

Waccamaw Regional Economic Outlook

Summer 2017

August 2, 2017
Robert F. Salvino, Ph.D.
Coastal Carolina University

Executive Summary

The Economic Outlook Board of the Waccamaw Council of Governments met on August 2, 2017. CCU economist, Robert Salvino, Ph.D., delivered the forecasts followed by a presentation of current developments in transportation changes as monitored through the Grand Strand Area Transportation Study, presented by Mark Hoeweller, Assistant Executive Director of the Waccamaw Regional Council of Governments.

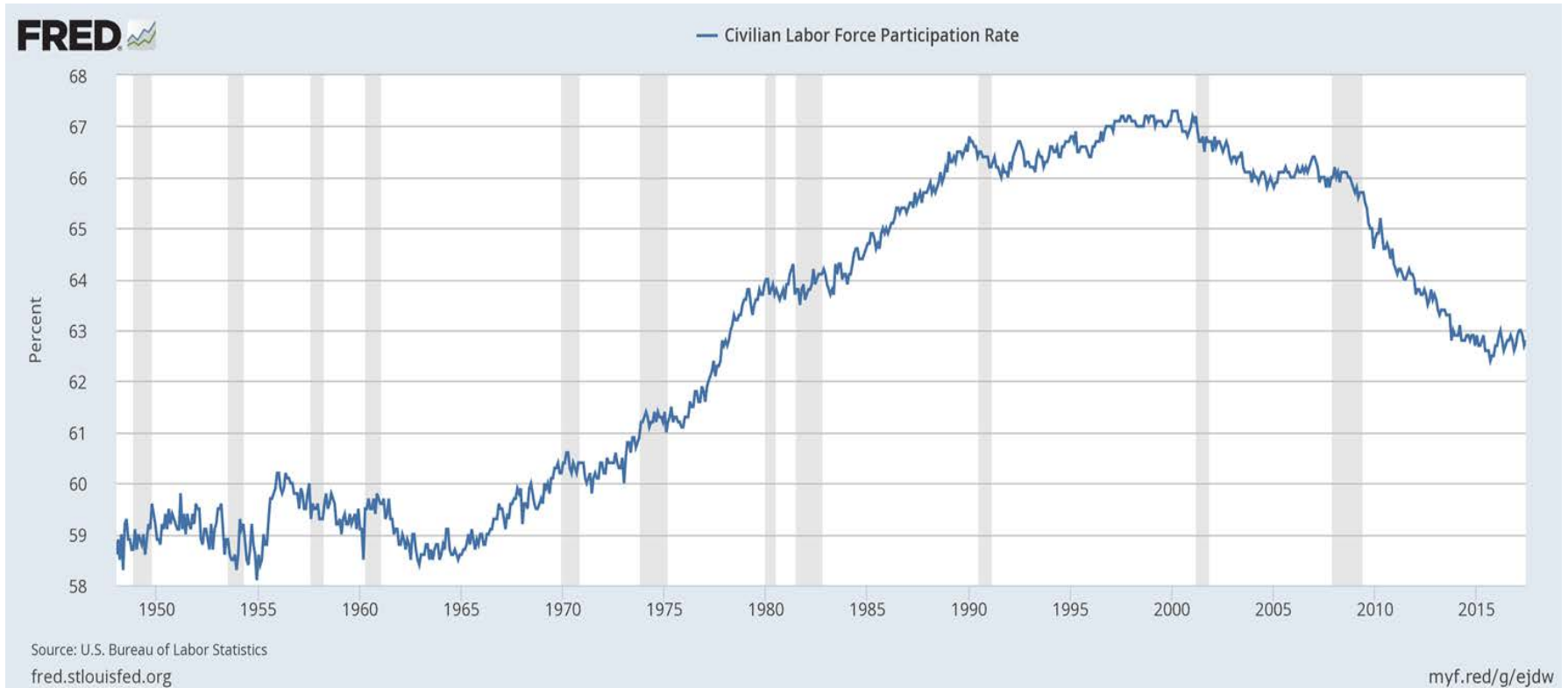
The Waccamaw Region's economy, comprised of Horry, Georgetown, and Williamsburg Counties, showed continued growth in the recent quarters. Overall projections are for the year-over-year trends to continue. Future projections are limited to two advanced quarters and are reassessed on a quarterly basis.

Employment growth in the spring quarter, year-over-year, was led by Horry County with a 3.5 percent increase to 137,064 jobs, while Georgetown and Williamsburg added 0.8 percent (reaching 24,406 jobs) and 1.8 percent (reaching 11,852 jobs) respectively. Unemployment rates declined for each county, to 4.3 percent in Horry, 4.9 percent in Georgetown, and 5.6 percent in Williamsburg. Slower growth in employment and a more modest decline in the unemployment rate are projected for each of the three counties, as the labor market approaches full employment, or the natural rate of unemployment. This is in line with national and state indicators. Tourism indicators reflect positive growth in accommodations, on volume and revenue, and spending on retail. A closely watched indicator of the tourism economy, the 1.5% Horry County Hospitality Fee, increased 7.2 percent in the spring quarter, year-over-year. Residential construction also continues on its growth trajectory, recording over 1,265 single family permits in the spring quarter, up 10.9 percent year-over-year. The pace is above the long-term average construction volume but well below the unsustainable boom-period peak of 2005-2006.

Helpful Notes and Reminders

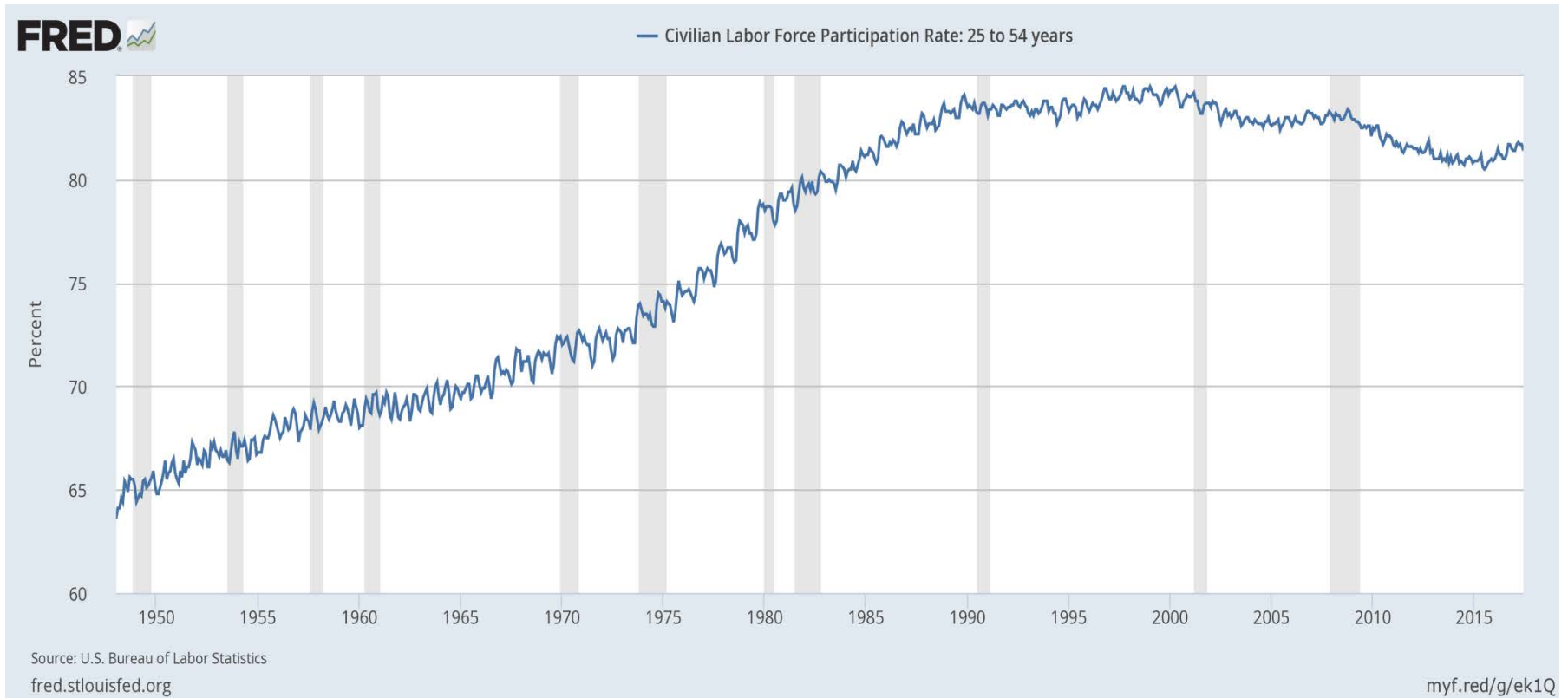
- Tourism Quarters: To reflect the importance of the seasons, offset by 1 month so that Q1 (Winter) is December, January, February, Q2 (Spring) is March, April, May, Q3 (Summer) is June, July, August and Q4 (Fall) is September, October, November.
- National data is based on normal calendar year, e.g. GDP 1st quarter is for January, February, March.
- All data reflect the period of business activity, unless otherwise noted.
- Receipts and collections of tax revenue by SC DOR may not coincide with period of business activity, e.g. retail sales business activity shows quarterly spikes; however the actual business activity may not resemble this periodic behavior.
- Reported and estimated changes in rate measures are reported as unit changes rather than percent changes, for example the unemployment rate movement from 6% to 6.5% is shown as a movement of one-half of a point (0.5).

Civilian Labor Force Participation Rate (1948-Present)



Source: Bureau of Labor Statistics

LBF Participation Rate for 25 to 54 Yr. Olds



Source: Bureau of Labor Statistics

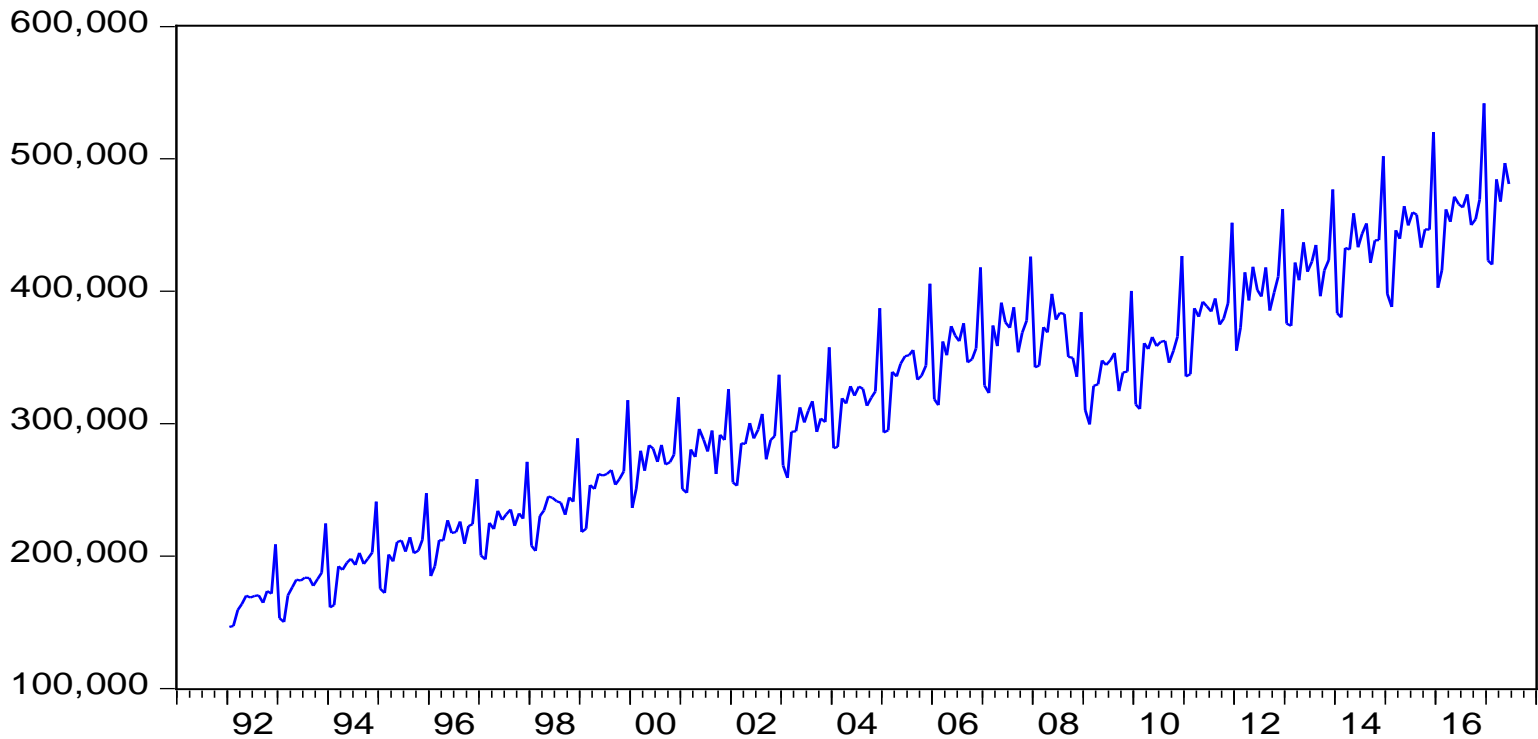
Research on LFP Rates for 25-54 Year-olds

- Ranges across metropolitan areas: generally higher in larger areas
- In many places, 1/3 of males 25-54 with only a H.S. diploma are out of work in U.S.
- Educational attainment is a factor.
- Employment opportunities are a factor.
- Changing demand for labor is a factor.
- Some correlation with mortality, morbidity, substance abuse.

- Sources: 1. <https://www.brookings.edu/blog/the-avenue/2016/06/21/where-are-the-nonworking-prime-age-men/>
- 2. <http://www.pnas.org/content/112/49/15078.full>

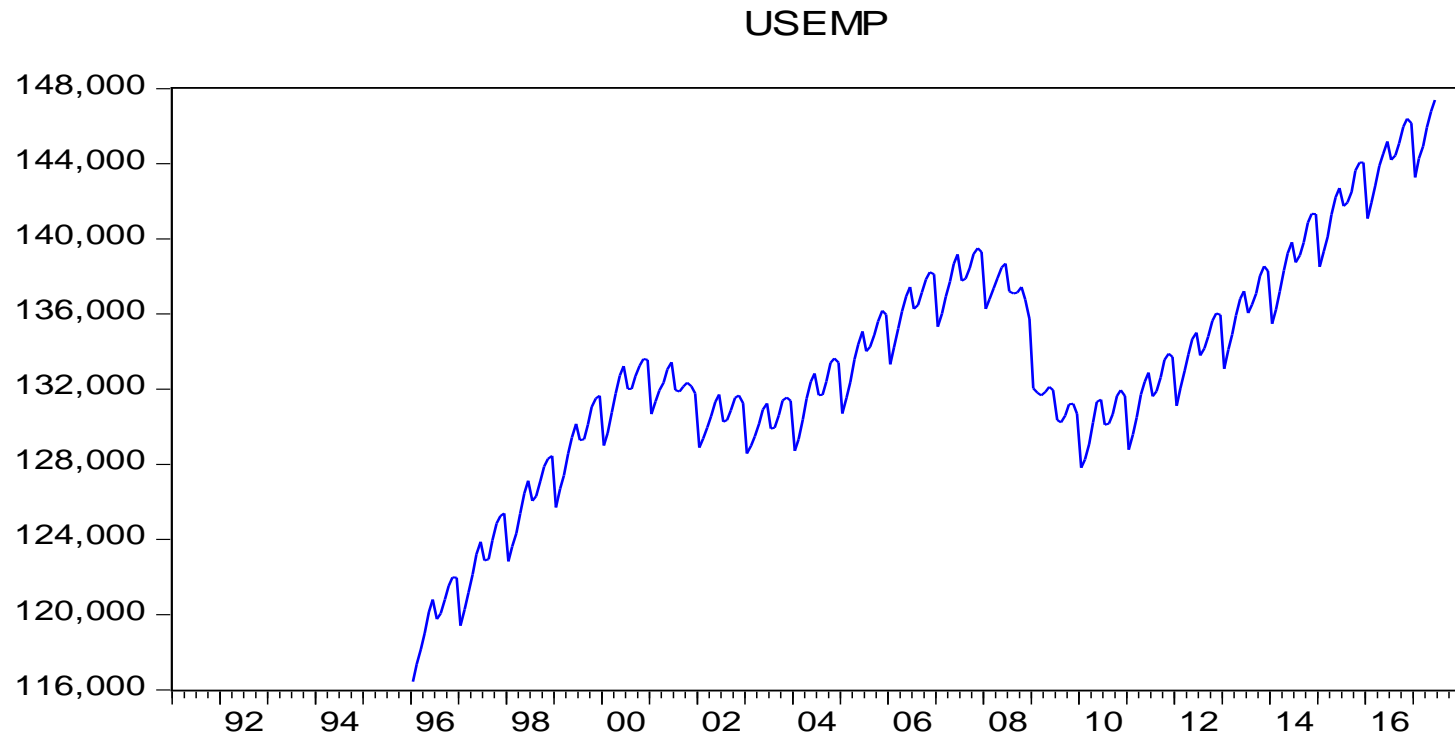
U.S. Retail Sales (\$Millions/Month – nominal, unadjusted)

USRETAILSALES



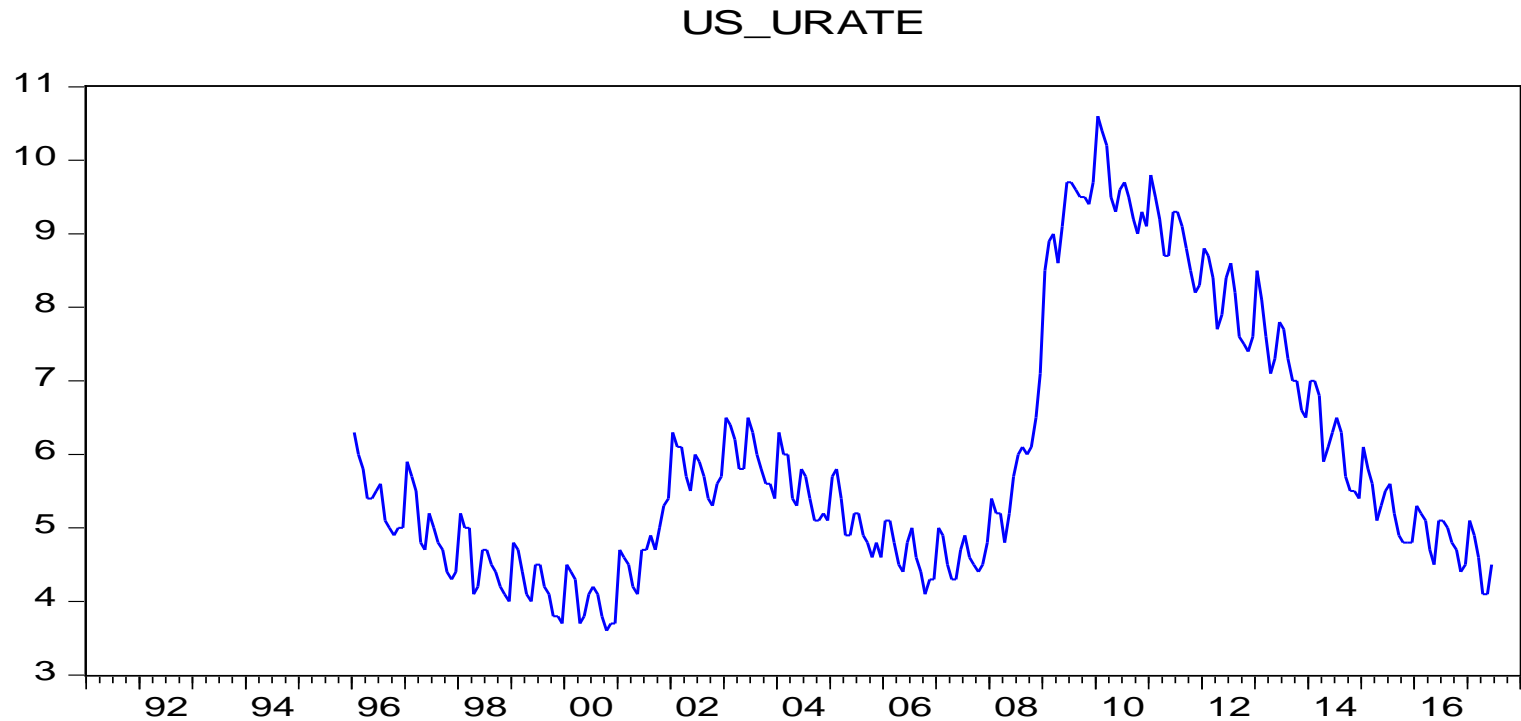
Source: U.S. Department of Commerce

U.S. Private Non-farm Employment (unadjusted)



Source: Bureau of Labor Statistics

U.S. Unemployment Rate - Private Non-farm (unadjusted)

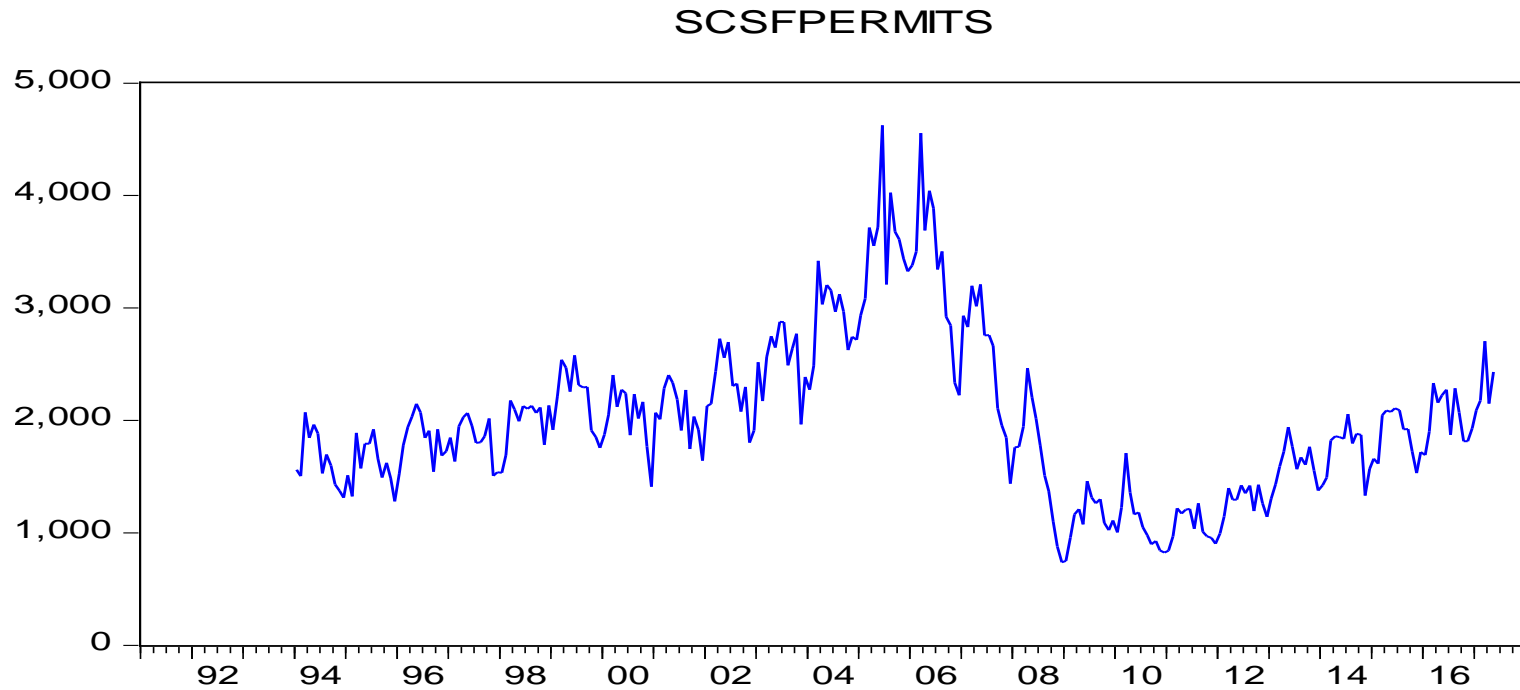


Source: Bureau of Labor Statistics

U.S. Stock Market Index (S&P 500)



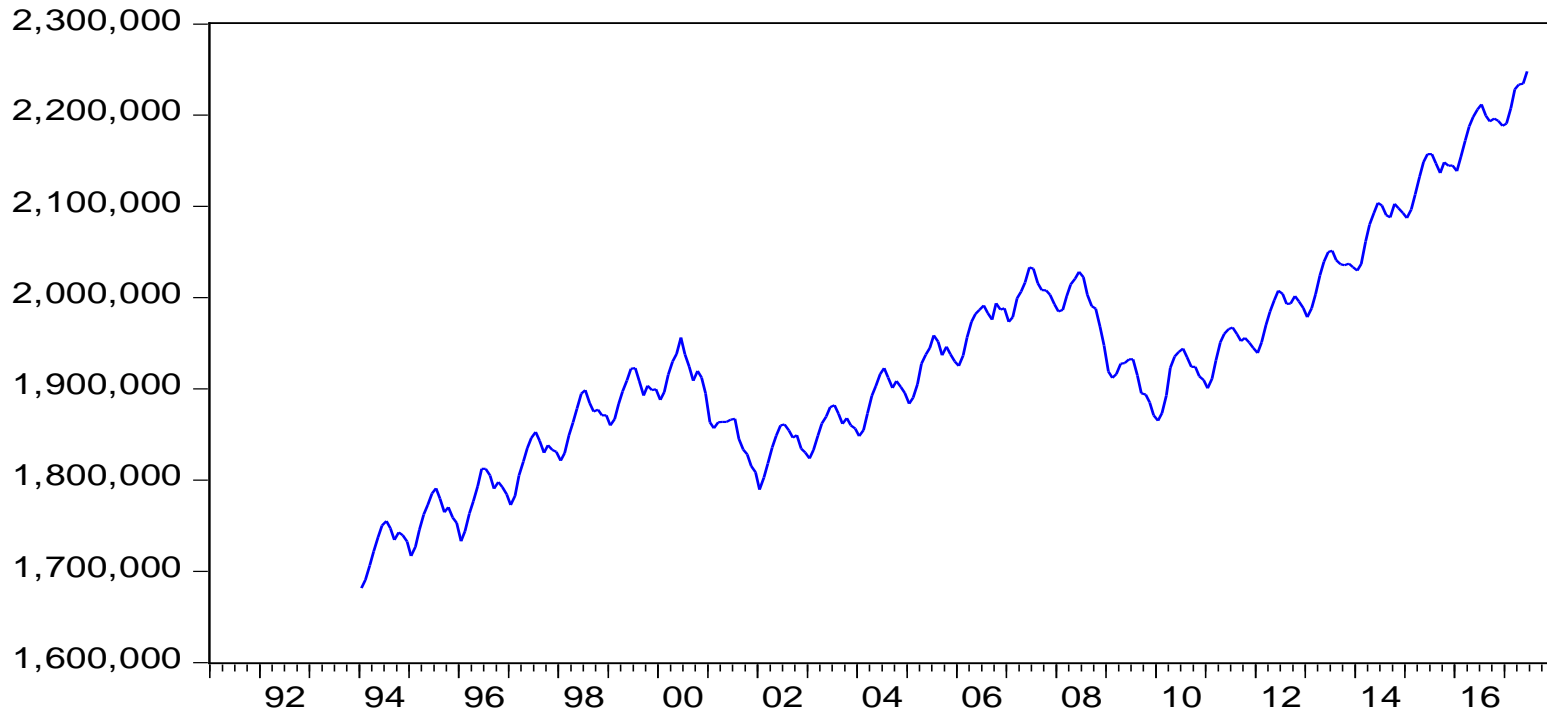
SC Single Family Building Permits



Source: HUD State of the Cities Database

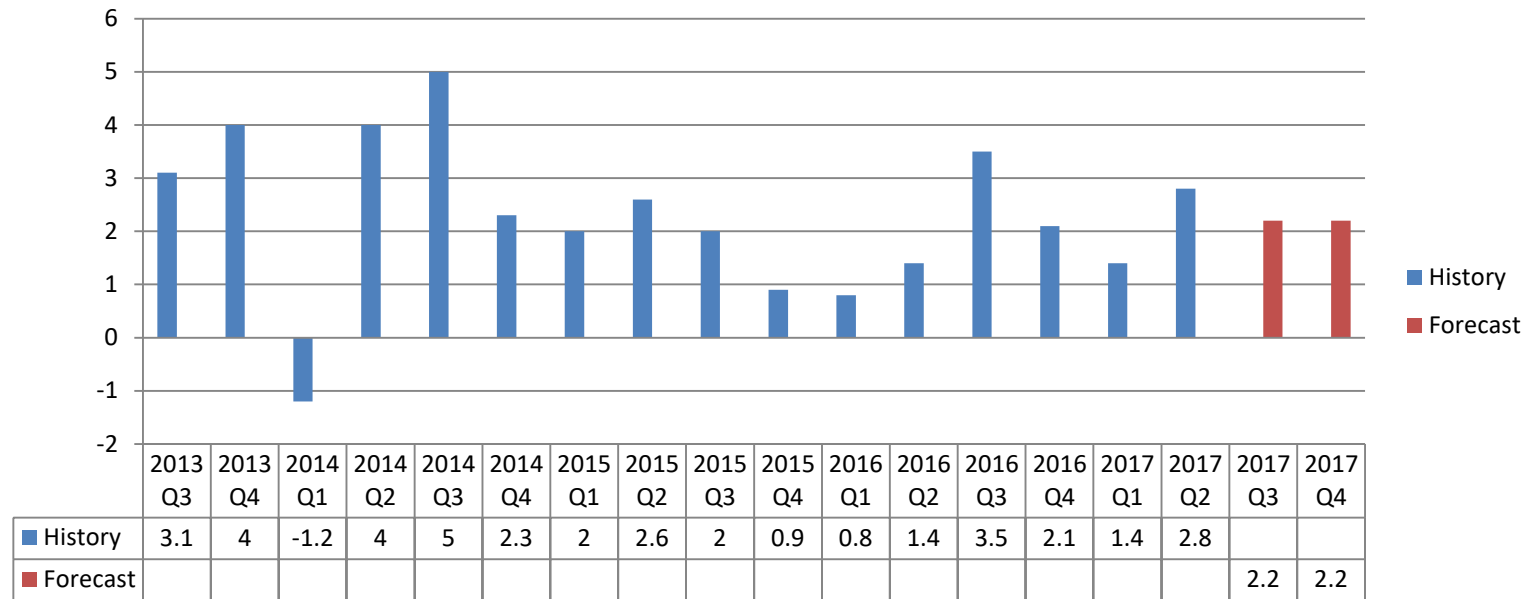
South Carolina Employment (Millions)

SCEMP



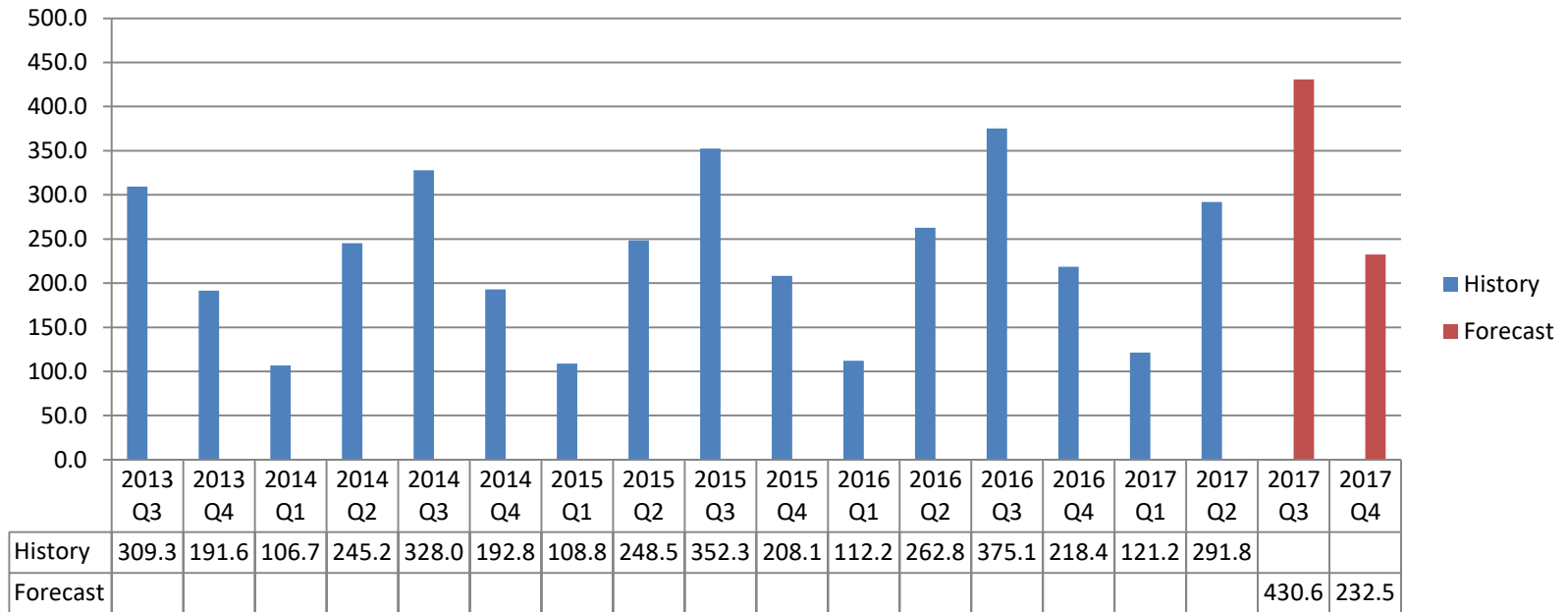
Source: Bureau of Labor Statistics

Annualized Real GDP Growth (%)



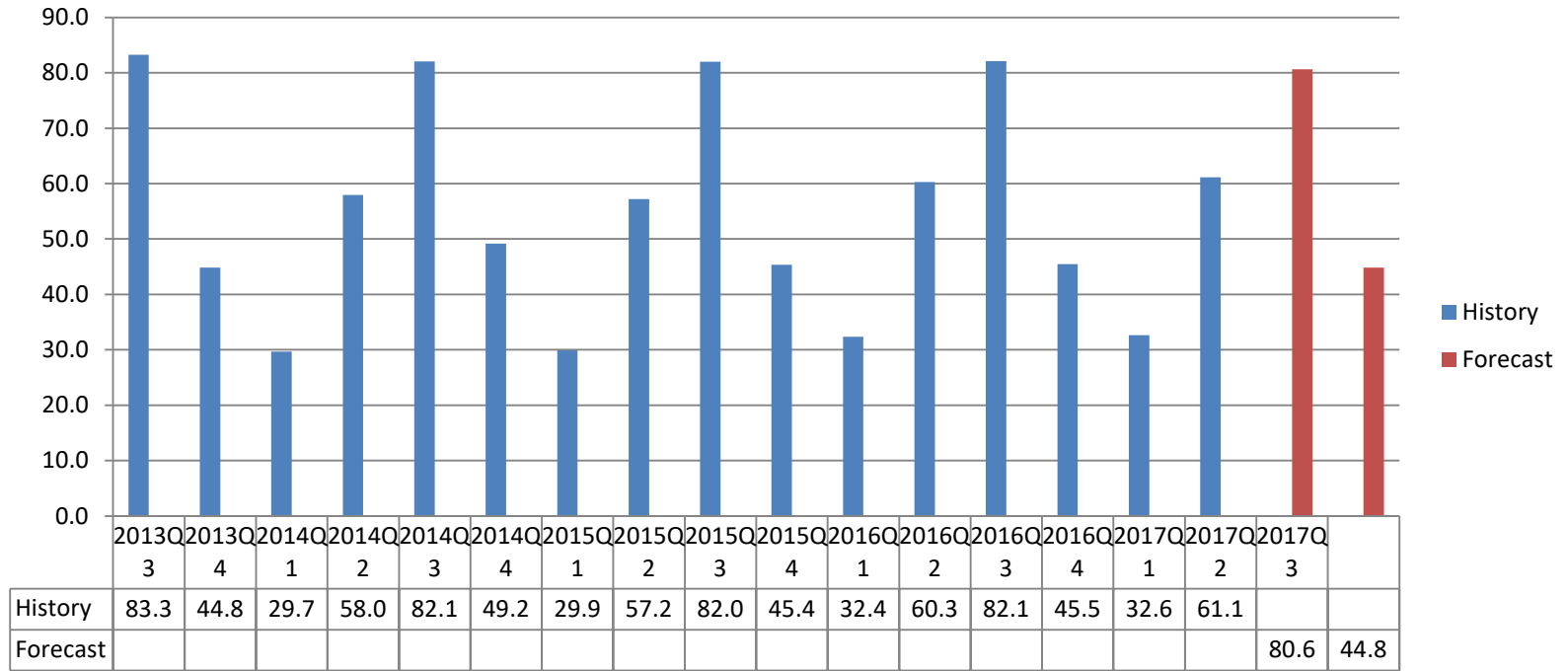
Source: U.S. Department of Commerce: Bureau of Economic Analysis

MYR Airport Deplanements (Thousands)



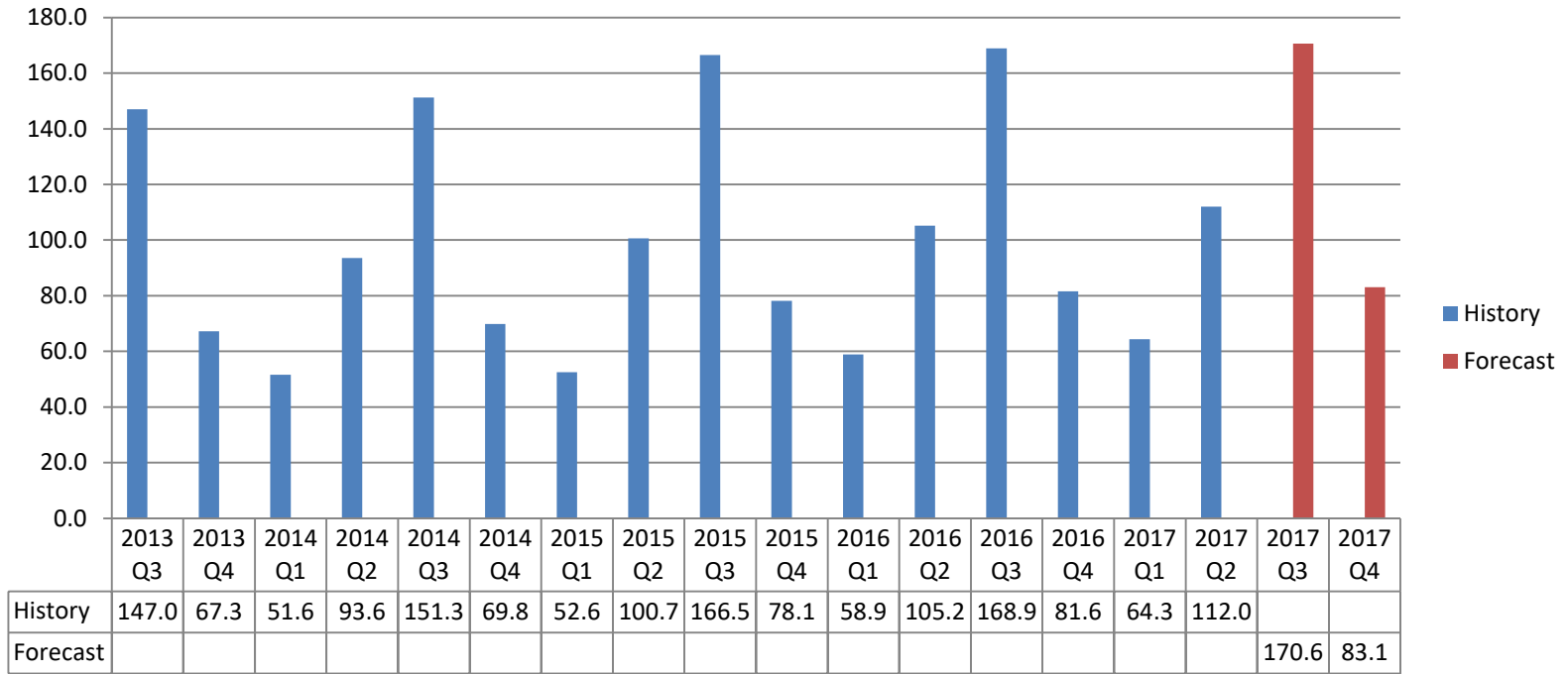
Source: Myrtle Beach International Airport

Hotel-Condotel-Campground Occupancy Rate



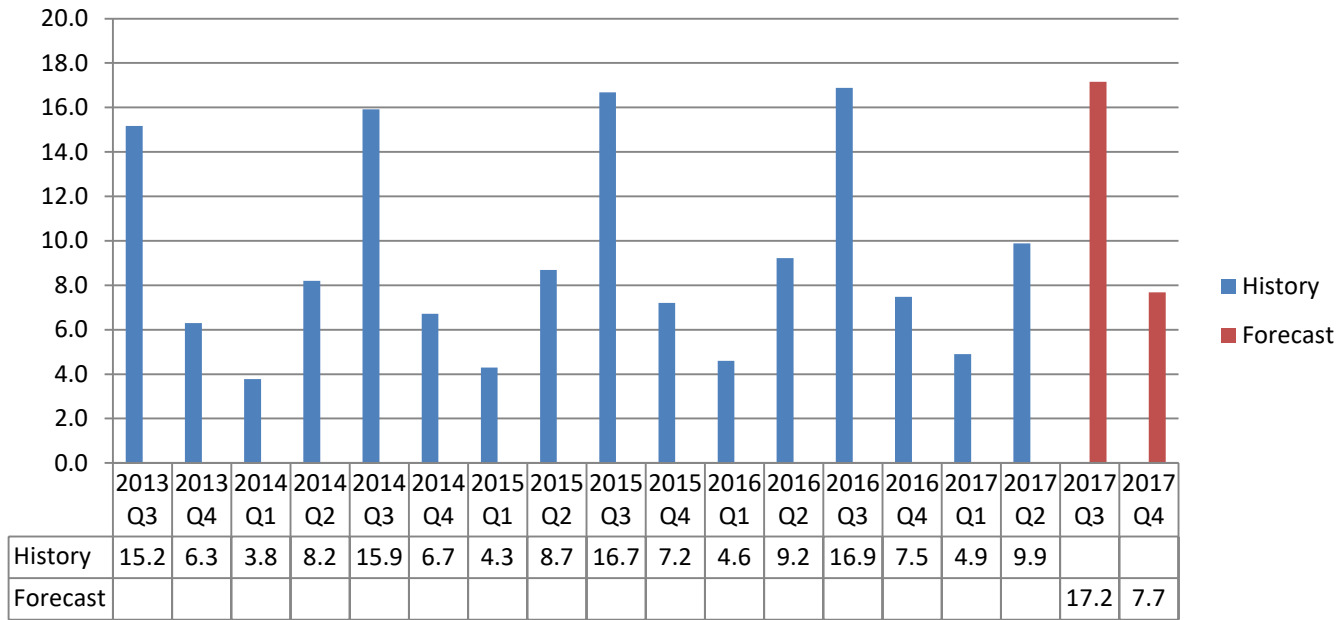
Source: Clay Brittain Jr. Center for Resort Tourism

Hotel-Condotel-Campground Average Daily Rate



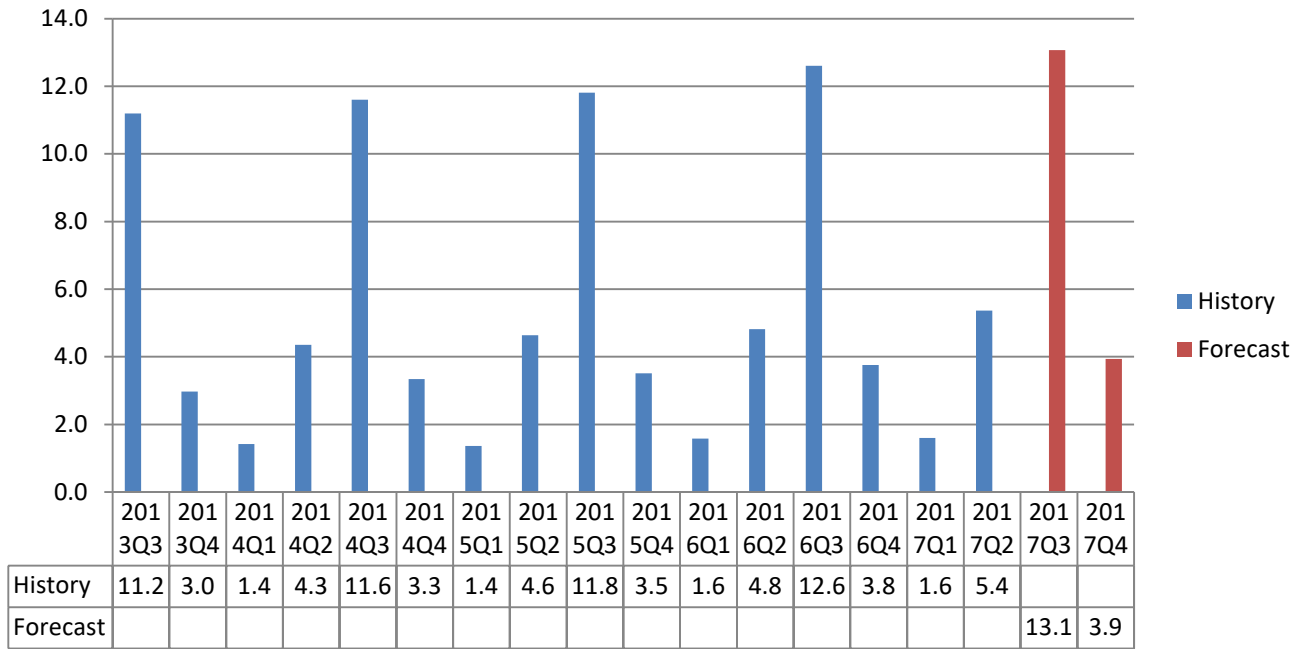
Source: Clay Brittain Jr. Center for Resort Tourism

Horry 1.5% Hospitality Fee Revenue (\$Millions) (County-wide fees on accommodations, prepared foods, beverages, admissions)



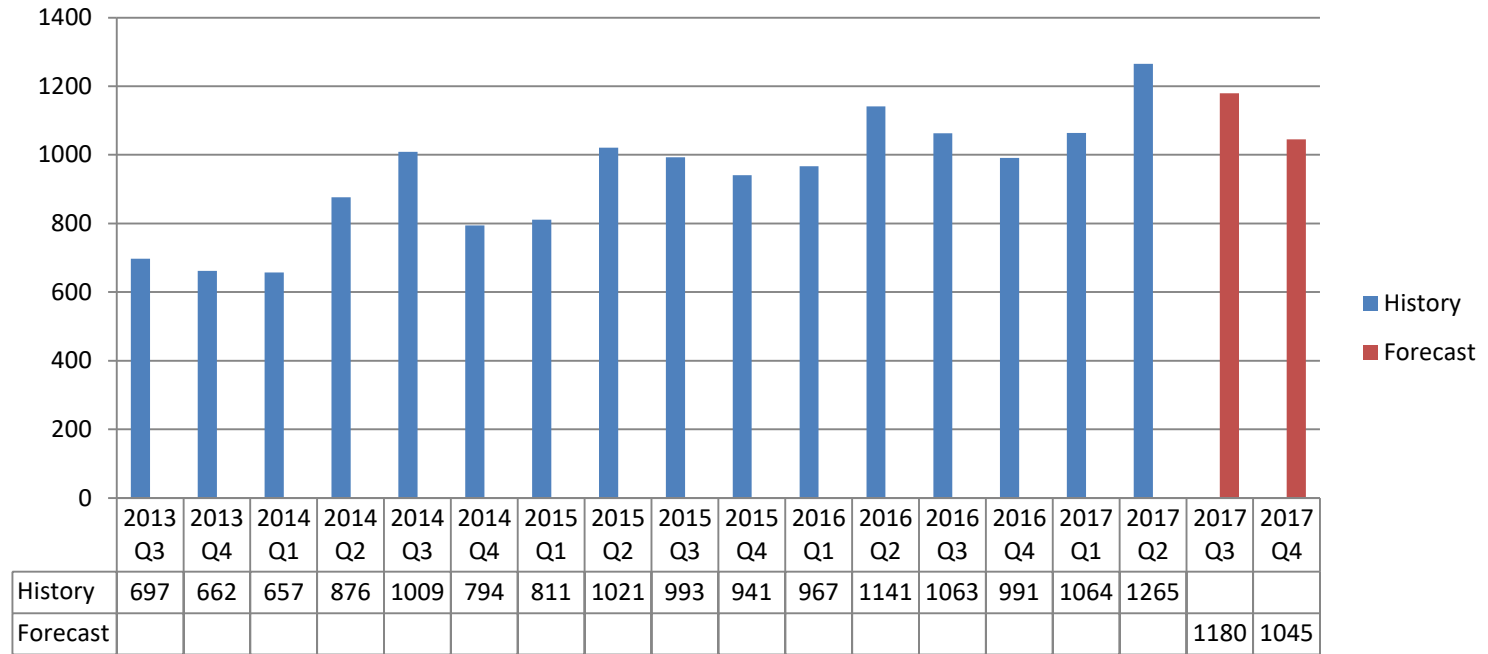
Source: Horry County Government

Accommodations Tax Revenue (\$Millions)



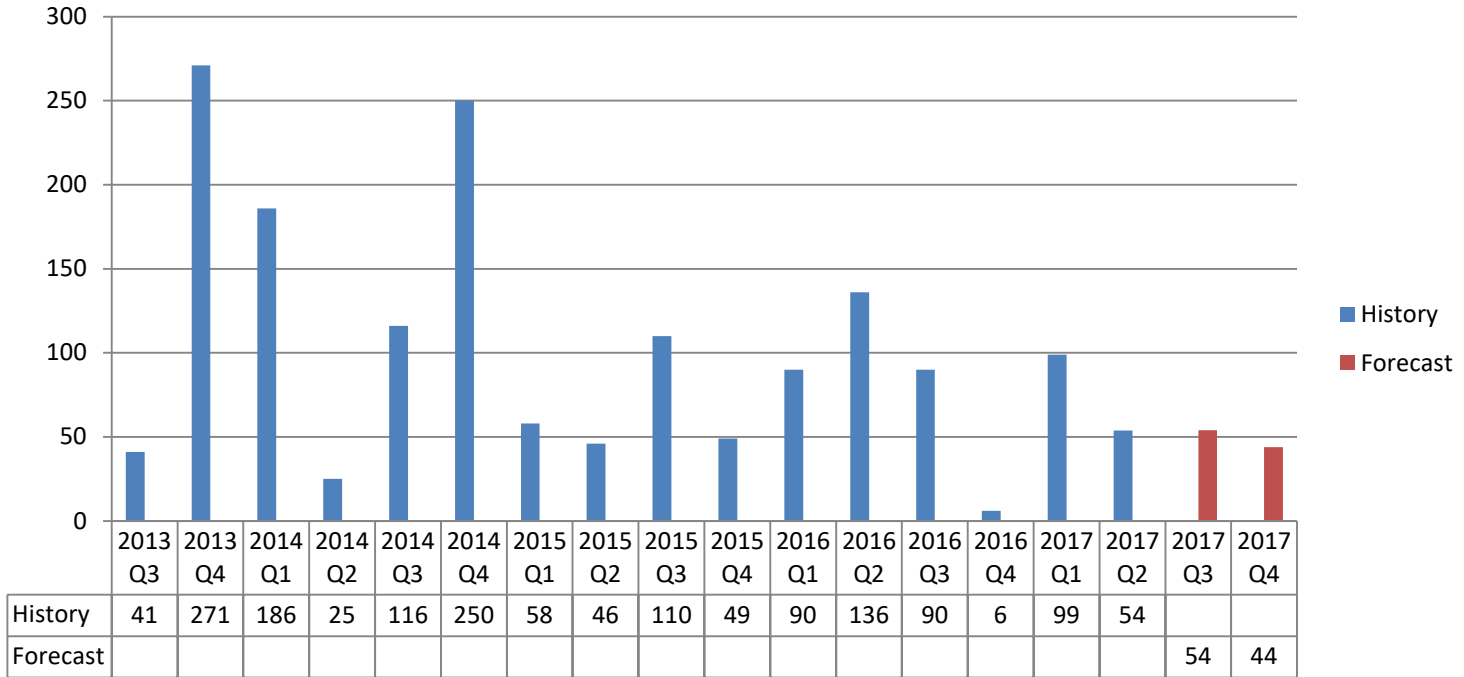
Source: SC Department of Revenue

Regional Single Family Permits



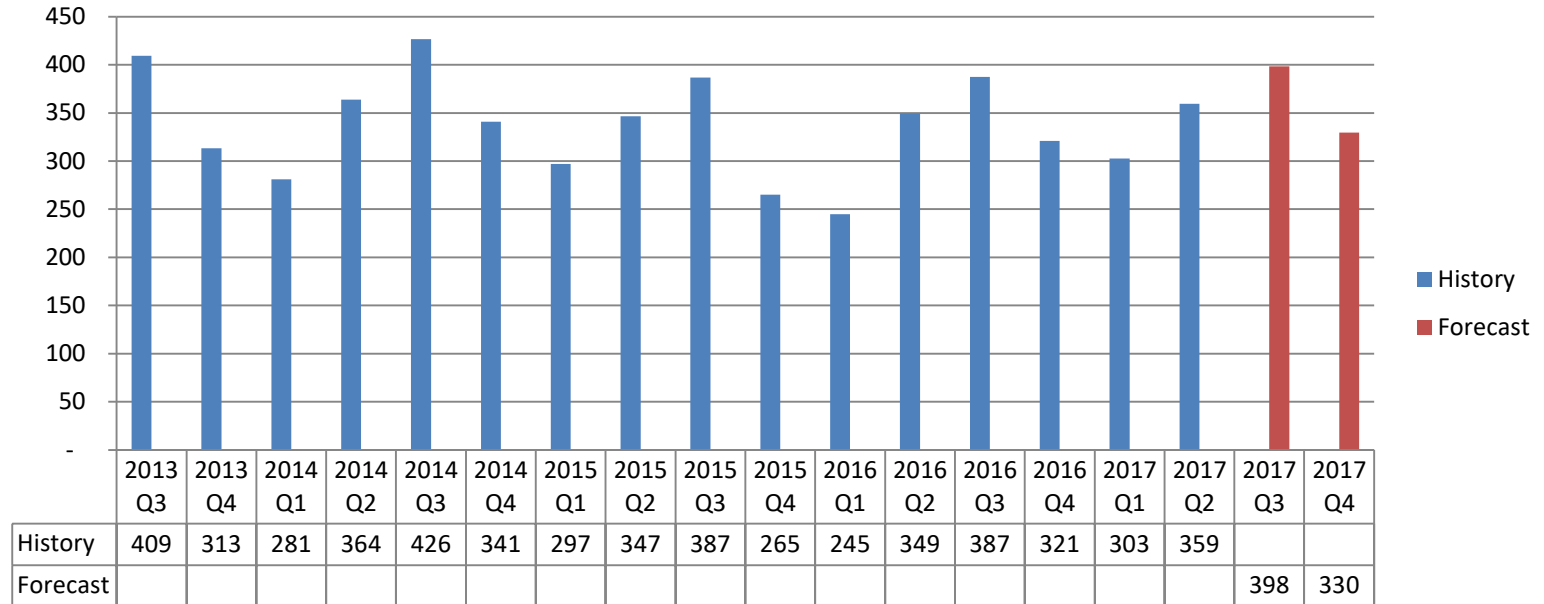
Source: HUD State of the Cities Data System

Regional Multi-family Permits



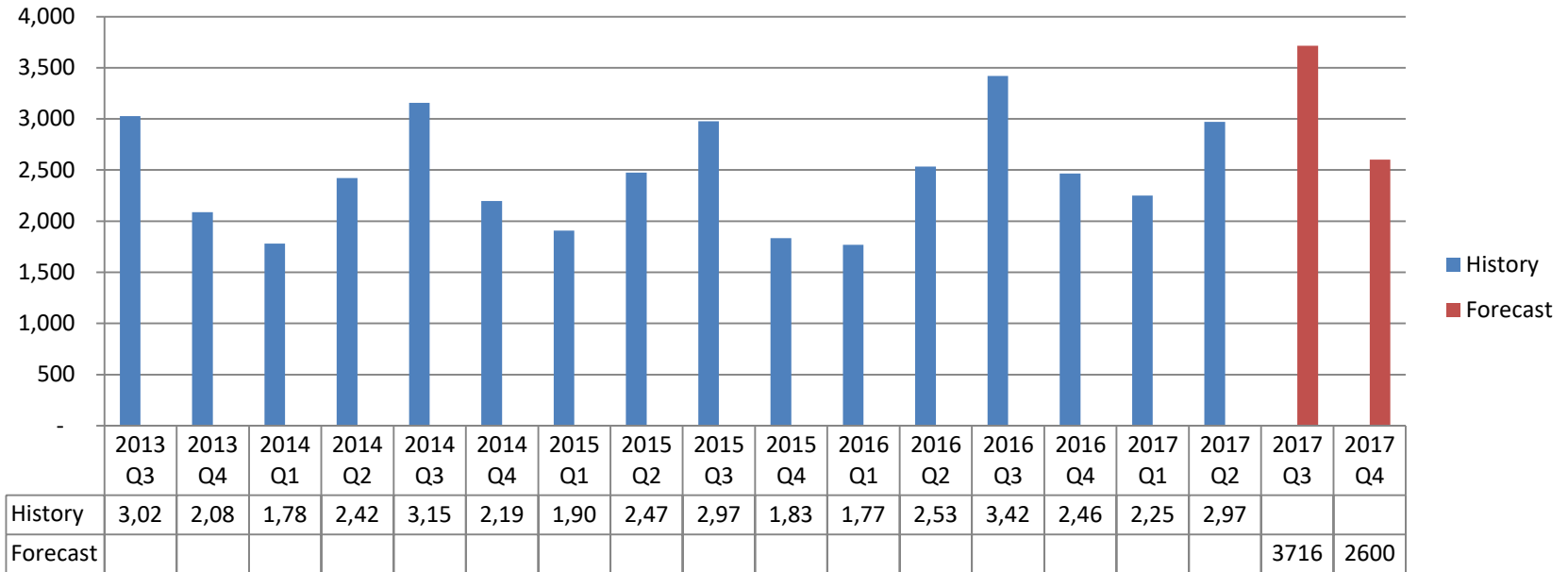
Source: HUD State of the Cities Data System

Georgetown Retail Sales (\$ Millions)



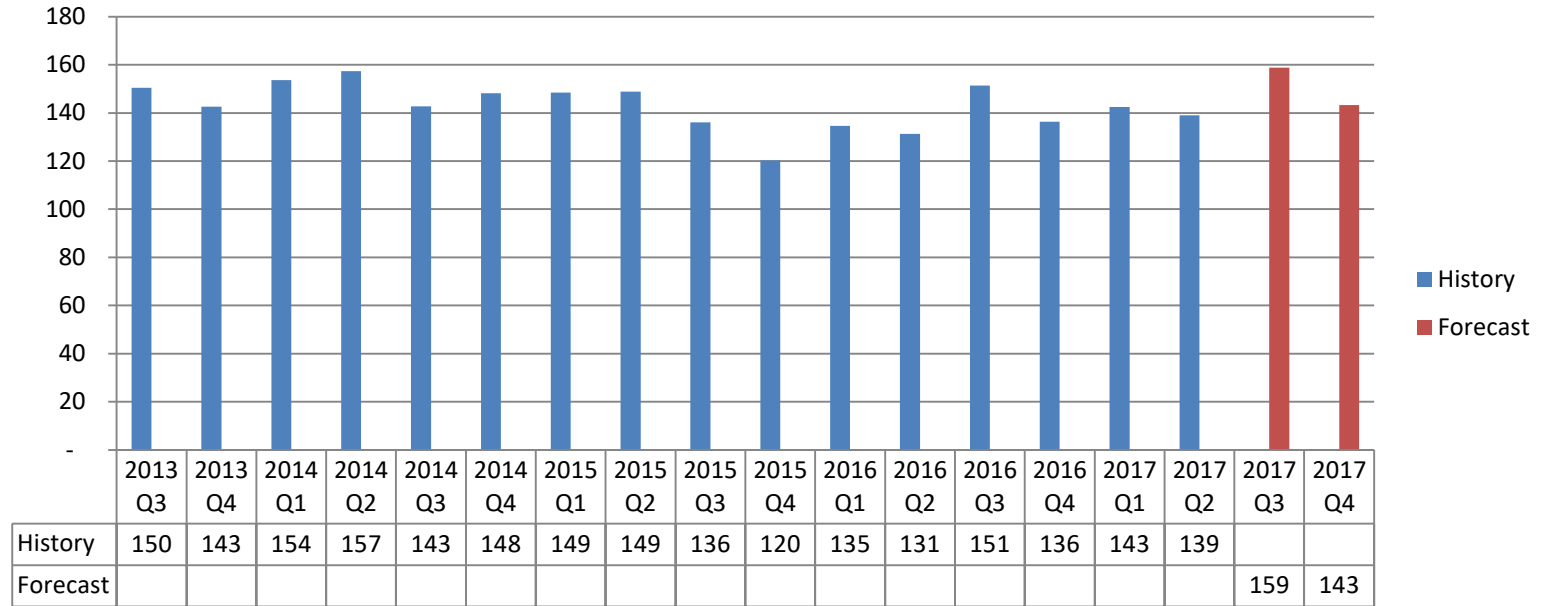
Source: SC Department of Revenue

Horry Retail Sales (\$ Millions)



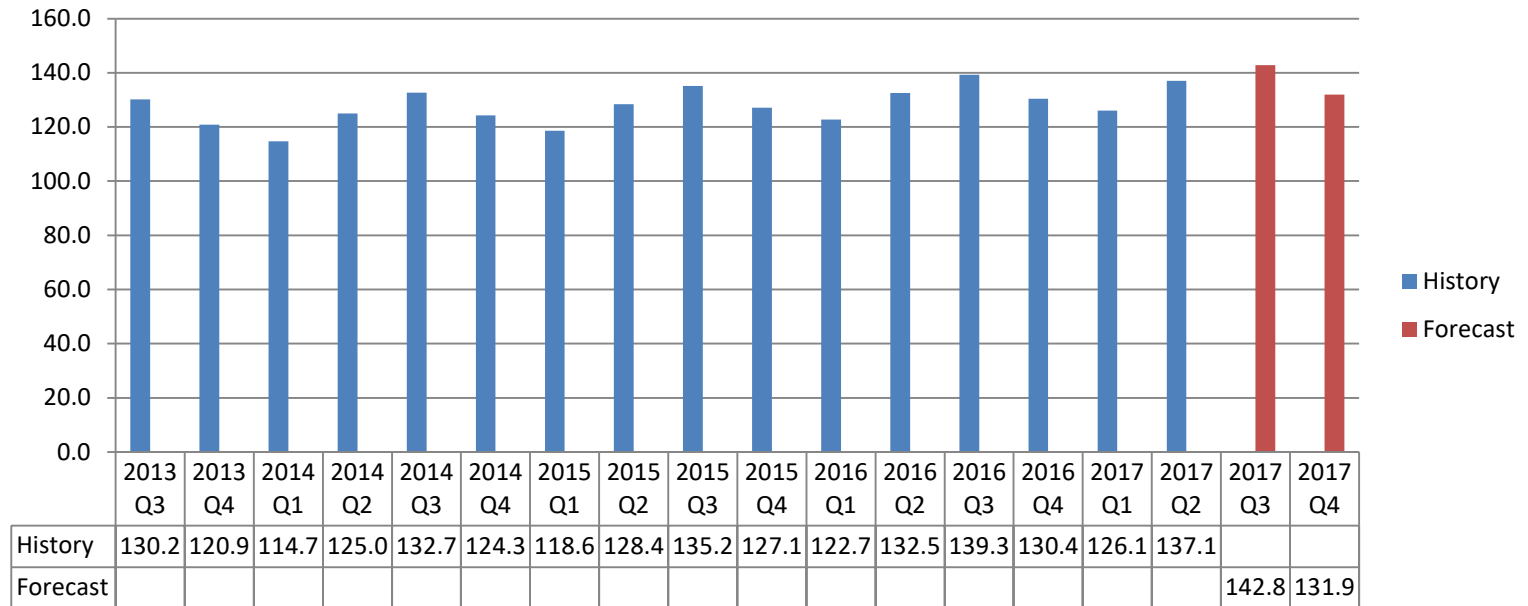
Source: SC Department of Revenue

Williamsburg Retail Sales (\$ Millions)



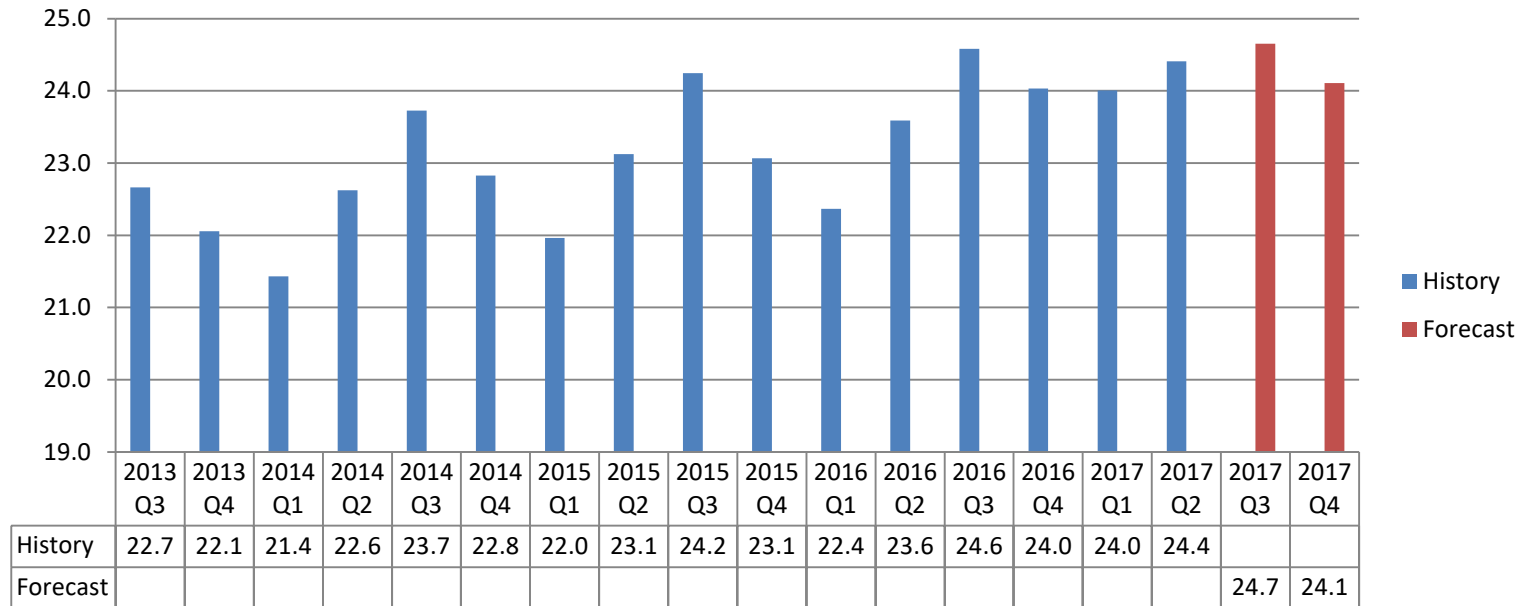
Source: SC Department of Revenue

Horry Employment (Thousands)



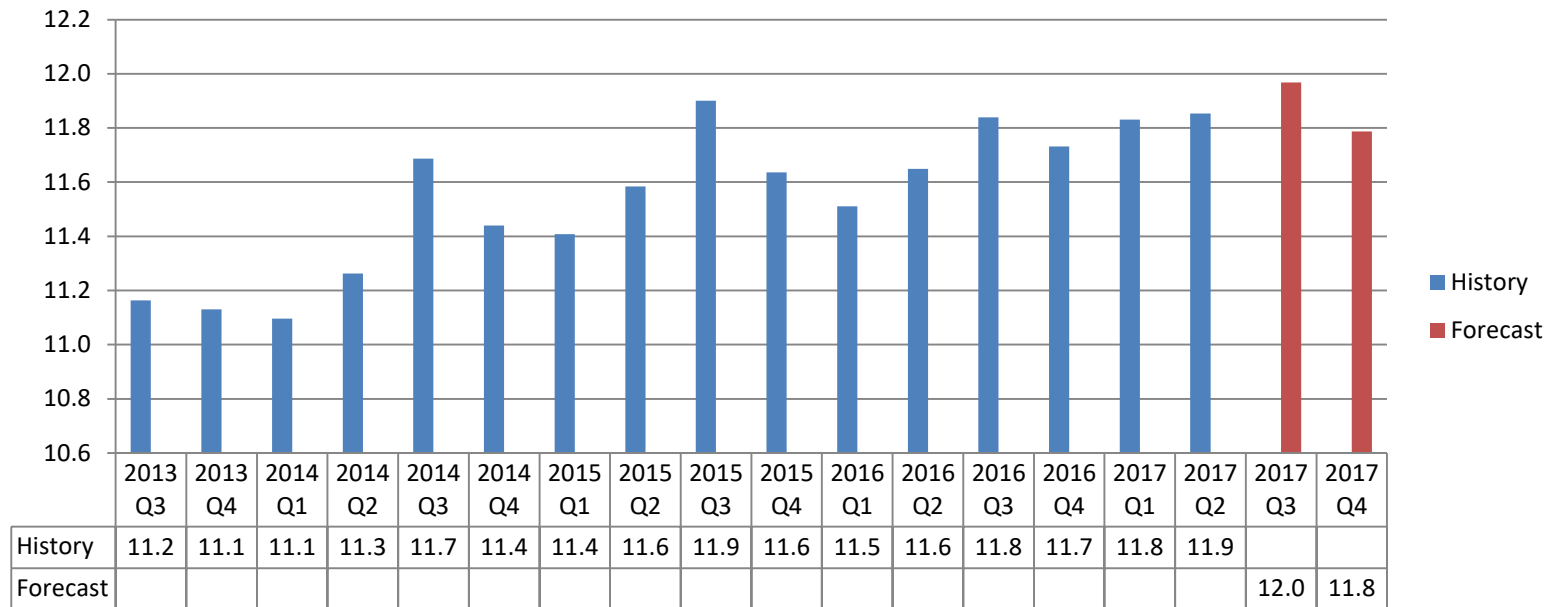
Source: Local Area Unemployment Statistics, Bureau of Labor Statistics

Georgetown Employment (Thousands)



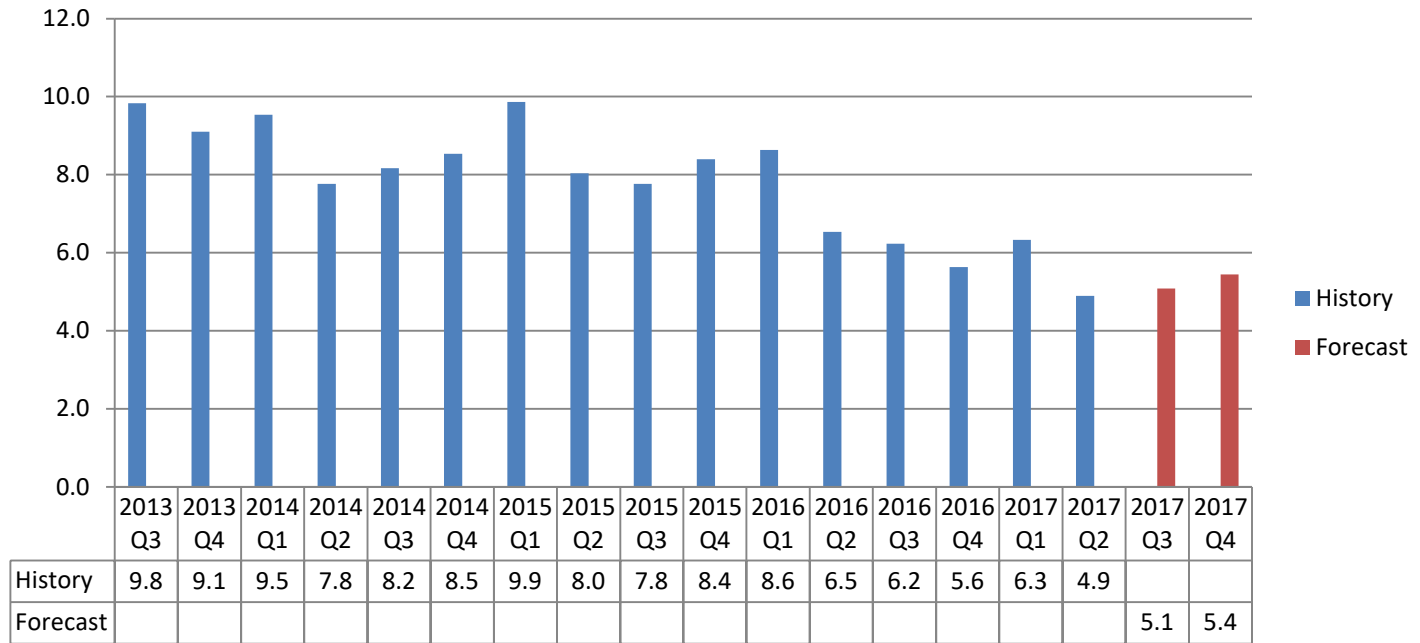
Source: Local Area Unemployment Statistics, Bureau of Labor Statistics

Williamsburg Employment (Thousands)



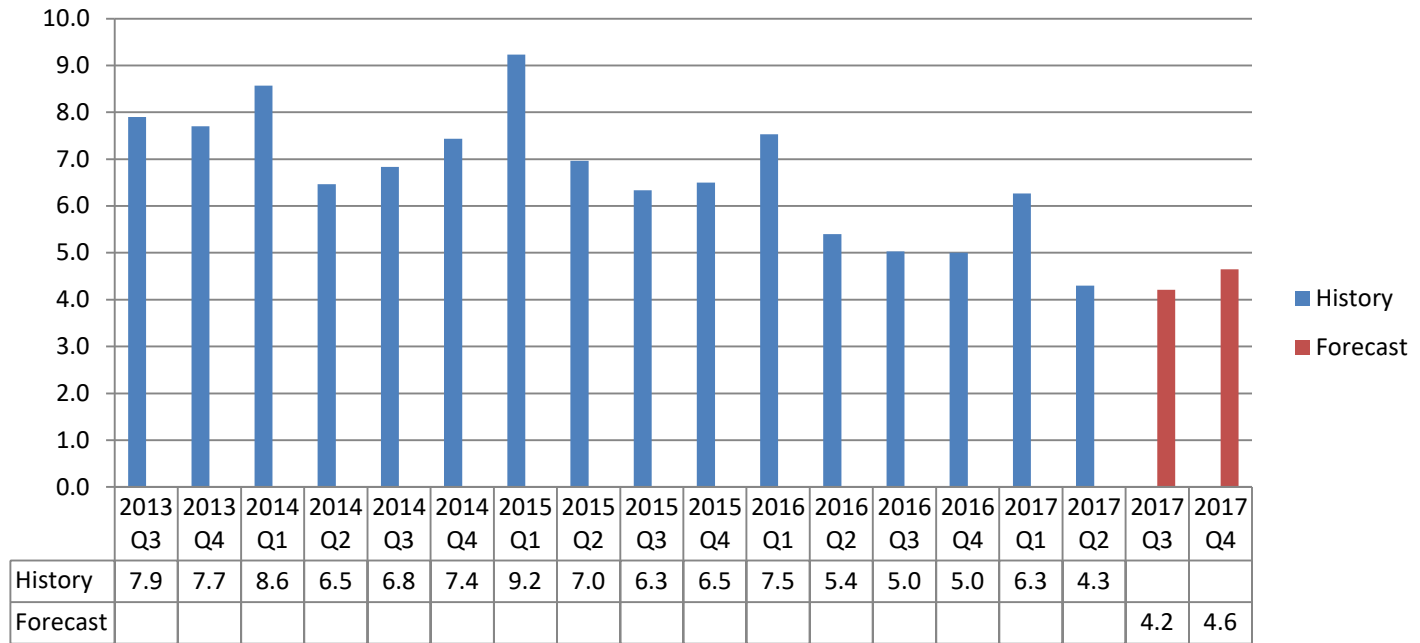
Source: Local Area Unemployment Statistics, Bureau of Labor Statistics

Georgetown Unemployment Rate



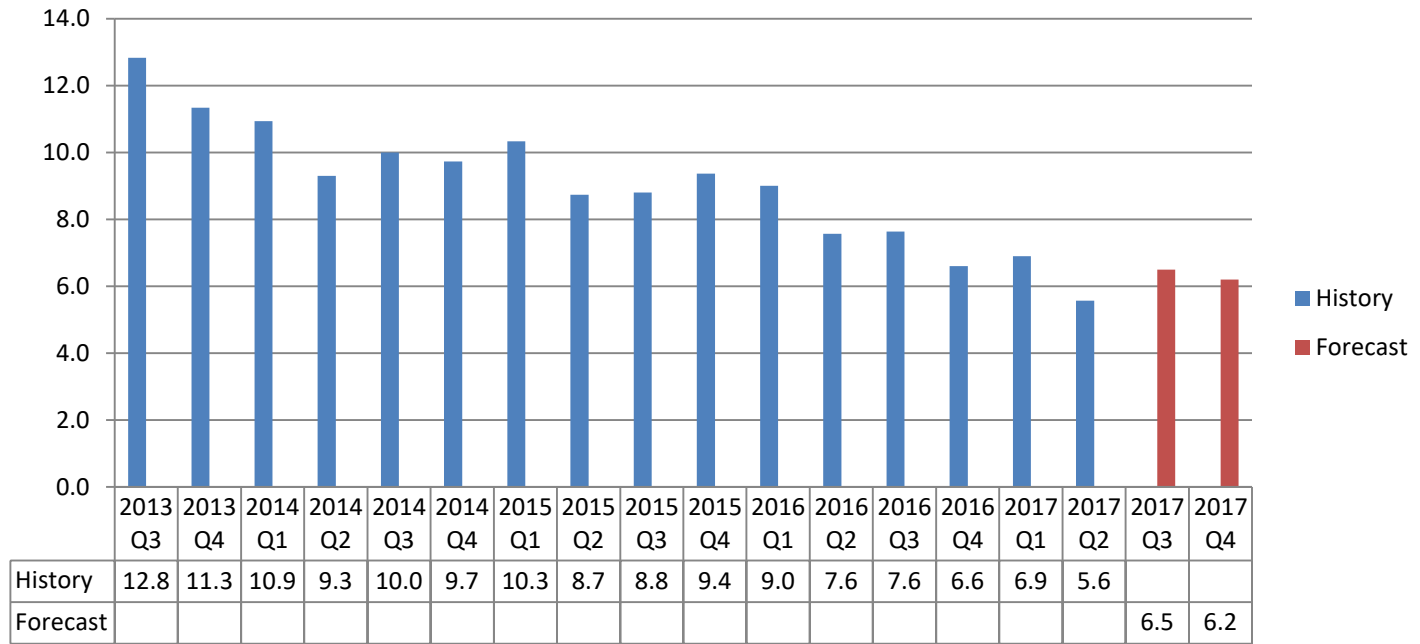
Source: Local Area Unemployment Statistics, Bureau of Labor Statistics

Horry Unemployment Rate



Source: Local Area Unemployment Statistics, Bureau of Labor Statistics

Williamsburg Unemployment Rate



Source: Local Area Unemployment Statistics, Bureau of Labor Statistics

Regional Economic Outlook Board: Summer 2017

Presented to: The Waccamaw Regional Council of Governments' Regional Economic Outlook Board

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August 2017

	Value			Percent Change from Previous Year		
	History	Forecast	Forecast	History	Forecast	Forecast
	Previous Quarter Spring 2017	Current Quarter Summer 2017	Next Quarter Fall 2017	Previous Quarter Spring 2017	Current Quarter Summer 2017	Next Quarter Fall 2017
Airport Deplanements (thousands)	291.8	430.6	232.5	11.1	14.8	6.5
Occupancy Rate (Full Week)	61.1	80.6	44.8	0.9	-1.5	-0.6
Average Daily Rate (Full Week)	112	\$ 170.6	\$ 83.1	6.7	1.7	1.5
Horry County 1.5% Hosp. Fee Revenue (\$millions)	\$ 9.9	\$ 17.2	\$ 7.7	7.2	1.7	2.8
Accommodations Tax Revenue (\$millions)	\$ 5.4	\$ 13.1	\$ 3.9	11.4	3.7	4.8
Admissions Tax Revenue (\$millions)	<i>No update from SCDOR since April 2016</i>			<i>No update from SCDOR since April 2016</i>		
Regional SF Building Permits	1,265	1,180	1,045	10.9	11.0	5.5
Regional MF Building Permits	54	54	44	-60.4	-40.0	633.5
Retail Sales (\$millions)						
Georgetown County	\$ 359.5	\$ 398.4	\$ 329.6	2.9	2.8	2.7
Horry County	\$2,971.5	\$3,716.4	\$2,600.4	17.2	8.7	5.5
Williamsburg County	\$ 139.0	\$ 158.8	\$ 143.0	5.8	4.9	5.1
Employment (thousands)						
Georgetown County	24,406	24,652	24,106	0.8	0.8	0.7
Horry County	137,064	142,821	131,929	3.5	2.5	1.2
Williamsburg County	11,852	11,860	11,879	1.8	1.1	0.5
Unemployment Rate						
Georgetown County	4.9	5.1	5.4	-1.6	-1.1	-0.2
Horry County	4.3	4.2	4.6	-1.1	-0.8	-0.4
Williamsburg County	5.6	6.5	6.2	-2	-1.1	-0.4

Notes: Spring quarter is March - May, Summer is June - August, Fall is September - November, Winter is December - February. Retail Sales, Accommodations Tax Revenue and Admissions Tax Revenue represent the period of business activity. For example, Accommodations Taxes for Summer represent the business activity incurred during the Summer quarter. Percent change from previous year is relative to the same quarter from the previous year. For example, percent change for Summer 2016 is the percent change between Summer 2016 and Summer 2015. Rate given is absolute change for: Occupancy Rate, ADR and Unemployment Rates. For example, the given change for the Occupancy Rate during Summer 2016 is simply the Summer 2016 Occupancy Rate minus the Summer 2015 Occupancy Rate.