The 2017 South Carolina Economic Outlook

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A Paradigm Shift
1. Economic growth leveling off
2. A tighter labor market
3. Strong housing demand
South Carolina Employment Growth


[Graph showing employment growth from Jan.'11 to Jul.'16 with various percentage points and dates marked along the x-axis and y-axis.]

[Graph showing employment growth from Jan.'11 to Jul.'16 with various percentage points and dates marked along the x-axis and y-axis.]
South Carolina Employment Growth

Ripple Effects

- Slower Global Growth/App. Dollar
- Declines in Demand for Exports
- Declines in Manufacturing (Trans. Equipment)
- Declines in Transportation/Trucking
China/U.S. Foreign Exchange Rate

Source: Board of Governors of the Federal Reserve System
S.C. Export Volume (TEUs)

Source: South Carolina Ports Authority; August 2016
S.C. Employment Growth: By Industry


S.C. Employment Growth: By Industry


Source: BLS, Current Employment Statistics, NSA
Outlook for 2017: Employment Growth

Historical Forecast

Source: Division of Research, Moore School of Business
A Tightening Labor Market
Unemployment Rates

Source: Bureau of Labor Statistics; SA LAUS, CES

<table>
<thead>
<tr>
<th>Month</th>
<th>SC</th>
<th>US</th>
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<tbody>
<tr>
<td>Jan-10</td>
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<td>Sep-16</td>
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SC: 4.7%
US: 4.6%
S.C. Average Hourly Earnings (Total: Private)

### S.C. Average Hourly Earnings (Total: Private)

<table>
<thead>
<tr>
<th>Region</th>
<th>Oct. 2015</th>
<th>Oct. 2016</th>
<th>% Change</th>
</tr>
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<tbody>
<tr>
<td>Charleston</td>
<td>$23.01</td>
<td>$24.39</td>
<td>+6.0%</td>
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<tr>
<td>Columbia</td>
<td>$22.58</td>
<td>$22.41</td>
<td>-0.8%</td>
</tr>
<tr>
<td>Greenville</td>
<td>$21.09</td>
<td>$21.80</td>
<td>+3.4%</td>
</tr>
<tr>
<td>Myrtle Beach</td>
<td>$18.86</td>
<td>$19.89</td>
<td>+5.5%</td>
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<tr>
<td>Spartanburg</td>
<td>$20.60</td>
<td>$21.22</td>
<td>+3.0%</td>
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<tr>
<td>State Total</td>
<td>$21.53</td>
<td>$22.47</td>
<td>+4.4%</td>
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</table>

Outlook for 2017: Total Personal Income Growth

Source: Division of Research, Moore School of Business

Historical Forecast

- q115: 5.2%
- q215: 5.1%
- q315: 5.6%
- q415: 4.9%
- q116: 4.9%
- q216: 4.3%
- q316: 3.7%
- q416: 5.1%
- q117: 4.8%
- q217: 4.8%
- q317: 4.7%
- q417: 4.7%
U.S. Skills Gap Misery Index

Source: Bureau of Labor Statistics; SA LAUS, JOLTS
The Beveridge Curve

Source: Bureau of Labor Statistics; SA LAUS, JOLTS
South Carolina Demographic Profile

Source: American Community Survey, PUMS, 2010-2014 (Ages 25-65)
### S.C. Pct. Employed by Selected Occupations

<table>
<thead>
<tr>
<th>Occupation</th>
<th>Mover LTM</th>
<th>Non-Mover</th>
</tr>
</thead>
<tbody>
<tr>
<td>Management</td>
<td>8.1%</td>
<td>7.7%</td>
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<tr>
<td>Engineering</td>
<td>2.1%</td>
<td>1.5%</td>
</tr>
<tr>
<td>Military</td>
<td>8.9%</td>
<td>0.4%</td>
</tr>
<tr>
<td>Office</td>
<td>11.6%</td>
<td>13.2%</td>
</tr>
<tr>
<td>Construction</td>
<td>4.0%</td>
<td>5.3%</td>
</tr>
<tr>
<td>Production</td>
<td>4.2%</td>
<td>8.5%</td>
</tr>
<tr>
<td>Transportation</td>
<td>5.3%</td>
<td>6.4%</td>
</tr>
</tbody>
</table>

Source: American Community Survey, PUMS, 2010-2014
South Carolina Initial Unemployment Insurance Claims

Source: U.S. Department of Labor, Initial UI Claims, 12-week moving average
Outlook for 2017: Unemployment Rate

Source: Division of Research, Moore School of Business
Strong Housing Demand
Construction is a Standout

Source: Bureau of Labor Statistics, CES NSA
Construction Emp. Growth vs. S.C. Average

Source: Bureau of Labor Statistics, CES NSA
S.C. Regional Competitiveness by Industry


Leisure & Hosp.
Health & Soc. Assist.
Prof. & Bus.
Financial Activ.
Information
Trans. & Util
Retail Trade
Wholesale Trade
NonDurable Goods
Durable Goods
Manufacturing
Construction

-2.0% -1.5% -1.0% -0.5% 0.0% 0.5% 1.0% 1.5% 2.0% 2.5%

Source: Division of Research, Moore School of Business
Ongoing Stimulus Effects

(1) 2015 Flood
(2) Hurricane Matthew
South Carolina’s Economy on Solid Footing for 2017

October 2016 State Leading Indices

Source: Federal Reserve Bank of Philadelphia
Thank You!

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