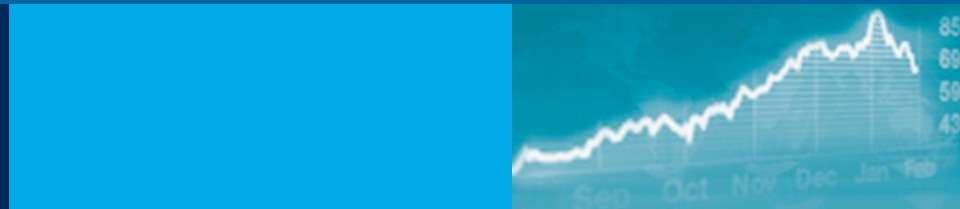




National and Regional Economic Update

SC BEA
October 16, 2023



Laura Dawson Ullrich, PhD
Senior Regional Economist
Research Department
Federal Reserve Bank of Richmond



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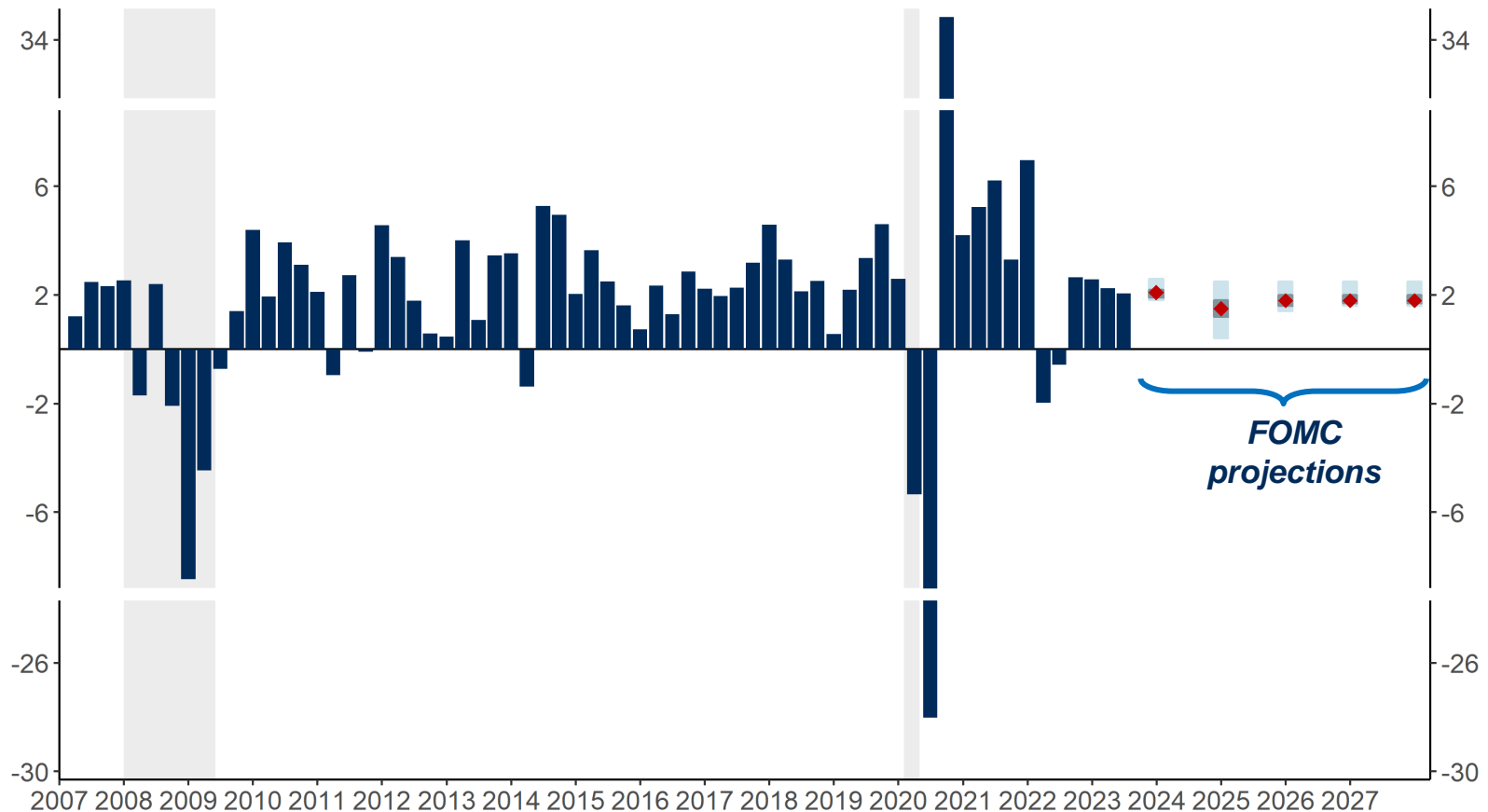
Where are we now?

- So far growth in 2023 has beaten expectations
 - Some sectors continue to be hit harder than others
- Economic indicators show slowing in some cases but continued growth in others
 - Fears of recession abound, but seem to have lessened
 - Consumer spending (even in real terms) has remained robust
 - The pace of job growth has been impressive nationally, but some states are faring better than others
- Some metro areas, including Charlotte, Raleigh, Charleston and Myrtle Beach are outperforming larger metros and more rural spaces
 - Much of this is industry and geography based
- Inflation remains well above the 2 percent average target
 - Headline CPI came in above expectations today at 3.7% (3.6% was expected)
 - Core inflation came in as expected but remains significantly elevated
 - The FOMC has been clear that they are committed to reducing inflation to the Fed's stated target

GDP growth came in at 2.0 percent in Q1 and 2.4 percent in Q2 (many economists had expected flat growth in 2023)

Real Gross Domestic Product

Percent change from previous quarter at annual rate



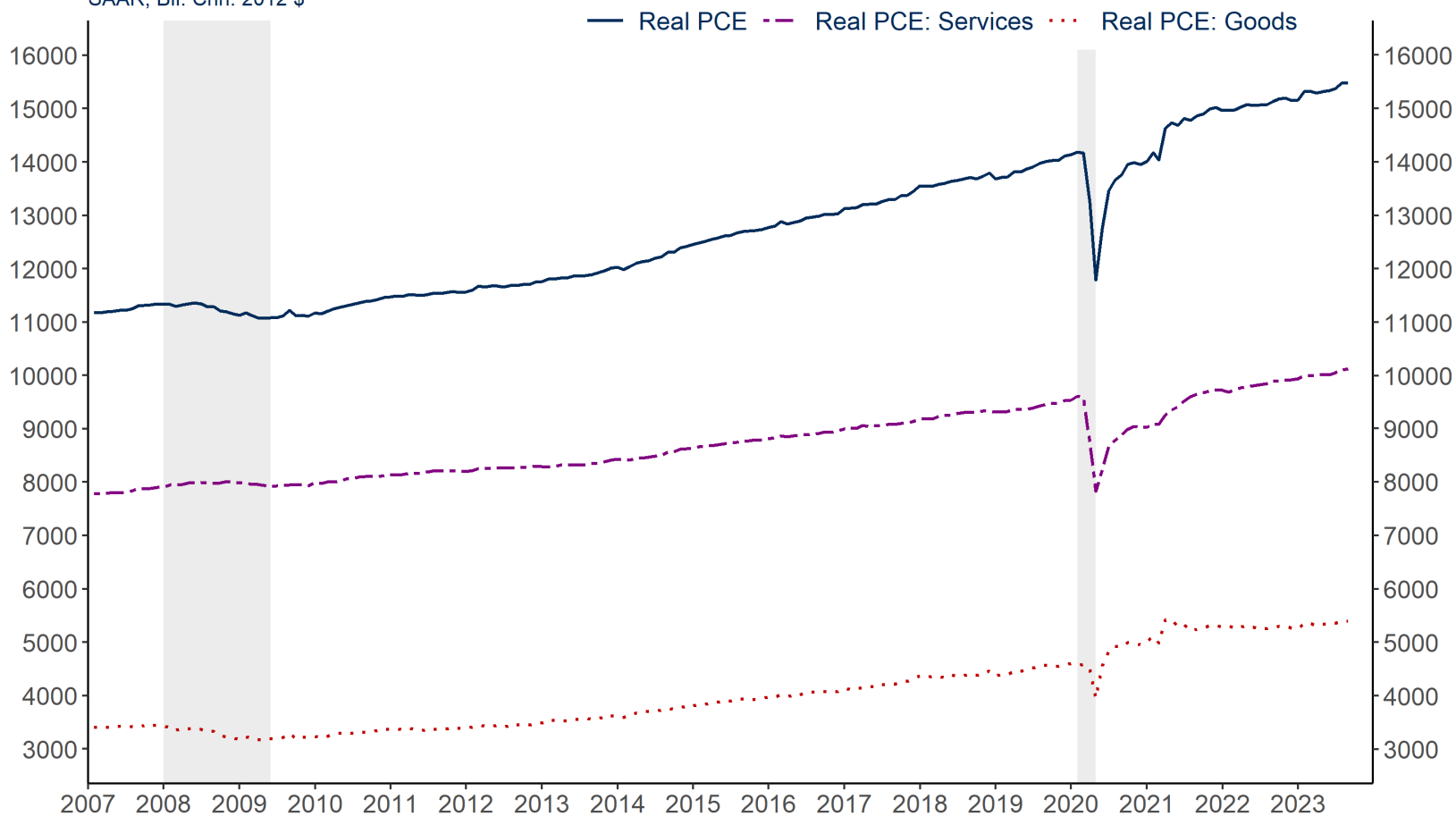
Source: Bureau of Economic Analysis/Haver Analytics, Federal Reserve Board

Real consumption spending has remained strong, even in the midst of considerable inflation



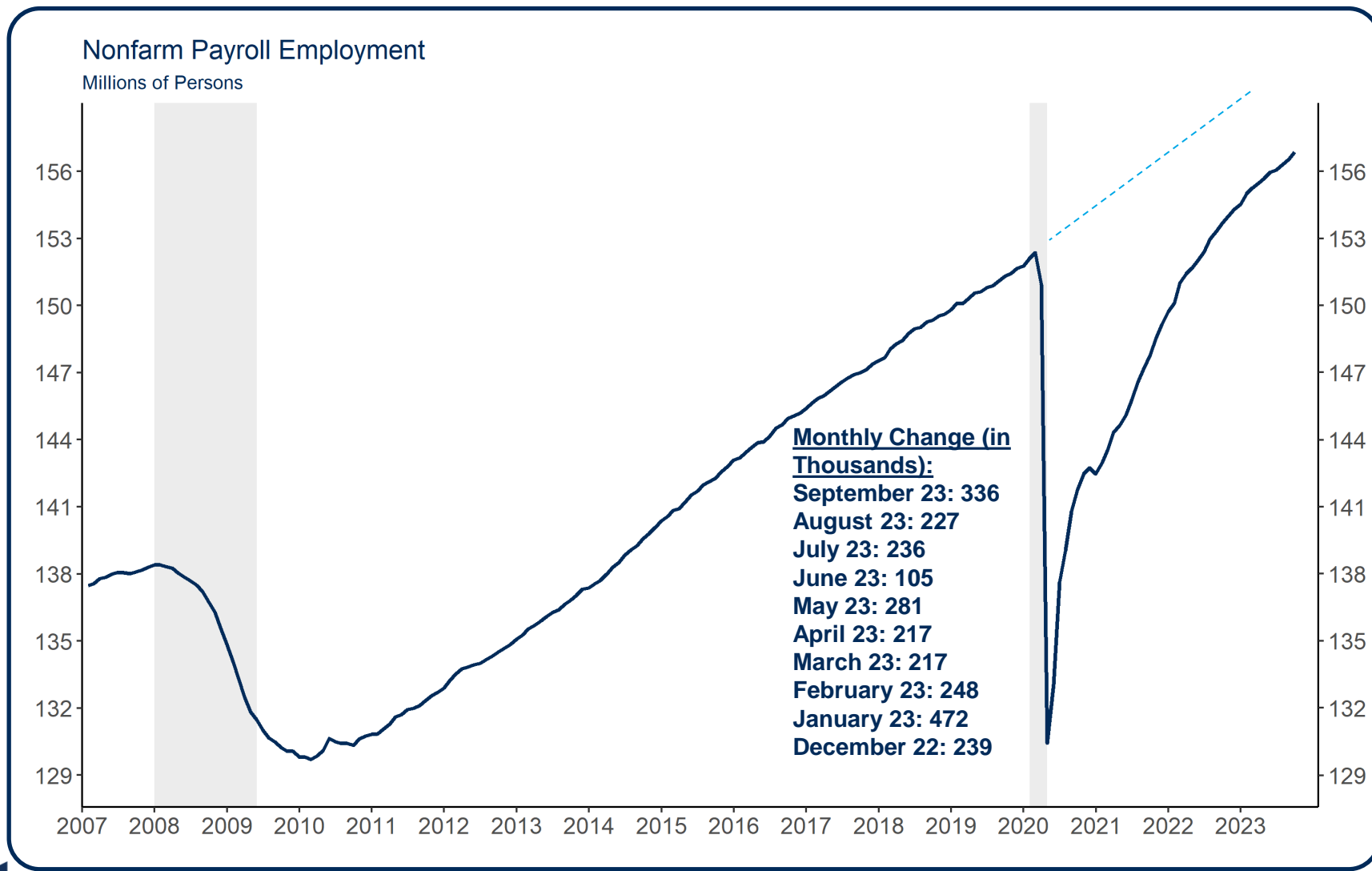
Real Personal Consumption Expenditures

SAAR, Bil. Chn. 2012 \$



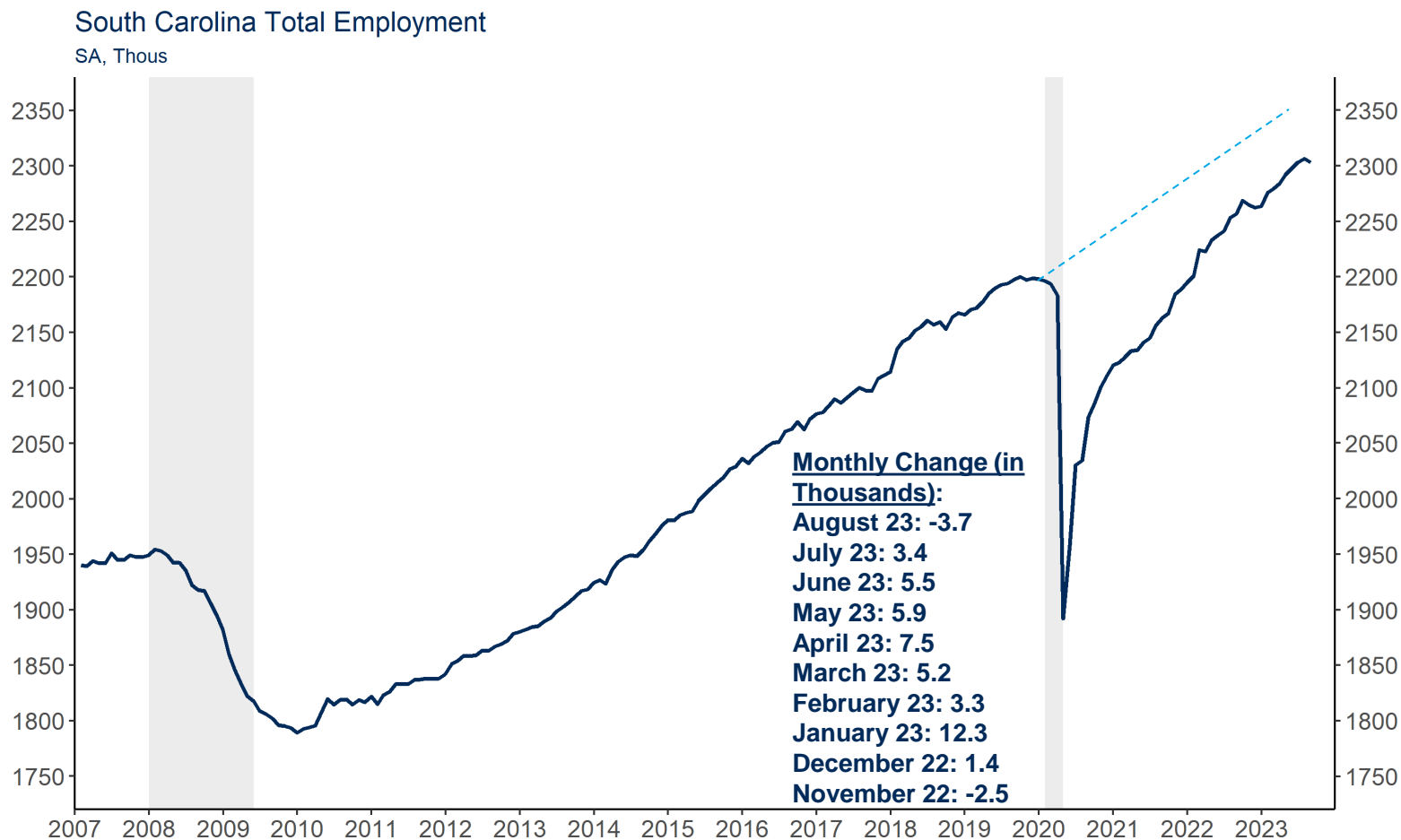
Source: Bureau of Economic Analysis

We are now well above pre-COVID levels of employment nationally, but we haven't returned to the pre-COVID trajectory



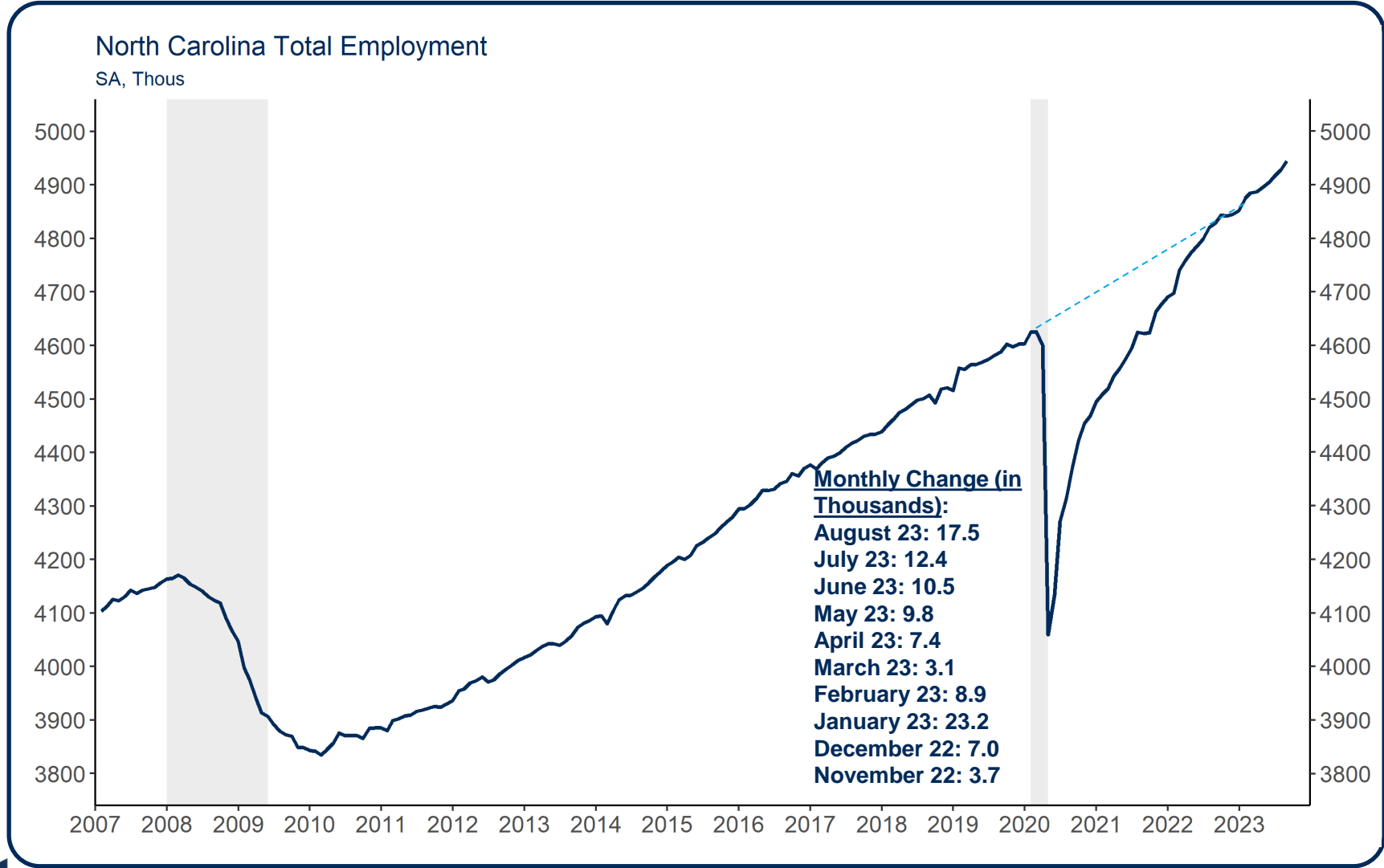
Source: Bureau of Labor Statistics/Haver Analytics

South Carolina has also not yet returned to its pre-COVID trend...



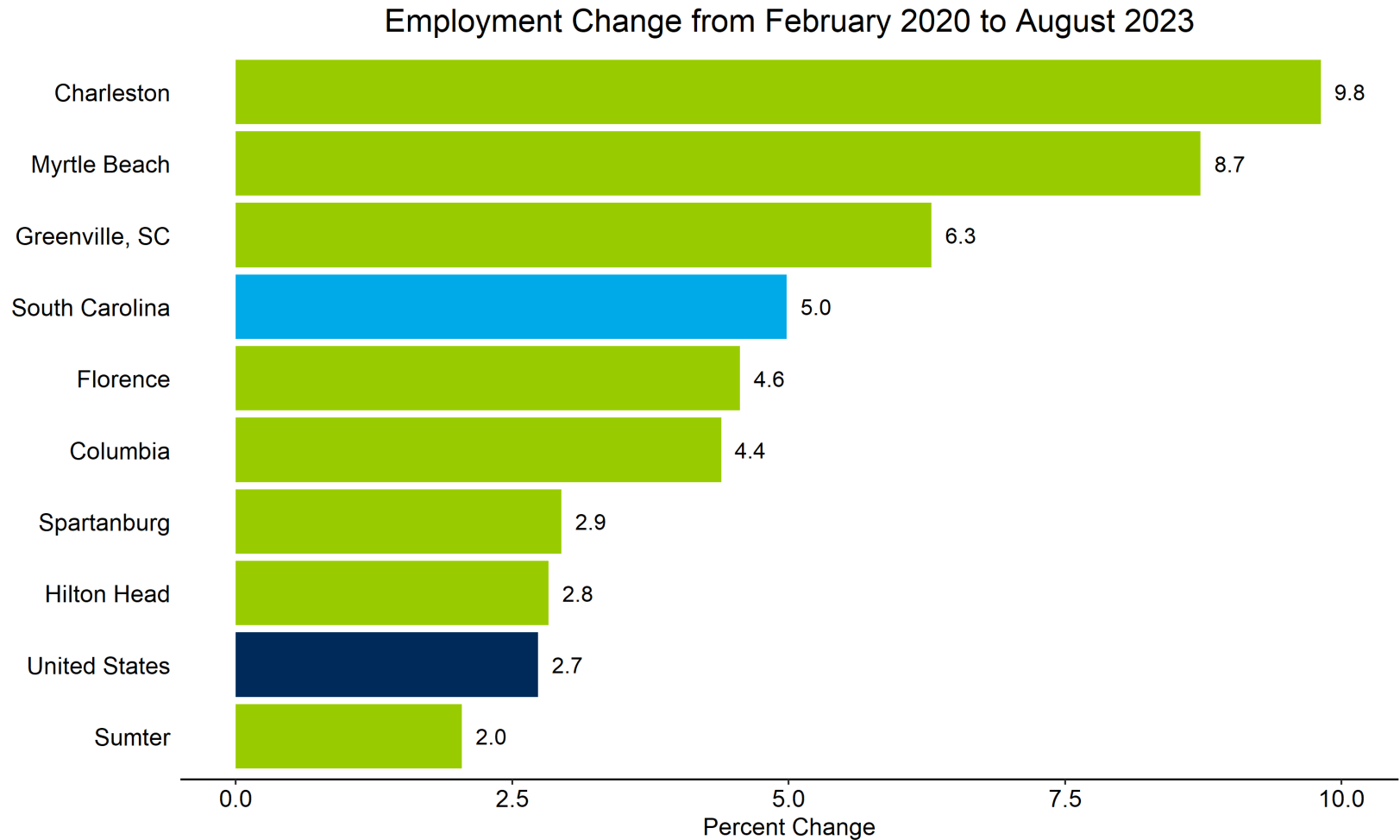
Source: Bureau of Labor Statistics via Haver Analytics

...but North Carolina has, and very recent job numbers have been especially strong



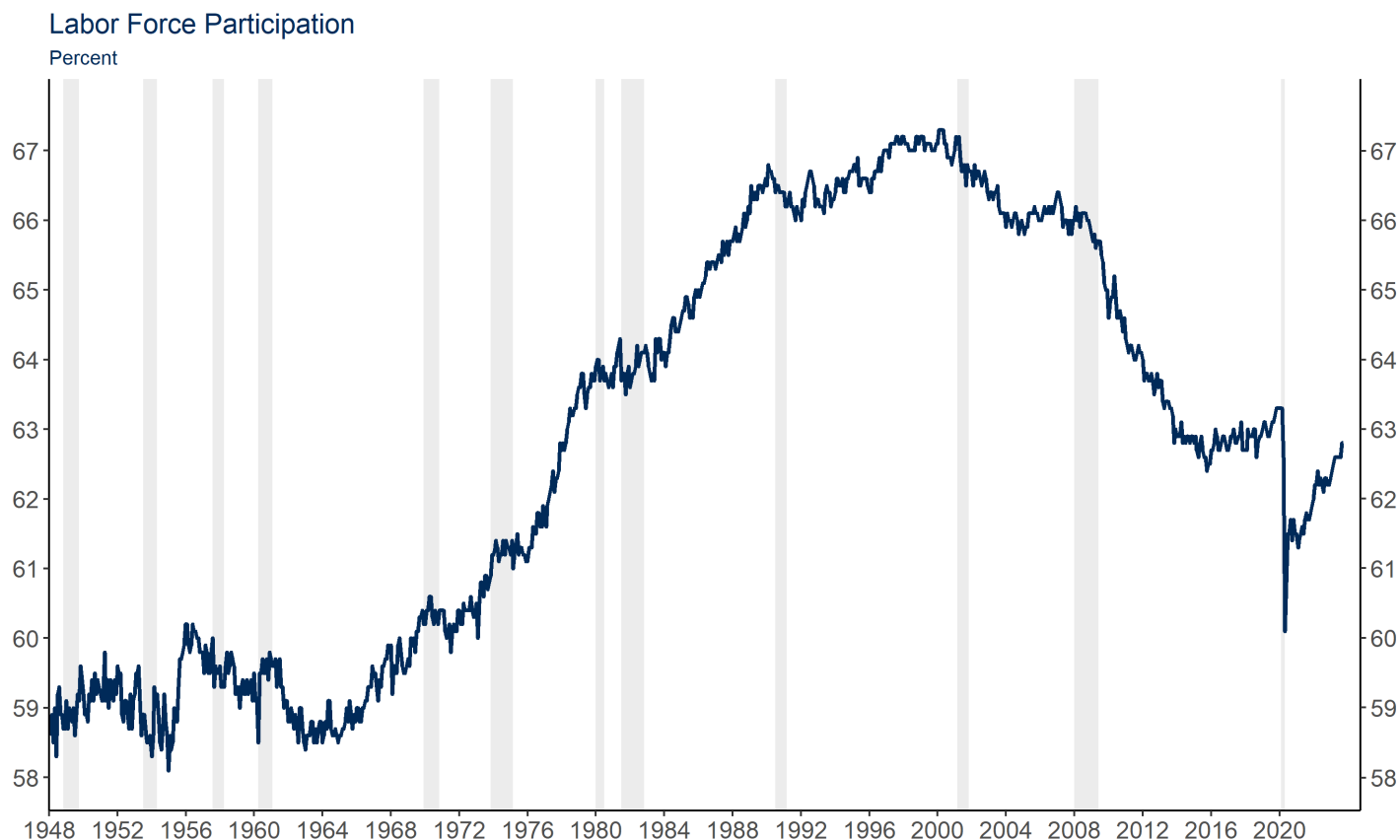
Source: Bureau of Labor Statistics via Haver Analytics

All MSAs in SC have seen positive employment growth



Source: Bureau of Labor Statistics/Haver Analytics

Labor force participation hasn't recovered to pre-COVID levels, but has been increasing amongst some groups recently

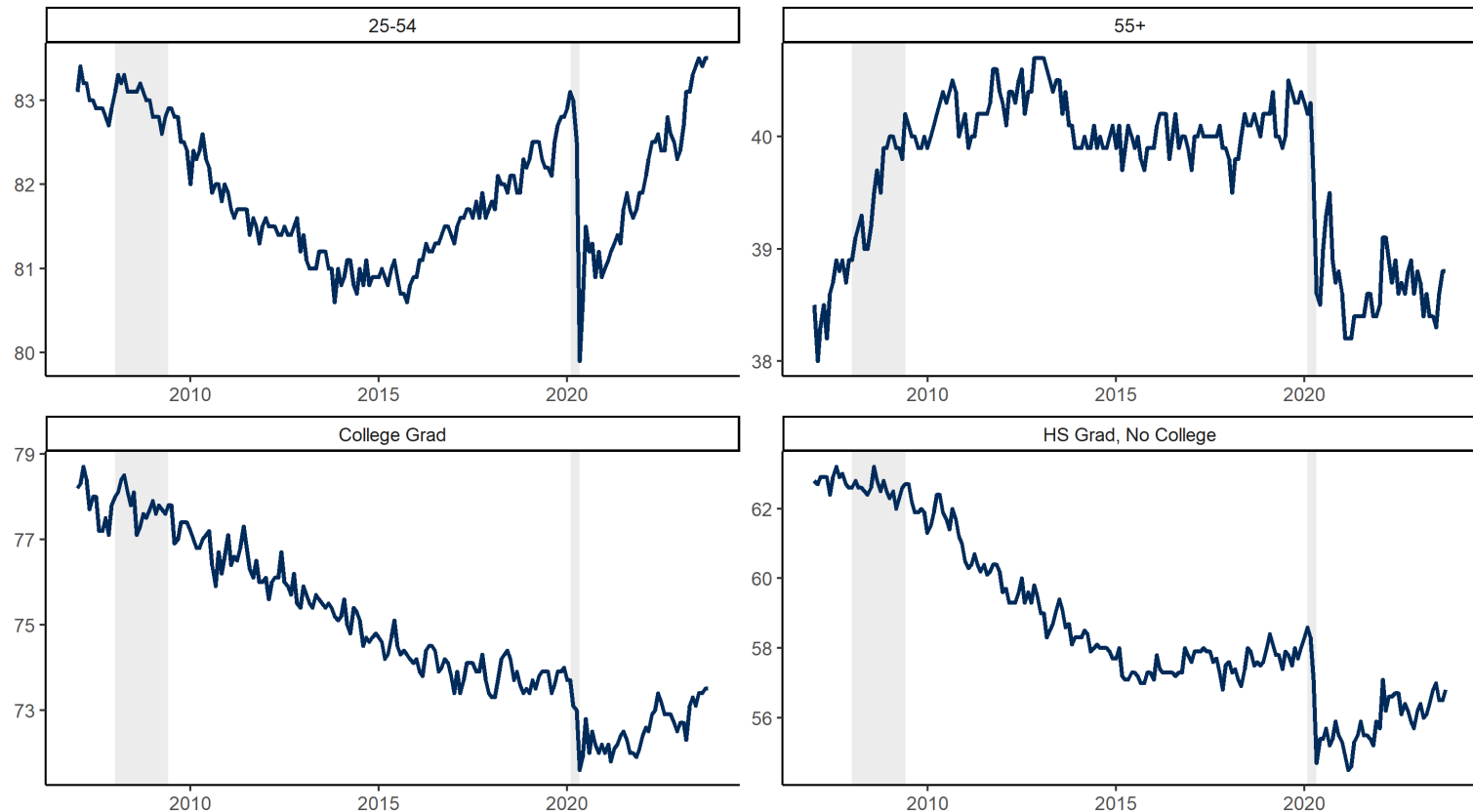


- New Bureau of Labor Statistics projections estimate LFPR will fall to 60.4 percent by 2032.

Source: Bureau of Labor Statistics/Haver Analytics

So, who has left the labor force? Labor force participation rates by age and education

Labor Force Participation Rate
Percent, SA



Source: Bureau of Labor Statistics

The growth in prime-age labor force is driven by increases in female LFPR and white males dominate older workers who left the labor force

Prime-Age LFPR Change by Race and Gender			
	June 2019	June 2023	Change
Black Female	77.5	80.6	4.00%
Black Male	82.3	83.9	1.94%
Hispanic Female	68.4	71.3	4.24%
Hispanic Male	90	90.4	0.44%
White Female	75.6	77.3	2.25%
White Male	90.2	90	-0.22%

Age 65+ LFPR Change by Race and Gender			
	June 2019	June 2023	Change
Black Female	17.1	18.2	6.43%
Black Male	18.3	19.6	7.10%
Hispanic Female	14.6	14.1	-3.42%
Hispanic Male	24.7	26.1	5.67%
White Female	15.9	15.4	-3.14%
White Male	25	23.4	-6.40%

Source: Bureau of Labor Statistics

Black workers and white males in the 20-24 age group are struggling, but teenagers are working more than before COVID

Age 20-24 LFPR Change by Race and Gender			
	June 2019	June 2023	Change
Black Female	69.4	67.8	-2.31%
Black Male	73.1	66	-9.71%
Hispanic Female	67.5	70.2	4.00%
Hispanic Male	77.2	78.4	1.55%
White Female	71.3	72.2	1.26%
White Male	77.9	75.9	-2.57%

Age 16-19 LFPR Change by Race and Gender			
	June 2019	June 2023	Change
Black Female	33.5	31.9	-4.78%
Black Male	25.5	28.1	10.20%
Hispanic Female	29.4	33.8	14.97%
Hispanic Male	32.2	34.8	8.07%
White Female	38.3	40.1	4.70%
White Male	38.1	40.2	5.51%

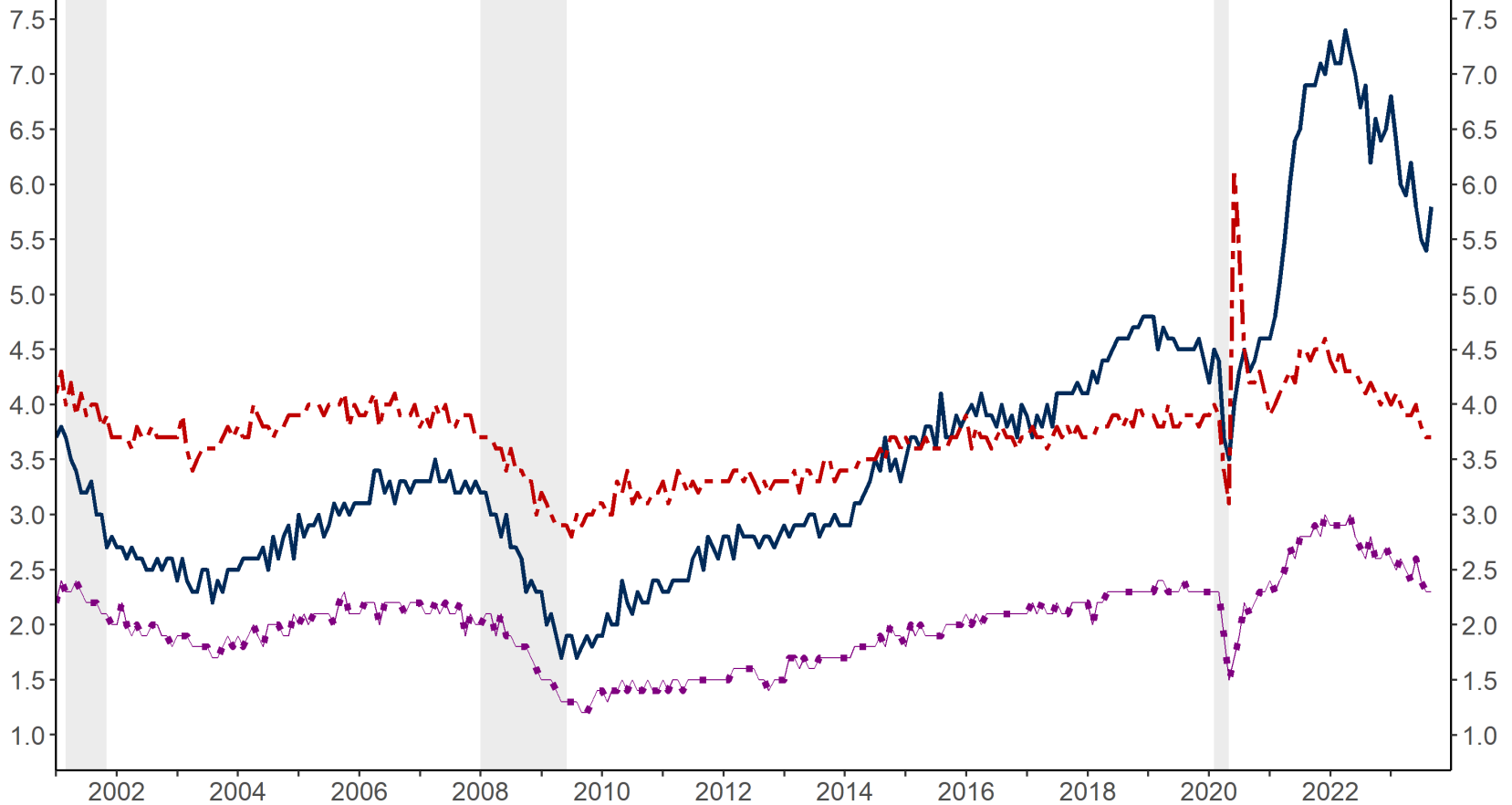
Source: Bureau of Labor Statistics

Job openings have fallen quite a bit from the peak, with no accompanied increase in unemployment rates

Labor Market Flows

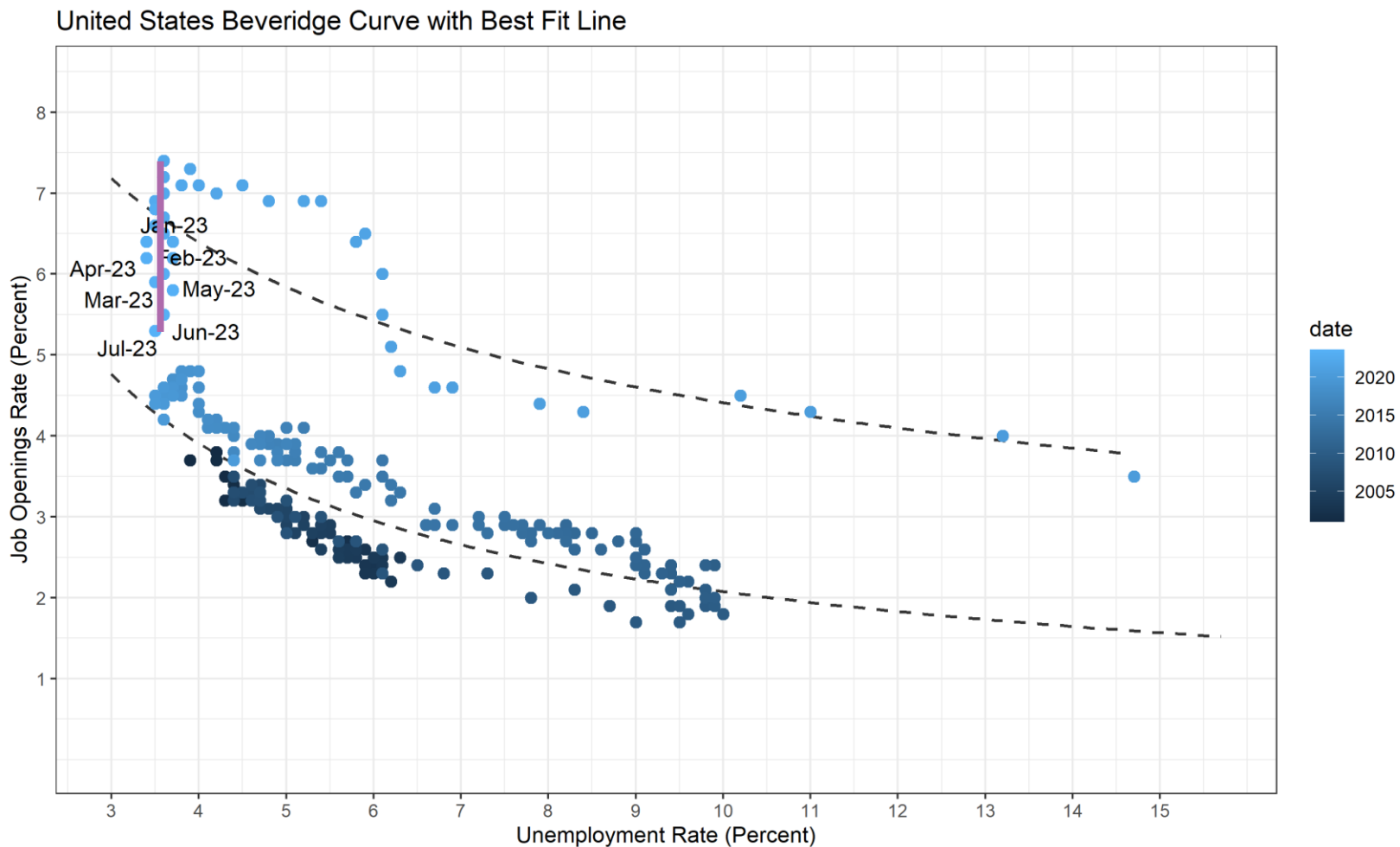
Percent

— Job Openings Rate** - - Hires Rate* ···· Quits Rate*



Source: Bureau of Labor Statistics/Haver Analytics

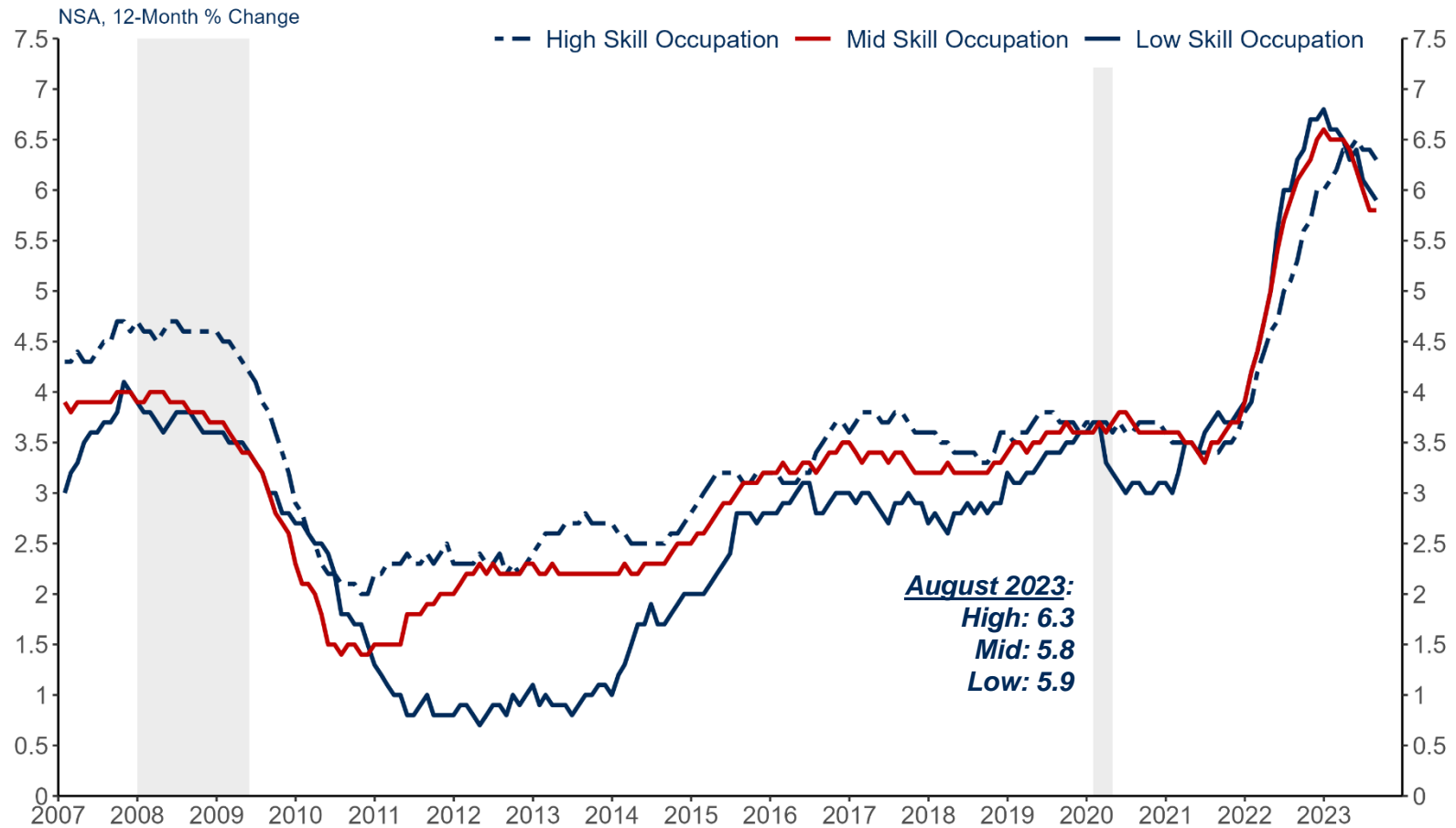
The Beveridge Curve is behaving in extraordinary ways!



Source: Bureau of Labor Statistics/Haver Analytics

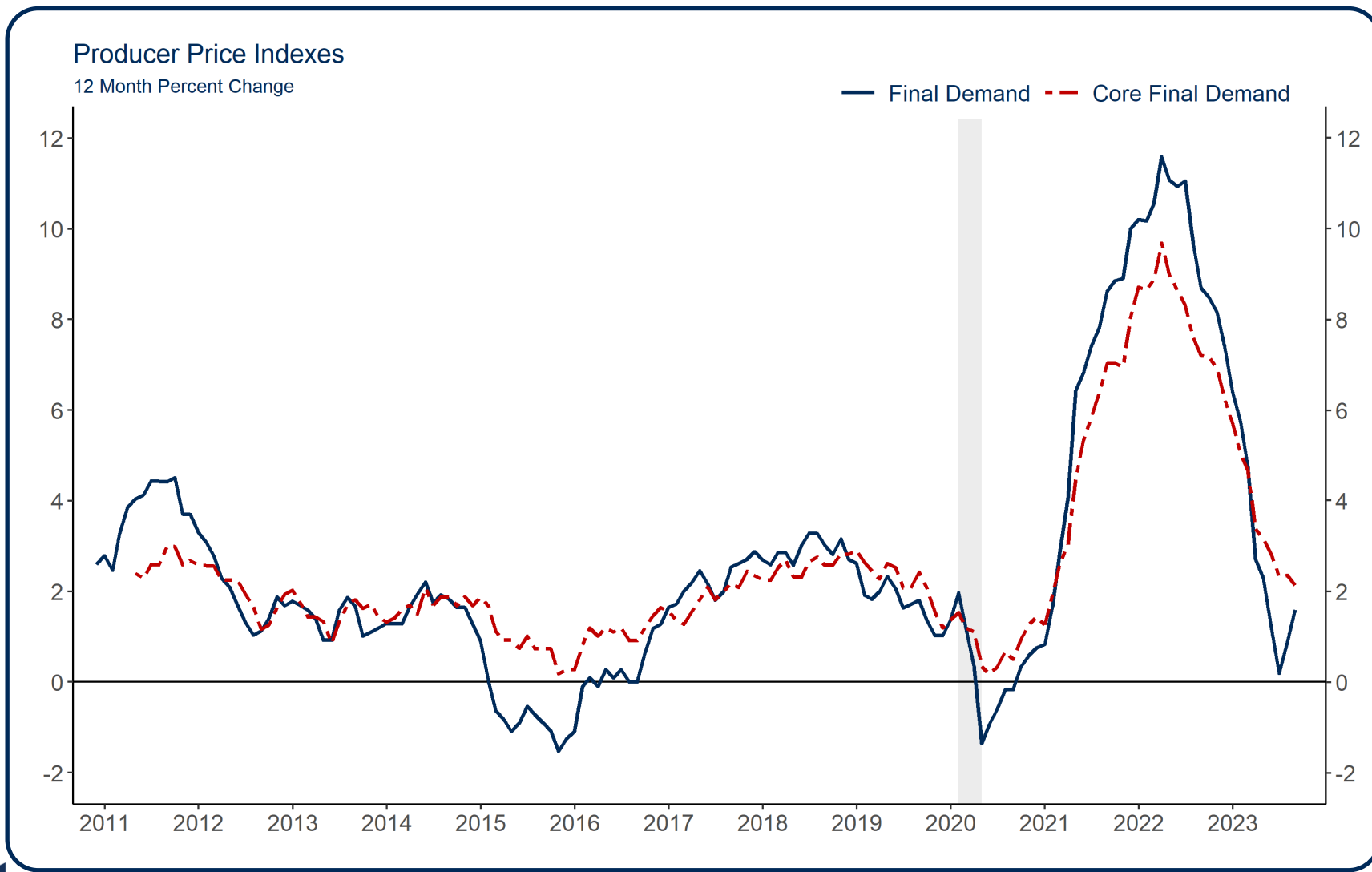
Nominal wage growth remains elevated and is now above headline inflation, resulting in real wage growth for some

Federal Reserve Bank of Atlanta Wage Growth Tracker by Skill Level



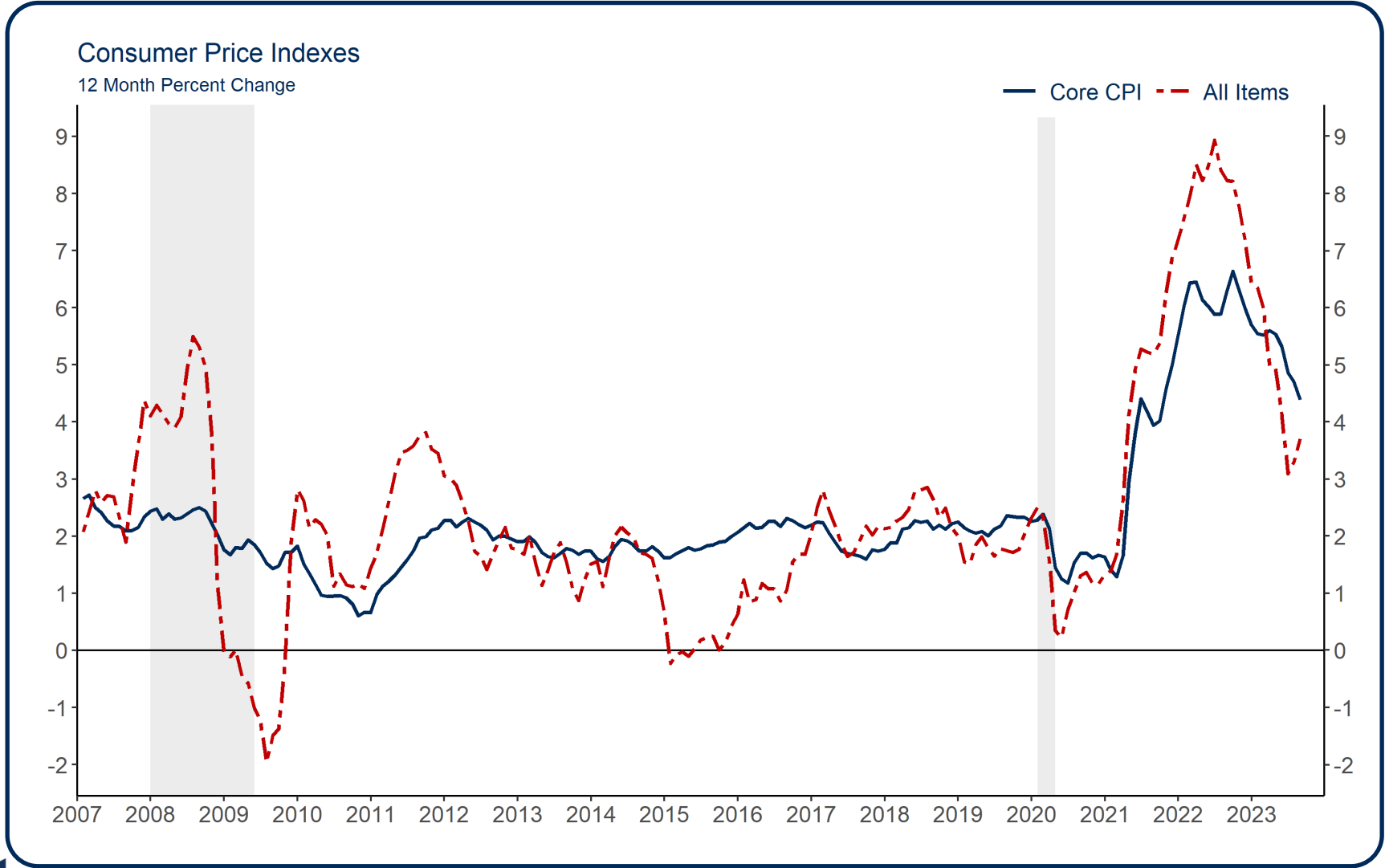
Source: FRB Atlanta via Haver Analytics

Producer prices have returned to pre-COVID norms



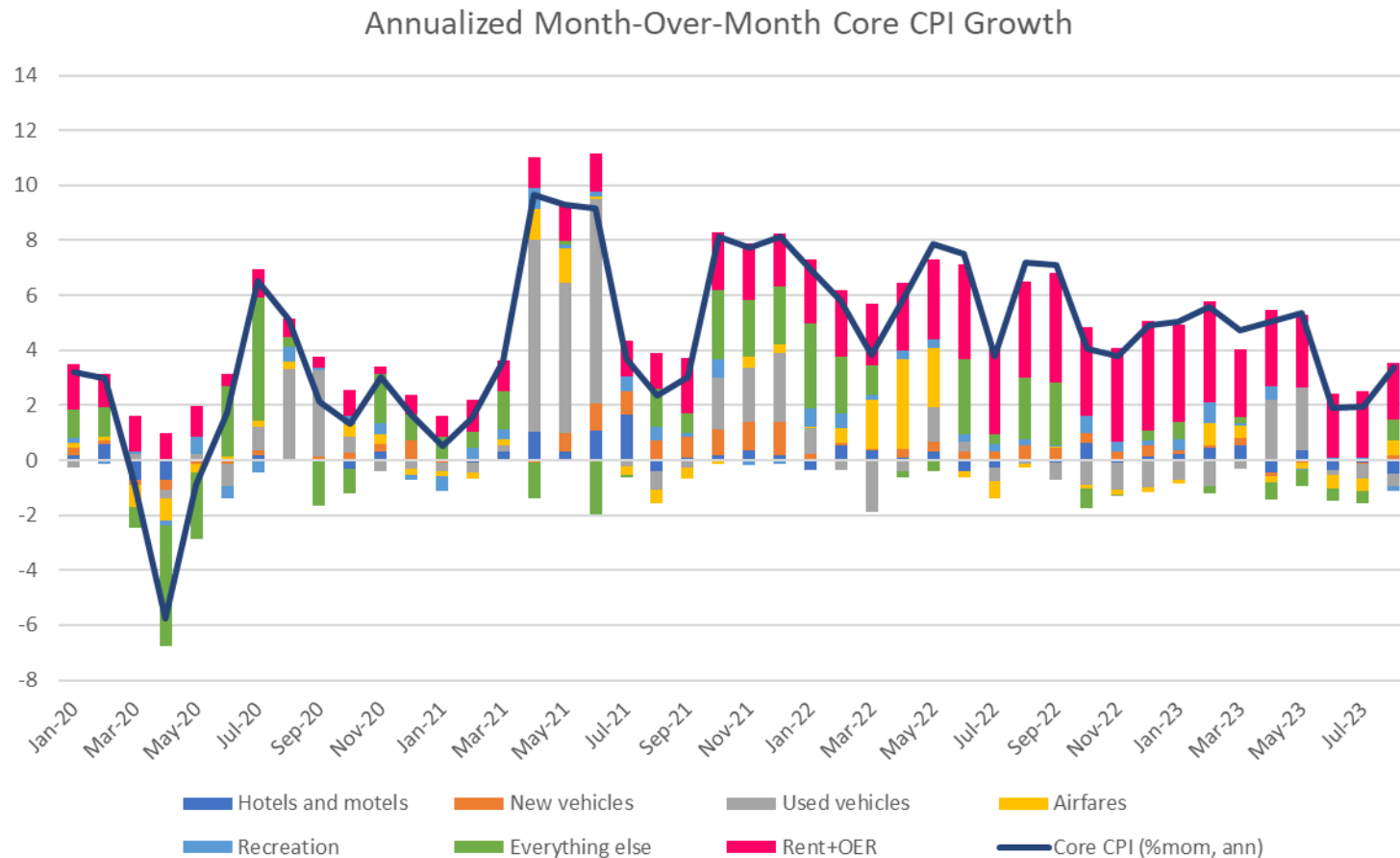
Source: Bureau of Labor Statistics via Haver Analytics

CPI declines have been primarily driven by declines in energy prices, leading to slower declines in Core CPI



Source: Bureau of Labor Statistics via Haver Analytics

Month-over-month Core CPI growth is now dominated by housing costs



Source: Bureau of Labor Statistics via Haver Analytics

Core PCE, the Fed's primary measure of inflation, remains elevated well above the 2 percent target

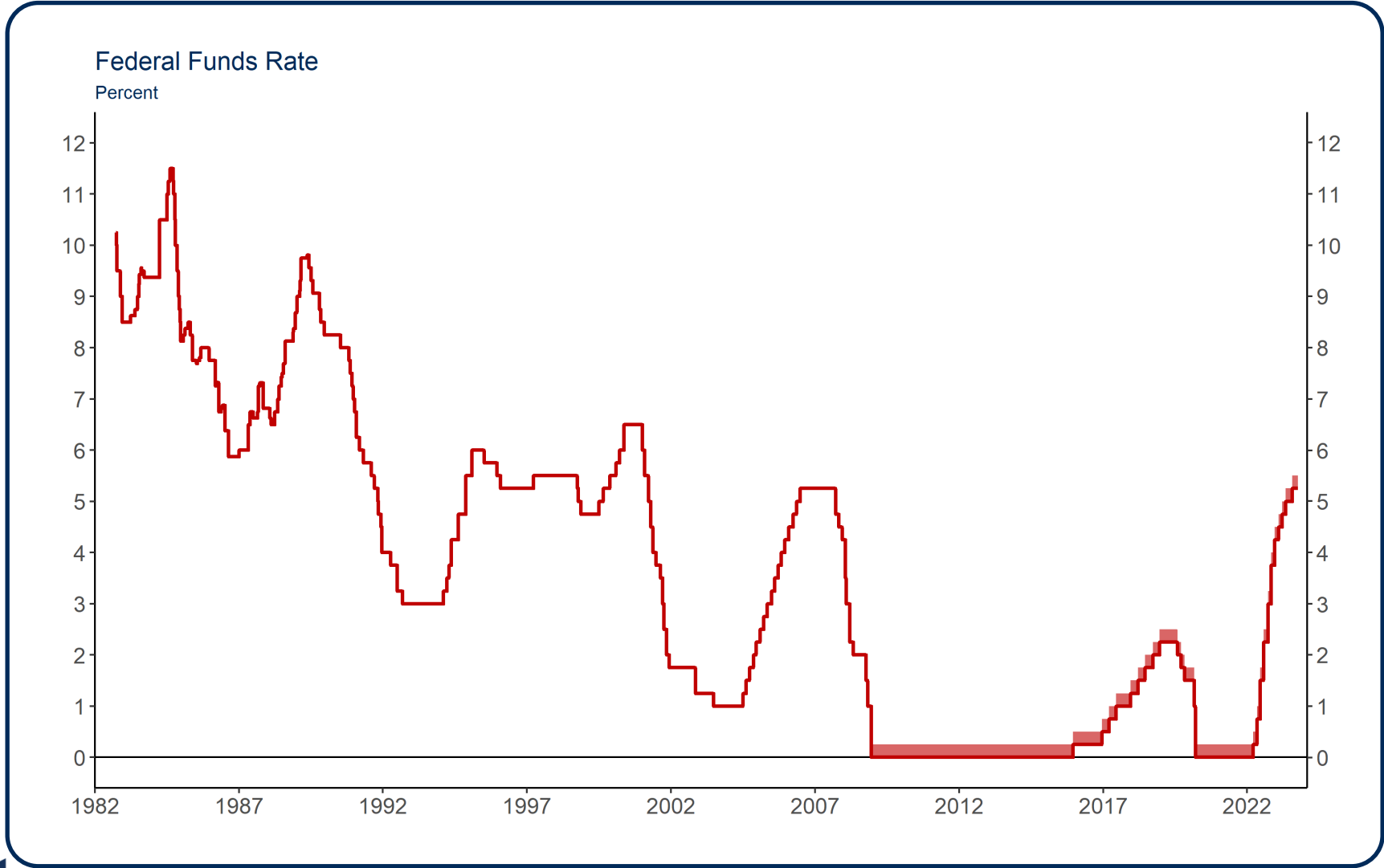
Core Personal Consumption Expenditures Price Index

12 Month Percent Change



Source: Bureau of Labor Statistics via Haver Analytics

Where do rates go from here? Historical context is important



Source: Federal Reserve Board

Where do we go from here?

- Economic growth in 2022 ended better than expected. Growth for 2023 is outpacing expectations thus far. There are significant potential speedbumps ahead
 - Potential government shutdown
 - Geo-political issues
 - Inflation that significantly exceeds current policymakers' expectations
 - Anything that makes supply chain issues even worse
 - A COVID variant that evades vaccines and is more severe
 - Expiration of pandemic-era benefits (and restart of student loan payments)
- The FOMC has already raised rates considerably and some industries are being impacted directly. What about broader economic impacts? Consumption?
 - How high will rates need to go in order to recede inflation?
 - It remains unclear whether or not the Fed will be able to achieve a “soft” or “softish” landing, but it looks more likely now than it did previously
- North and South Carolina are well-poised to be ‘winners’, but rural counties continue to face challenges going forward

Questions/Comments?

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Richmond • Baltimore • Charlotte



The Economic Outlook

October 2023

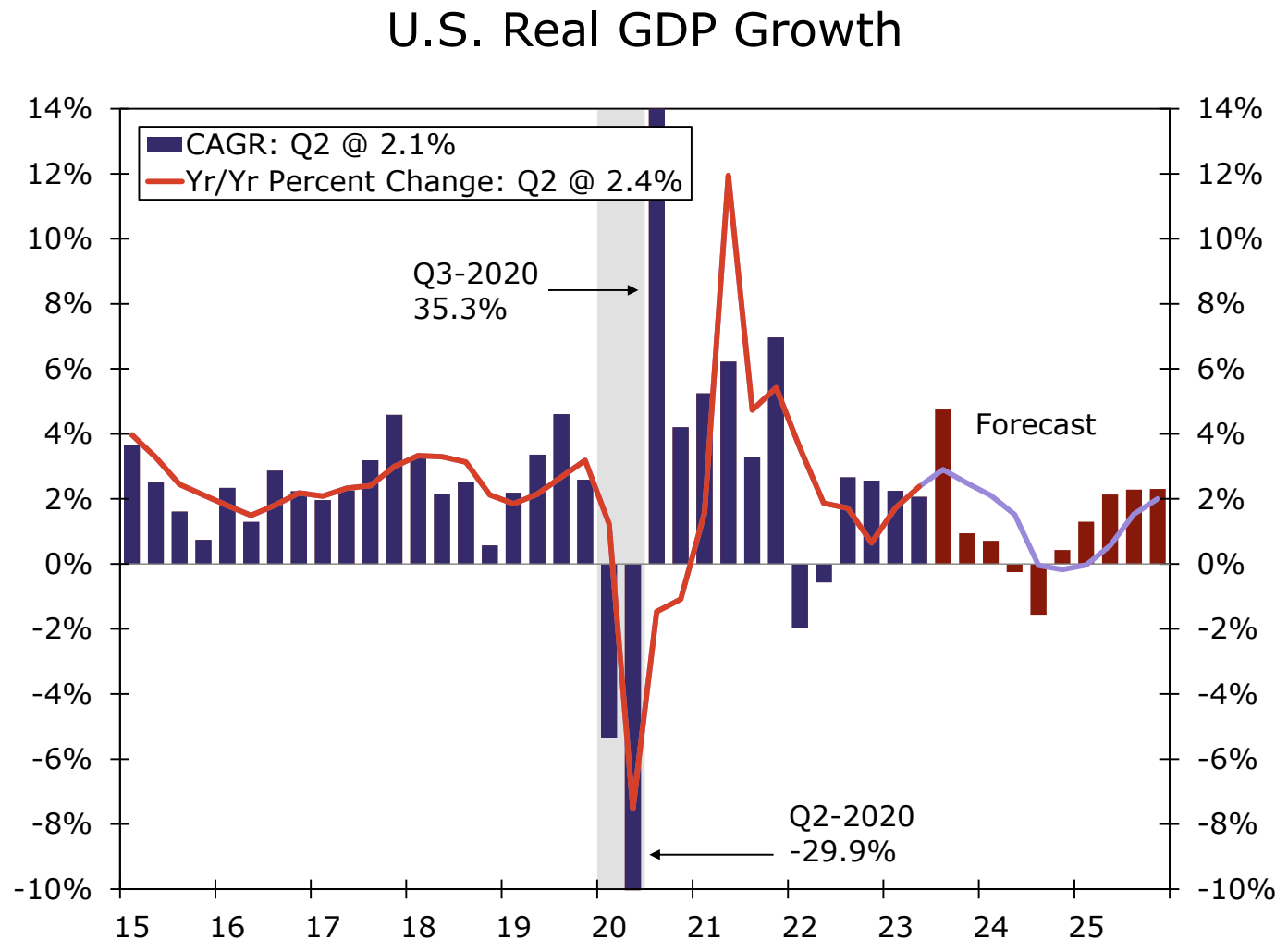
Jackie Benson

Vice President & Economist | Wells Fargo Economics

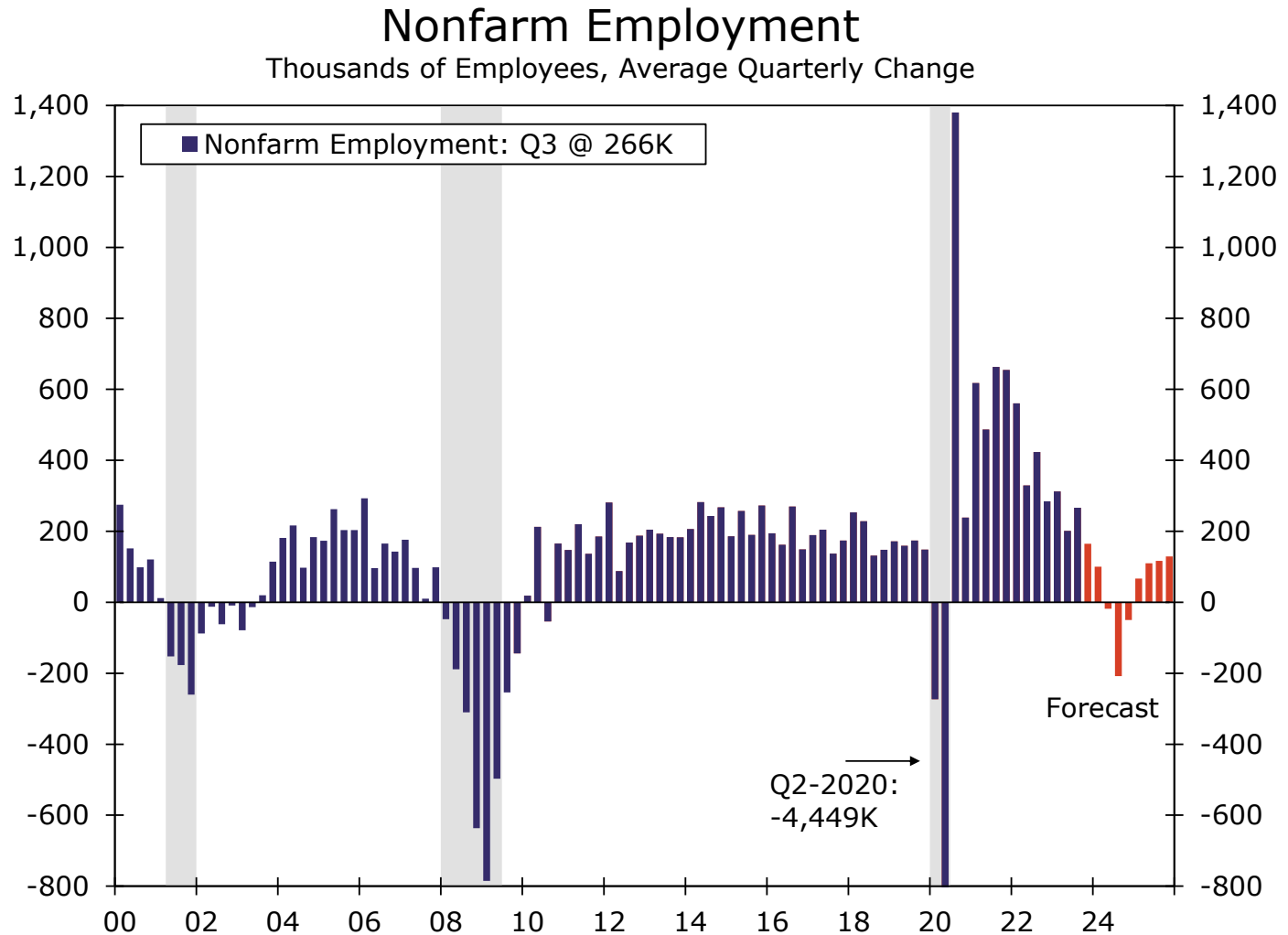
jackie.benson@wellsfargo.com | 704-410-4468

Where is the Economy Headed?

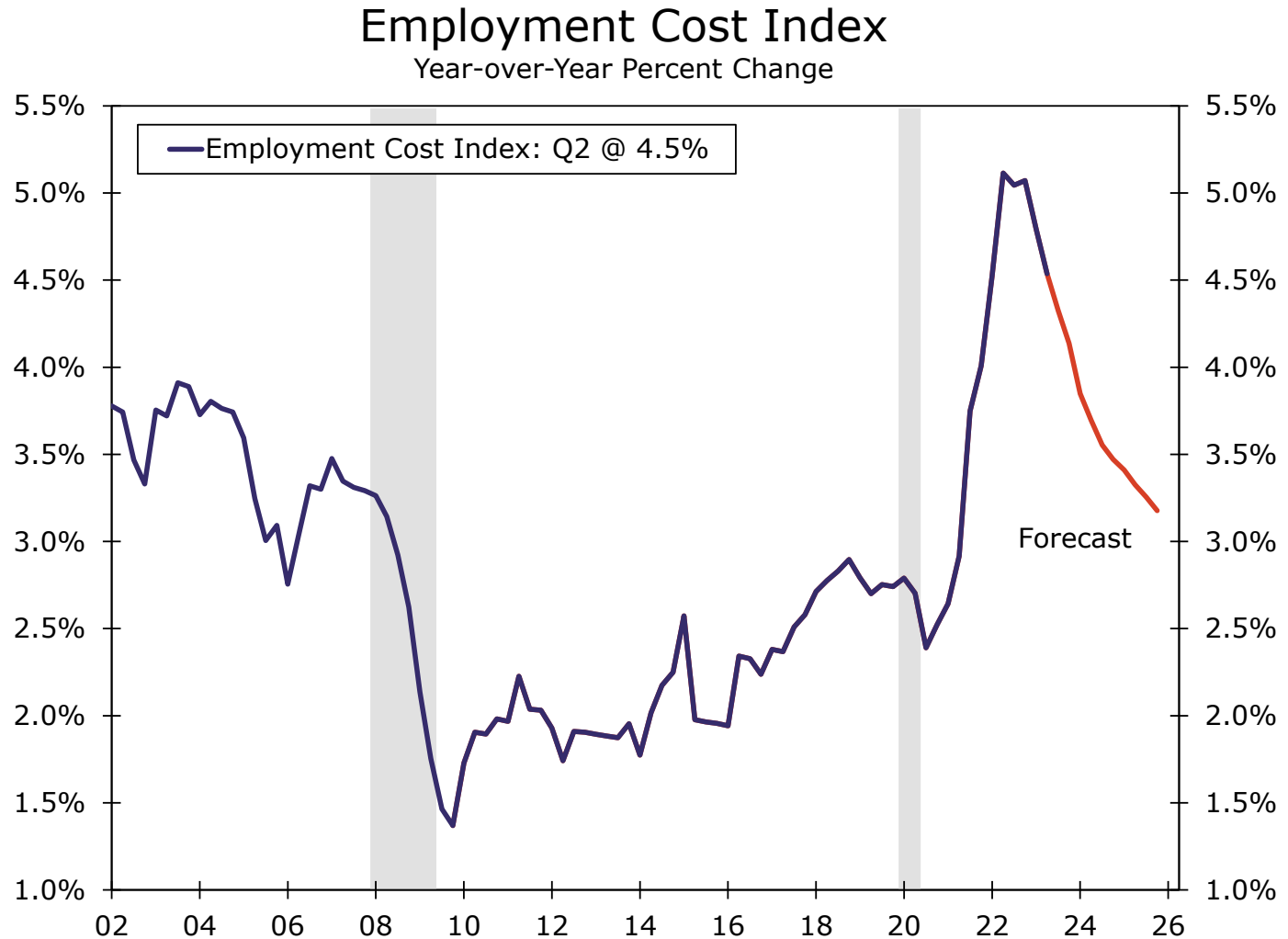
An impressive string of economic data seems to have reduced recession risks. However, we still believe the economy is headed for a slowdown.



We expect the pace of job growth to slow as the lagged effects of monetary tightening take hold.



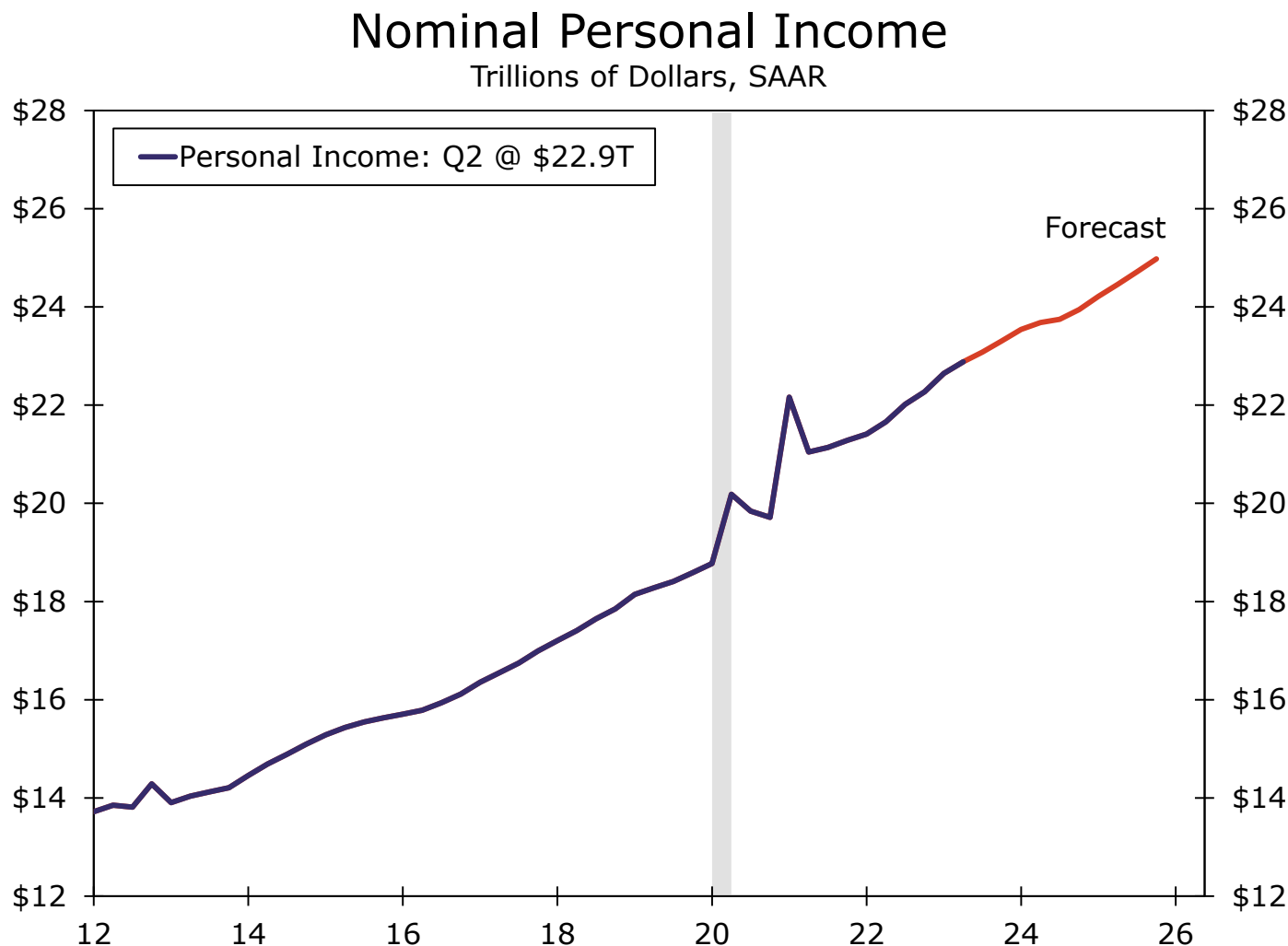
Labor cost growth appears to have turned a corner but is still running in excess of the Fed's 2% inflation goal.



Personal Income Outlook

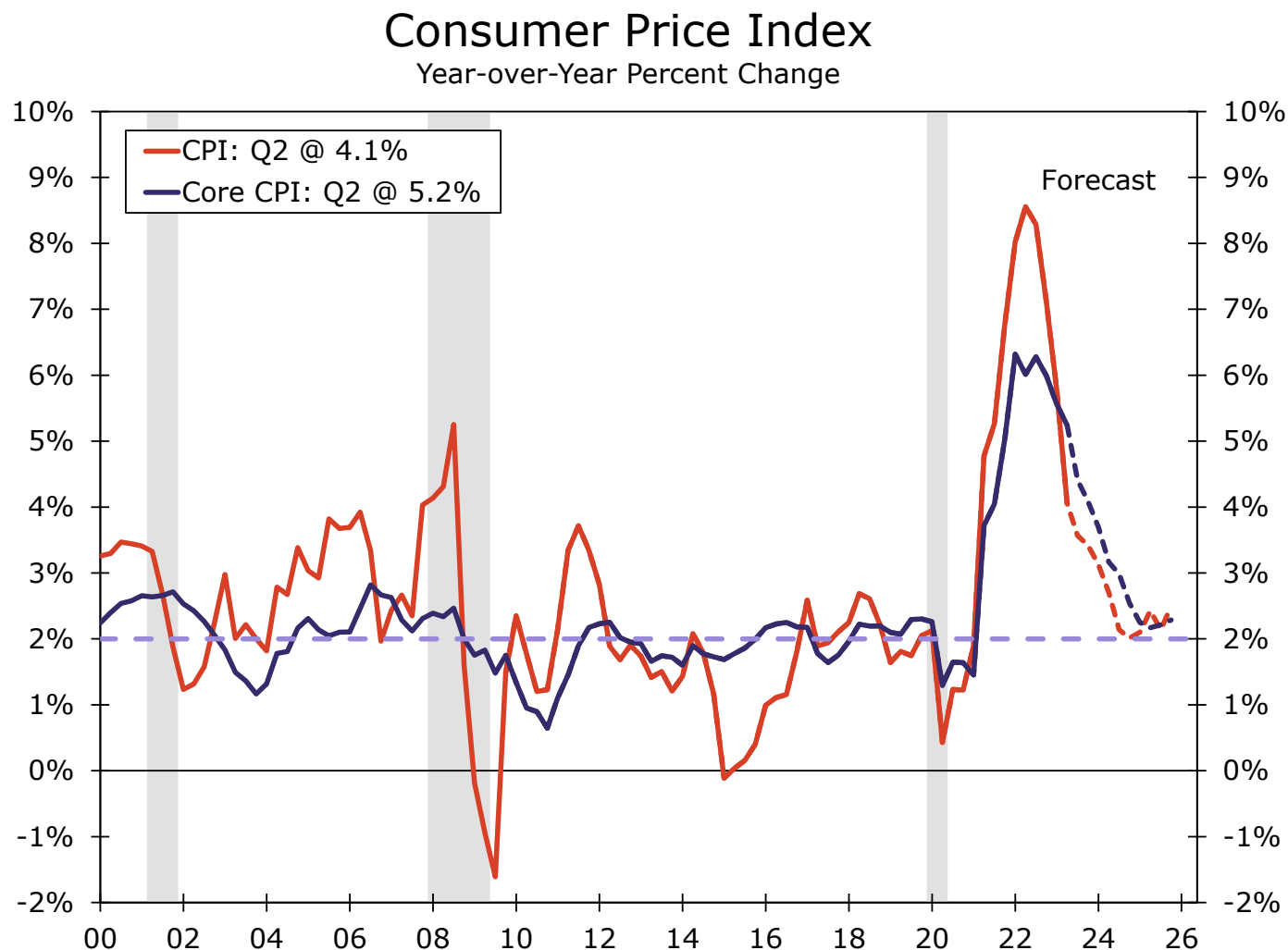
We expect personal income to grow at a solid pace over the next year.

If the labor market weakens as we expect, we look for income growth to downshift in mid-2024.

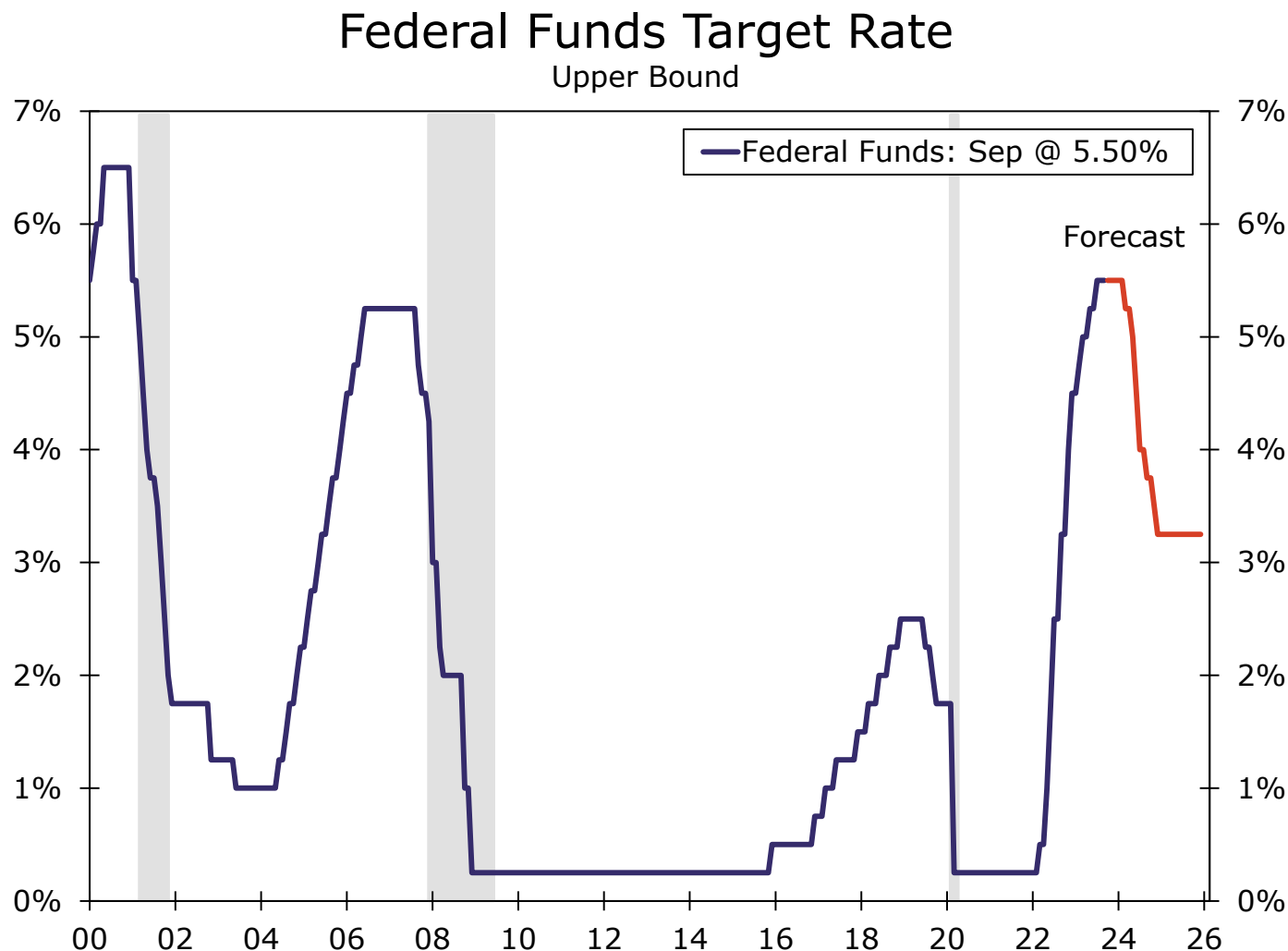


Slower labor cost growth, the ongoing disinflation from primary shelter and softening demand from more stretched consumers should help inflation to settle down.

We estimate CPI will reach a 2.0% annual rate by year-end 2024.

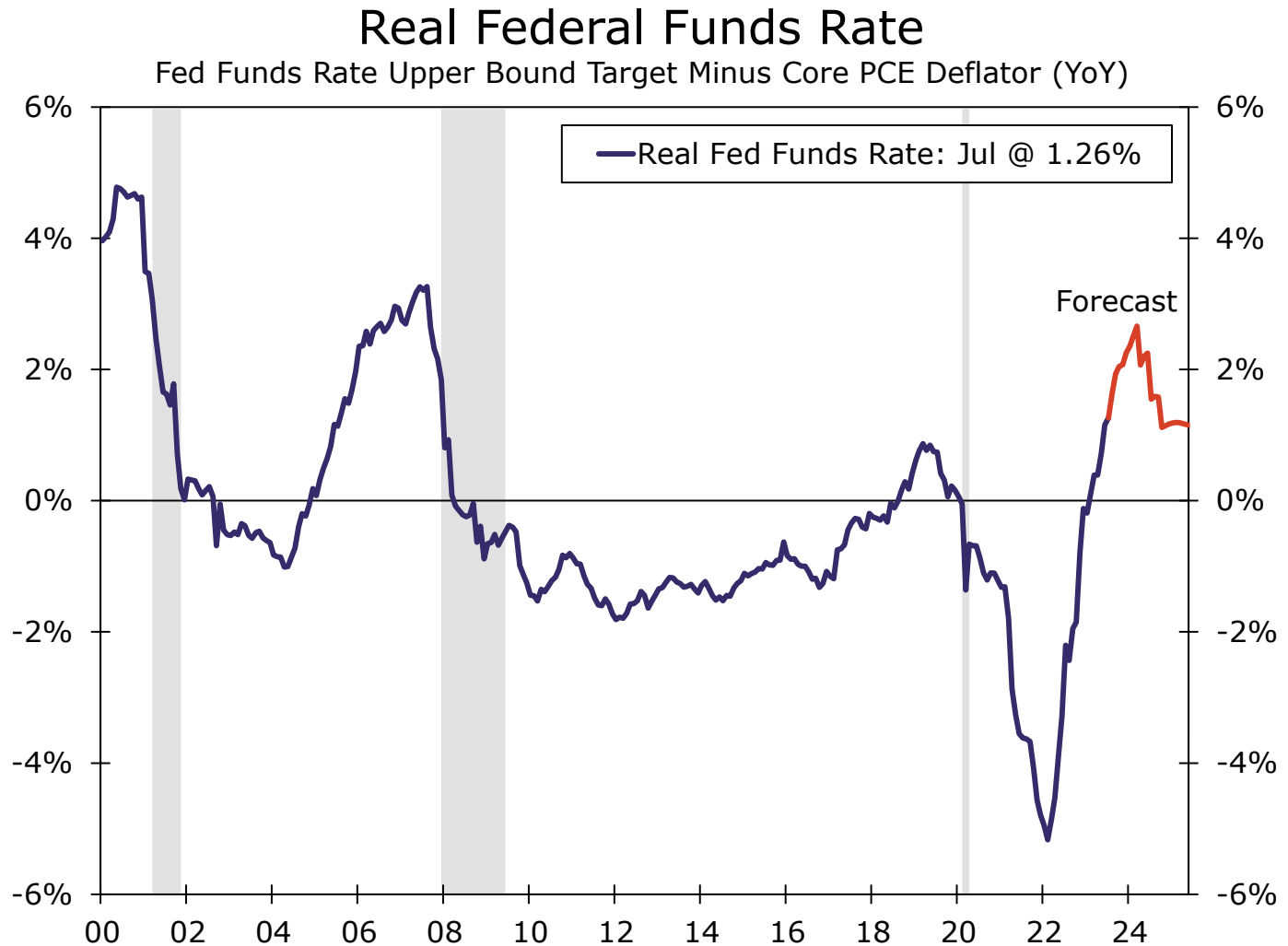


We expect that the Fed has neared the end of its tightening cycle but that it will keep the stance of monetary policy restrictive for some time.



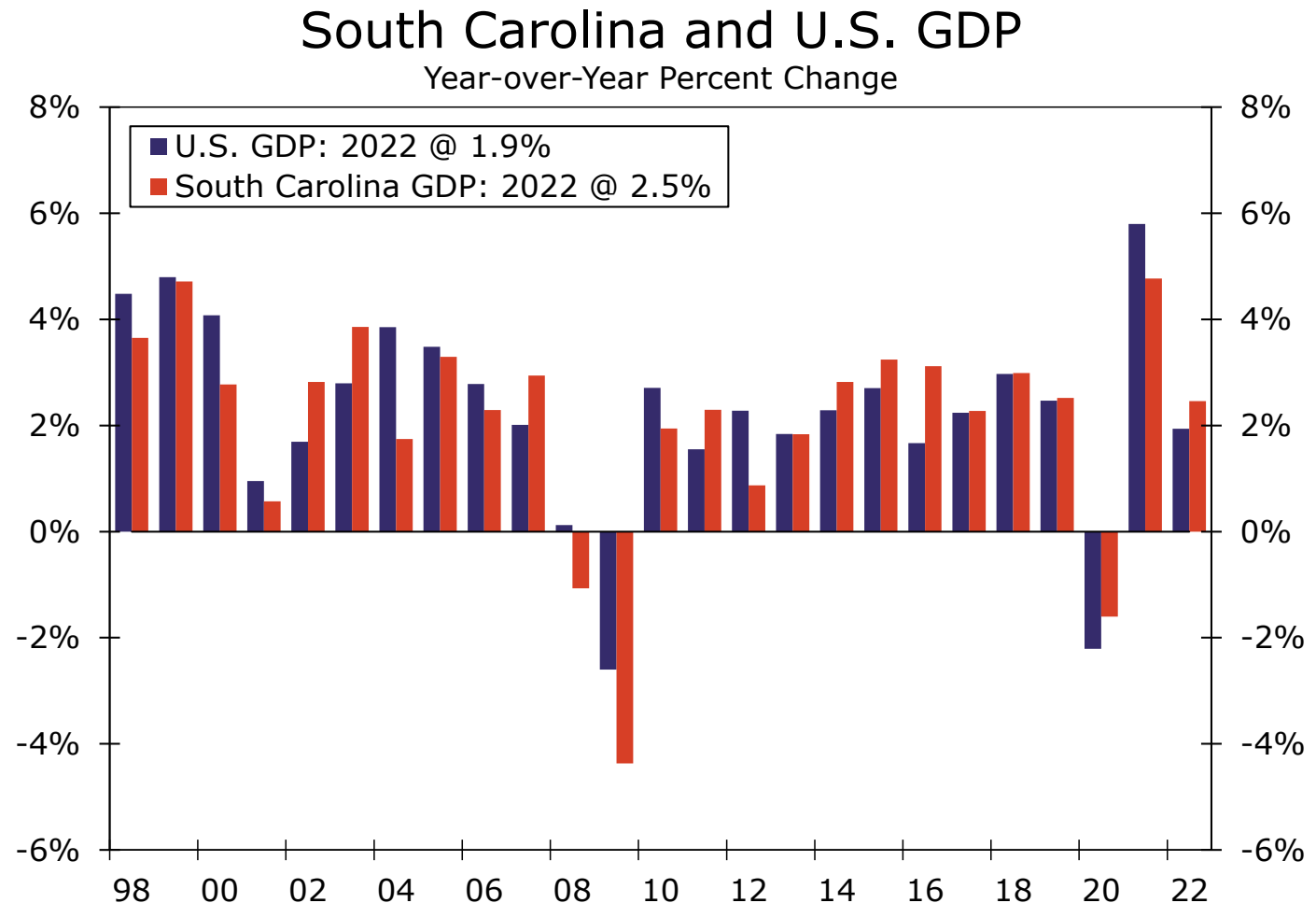
Passive Tightening Will Challenge the Economy

With the Fed on hold, receding inflation will act as an implicit form of monetary tightening.

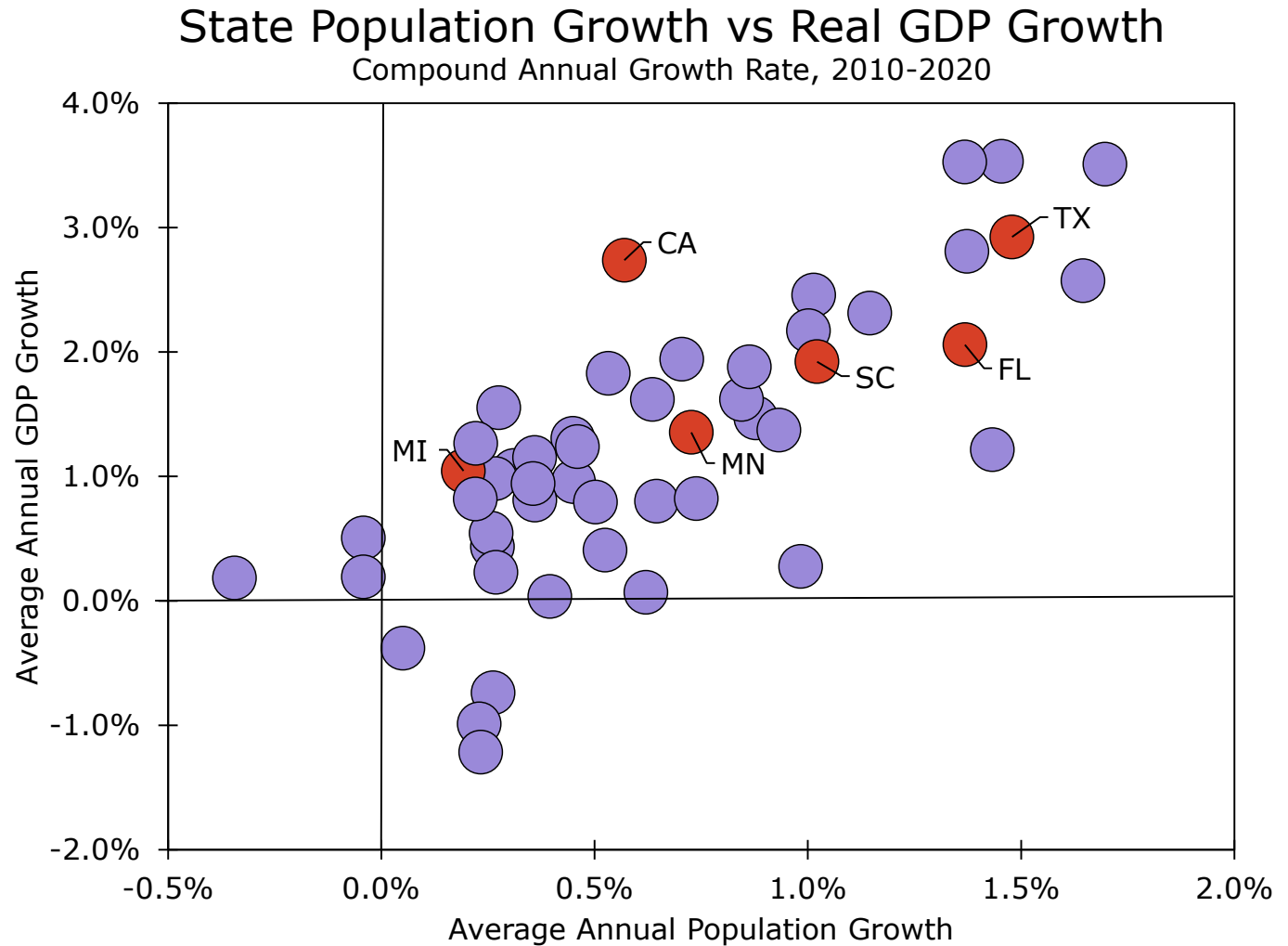


The South Carolina Economy

South Carolina's economy has enjoyed above-average growth over the past decade.



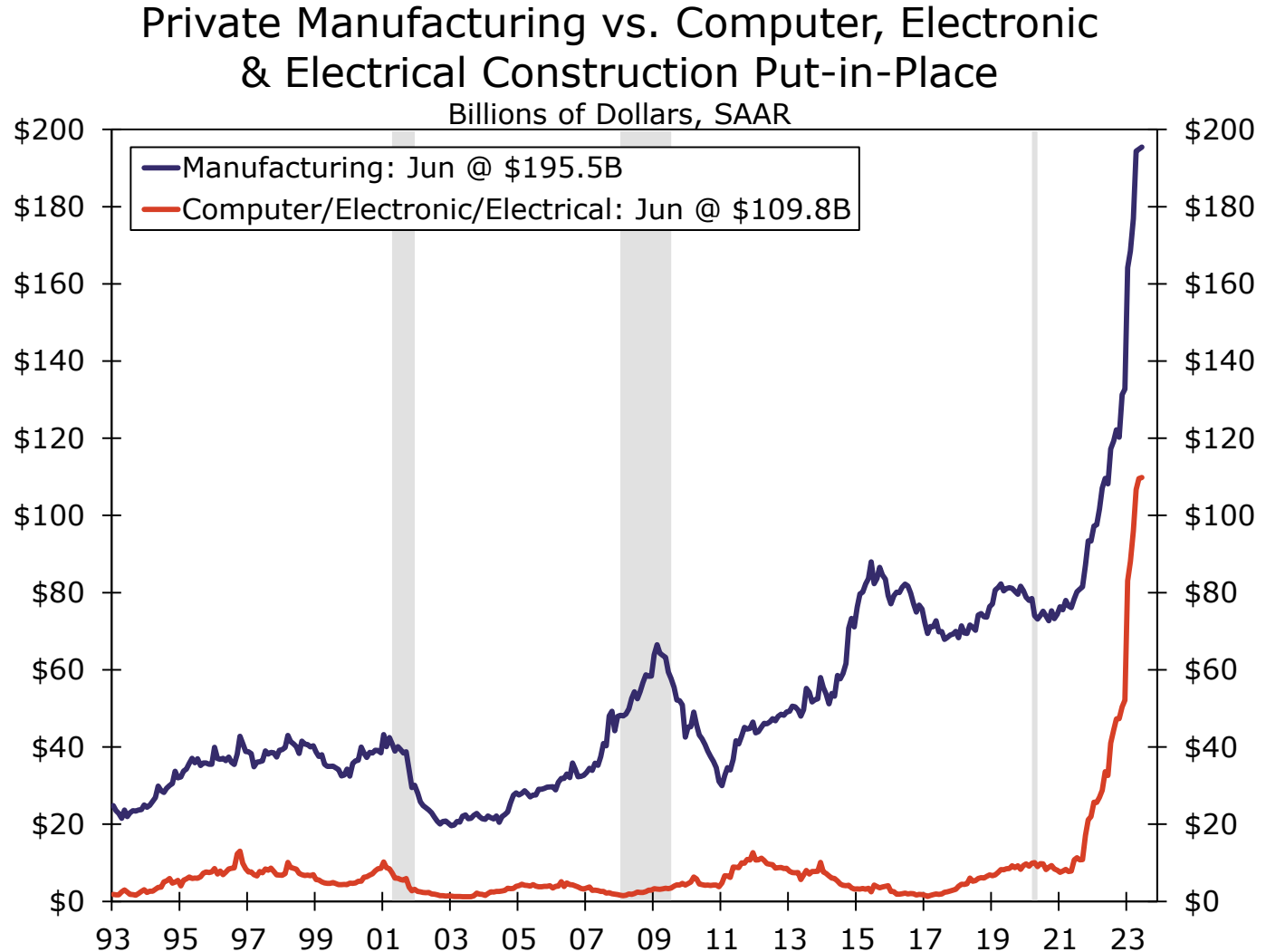
Like many other Southern economies, population growth has been a notable tailwind for South Carolina.



Manufacturing Investment

Manufacturing investment has also shot up as firms take advantage of government incentives.

New electric vehicle investment from Volvo, Michelin and BMW appears to be boosting South Carolina's GDP.

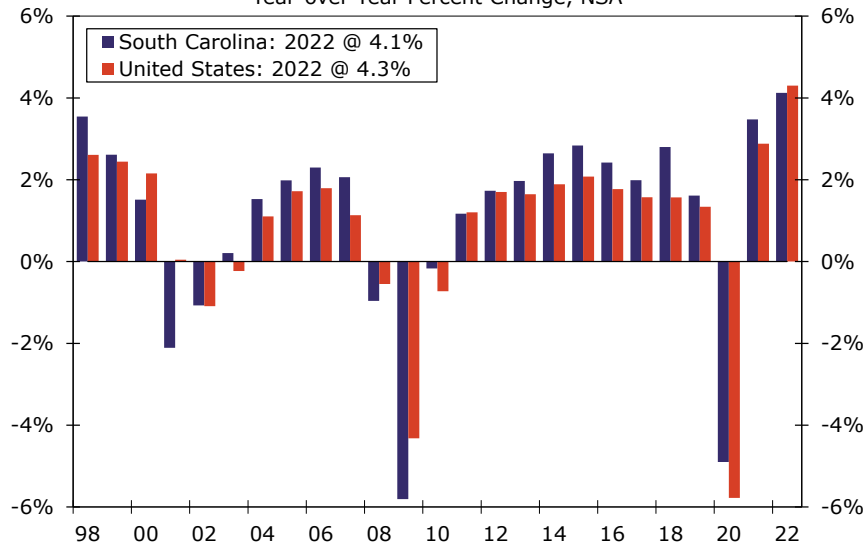


South Carolina Employment

If past is prologue, South Carolina's labor market will likely outperform the nation.

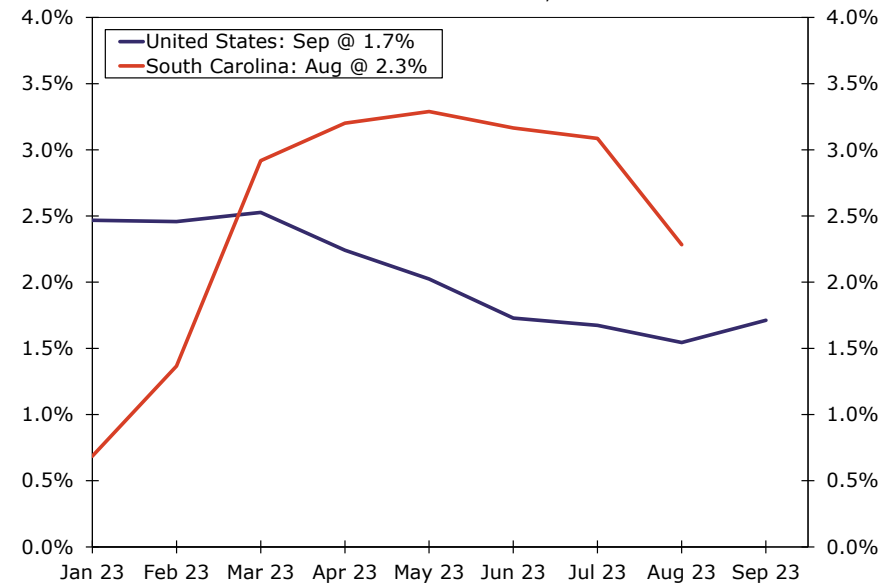
South Carolina vs. U.S. Employment

Year-over-Year Percent Change, NSA

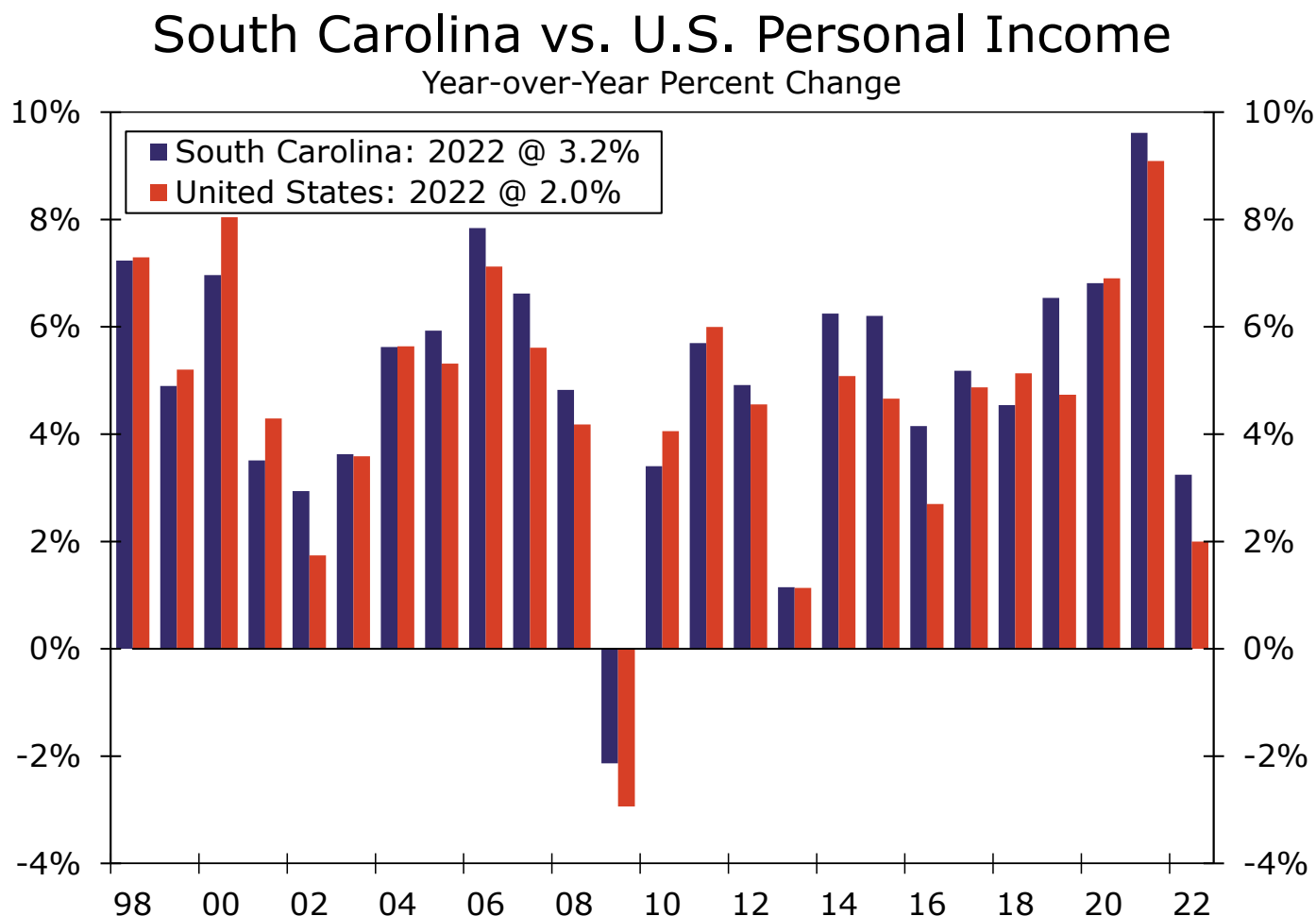


South Carolina vs. U.S. Nonfarm Employment

3-Month Annualized Rate, NSA



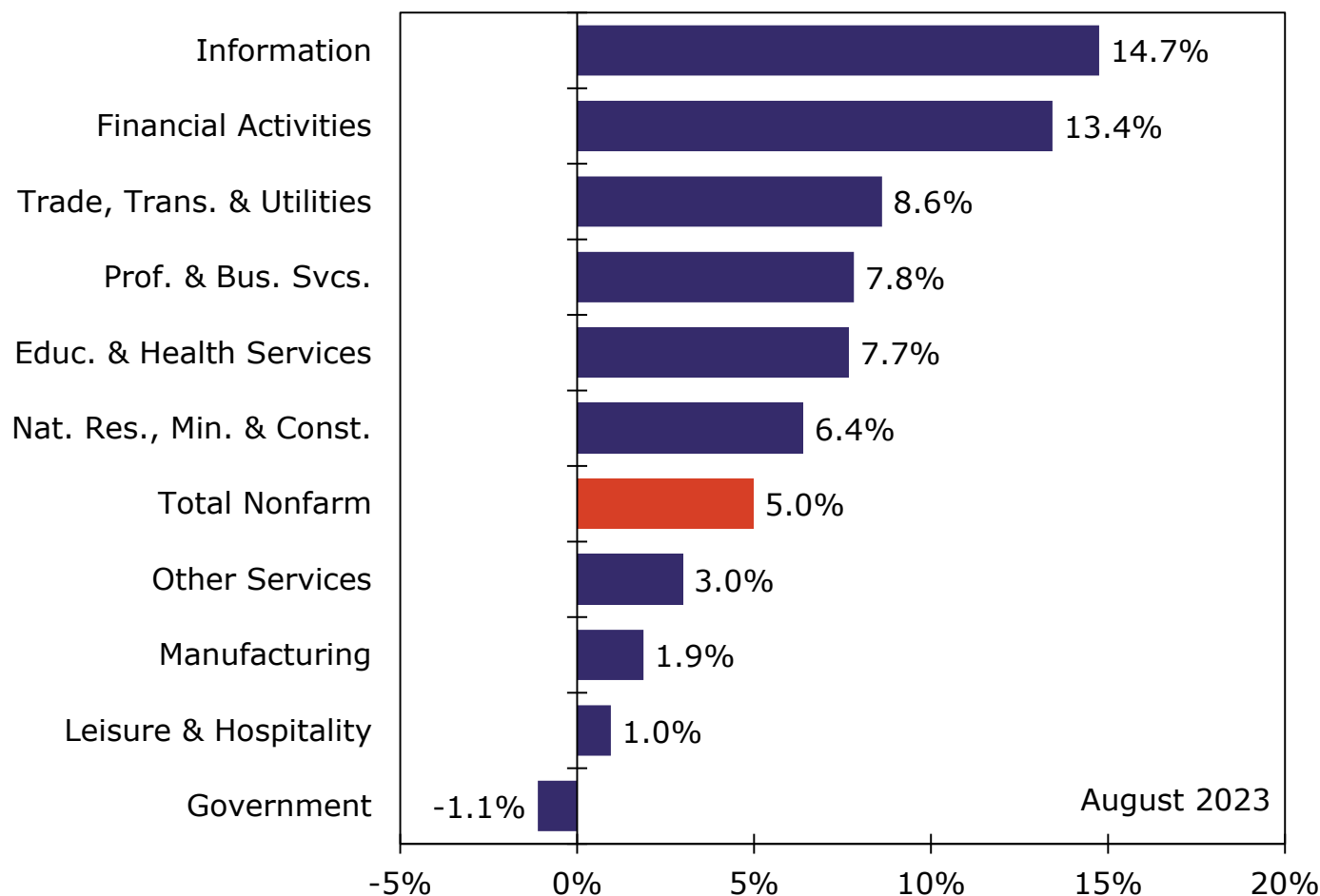
A strong labor market has propelled above-average income growth in recent years.



Robust employment growth in higher-paying industries is also likely to boost personal income in the state.

South Carolina COVID Jobs Recovery by Industry

Percent Change from Pre-Pandemic (Feb-2020) Level



Wells Fargo U.S. Economic Forecast

	Actual				Forecast								Actual	Forecast			
	2023				2024				2025				2022	2023	2024	2025	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q					
Real Gross Domestic Product ¹	2.2	2.1	4.7	0.9	0.7	-0.3	-1.6	0.4	1.3	2.1	2.3	2.3	1.9	2.4	0.8	1.0	
Personal Consumption	3.8	0.8	3.8	1.0	0.7	0.3	-1.5	-0.4	1.2	1.7	1.6	1.8	2.5	2.2	0.7	0.7	
Business Fixed Investment	5.7	7.4	0.2	-2.5	-0.5	-3.7	-5.5	-0.8	3.1	4.7	4.4	4.5	5.2	3.9	-1.6	1.4	
Equipment	-4.1	7.7	-2.6	-7.2	0.0	-7.2	-8.9	0.4	3.4	4.0	2.4	2.4	5.2	-0.4	-3.7	0.4	
Intellectual Property Products	3.8	2.7	1.9	2.0	0.9	0.8	-2.3	-1.0	3.8	5.6	6.9	7.6	9.1	4.3	0.8	2.9	
Structures	30.3	16.1	2.5	-2.5	-4.8	-6.9	-5.8	-2.5	1.2	4.0	2.9	1.5	-2.1	11.2	-2.7	-0.2	
Residential Investment	-5.3	-2.2	4.5	1.5	-2.2	-2.8	1.2	2.4	3.1	2.8	3.1	3.5	-9.0	-10.9	-0.1	2.3	
Government Purchases	4.8	3.3	2.8	1.5	1.2	0.8	0.7	0.4	0.3	0.4	0.5	0.7	-0.9	3.5	1.4	0.5	
Net Exports ²	0.6	0.0	1.2	0.0	0.2	0.7	1.0	0.3	-0.1	-0.2	-0.1	-0.2	-0.5	0.7	0.5	0.1	
Inventories ²	-2.2	0.0	0.2	0.3	0.0	-0.7	-0.9	0.4	0.0	0.4	0.5	0.4	0.5	-0.5	-0.2	0.1	
Nonfarm Payroll Change ³	312	201	266	165	100	-18	-208	-50	67	110	117	129	399	236	-44	106	
Unemployment Rate	3.5	3.6	3.7	3.8	3.8	4.0	4.4	4.4	4.3	4.1	4.0	4.0	3.6	3.6	4.2	4.1	
Consumer Price Index ⁴	5.8	4.1	3.6	3.4	3.1	2.7	2.1	2.0	2.1	2.4	2.7	2.5	8.0	4.2	2.5	2.4	
Real Disposable Income ¹	10.8	3.5	-0.7	1.5	1.7	1.1	-0.2	0.8	2.0	1.9	2.1	2.1	-6.0	4.1	1.1	1.4	
Quarter-End Interest Rates ⁵																	
Federal Funds Target Rate ⁶	5.00	5.25	5.50	5.50	5.50	5.25	4.50	3.75	3.25	3.25	3.25	3.25	2.02	5.31	4.75	3.25	
Conventional Mortgage Rate	6.54	6.71	7.20	7.30	7.00	6.50	6.20	5.85	5.70	5.75	5.70	5.65	5.38	6.94	6.39	5.70	
2 Year Note	4.06	4.87	5.03	4.80	4.35	3.70	3.40	3.20	3.10	3.25	3.25	3.25	2.99	4.69	3.66	3.21	
10 Year Note	3.48	3.81	4.59	4.45	4.20	3.75	3.55	3.40	3.30	3.40	3.40	3.40	2.95	4.08	3.73	3.38	

Forecast as of: October 13, 2023

¹ Compound Annual Growth Rate Quarter-over-Quarter

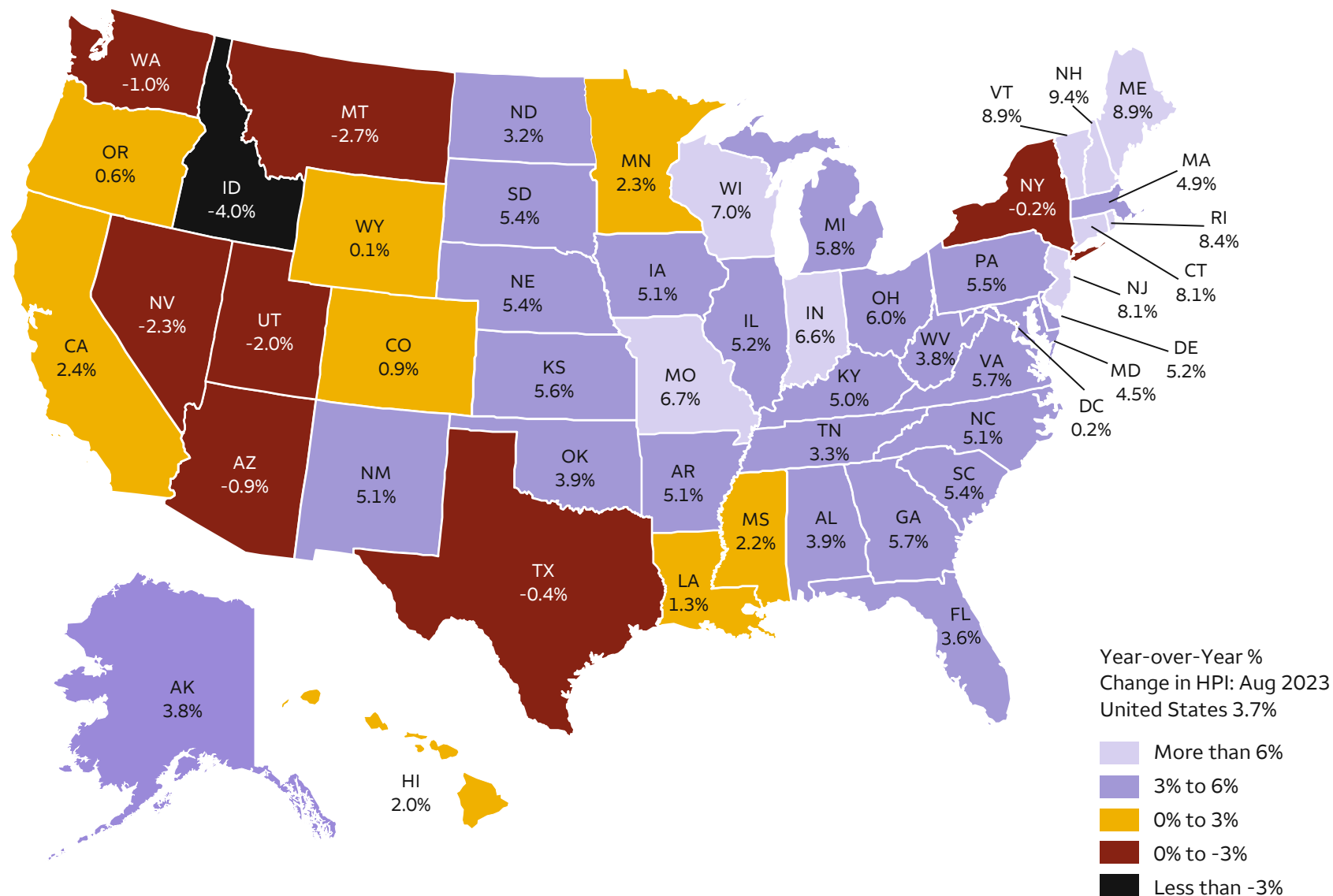
³ Average Monthly Change

⁴ Year-over-Year Percentage Change

⁶ Upper Bound of the Federal Funds Target Range

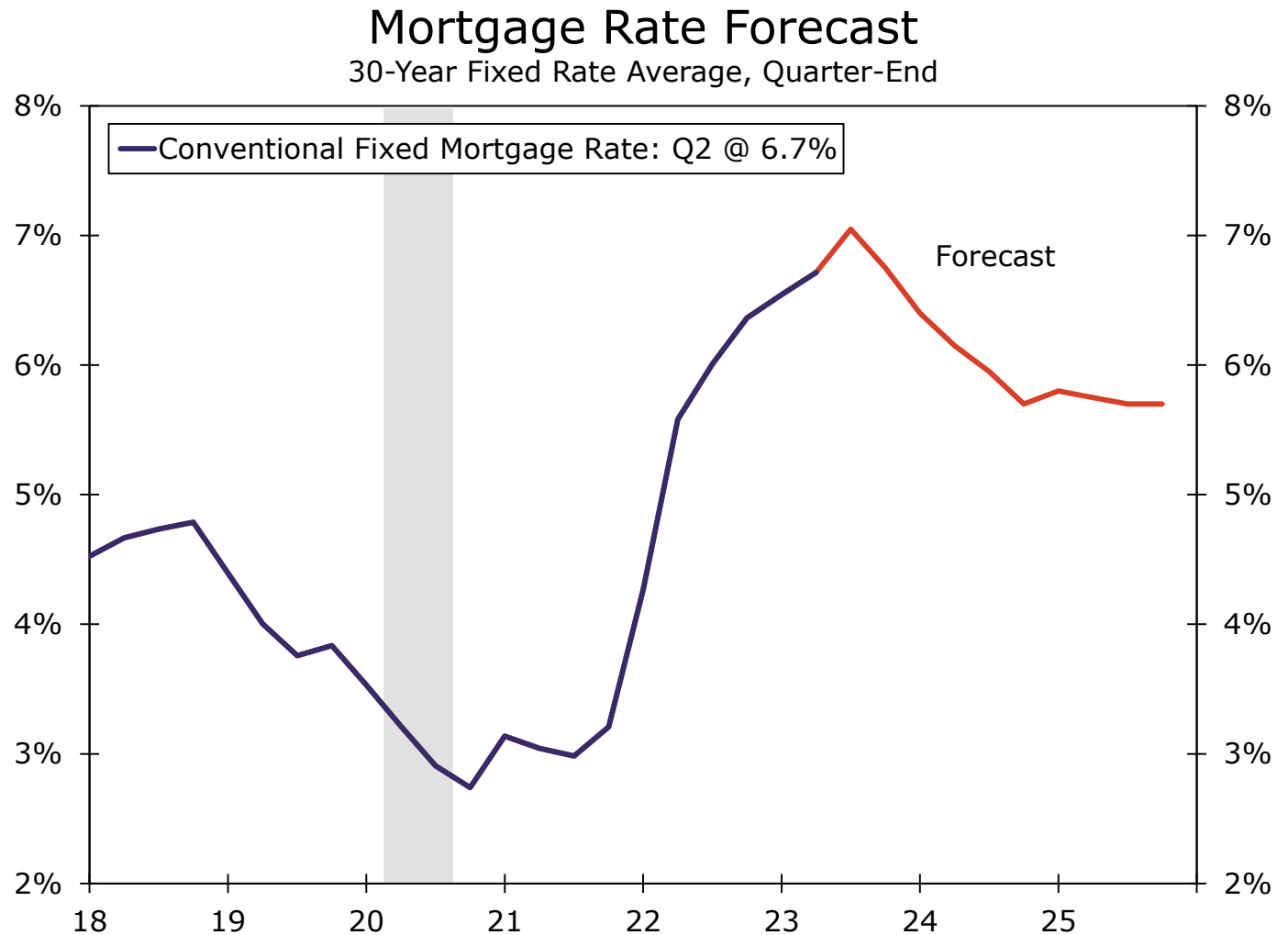
Appendix

Home Prices Have Turned Up in Eastern Markets



Mortgage Rates Likely to Remain Elevated

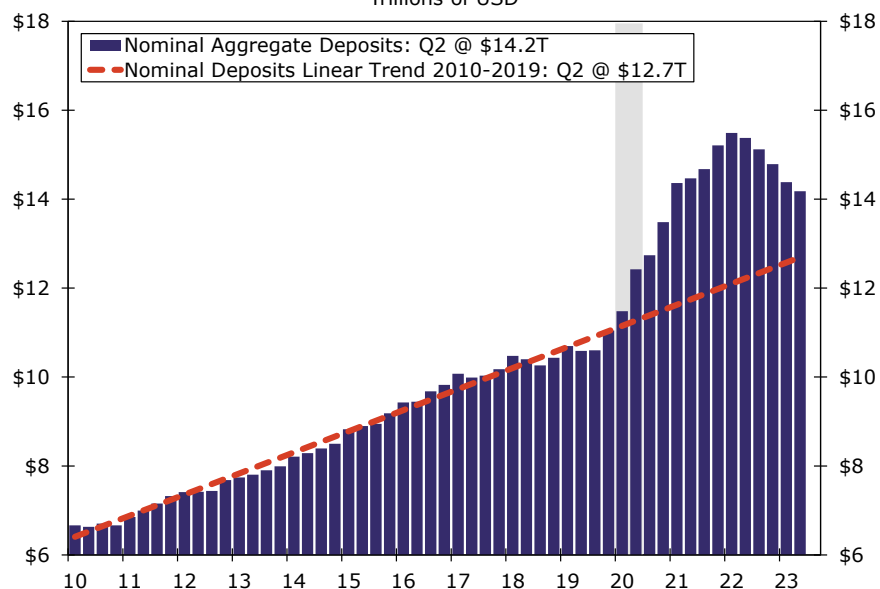
We expect mortgage rates to trend lower over the next two years, however rates will likely remain elevated above pre-pandemic levels for some time.



Household Savings

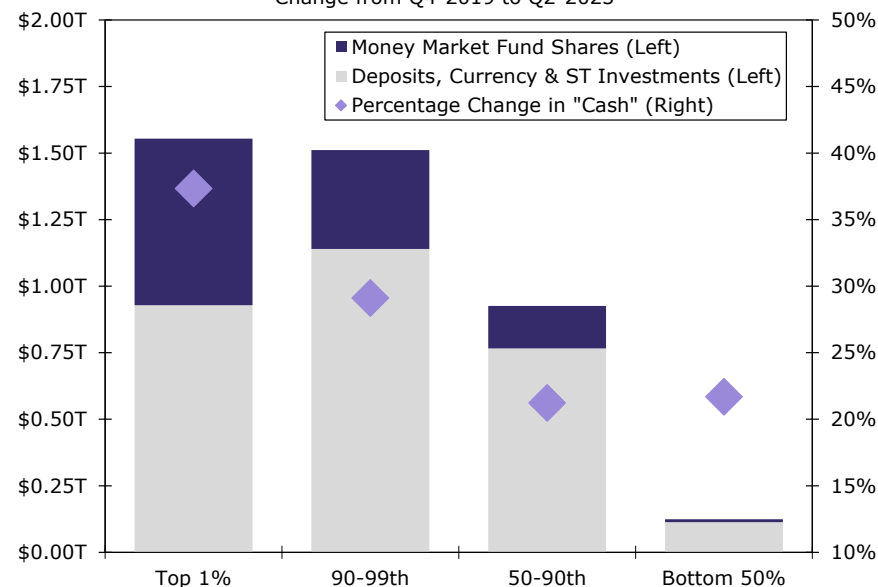
Pandemic-era savings are dwindling. Remaining “excess savings” are skewed toward wealthier households.

Household Checking and Savings Deposits
Trillions of USD



Gain in "Cash" Assets by Wealth Cohort

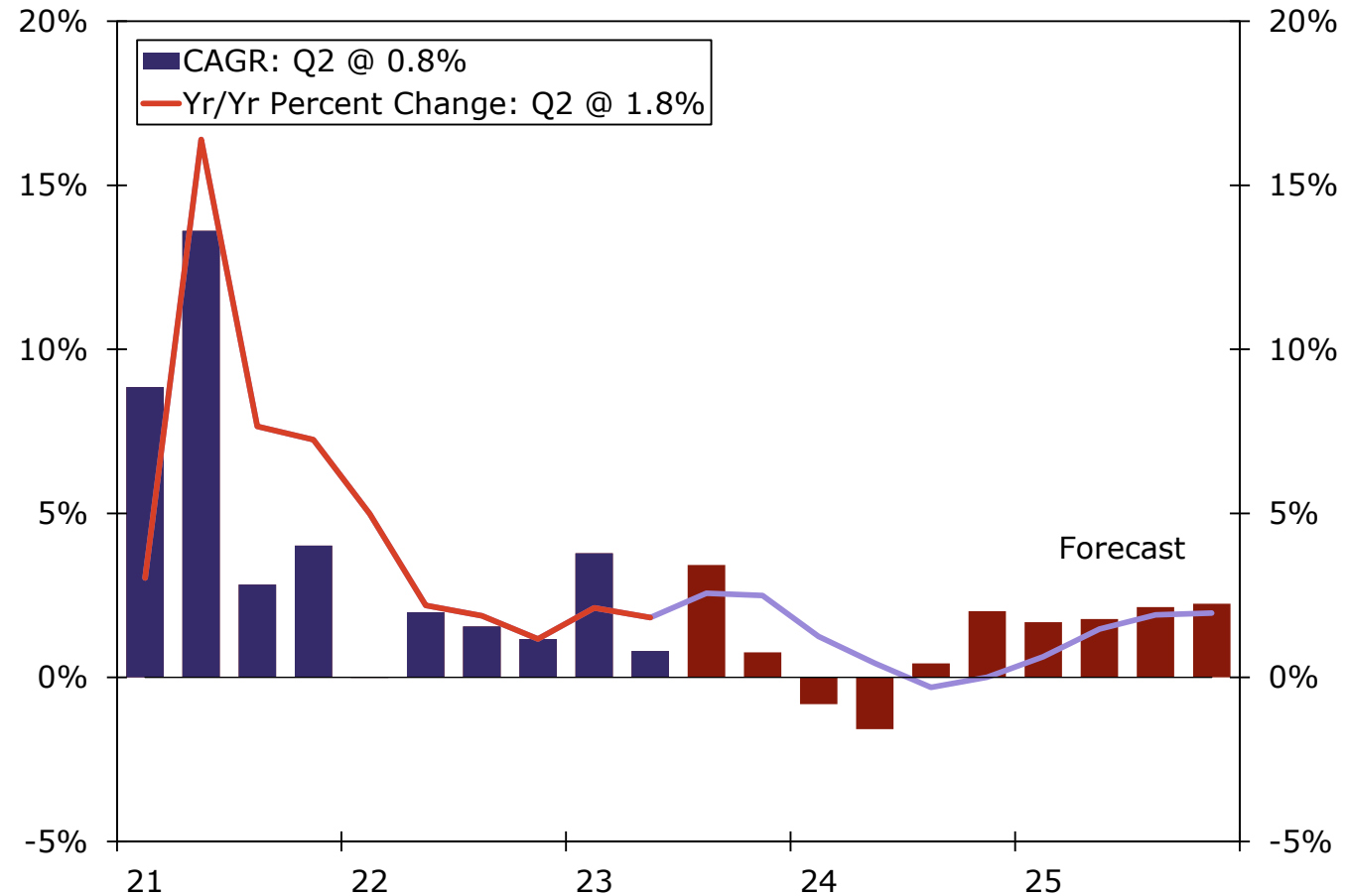
Change from Q4-2019 to Q2-2023



If the labor market weakens as we expect, we look for consumer spending to start contracting toward the beginning of 2024.

We expect most of the downshift will be concentrated in the goods sector.

Real Personal Consumption Expenditures



Wells Fargo Economics Group

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BEA Regional Advisory Committee

October 16, 2023

Russell S. Sobel, Ph.D.



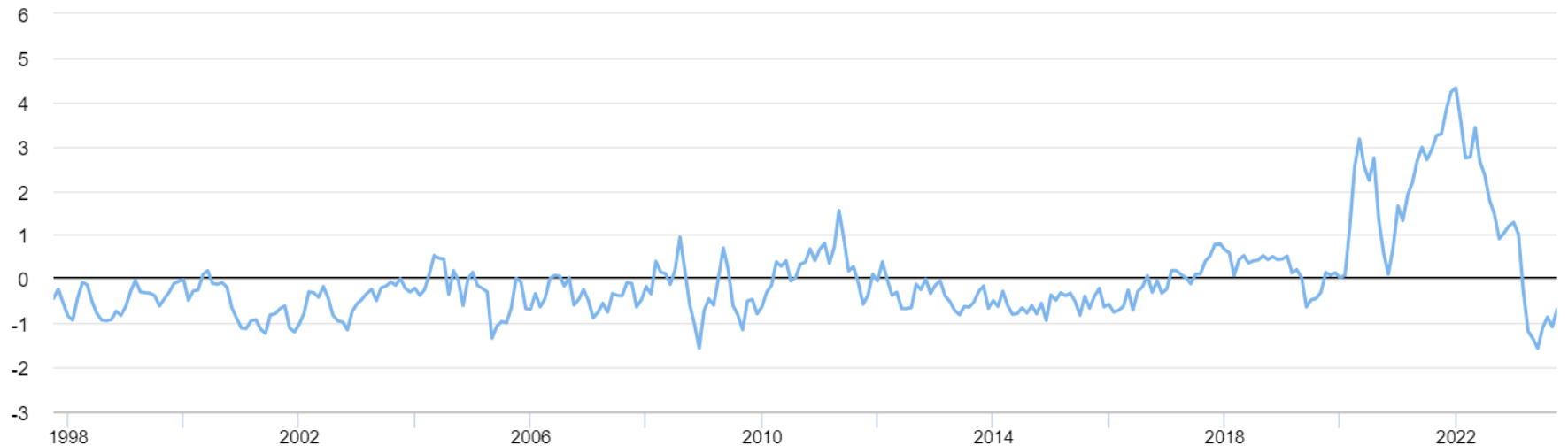
The Economic Situation

- First, some good news:
 - Global Supply Chain Issues are Resolving:

Global Supply Chain Pressure Index (GSCPI)

Standard deviations from average value

From Sep 30, 1997 To Sep 30, 2023

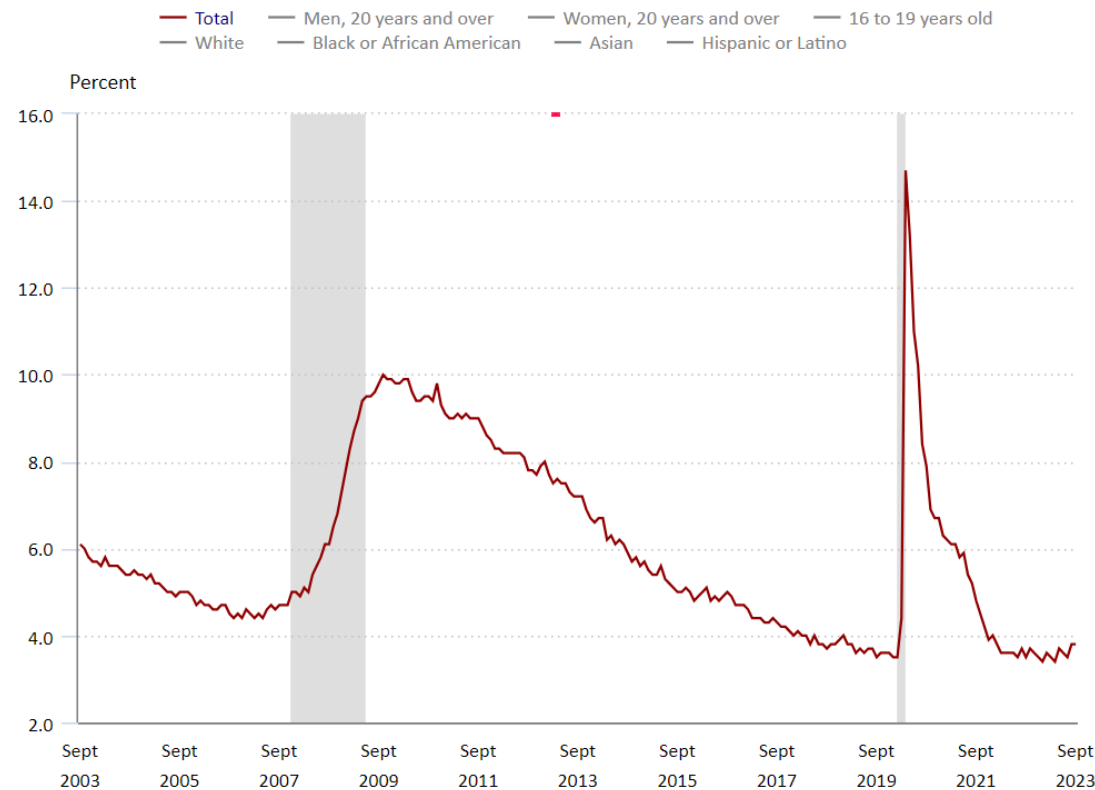


Labor Markets / Unemployment

— Labor market tightness is easing
(unemployment ticking up from record lows):

Civilian unemployment rate, seasonally adjusted

Click and drag within the chart to zoom in on time periods



Russell S. Sobel, Ph.D.

Recent U.S. Data:

3.5% July 2023

3.8% Aug. 2023

3.8% Sept. 2023

Recent S.C. Data:

3.0% July 2023

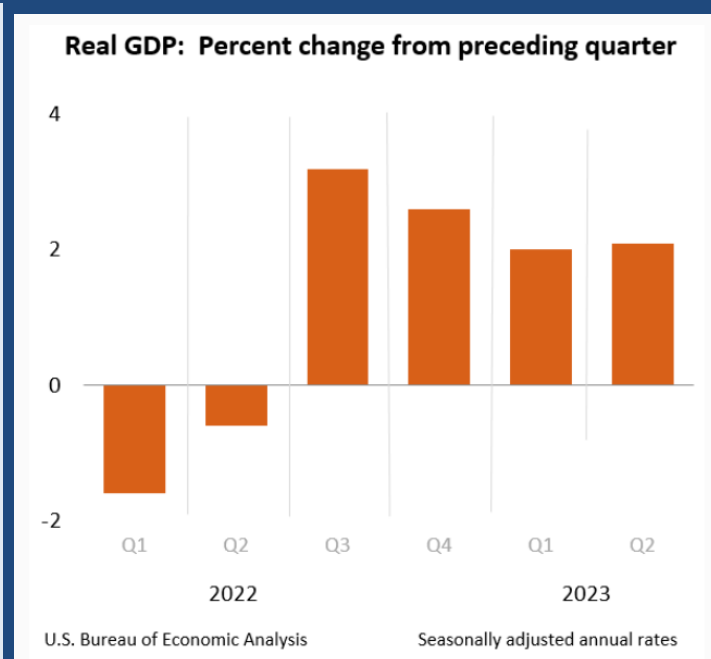
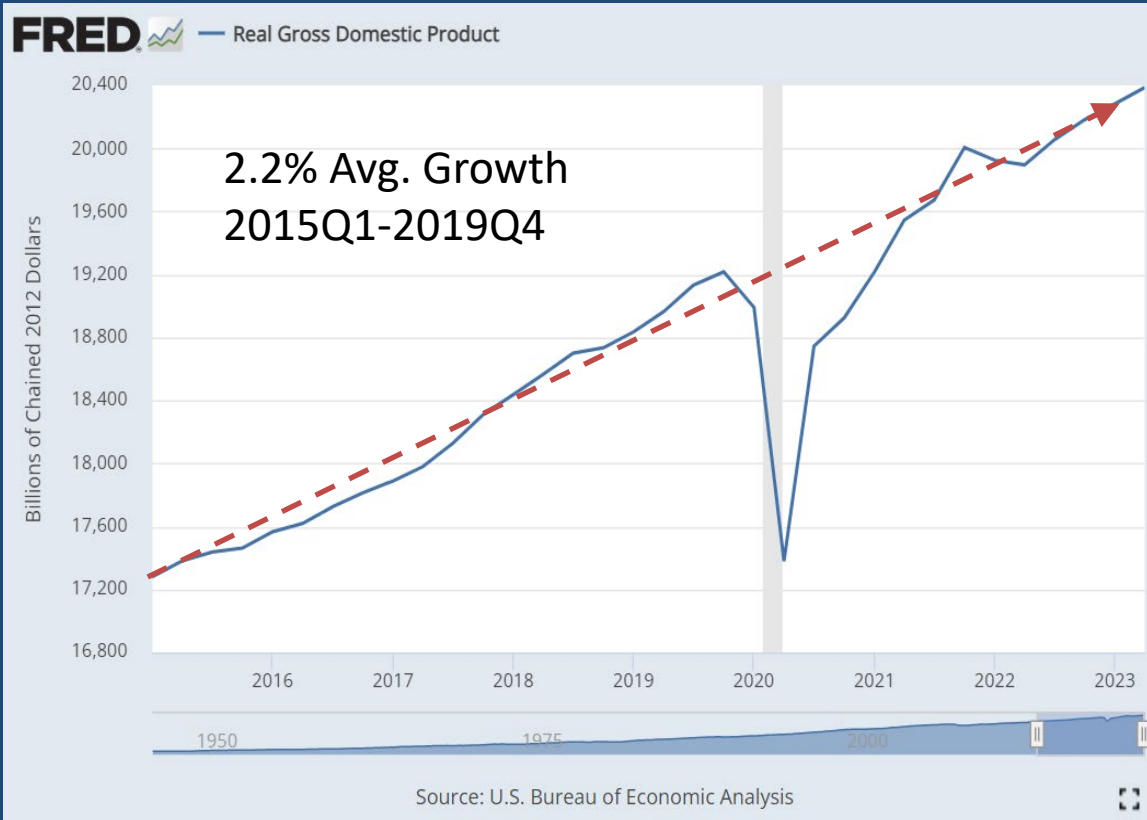
3.1% Aug. 2023

Median U.S. Forecasts:

2023: Q4	3.7%
2024: Q1	3.9%
2024: Q2	4.0%
2024: Q3	4.1%
2025 Annual	4.2%

+0.5%

Real Economic (GDP) Growth



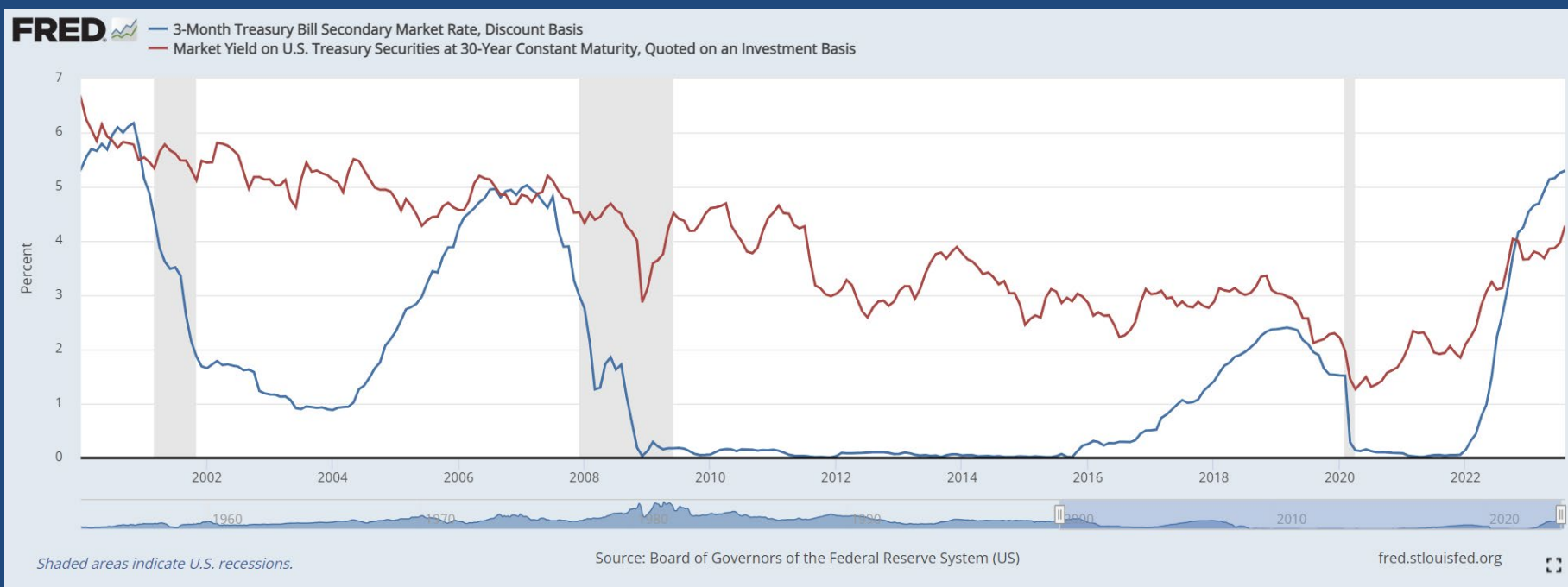
Recent Data:
2.1% 2023: Q2
2.0% 2023: Q3

Median Forecasts:

2023: Q4	1.2%
2024: Q1	1.1%
2024: Q2	1.0%
2024: Q3	1.3%
2025 Annual	2.1%

Interest Rates

- Interest rates continue to rise as the Fed tries to combat inflation - Yield curve remains inverted (which usually precedes recessions)



Red = long-term rates / blue = short-term rates

Interest Rates

30-Year Fixed-Rate Mortgage Average - June 2021 to Present

For new purchase loans with an 80% LTV, a 700–760 FICO score, and no discount points



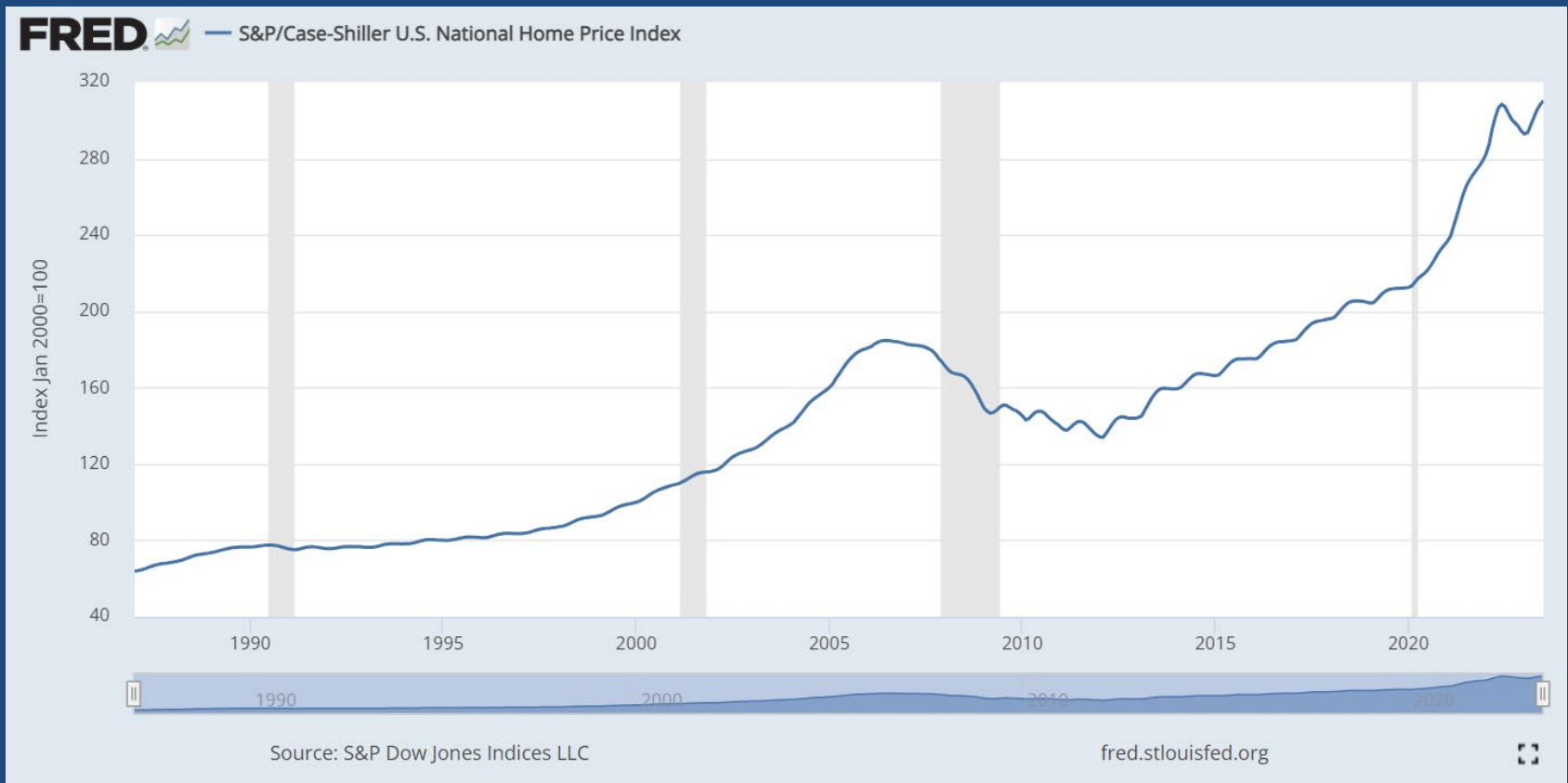
Source: Investopedia daily mortgage rate data

Investopedia

- 30-year mortgage rates highest in over two decades

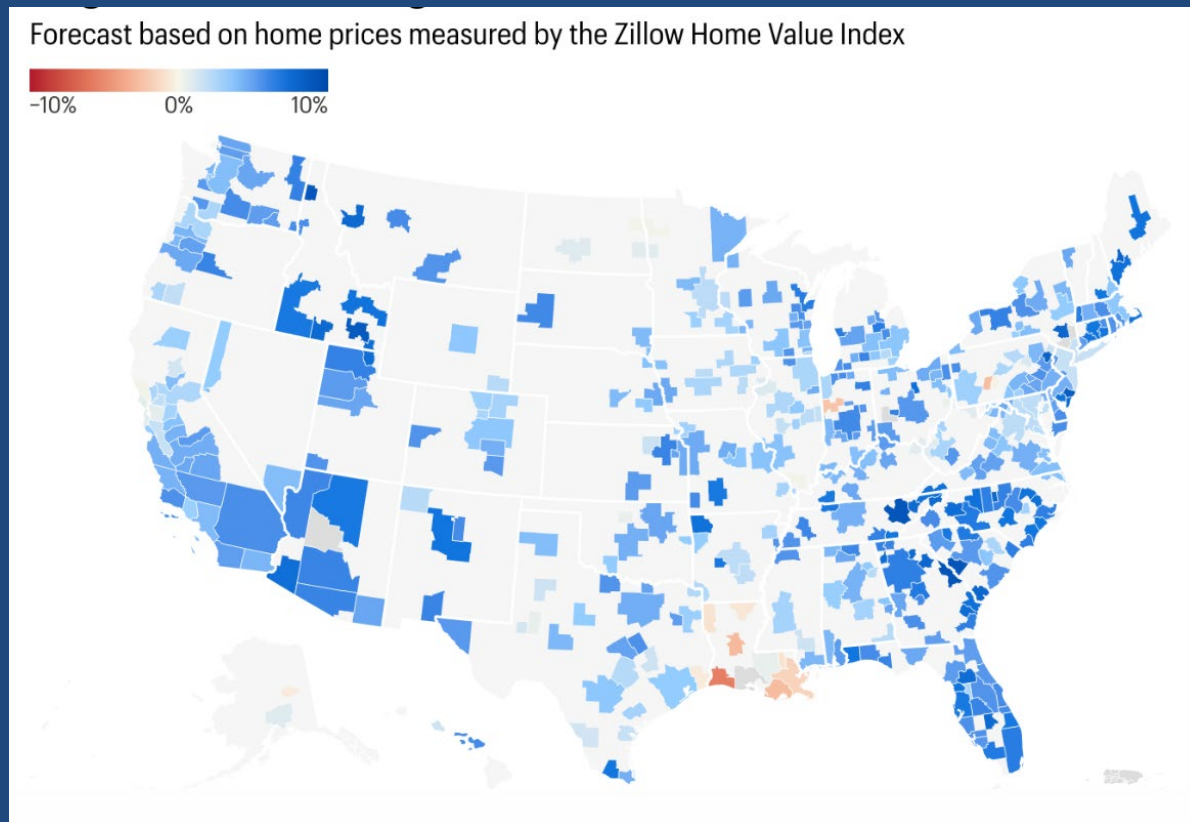
Housing Prices

- Higher interest rates are starting to have an effect, but not a lot – housing prices continue to rise:



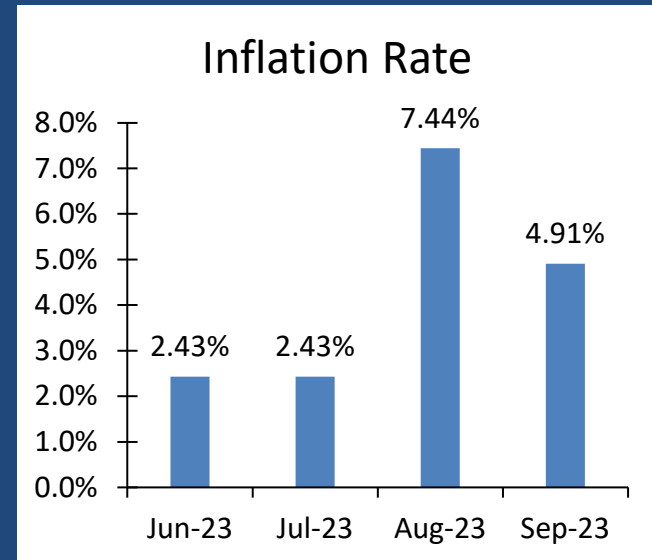
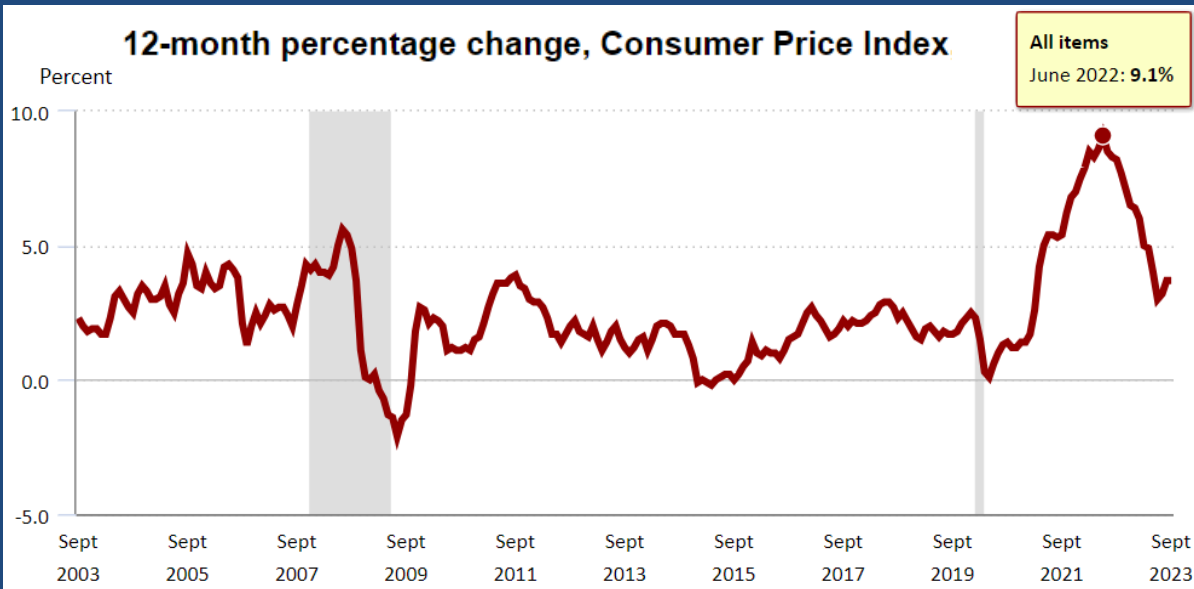
Housing Price Forecast

- And housing prices are expected to continue to increase in 2024:



Inflation

- Inflation is down a bit, but rising again...



Median Forecasts:

2023: Q4	I think it	2.9%
2024: Q1	will be	2.6%
2024: Q2	higher	2.5%
2024: Q3	than this	2.6%
2025 Annual		2.5%

The “Real Question”...

- The real question:
 - How much inflation is left?
 - Will affect how much more the Fed raises interest rates

The Monetary Expansion Hangover

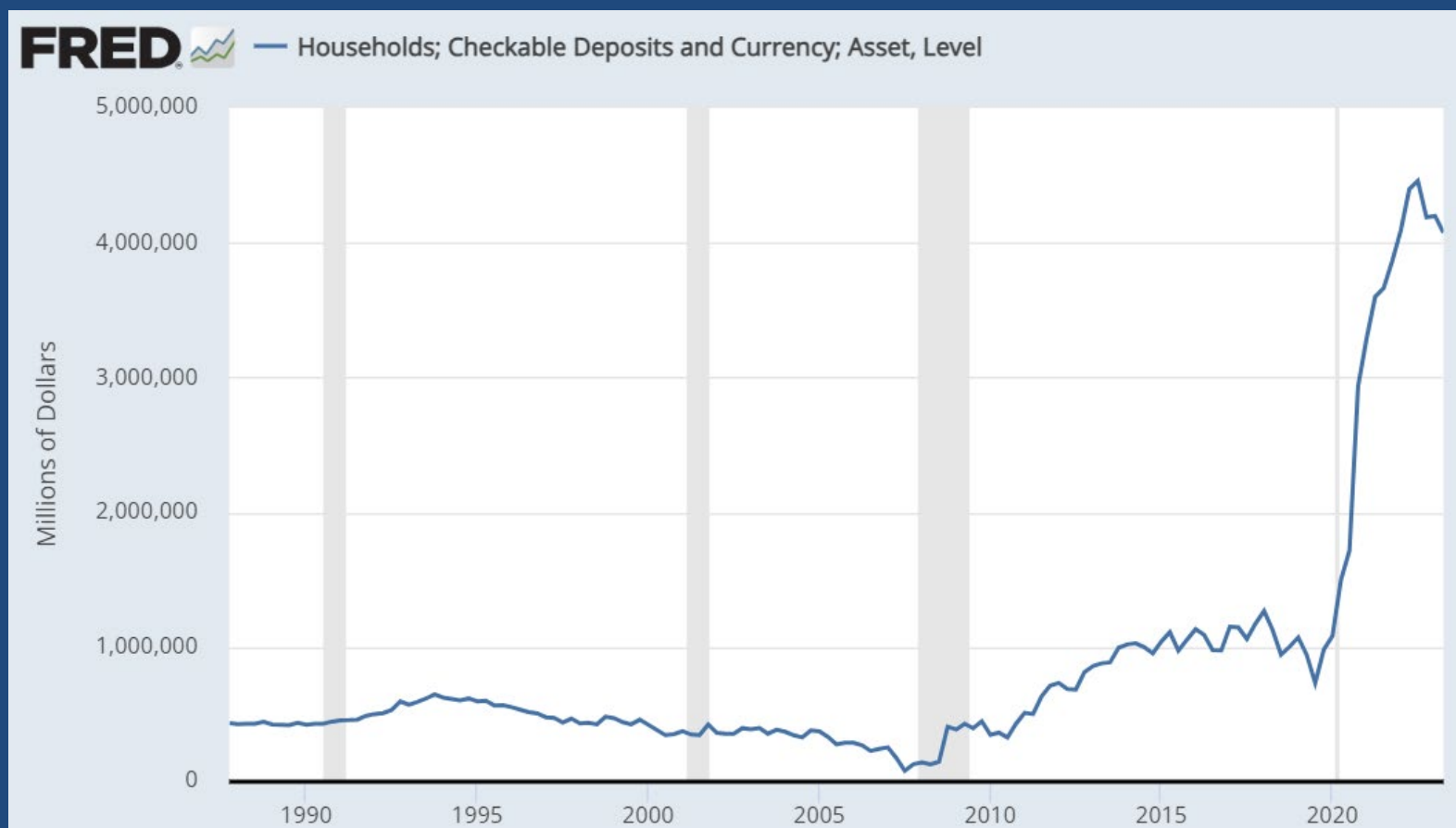
The M2 Money Supply:

- 44% increase (Feb 20 to Apr 22)
- Only a 6% decrease since Apr 2022 → so still up 38%



Household Bank Deposits

Much of this additional purchasing power remains in bank accounts



Velocity of Money



Upward pressure on prices/inflation as this money comes into circulation

My calculations suggest roughly 8% to 10% inflation is “left” to occur from the monetary expansion

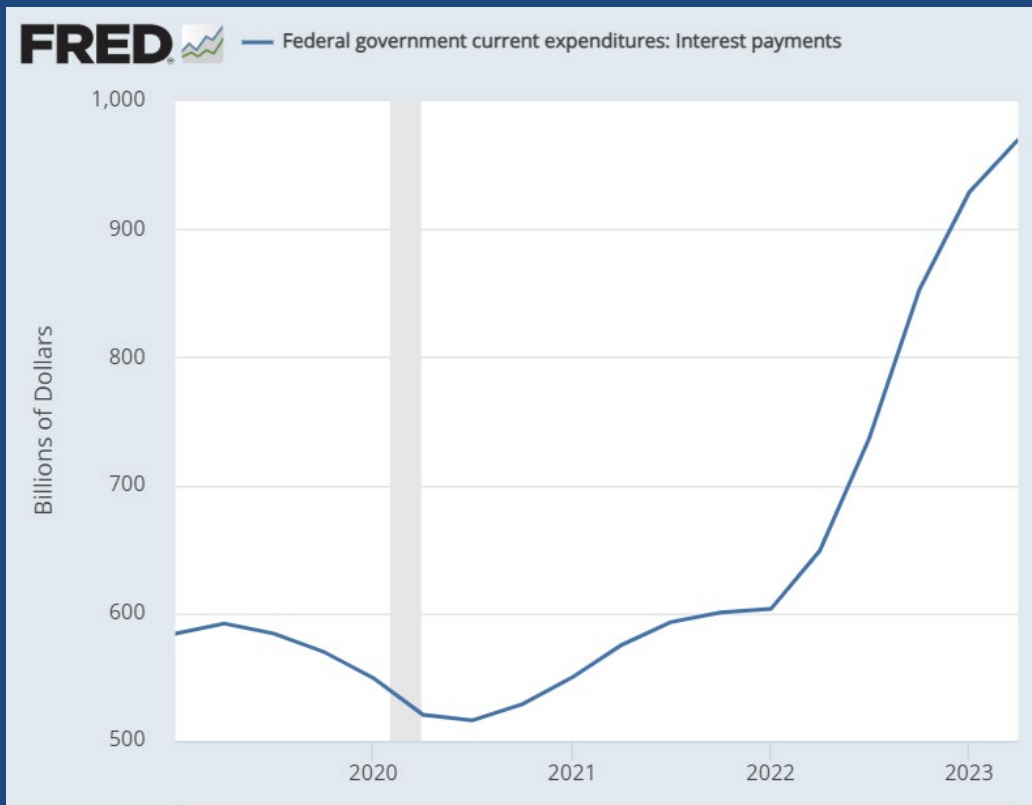
Other Factors...

- Student Loan Payments Resume
 - Federal student loan payments resume in Oct. 2023
 - Affects 44 million people on the \$1.8 trillion in outstanding student loan debt
 - Could cut consumer spending by as much as \$9 billion per month



Other Factors...

- Interest Payments on the National Debt Soaring



Will require major shifts in the Federal budget

Interest payments on the \$33 trillion national debt will almost double from \$475 billion in 2022 to \$842 billion in 2025.

Rise from 7.5% of the federal budget to 12.5%

Likely result in discretionary spending cuts and/or higher taxes

The Economic Situation

My Summary:

- Unemployment Rates Slowly Increasing
 - Labor Markets Less Tight
- Real GDP Growth Slowing in 2024 to around 1.0%
- Continued Upward Pressure on Inflation & Housing Prices
- Fed Continues to Increase Interest Rates Further
- Significant Pressure on the Federal Government Budget

In a nutshell:

A Likely Return of 1970s "Stagflation"
(high inflation with slow growth)

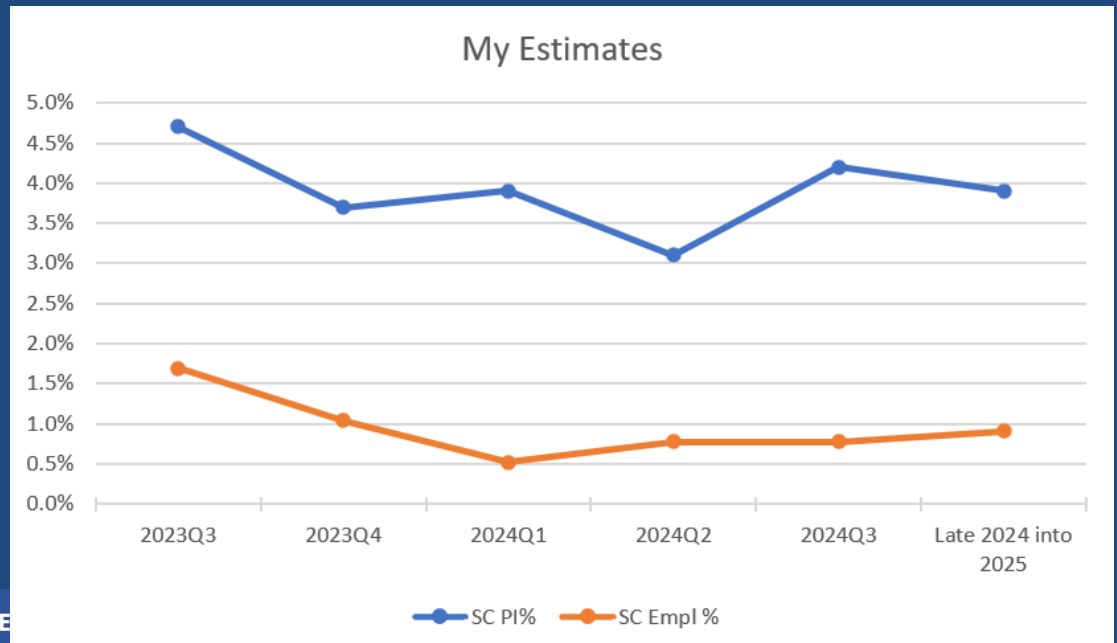
My Forecasts

Forecasts by Fiscal Year:				Revenue Estimates:		
	These are my forecasts					
	SC PI%	SC Empl %	Inflation %	SLS Tx %	Inc Tx %	
FY 23-24	3.9%	1.0%	2.8% to 3.8%	2.7%	2.9%	
FY 24-25	4.1%	0.8%	2.6% to 5%	2.2%	2.6%	

MY PI% is slower for 23-24 and about the same for 24-25

My EMPL% is slower for both years by 1%

My INFL% is 'probably' a bit higher for 23-24, and definitely higher for 24-25



FISCAL YEAR GROWTH RATE

Fiscal Year	Personal Income	Employment	Inflation
2023-24	4.7%	2.0%	2.8%
2024-25	4.0%	1.8%	2.3%

These are the BEA estimates you sent us

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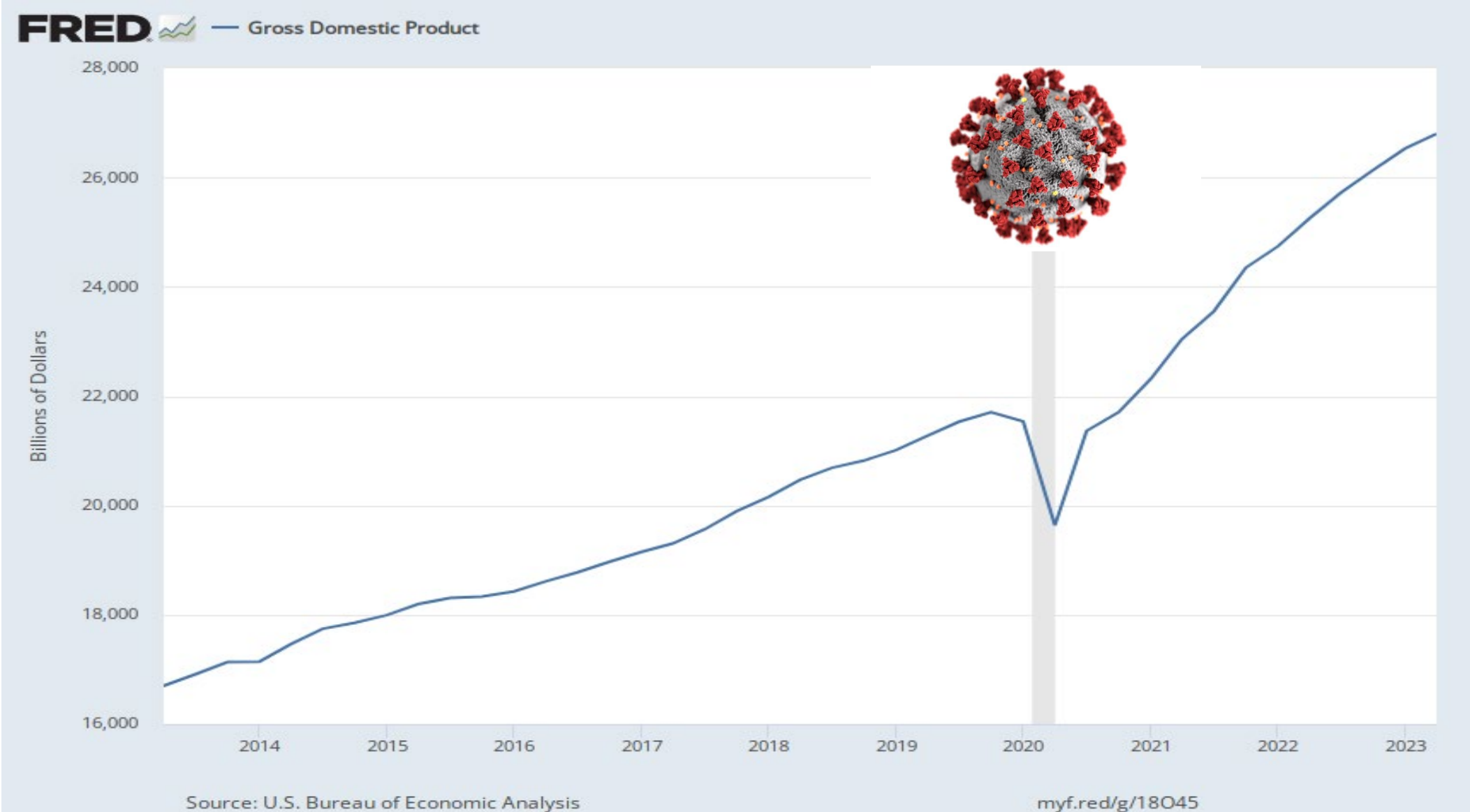
QUESTIONS?

Russell S. Sobel, Ph.D.



**South Carolina
Board of Economic Advisors
Regional Advisory Committee
Economic Update
October 16, 2023
Frank Hefner**

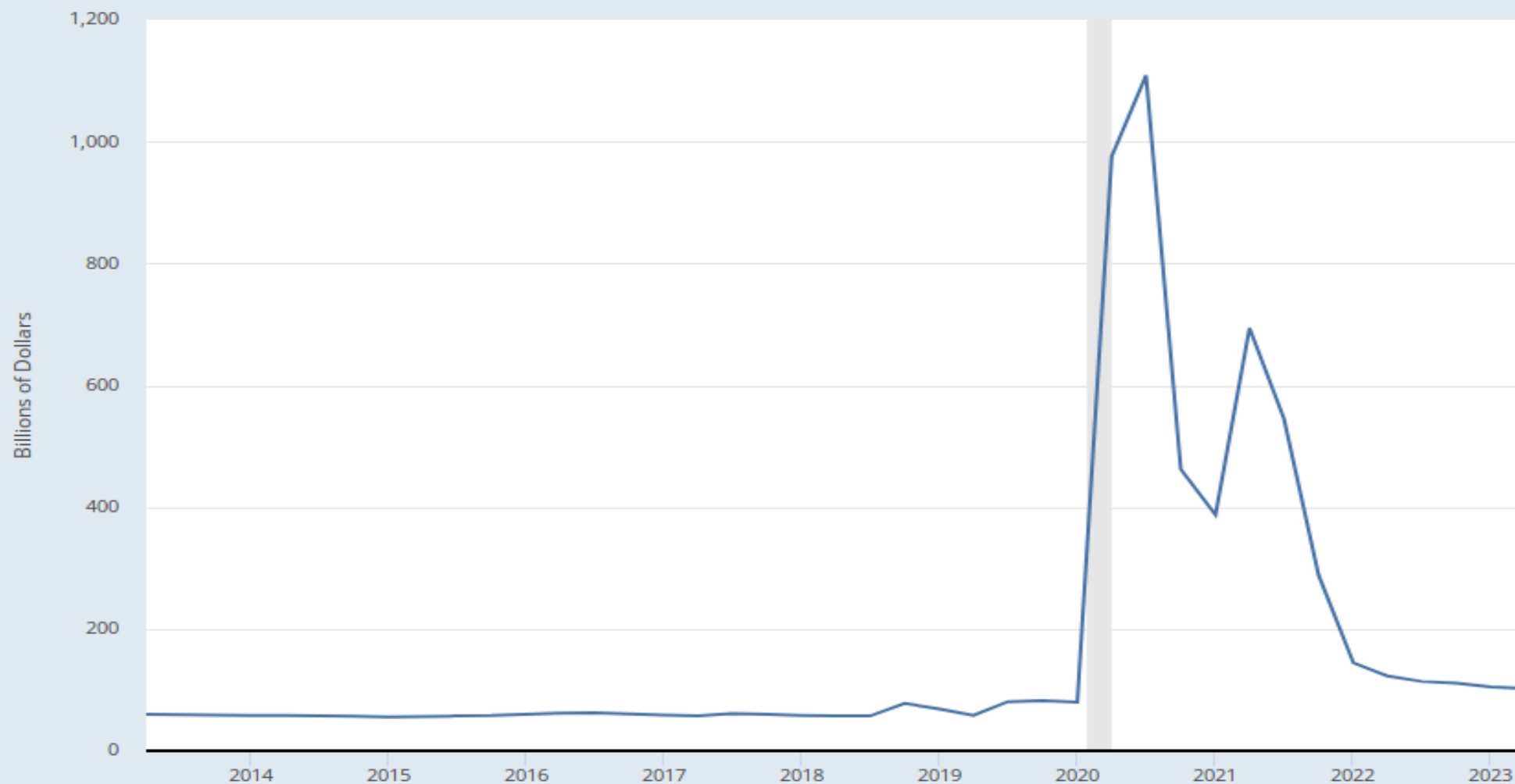
COVID: US RECOVERS AND MORE



FRED

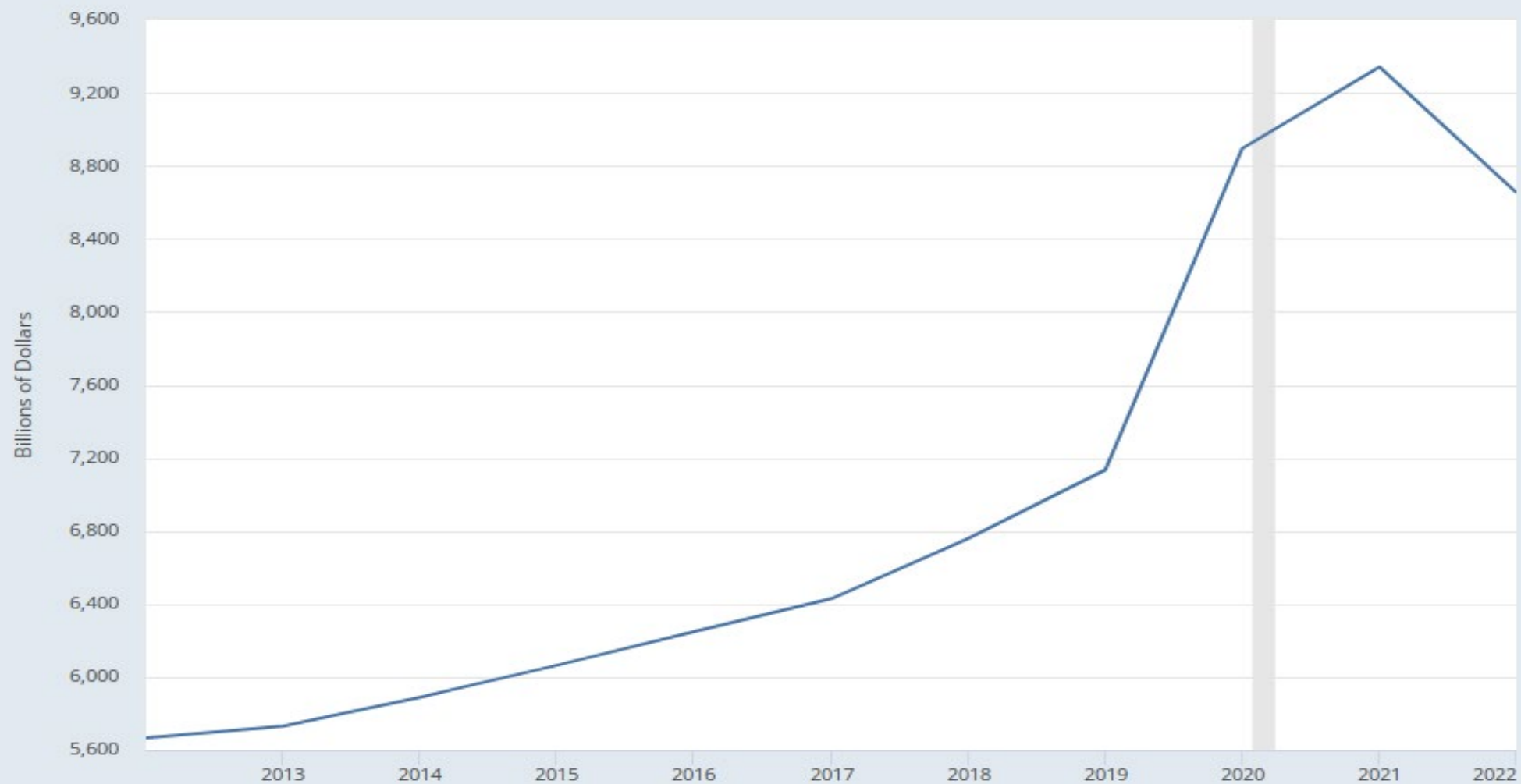


— Federal government current expenditures: Subsidies



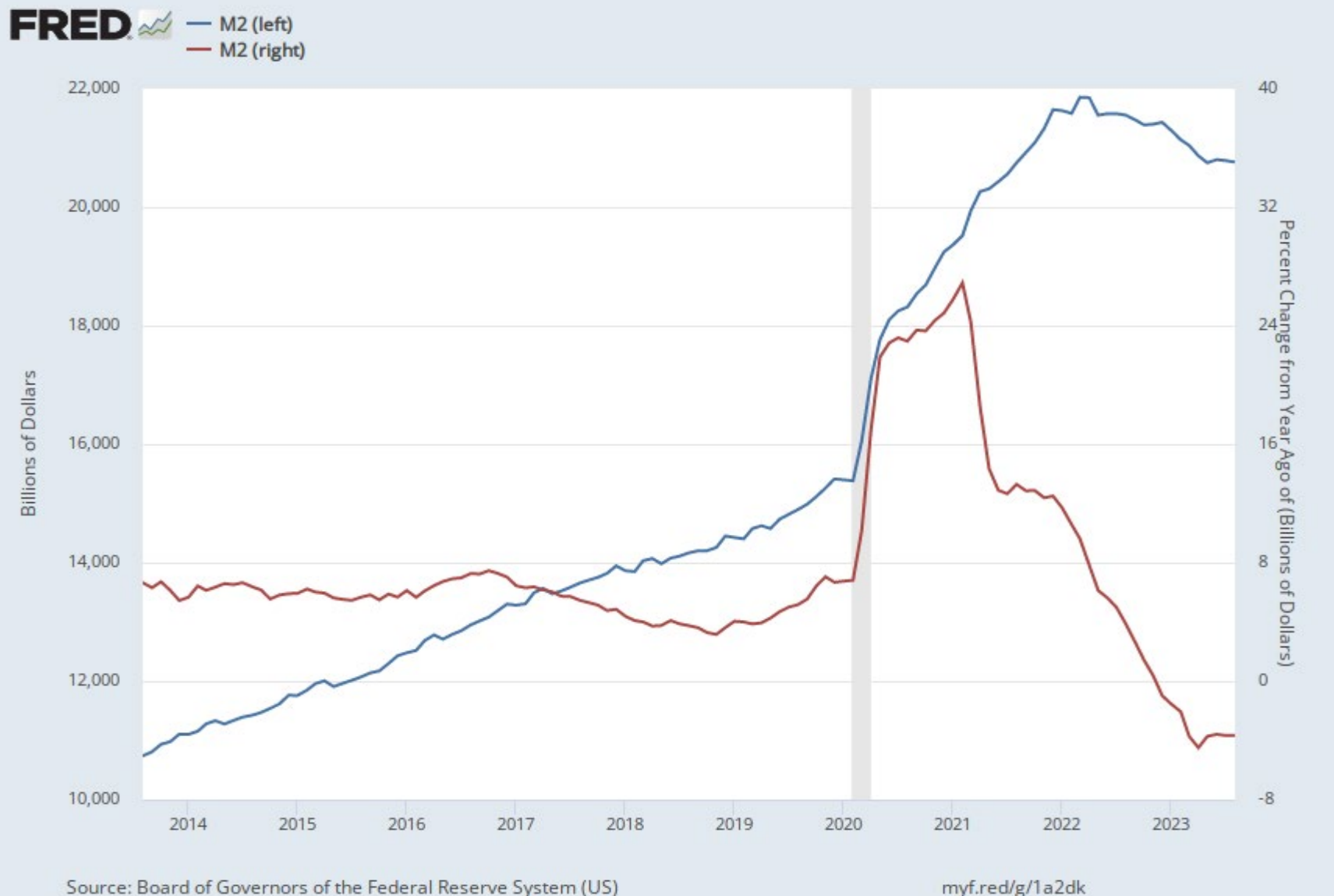
Source: U.S. Bureau of Economic Analysis

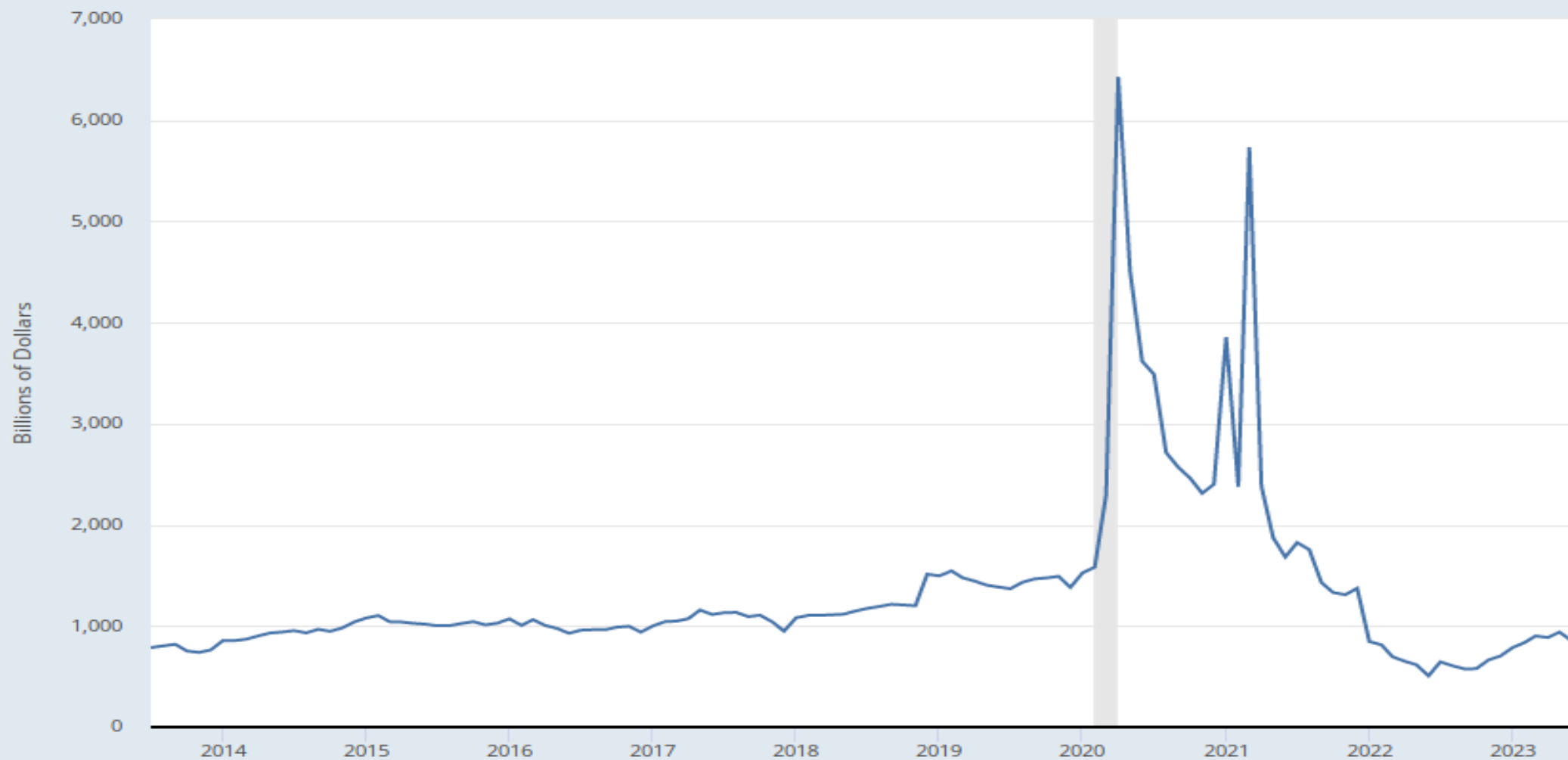
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Source: U.S. Bureau of Economic Analysis

myf.red/g/193Sj

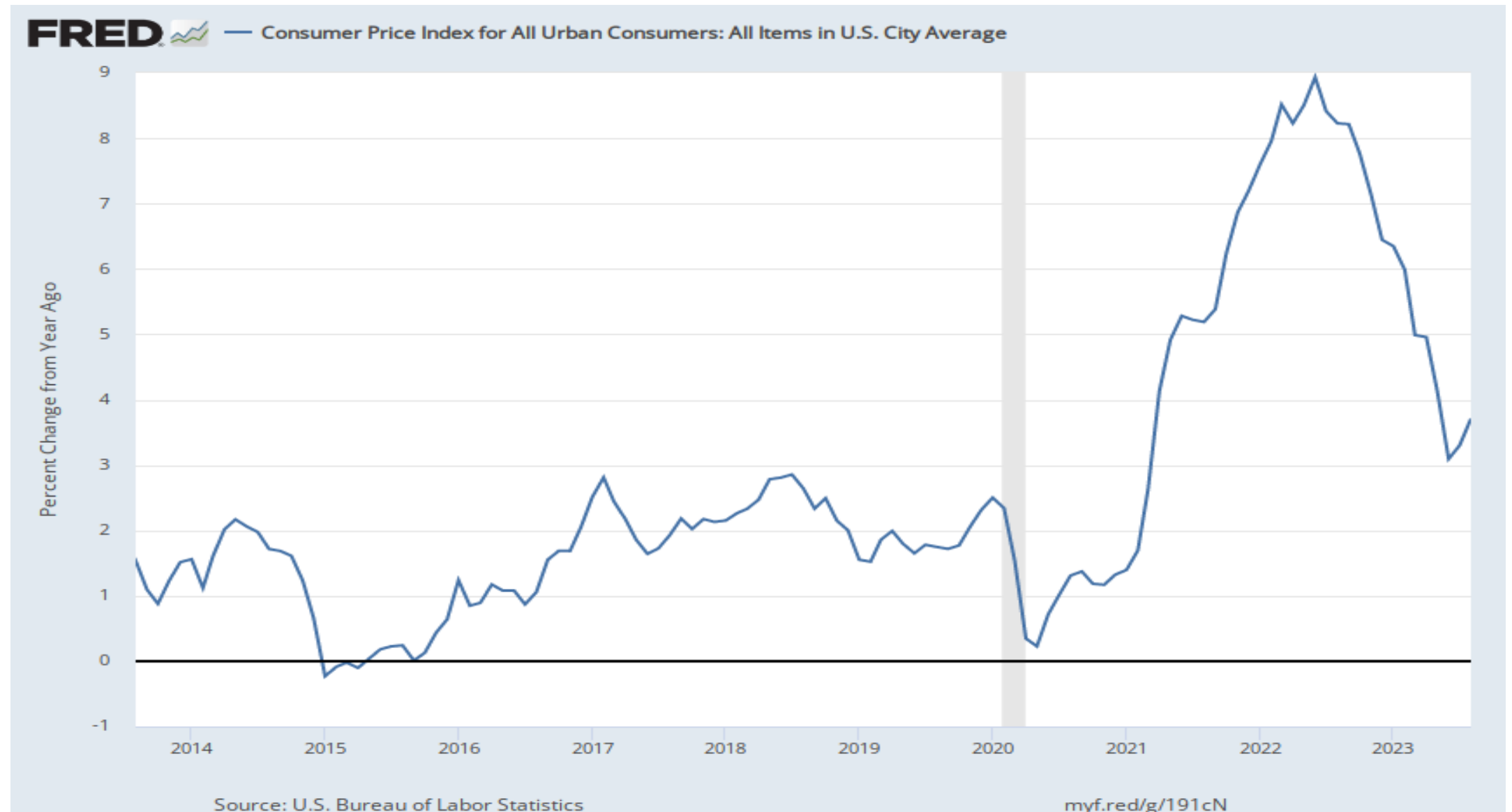




Source: U.S. Bureau of Economic Analysis

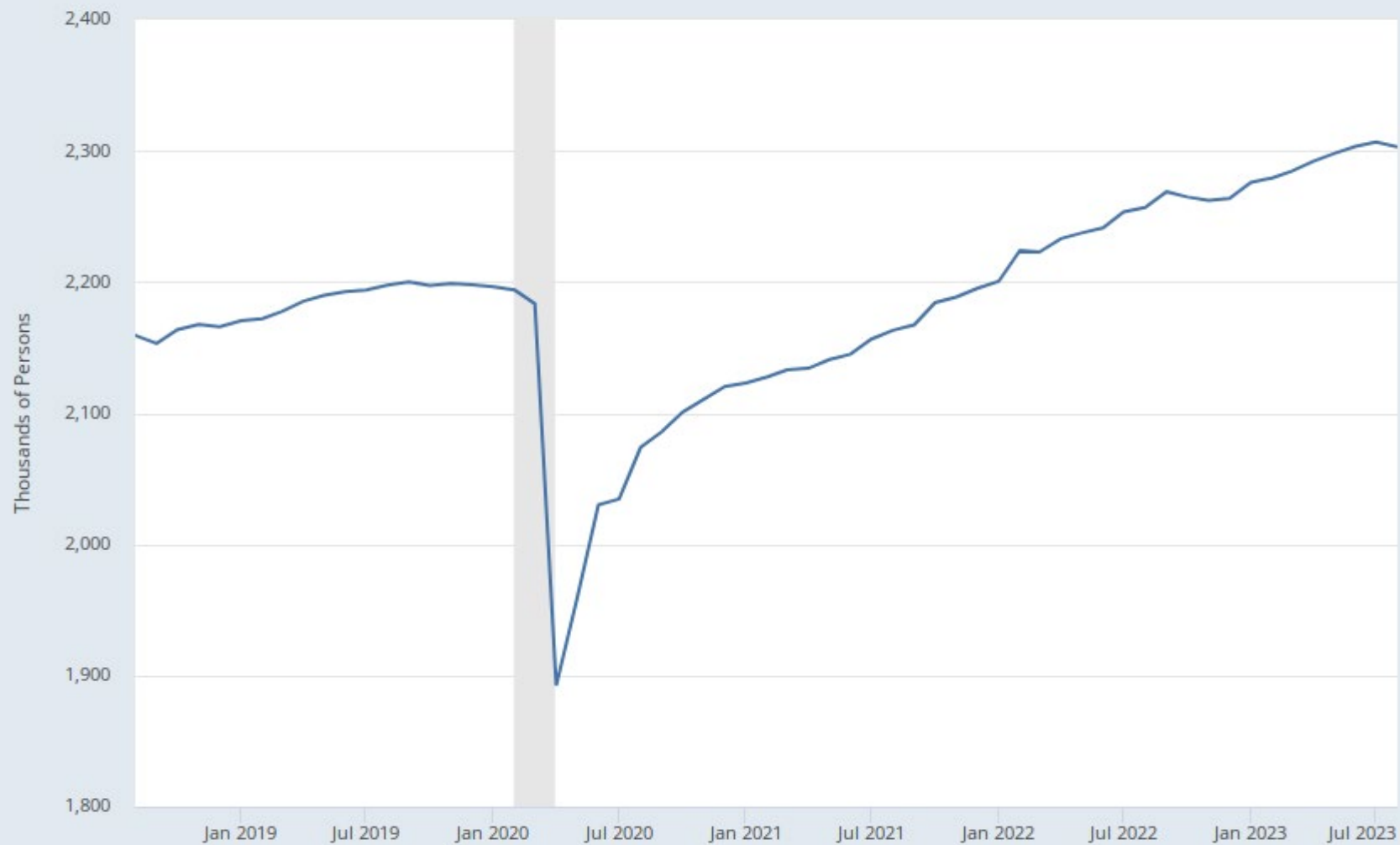
myf.red/g/193Qu

INFLATION





— All Employees: Total Nonfarm in South Carolina



Source: U.S. Bureau of Labor Statistics

myf.red/g/1a2sD



Civilian Labor Force for South Carolina

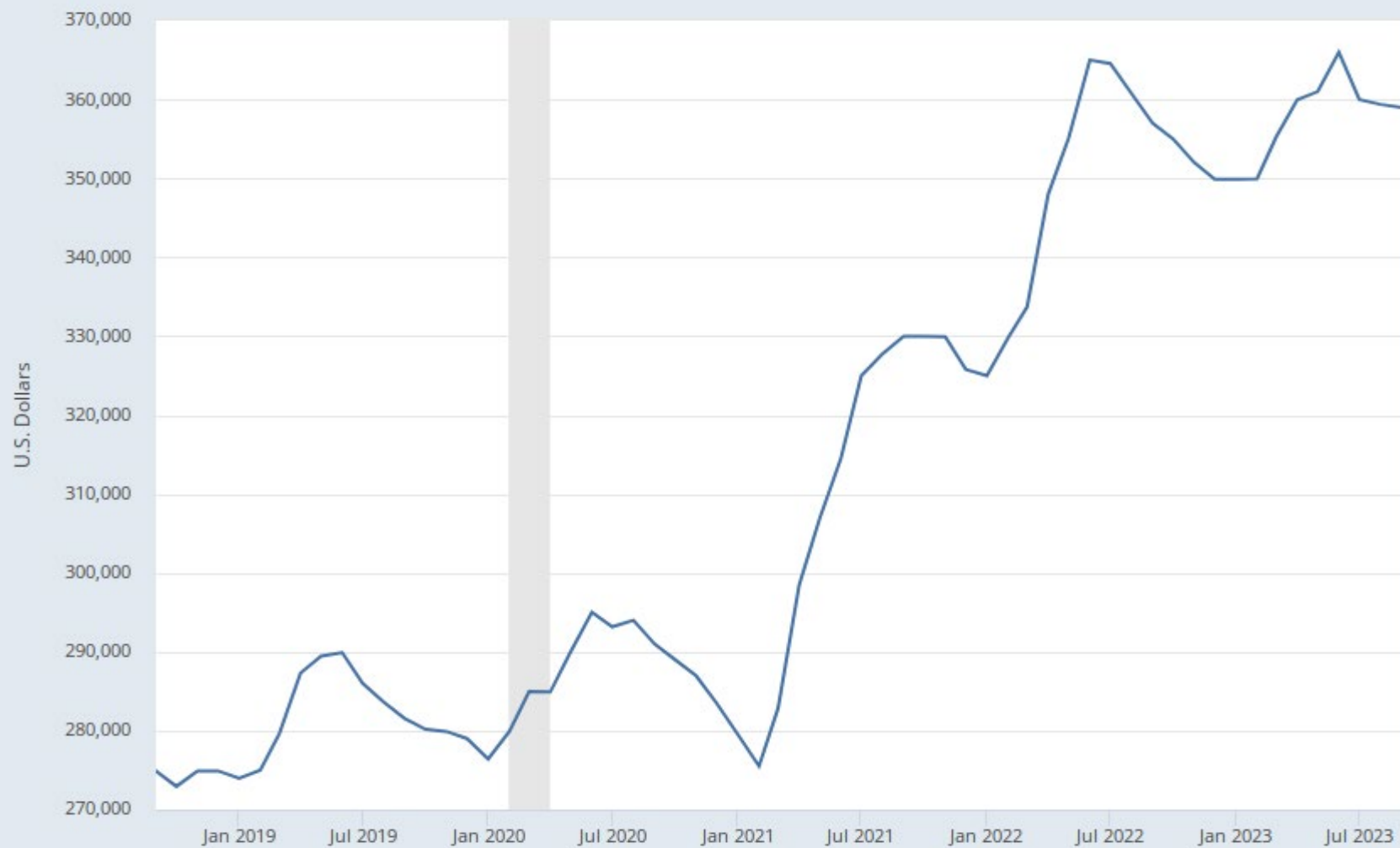


Source: U.S. Bureau of Labor Statistics

myf.red/g/1a29b



Housing Inventory: Median Listing Price in South Carolina



Source: Realtor.com

[myf.fred/g/1a28m](https://myf.fred.stlouisfed.org/g/1a28m)



State Government Tax Collections, Alcoholic Beverages - Selective Sales Taxes in South Carolina



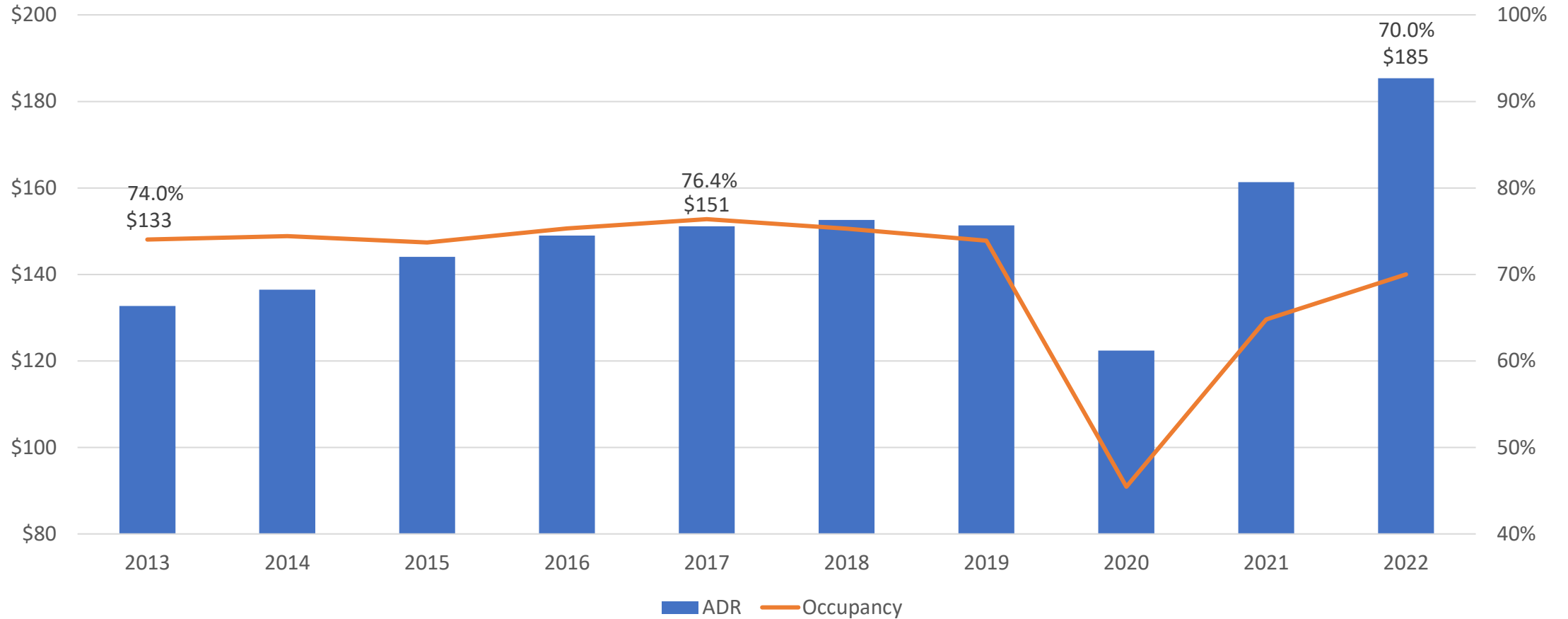
Source: U.S. Census Bureau

[myf.fred/g/1a281](https://myf.fred.stlouisfed.org/g/1a281)

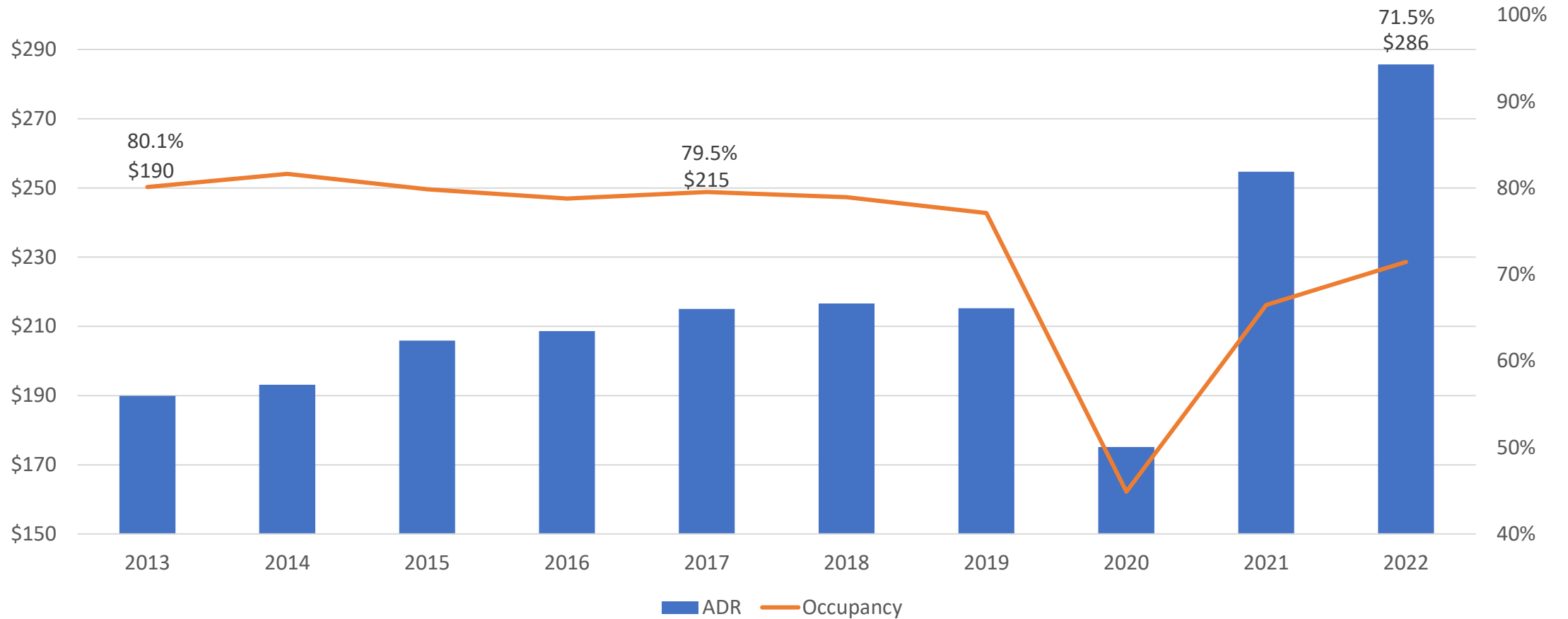


CHARLESTON REGION ECONOMY

Charleston County Occupancy & ADR 2013-2022



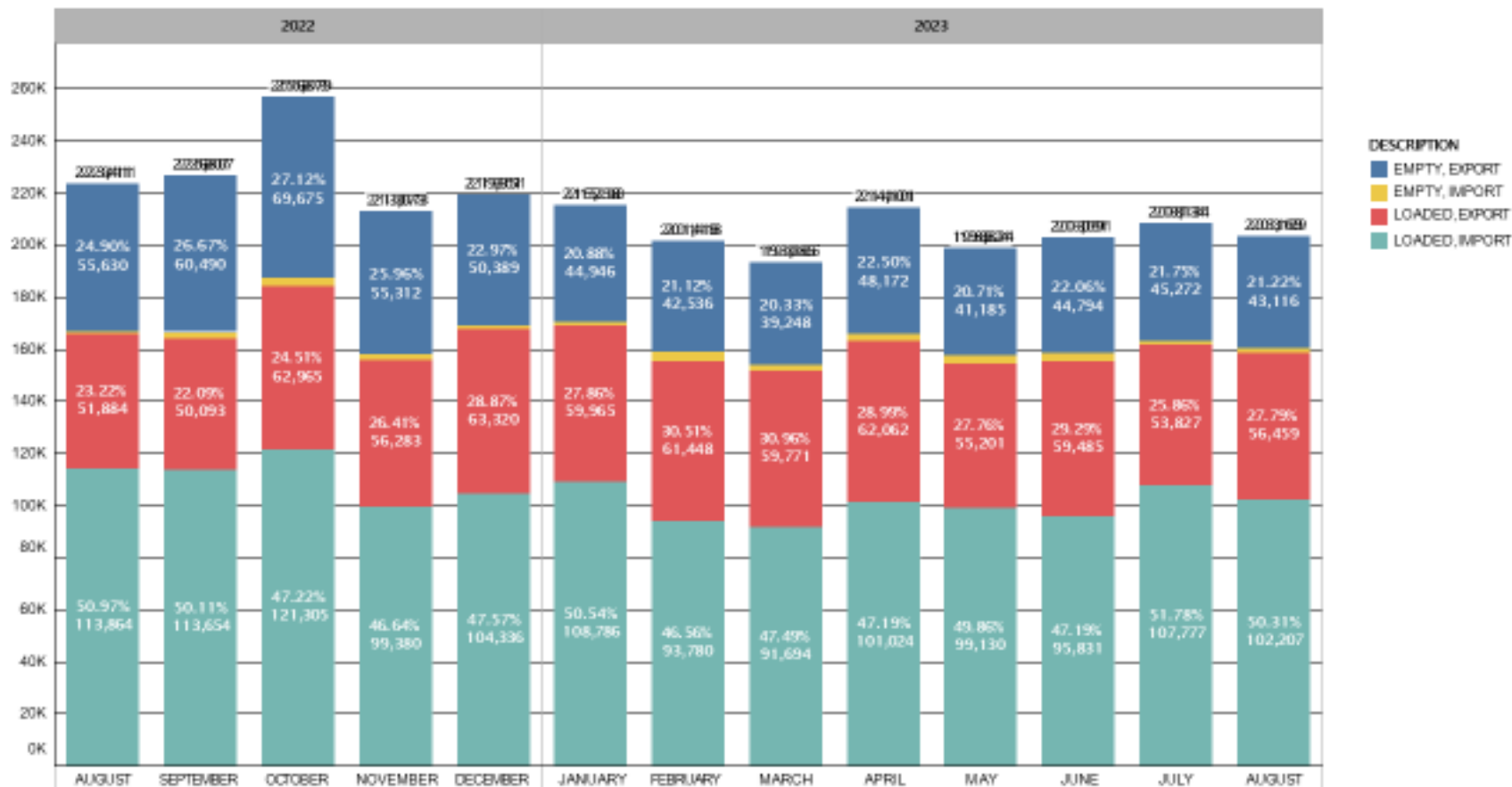
Peninsula Occupancy & ADR 2013-2022





SOUTH CAROLINA PORTS

TEU 13 MONTH HISTORY
PERIOD ENDING AUGUST 2023



THE SOUTH CAROLINA ECONOMIC OUTLOOK

Joseph Von Nessen, Ph.D.

Research Economist

October 16, 2023

joey.vonnessen@moore.sc.edu



Darla Moore School of Business

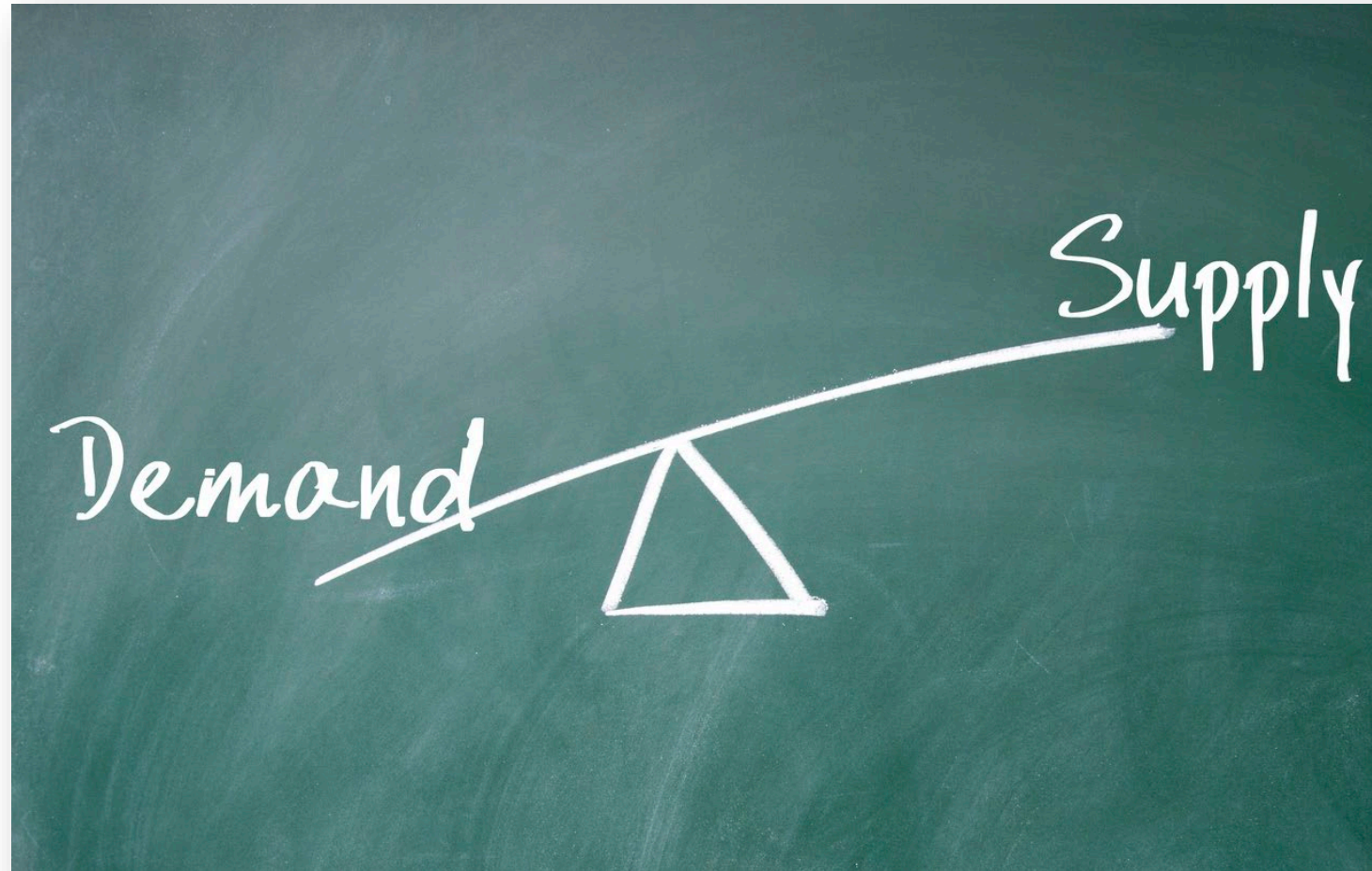
THE BOTTOM LINE

THE GOOD, THE BAD, AND THE UGLY!

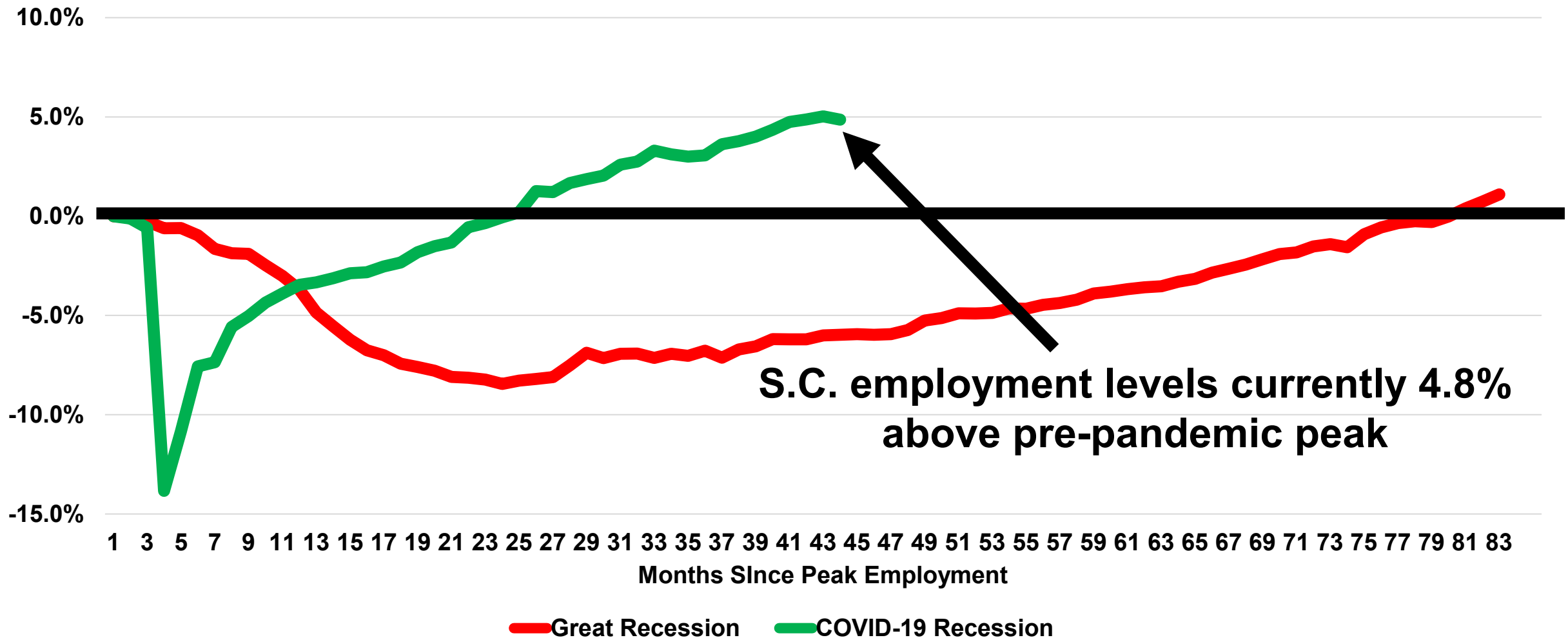
- **THE SOUTH CAROLINA ECONOMY HAS BEEN RESILIENT IN 2023 BUT IS STILL READJUSTING**
- **THERE ARE SIGNIFICANT HEADWINDS FIGHTING THE FEDERAL RESERVE ON INFLATION THAT WILL PERSIST INTO 2024**
- **THE LIKELIHOOD OF RECESSION HAS DECREASED, BUT DON'T GET TOO COMFORTABLE YET**



READJUSTING TOWARDS EQUILIBRIUM



S.C. EMPLOYMENT AS PCT. OF PRE-RECESSION PEAK



Source: U.S. Bureau of Labor Statistics, CES-SA

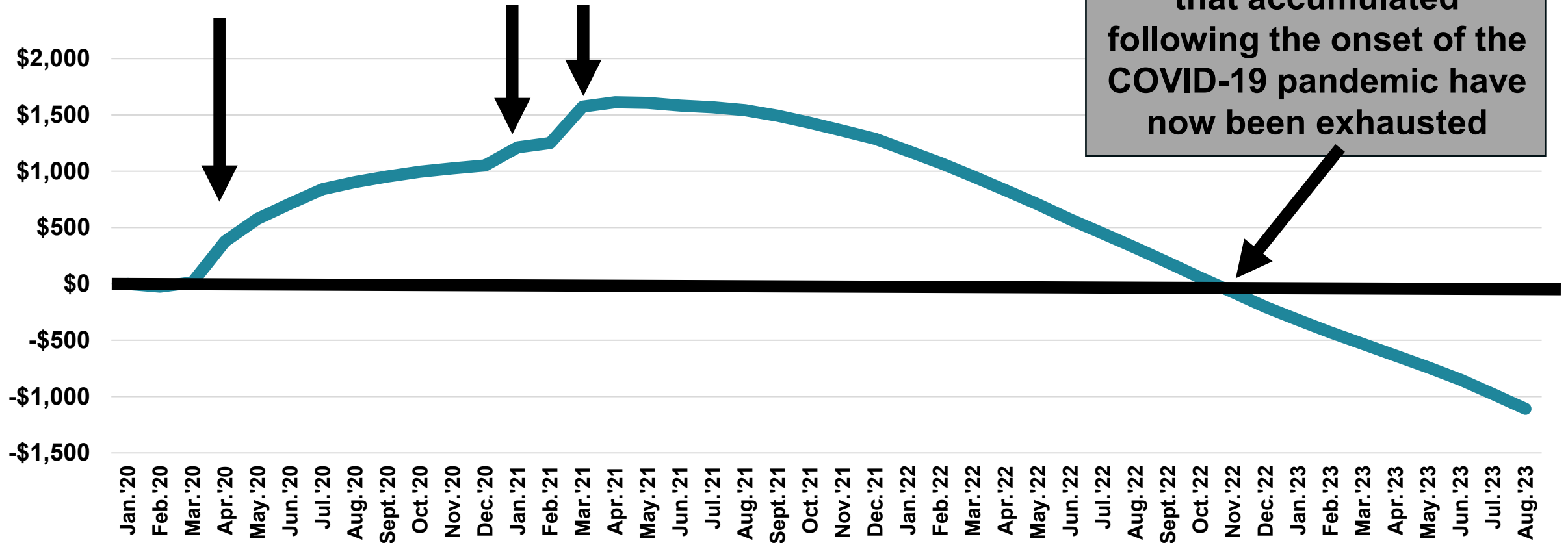


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U.S. TOTAL EXCESS PERSONAL SAVINGS

In Billions

3 Stimulus Checks (Mar.'20, Dec.'20, Mar.'21)



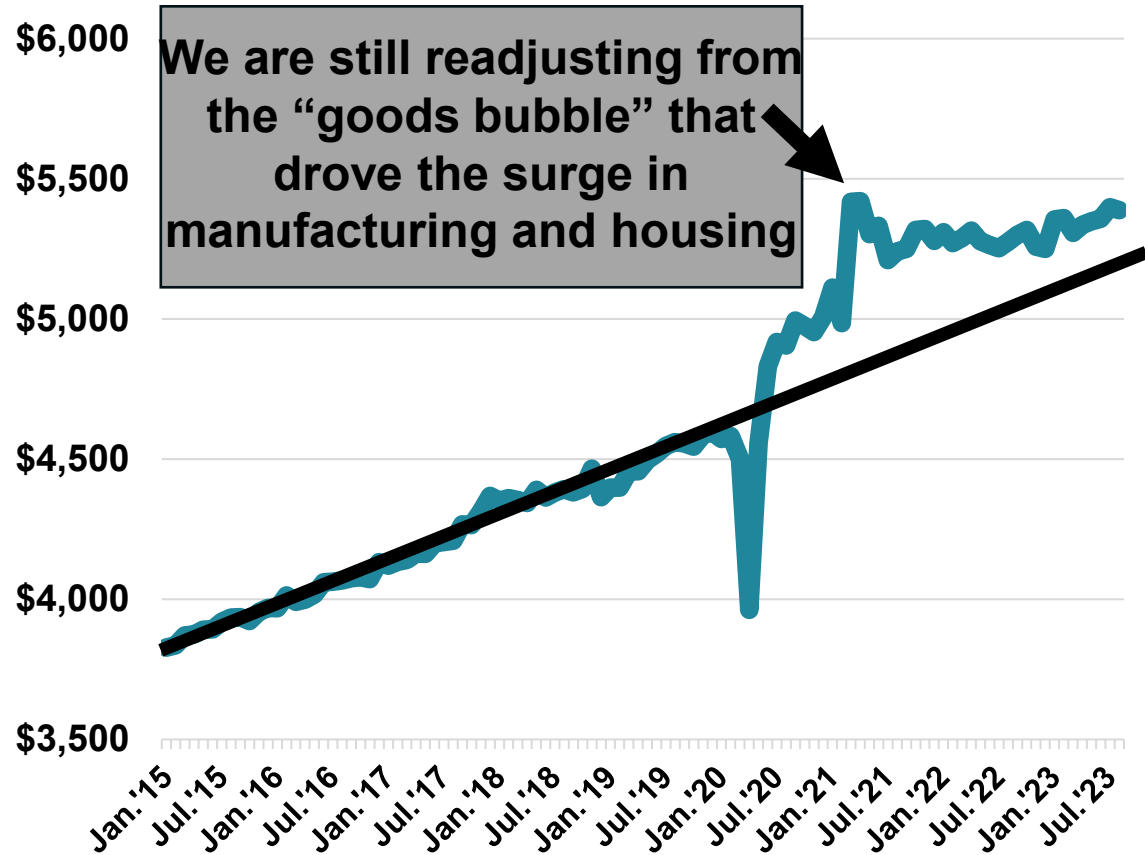
Source: U.S. Bureau of Economic Analysis



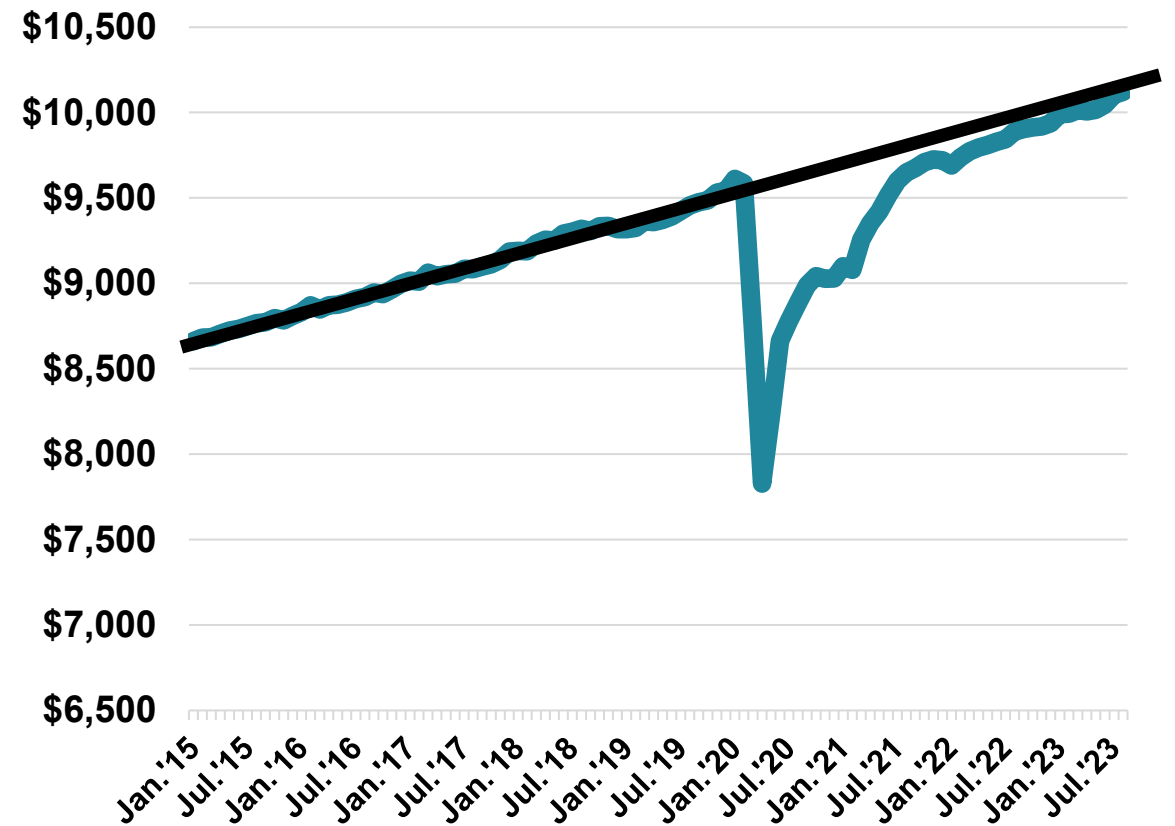
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REAL U.S. CONSUMER SPENDING

Goods



Services



Source: U.S. Bureau of Economic Analysis, in billions



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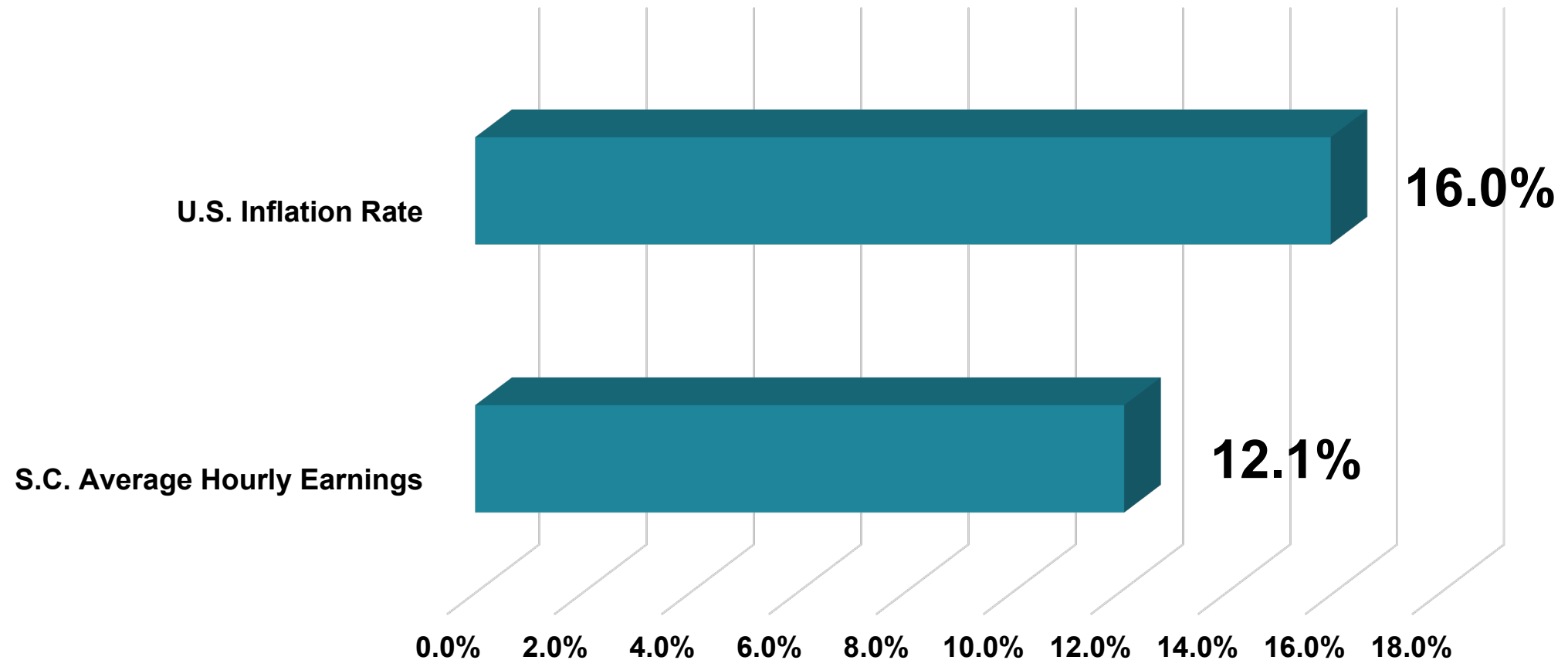
**EVEN THOUGH INFLATION HAS COME DOWN
SUBSTANTIALY IN 2023, CONSUMER CONFIDENCE
REMAINS LOW. WHY?**

**THE CUMULATIVE EFFECTS OF INFLATION HAVE
LOWERED PURCHASING POWER.**



WAGE GROWTH AND INFLATION

August 2023 vs. August 2020



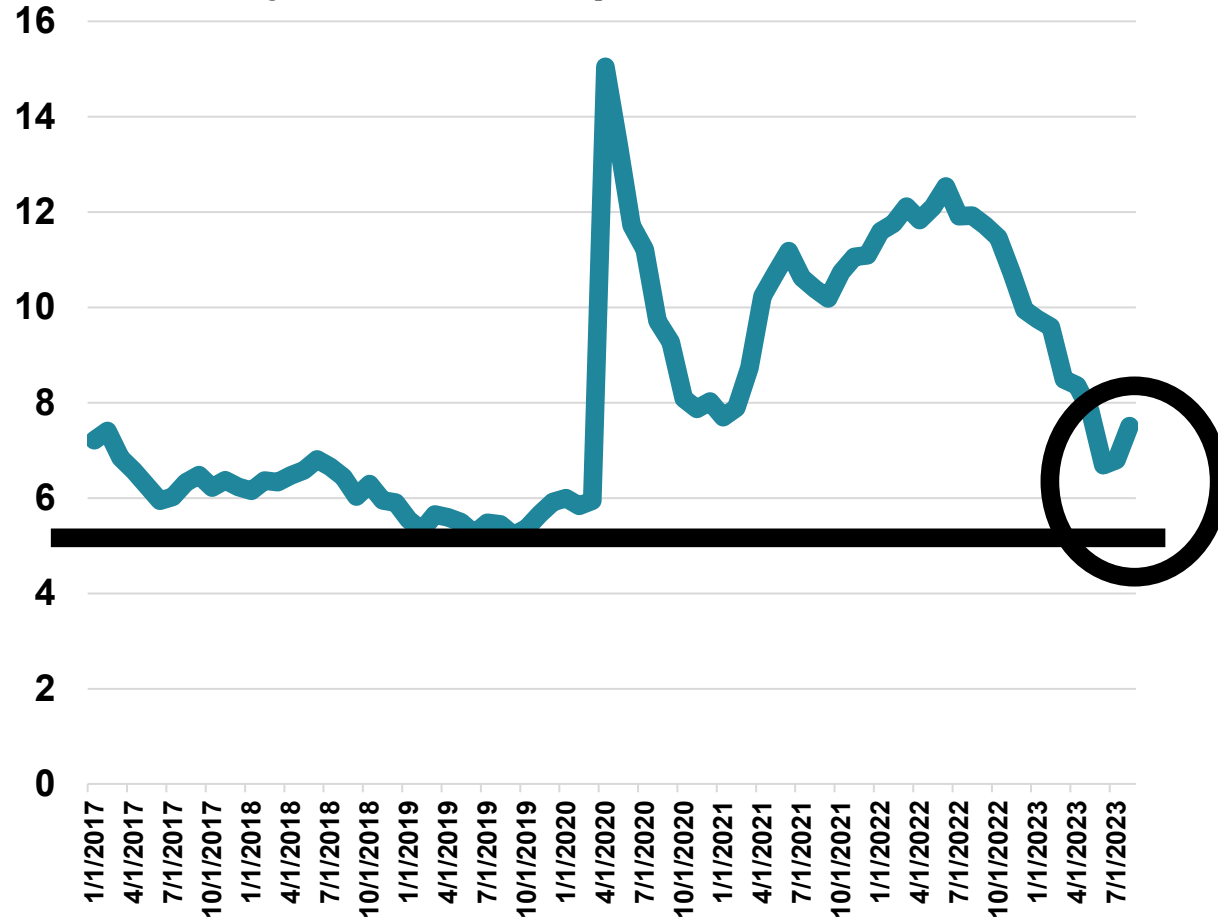
Source: U.S. Bureau of Labor Statistics



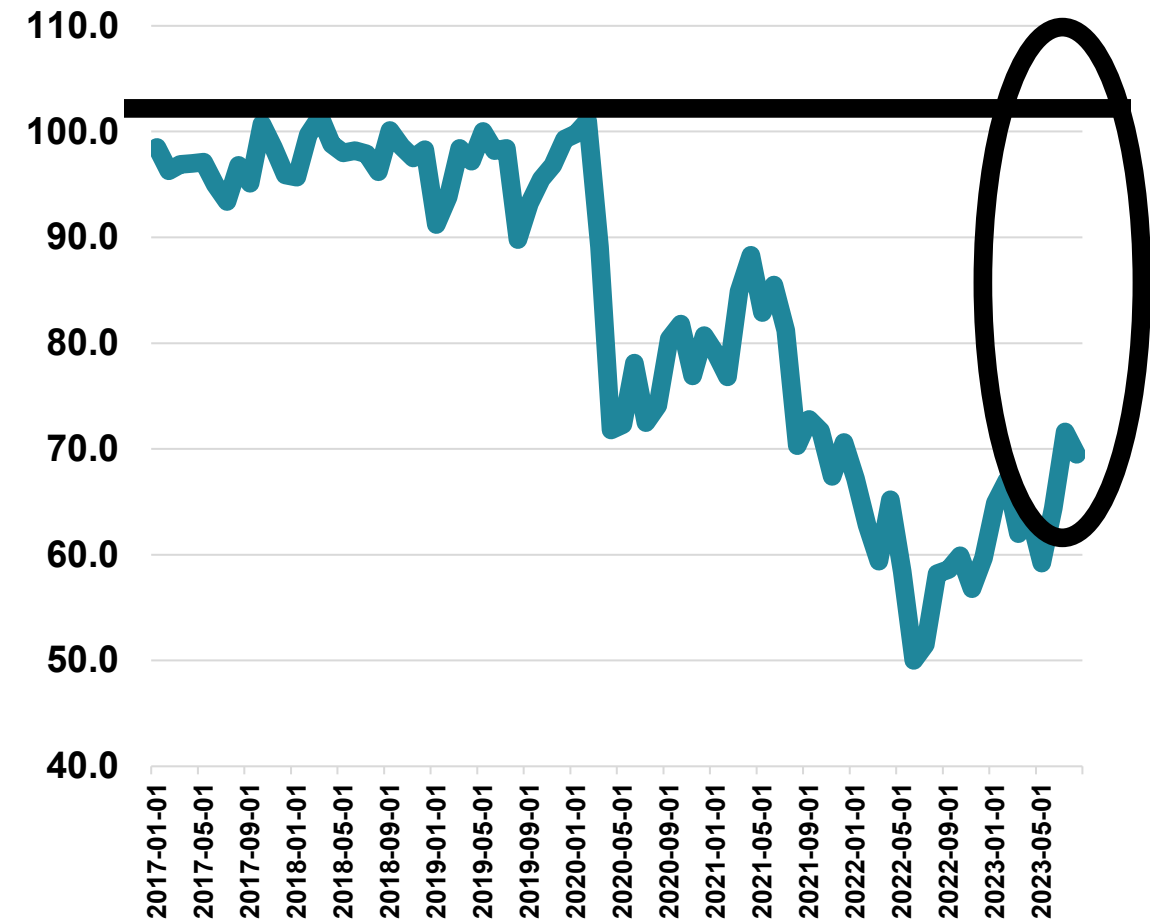
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MISERY INDEX VS. CONSUMER SENTIMENT

Misery Index (Unemp. Rate + Inflation Rate)



Consumer Sentiment



Source: U.S. Bureau of Labor Statistics & University of Michigan



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GOOD NEWS AND BAD NEWS

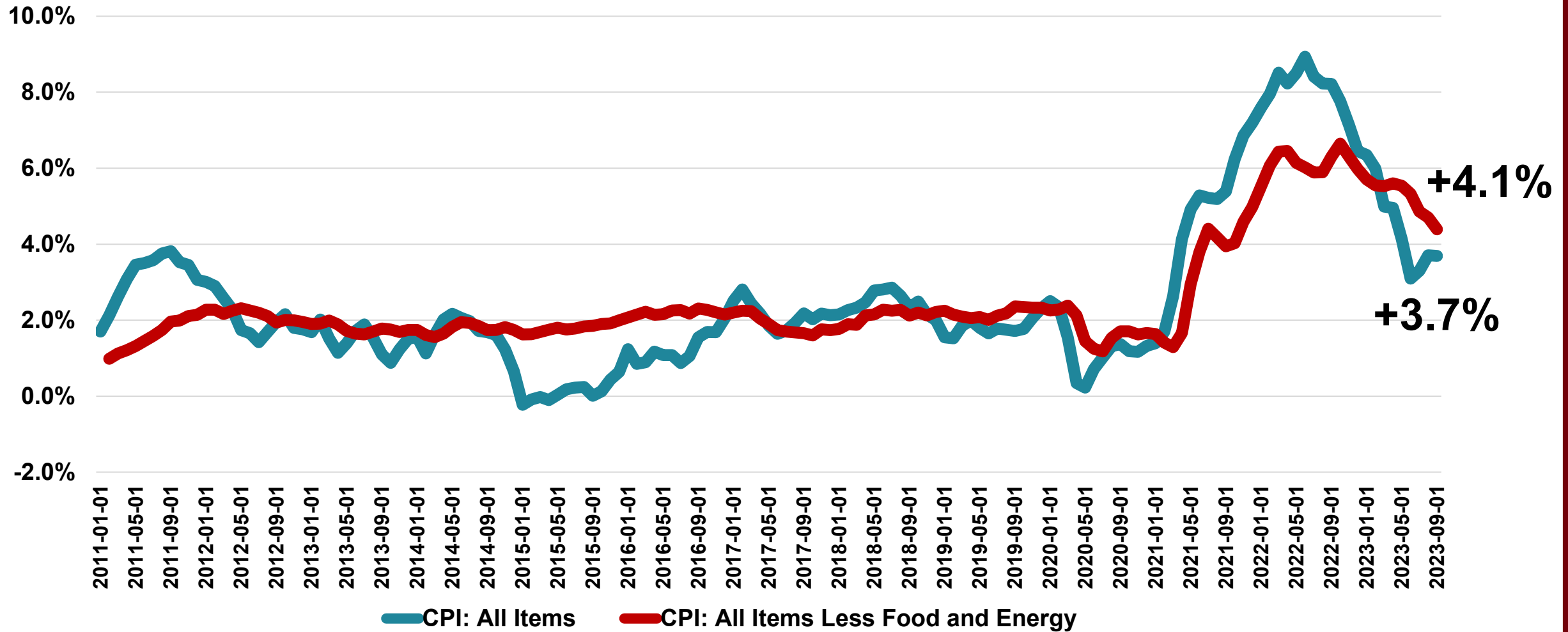


**WE'VE SEEN SIGNIFICANT PROGRESS
TOWARDS INFLATION REDUCTION!**



**BUT THERE'S STILL A LONG
WAY TO GO**

U.S. INFLATION RATE (YEAR/YEAR)

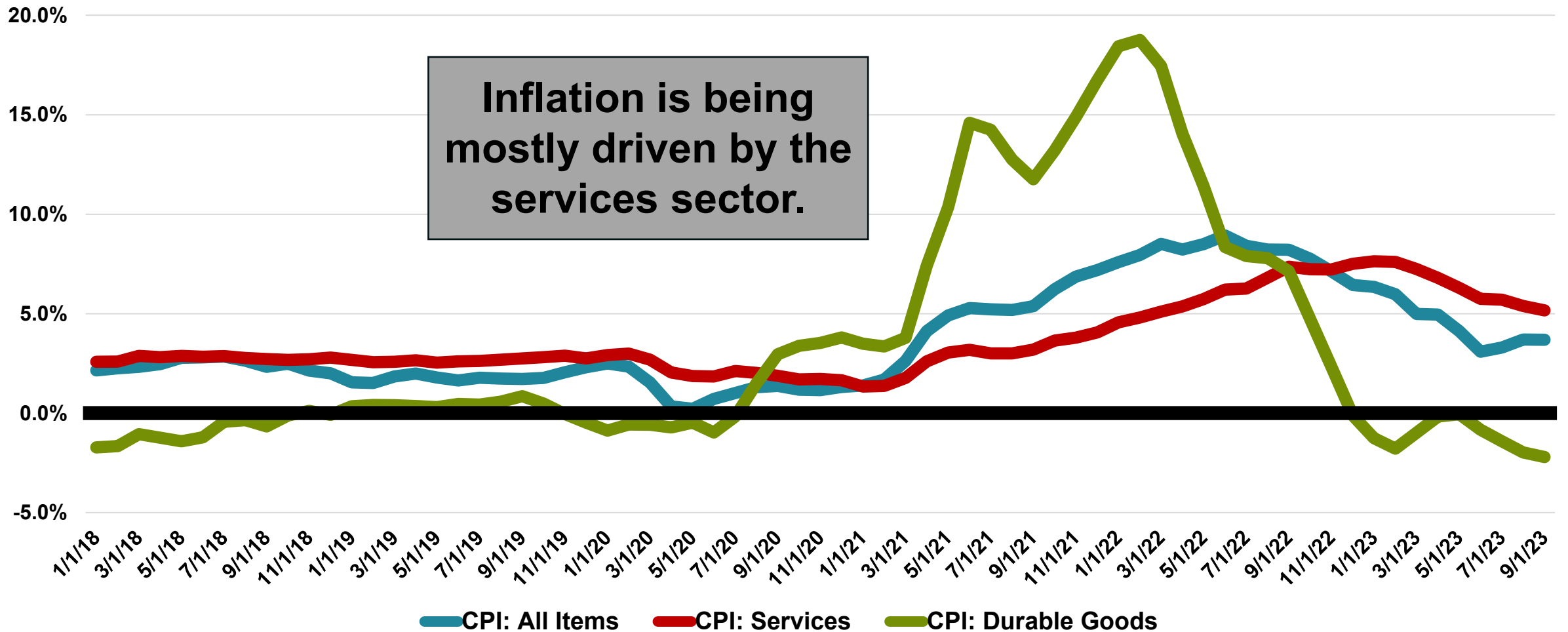


Source: U.S. BLS, Consumer Price Index



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U.S. INFLATION RATE (YEAR/YEAR)



Source: U.S. BLS, Consumer Price Index



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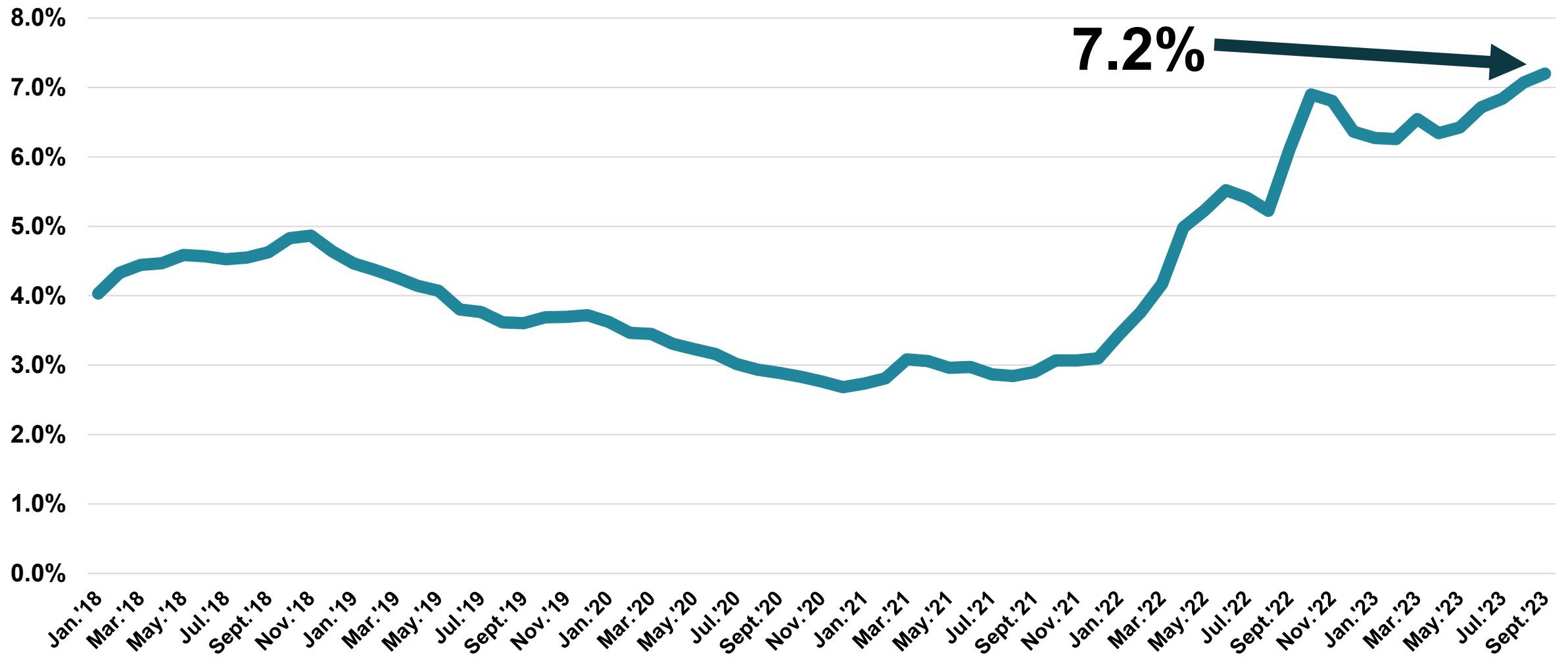
**WHERE ARE INTEREST RATE HIKE
HAVING THE LARGEST IMPACTS?**

THE HOUSING MARKET!



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U.S. MORTGAGE INTEREST RATES



Source: 30-Year Fixed Rate Average, Freddie Mac



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DIRECT EFFECTS (2022 & 2023)

**ANY REDUCTION IN HOUSING SALES DUE TO
DECREASES IN HOUSING AFFORDABILITY**

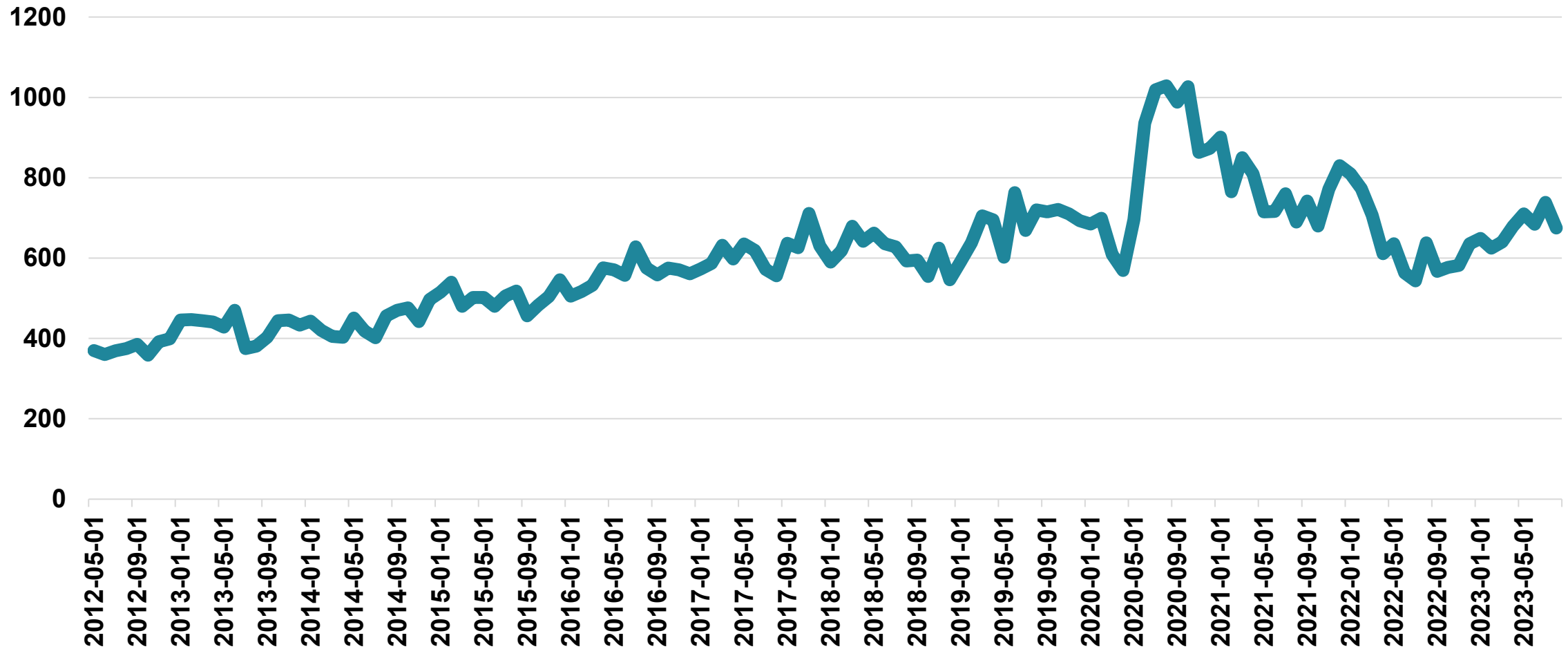
INDIRECT EFFECTS IN 2024?

**ANY FURTHER REDUCTION IN HOUSING SALES
DUE TO INCREASES IN UNEMPLOYMENT**



U.S. NEW SINGLE-FAMILY HOUSING SALES

in thousands

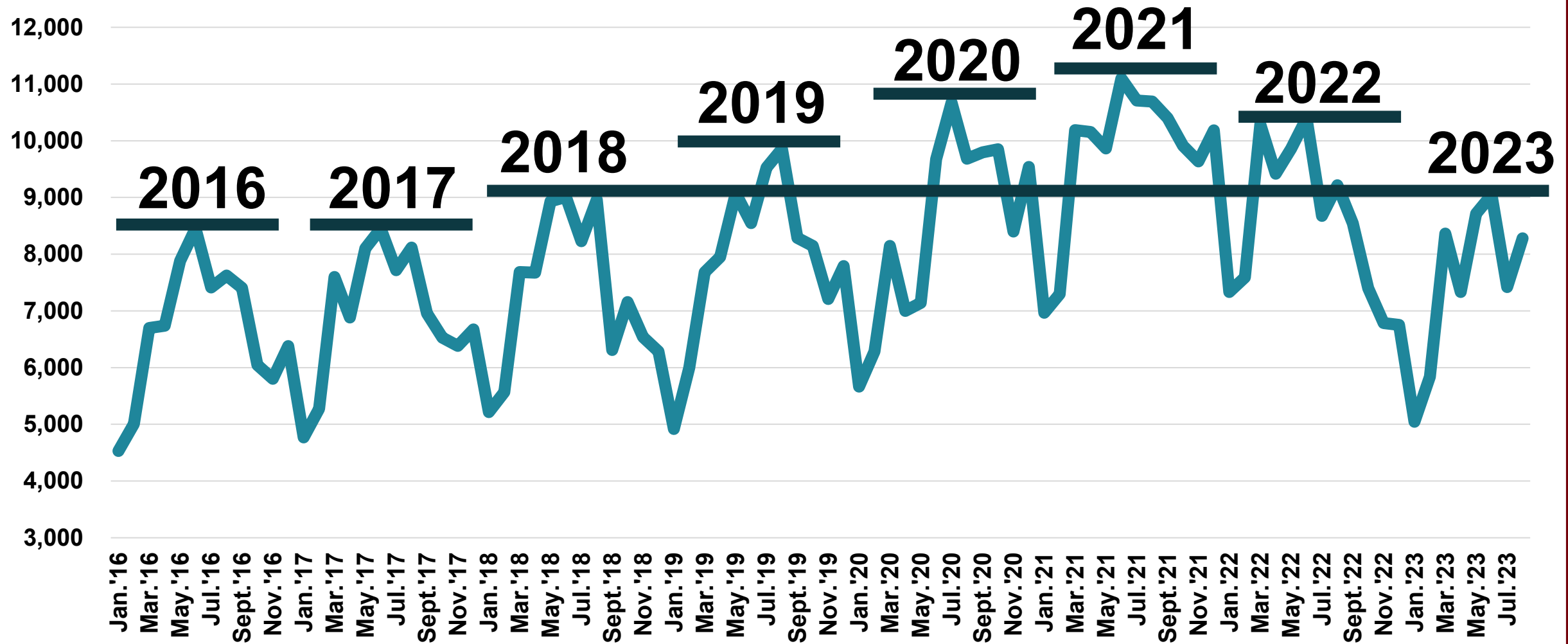


Source: U.S. Census Bureau



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SOUTH CAROLINA HOUSING SALES

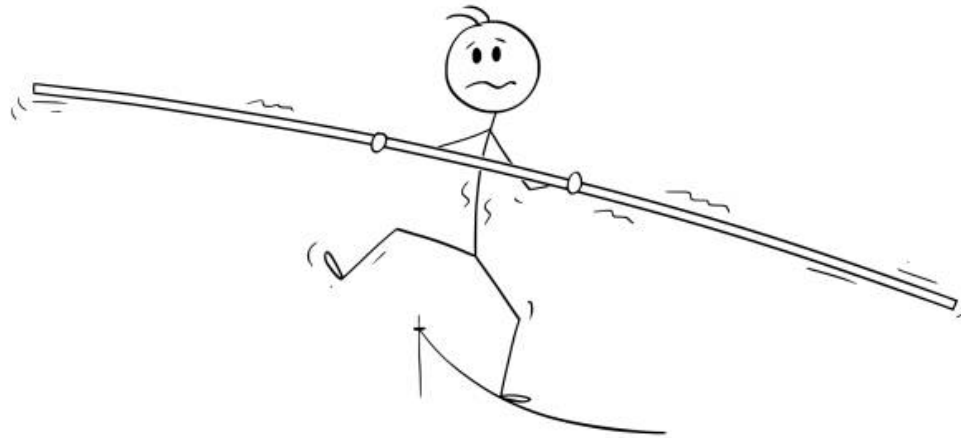


Source: South Carolina REALTORS



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**FED IS CONTINUING TO WALK A
TIGHTROPE!**

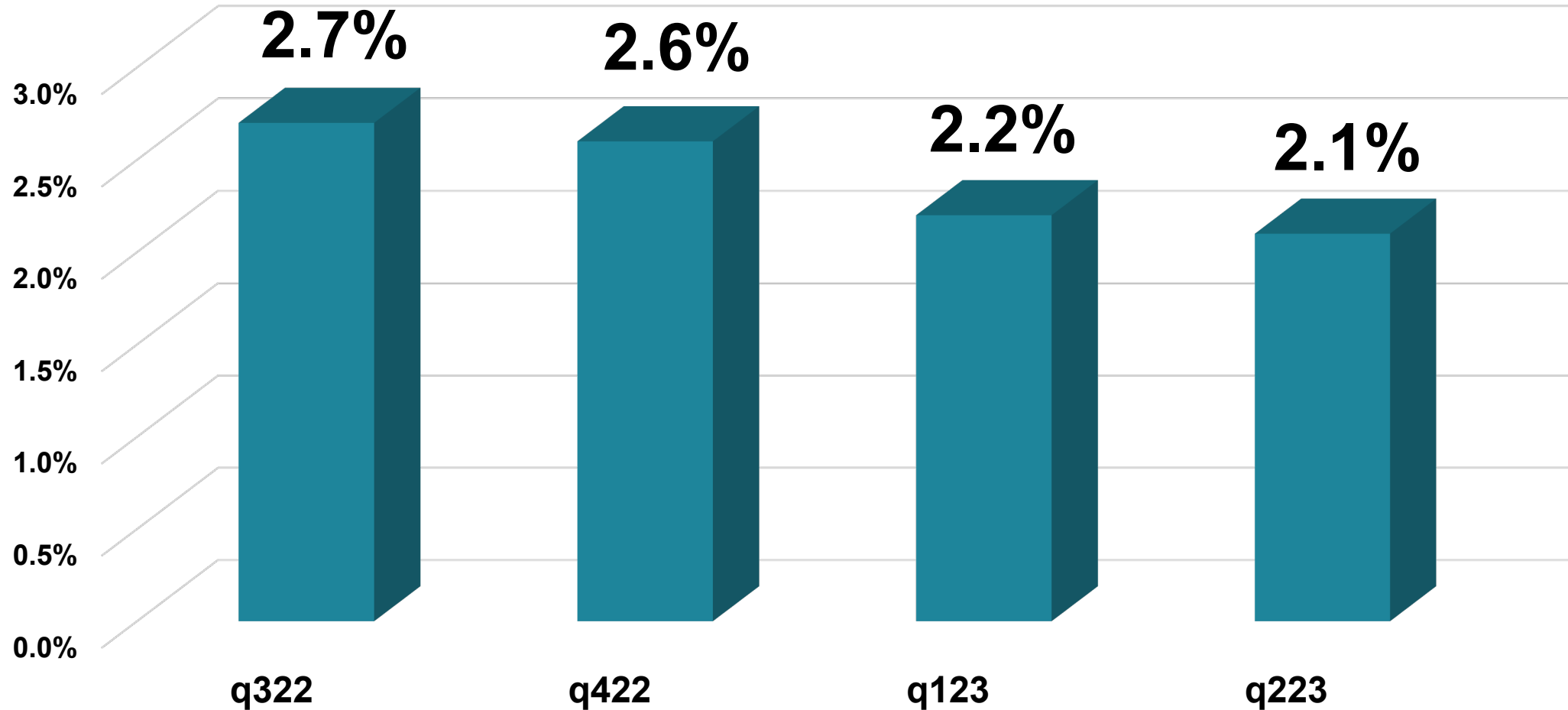


SO FAR, A SOFT LANDING IS ON TRACK...



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U.S. ANNUALIZED GDP GROWTH

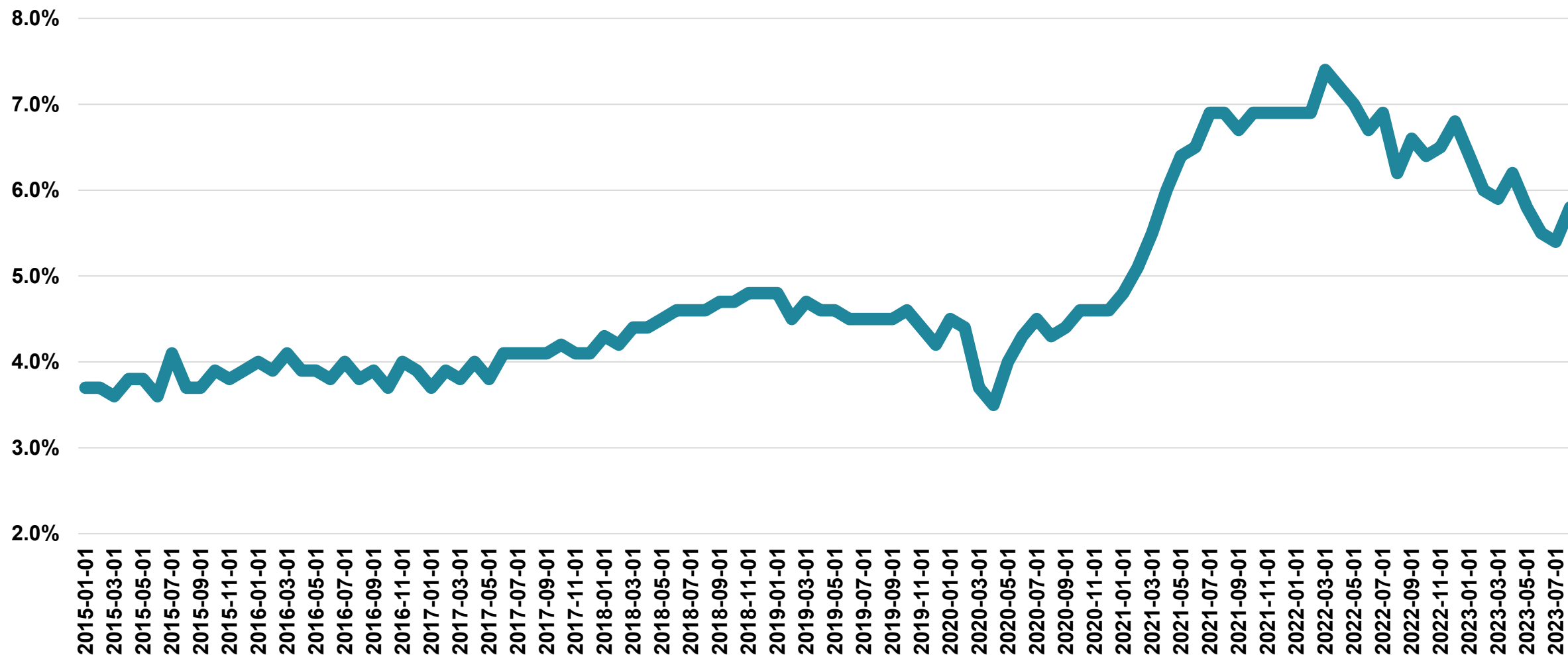


Source: U.S. Bureau of Economic Analysis



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U.S. JOB OPENINGS RATE



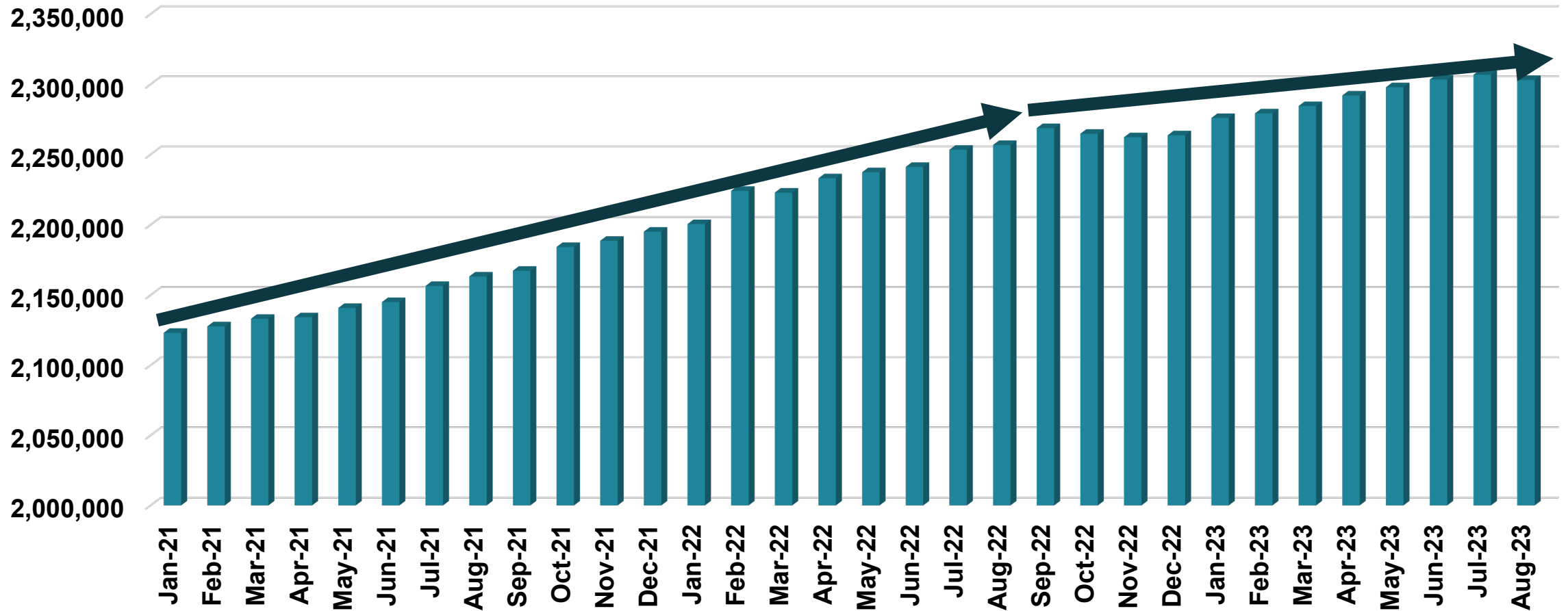
Source: U.S. Bureau of Labor Statistics



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TOTAL SOUTH CAROLINA EMPLOYMENT

in thousands

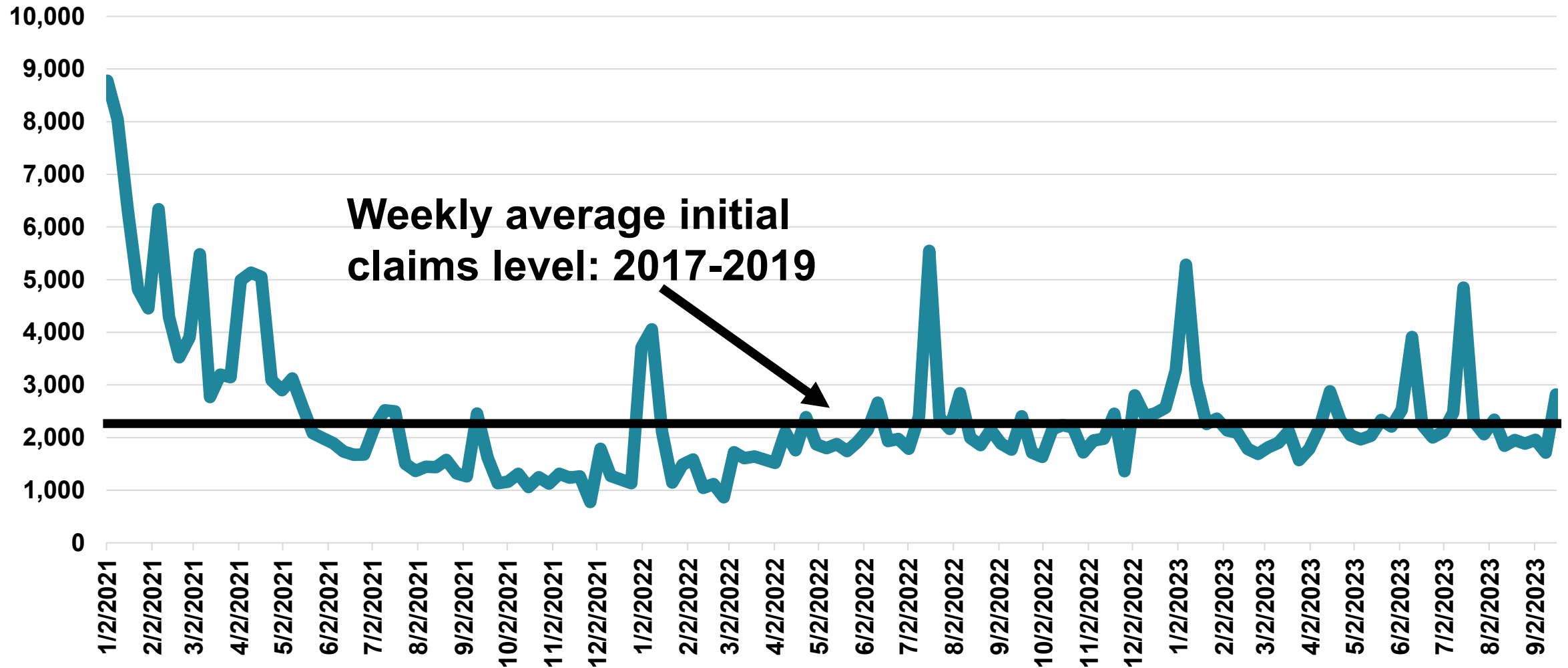


Source: U.S. Bureau of Labor Statistics



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S.C. INITIAL UNEMPLOYMENT INSURANCE CLAIMS



Weekly average initial
claims level: 2017-2019

Source: S.C. Dept. of Emp. & Workforce



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POTENTIAL SOURCES OF INFLATIONARY PRESSURE IN 2024

- **RISING HEALTHCARE COSTS**
- **U.S. MOVING AWAY FROM GLOBALIZATION**
- **ONGOING LABOR SHORTAGE**

**THESE FACTORS COULD LEAD THE
FED TO LEAVE INTEREST RATES
HIGHER FOR LONGER...**

**...MEANING THAT WE ARE NOT OUT
OF THE WOODS**



THE BOTTOM LINE

THE GOOD, THE BAD, AND THE UGLY!

- **THE SOUTH CAROLINA ECONOMY HAS BEEN RESILIENT IN 2023 BUT IS STILL READJUSTING**
- **THERE ARE SIGNIFICANT HEADWINDS FIGHTING THE FEDERAL RESERVE ON INFLATION THAT WILL PERSIST INTO 2024**
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THANK YOU!



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