

♪ “Stay, ah, just a little bit longer” ♪

Presented to



February 4, 2022

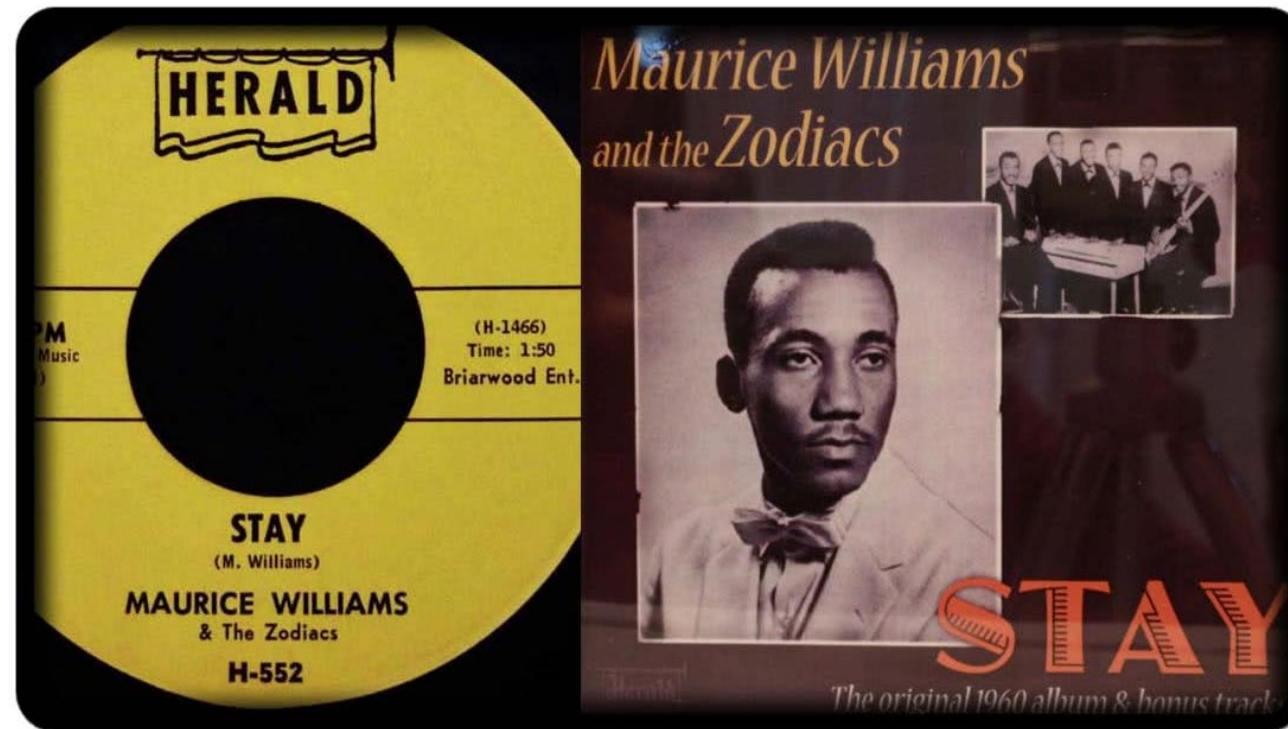
by

Frank A. Rainwater
Executive Director

South Carolina Revenue and Fiscal Affairs Office
1000 Assembly Street
Rembert Dennis Building, Suite 421
Columbia, SC 29201
Frank.rainwater@rfa.sc.gov
www.rfa.sc.gov

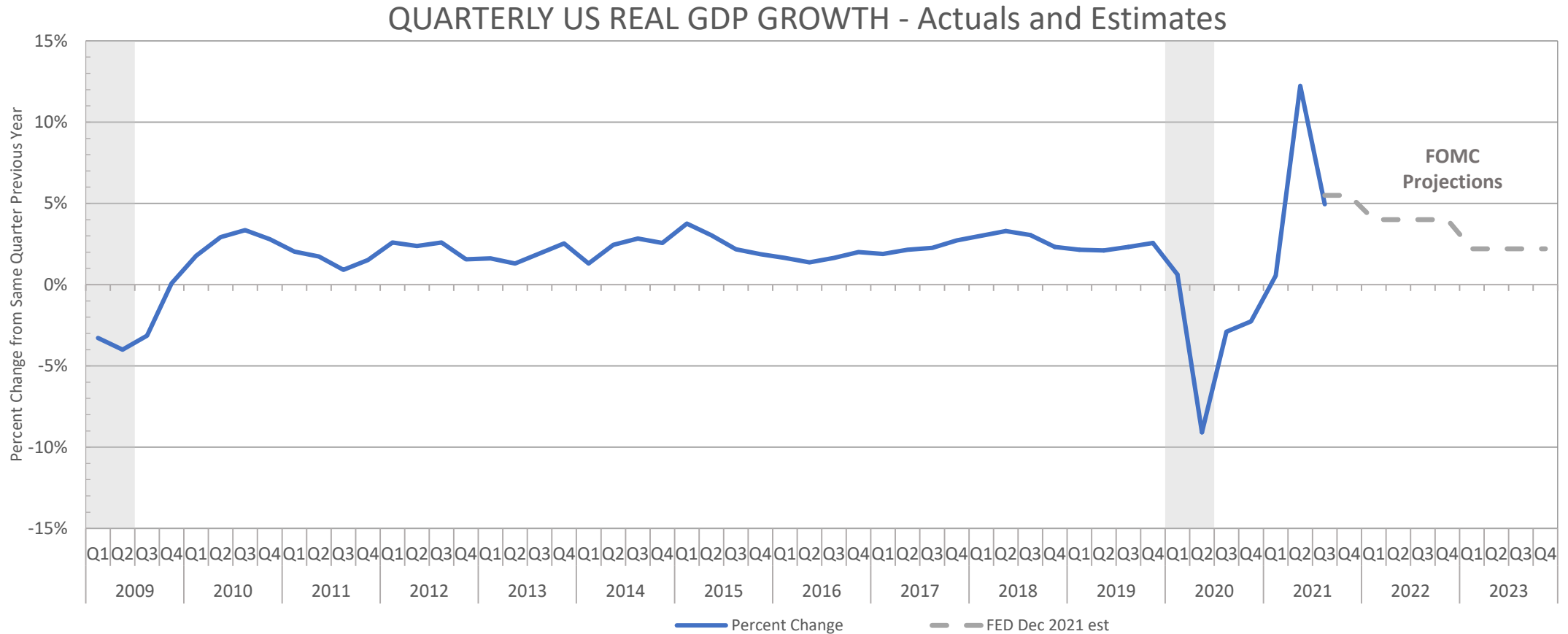


“Oh, won’t you stay...” (1960)



Real GDP Growth

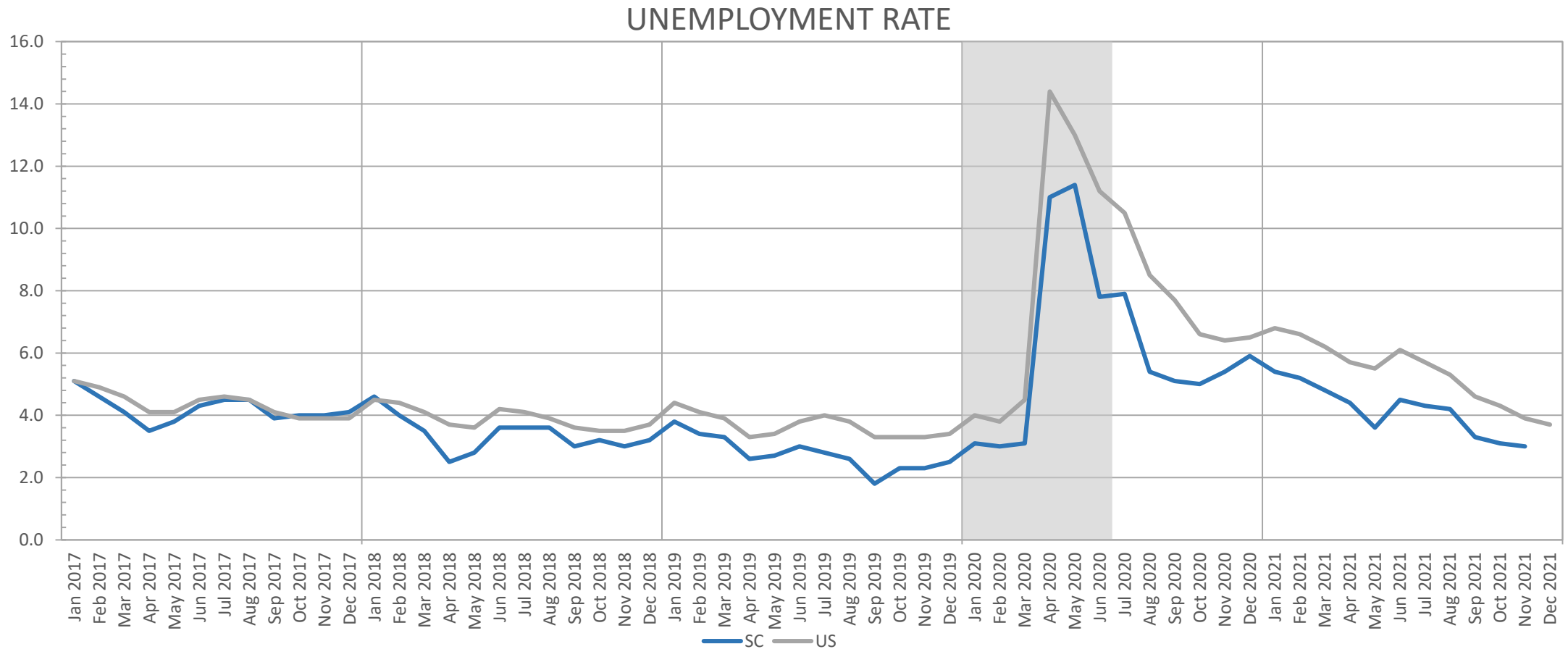
Fed revised estimate for 2021 Q4 down from 5.9% to 5.5% and revised 2022 Q4 up from 3.8% to 4.0%; adjustment reflects timing shift but expectations remain positive



Source: U.S. Dept. of Commerce, Bureau of Economic Analyses; Federal Reserve Open Market Committee, Dec 2021 RFA/nmg/266/01/16/2022

Unemployment Rate

SC unemployment rate back to pre-pandemic level as of November 2021 and remains below the US rate



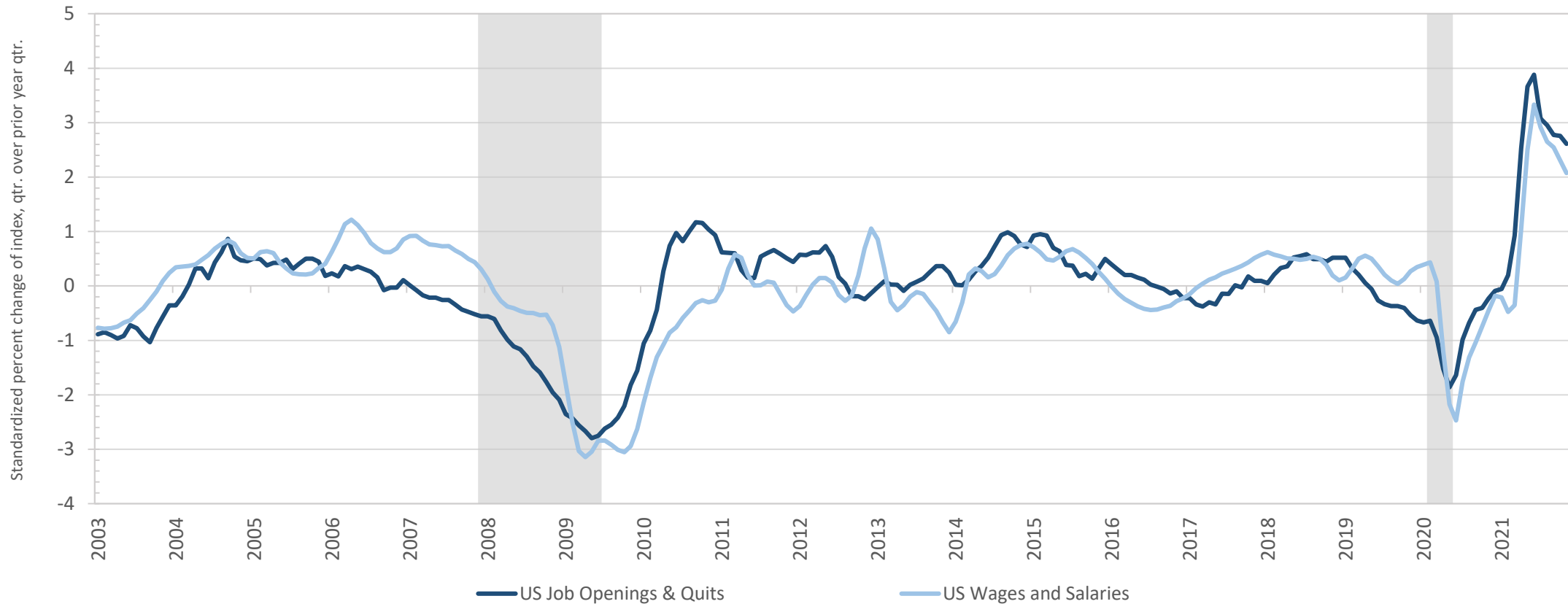
Source: Bureau of Labor Statistics 129--RFA/nmg/1/10/2021



Wages and the Labor Market

Job openings and quits are up, indicative of a labor shortage; wage growth continues to be highly elevated as a result

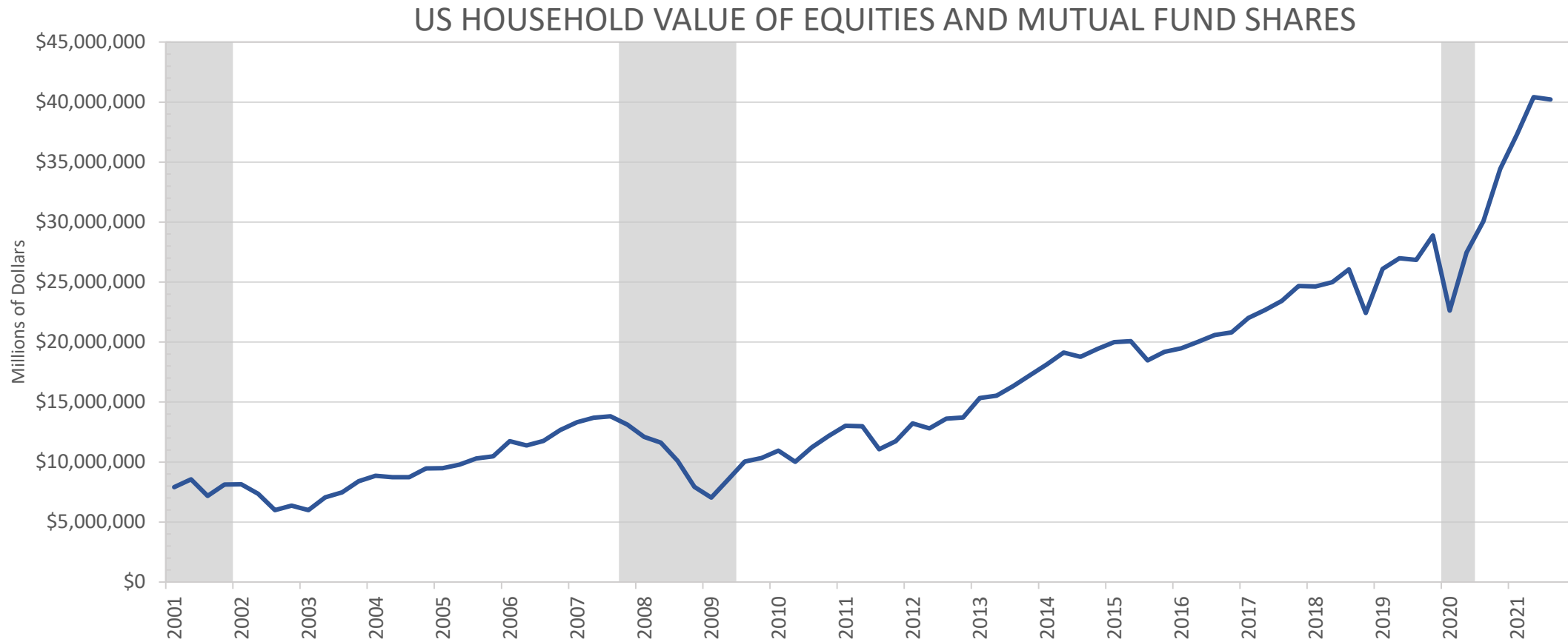
US JOB OPENINGS & QUILTS VS. WAGE GROWTH



Source: U.S. Bureau of Economic Analysis, Compensation of Employees, Received; U.S. Bureau of Labor Statistics, JOLTS; 309A - RFA/bdc/1/10/2022

Personal Financial Asset Values

Asset values skyrocketed in the past year but have recently leveled out



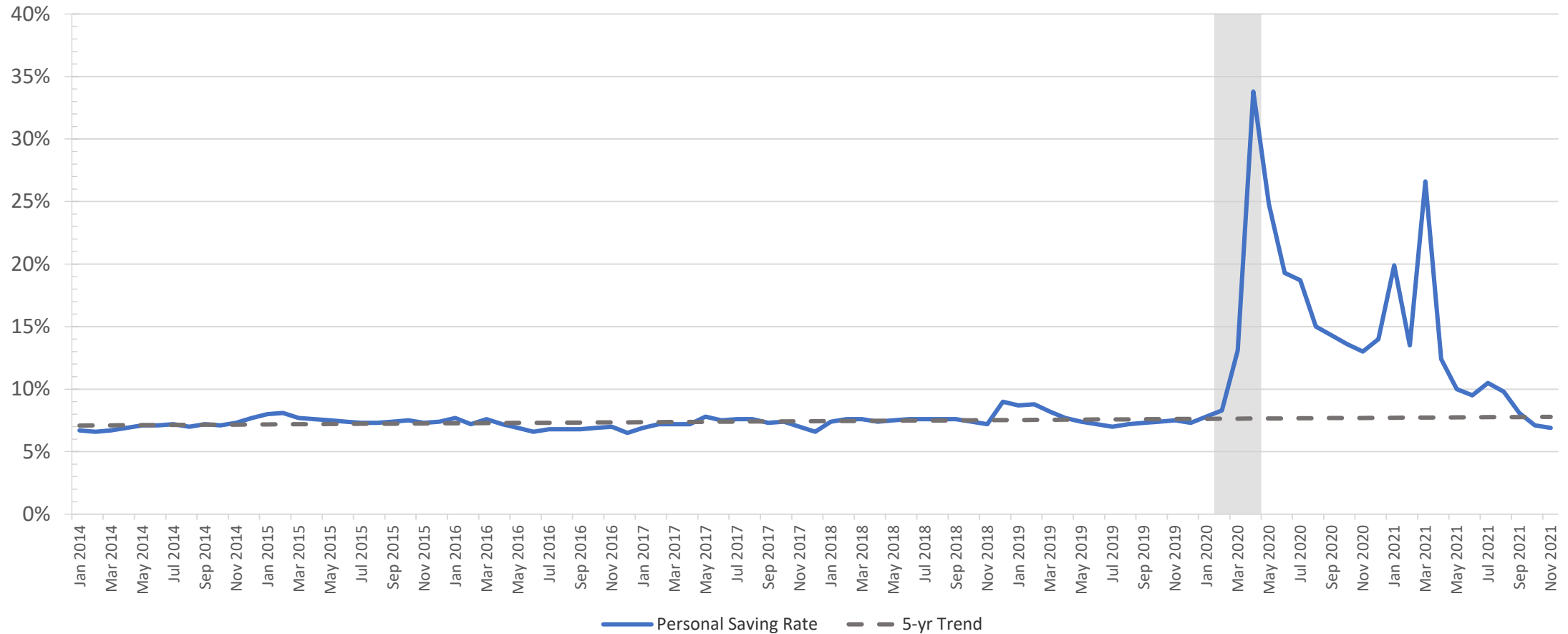
Board of Governors of the Federal Reserve System, Financial Accounts of the United States - 311D RFA/bdc/1/10/2022



Consumer Savings

The personal saving rate has fallen back near the 5-year trend

PERSONAL SAVING RATE



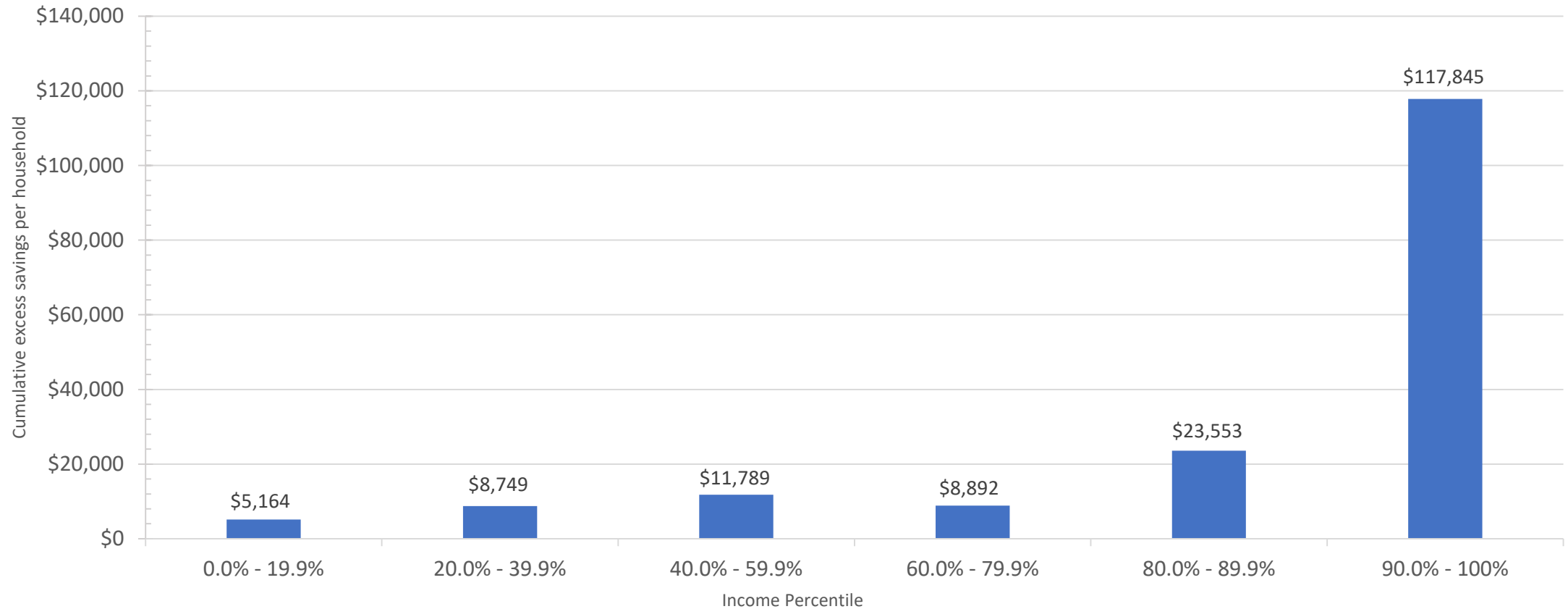
U.S. Bureau of Economic Analysis, Personal Saving Rate, nmg/1/10/2022



Excess Savings Per Household

Households at all income percentiles accumulated excess savings during the pandemic, increasing economic capacity to spend

US CUMULATIVE EXCESS SAVINGS PER HOUSEHOLD BY INCOME LEVEL



Moody's Analytics (excess saving by household), U.S. Bureau of Economic Analysis (personal saving rate) from the Wall Street Journal, data through Q3 2021, nmg/1/10/2022

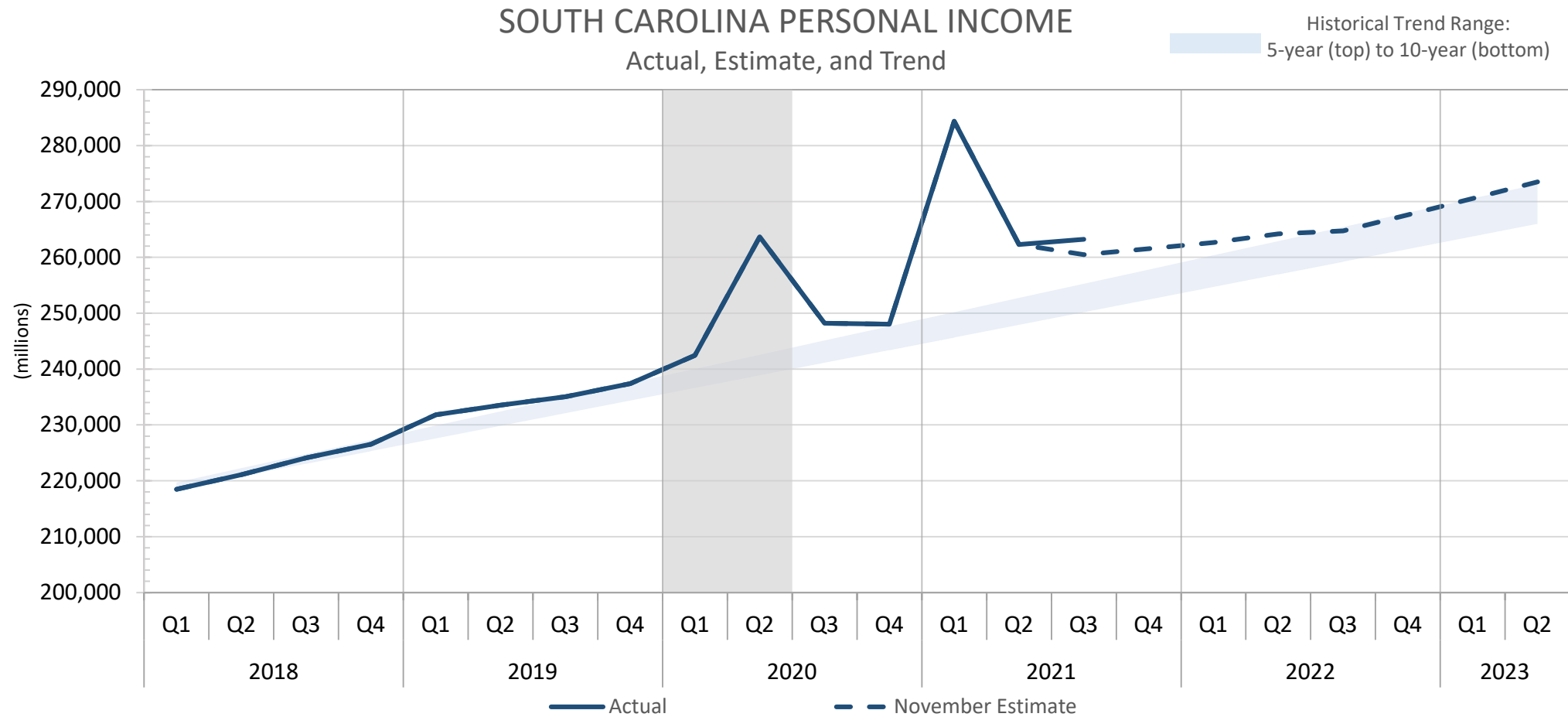


“Won’t you stay, just a little bit longer”



SC Personal Income

Actual 2021 Q3 personal income was slightly above estimate, driven by higher than expected wage growth (8.6% forecasted, 10.3% actual)

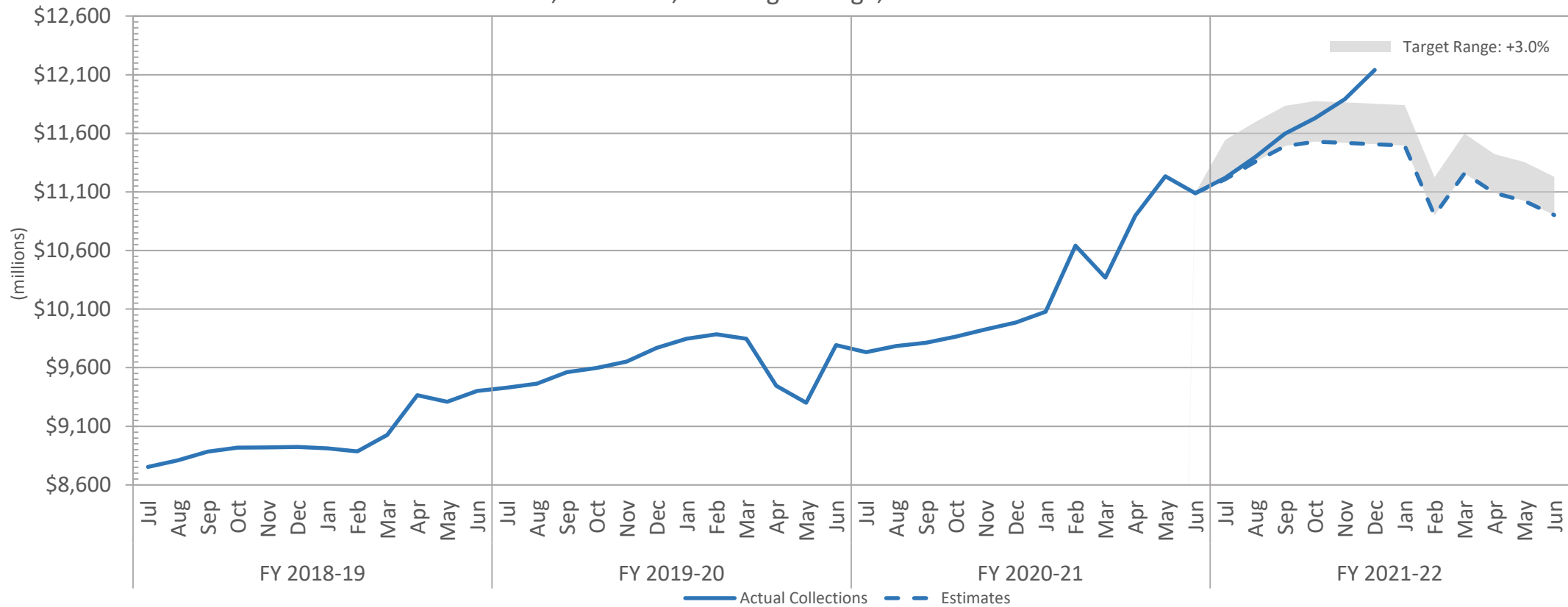


Data Source: U.S. Department of Commerce, Bureau of Economic Analysis; S.C. Board of Economic Advisors, nmg/1/10/2022

General Fund Revenue – Actual vs. November Estimate

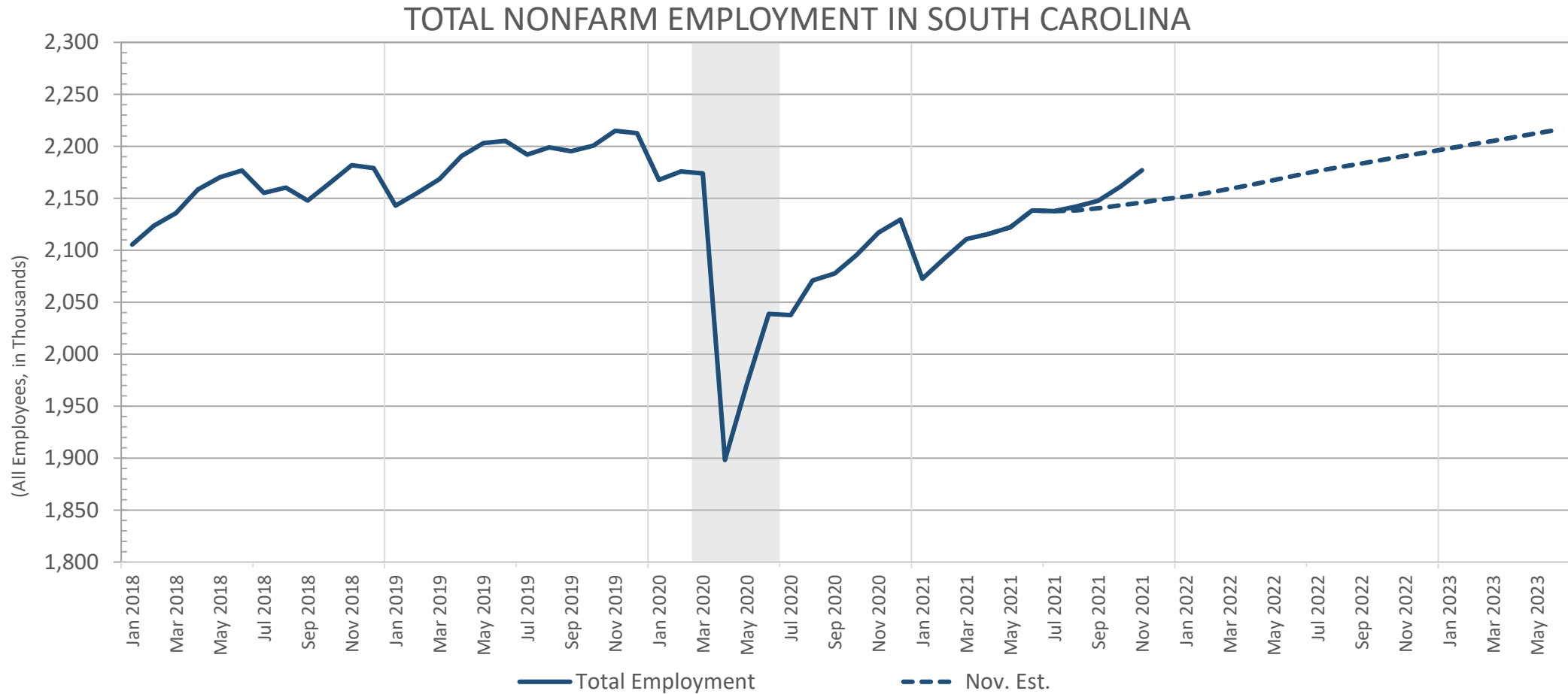
Collections are up 20.2% over last year and \$626.7 million ahead of the estimate; expected flattening following stimulus has not yet occurred

ROLLING FISCAL YEAR - GENERAL FUND
Actuals, Estimates, and Target Range, FY 2018-19 to FY 2021-22



SC Employment

Employment is above the forecast for the fourth straight month

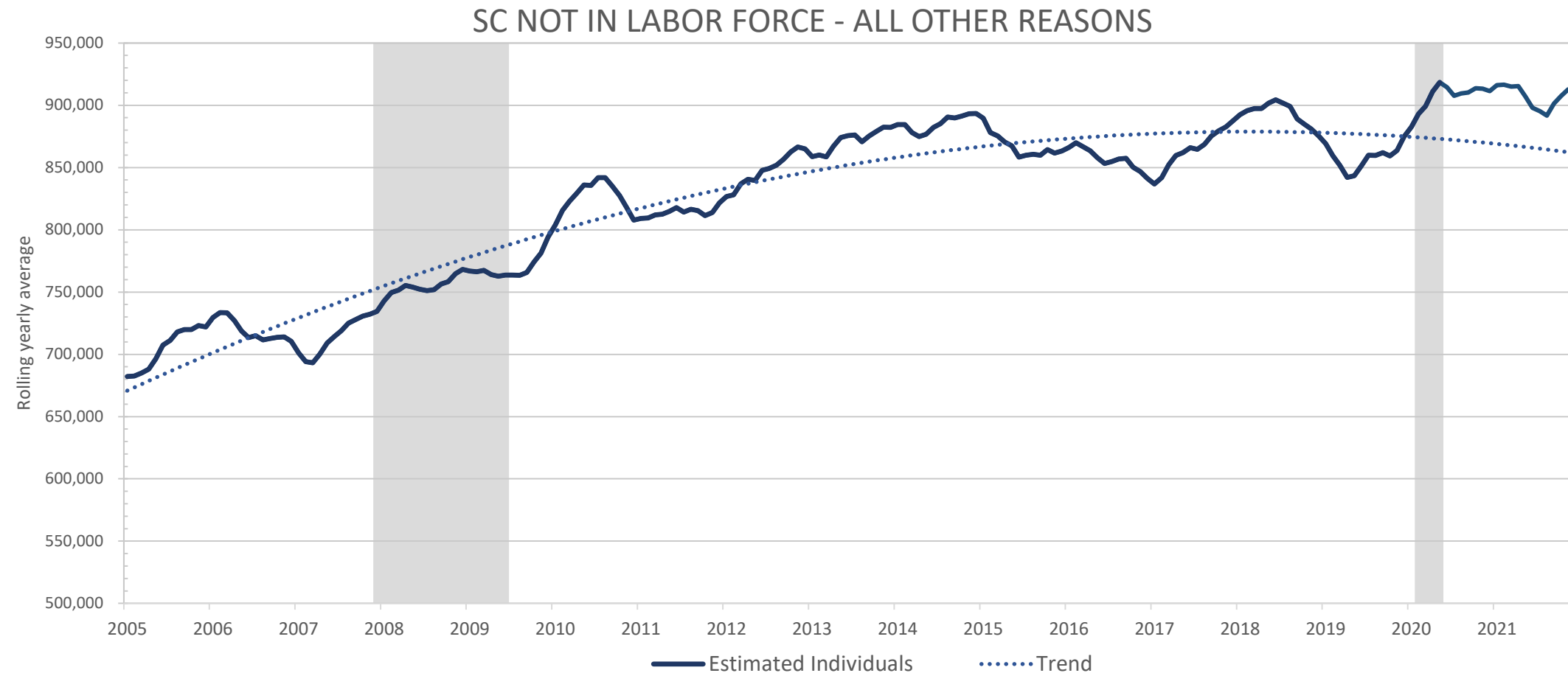


Source: U.S. Department of Labor, Bureau of Labor Statistics 60-RFA/nmv/1/10/2022



SC Individuals Not in Labor Force - All Other Reasons

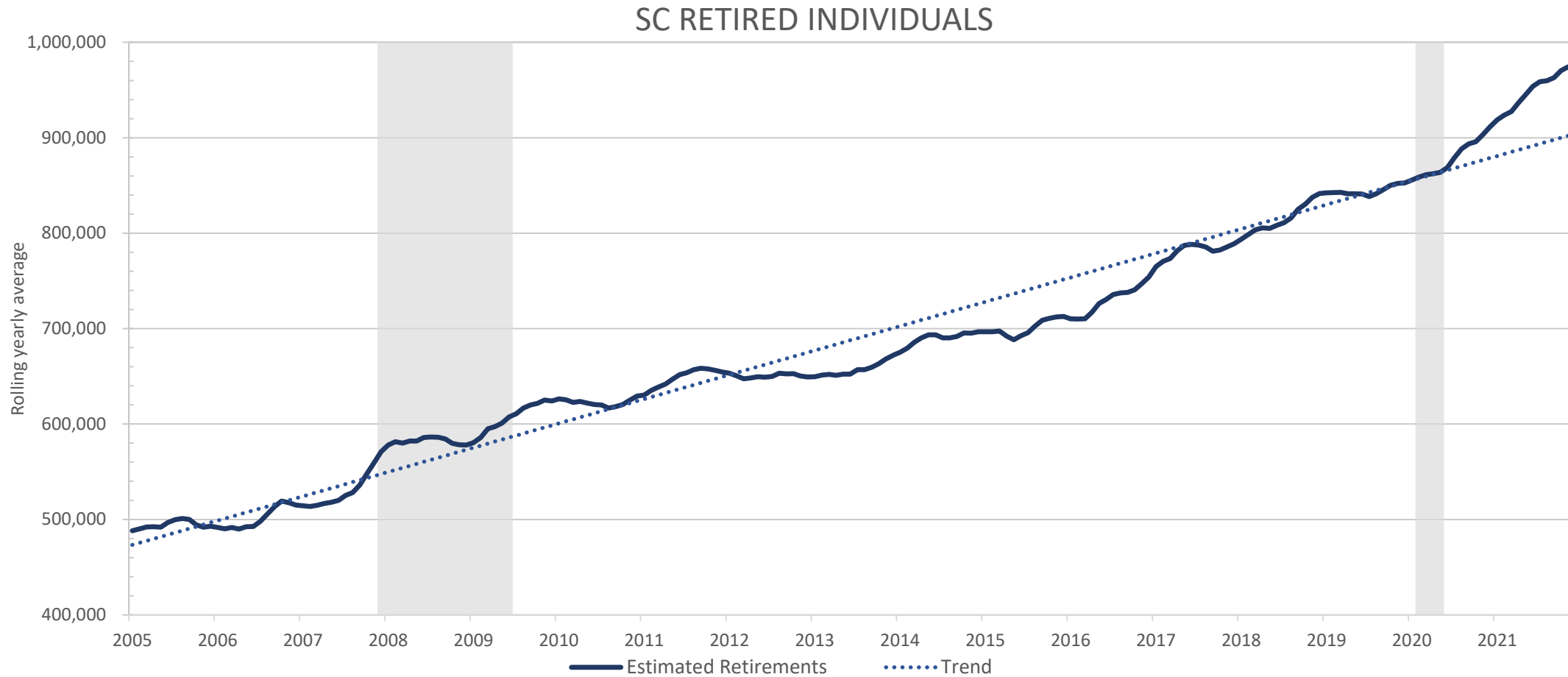
Individuals exited the labor force during the pandemic for other reasons; these levels remain elevated above the trend



Integrated Public Use Microdata Series, Current Population Survey: Version 9.0: IPUMS, 2021. 309C - RFA/bdc/1/7/2021

SC Retired Population

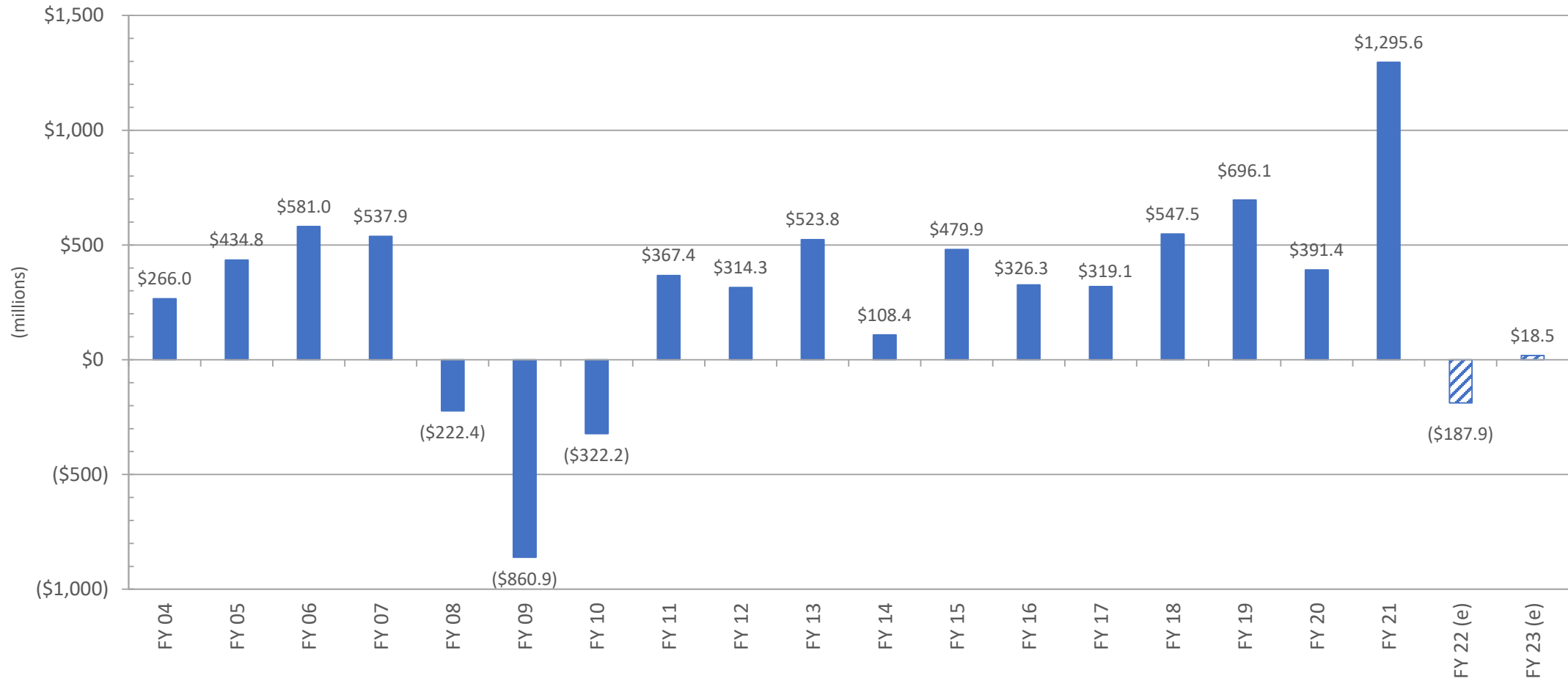
South Carolina retirement levels jumped in the past year and have continued to rise



Integrated Public Use Microdata Series, Current Population Survey: Version 9.0: IPUMS, 2021; 309B - RFA/bdc/1/6//2021

General Fund Historical Growth

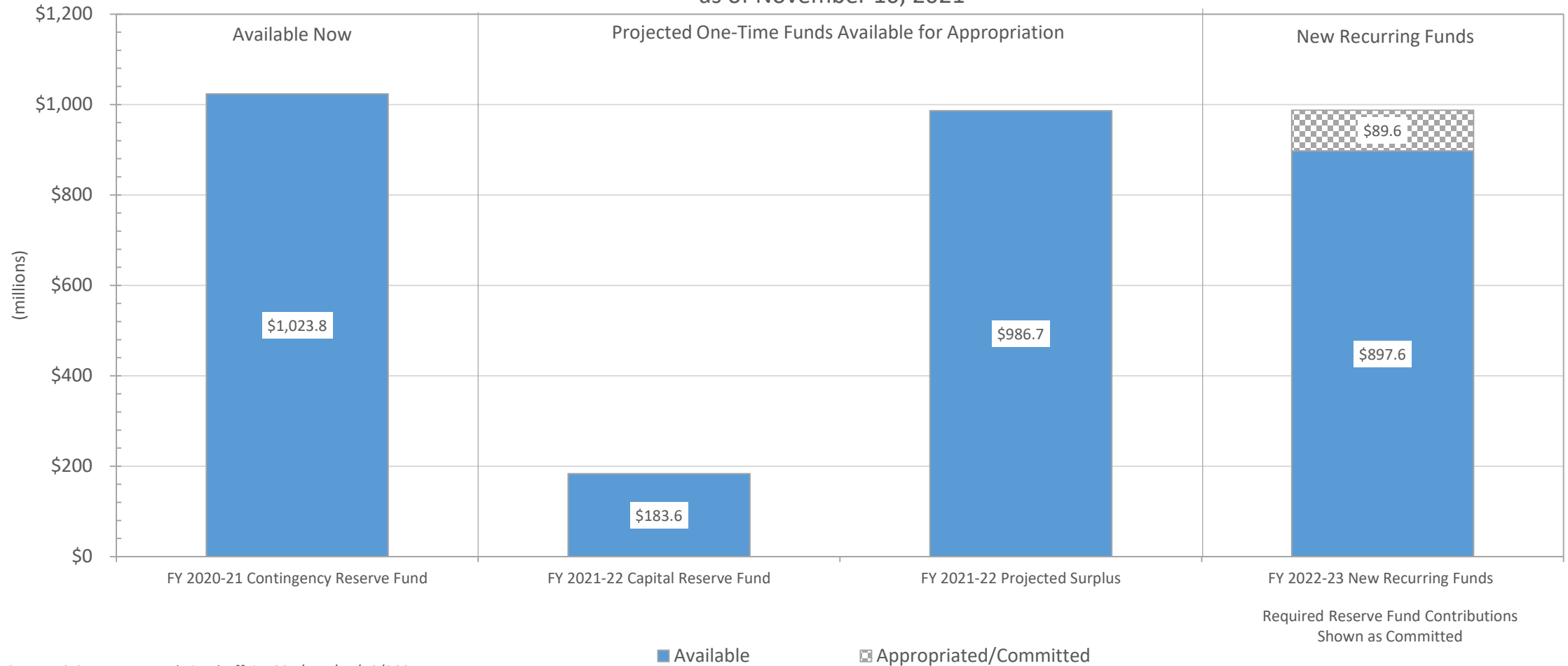
ANNUAL GROWTH IN GENERAL FUND REVENUE



Source: Revenue and Fiscal Affairs - 169A/LHJ/11/10/2021

General Fund Budget

AVAILABLE FUNDS - FY 2022-23 BUDGET PROCESS as of November 10, 2021



Source: S.C. Revenue and Fiscal Affairs 297/RFA/11/10/2021

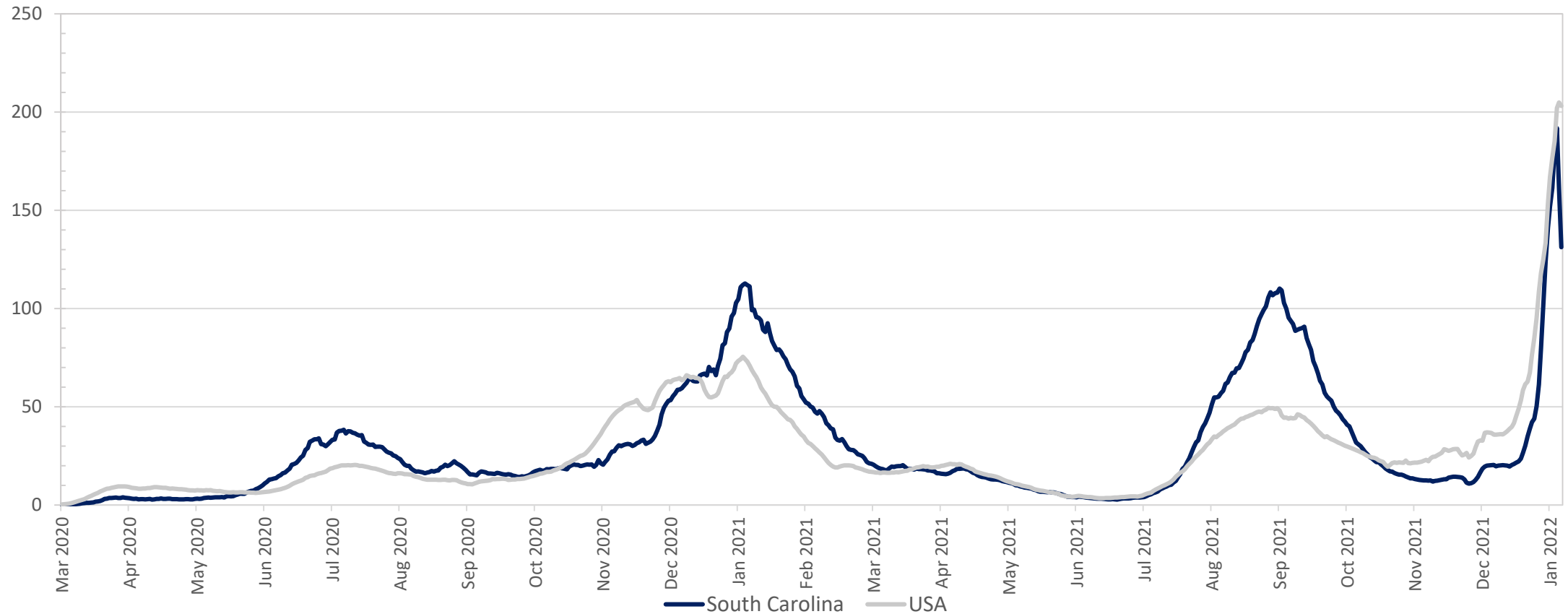
...Or Maybe Not?



COVID-19 Case Rate

Infections have reached new highs in South Carolina and across the US

7-DAY AVERAGE NEW CASES PER 100K

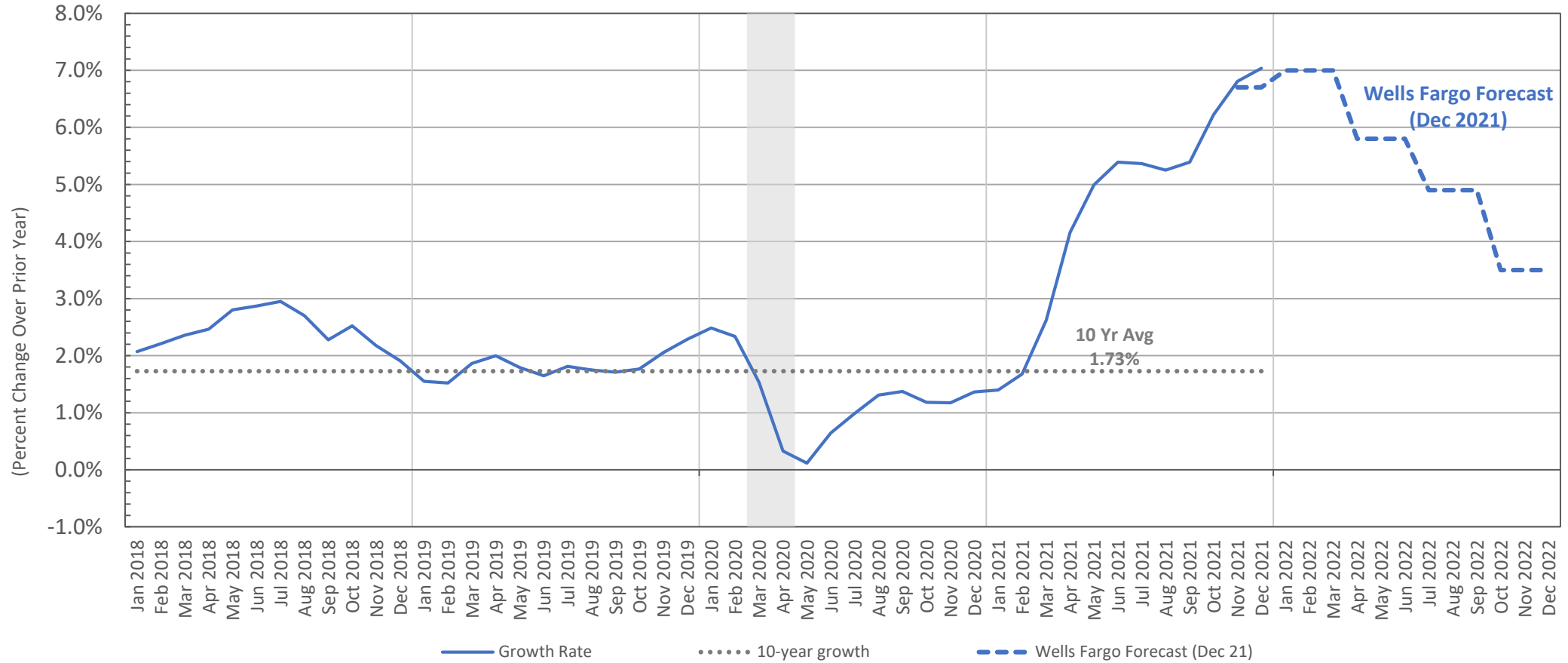


Source: Centers for Disease Control and Prevention COVID Data Tracker 294 - RFA/bdc/01/11/2022

Consumer Price Index

Inflation continues to be well ahead of 10-year average

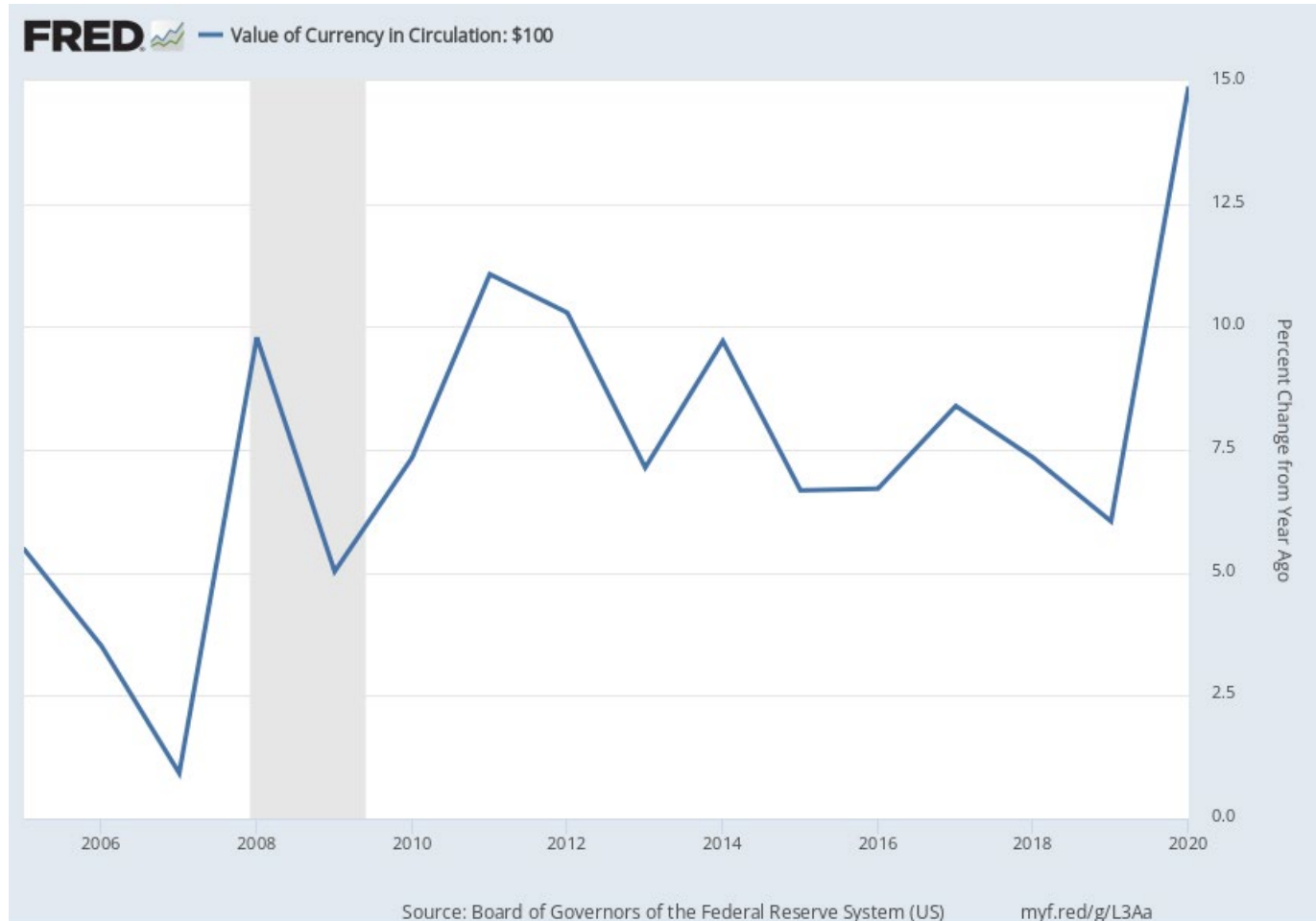
CONSUMER PRICE INDEX FOR ALL URBAN CONSUMERS



Source: U.S. Department of Labor, Bureau of Labor Statistics; Wells Fargo Securities 216 - RFA/bdc/1/12/2021

In Closing... Thank You Dr. Yandle

\$100 Bills in Circulation, 1/2005 – 1/2020
Year-over-Year Growth



2022

- Chinese Calendar 2022, Year of the Tiger
- Beijing 2022 will host the XXIV Olympic Winter Games
- Total Lunar Eclipse
 - May 16 (visible in South Carolina)
 - November 8



Questions ?

Thank you!

For Further Information
www.rfa.sc.gov

