

# SOUTH CAROLINA ECONOMIC OUTLOOK FY 2020-21 AND BEYOND

Presented to  
Advocacy Committee



**January 8, 2021**

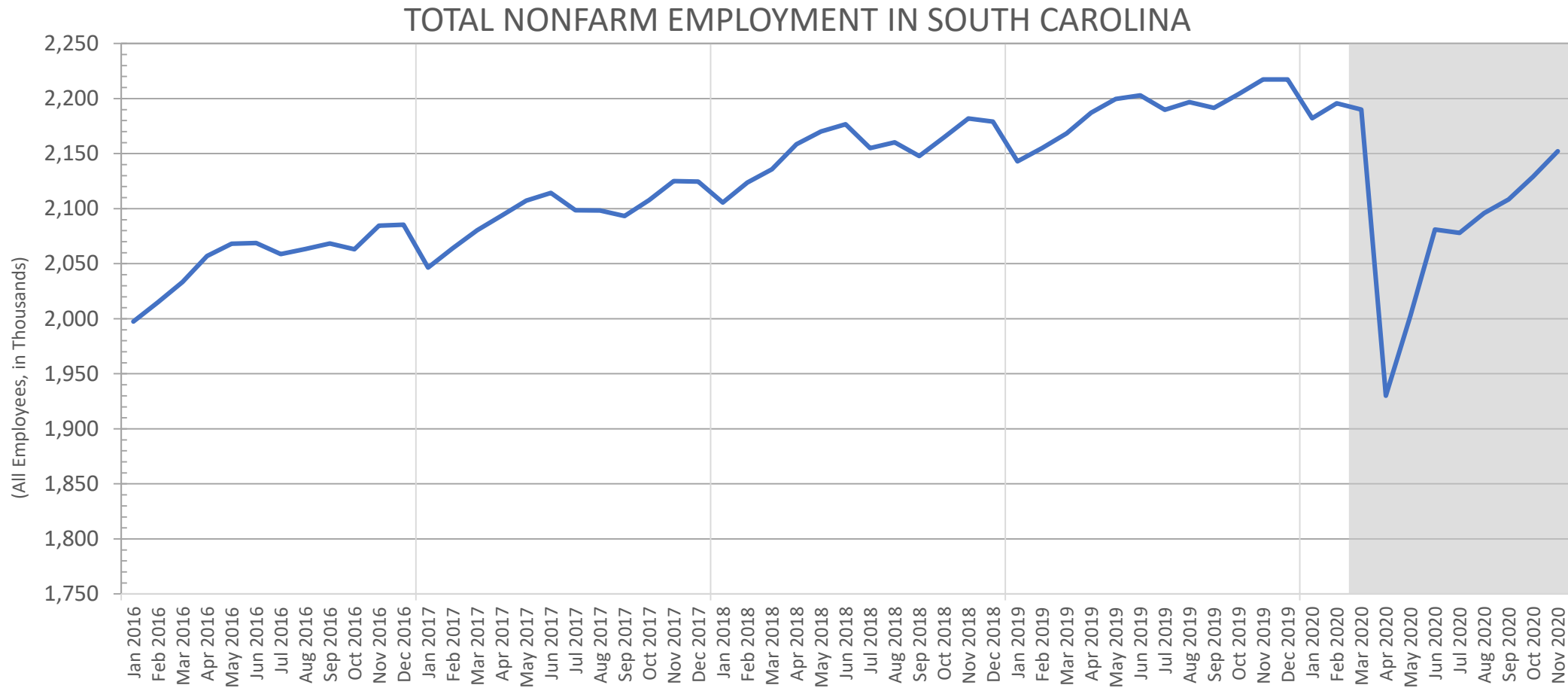
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# S.C. Employment – Total Jobs

Nov. 2020 employment has recovered 84% of jobs lost from Feb. to Apr. 2020



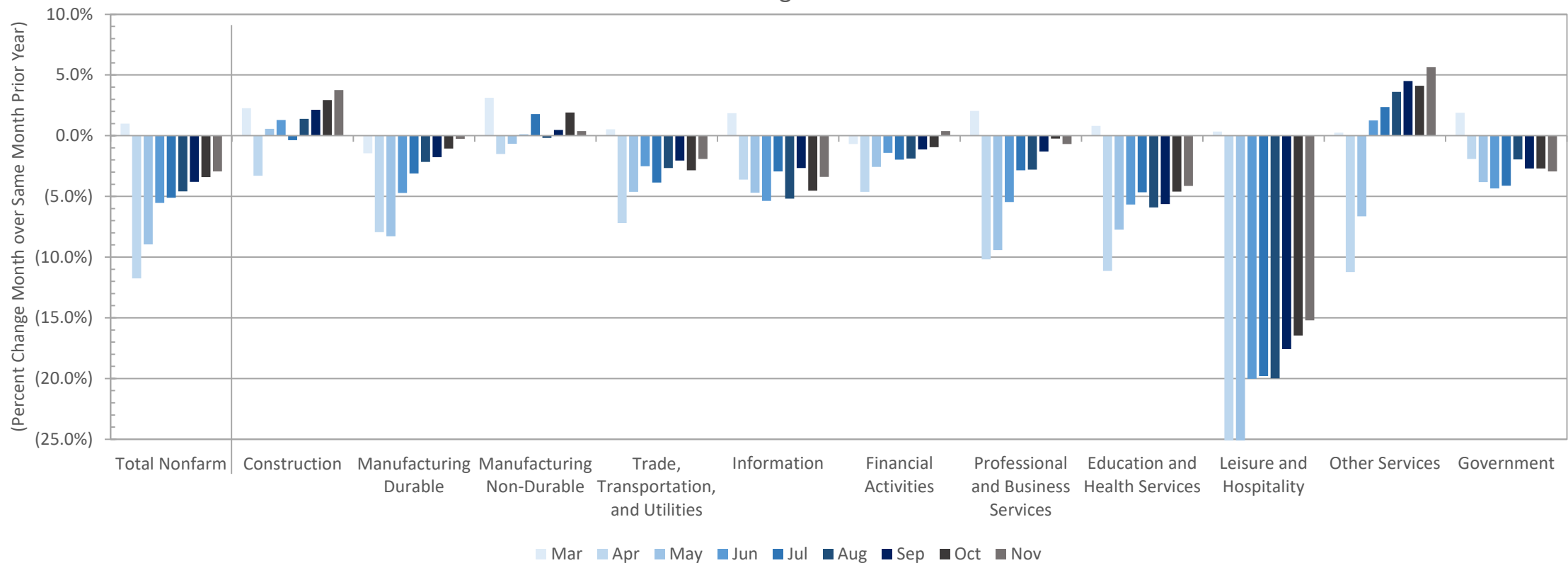
Source: U.S. Department of Labor. Bureau of Labor Statistics 60-RFA/bdc/1/04/2021



# S.C. Employment by Sector

Most sectors trending well; Leisure & Hospitality still significantly lagging

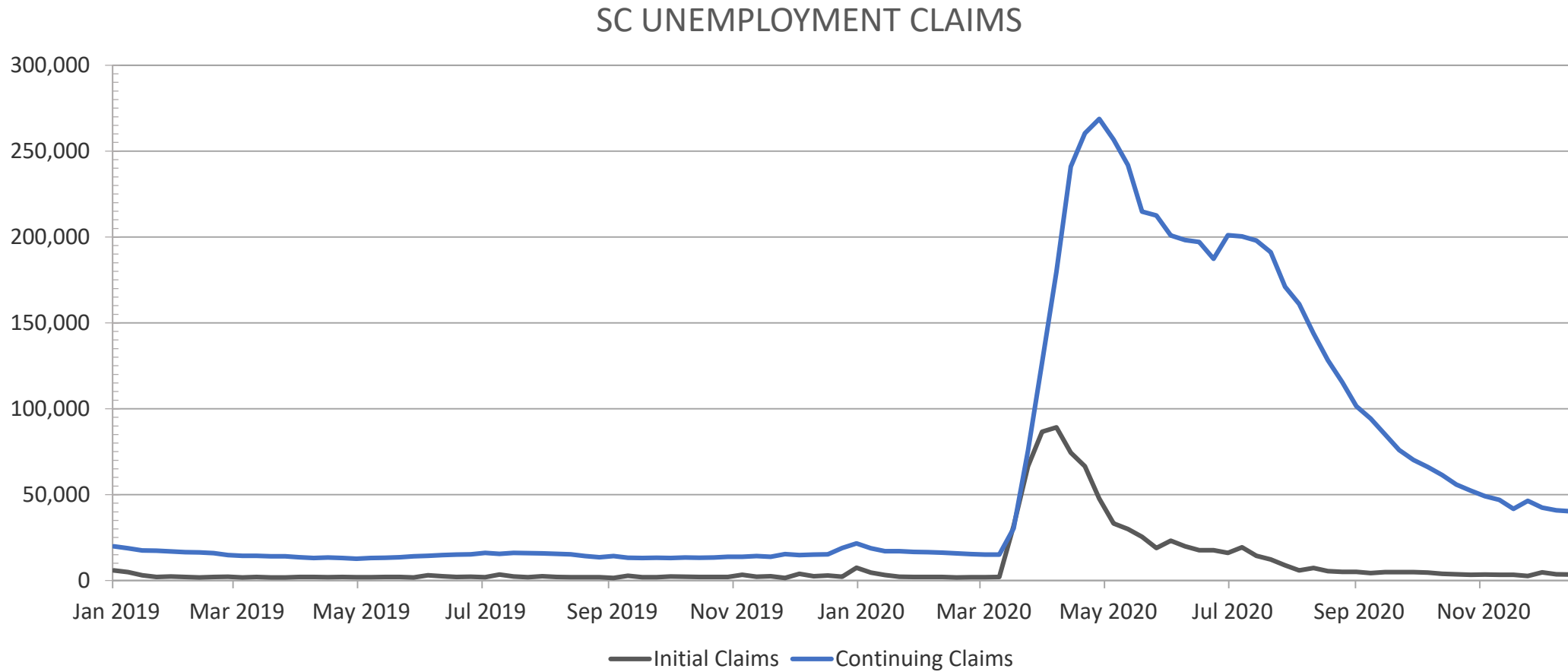
2020 SC EMPLOYMENT BY INDUSTRY  
March through November



Source: U.S. Dept. of Labor, Bureau of Labor Statistics, Quarterly Census of Employment and Wages; Federal Reserve Bank of St. Louis, FRED 281a--Oct 2020 RFA/bdc/1/04/2021

# Unemployment Claims

Continued and Initial claims still above historical levels

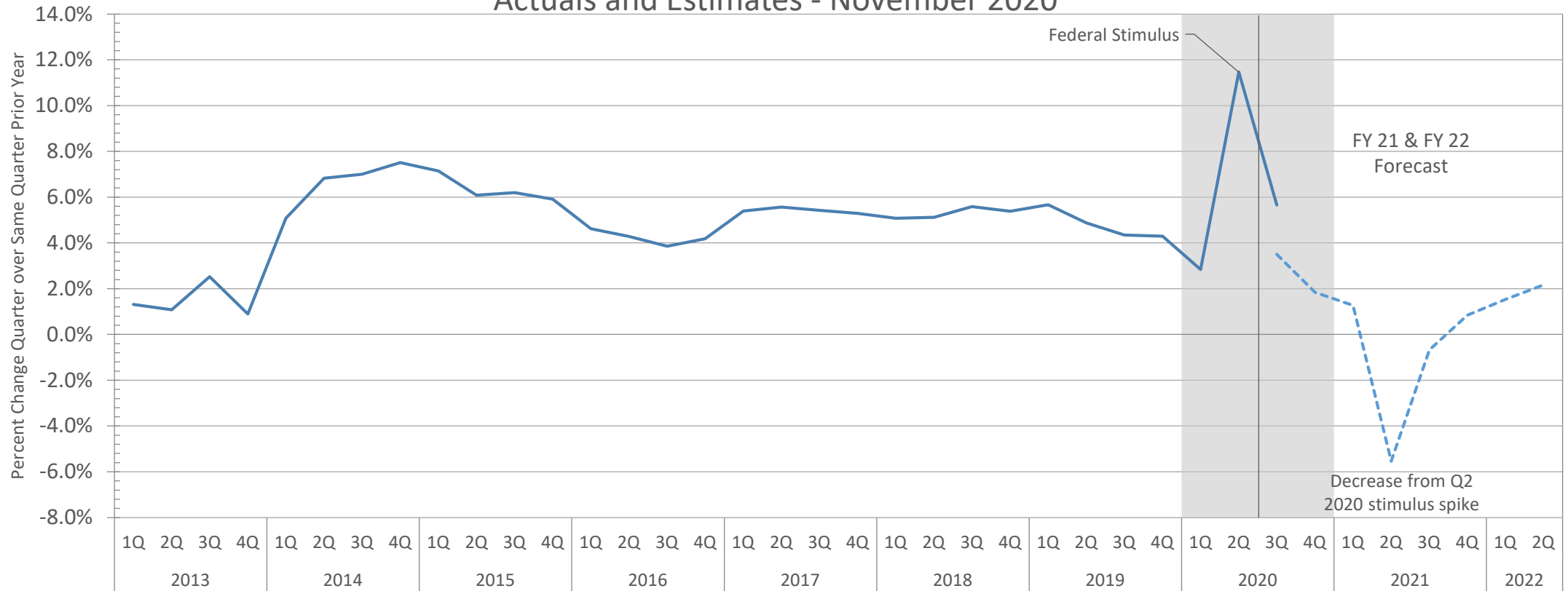


Source: U.S. Employment and Training Administration 287-RFA/bdc/01/04/2021

# SC Personal Income Growth

Q3 2020 grew 5.7%, buoyed by continued transfer payments

SC PERSONAL INCOME GROWTH RATES  
Actuals and Estimates - November 2020

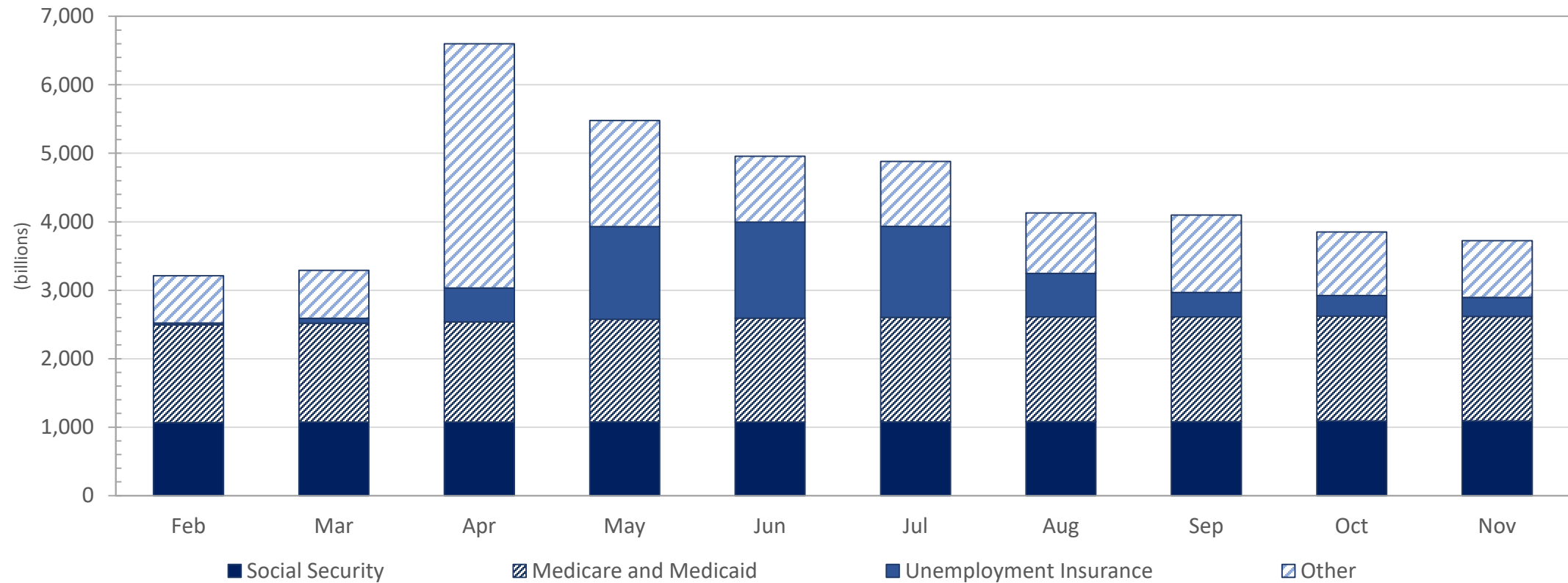


Source: US Department of Commerce, Bureau of Economic Analysis RFA-173 bdc/01/05/2021

# US Personal Income Transfer Payments

## Stimulus, unemployment compensation decreasing after spike

U.S. PERSONAL INCOME TRANSFER PAYMENTS 2020



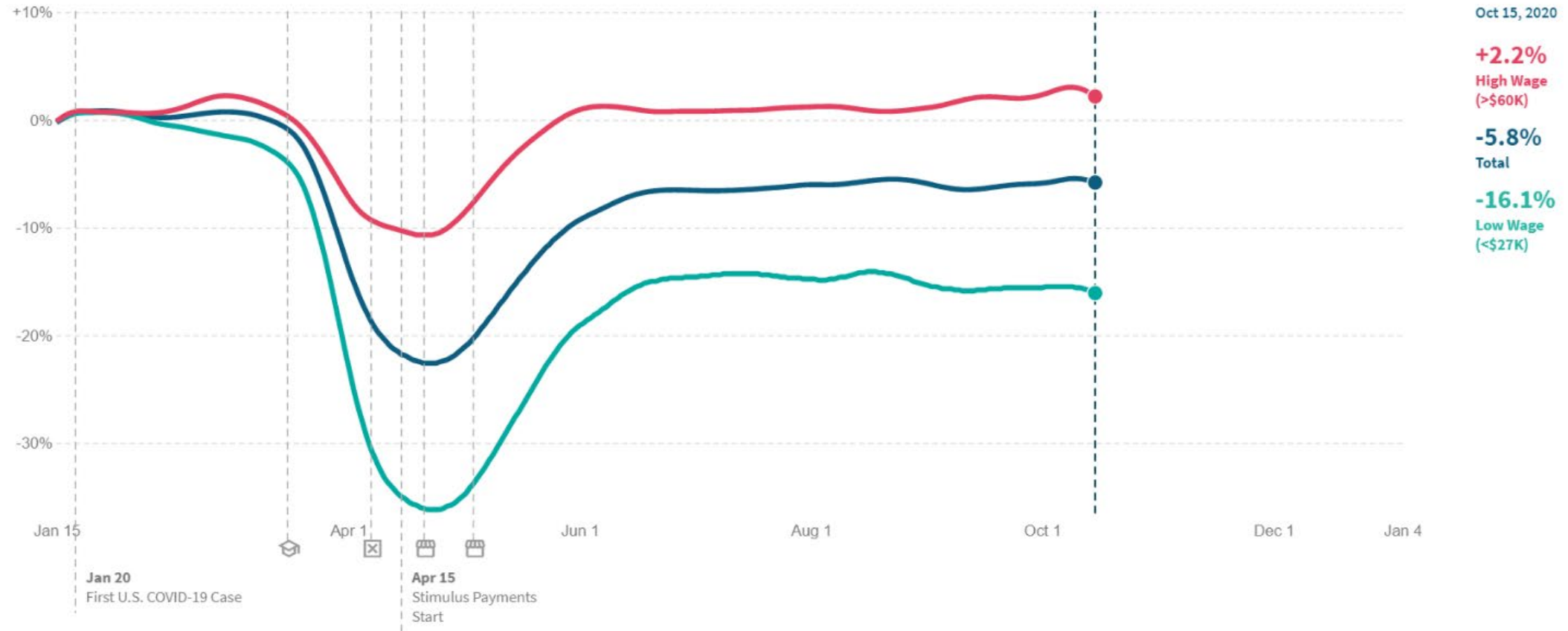
Source: US Bureau of Economic Analysis 222D-RFA/BDC/01/04/2021

# S.C. Employment Change by Wage Level

Employment losses are in low wage jobs; high wage jobs have seen a 2.2% employment increase

## Percent Change in Employment\*

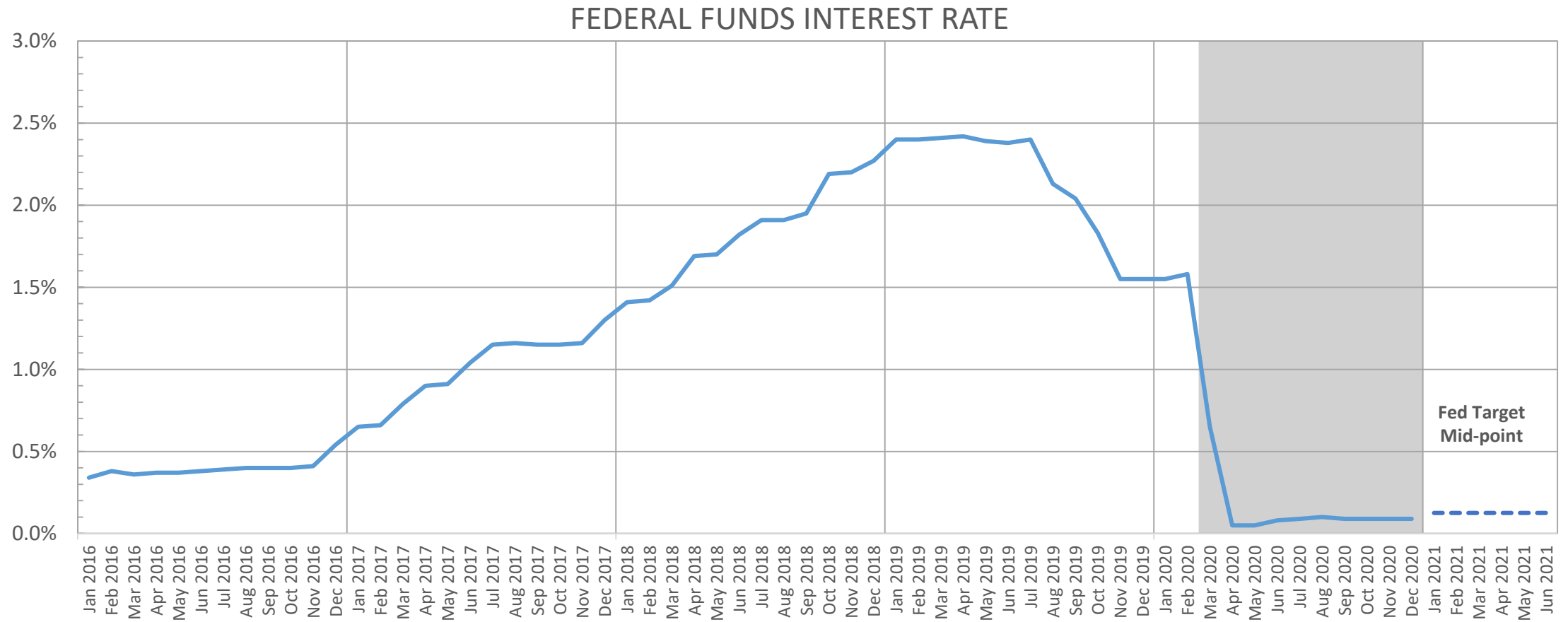
In South Carolina, as of October 15, 2020, employment rates decreased by 5.8% compared to January 2020 (not seasonally adjusted).



Source: Opportunity Insights Economic Tracker [tracktherecovery.org](https://tracktherecovery.org), Retrieved January 4, 2020

# Interest Rates

Fed target range is 0% to 0.25% through 2022



Source: Board of Governors of the Federal Reserve System via FRED Economic Data 277-RFA/lhj/01/05/2021

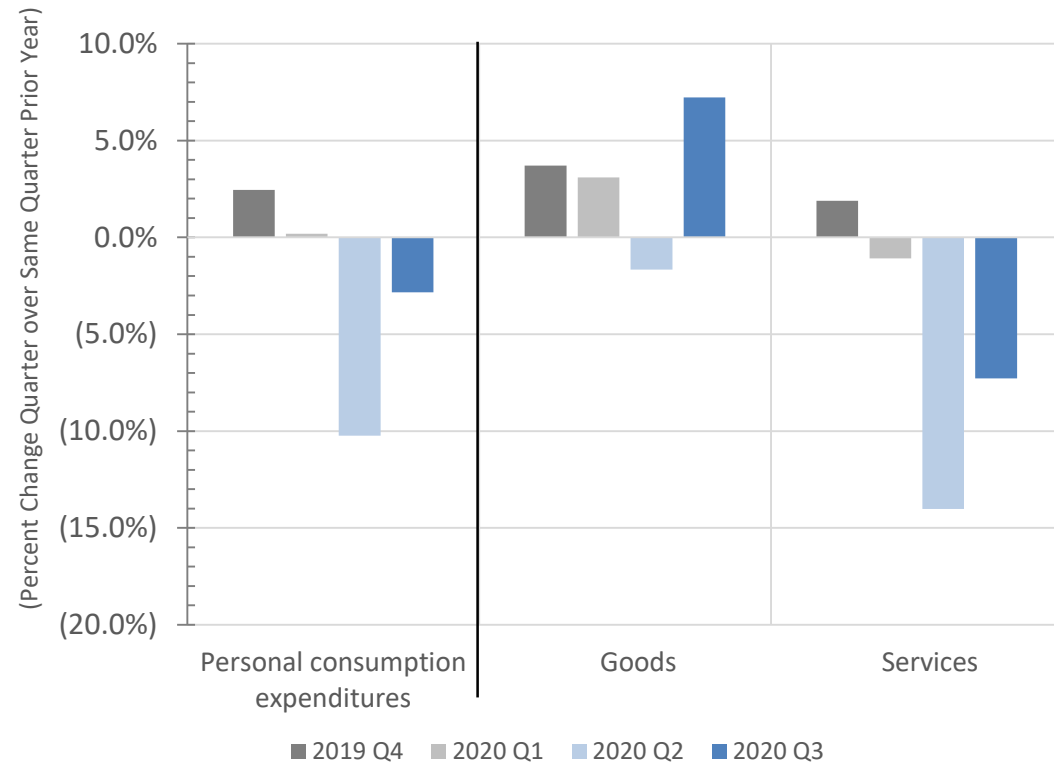




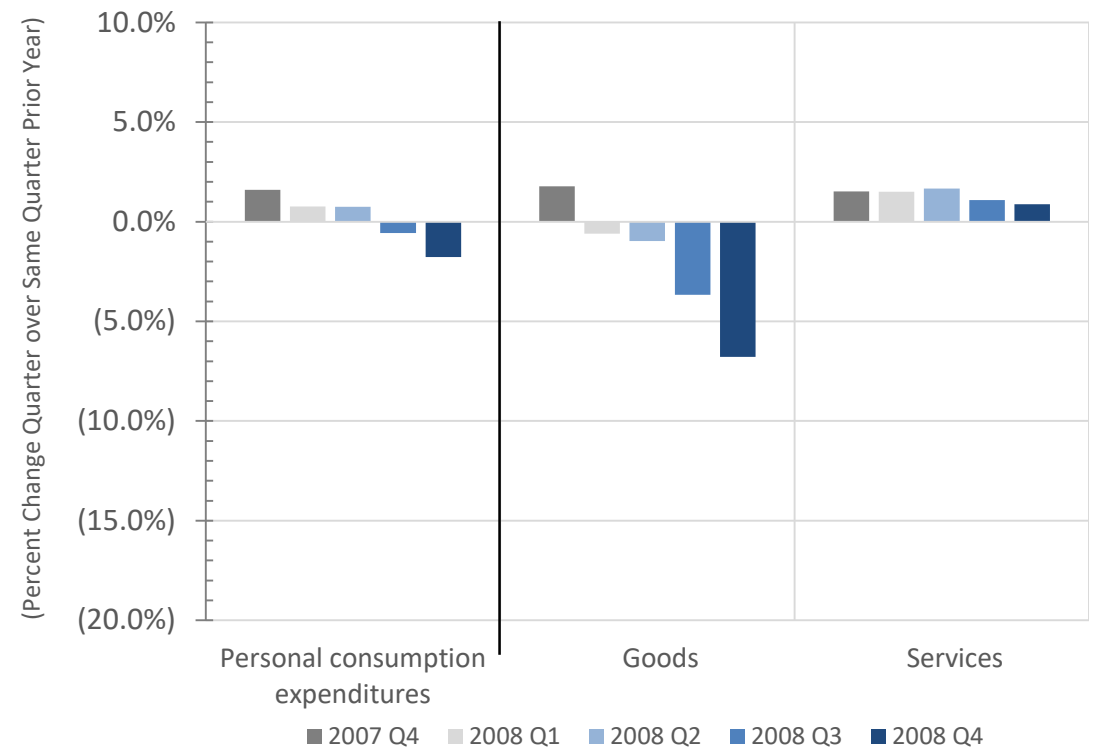
# Real GDP - Personal Consumption of Goods and Services

Consumption of services was down substantially more than goods in Q2 and Q3 2020; Great recession saw greater decline in goods than services

PERSONAL CONSUMPTION EXPENDITURES  
COVID-19 - Q4 2019 to Q3 2020



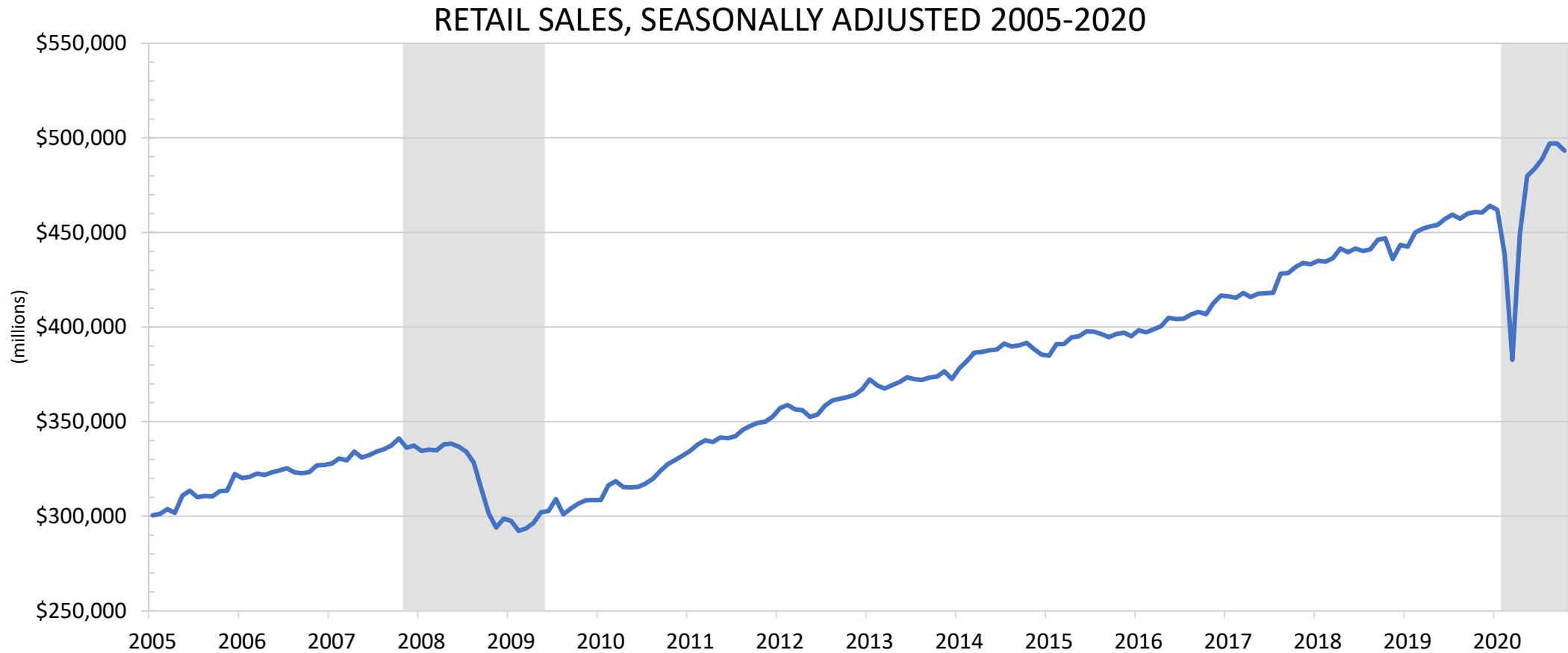
PERSONAL CONSUMPTION EXPENDITURES  
Great Recession - Q4 2007 to Q4 2008



Source: Bureau of Economic Analyses 292B RFA/lhj/01/05/2021

# U.S. Retail Sales

Strong sales growth from Jun. to Oct. 2020 slows; declines 0.76% in Nov. 2020



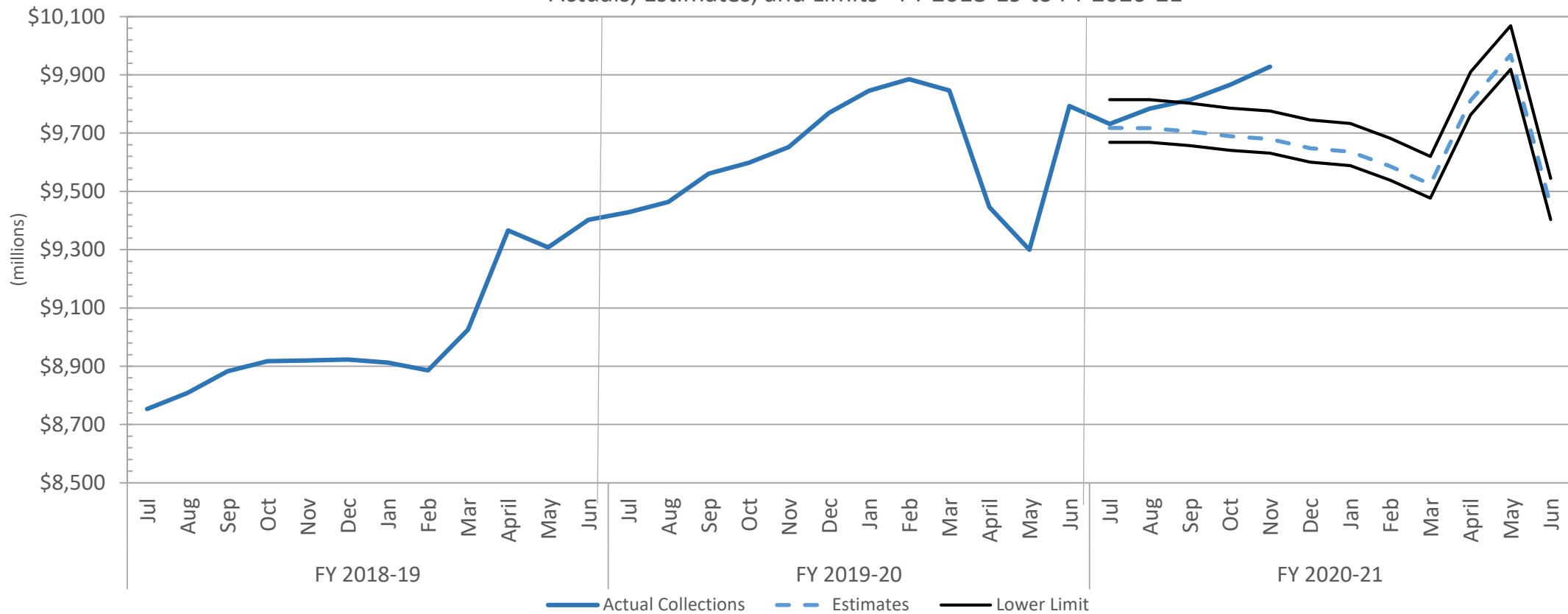
Source: U.S. Census Bureau, Advance Monthly Sales for Retail and Food Services, data through December 2020, 283-6 RFA/nmg/01/05/2020

# Rolling Fiscal Year – General Fund

Total collections are above the forecast by \$248.4 million and show an increase of 3.4% over last fiscal year through November

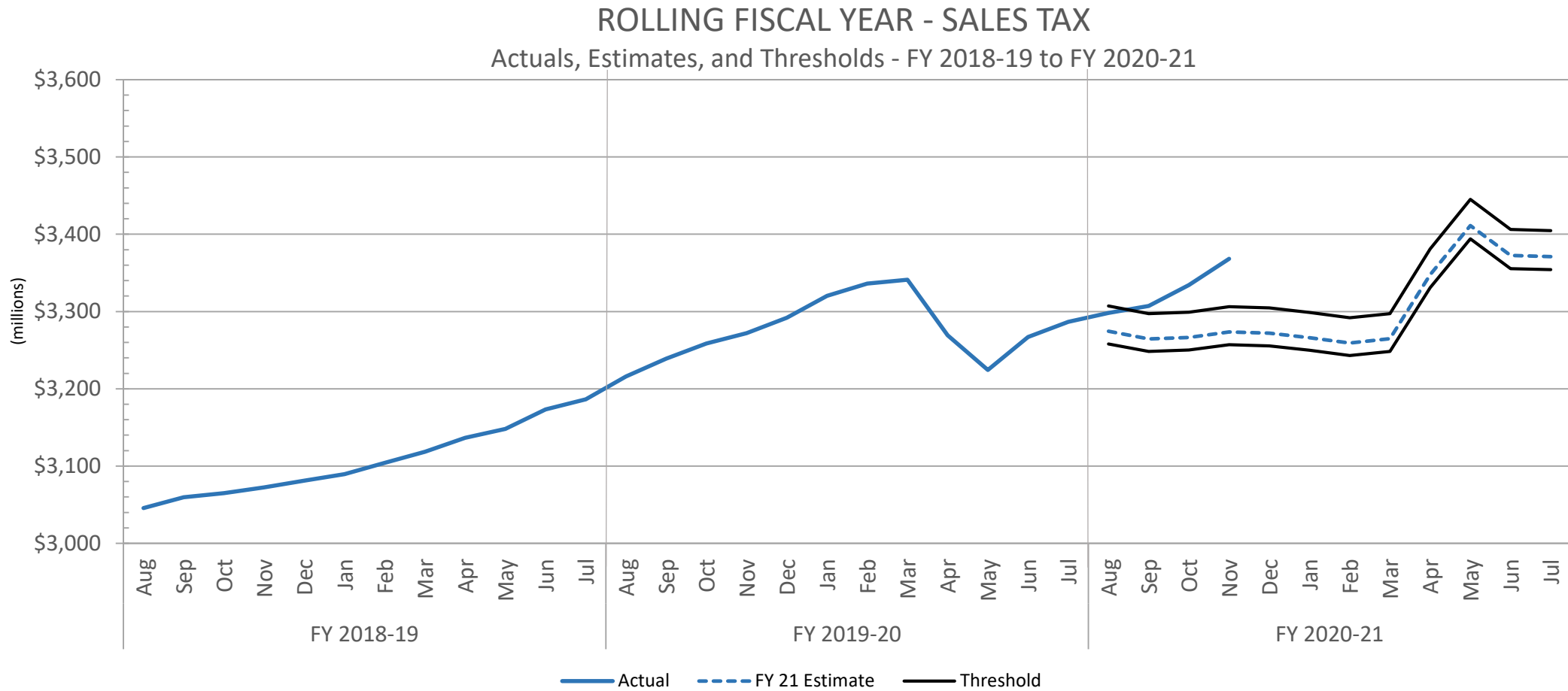
## ROLLING FISCAL YEAR - TOTAL GENERAL FUND REVENUE

Actuals, Estimates, and Limits - FY 2018-19 to FY 2020-21



# Rolling Fiscal Year – Sales Tax

Collections are outpacing the forecast by \$94.4 million with growth through November of 7.3%

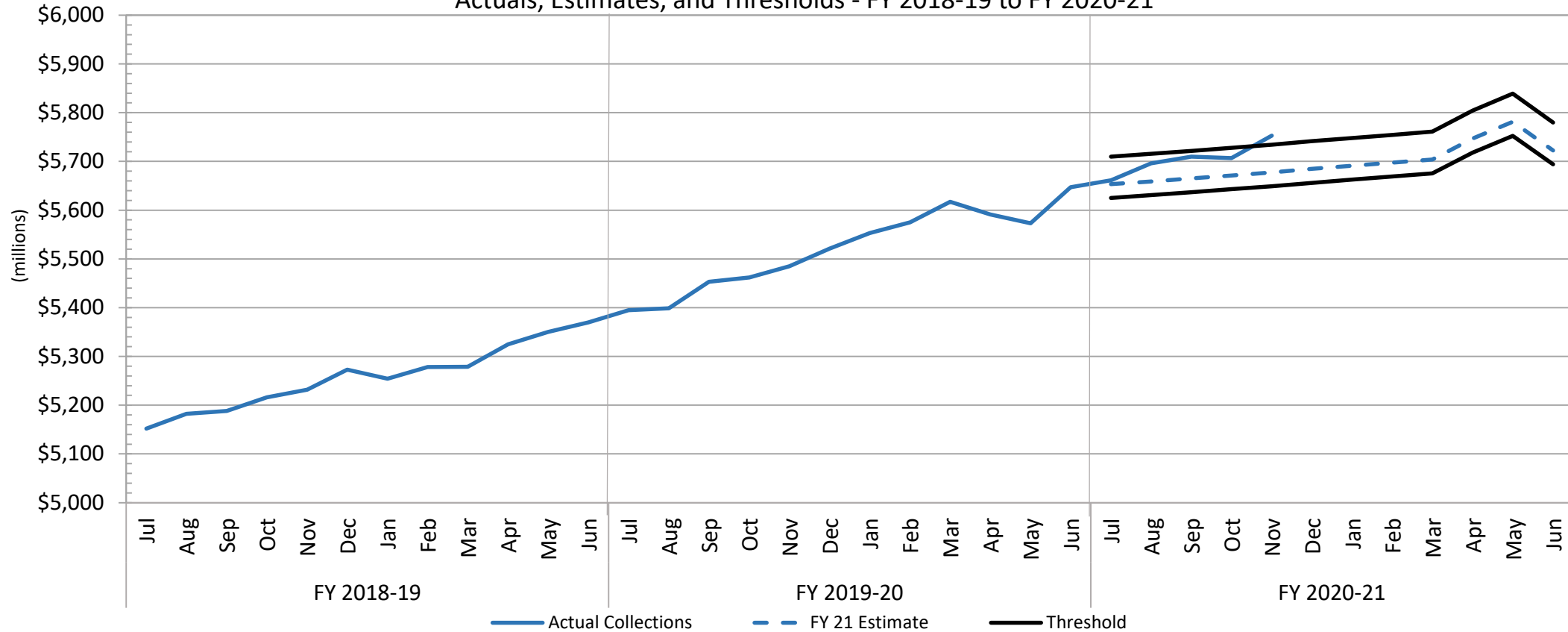


# Rolling Fiscal Year – Individual Income Tax Withholding

## Collections up 4.6% over same period of previous fiscal year

### ROLLING FISCAL YEAR - INDIVIDUAL INCOME WITHHOLDINGS

Actuals, Estimates, and Thresholds - FY 2018-19 to FY 2020-21

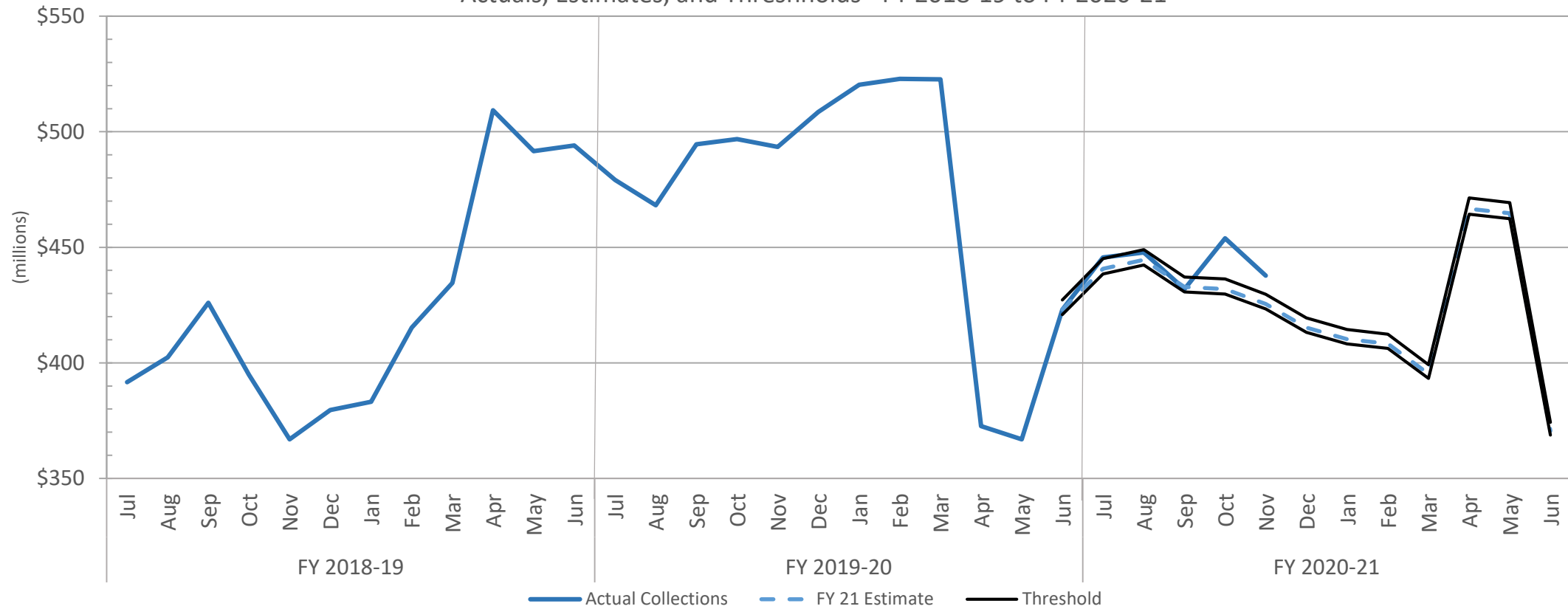


# Rolling Fiscal Year – Corporate Income Tax

Collections are above the forecast by \$12.3 million through November

## ROLLING FISCAL YEAR - CORPORATE INCOME TAX

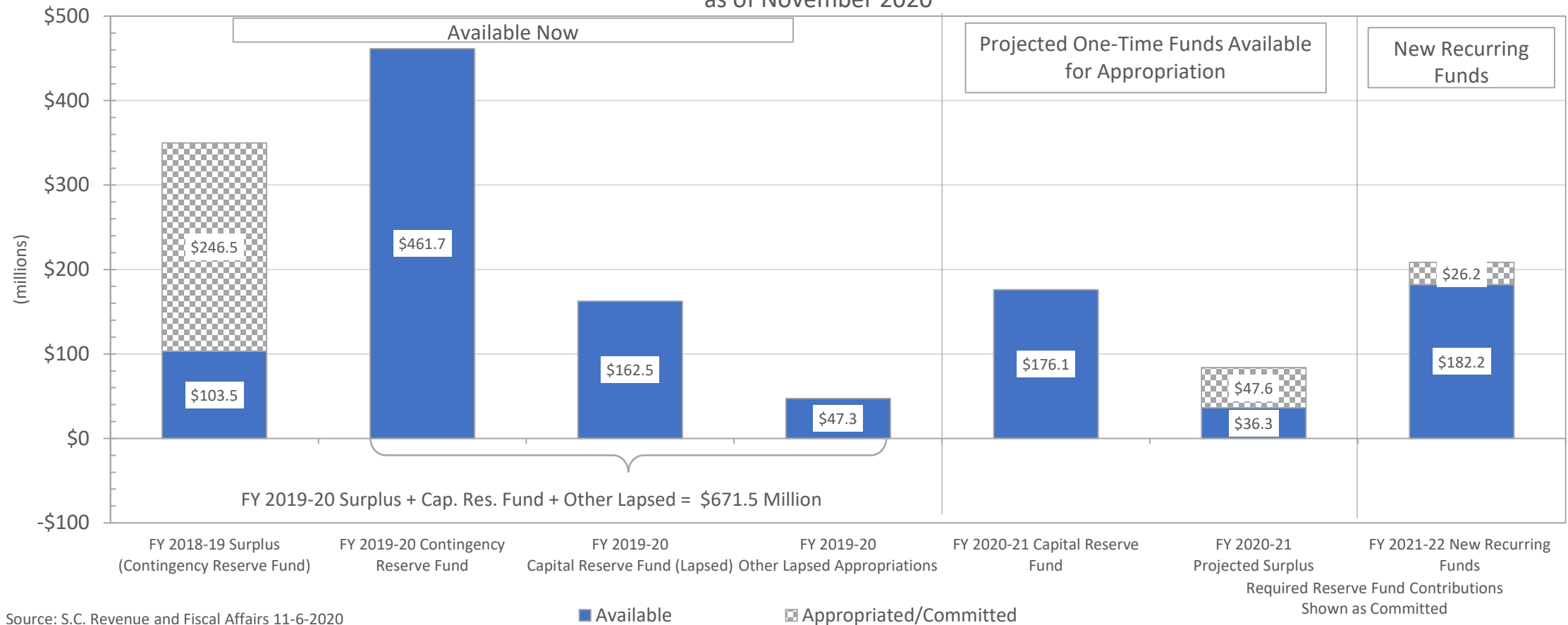
Actuals, Estimates, and Thresholds - FY 2018-19 to FY 2020-21



# FY 2021-22 Available Funds

## \$987.4m in one-time funds; \$182.2m new recurring money

AVAILABLE FUNDS - FY 2021-22 BUDGET PROCESS  
as of November 2020



Source: S.C. Revenue and Fiscal Affairs 11-6-2020