

SOUTH CAROLINA ECONOMIC OUTLOOK

Presented to



February 5, 2021

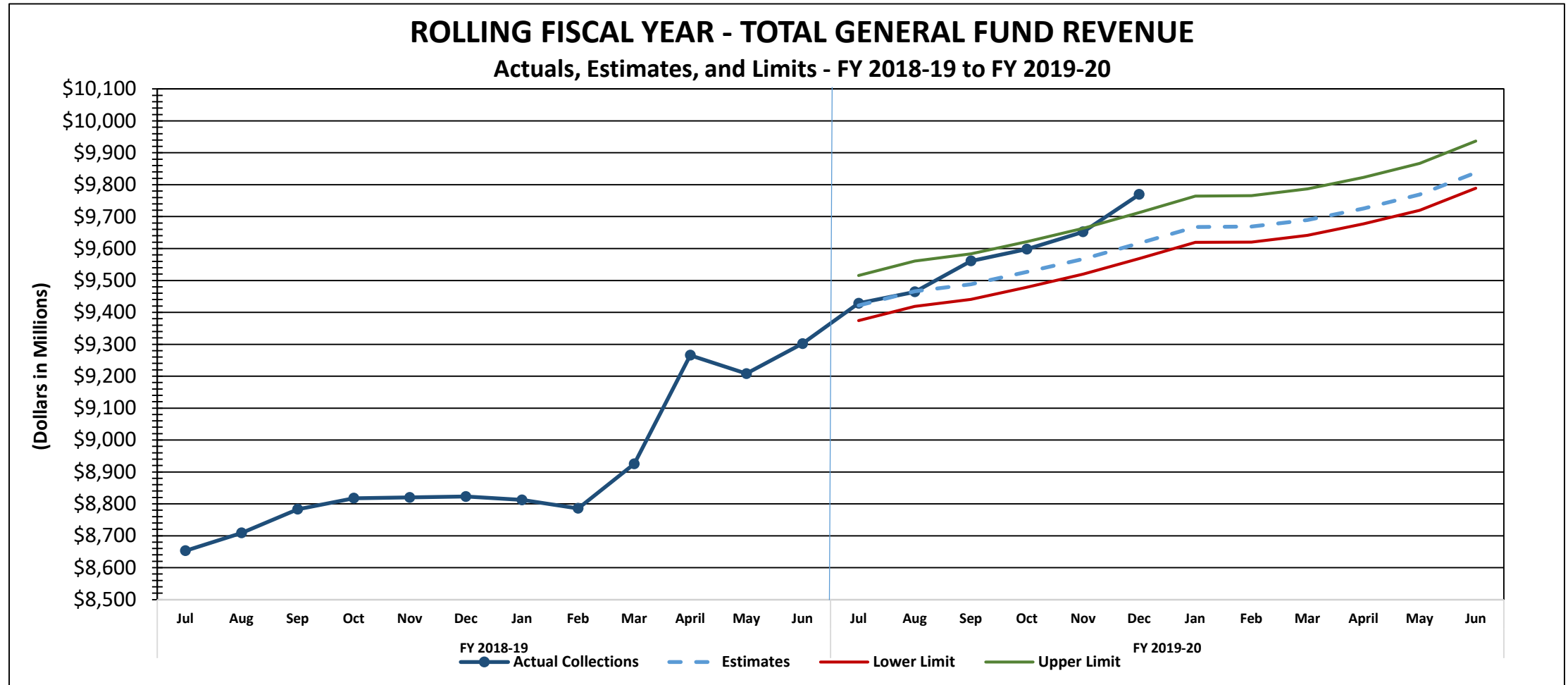
by

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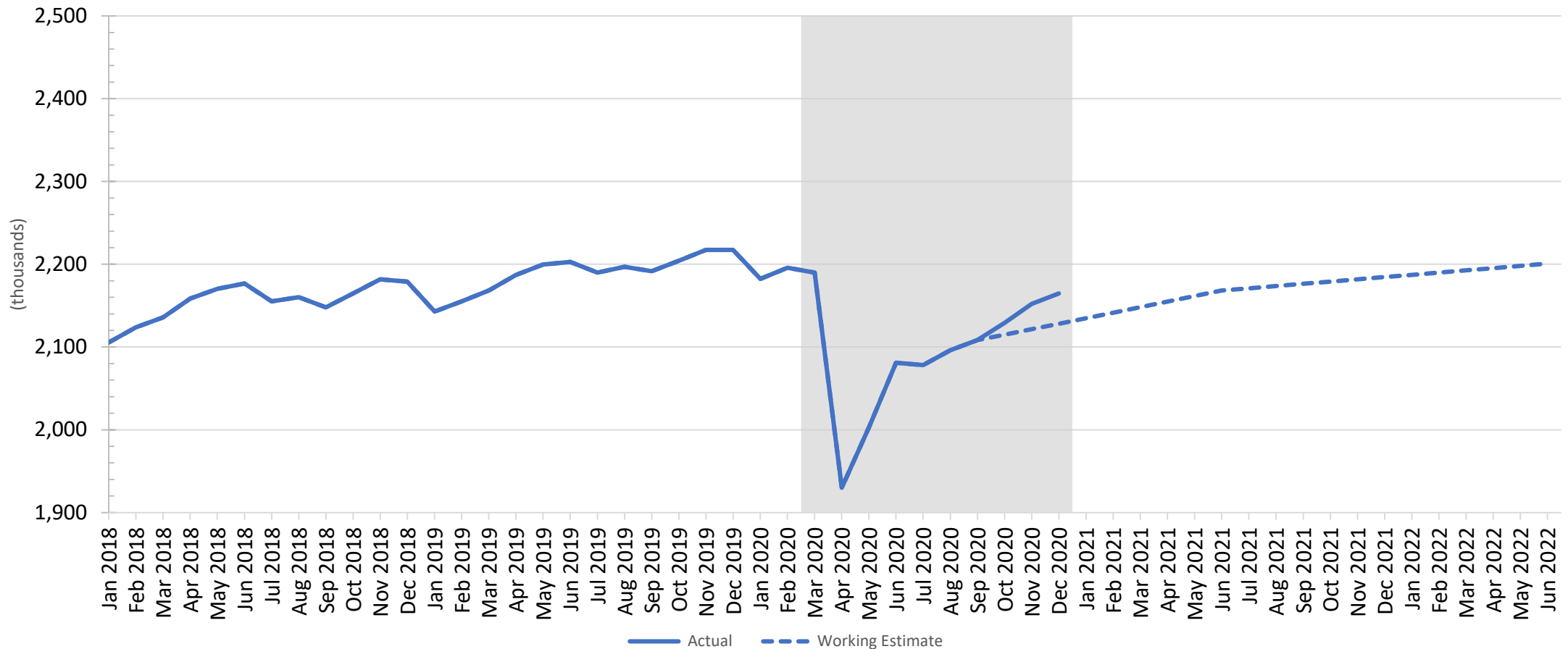
One year ago ... “SC is in good shape to withstand ...”



S.C. Employment

As of December 2020, 88% of jobs lost have been recovered; current growth is exceeding the estimate and aided by stimulus

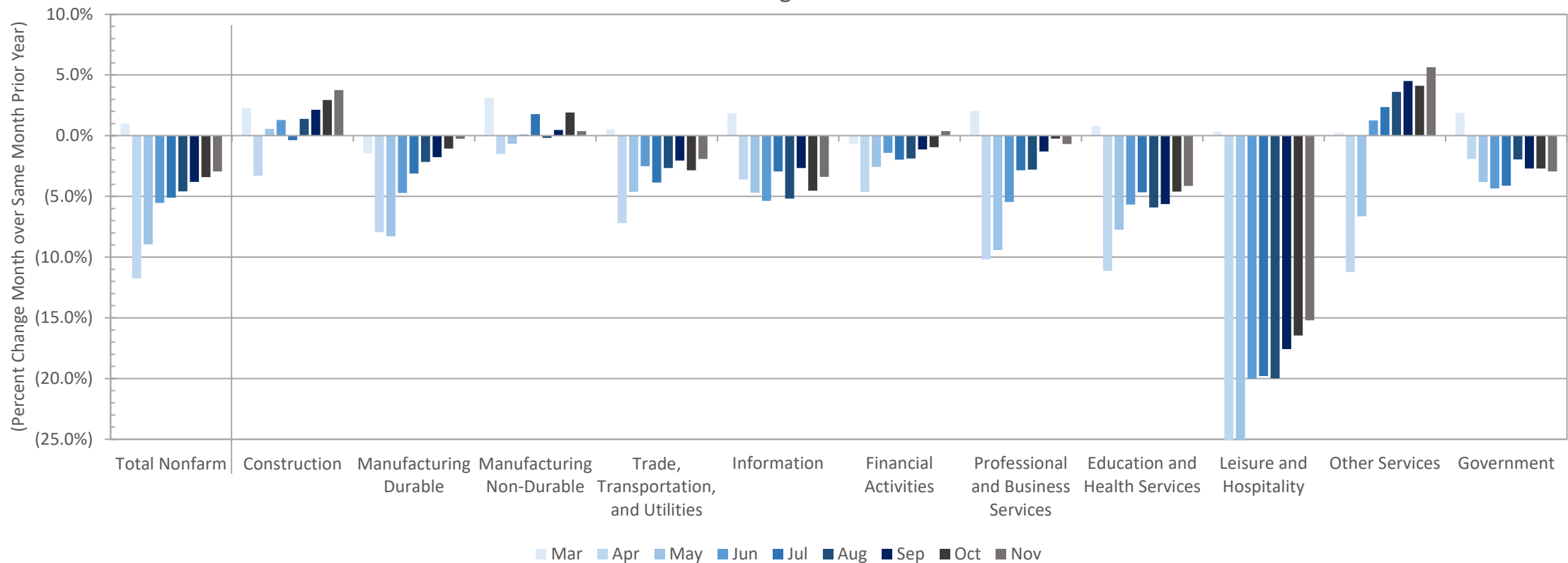
SOUTH CAROLINA EMPLOYMENT
Working Estimate



S.C. Employment by Sector

Most sectors trending well; Leisure & Hospitality still significantly lagging

2020 SC EMPLOYMENT BY INDUSTRY
March through November



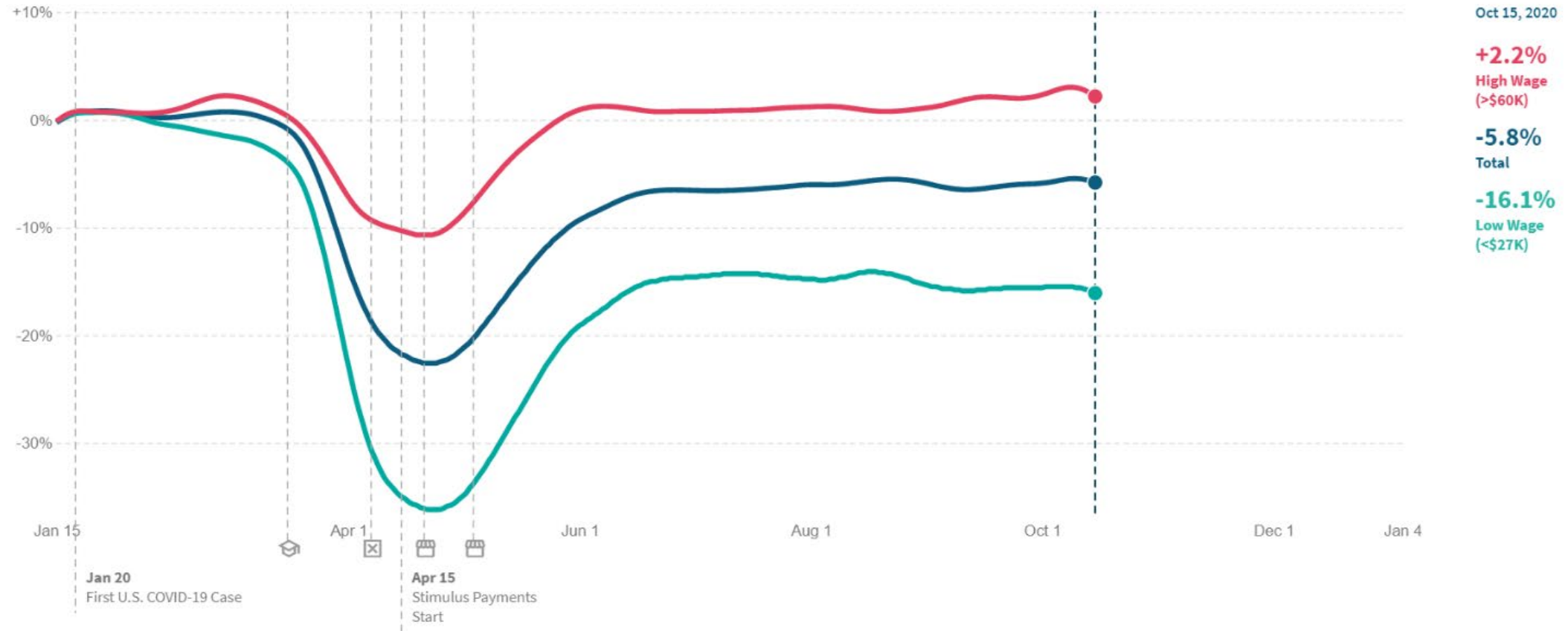
Source: U.S. Dept. of Labor, Bureau of Labor Statistics, Quarterly Census of Employment and Wages; Federal Reserve Bank of St. Louis, FRED 281a--Oct 2020 RFA/bdc/1/04/2021

S.C. Employment Change by Wage Level

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

Percent Change in Employment*

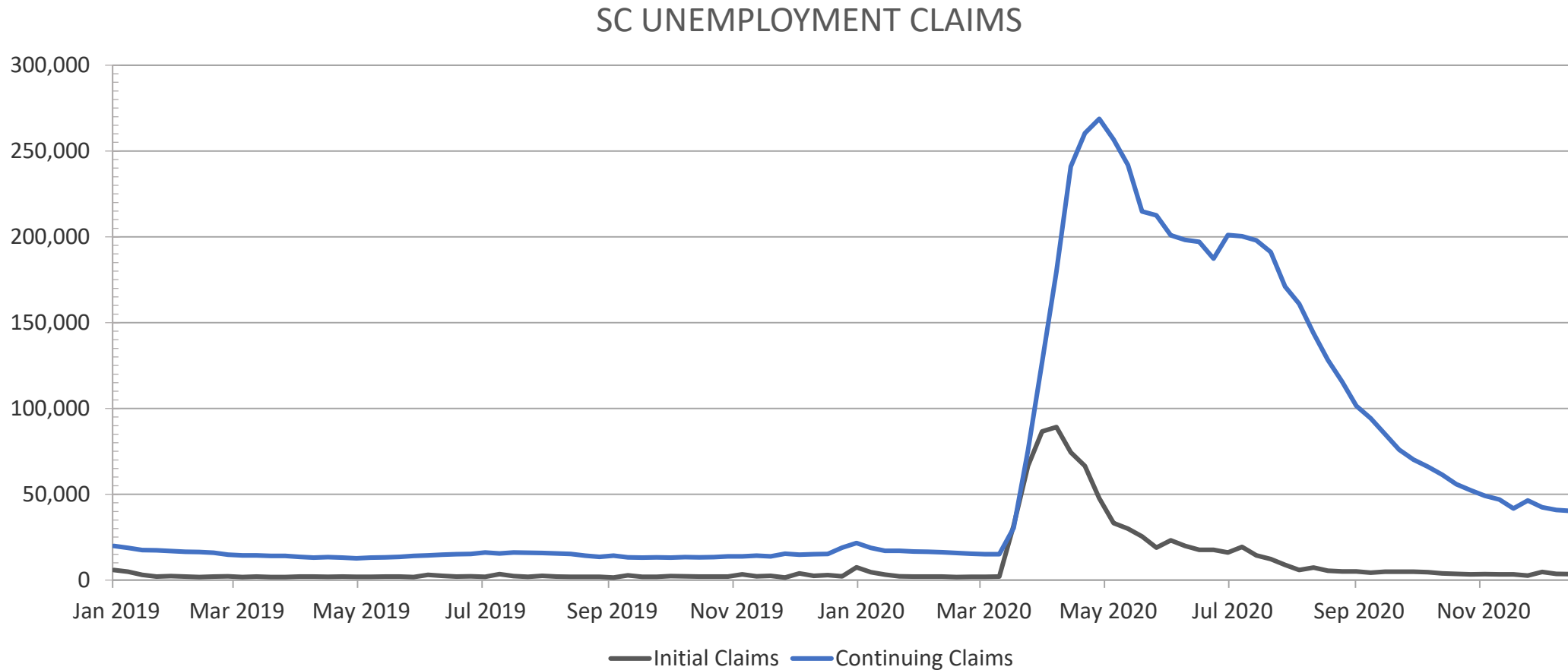
In South Carolina, as of October 15, 2020, employment rates decreased by 5.8% compared to January 2020 (not seasonally adjusted).



Source: Opportunity Insights Economic Tracker tracktherecovery.org, Retrieved January 4, 2020

Unemployment Claims

Continued and Initial claims have declined significantly, but still above historical levels



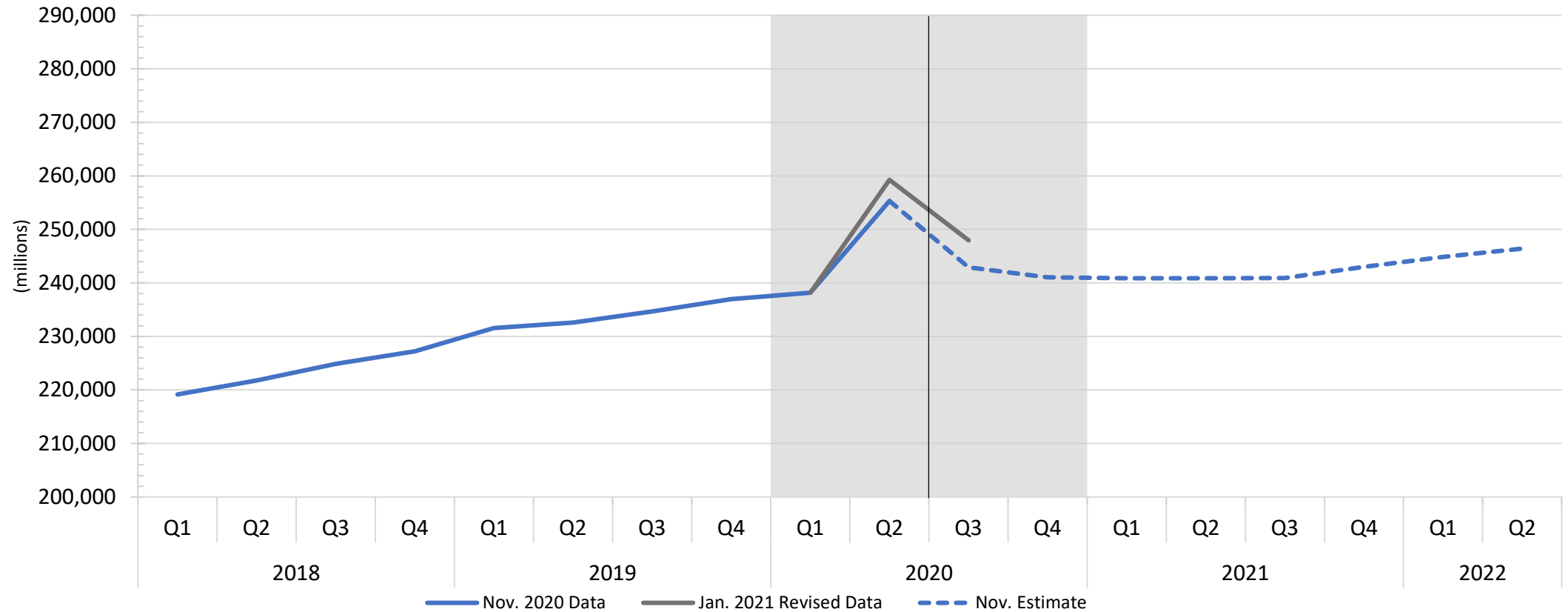
Source: U.S. Employment and Training Administration 287-RFA/bdc/01/04/2021

S.C. Personal Income

Stimulus boosted income level; expecting return to normal level

SOUTH CAROLINA PERSONAL INCOME

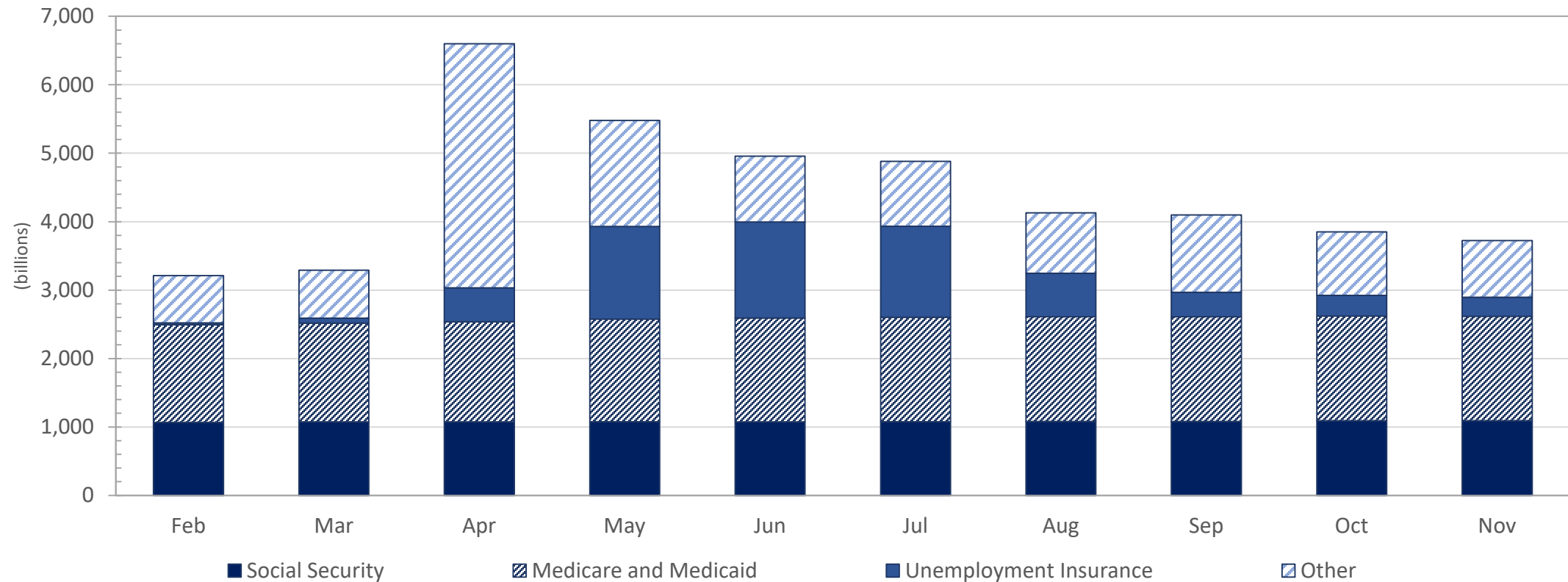
Actual vs. November Estimate



US Personal Income Transfer Payments

Stimulus, unemployment compensation spiked, slowly decreasing

U.S. PERSONAL INCOME TRANSFER PAYMENTS 2020



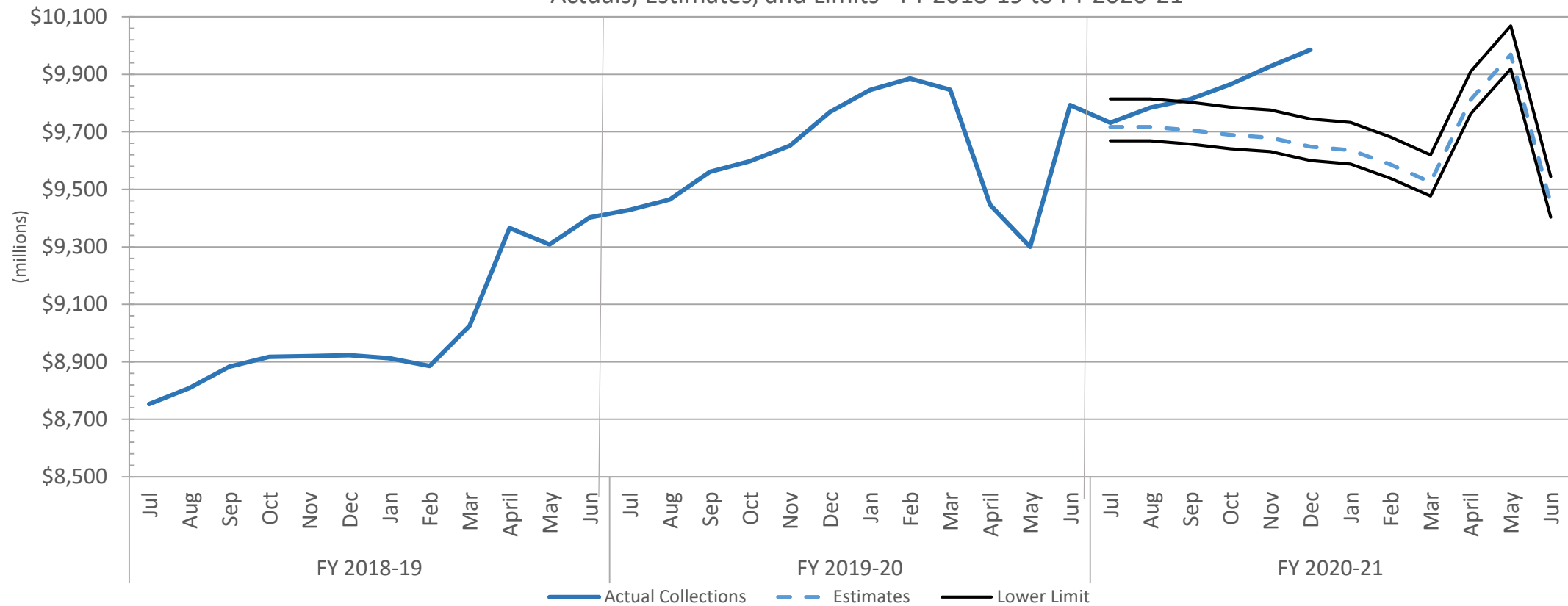
Source: US Bureau of Economic Analysis 222D-RFA/BDC/01/04/2021

Actual and Estimated General Fund Revenue

Impact of Stimulus - Revenues are growing faster than expected and are \$336.5 million above the estimate

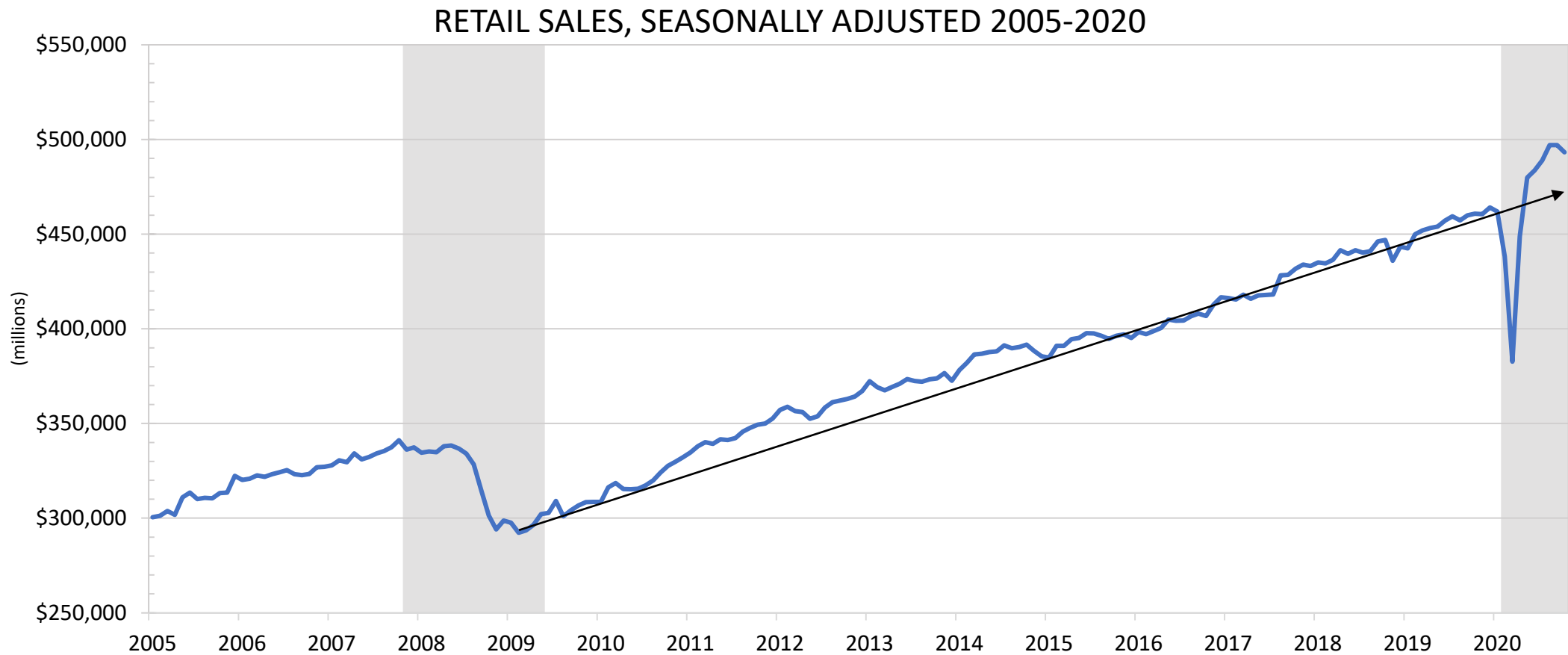
ROLLING FISCAL YEAR - TOTAL GENERAL FUND REVENUE

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



U.S. Retail Sales

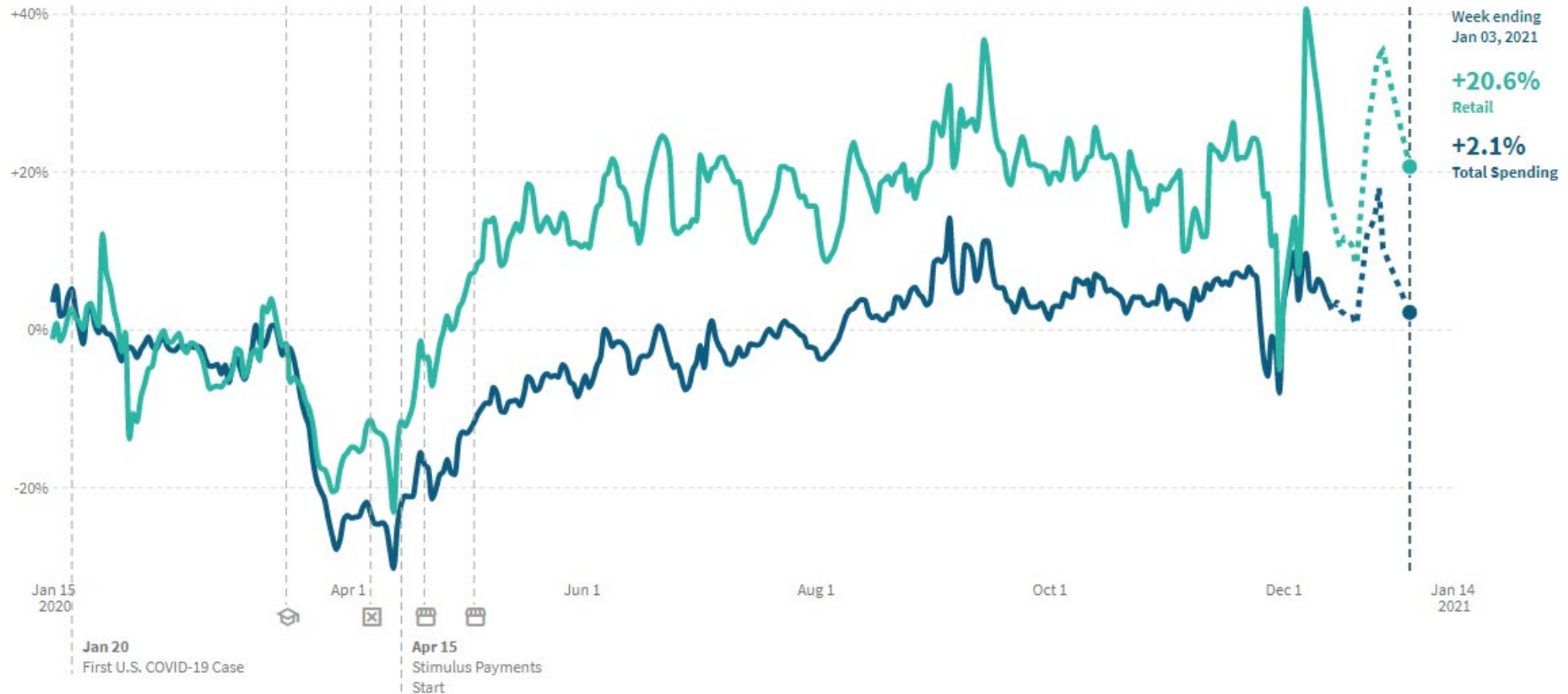
Strong sales growth from Jun. to Oct. 2020, but well above trend



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

Consumer Spending

Total spending in S.C. is up 2.1% with spending on retail up 20.6%, the majority of which is taxable



Source: Harvard University, Brown University, and the Bill and Melinda Gates Foundation Collaboration, Opportunity Insights: Economic Tracker, RFA/nmg/1/12/2021

South Carolina Consumer Spending

Overall spending is up but spending on services continues to be down

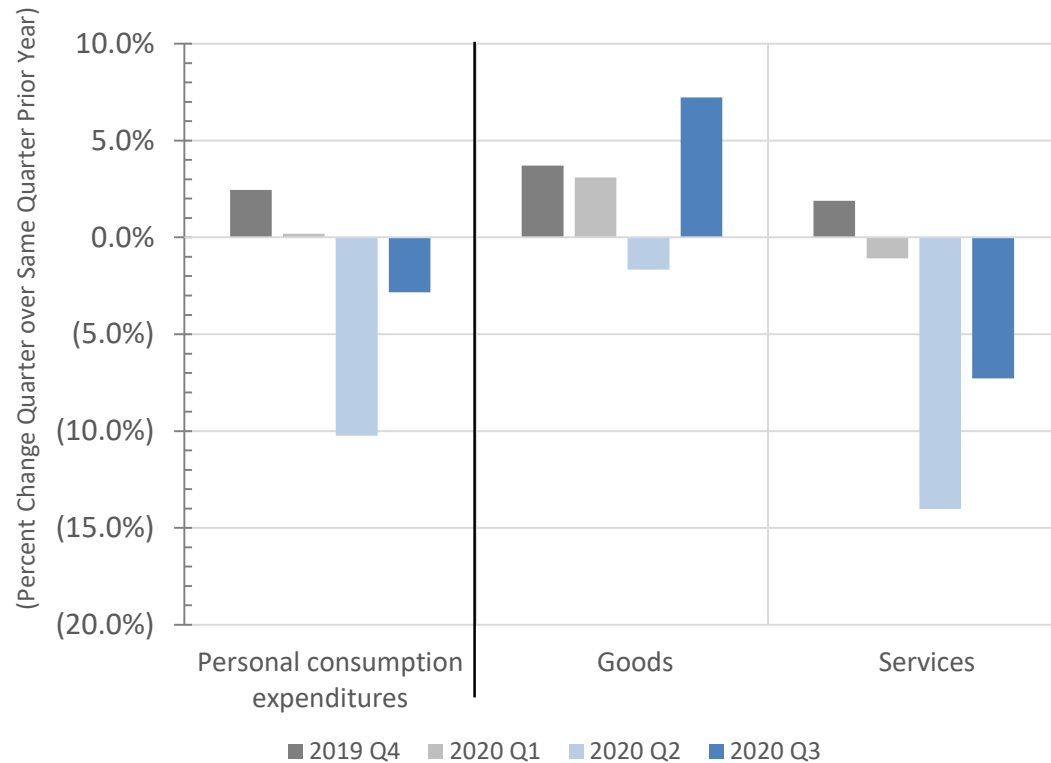


Source: Harvard University, Brown University, and the Bill and Melinda Gates Foundation Collaboration, Opportunity Insights: Economic Tracker, RFA/nmg/1/12/2021

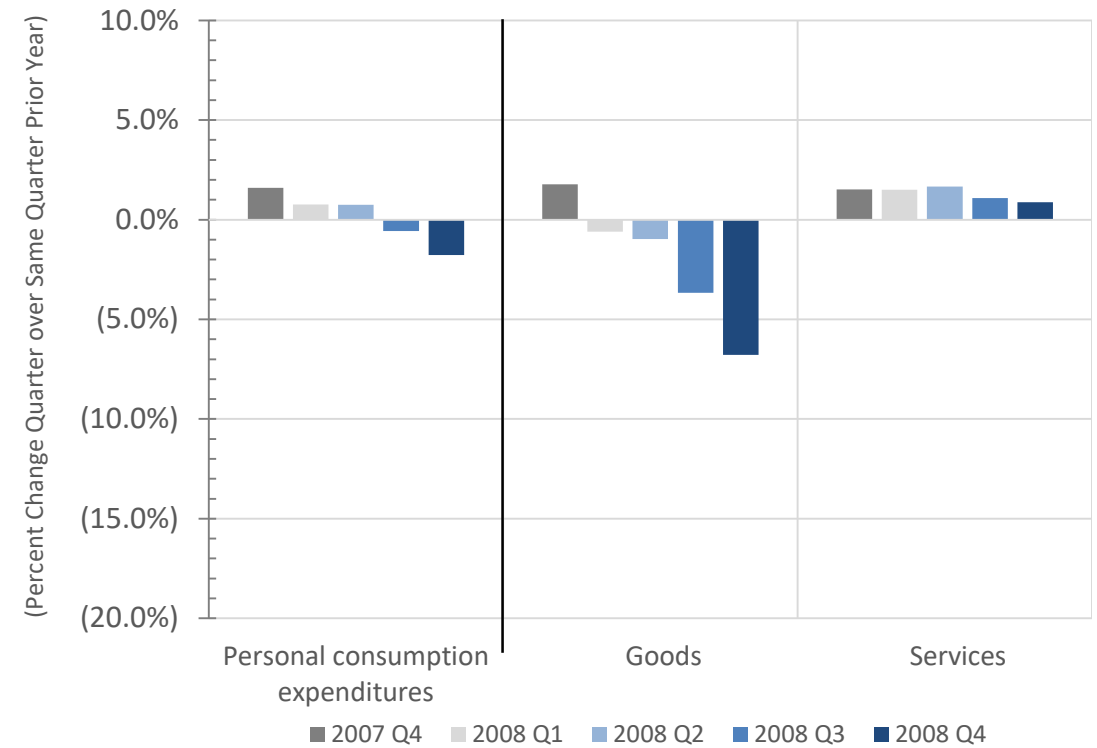
Real GDP - Personal Consumption of Goods and Services

Change in Consumer Behavior – Reverse of Great Recession as consumer spent a larger share of income on goods

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



PERSONAL CONSUMPTION EXPENDITURES
Great Recession - Q4 2007 to Q4 2008



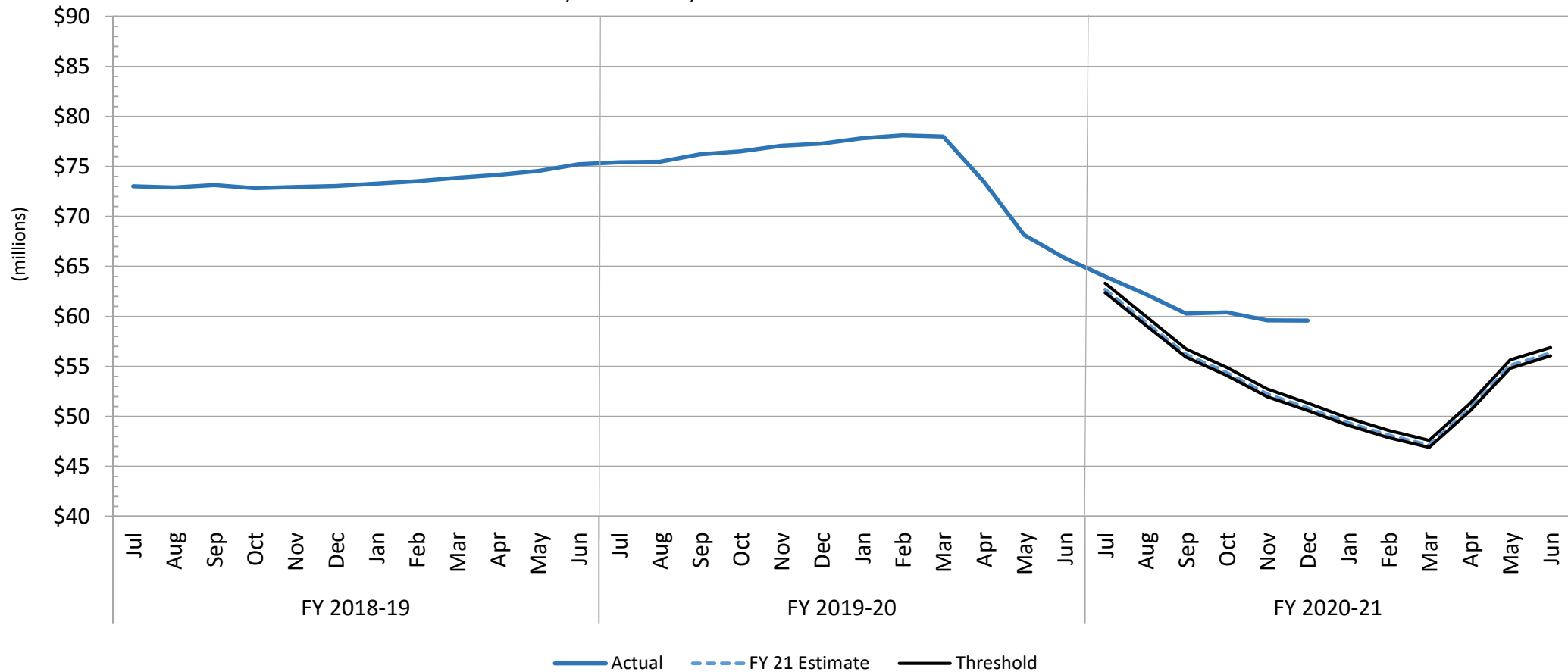
Source: Bureau of Economic Analyses 292B RFA/lhj/01/05/2021

Accommodations Tax

Although better than expected, collections continue well below historical levels

ROLLING FISCAL YEAR - ACCOMMODATIONS TAX

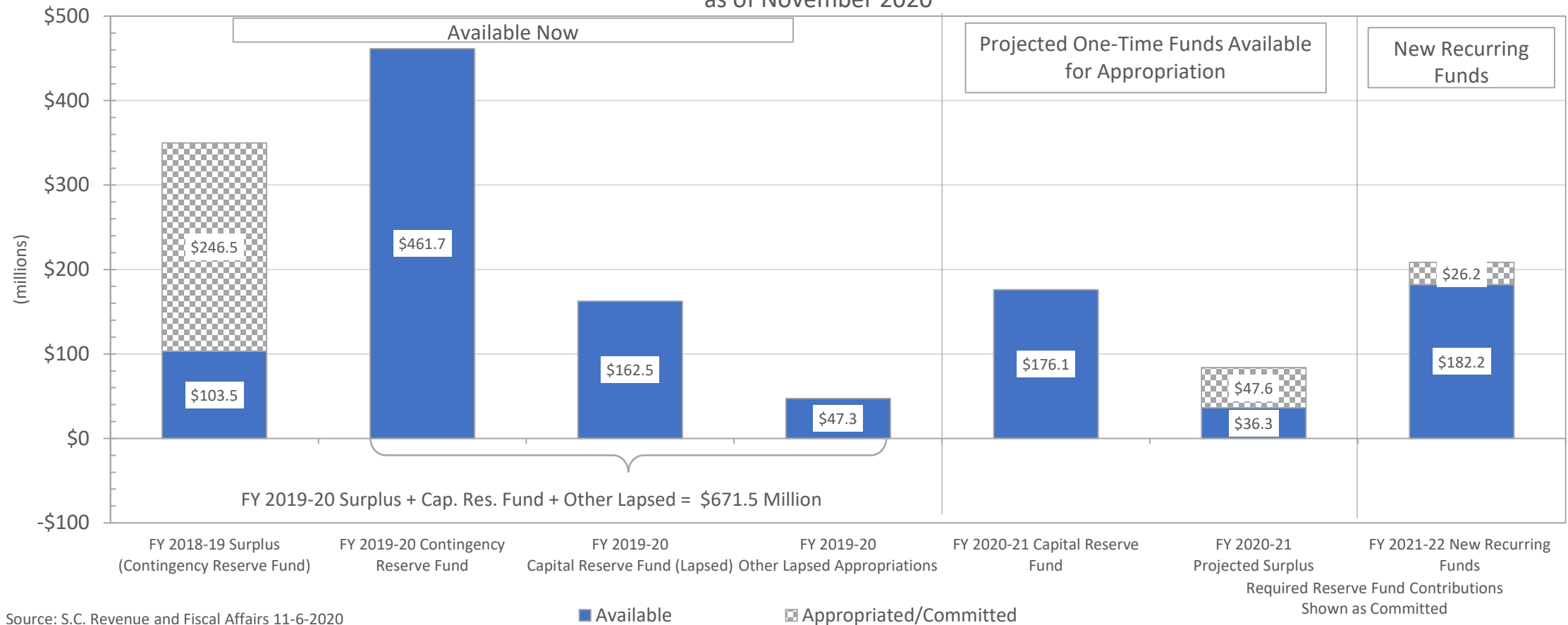
Actuals, Estimates, and Thresholds - FY 2018-19 to FY 2021-22



FY 2021-22 Available Funds (Nov 2020 Estimate)

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

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

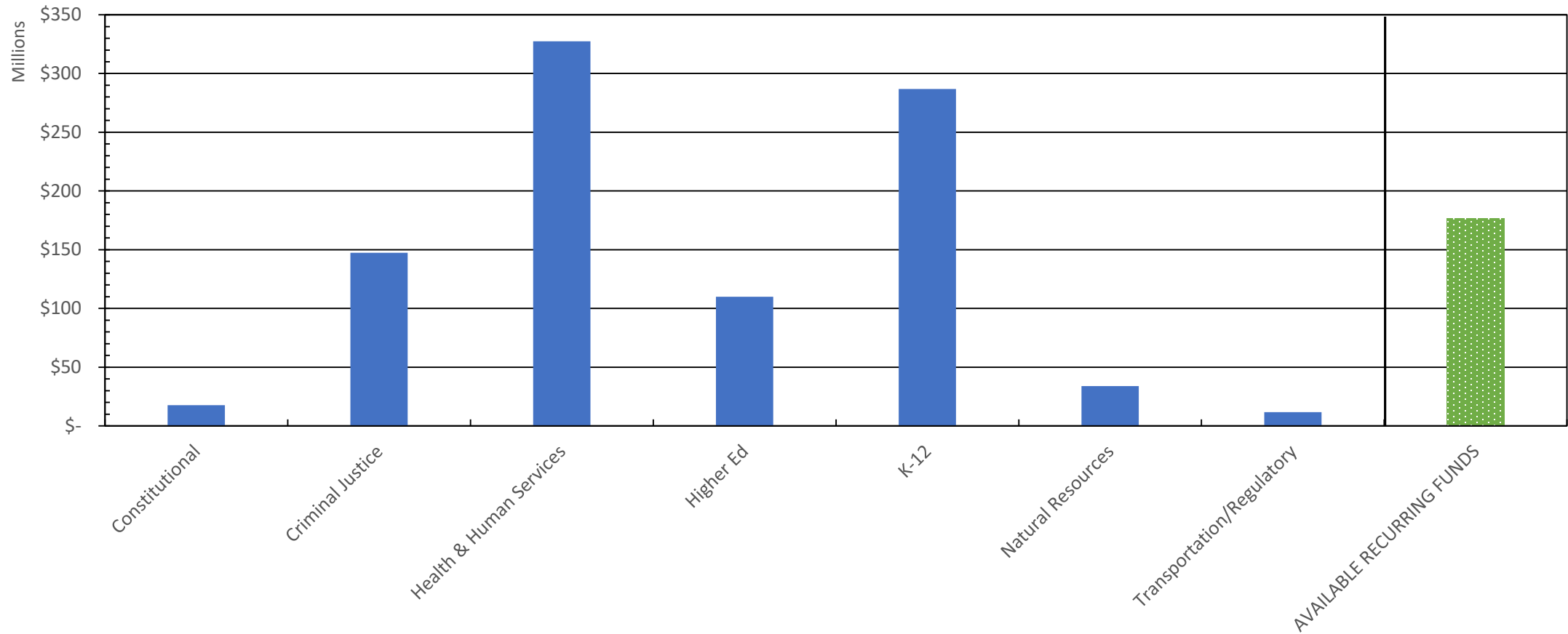


Source: S.C. Revenue and Fiscal Affairs 11-6-2020

SC Major Budget Items/requests

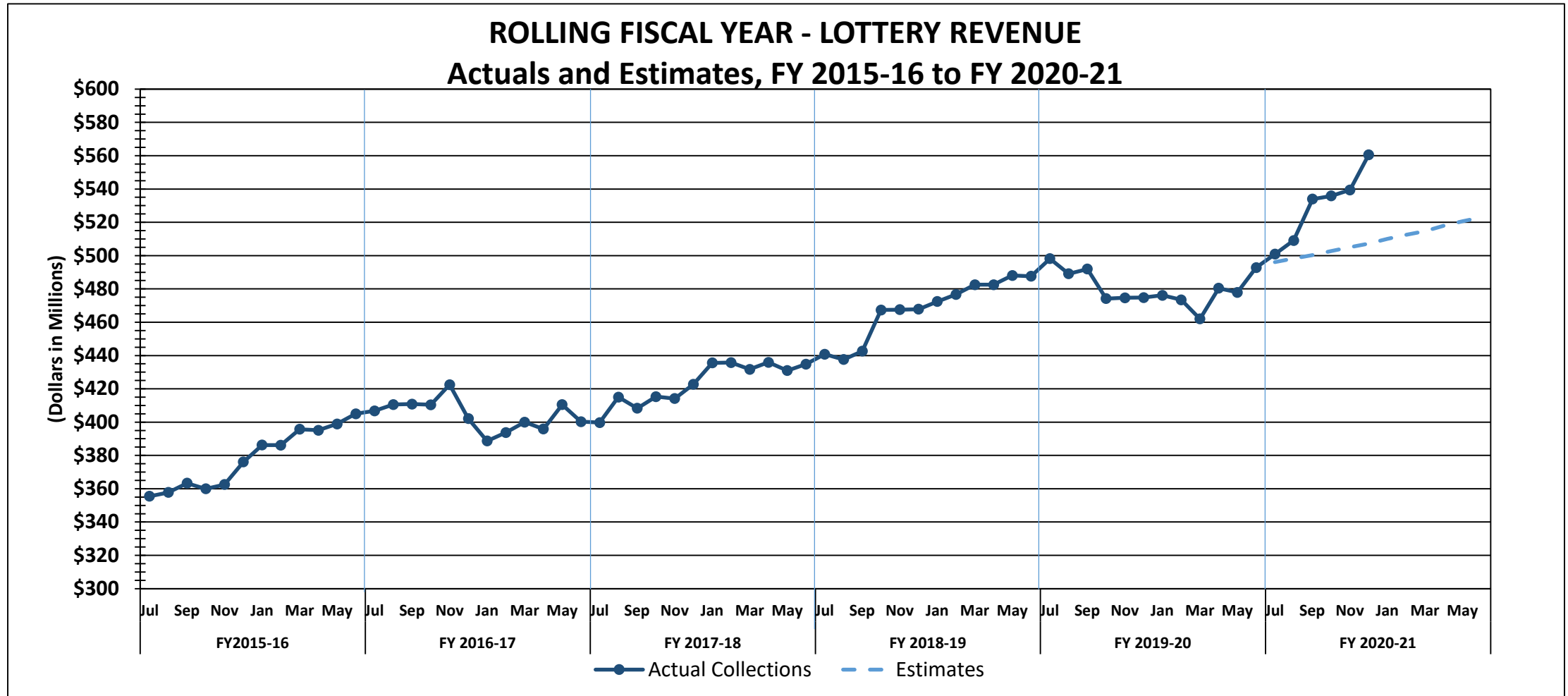
\$182.2 million in unobligated recurring fund

GENERAL FUND RECURRING BUDGET REQUESTS BY FUNCTIONAL GROUP



Lottery Revenues Also Boosted by Stimulus Funds

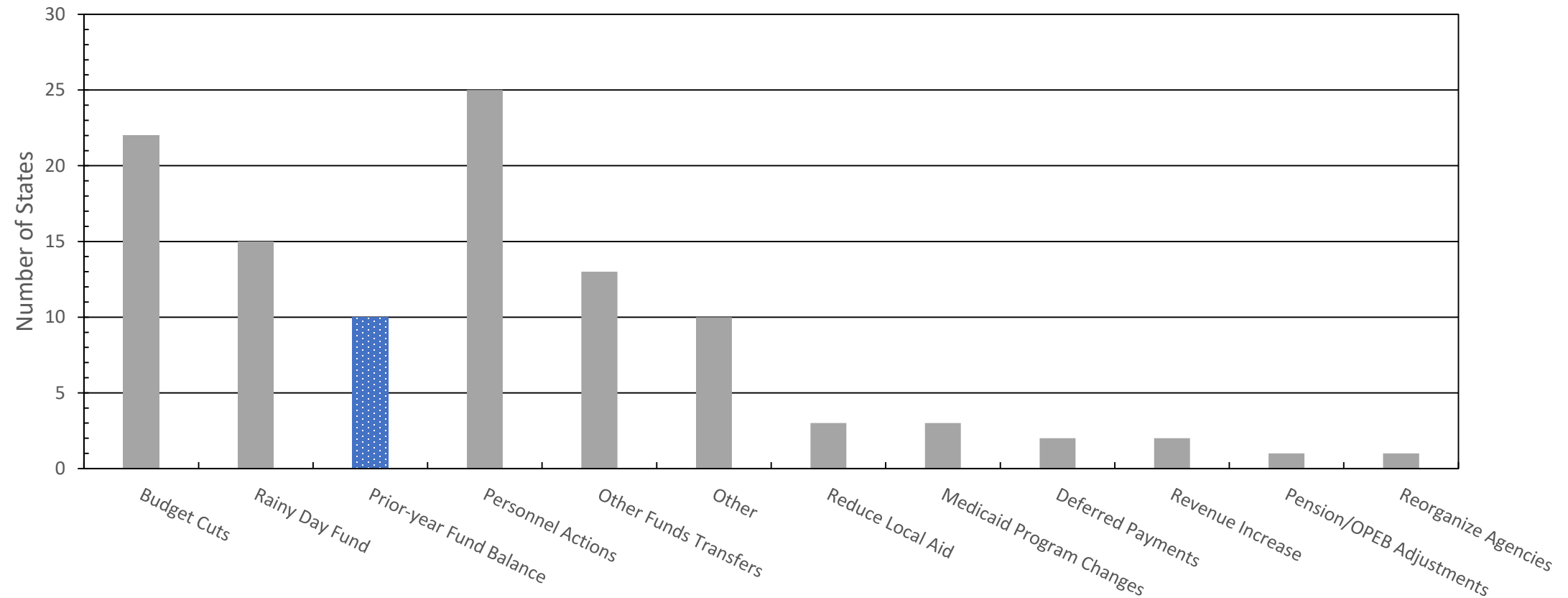
FY 22 revenues likely to drop to normal levels



How states managed shortfalls in FY20

SC avoided using most of the options adopted in other states

STRATEGIES FOR MANAGING EFFECTS OF COVID-19

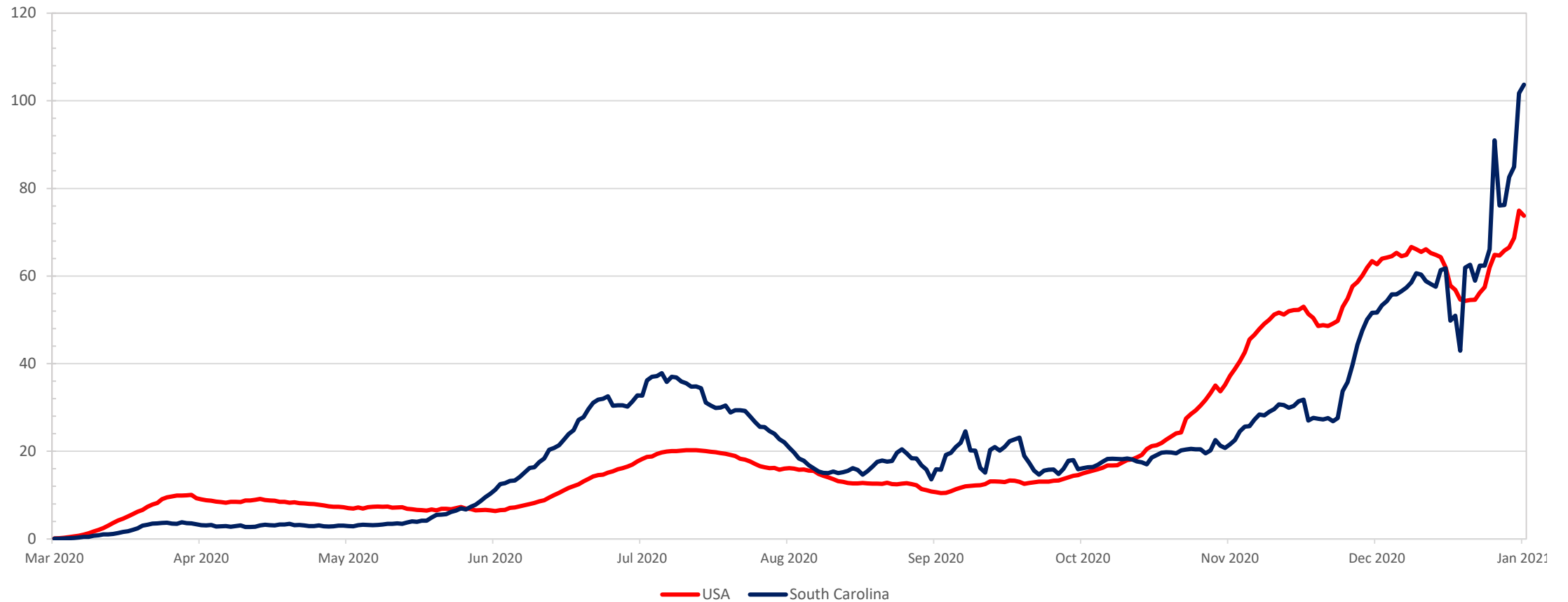


Source: National Association of State Budget Officers, Fiscal Survey of States, Fall 2020

COVID-19 Case Rate

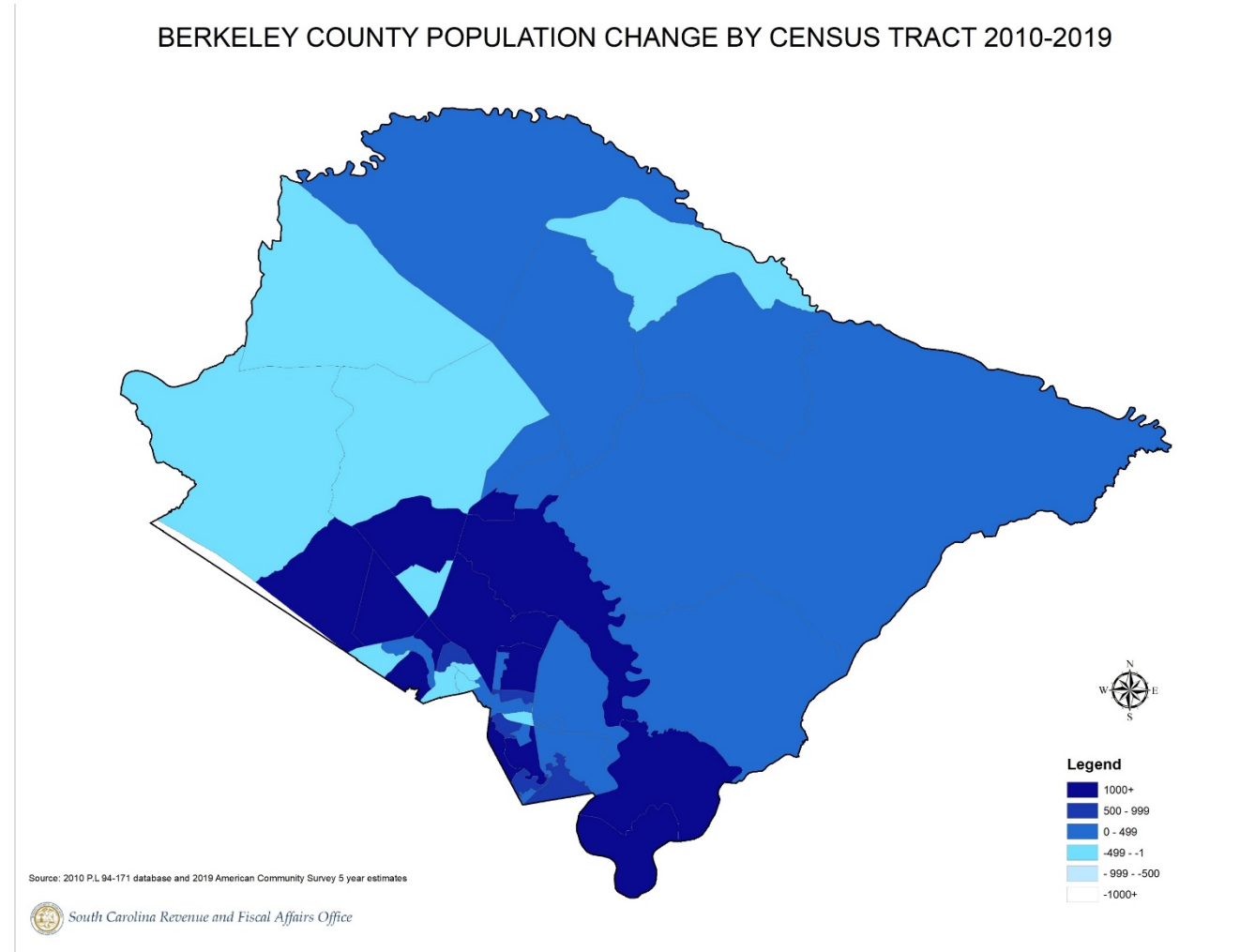
South Carolina experiencing recent surge in new infections

7-day average New Cases per 100K



Source: Centers for Disease Control and Prevention COVID Data Tracker 294A - RFA/bdc/01/11/2021

Berkeley County – Population Change in Census Tracts (Estimates)



Questions ?

Thank you!

For Further Information

www.rfa.sc.gov