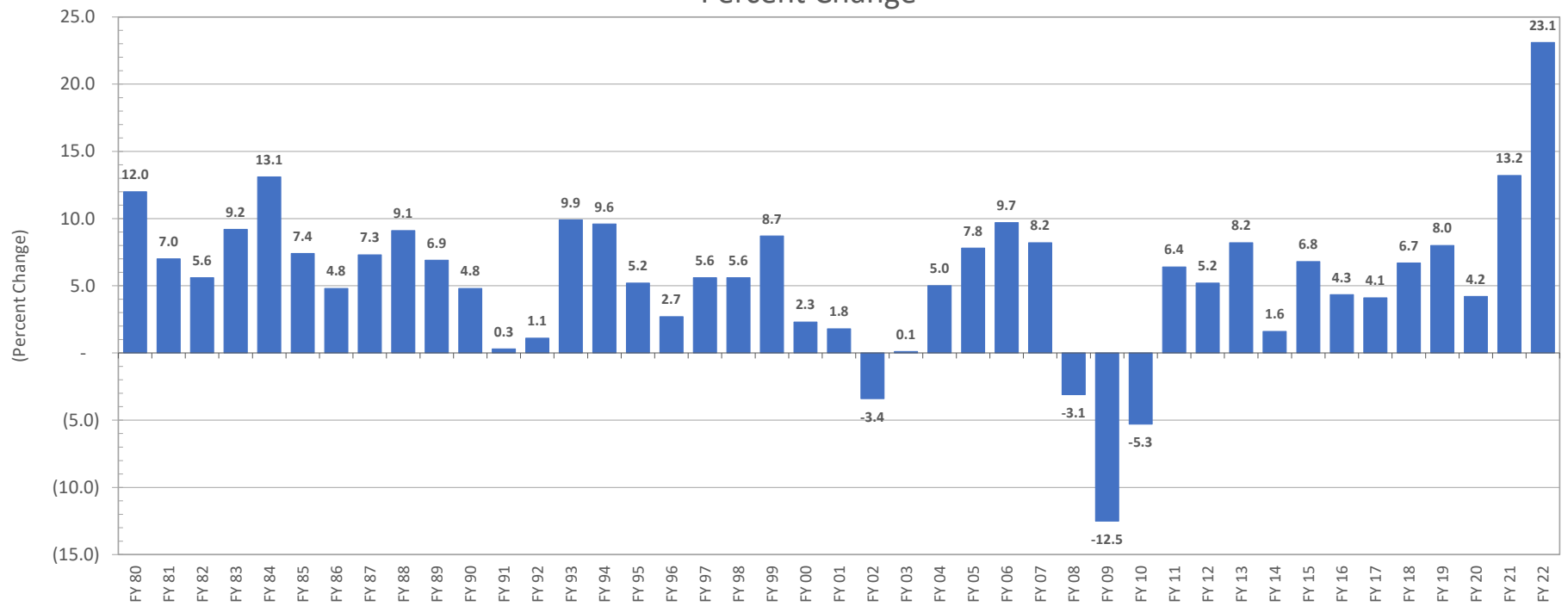


Source: S.C. Realtors, Market Activity for South Carolina 276-RFA/lhi/3/22/2023

General Fund Revenue Growth

FY 22 revenue grew 23.1% on top of 13.2% growth in FY 21

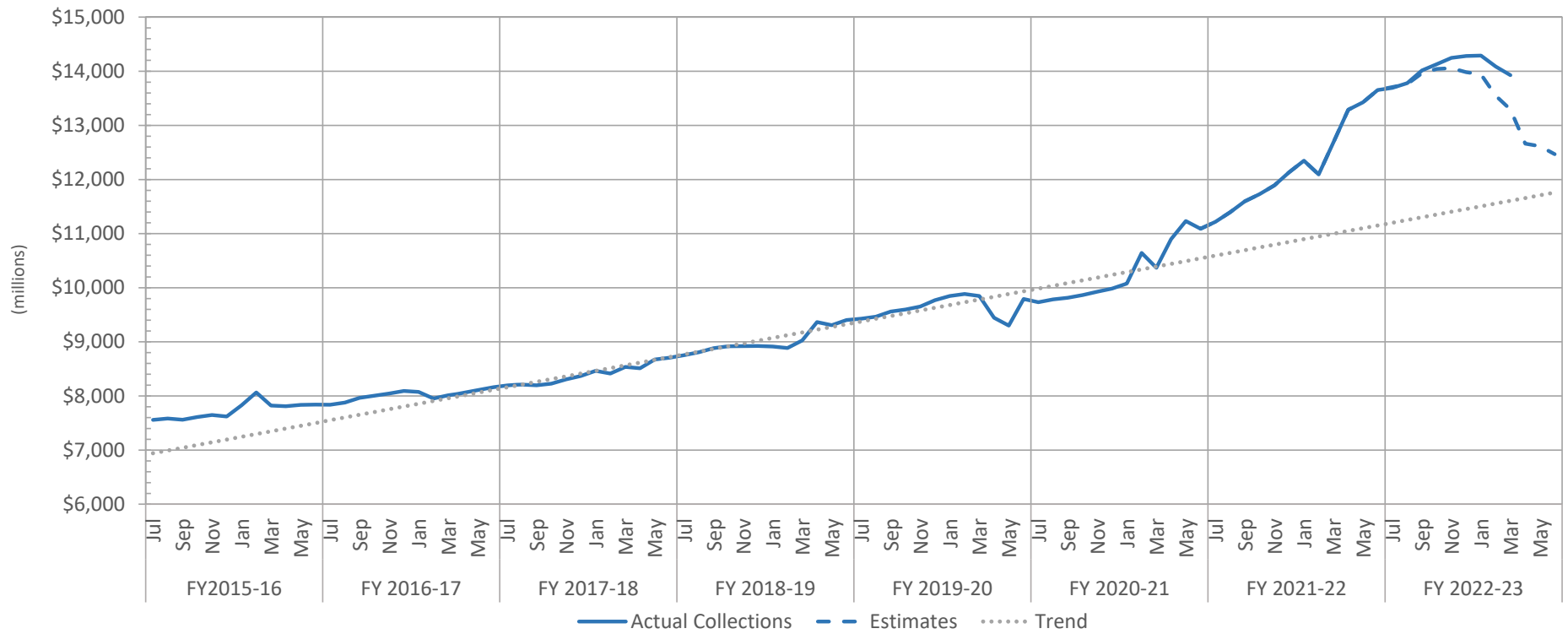
GENERAL FUND REVENUE
Percent Change



Source: S.C. Revenue and Fiscal Affairs Office 28-BC/2/15/23

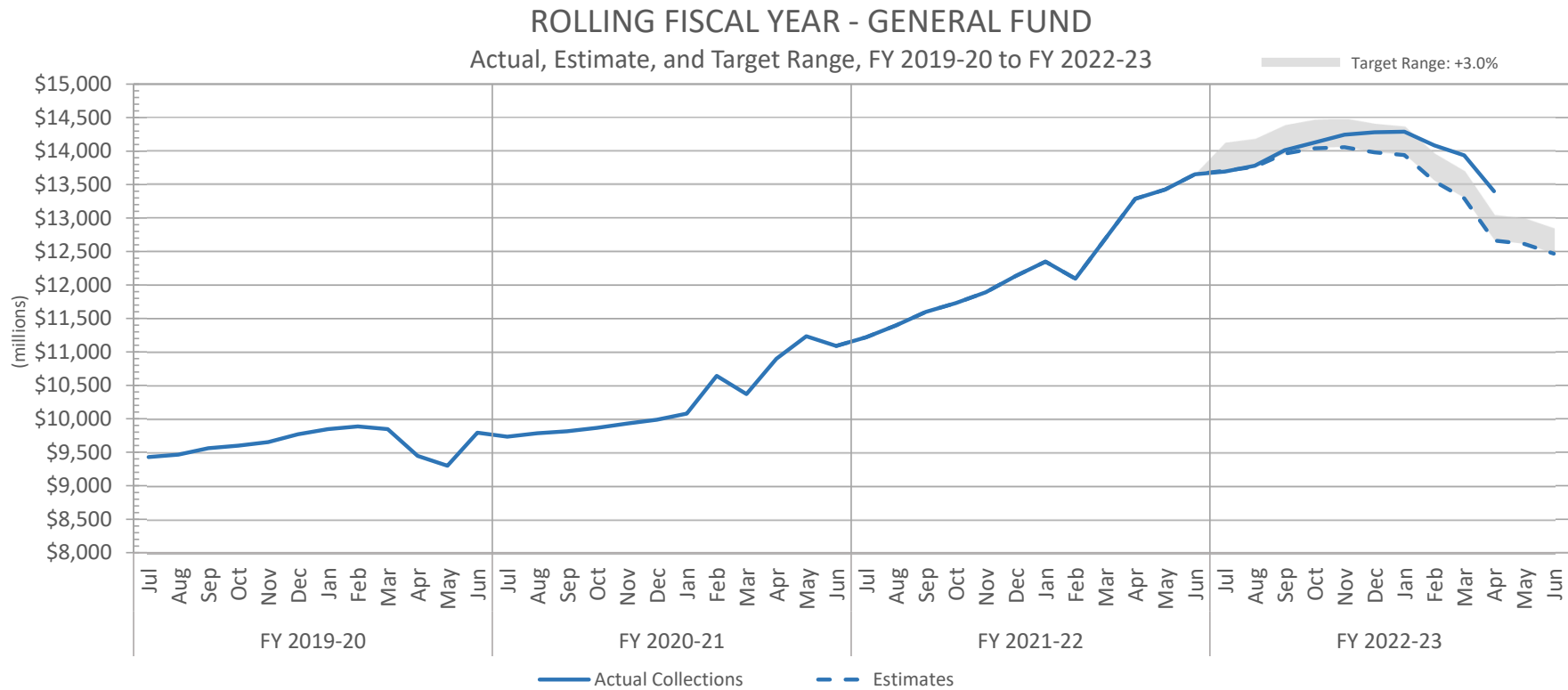
General Fund Revenue

ROLLING FISCAL YEAR - GENERAL FUND
Actual, Estimate, and Long-term Trend, FY 2015-16 to FY 2022-23



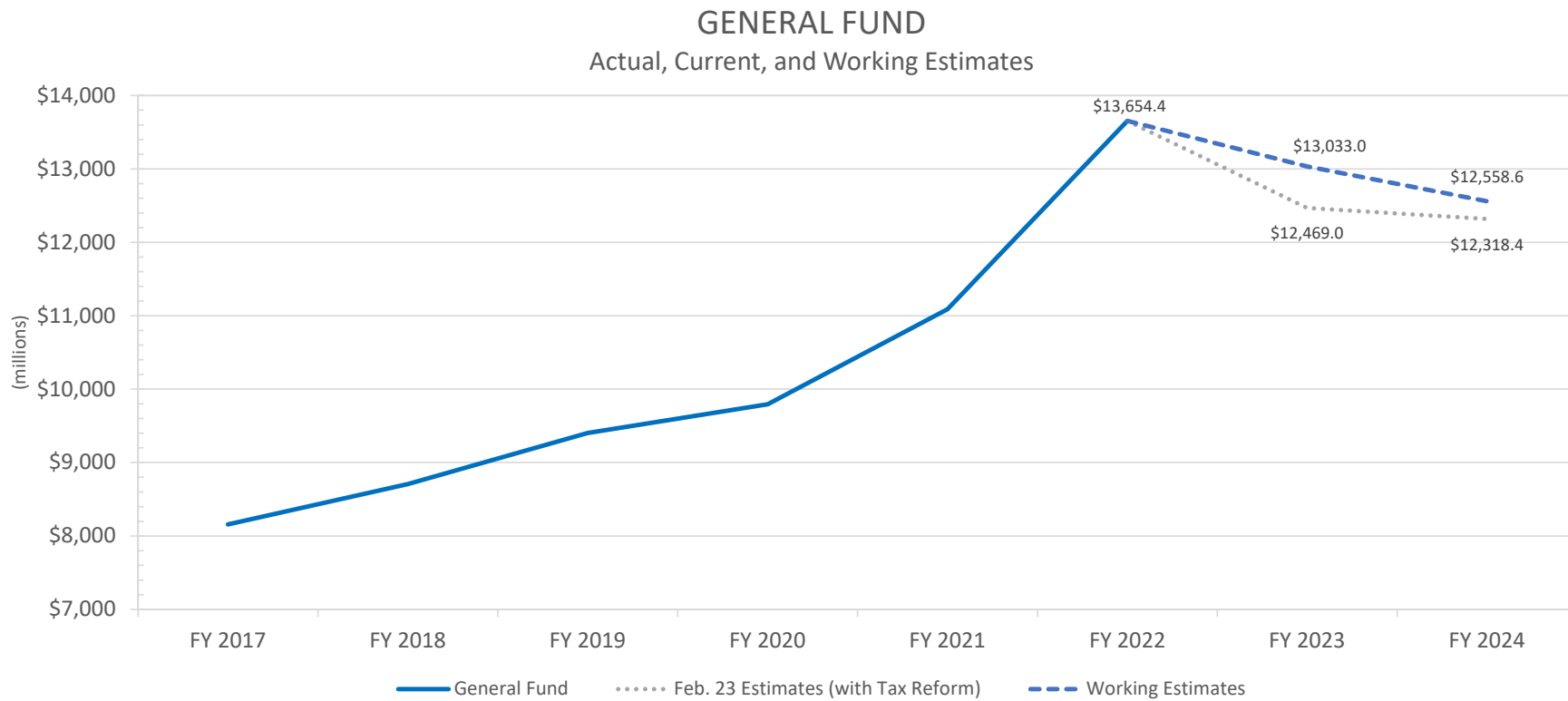
General Fund – Actuals vs. Estimates

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



General Fund

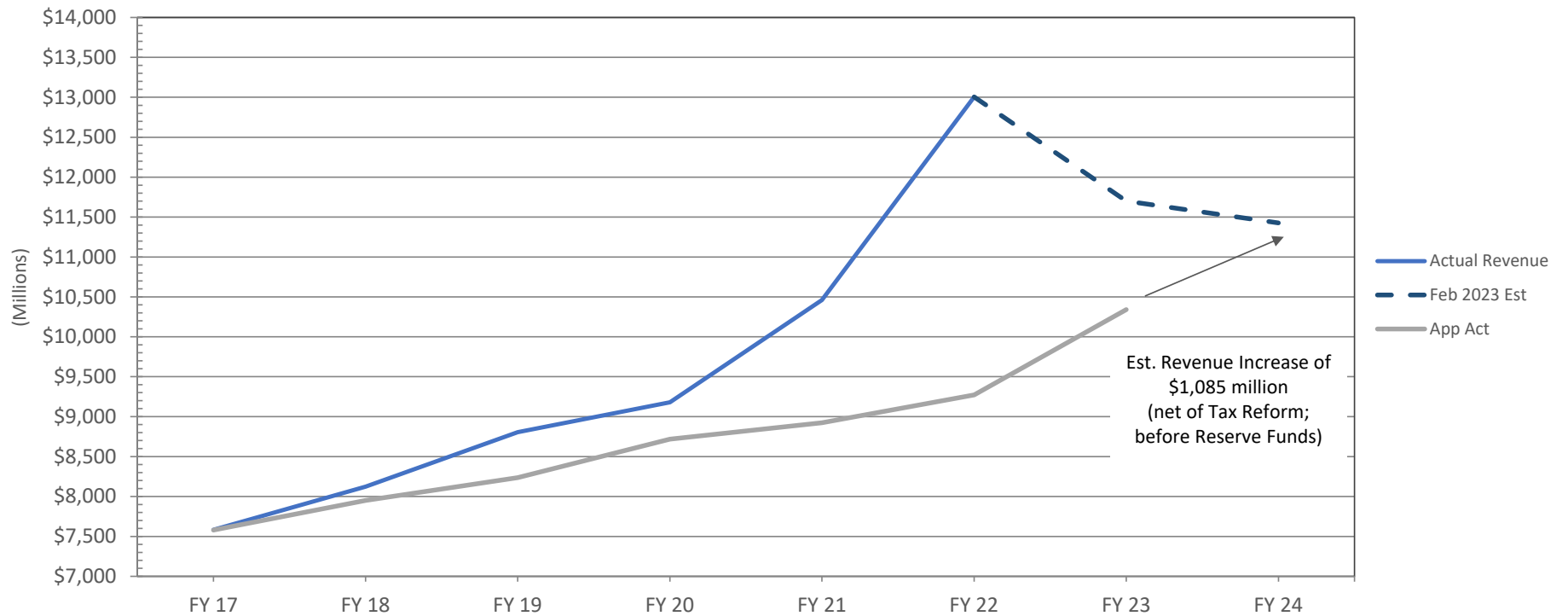
Increase FY 2022-23: \$564 million; FY 2023-24: \$240 million



FY 2023-24 General Fund Appropriations - February 2023

Even with an expected decline in revenues, the base budget is still playing “catch-up”

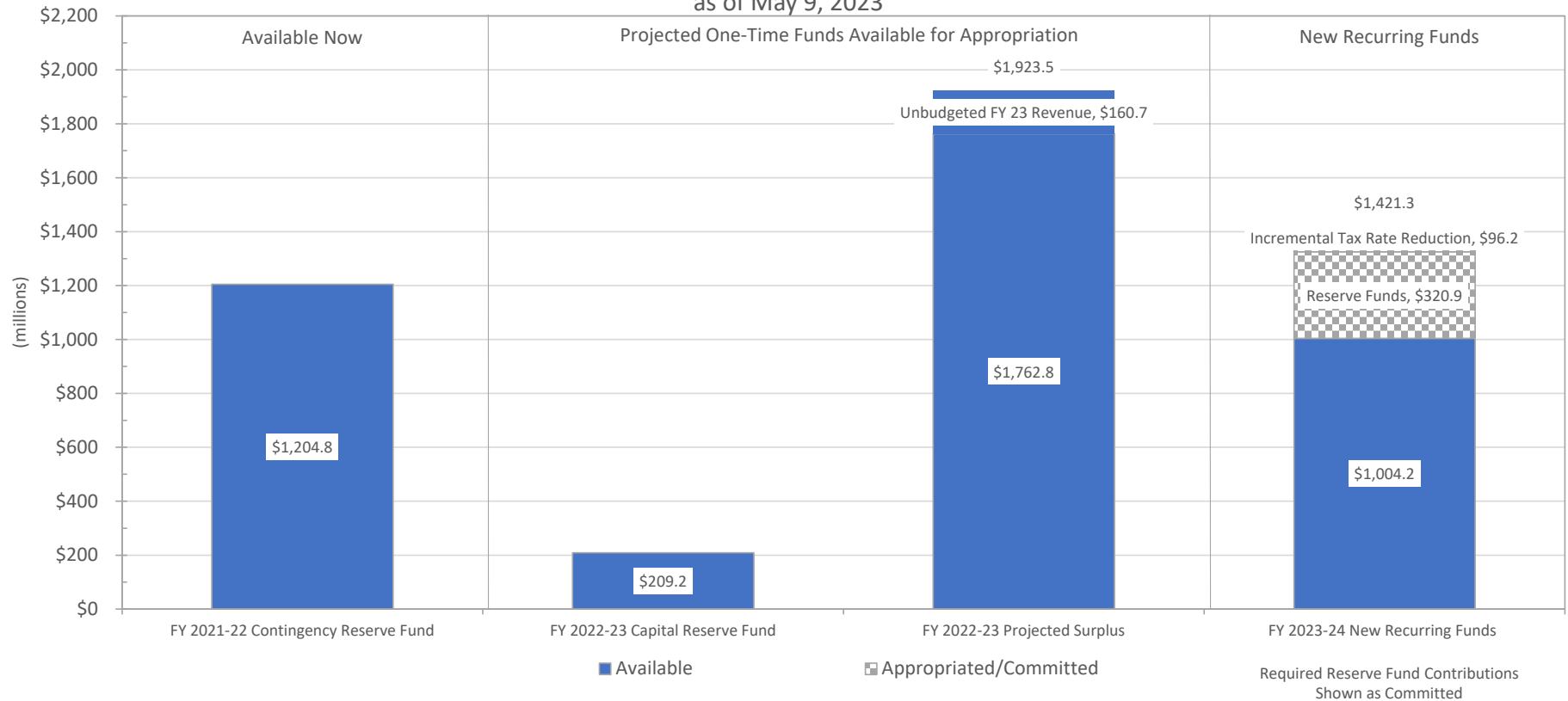
FY 2023-24 BUDGET OUTLOOK, FEBRUARY 2023
Actual and Estimated Revenue vs Appropriation Act Expenses



Note: Includes incremental income tax rate reduction for tax year 2023

FY 2023-24 Available Funds

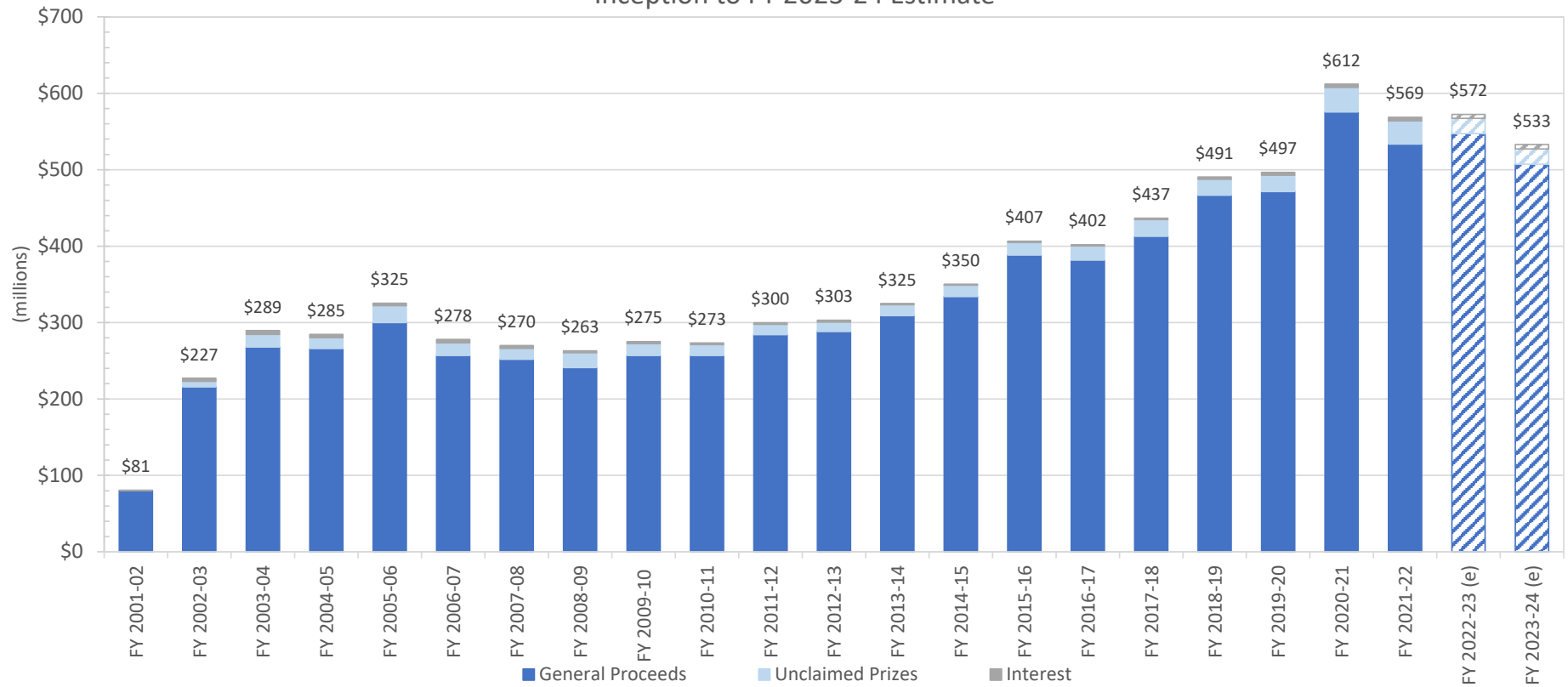
AVAILABLE FUNDS - FY 2023-24 BUDGET PROCESS
as of May 9, 2023



Source: S.C. Revenue and Fiscal Affairs 297/RFA/05/09/2023

Transfers to SC Lottery Accounts

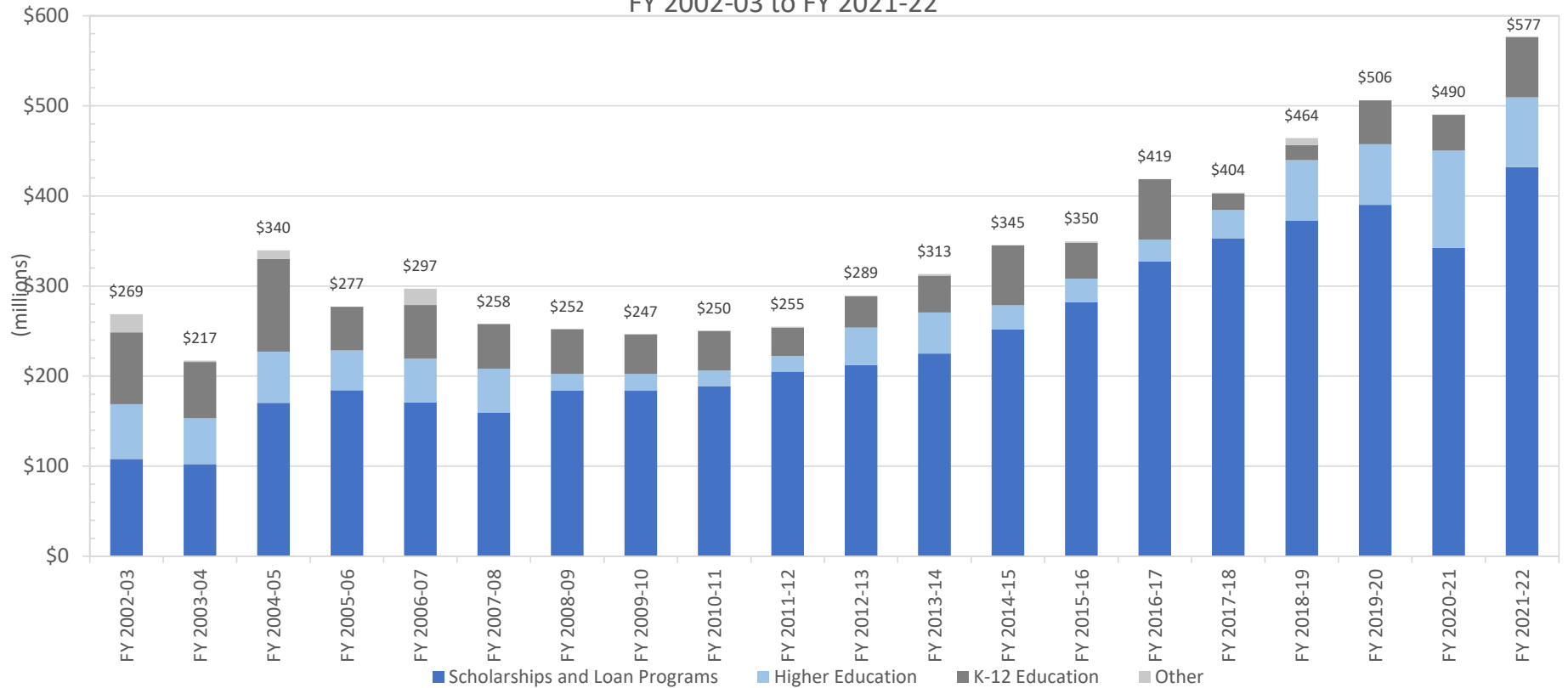
TRANSFERS TO SC EDUCATION LOTTERY ACCOUNTS
Inception to FY 2023-24 Estimate



Source: South Carolina Revenue and Fiscal Affairs Office RFA/265/lpw/5/2/2023

SC Lottery Accounts Expenditures

SC EDUCATION LOTTERY ACCOUNTS EXPENDITURES
FY 2002-03 to FY 2021-22

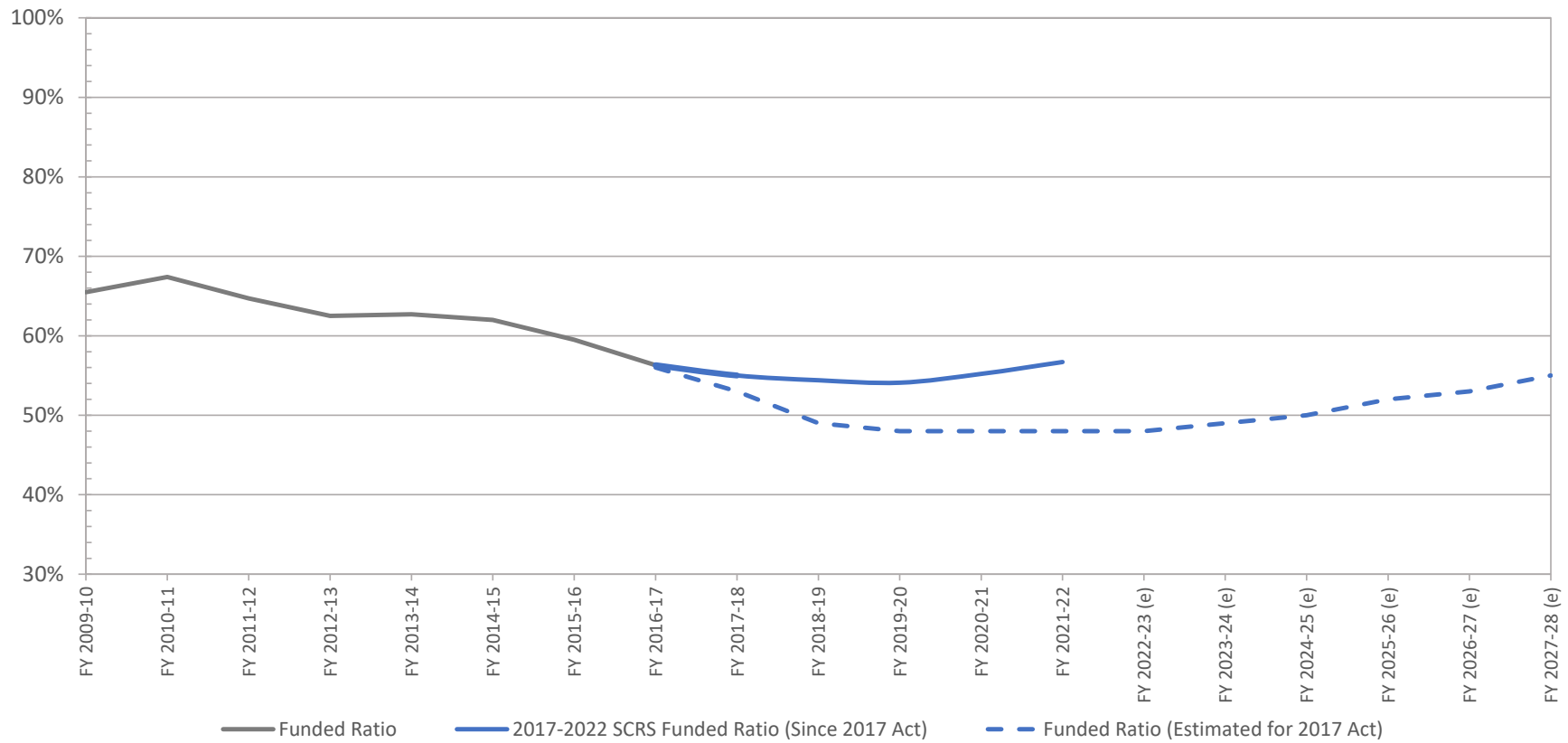


Source: South Carolina Revenue and Fiscal Affairs Office RFA/265A/lpw/5/2/2023

SC Retirement System

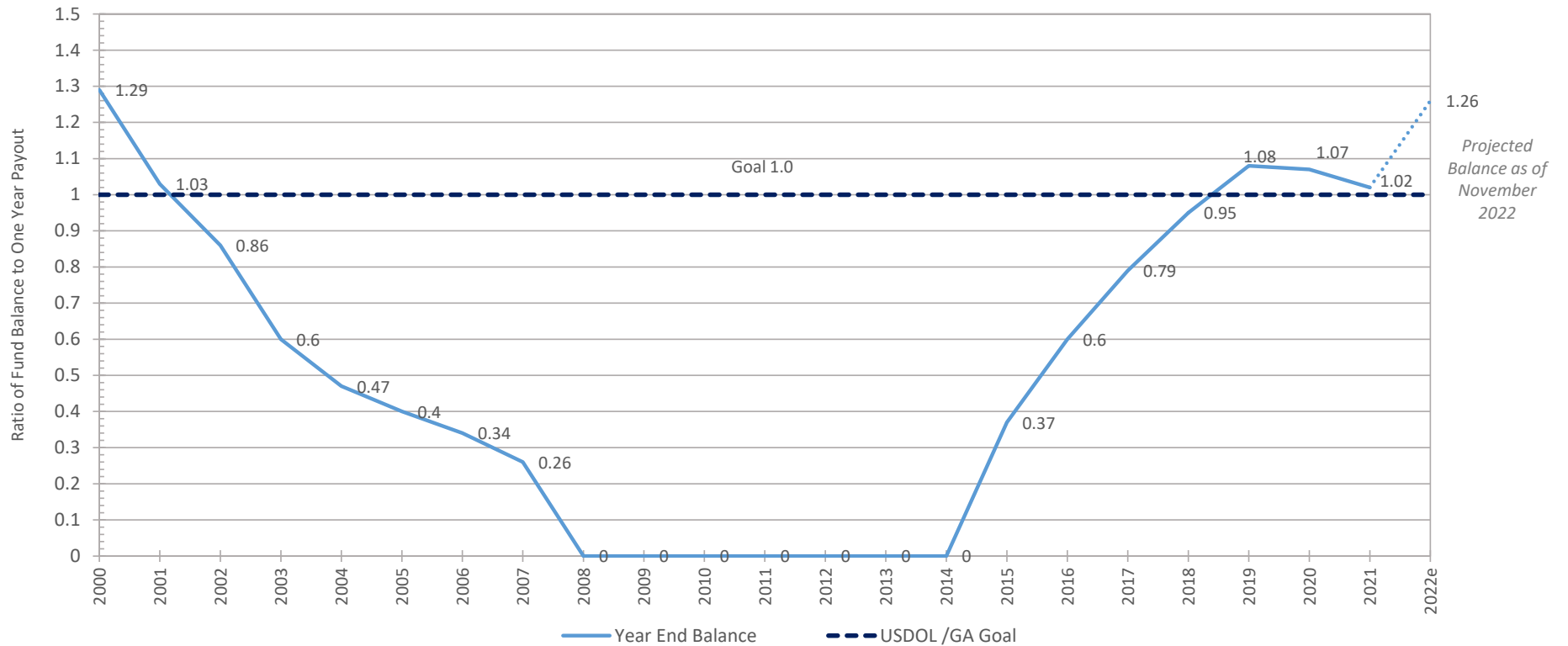
Ratio improved to 56.7% in FY 22

SC RETIREMENT SYSTEM FUNDED RATIO



SC Unemployment Trust Fund

SC UNEMPLOYMENT TRUST FUND STATUS
Ratio of Fund Balance to One Year Payout (Moderate Recession) - Actual vs Goal



Final Thoughts ... Questions?

SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE



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