


# Economic Forecast 2019

South Carolina



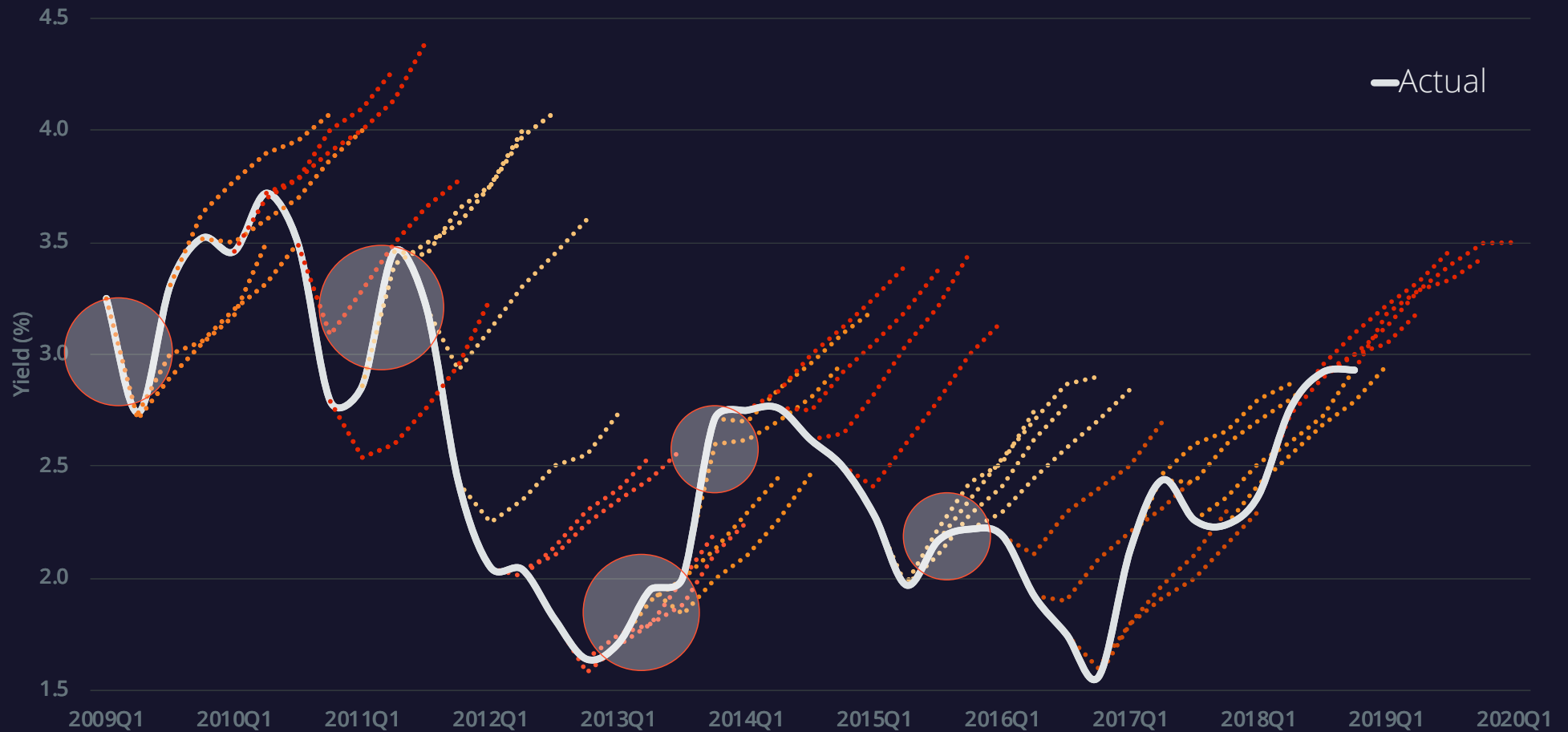
The only function of  
**economic forecasting** is  
to make astrology look  
respectable.

— John Kenneth Galbraith



# 10-YEAR NOTE YIELD

Median of Professional Forecasters Vs. Actual Yield



Source: Federal Reserve Bank of Philadelphia Quarterly Survey of Professional Forecasters, as of 1/21/2019.





# ECONOMIC TRENDS

Impact on South Carolina  
and the United States



# HEADLINE ECONOMIC ISSUES

## Interest Rates

Fed Funds Rate and  
Quantitative Tightening



## Debt

Personal, Corporate  
and Government



## Growth

Global GDP,  
Federal TCJA and Trade

01



# LABOR MARKET

Employment  
Jobs and Growth



Wages  
Working and Earning



Work Week  
Weekly Working Hours



02

# 03

## HOUSEHOLDS

Population  
Growing and Aging



Income  
Sources and Growth



Housing  
Supply and Demand



# BUSINESSES

04

GDP  
Output and Production



International Trade  
Imports and Exports



Business  
Dynamism  
Declining Small Businesses



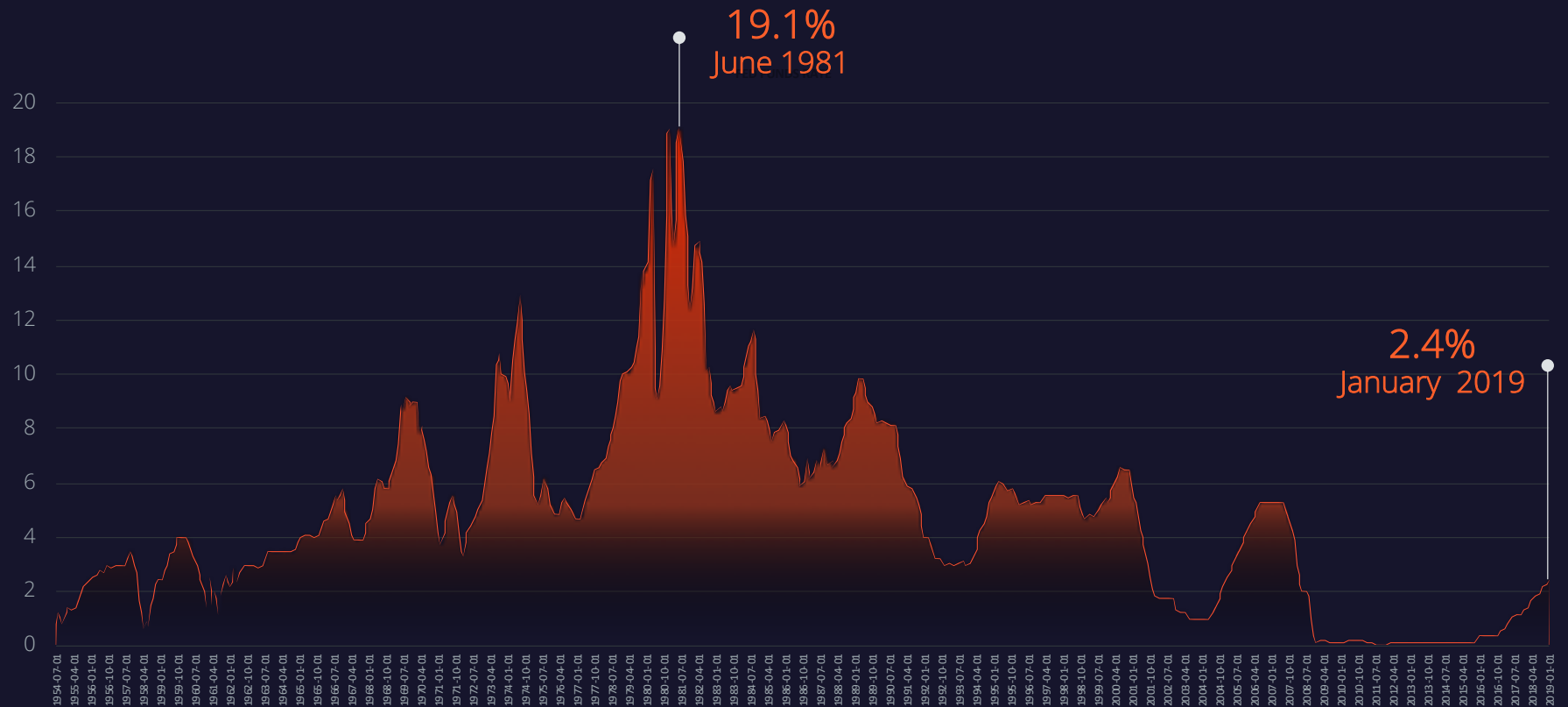


# HEADLINE ECONOMIC ISSUES

01

# EFFECTIVE FEDERAL FUNDS RATE

Percent, Monthly, 1954-2019

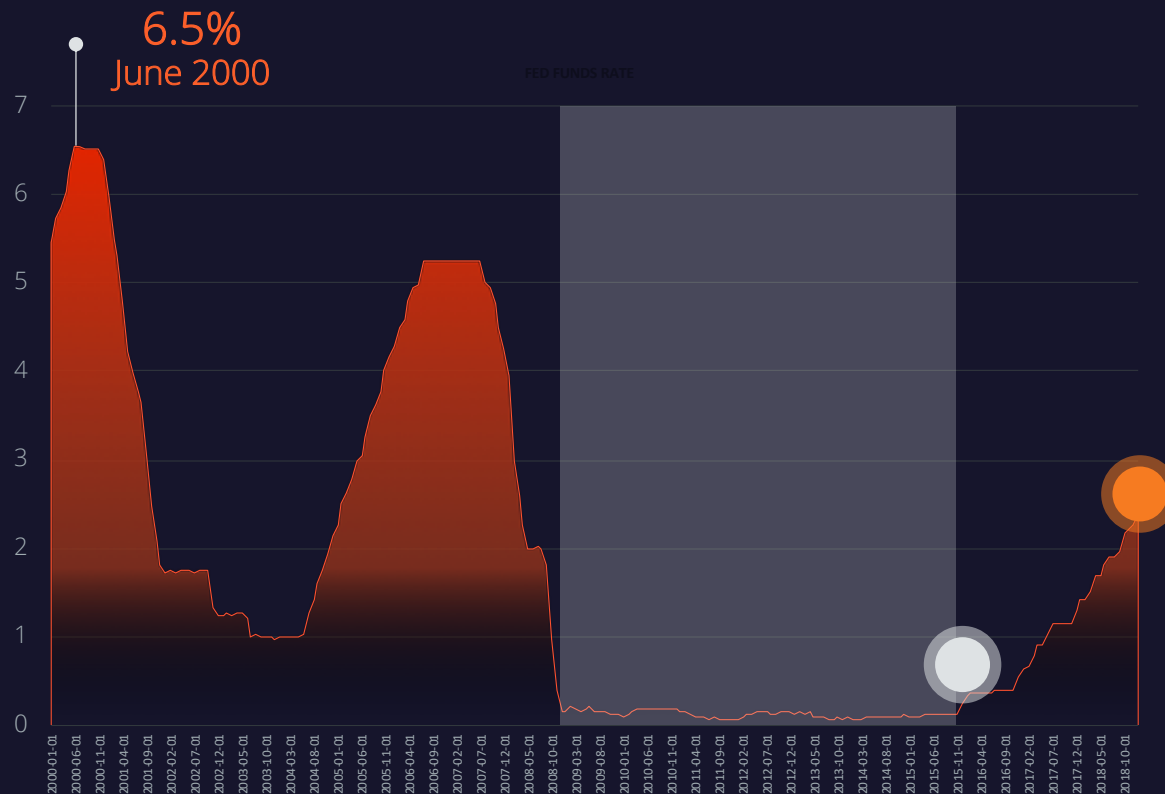


Source: Federal Reserve Bank of St. Louis.



# EFFECTIVE FEDERAL FUNDS RATE

Percent, Monthly, 2000-2019

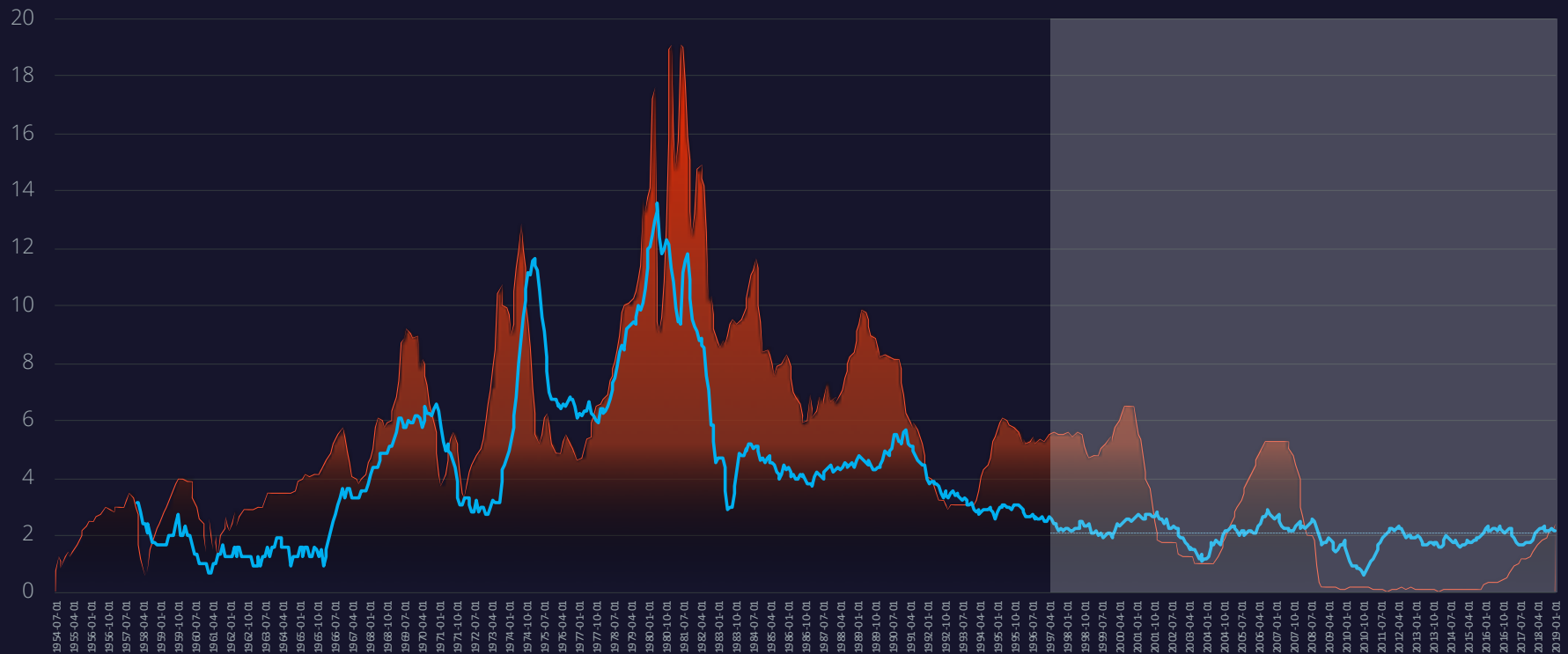


Source: Federal Reserve Bank of St. Louis.



# EFFECTIVE FEDERAL FUNDS RATE VS. INFLATION

CPI All Consumers Less Food & Energy, YoY Percent Change, 1954-2019



Source: Federal Reserve Bank of St. Louis.



# FEDERAL RESERVE BANK TOTAL ASSETS

Weekly, 2008-2019 (Millions of US\$)



Source: Federal Reserve Bank of St. Louis.



# GLOBAL DEBT

3rd Quarter, 2018



Global Debt: \$244T

318% of Global GDP

\$72.9T

Nonfinancial  
Corporate

\$65.2T

Government

\$60.0T

Financial Sector

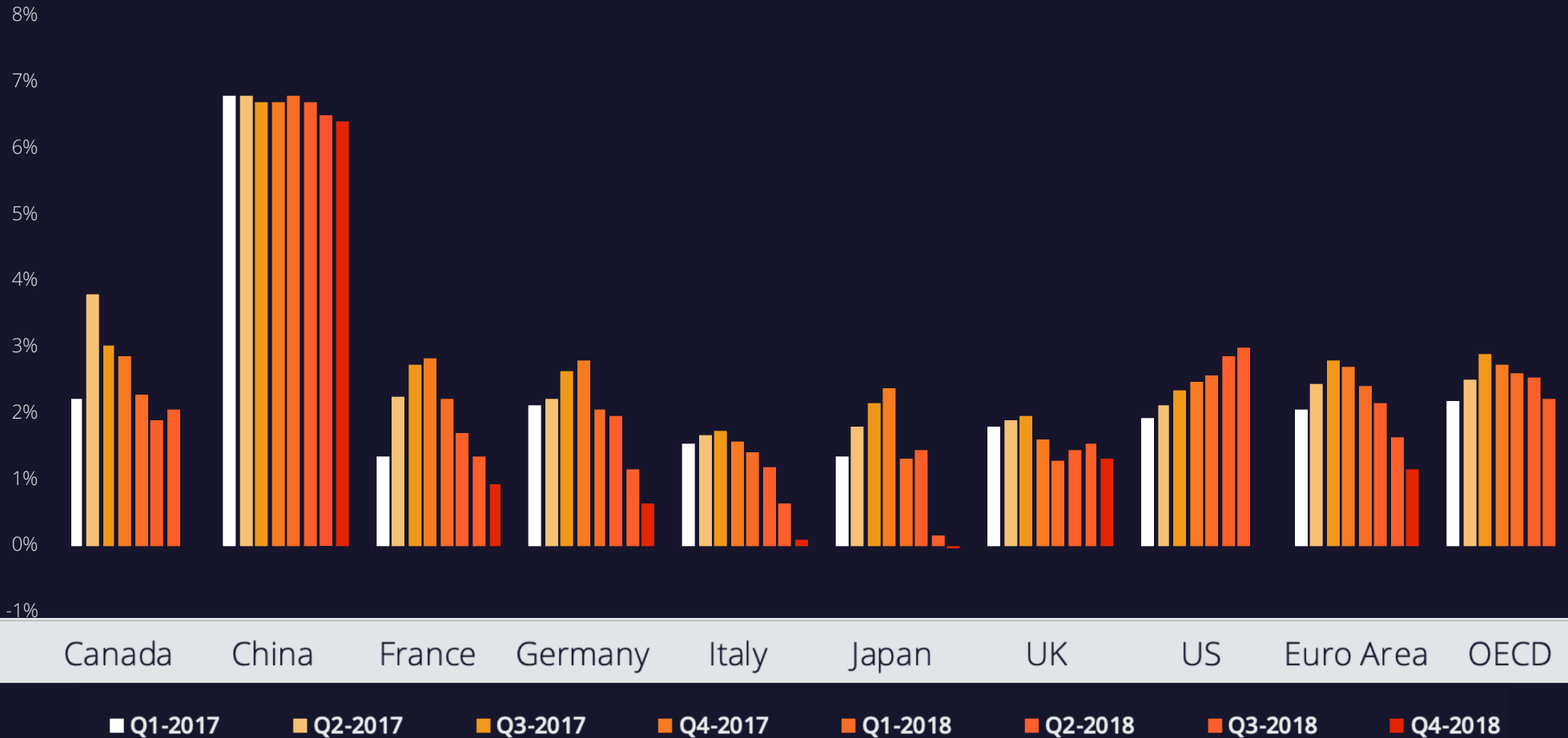
\$46.1T

Household



# GDP GROWTH BY COUNTRY

Annualized Growth Over Same Quarter of Previous Year, 2017-2018



Source: Organization for Economic Co-operation and Development (OECD), Quarterly National Accounts.





# LABOR MARKET

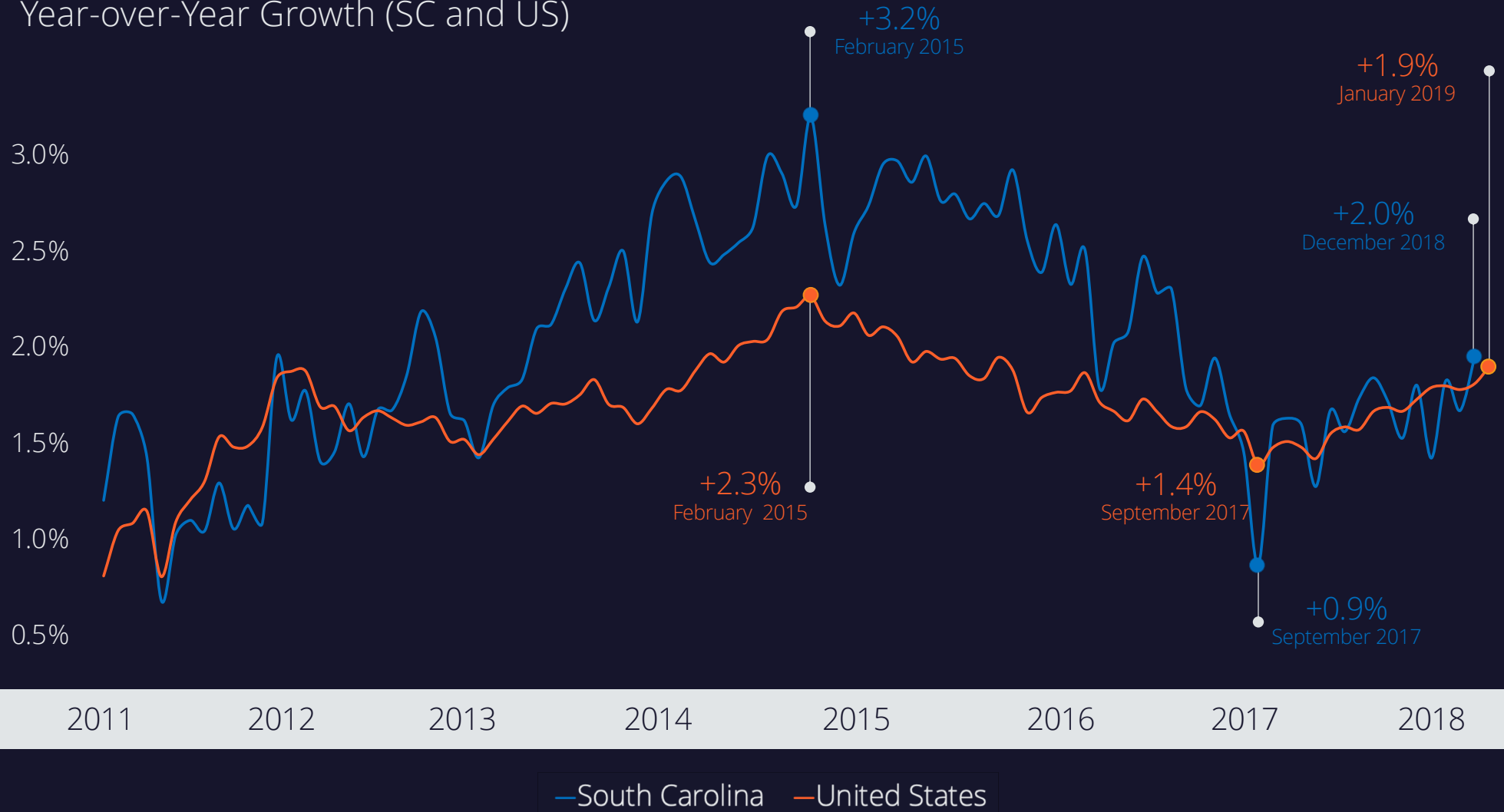


02



# EMPLOYMENT GROWTH

Year-over-Year Growth (SC and US)

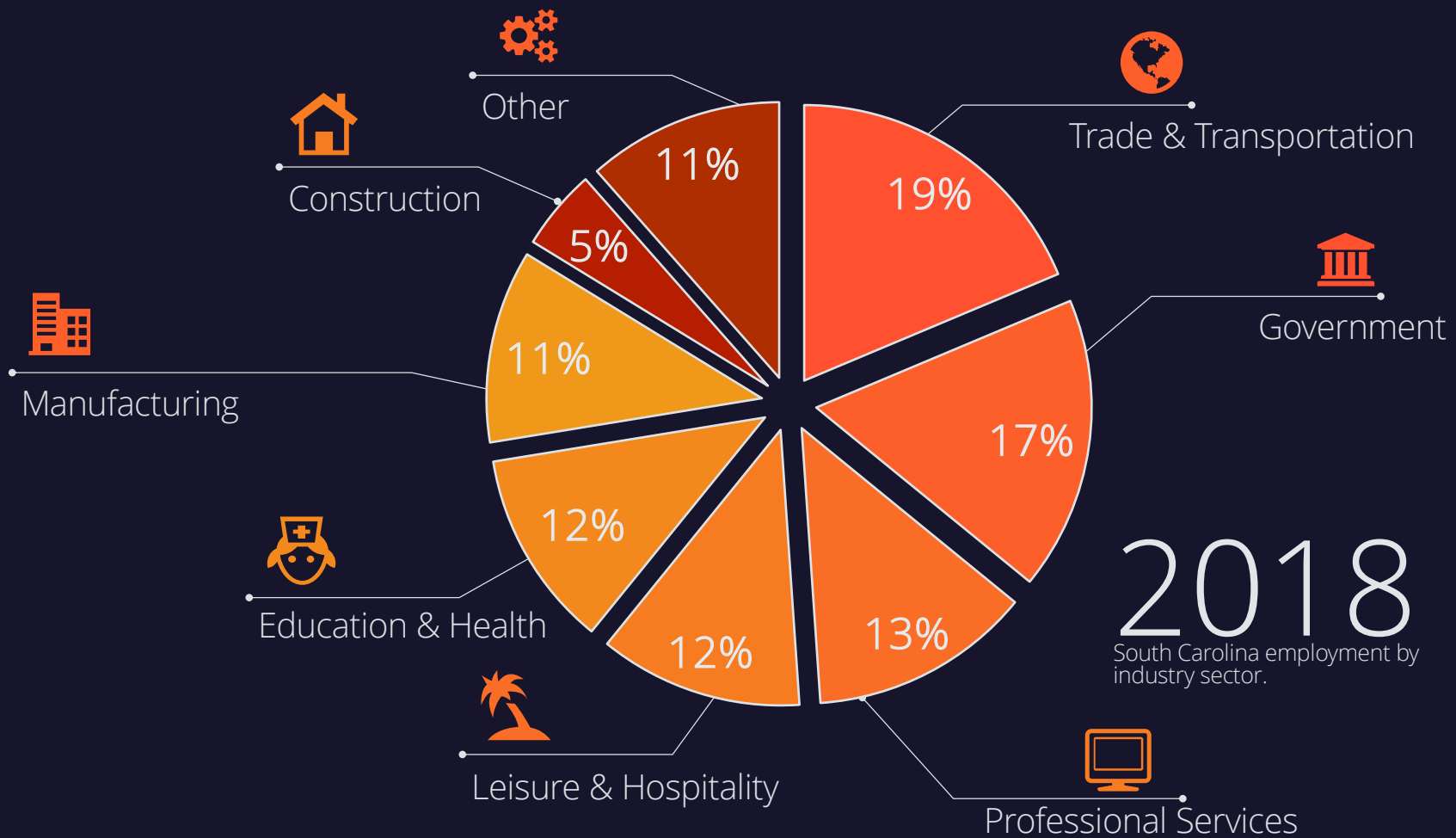


Source: US Bureau of Labor Statistics. Current Employment Statistics, 2007 - 2019.



# EMPLOYMENT BY SECTOR

2018 (South Carolina)



2018  
South Carolina employment by  
industry sector.

Source: US Bureau of Labor Statistics. Current Employment Statistics, 2007 - 2019.



# EMPLOYMENT GROWTH BY SECTOR

2011 – 2018 Growth (SC and US)



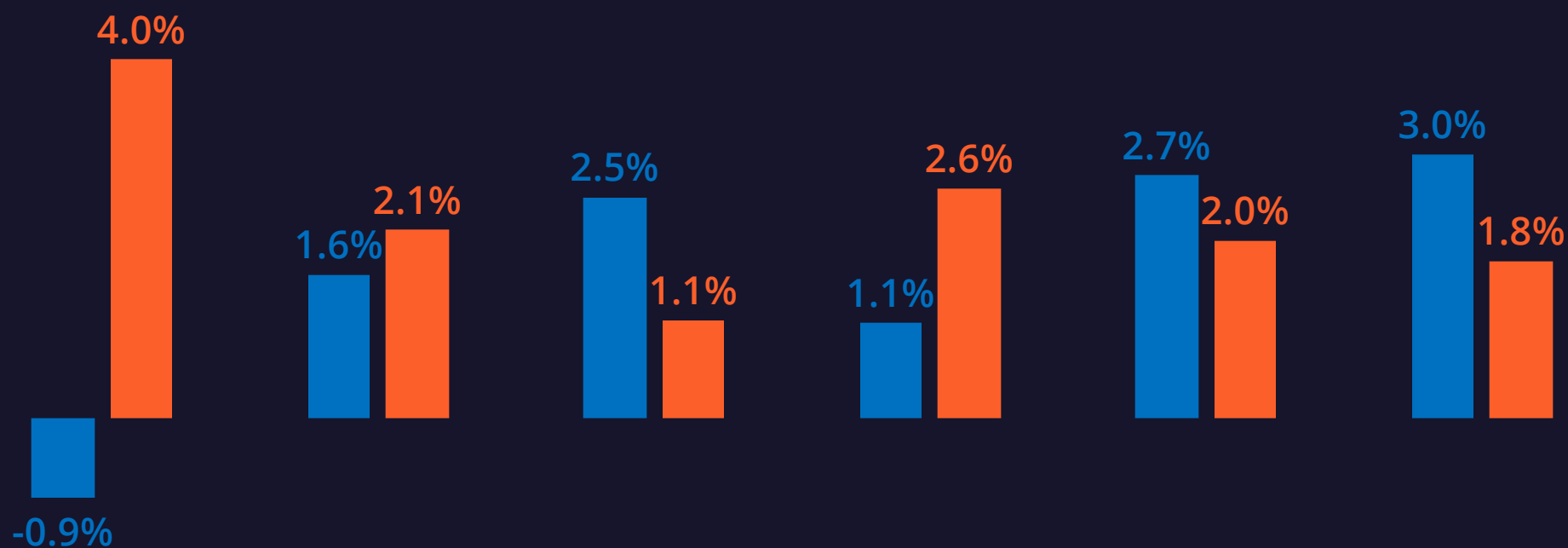
■ South Carolina ■ United States

Source: US Bureau of Labor Statistics. Current Employment Statistics, 2007 – 2019.



# EMPLOYMENT GROWTH BY SECTOR

2017 – 2018 Growth (SC and US)



Construction

Manufacturing

Trade &  
Transportation

Professional  
Services

Education &  
Health

Leisure &  
Hospitality

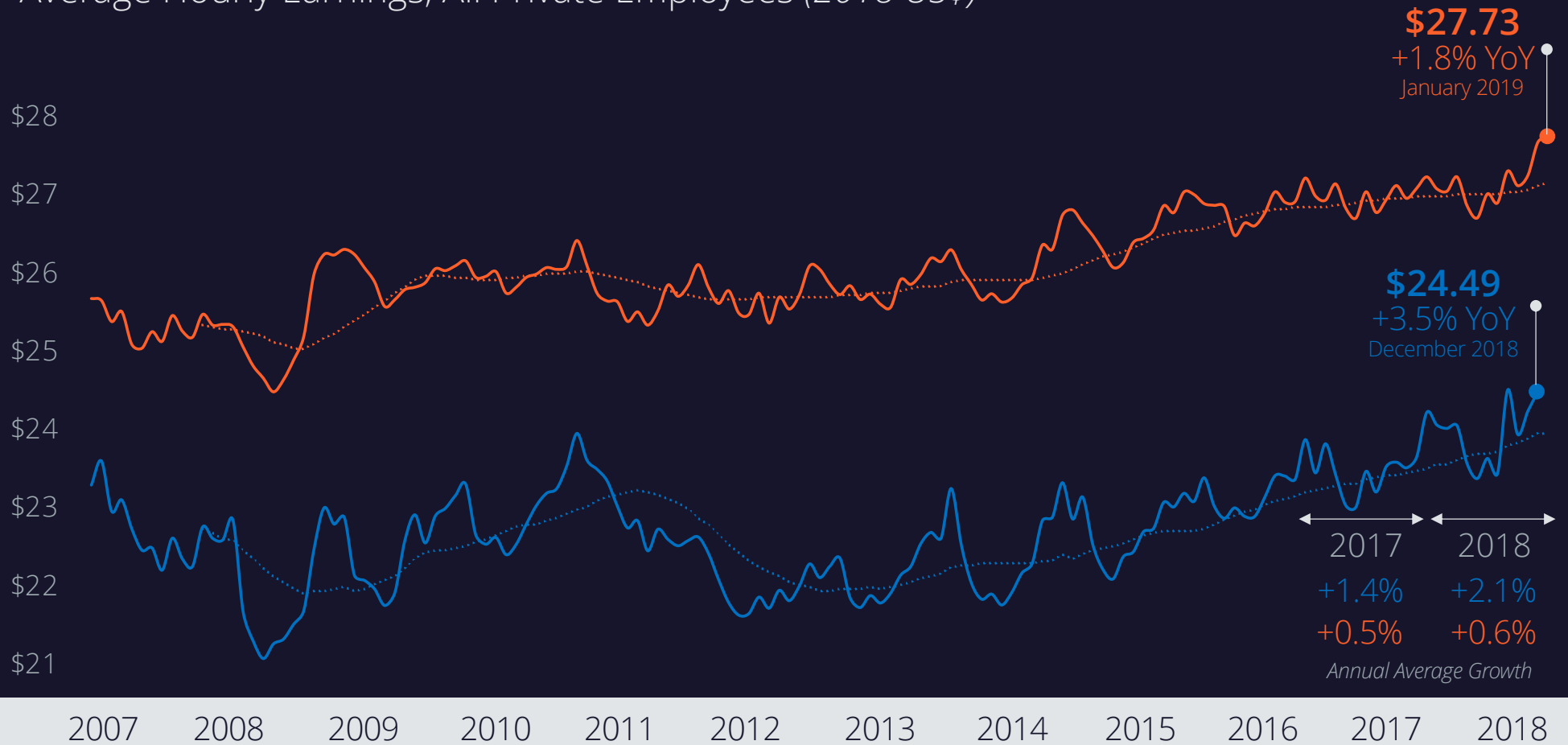
■ South Carolina

■ United States



# WAGE GROWTH

Average Hourly Earnings, All Private Employees (2018 US\$)



—South Carolina —United States



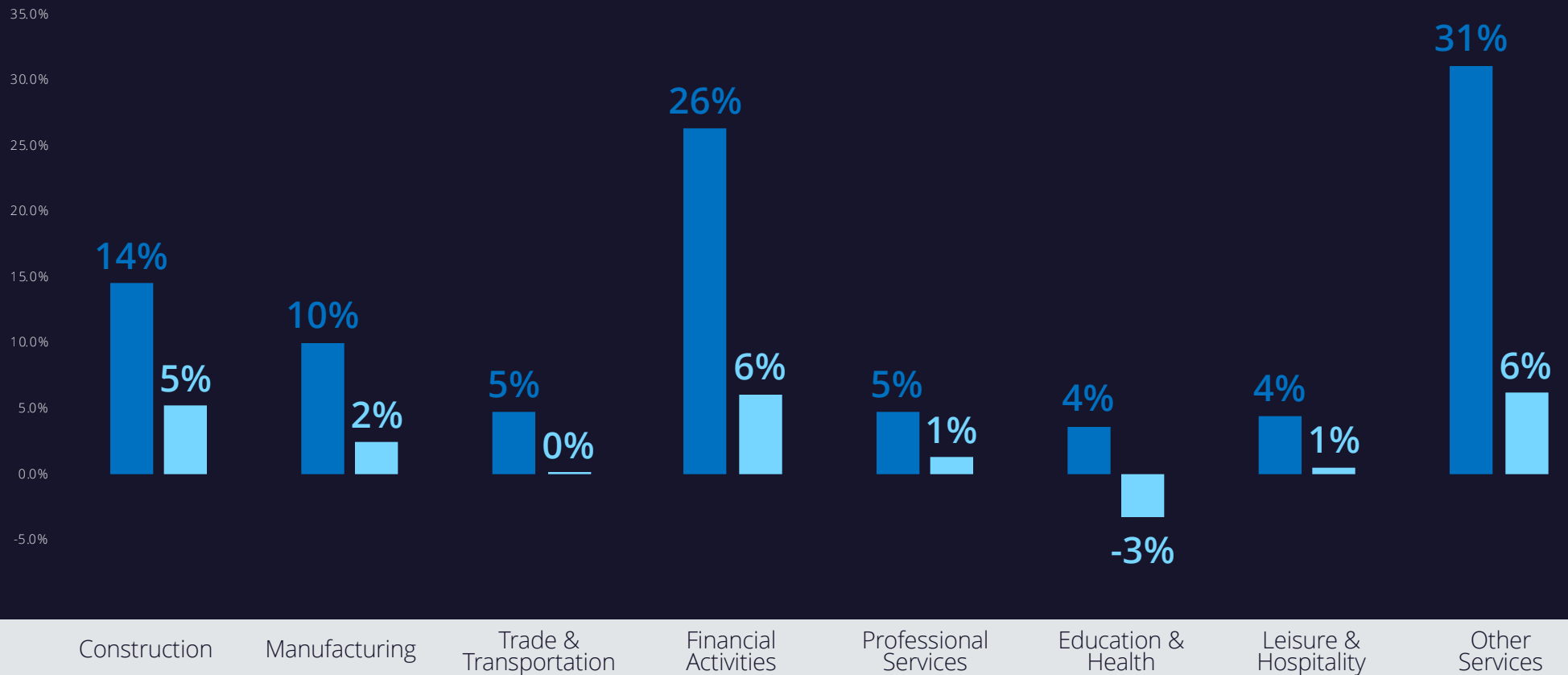
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Source: US Bureau of Labor Statistics. Current Employment Statistics, 2007 - 2019.

**SYNOVUS**

# SC WAGE GROWTH BY SECTOR

2013 – 2018 Hourly Wage Growth, Private Employees (2018 US\$)



■ 2013-2018

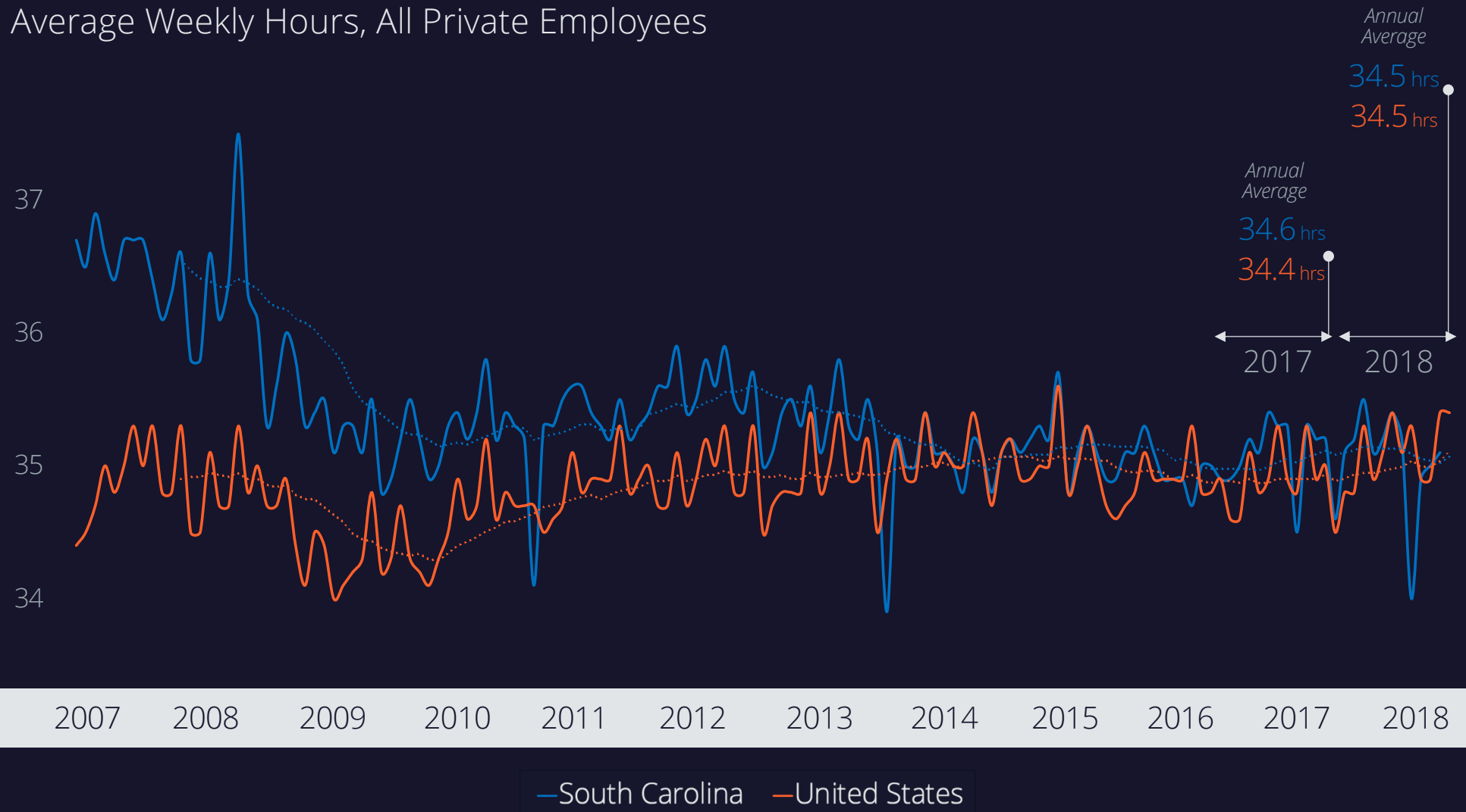
■ 2017-2018

Source: US Bureau of Labor Statistics. Current Employment Statistics, 2007 – 2019.



# WORKING HOURS **CHANGE**

Average Weekly Hours, All Private Employees





# HOUSEHOLDS

03





# POPULATION GROWTH

Since 1990

United States of  
America



South  
Carolina

+43%  
+ 1,520,064

Source: US Census.



# POPULATION CHANGE

Since 1990



## Age 55+

Fastest growing demographic group in South Carolina.

19.7%  
1990

2 in 10 people in SC are age 55 or older, or **690,782** people.



30.5%  
2017

3 in 10 people in SC are age 55 or older, or **1,531,913** people.



Source: US Census.



# POPULATION CHANGE

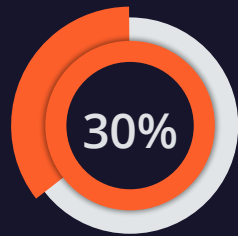
Since 1990



0 to 24

1.6M

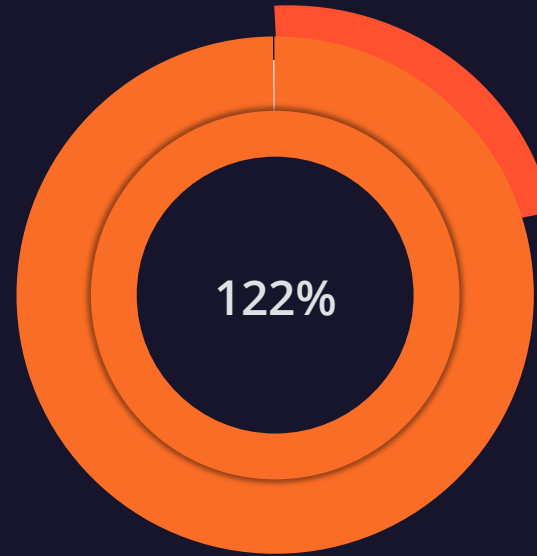
People in 2017



25 to 54

1.9M

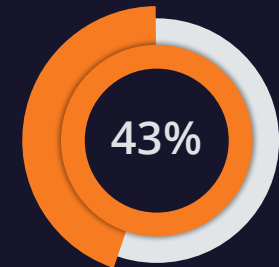
People in 2017



55+

1.5M

People in 2017



Overall

5.02M

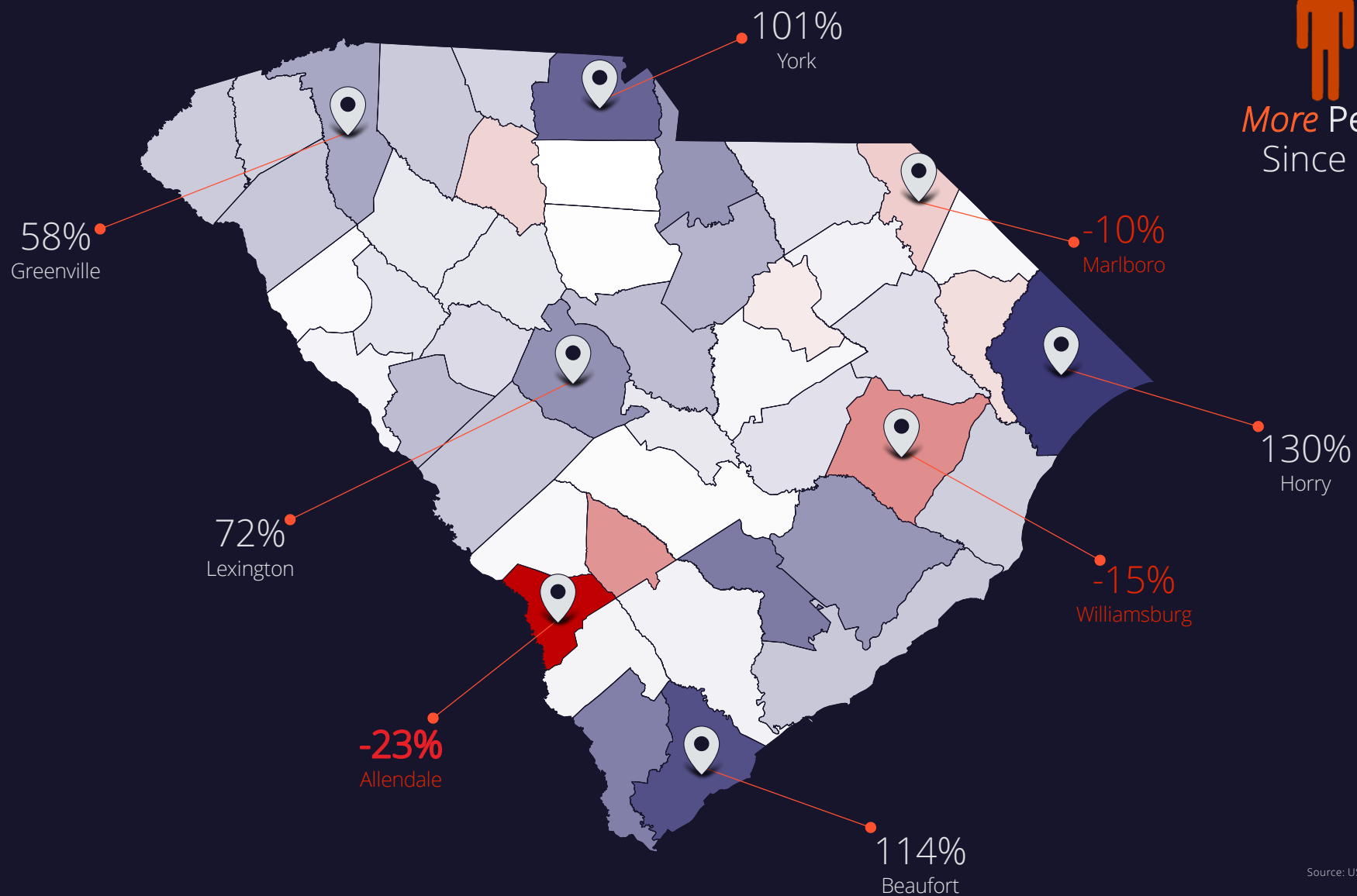
People in 2017

Source: US Census.





*More* People  
Since 1990



Source: US Census.





## Median Age *Increase* Since 2010

38.0 years  
Greenville

46.3 years  
Fairfield

55.0 years  
McCormick

45.9 years  
Horry

49.5 years  
Georgetown

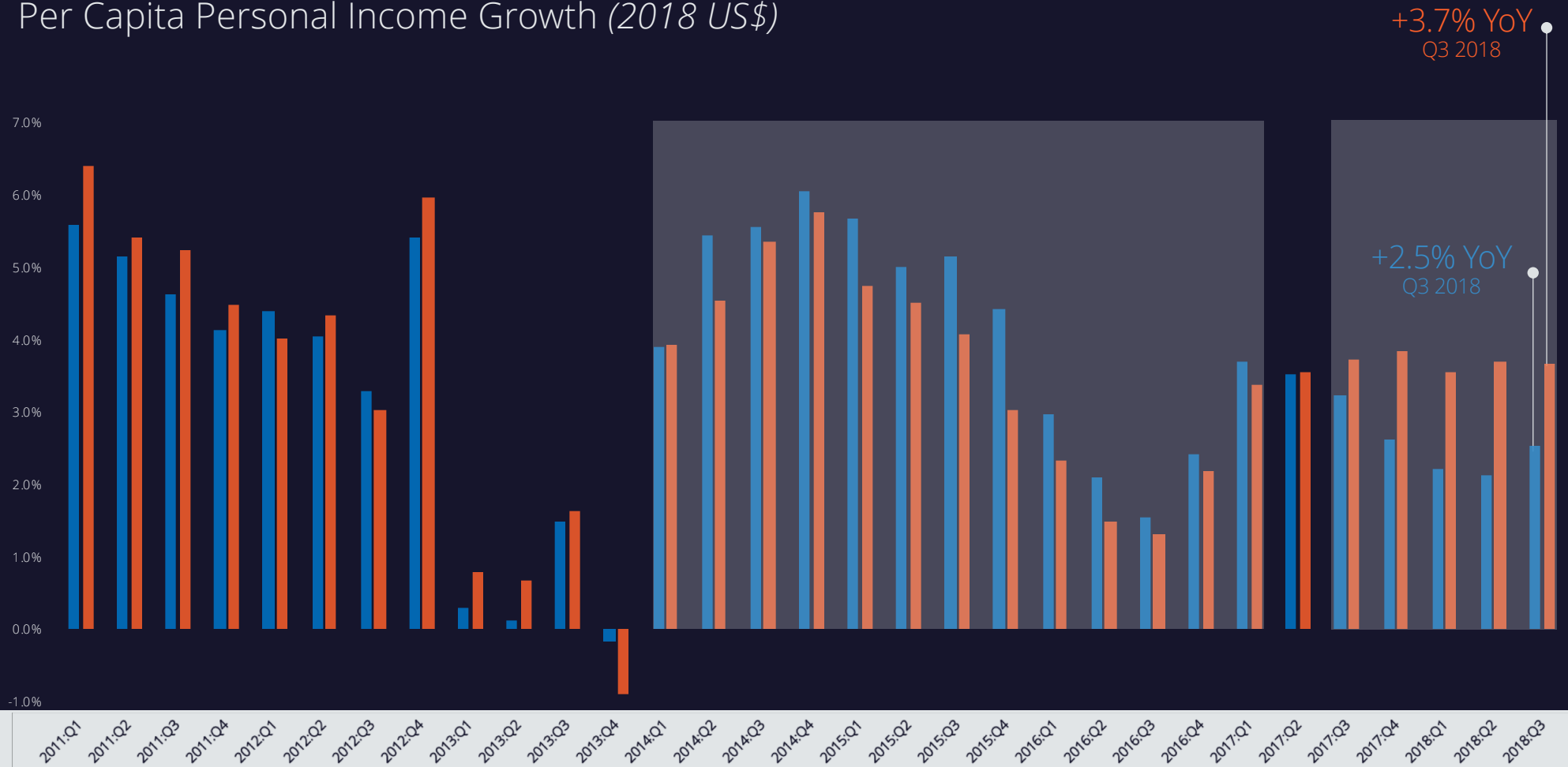
41.1 years  
Jasper

45.3 years  
Beaufort



# PERSONAL INCOME

Per Capita Personal Income Growth (2018 US\$)



■ South Carolina

■ United States



# PERSONAL INCOME COMPONENTS

South Carolina, 2000 vs 2018

2000 65.9%

2018 59.6%

Earnings by Place of Work

2000 18.9%

2018 18.4%

Dividends, Interest & Rent

2000 15.3%

2018 22.0%

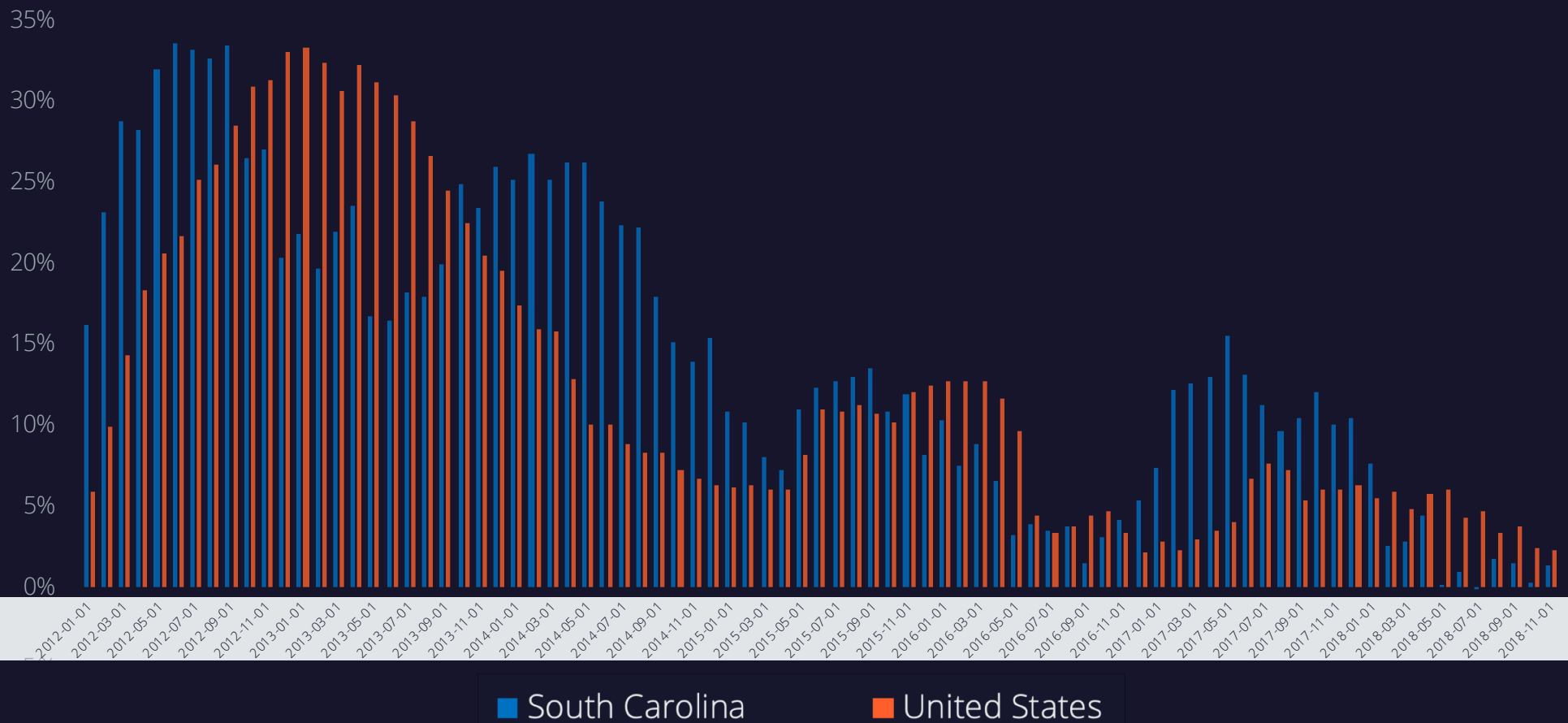
Personal Current Transfer Receipts

Source: US Bureau of Economic Analysis, 2000 - 2018.



# RESIDENTIAL CONSTRUCTION

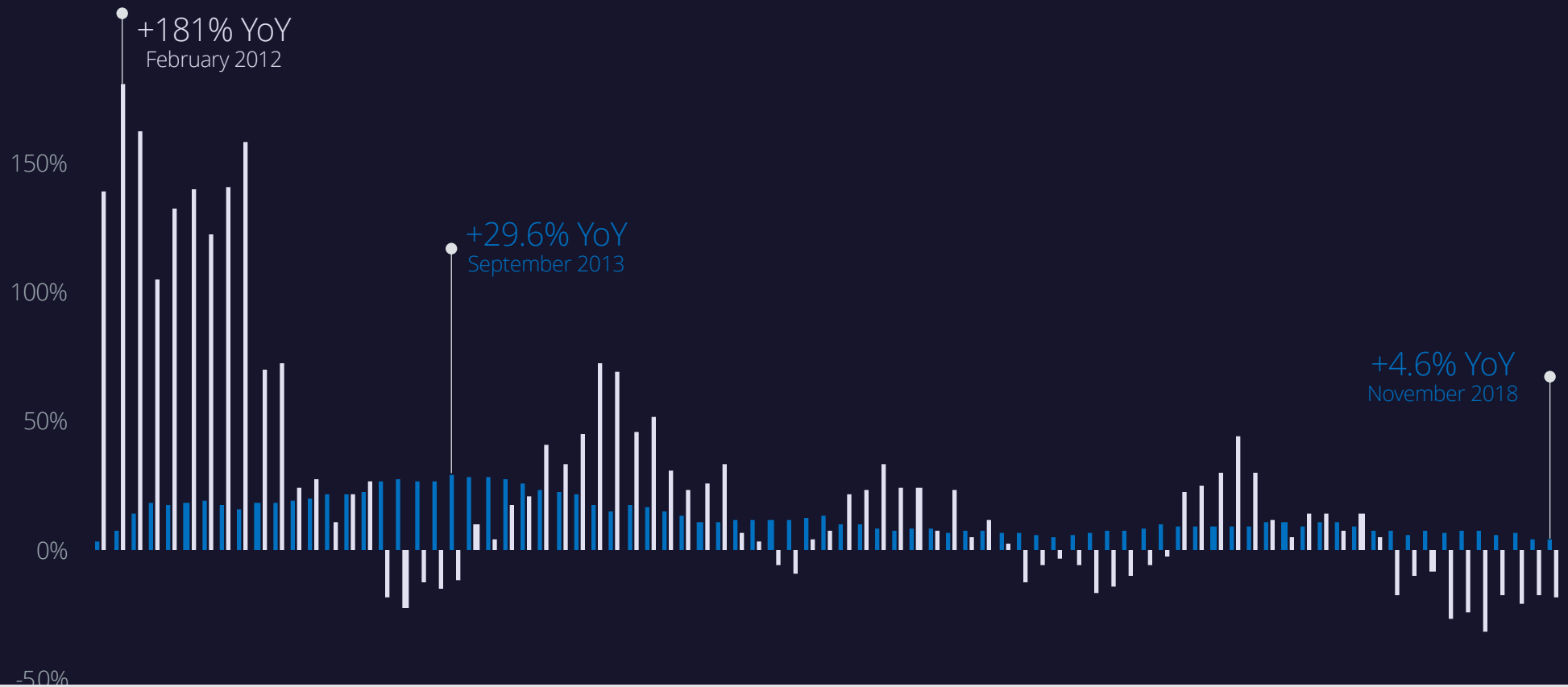
SC Monthly Building Permit Growth (*Annualized*), 2011 - 2018





# SINGLE VS MULTIFAMILY PERMITS

SC Monthly Building Permit Growth (Annualized), 2011 - 2018



■ Single Units ■ Multifamily Units



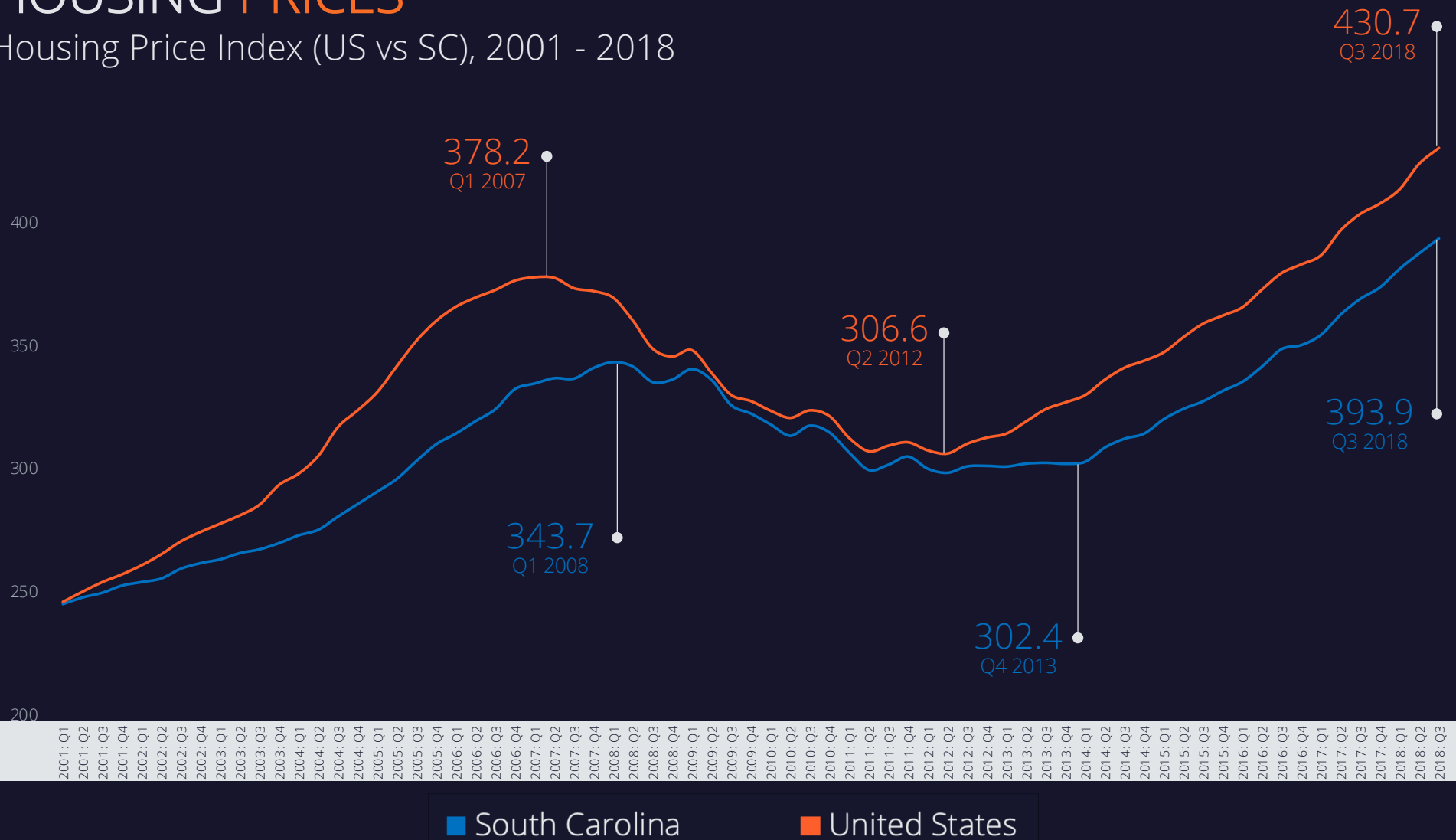
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Source: U.S. Bureau of the Census and U.S. Department of Housing and Urban Development, New Privately-Owned Housing Units Authorized by Building Permits.

**SYNOVUS**

# HOUSING PRICES

Housing Price Index (US vs SC), 2001 - 2018





# BUSINESSES



04

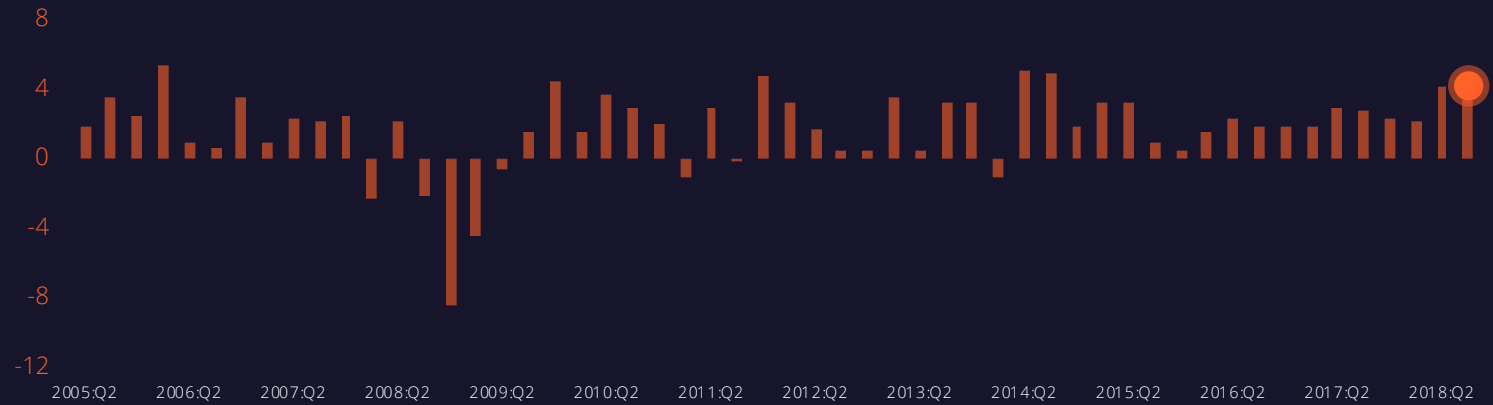
# GDP GROWTH

Annualized Real Growth (SC and US)

3.4% 

United States

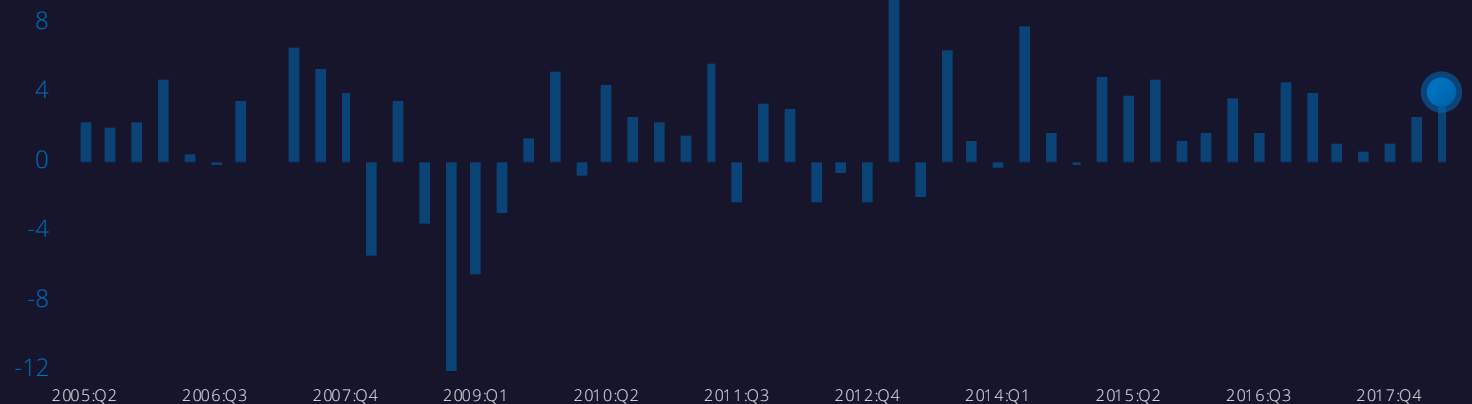
3rd Quarter of 2018,  
Annualized



3.2% 

South Carolina

2nd Quarter of 2018,  
Annualized

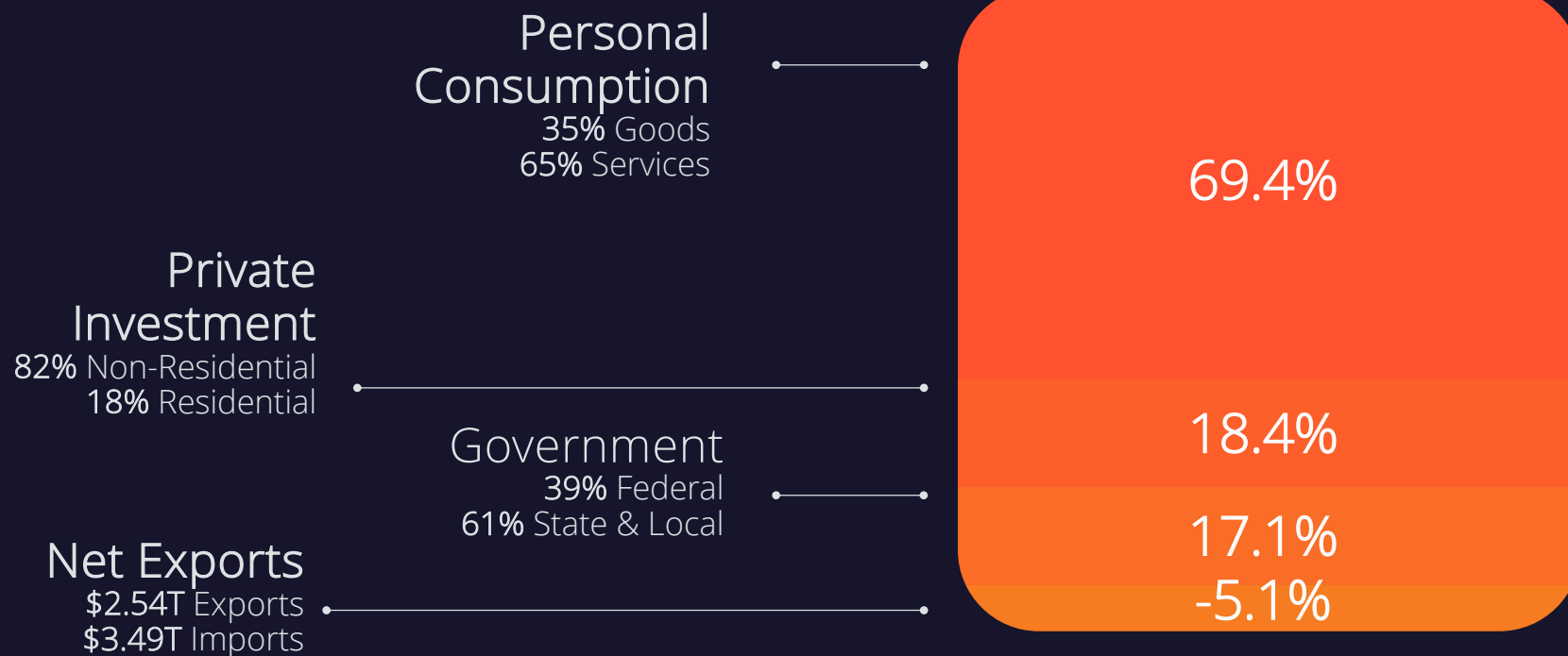


Source: US Bureau of Economic Analysis, 2005 - 2018.



# GDP COMPONENTS

Percentage of Total US GDP as of 2018:Q3

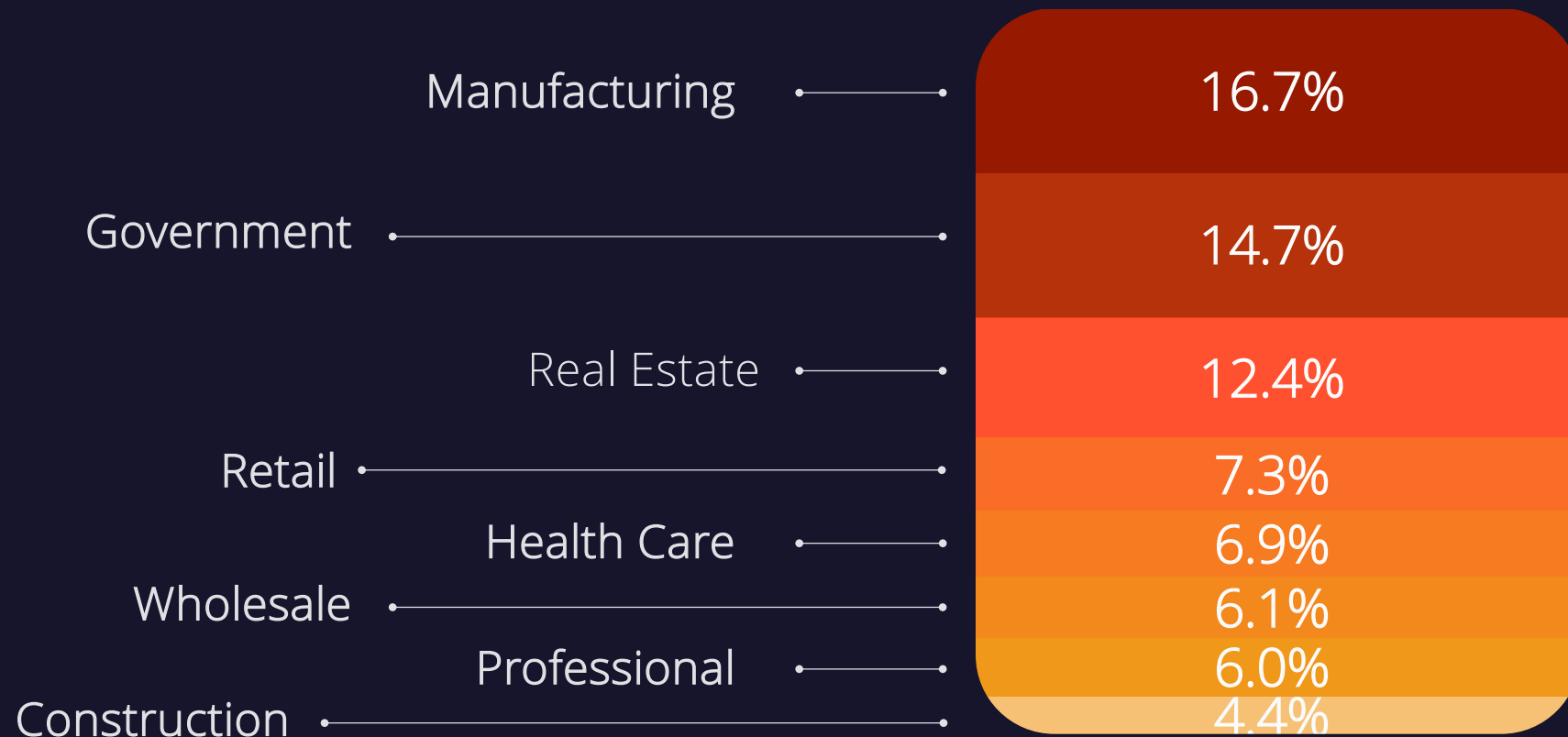


Source: US Bureau of Economic Analysis.



# GDP COMPONENTS

Percentage of Total SC GDP as of 2018:Q2



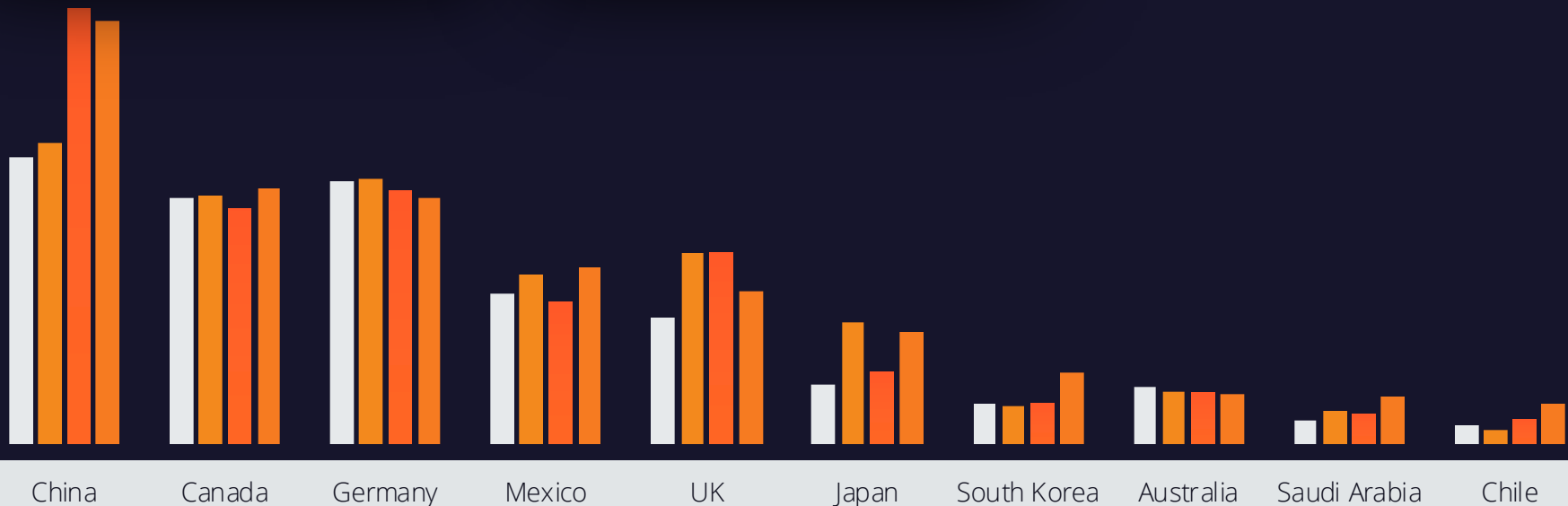
# SC EXPORT COUNTRIES

SC Exports to Top 10 Countries (2017 US\$)

**19.4%** 2017  
**China** \$6.230 Billion

**11.8%** 2017  
**Canada** \$3.785 Billion

**11.3%** 2017  
**Germany** \$3.647 Billion



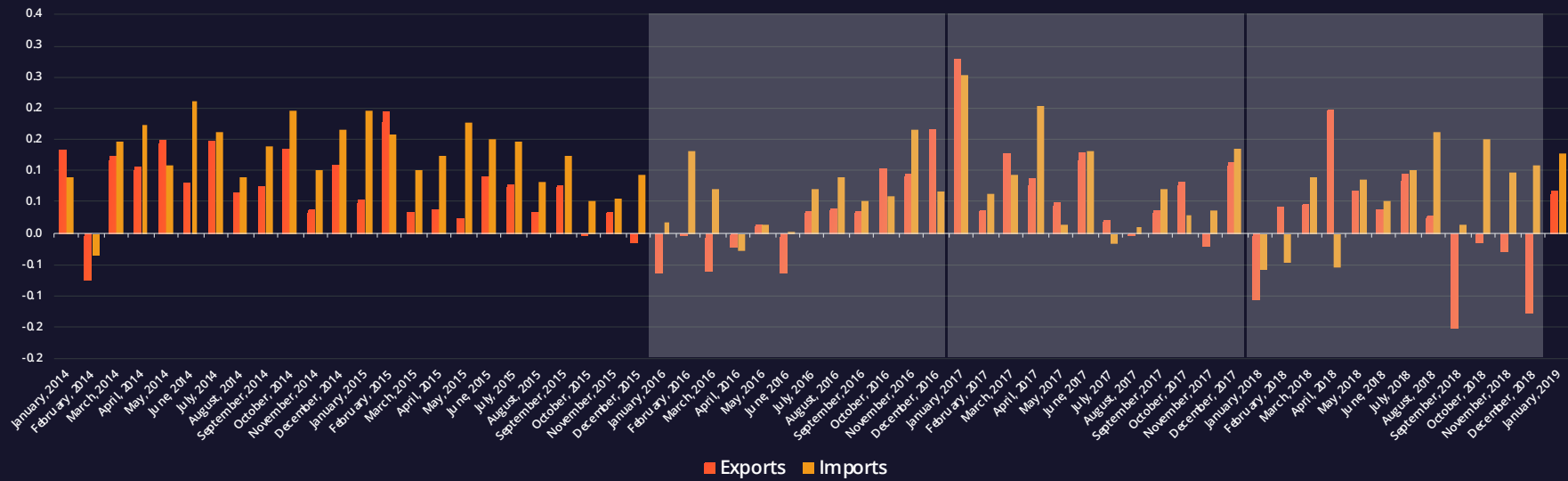
■ 2014 ■ 2015 ■ 2016 ■ 2017

Source: U.S. Census, State and Metropolitan Area Trade Data, 2014 - 2017.



# SC PORT EXPORT VOLUME

Port of Charleston Export Volume Growth (YoY TEUs)



2016  
2.1%  
Export Growth

2017  
7.4%  
Export Growth

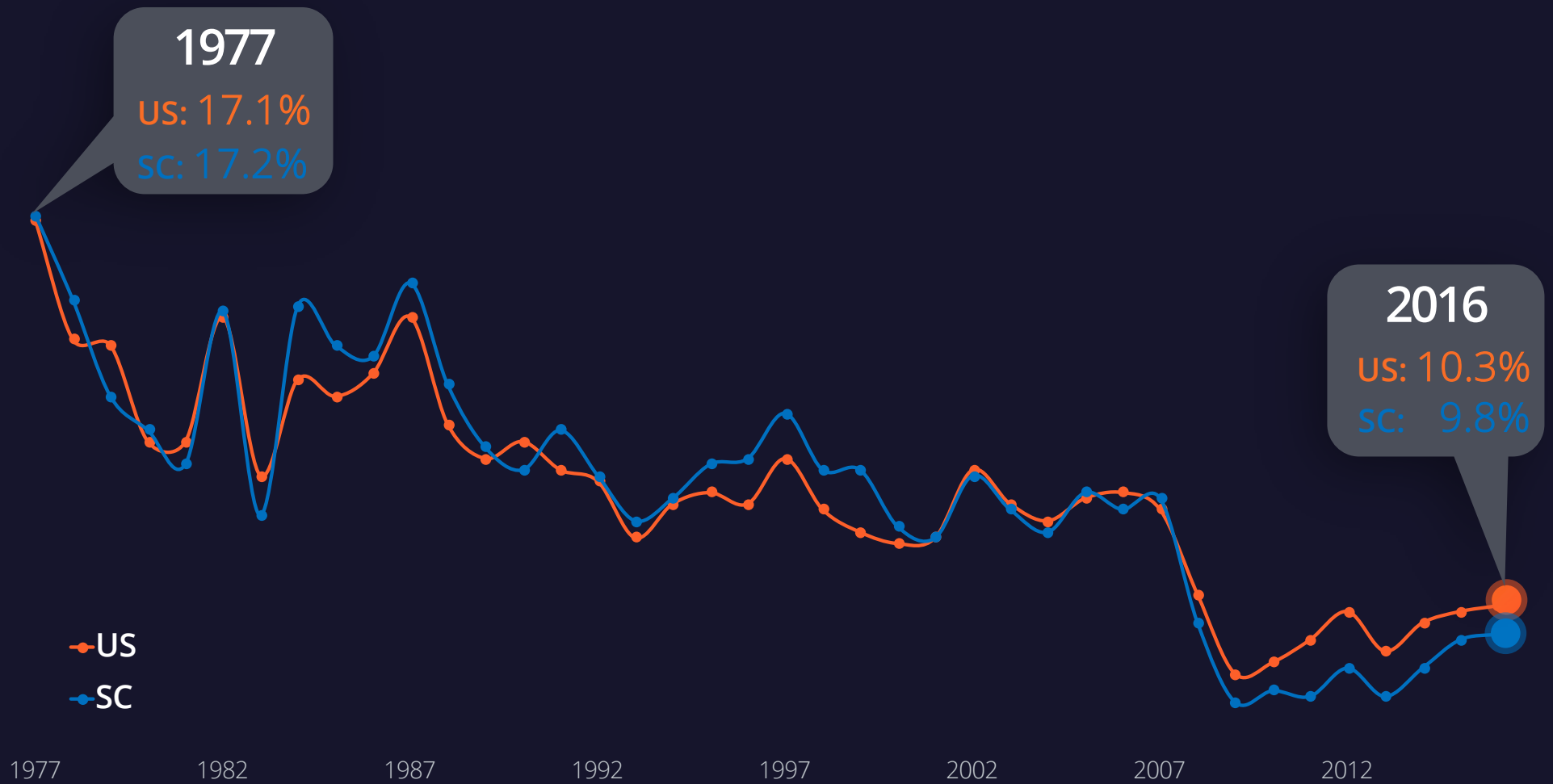
2018  
0.7%  
Export Growth





# BUSINESS DYNAMISM

Firm Creation Rate

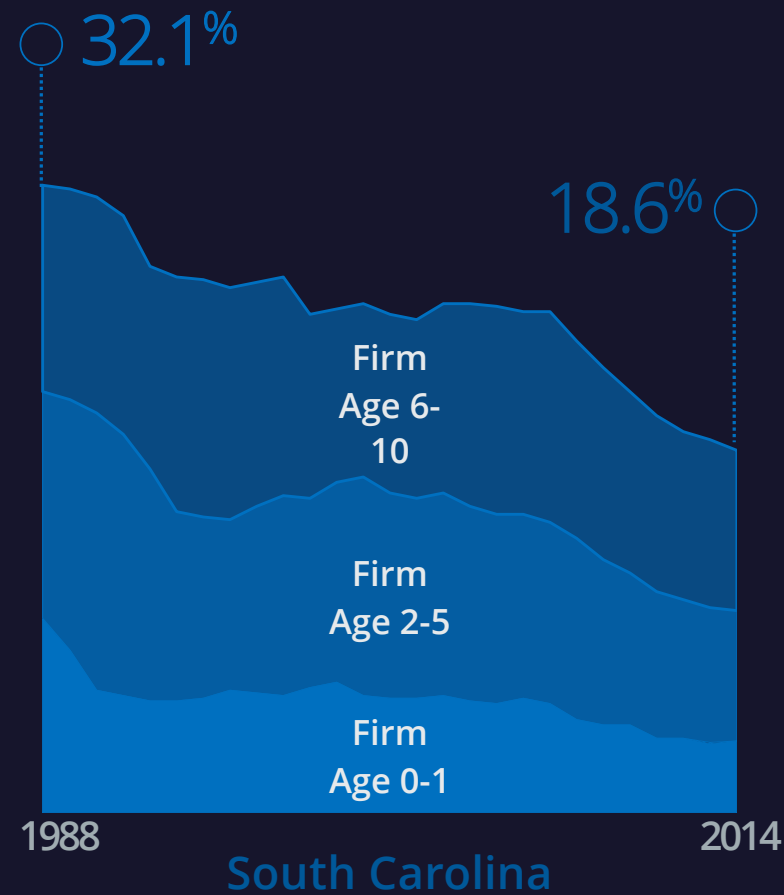
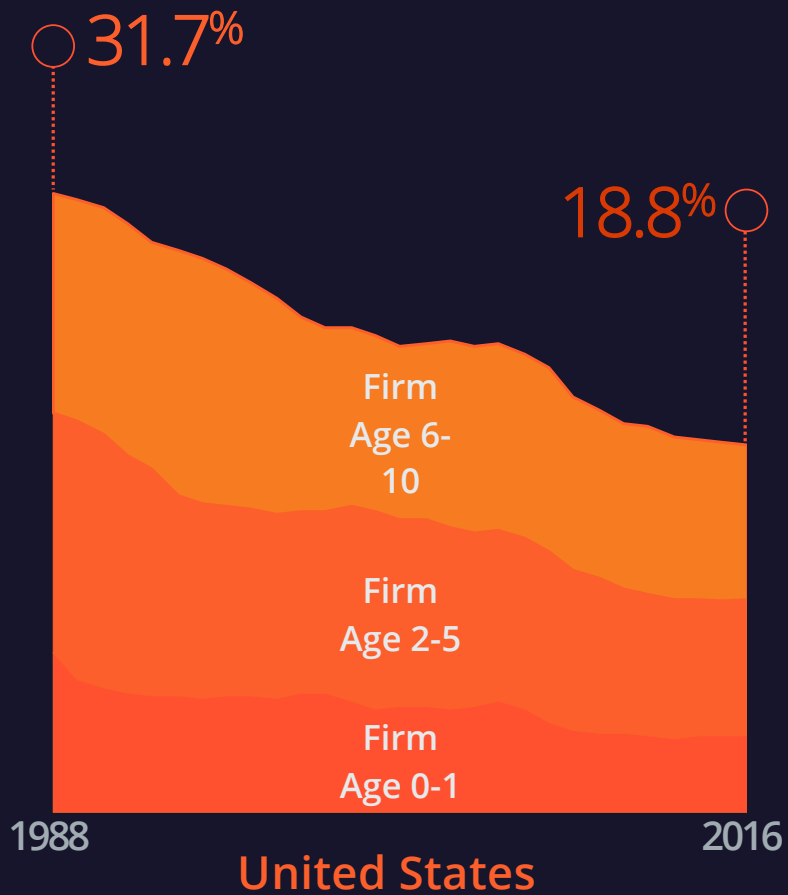


Source: US Census Bureau. Business Dynamics Statistics, 1977-2016.



# BUSINESS DYNAMISM

Employment Share By Firm **Age**

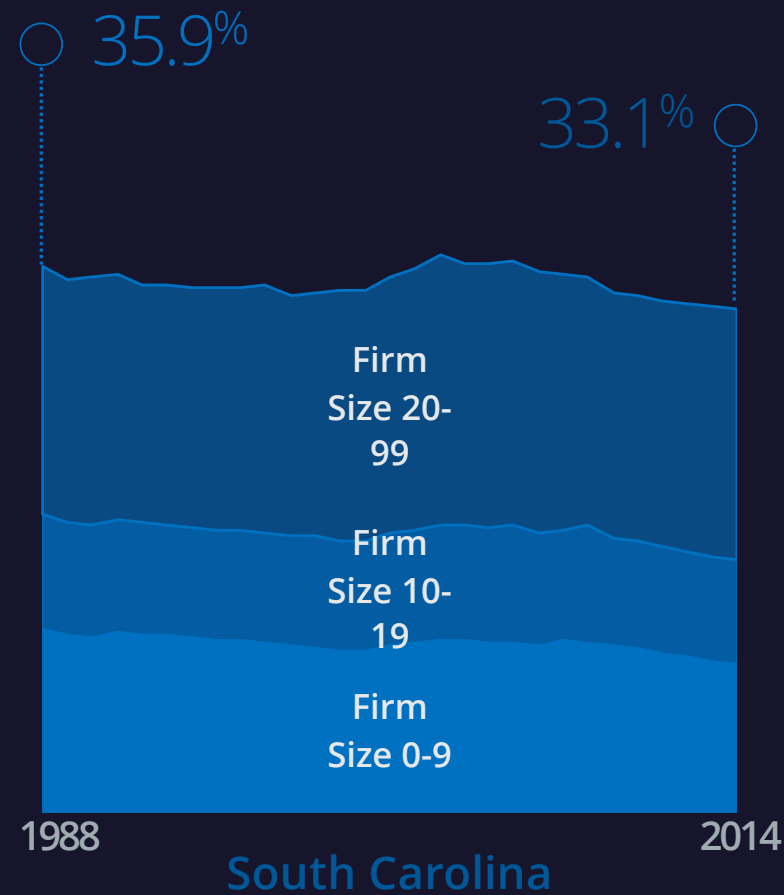
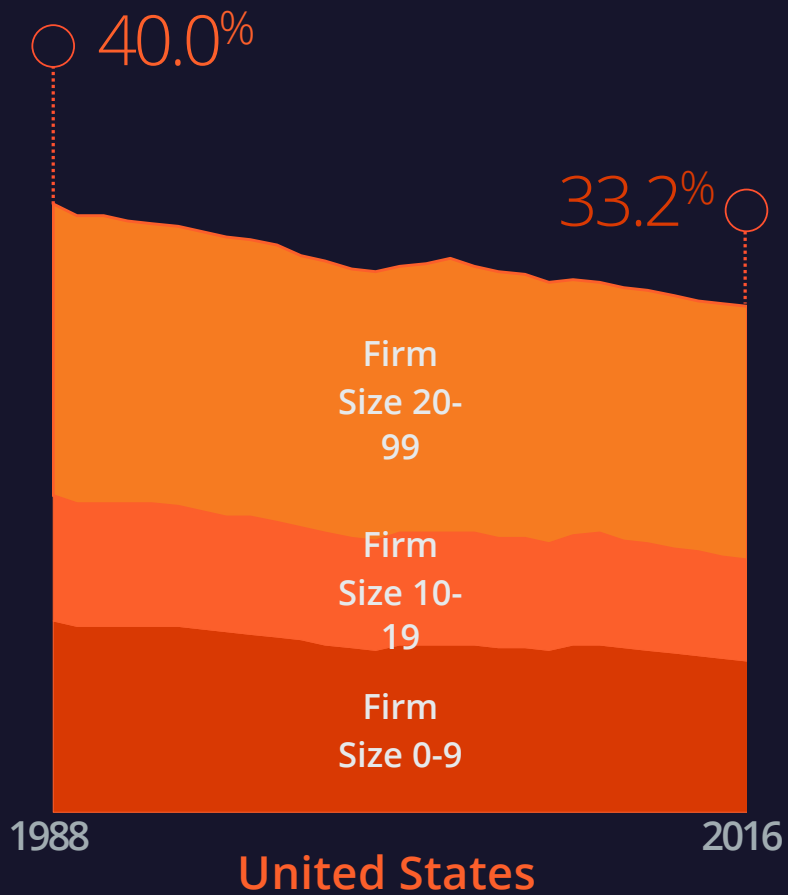


Source: US Census Bureau. Business Dynamics Statistics, 1988-2016.



# BUSINESS DYNAMISM

Employment Share By Firm **Size**



Source: US Census Bureau, Statistics of U.S. Businesses, 1988 - 2016.



# KEY TAKEAWAYS

## #01: The Fed

The Federal Reserve and other Central Banks will play an increasingly pivotal role in monitoring and governing changes in the economy.

## #02: Population

Population will continue to fuel growth in South Carolina. However, as it increasingly ages, it will put pressure on economic growth and state and local government.

## #03: Trade

International trade is a key factor in South Carolina's manufacturing sector, making progress in the global trade environment of particular importance to continued growth.

## #04: Tax Policy

Stable and equitable state tax policy becomes increasingly important in fostering statewide growth as population, employment and business dynamics change.

