

# SOUTH CAROLINA ECONOMIC AND BUDGET UPDATE

Presented to

## South Carolina City and County Management Association

January 20, 2023

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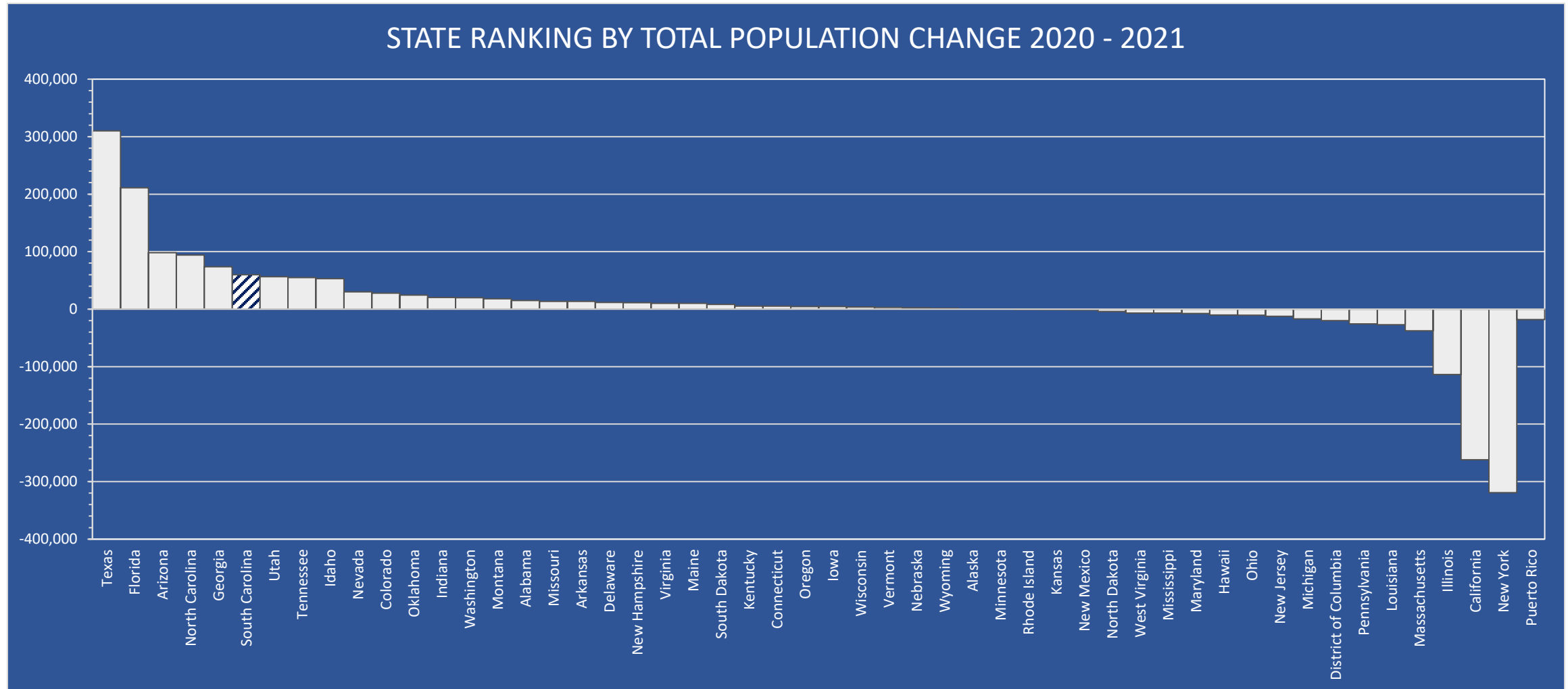


# Demographic Trends and Projections



# South Carolina had the 6<sup>th</sup> Largest Population Increase in the US

## Population increased by 59,976 from 2020 to 2021



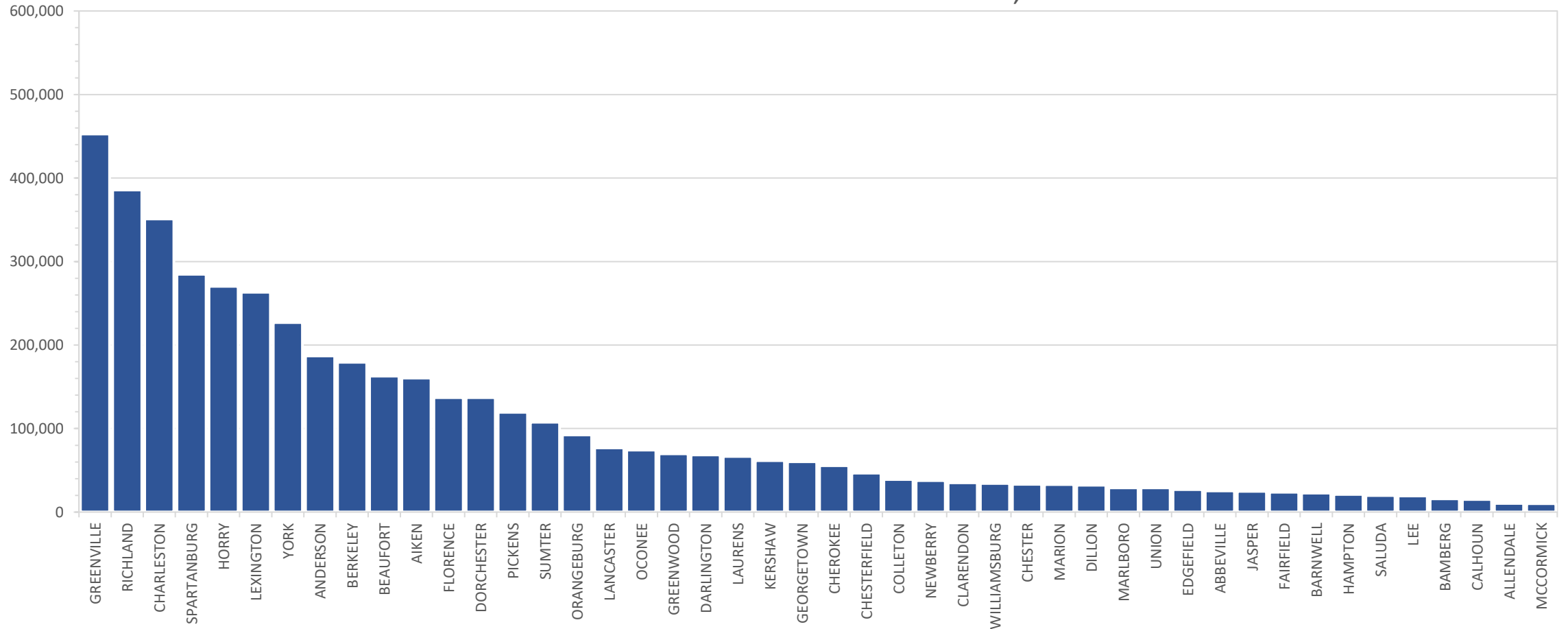
Source: Population Estimates Program Vintage 2021 estimates. File Name: Annual Estimates of Resident Population Change for the United States, States, District of Columbia, Puerto Rico, and State Rankings: April 1, 2020 to July 1, 2021

# South Carolina Population, 2010

Five Largest: Greenville, Richland, Charleston, Spartanburg, Horry

Five Smallest: McCormick, Allendale, Calhoun, Bamberg, Lee

TOTAL POPULATION BY COUNTY, 2010



Source: US Census Bureau, Vintage 2020 Postcensal Estimates

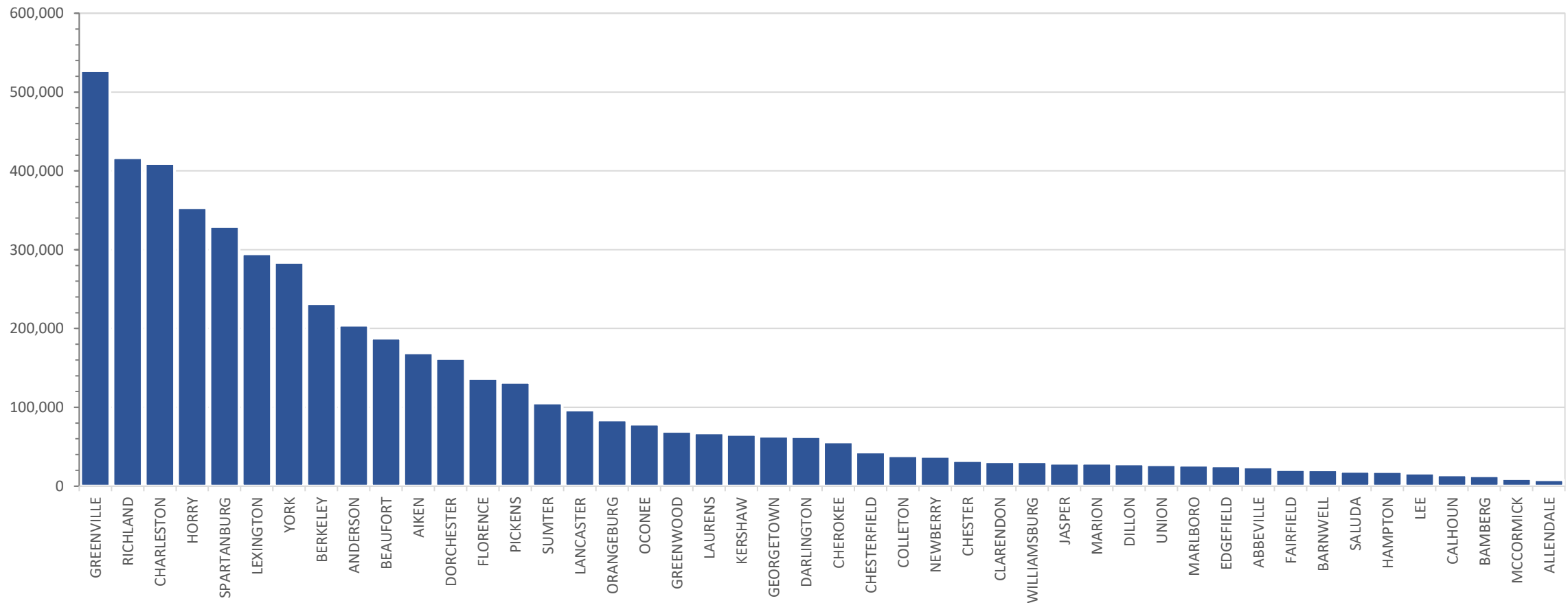


# South Carolina Population, 2020

Five Largest: Greenville, Richland, Charleston, Horry, Spartanburg

Five Smallest: Allendale, McCormick, Bamberg, Calhoun, Lee

TOTAL POPULATION BY COUNTY, 2020

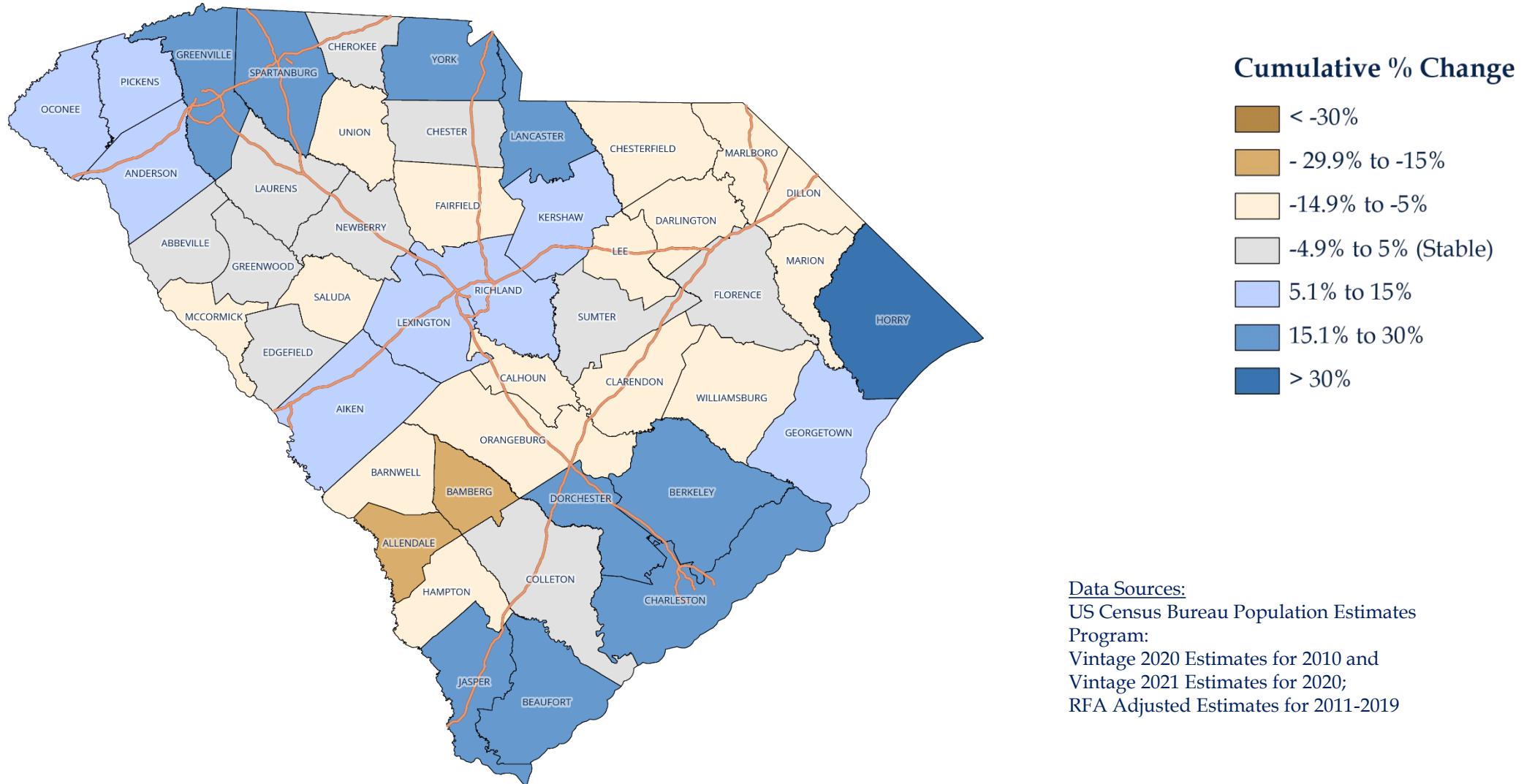


Source: US Census Bureau, Vintage 2021 Postcensal Estimates



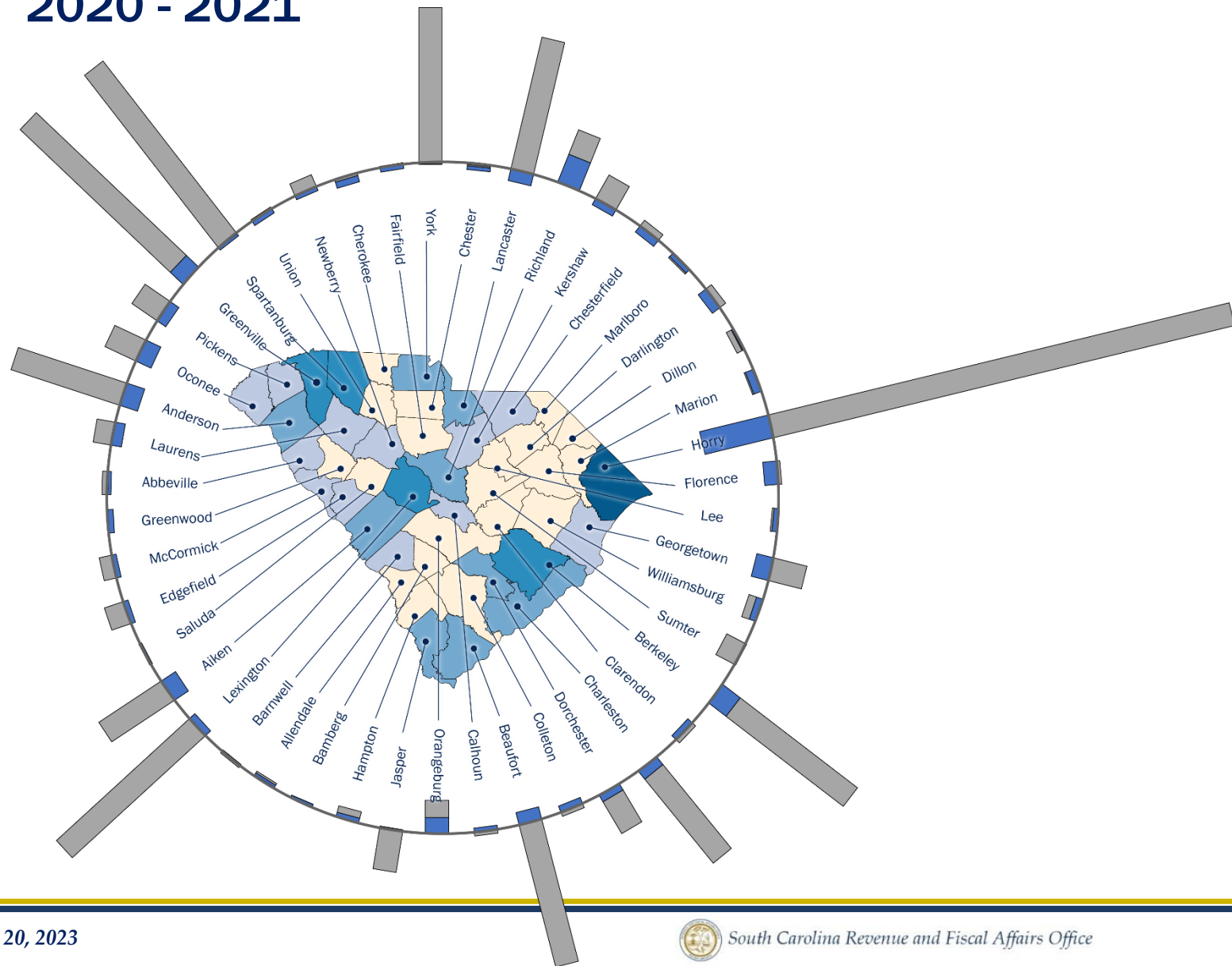
# South Carolina's Population Change, 2010 - 2020

## Varied by county from +30.8% (Horry) to -22.8% (Allendale)

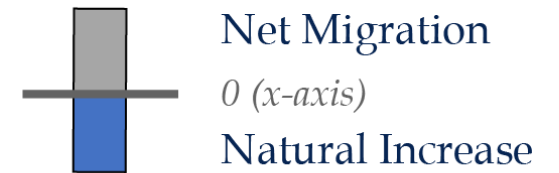


Data Sources:  
US Census Bureau Population Estimates Program:  
Vintage 2020 Estimates for 2010 and  
Vintage 2021 Estimates for 2020;  
RFA Adjusted Estimates for 2011-2019

# South Carolina's Components of Population Change by County 2020 - 2021



## Ring Key



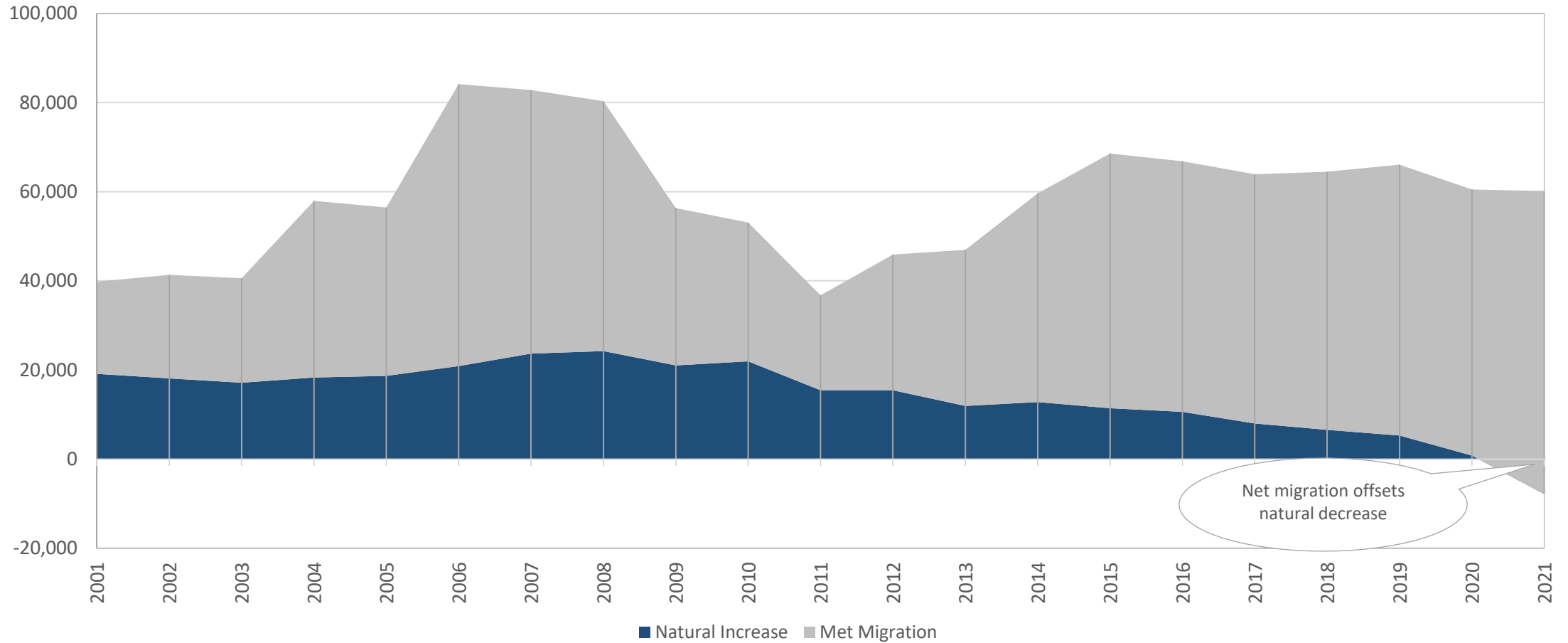
*Note: Net Migration and Natural Increase values can be negative and positive.*

Data Sources:  
US Census Bureau Population Estimates  
Program: Vintage 2021 Postcensal Estimates.  
File Name: Annual and Cumulative Estimates  
of the Components of Resident Population  
Change for Counties in the United States:  
April 1, 2020 to July 1, 2021 (CO-EST2021-  
COMP)

# Components of Population Change

## Natural v. Migration; deaths exceeded births in 2021

SC POPULATION CHANGE BY COMPONENT



Source: US Census Bureau Population Estimates 321-RFA/08/29/2022

Natural Increase – the number of births minus the number of deaths

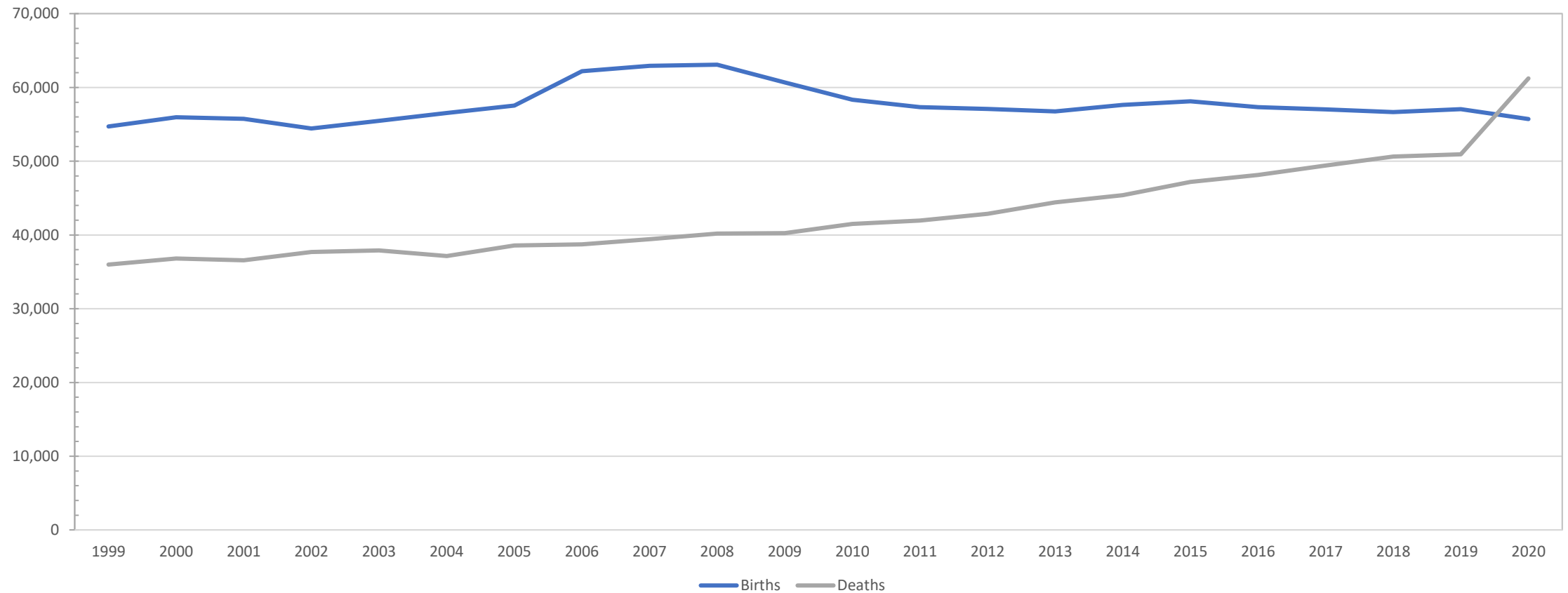
Net Migration – the number of people moving into the state minus the number moving out



# South Carolina Births and Deaths, 1999 - 2020

The number of deaths have increased each year since 2010 while the number of births remained fairly constant; deaths exceeded births in 2020.

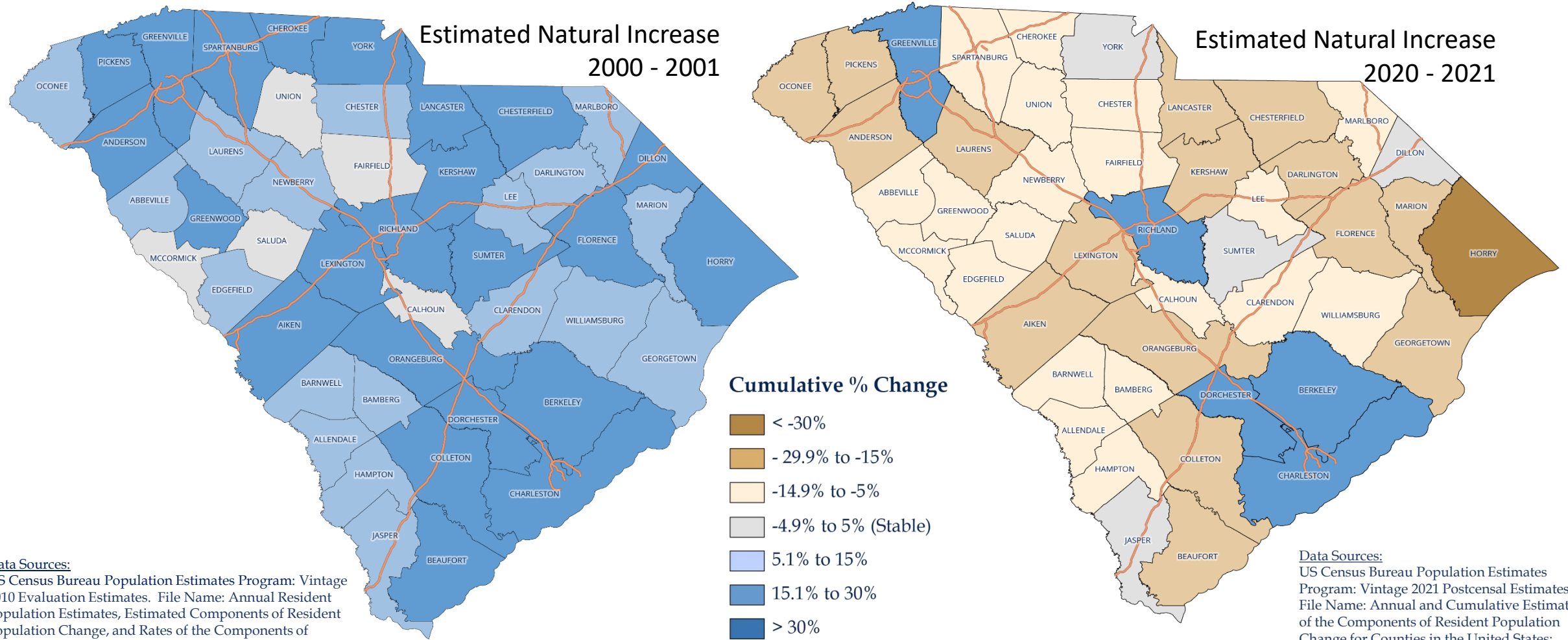
SC BIRTHS AND DEATHS



SC Department of Health and Environmental Control Vital Records Data, SCAN

# South Carolina Components of Population Change – Natural Increase

Dramatic shift in the number of counties experiencing a natural increase from 2001 to 2021

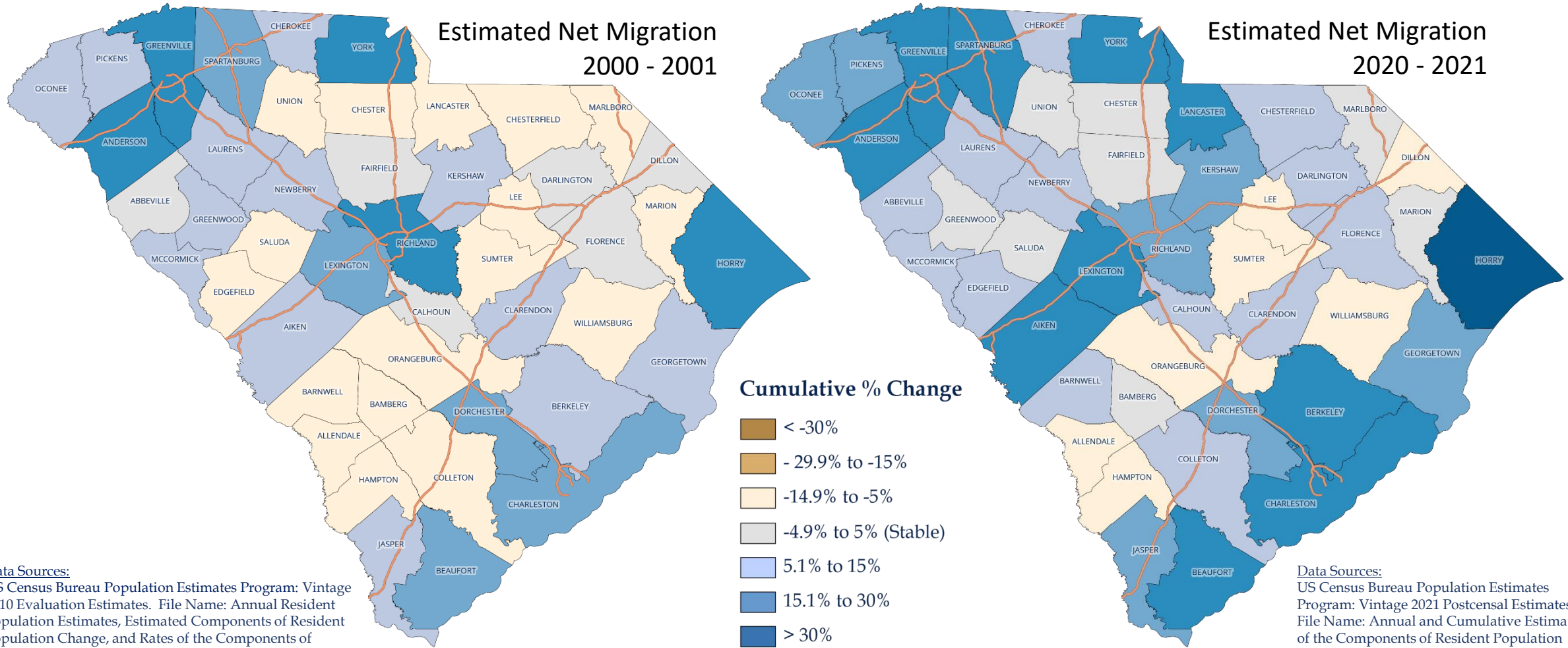


**Data Sources:**  
 US Census Bureau Population Estimates Program: Vintage 2010 Evaluation Estimates. File Name: Annual Resident Population Estimates, Estimated Components of Resident Population Change, and Rates of the Components of Resident Population Change for States and Counties: April 1, 2000 to July 1, 2010 (CO-EST2010-ALLDATA)

**Data Sources:**  
 US Census Bureau Population Estimates Program: Vintage 2021 Postcensal Estimates. File Name: Annual and Cumulative Estimates of the Components of Resident Population Change for Counties in the United States: April 1, 2020 to July 1, 2021 (CO-EST2021-COMP)

# South Carolina Components of Population Change - Net Migration

Only seven counties experienced a loss of more than 50 people due to migration from 2020 to 2021 compared to seventeen from 2000 to 2001



**Data Sources:**  
 US Census Bureau Population Estimates Program: Vintage 2010 Evaluation Estimates. File Name: Annual Resident Population Estimates, Estimated Components of Resident Population Change, and Rates of the Components of Resident Population Change for States and Counties: April 1, 2000 to July 1, 2010 (CO-EST2010-ALLDATA)

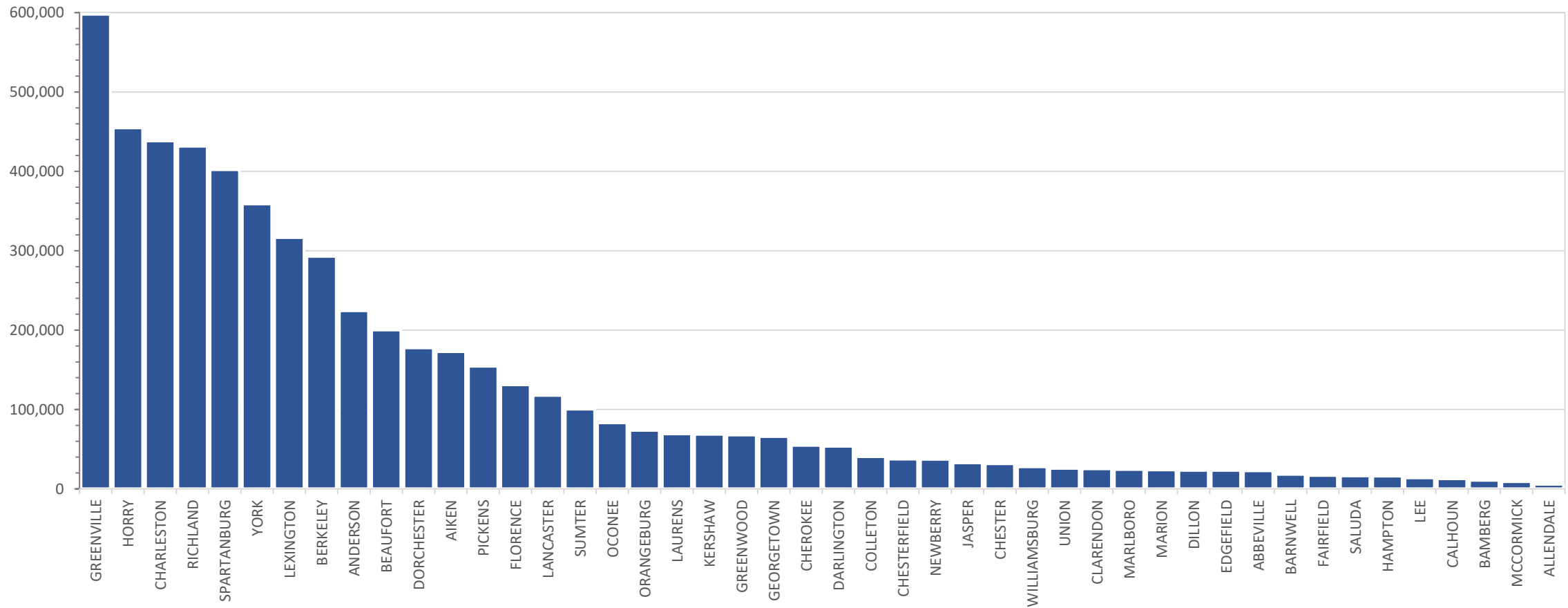
**Data Sources:**  
 US Census Bureau Population Estimates Program: Vintage 2021 Postcensal Estimates. File Name: Annual and Cumulative Estimates of the Components of Resident Population Change for Counties in the United States: April 1, 2020 to July 1, 2021 (CO-EST2021-COMP)

# South Carolina Projected Population, 2030

Five Largest: Greenville, Horry, Charleston, Richland, Spartanburg

Five Smallest: Allendale, McCormick, Bamberg, Calhoun, Lee

TOTAL POPULATION BY COUNTY, 2030



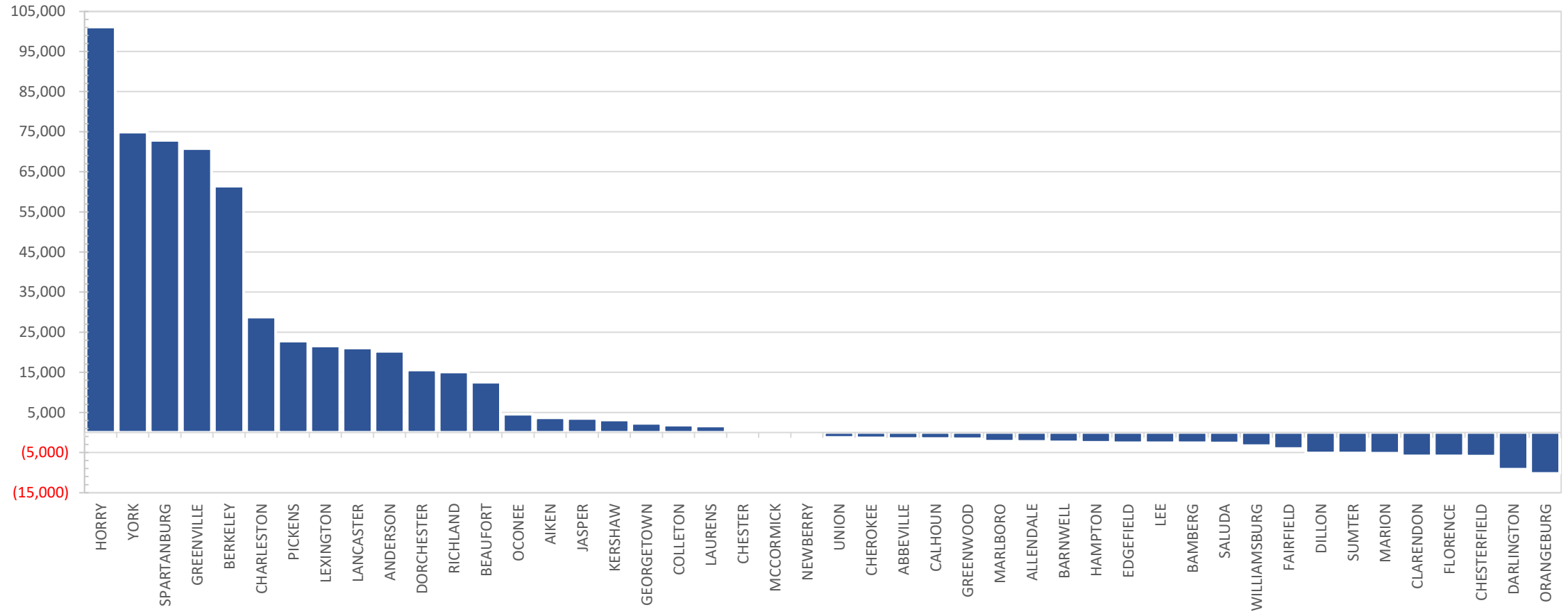
Source: US Census Bureau, Vintage 2021 Postcensal Estimates



# South Carolina Projected Population Change, 2020 - 2030

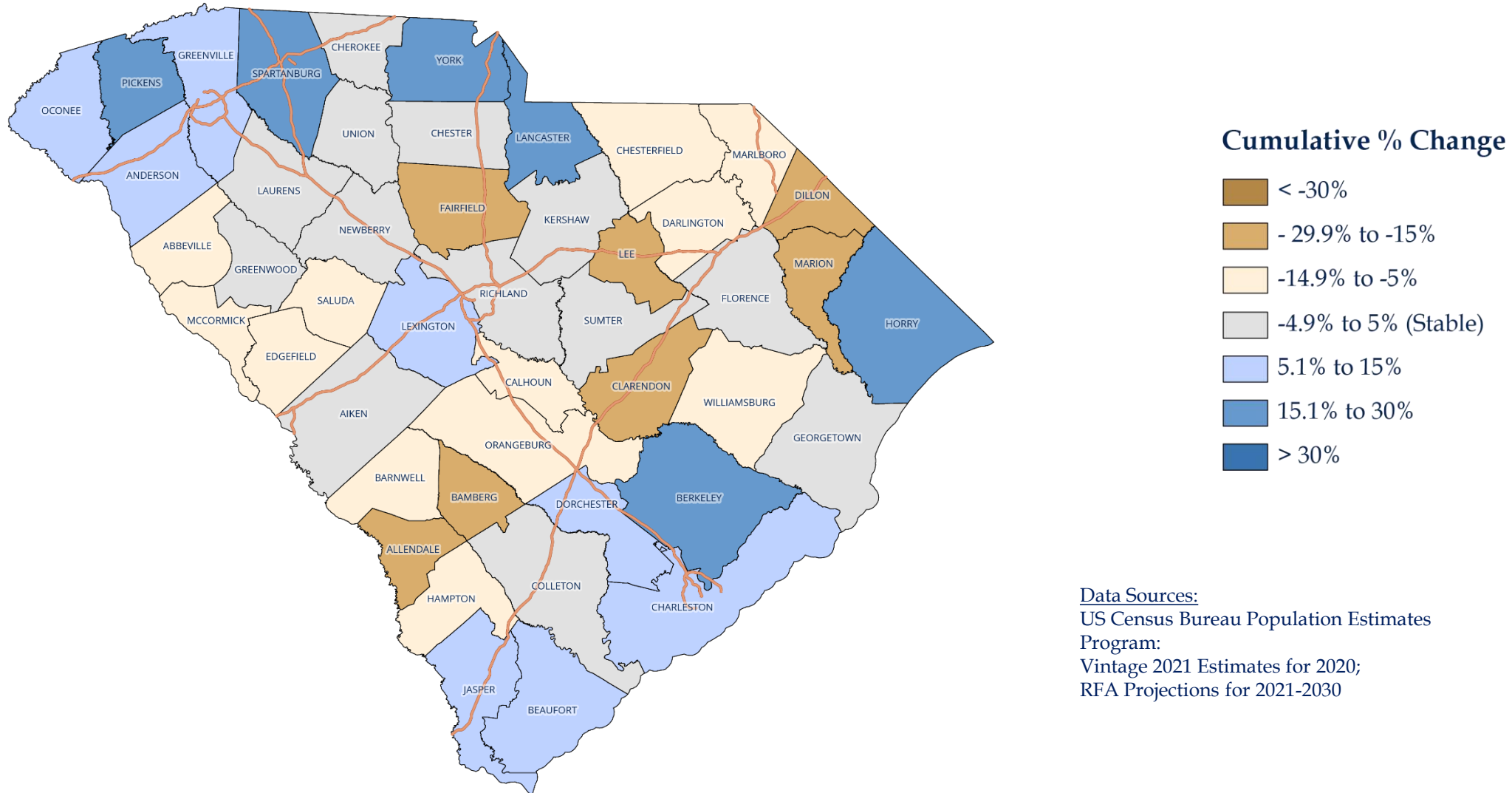
Horry, York, Spartanburg, Greenville, and Berkeley are expected to experience the highest growth

POPULATION CHANGE BY COUNTY FROM 2020 TO 2030



Source: Population Estimates Program Vintage 2020 estimates for 2010, Vintage 2021 estimates for 2020

# South Carolina Projected Total Population Change, 2020 - 2030 By County

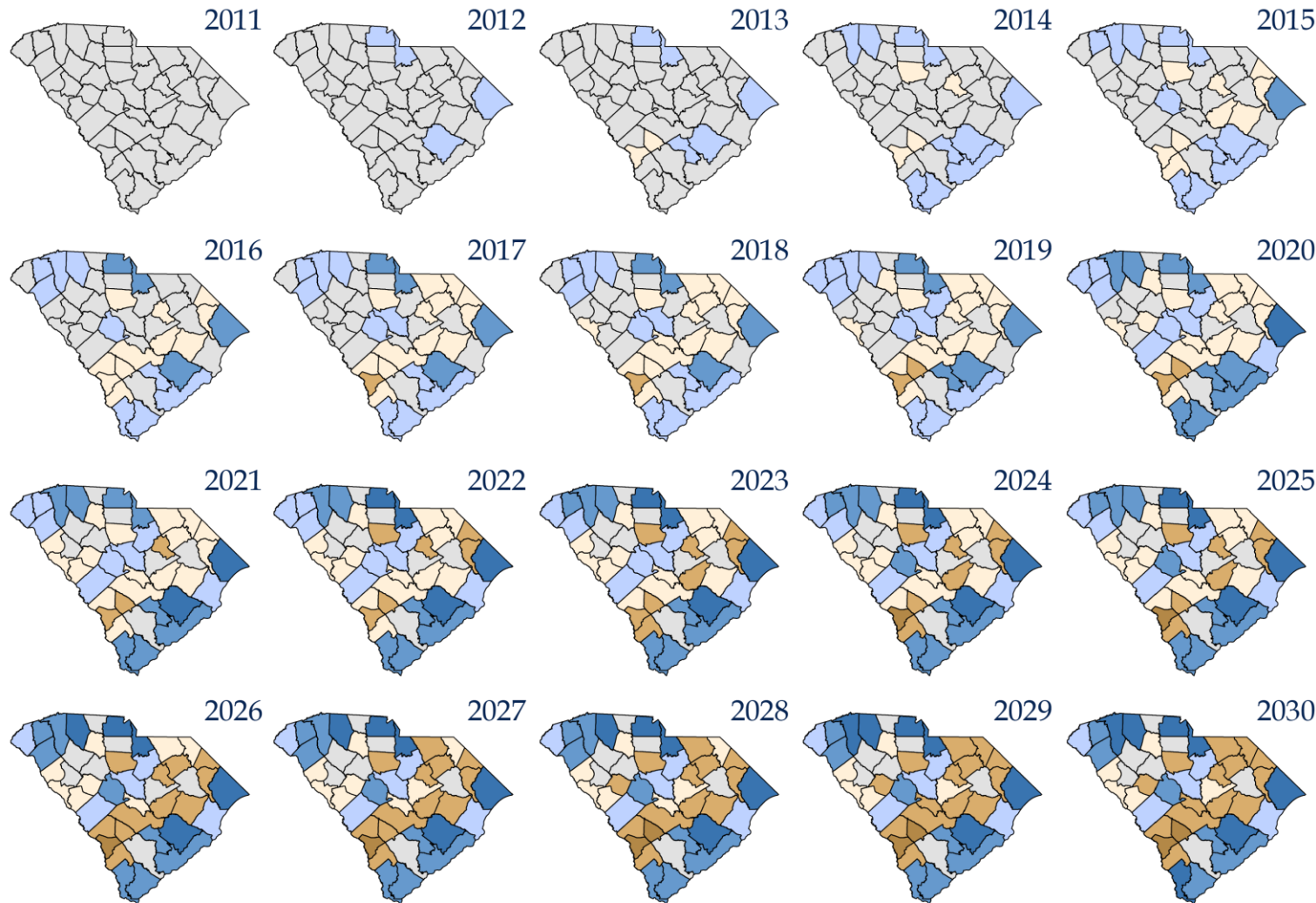


Data Sources:  
 US Census Bureau Population Estimates  
 Program:  
 Vintage 2021 Estimates for 2020;  
 RFA Projections for 2021-2030

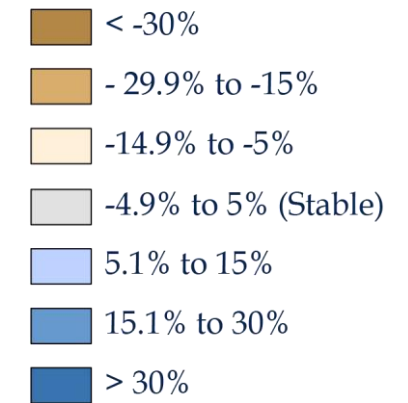


# SC Estimated Cumulative Population Change, 2010 – 2030

## Total Population by County



### Cumulative % Change

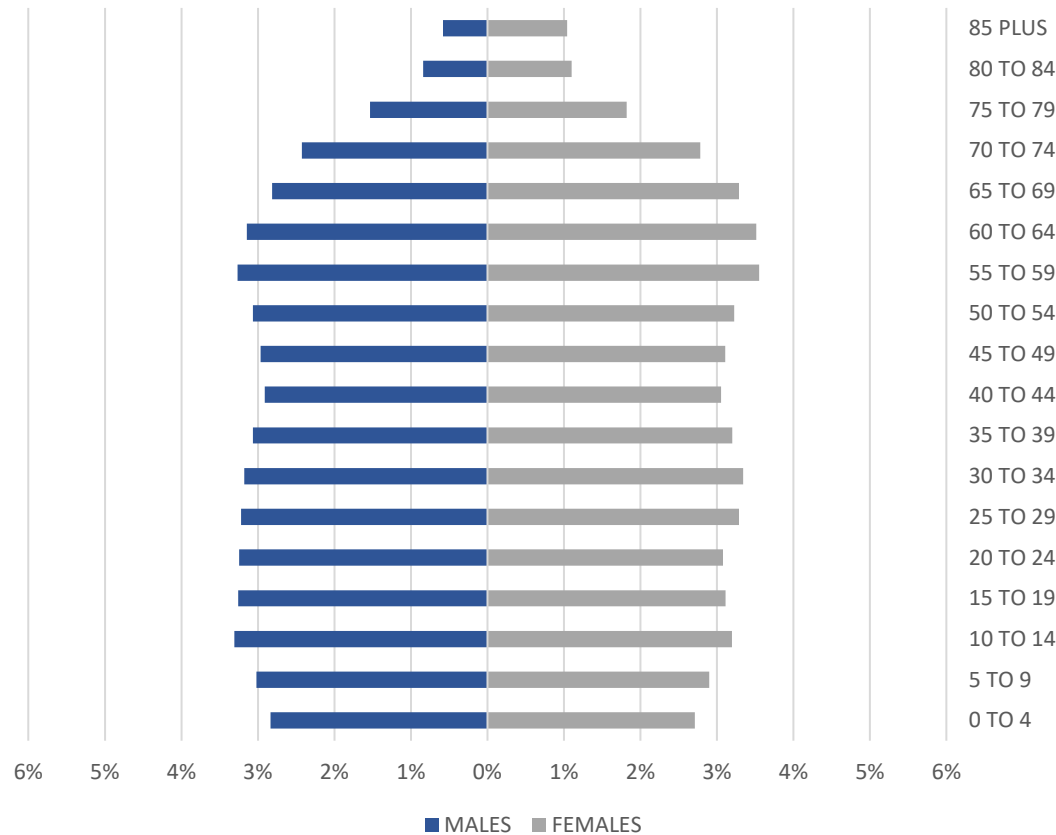


Data Sources:  
 US Census Bureau Population Estimates Program:  
 Vintage 2020 Estimates for 2010 and  
 Vintage 2021 Estimates for 2020;  
 RFA Adjusted Estimates for 2011-2019; RFA  
 Projections for 2021-2030

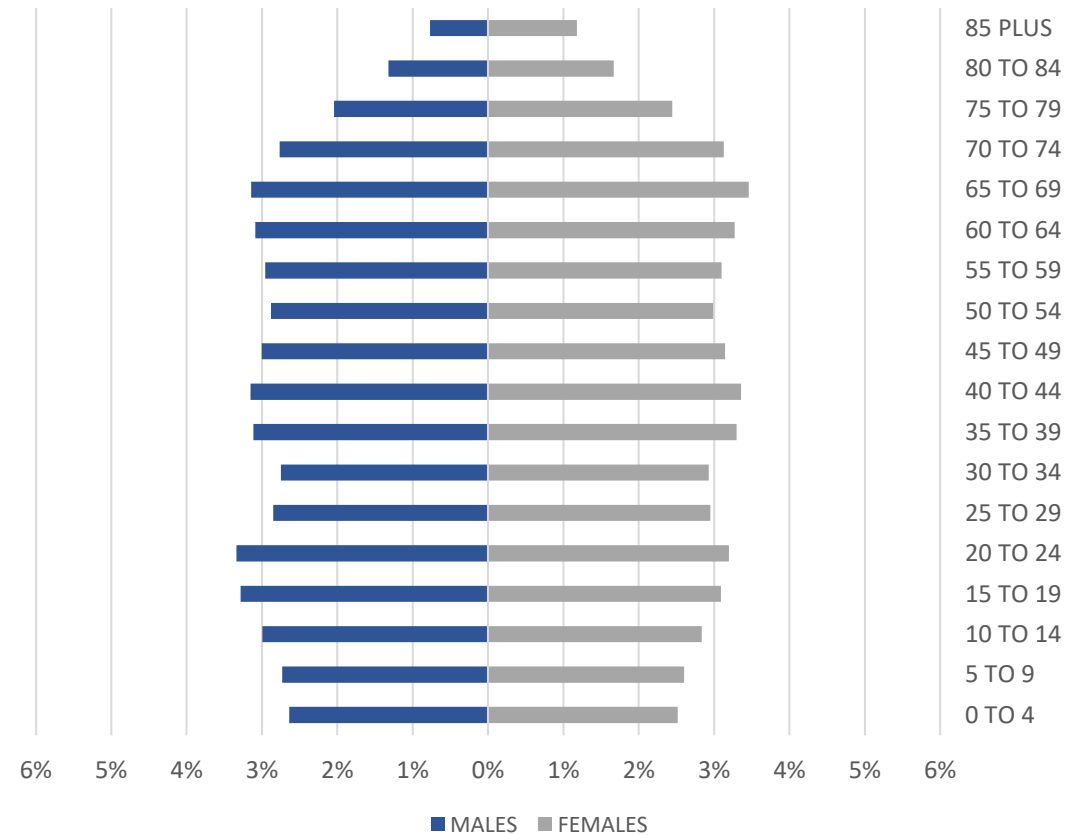
# SC 2030 Population Projections

The median age is expected to increase from 40 to 42 over the next decade; all baby boomers will be older than 65

2020 POPULATION PYRAMID



2030 POPULATION PYRAMID

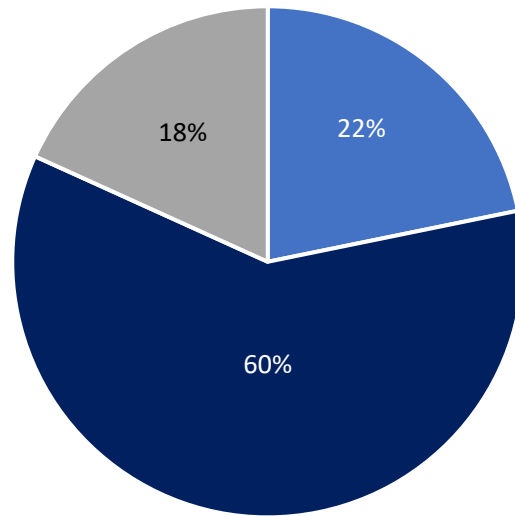




# SC Projected Population Change, 2020 – 2030

The growth in the 65+ age group makes up over 60% of the total population growth

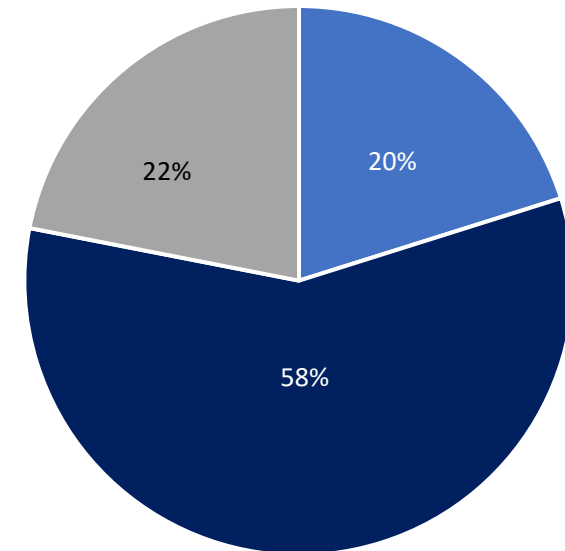
SC PERCENT OF ESTIMATED POPULATION BY AGE GROUP, 2020



■ 0 - 17 ■ 18 - 64 ■ 65+

| SC POPULATION CHANGE |             |     |
|----------------------|-------------|-----|
| AGE GROUP            | 2020 - 2030 | PCT |
| Total                | 471,013     |     |
| 0 - 17               | 10,370      | 2%  |
| 18 - 64              | 167,328     | 36% |
| 65+                  | 293,315     | 62% |

SC PERCENT OF PROJECTED POPULATION BY AGE GROUP, 2030

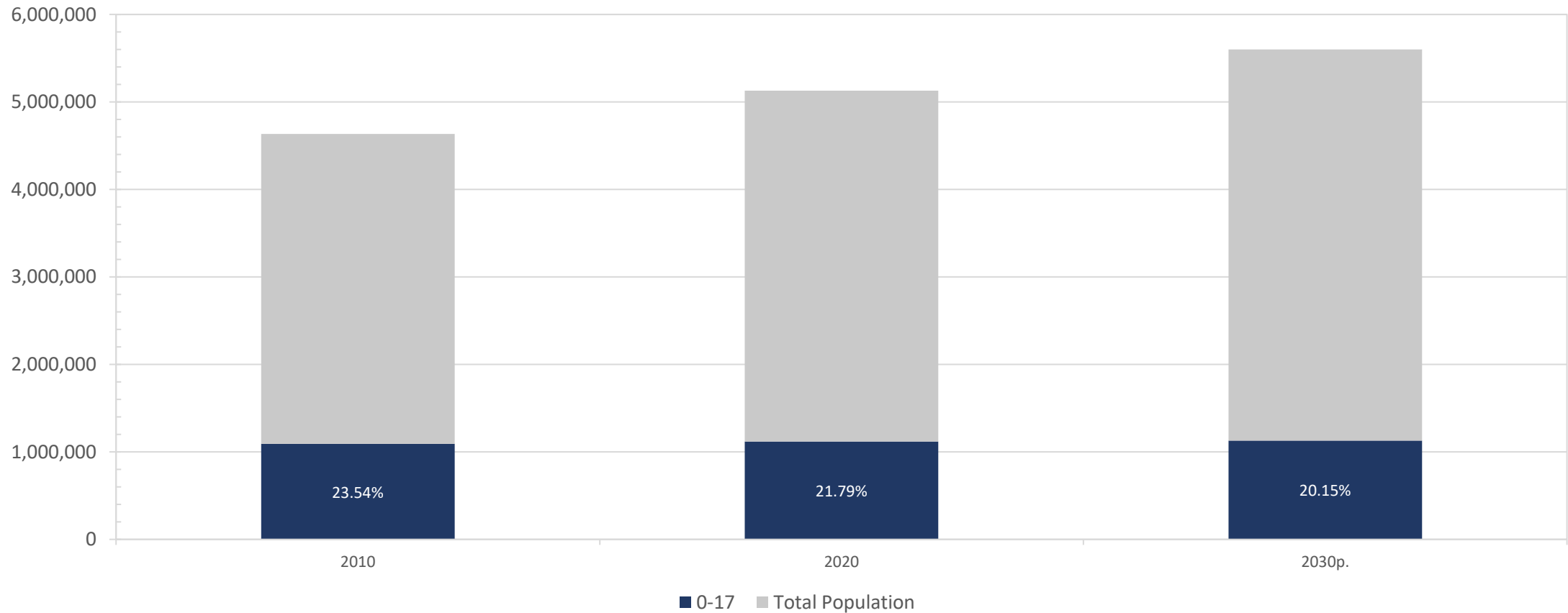


■ 0 - 17 ■ 18 - 64 ■ 65+

# SC Age 0 - 17 Population

## Projected to decline to 20% of total population by 2030

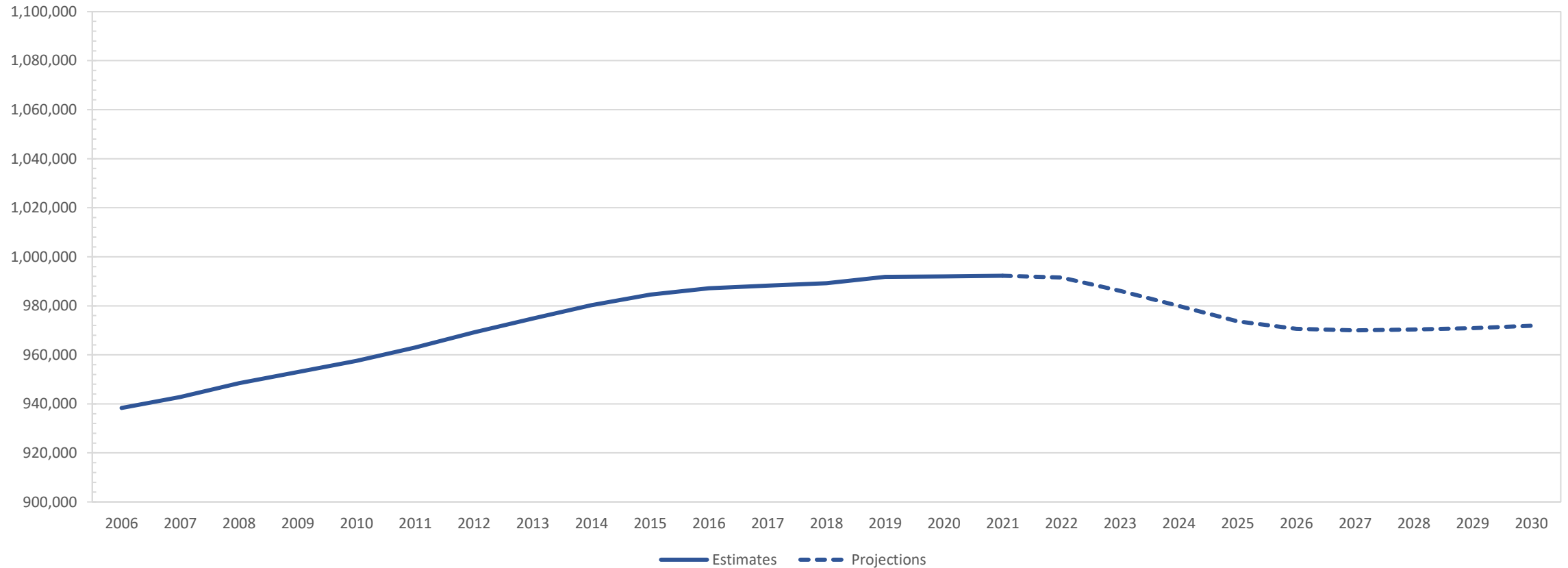
0 – 17 POPULATION AS A PERCENT OF TOTAL POPULATION



# South Carolina 0 – 17 Age Group Based on Births

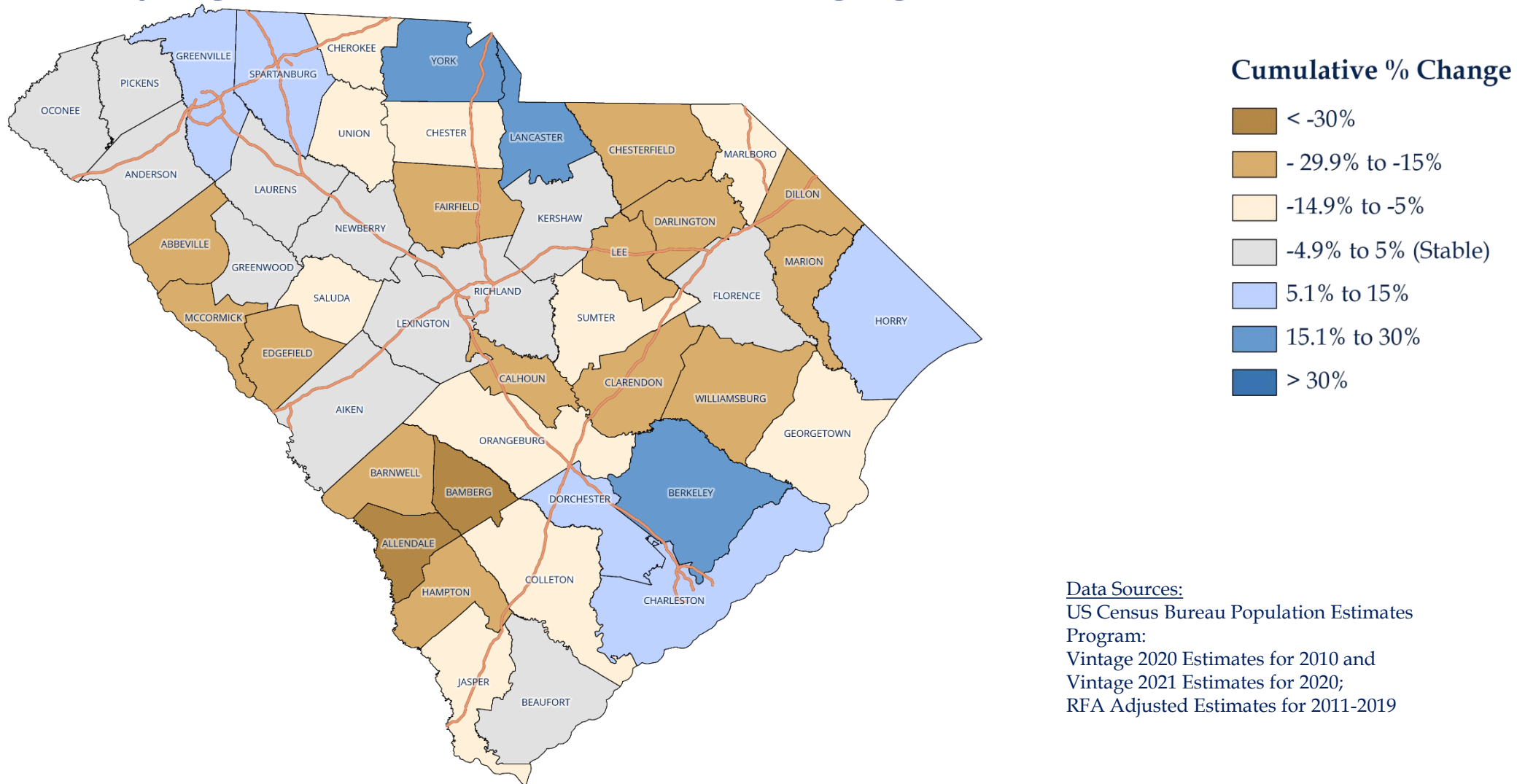
Absent migration, the declining number of births will result in a smaller 0 – 17 population over time.

ROLLING 17 YEAR TOTAL OF BIRTHS



# South Carolina Age 0 – 17 Population Change, 2010 - 2020

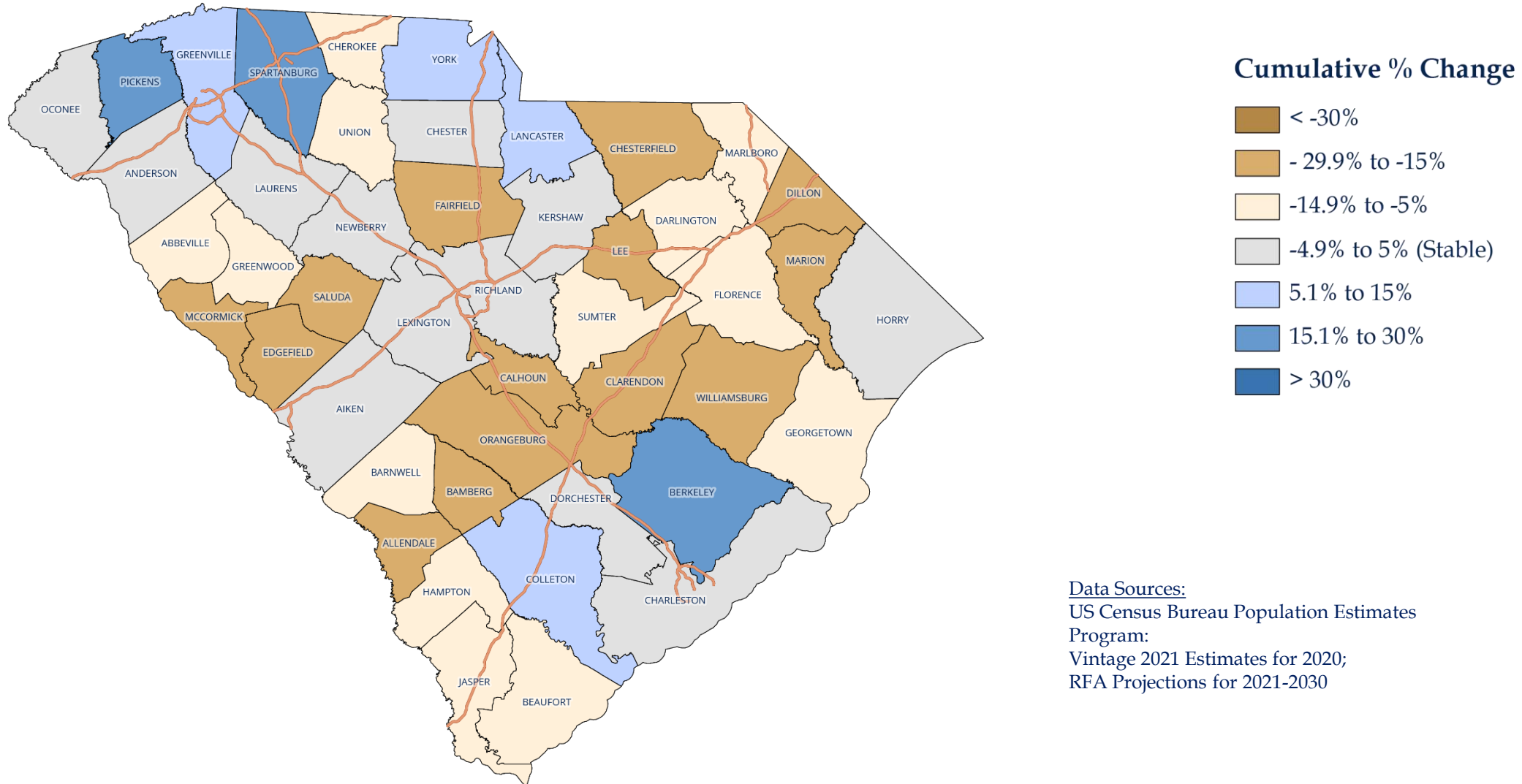
## Only eight counties increased in this age group



Data Sources:  
 US Census Bureau Population Estimates  
 Program:  
 Vintage 2020 Estimates for 2010 and  
 Vintage 2021 Estimates for 2020;  
 RFA Adjusted Estimates for 2011-2019

# South Carolina Projected Age 0 – 17 Population, 2020 - 2030

## Seven counties are projected to increase in this age group

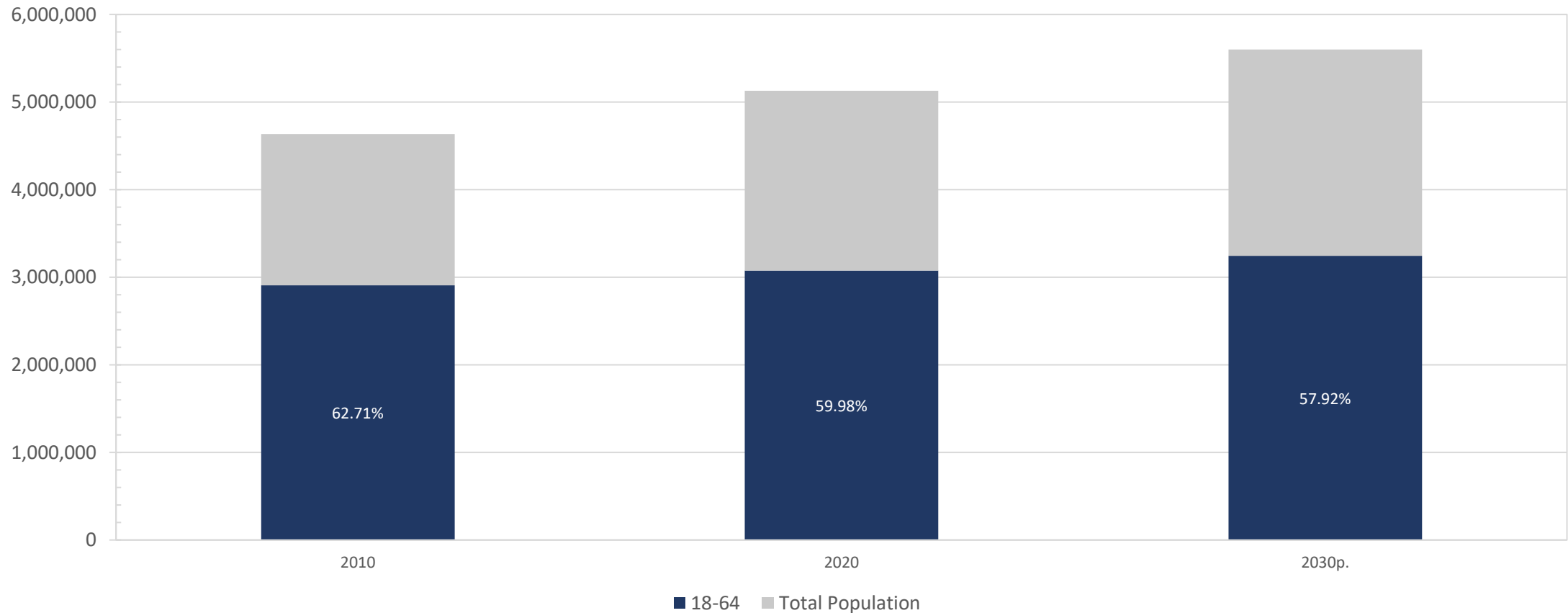


Data Sources:  
 US Census Bureau Population Estimates  
 Program:  
 Vintage 2021 Estimates for 2020;  
 RFA Projections for 2021-2030

# SC Projected Age 18 - 64 Population

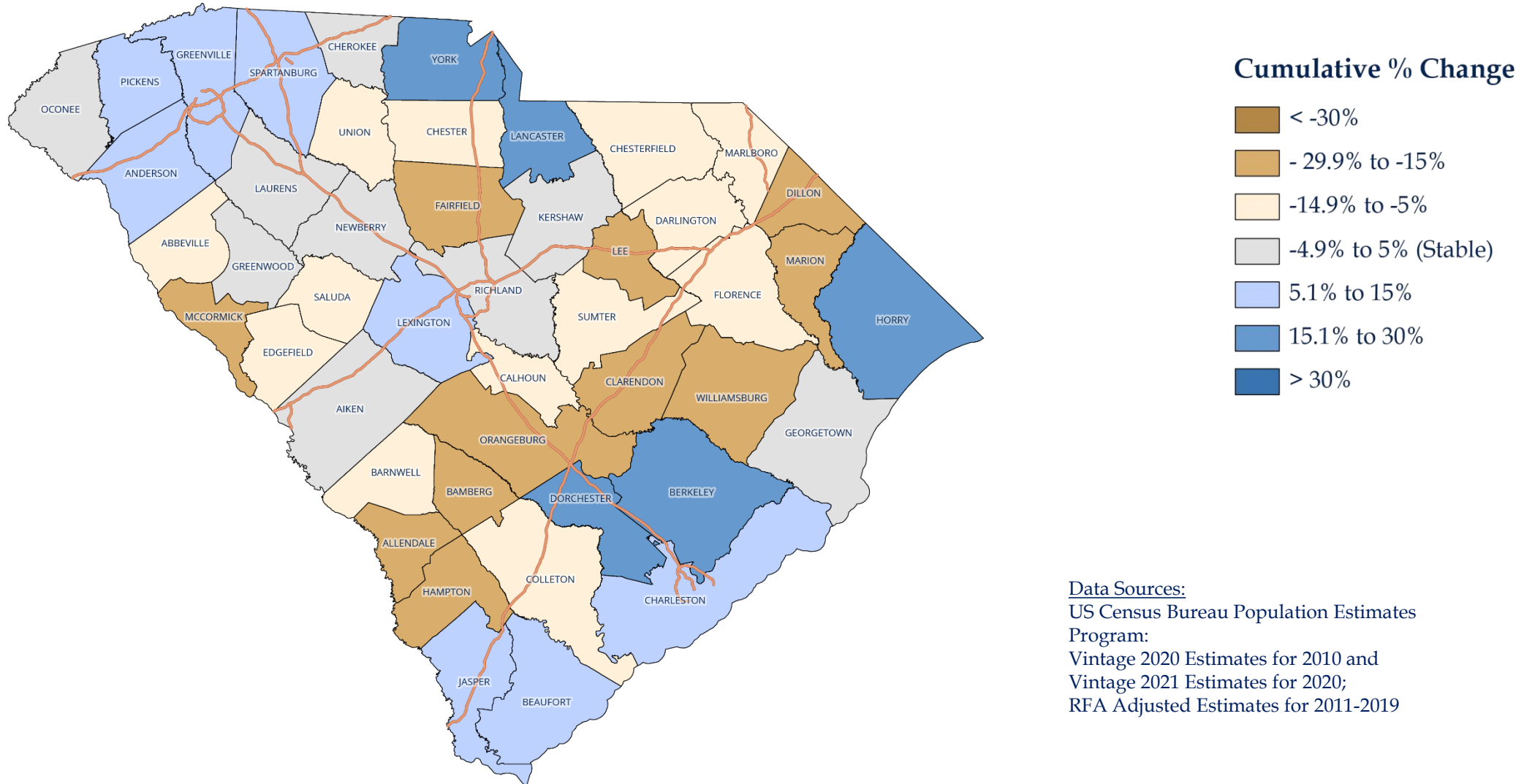
Workforce age population will represent less than 60% of the state's total population in 2030

18 - 64 AS A PERCENT OF TOTAL POPULATION



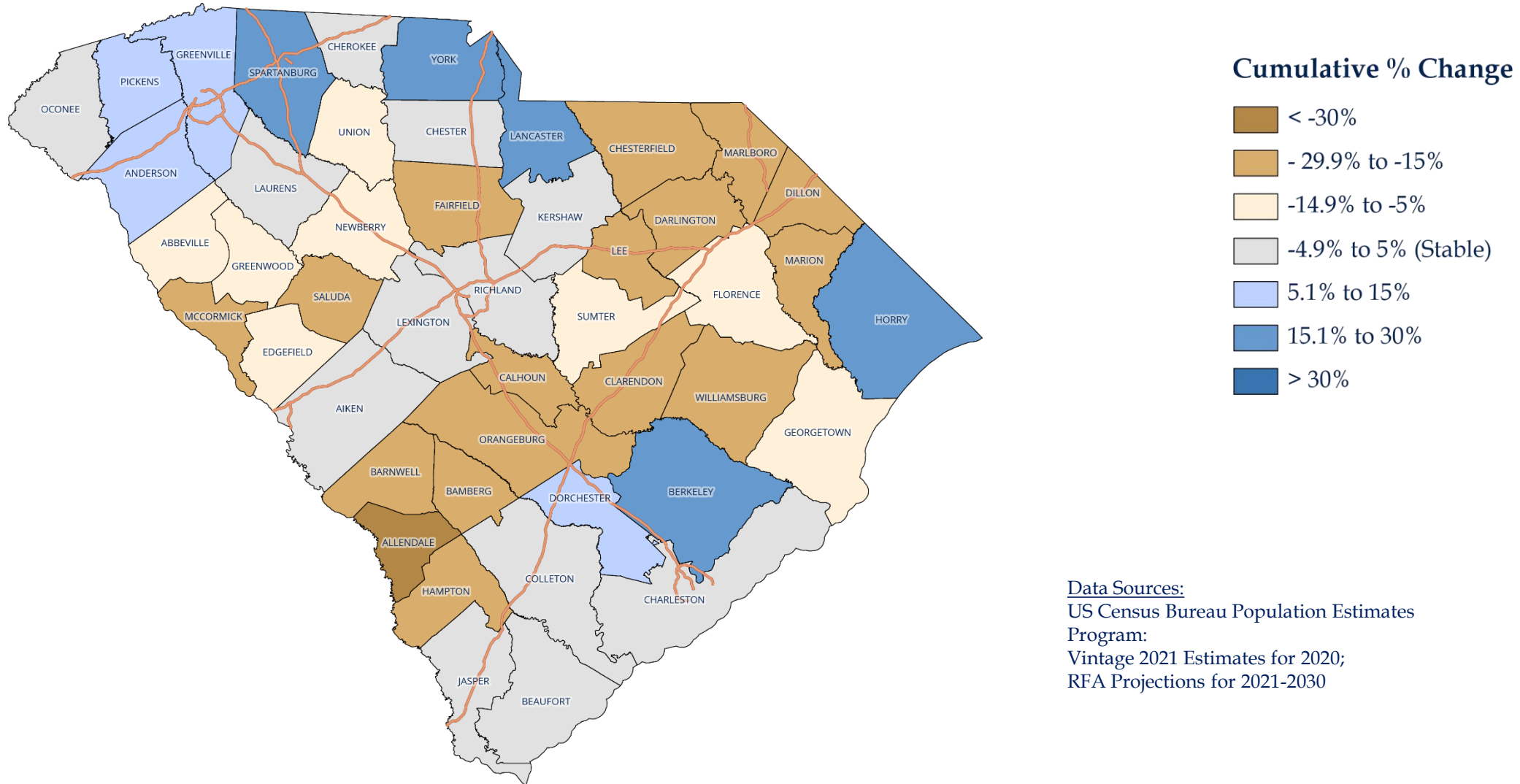
# SC Estimated Workforce Age (18 – 64) Population, 2010 – 2020

## Thirteen counties increased in this age group



# SC Estimated Workforce Age (18 – 64) Population, 2020 – 2030

## Nine counties increased in this age group



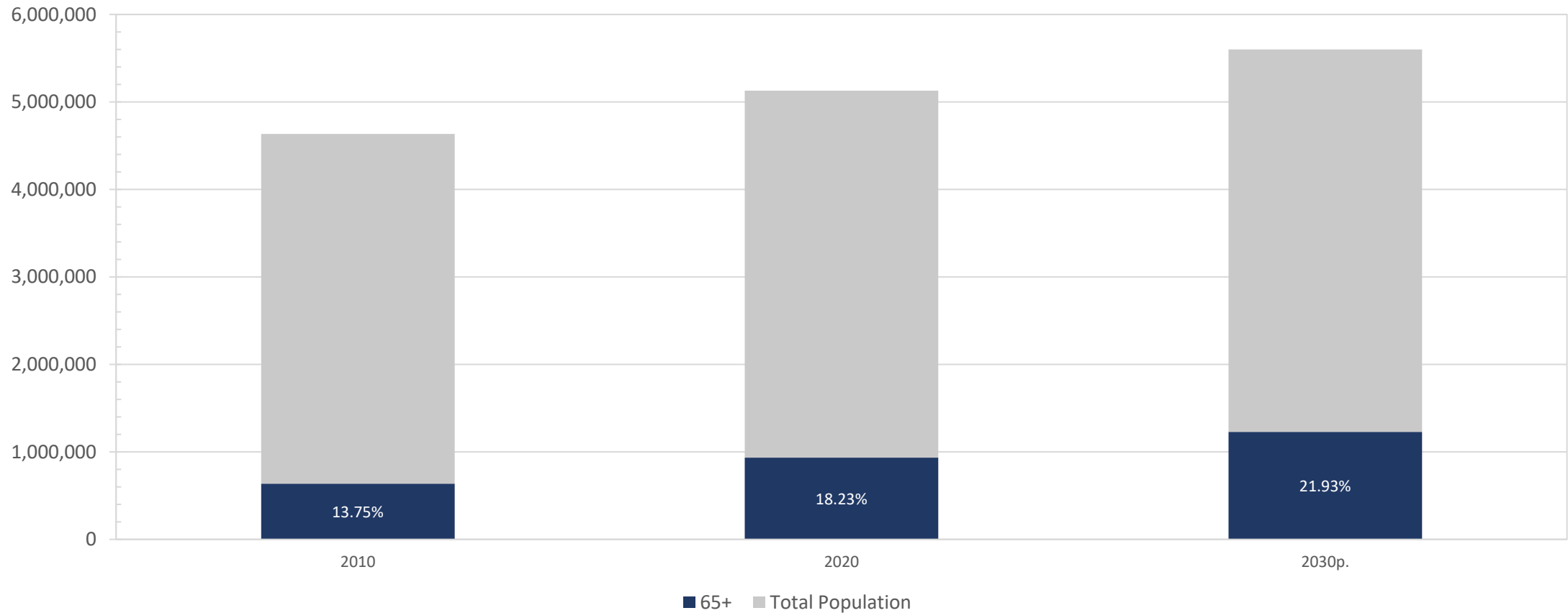
Data Sources:  
 US Census Bureau Population Estimates  
 Program:  
 Vintage 2021 Estimates for 2020;  
 RFA Projections for 2021-2030



# SC Projected Age 65+ Population

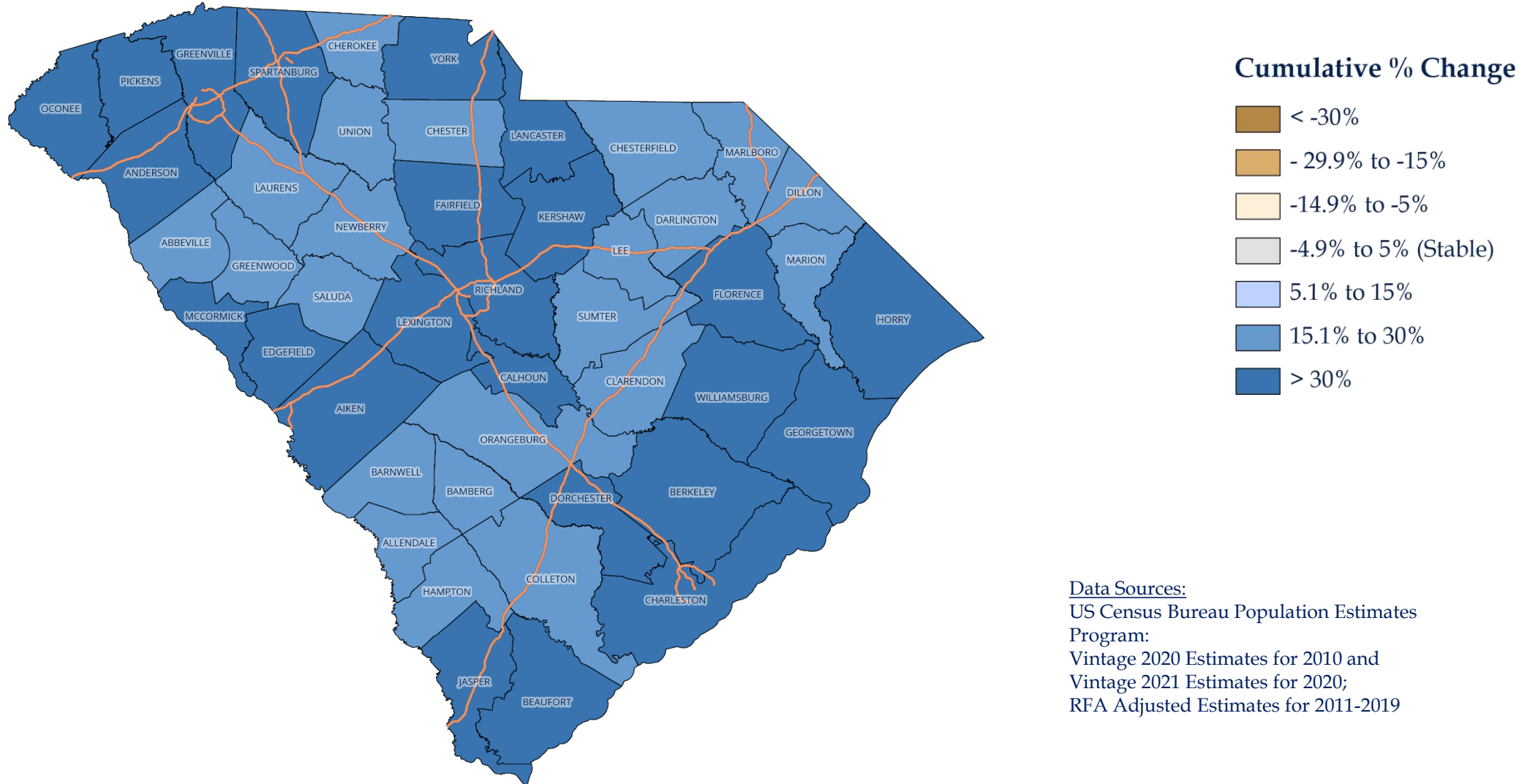
Projected to increase to approximately 22% of total population by 2030

65+ AS A PERCENT OF TOTAL POPULATION



# SC Estimated Retirement Age (65+) Population, 2010 - 2020

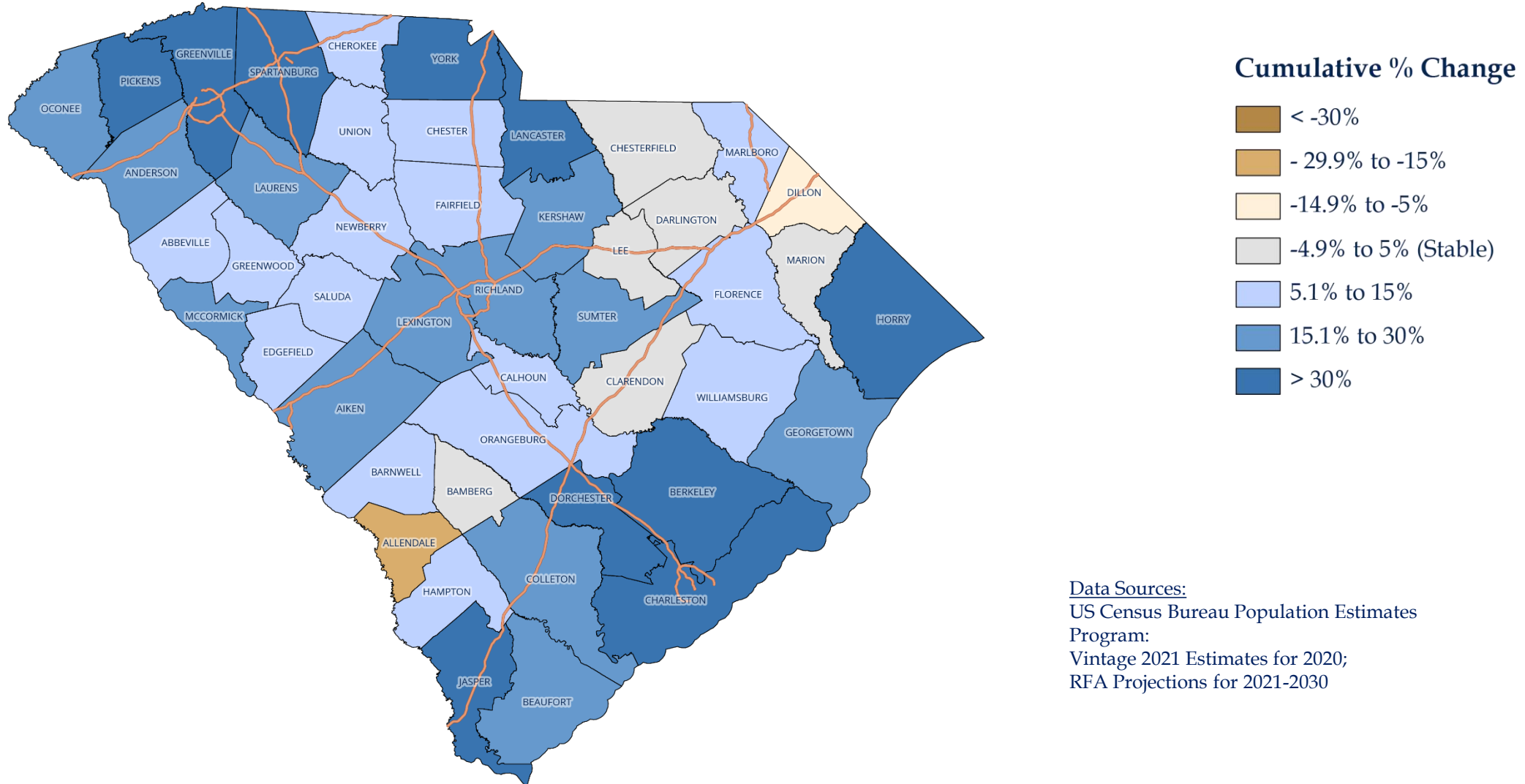
All counties experienced an increase in this age group



Data Sources:  
US Census Bureau Population Estimates  
Program:  
Vintage 2020 Estimates for 2010 and  
Vintage 2021 Estimates for 2020;  
RFA Adjusted Estimates for 2011-2019

# SC Estimated Retirement Age (65+) Population, 2020 - 2030

## Thirty-eight counties experienced an increase in this age group



Data Sources:  
 US Census Bureau Population Estimates  
 Program:  
 Vintage 2021 Estimates for 2020;  
 RFA Projections for 2021-2030

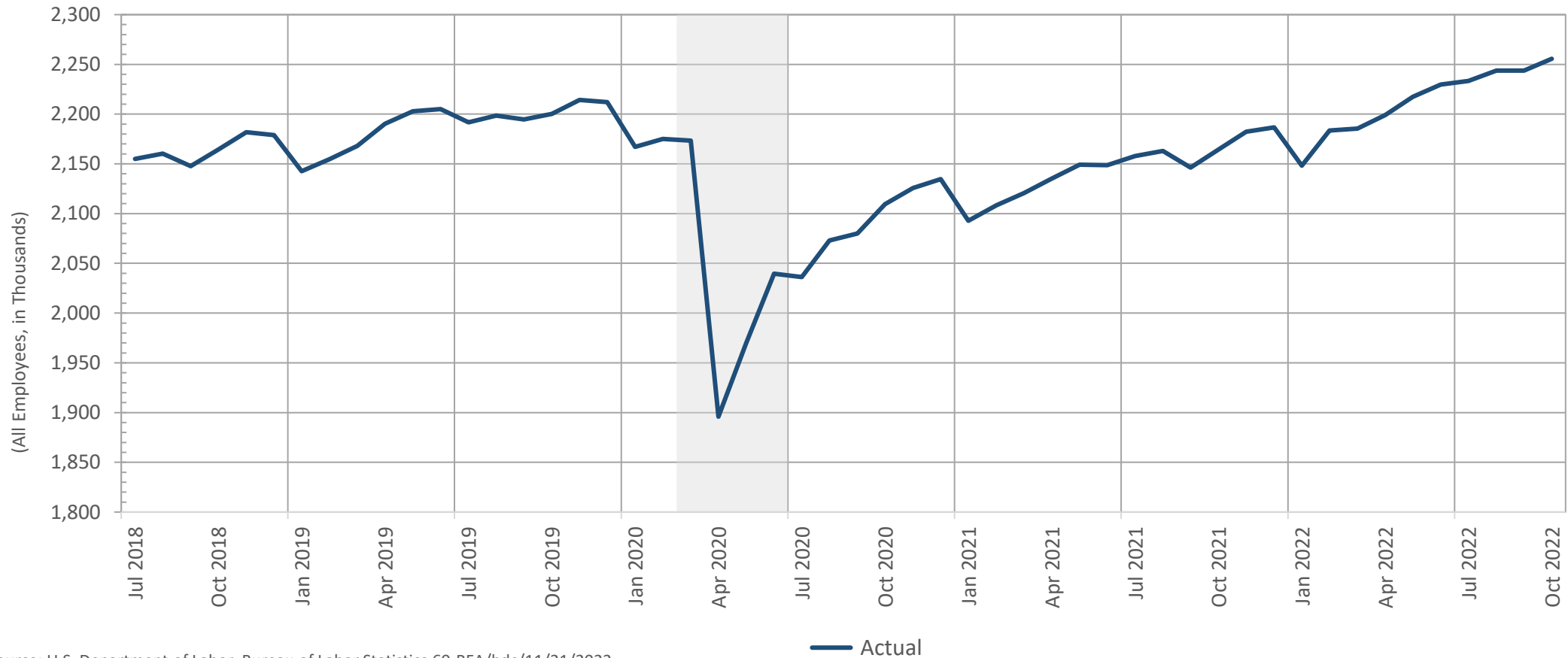
# Workforce Trends and Challenges



# SC Employment

## Employment has exceeded pre-pandemic levels

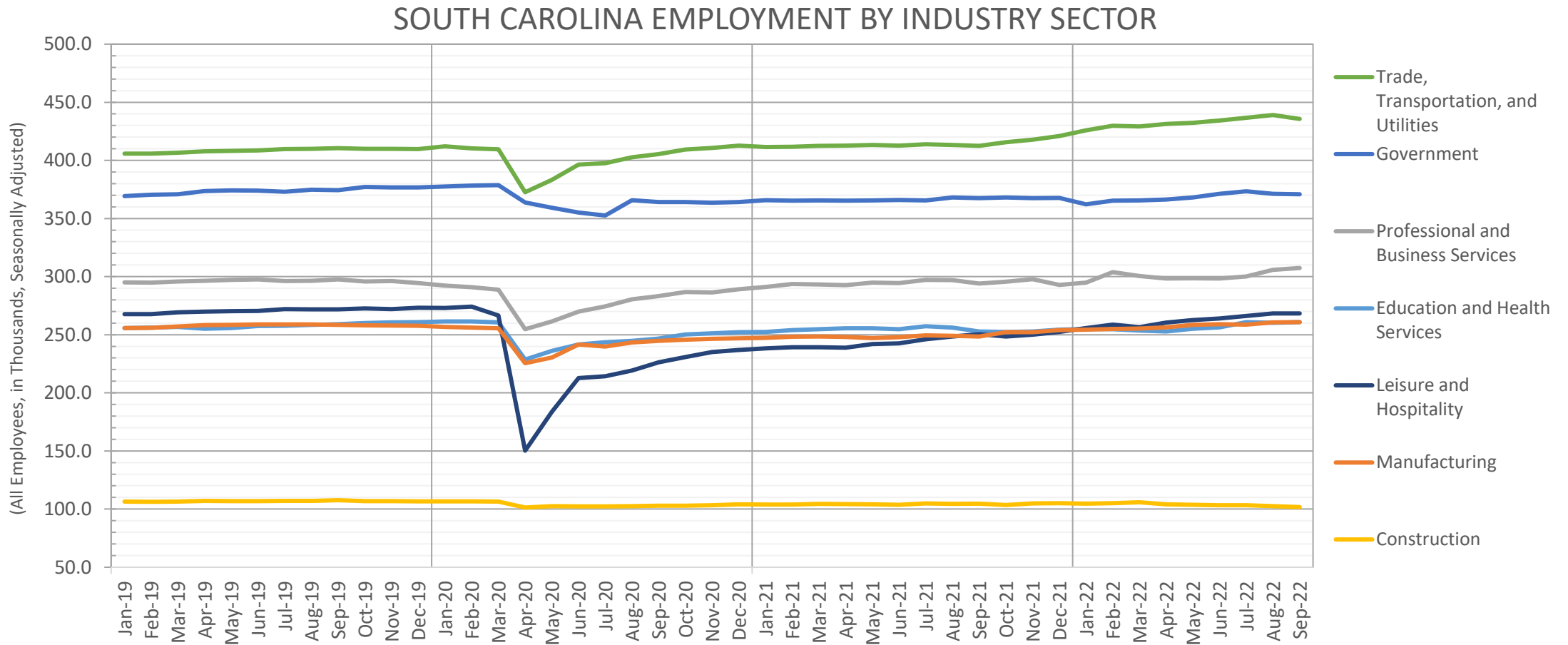
TOTAL NONFARM EMPLOYMENT IN SOUTH CAROLINA



Source: U.S. Department of Labor, Bureau of Labor Statistics 60-RFA/bdc/11/21/2022

# SC Employment by Industry

Not all sectors have recovered to pre-pandemic employment levels;  
Government is below pre-pandemic levels

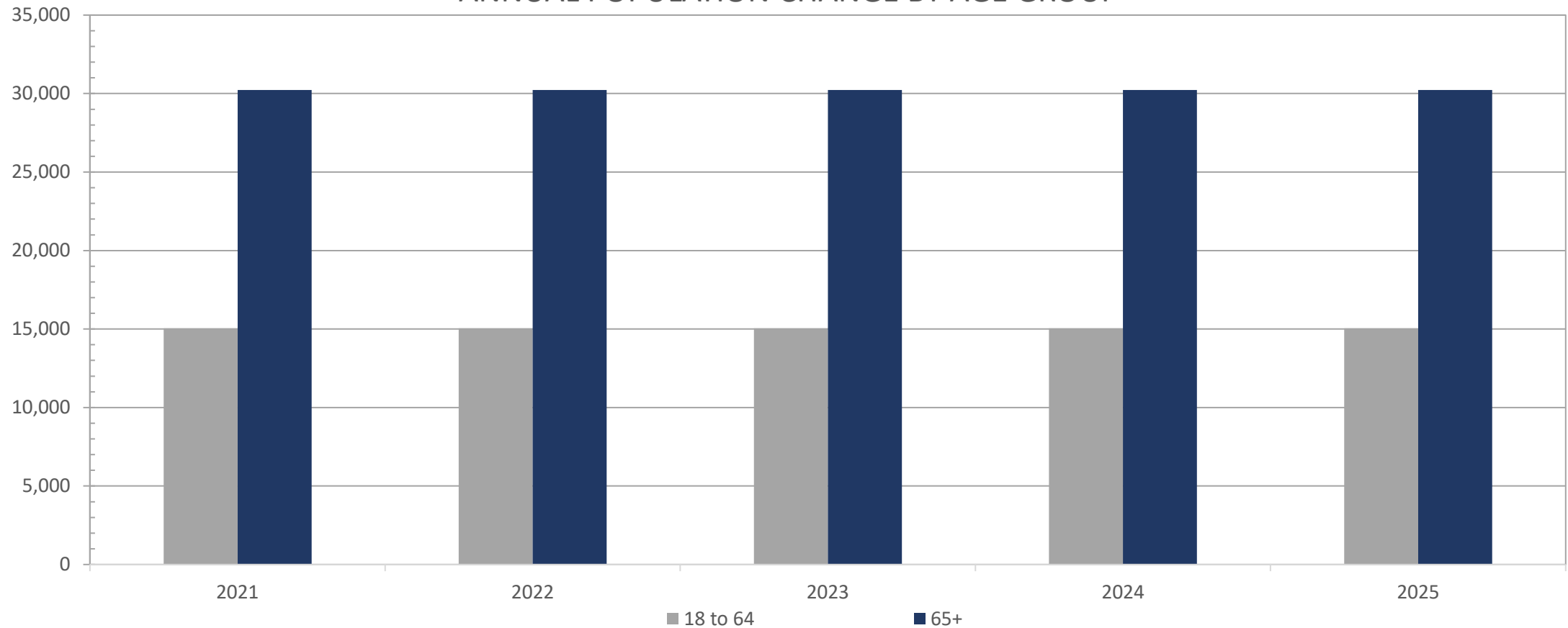


Source: U.S. Bureau of Labor Statistics 325-RFA/lhj/10/24/2022

# SC Projected Population Change by Age Group, 2021 – 2025

The growth in the retiree age group is approximately twice that of the workforce age group

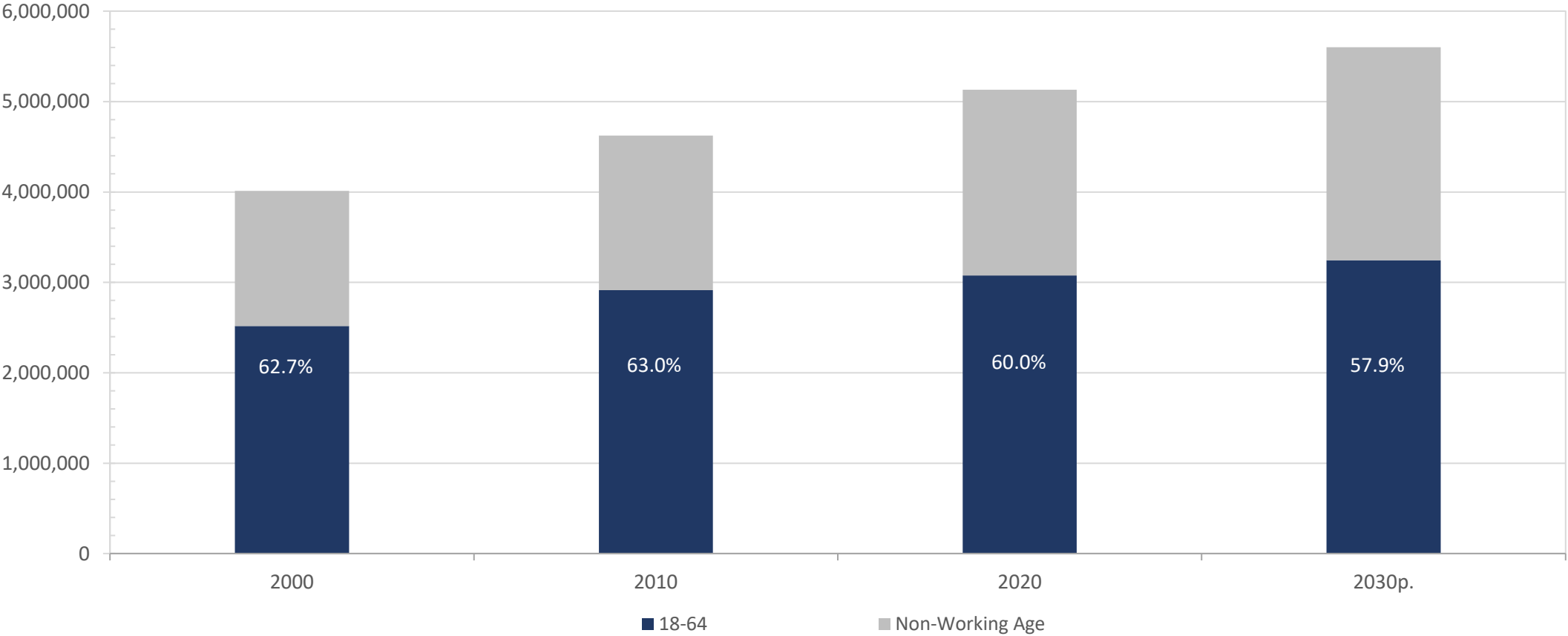
ANNUAL POPULATION CHANGE BY AGE GROUP



# SC Workforce Population, Age 18 - 64

The workforce age population is expected to comprise a smaller percentage of the total SC population; employers may be faced with more demand for goods and services but a relative smaller pool of workers

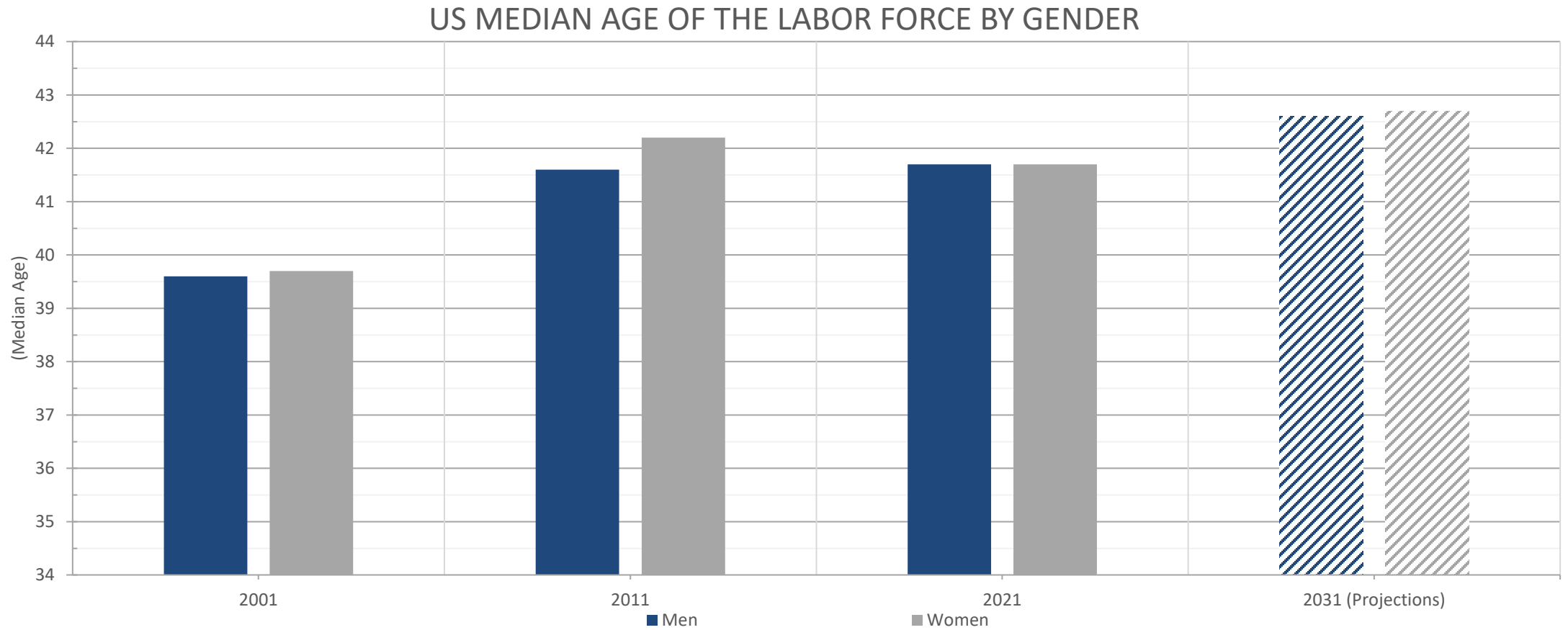
WORKING AGE VS TOTAL POPULATION





# US Median Age of the Labor Force

The median age remained almost the same for men but fell for women from 2011 to 2021; both are projected to increase by one year to 42.6 and 42.7, respectively, by 2031



Data Source: U.S. Bureau of Labor Statistics, Employment Projections Program as of 9/8/2022 326A-RFA/lpw/10/25/22

# US Unemployed Persons Per Job Opening

The US labor market remains at historic levels of tightness as employers compete over a smaller pool of potential workers

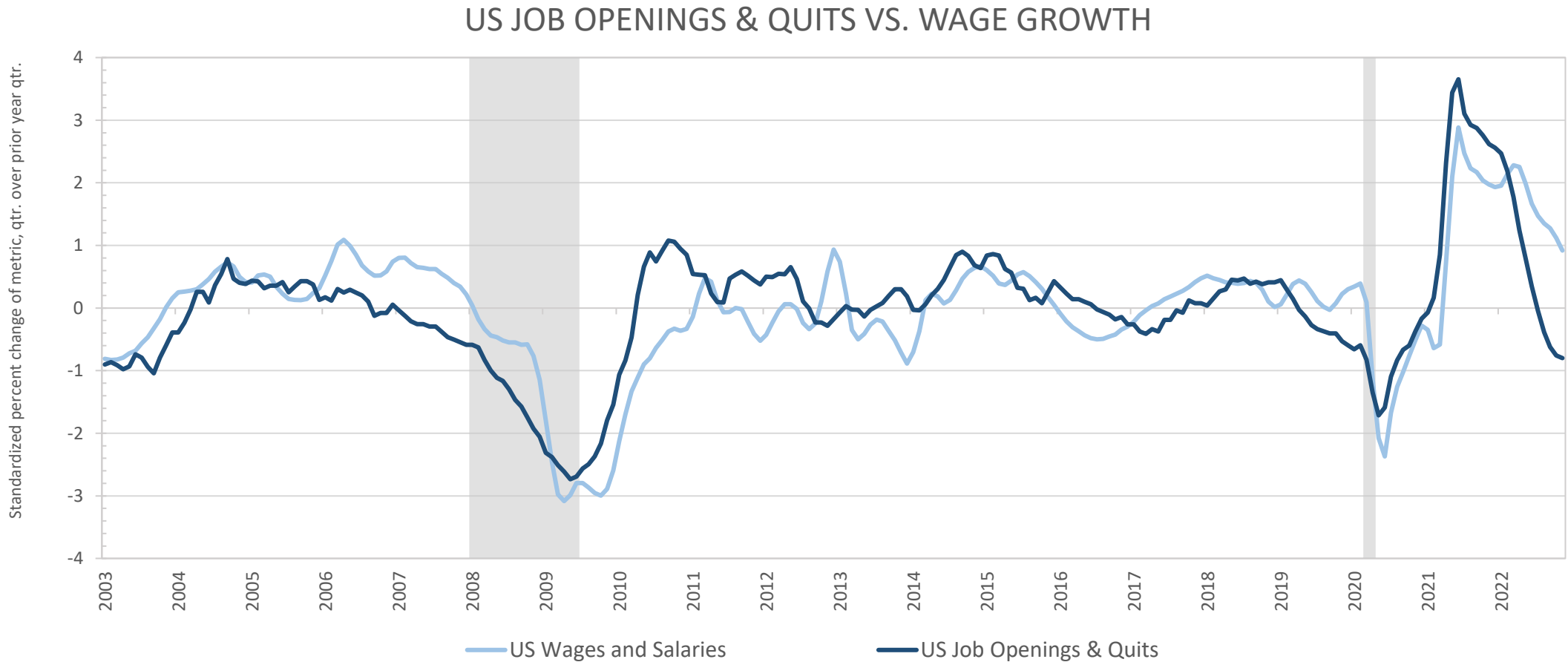


Source: U.S. Bureau of Labor Statistics, CPS and JOLTS; 259A - RFA/bdc/11/21/2022



# Wages and the Labor Market

Wage growth and labor market tightness remain above historical levels but continue to slow

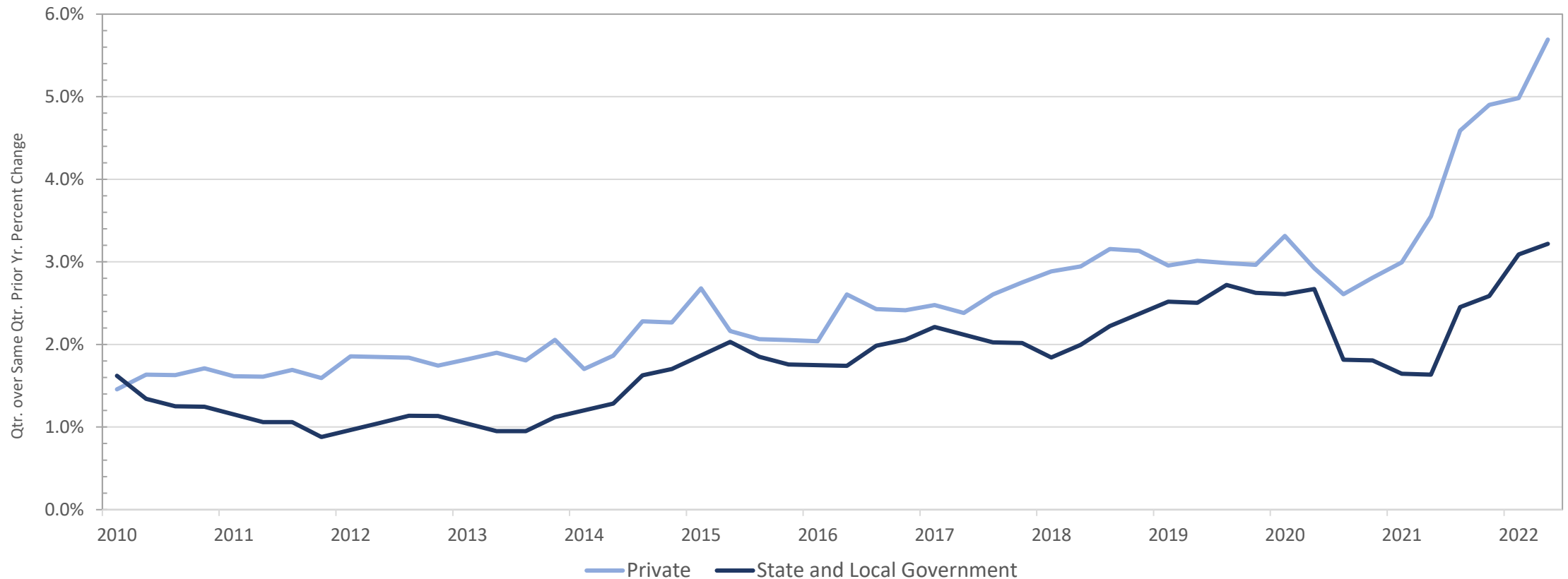


Source: U.S. Bureau of Economic Analysis, Compensation of Employees, Received; U.S. Bureau of Labor Statistics, JOLTS; 309A - RFA/bdc/12/8/2022

# US Wage and Salary Growth

Private sector wage growth has far outpaced the public sector since the pandemic; competition for workers is driving up wages, and government sectors are lagging behind

US WAGE AND SALARY GROWTH



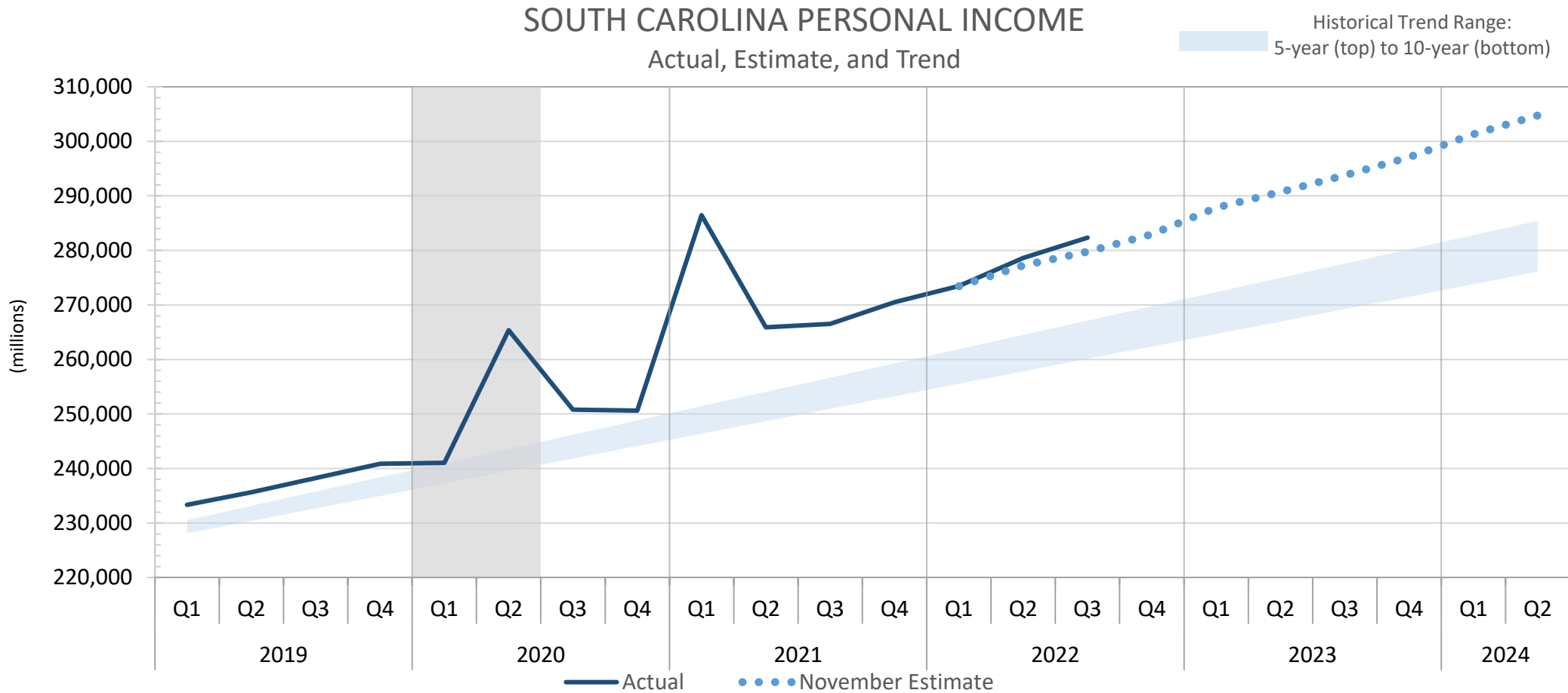
Source: U.S. Bureau of Labor Statistics, Employment Cost Index: Wages and Salaries: Private Industry Workers, State and Local Government Workers 318-RFA/Ihj/08/26/2022

# Economic and Budget Outlook



# SC Personal Income

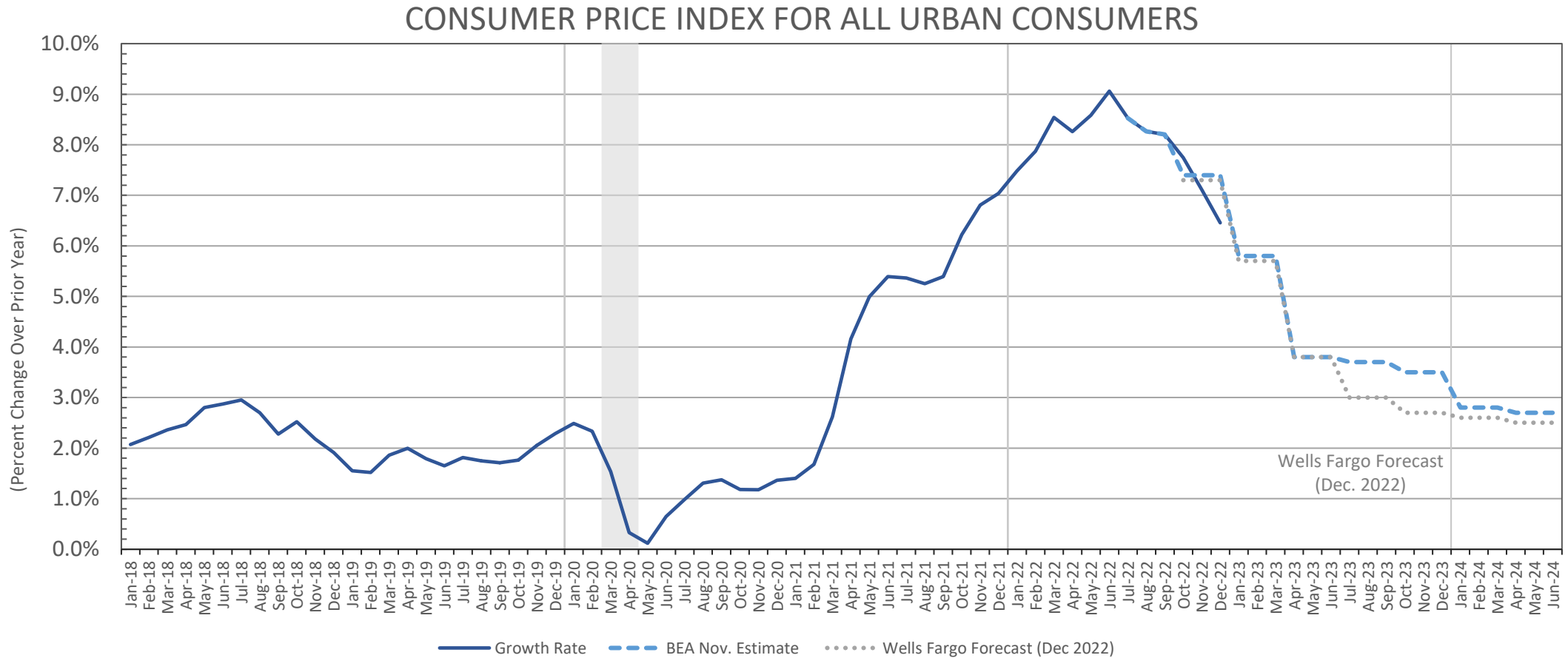
Actual 2022 Q3 personal income was slightly above estimated, driven by higher-than-expected wage growth (9.1% forecasted, 10.4% actual)



Data Source: U.S. Department of Commerce, Bureau of Economic Analysis; S.C. Board of Economic Advisors-RFA/bdc/12/30/2022

# Consumer Price Index

## Inflation remains elevated but is trending down and is slightly below expectations



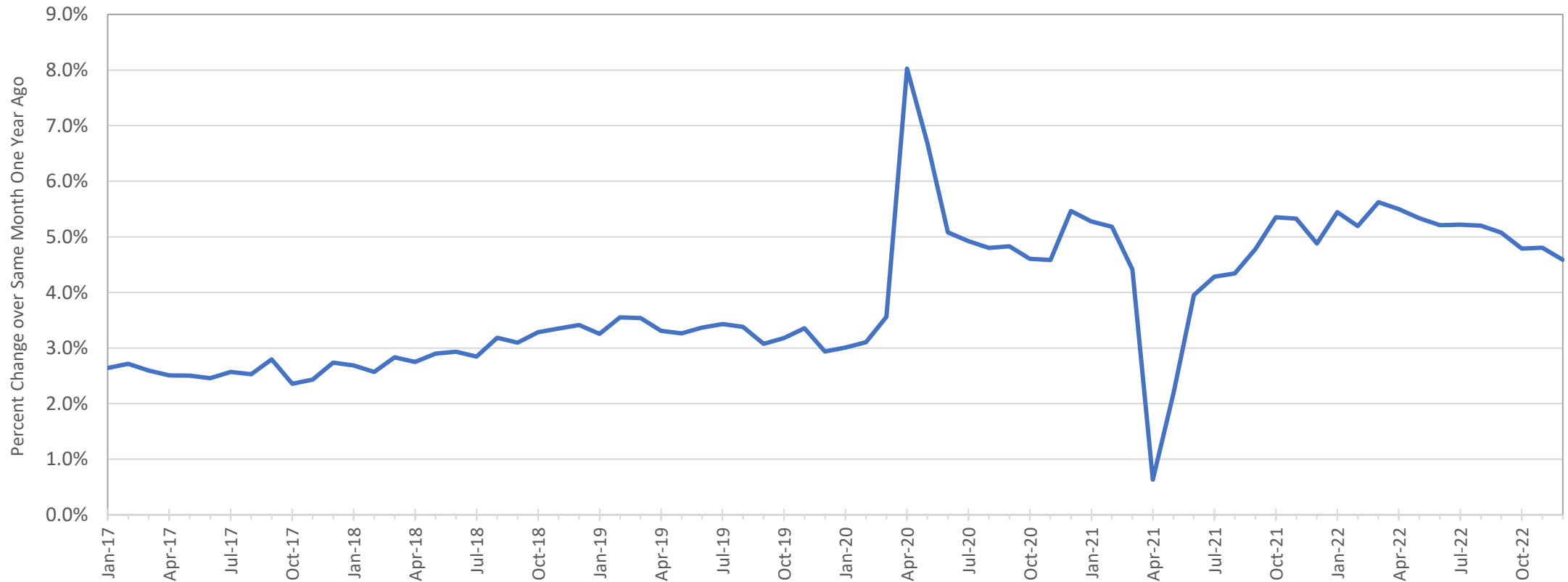
Source: U.S. Department of Labor, Bureau of Labor Statistics; Wells Fargo US Economic Outlook 216 - RFA/lhj/01/12/2023



# US Wage Growth – Percent Change

Wage growth continues to slow, declining to 4.6% in December 2022 but remains above historical levels

US AVERAGE HOURLY EARNINGS OF ALL EMPLOYEES, TOTAL PRIVATE  
Percent Change



Source: U.S. Bureau of Labor Statistics, Average Hourly Earnings of All Employees, retrieved from FRED 309D - RFA/lhj/01/11/2023

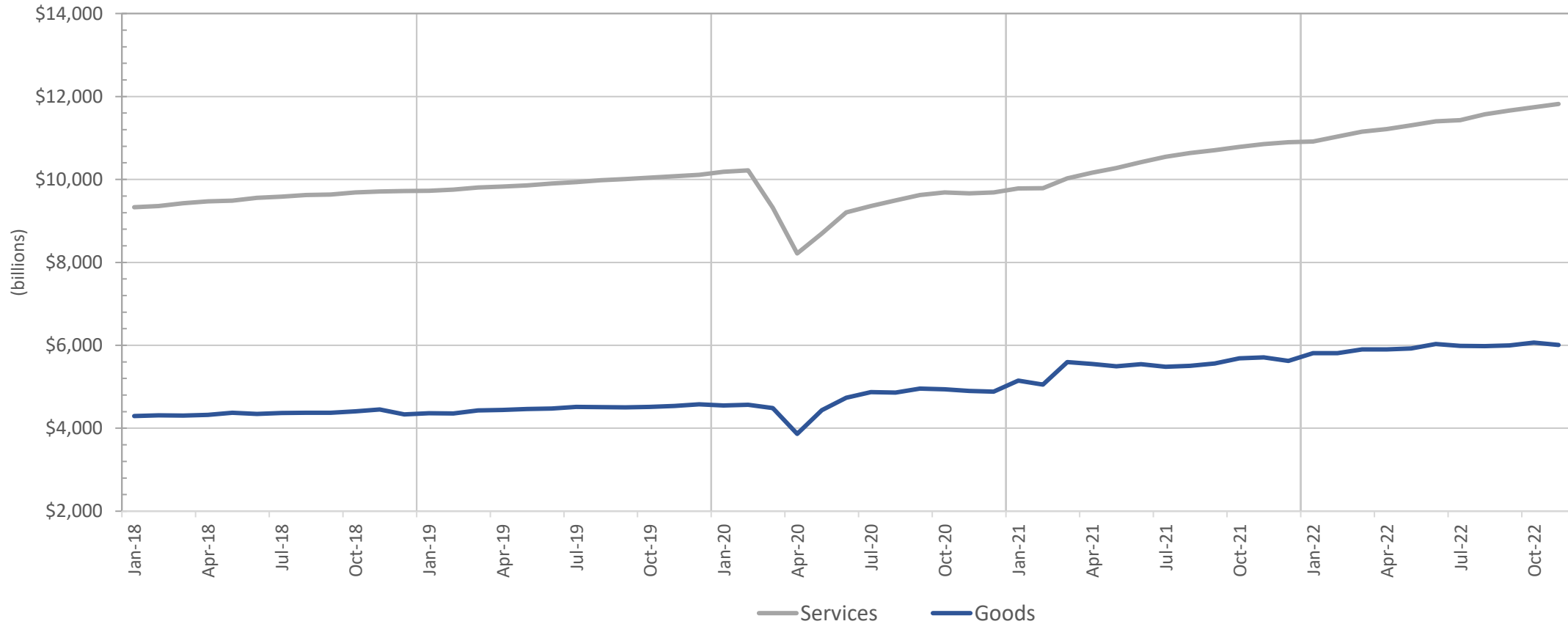




# U.S. Consumer Spending

Consumers are spending more on services while purchases of goods have flattened out

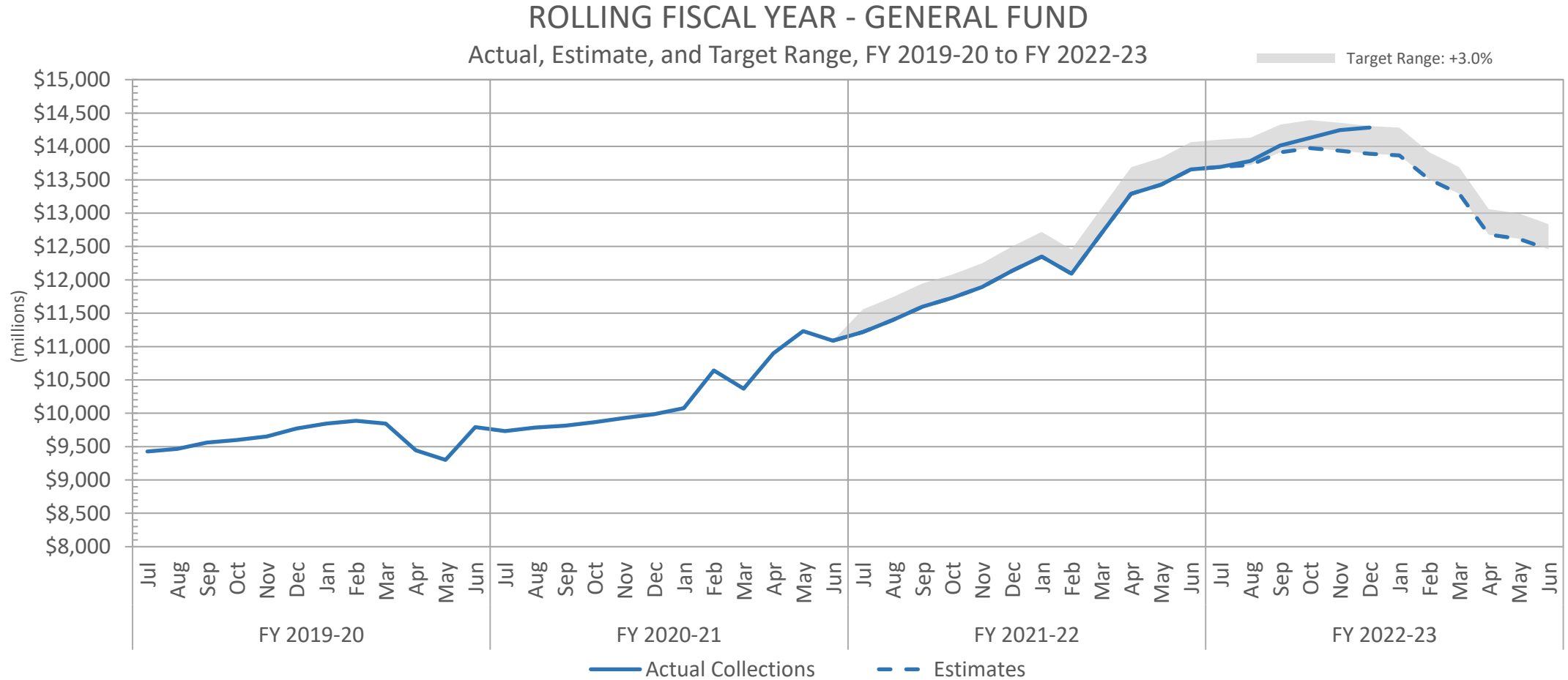
US PERSONAL CONSUMPTION EXPENDITURES



Source: U.S. Bureau of Economic Analysis, Personal Consumption Expenditures: Goods [DGDSRC1], retrieved from FRED, Federal Reserve Bank of St. Louis; 299-RFA/lhj/1/11/2023

# General Fund Revenue – Actual vs. November Estimate

Collections are **10.1%** above last year and **\$391.0 million** ahead of the estimate

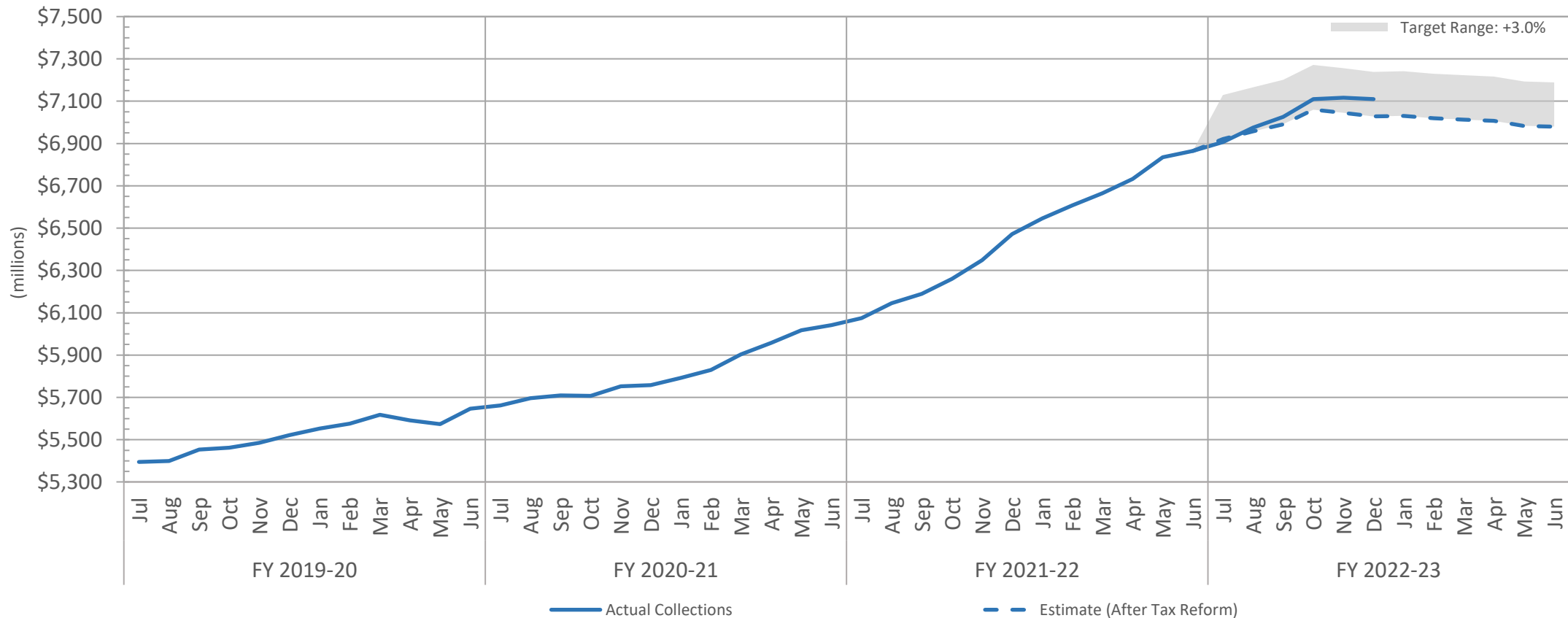


# Withholdings - Actual vs. Estimate

As expected, growth in Withholdings has started to slow but not as quickly as predicted; collections remain \$81.9 million above estimates

## ROLLING FISCAL YEAR - INDIVIDUAL INCOME WITHHOLDINGS

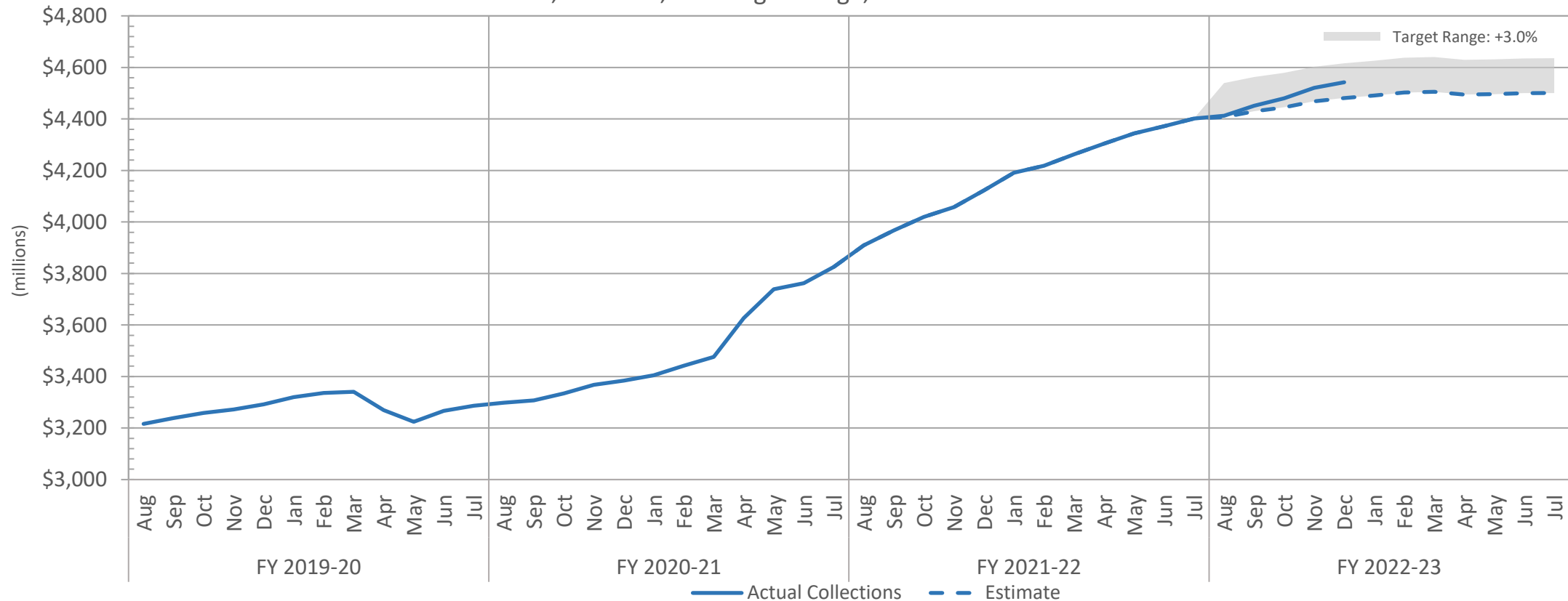
Actual, Estimate, and Target Range, FY 2019-20 to FY 2022-23



# Sales Tax - Actual vs. Estimate

Collections are \$61.5 million above the estimate fiscal year-to-date; growth slowed to 6.3 percent for December

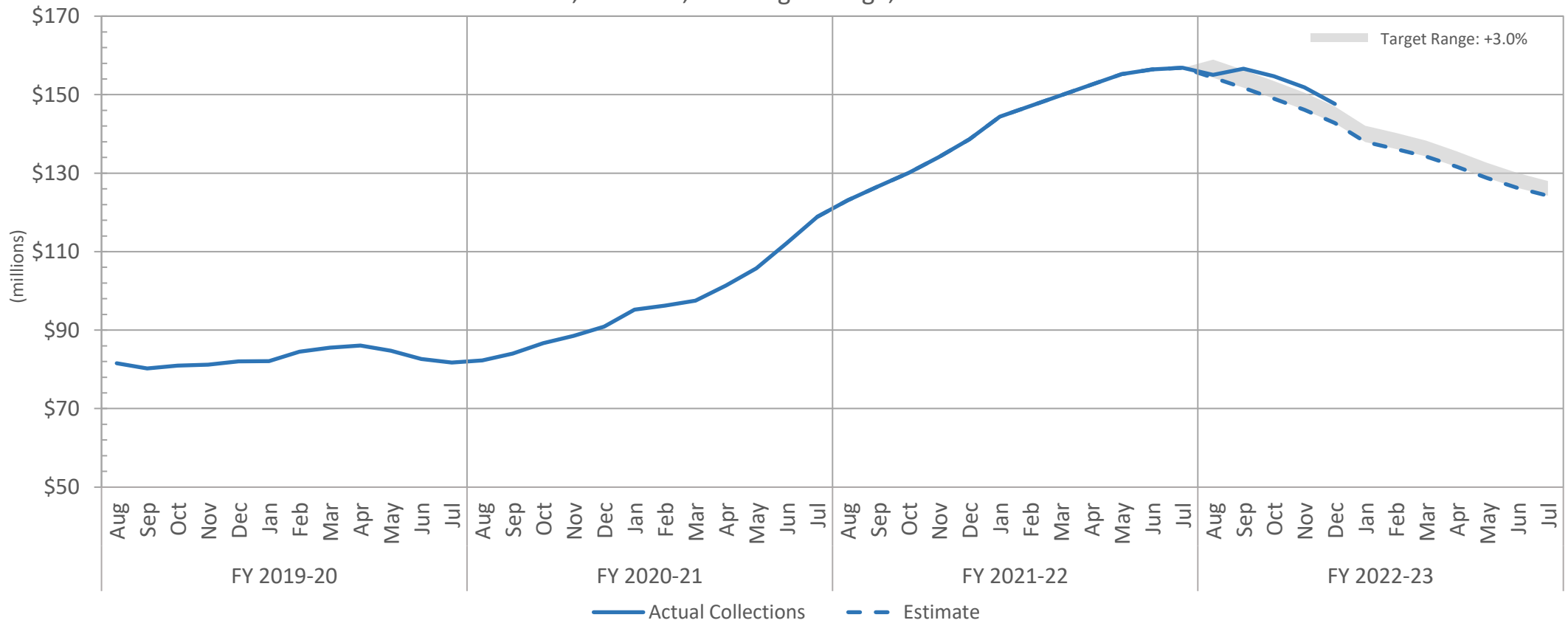
ROLLING FISCAL YEAR - SALES TAX  
Actual, Estimate, and Target Range, FY 2019-20 to FY 2022-23



# Deed Recording Fees

As expected, collections have slowed significantly since the start of the fiscal year; revenue remains \$4.9 million ahead of expectations

ROLLING FISCAL YEAR - DEED RECORDING FEES  
Actual, Estimate, and Target Range, FY 2019-20 to FY 2022-23



# SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE



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