



GRANT CENTER FOR  
REAL ESTATE AND ECONOMICS  
COASTAL CAROLINA UNIVERSITY

# Regional Economic Outlook

Summer 2019

August 7, 2019  
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Coastal Carolina University



## Executive Summary

The Economic Outlook Board of the Waccamaw Council of Governments met on August 7, 2019 to review the latest quarterly economic indicators for the Grand Strand and surrounding region. The national economy faces growing headwinds from trade policy maneuvers, evidenced with the tit-for-tat between the U.S. and China. Labor supply is tightening, particularly in the lower-skilled and unskilled trades, and immigration policy may yet produce the deciding blow in this business cycle. The yield spread between an index of 10-Year and 3-Month Treasury securities has inverted, a closely-watched indicator of recession.

Locally, employment growth continues for the three counties, as Horry led with 6,700 more jobs in the second quarter of 2019 compared with the same quarter one year ago. Housing construction, evidenced by the volume of single family permits, continues the robust pace of the last several years that was only interrupted by Hurricane Florence. The Grand Strand's economy tends to lag that of the nation, so if the national economy declines into recession over the coming quarters, we will eventually feel the effects.

Highlights from 2019Q2 compared to 2018Q2 (Winter: December, January, February) for the largest county, Horry:

- Unemployment: Falls to 3.9%
- Employment: Up 4.8%
- Hotel-Condotel-Campground Occupancy: 4.9 points up over 2<sup>nd</sup> quarter 2018
- Hospitality Fee (1-1/2% County-wide): Up 6.5% from 2<sup>nd</sup> quarter 2018

For a clearer picture of the economy from various measures, please see the following slides.

# 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 1<sup>st</sup> 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).

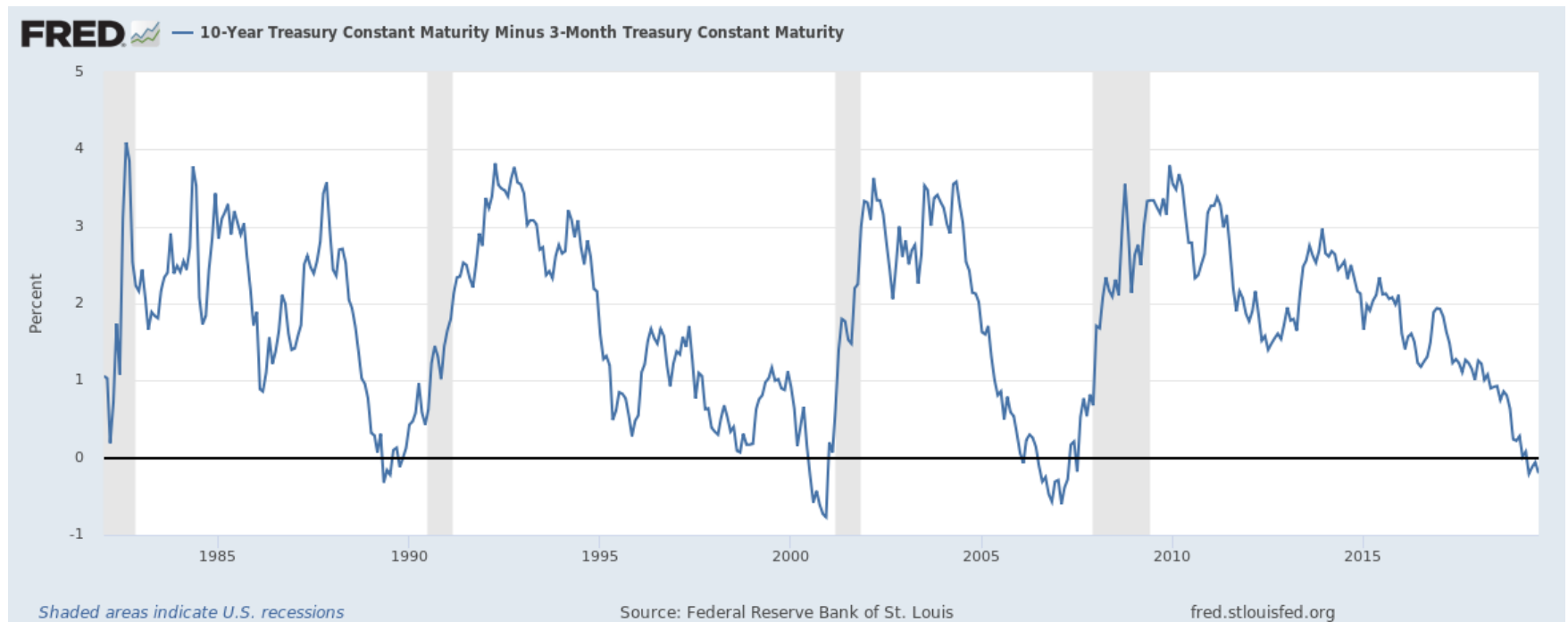


## China/U.S. Foreign Ex. Rate



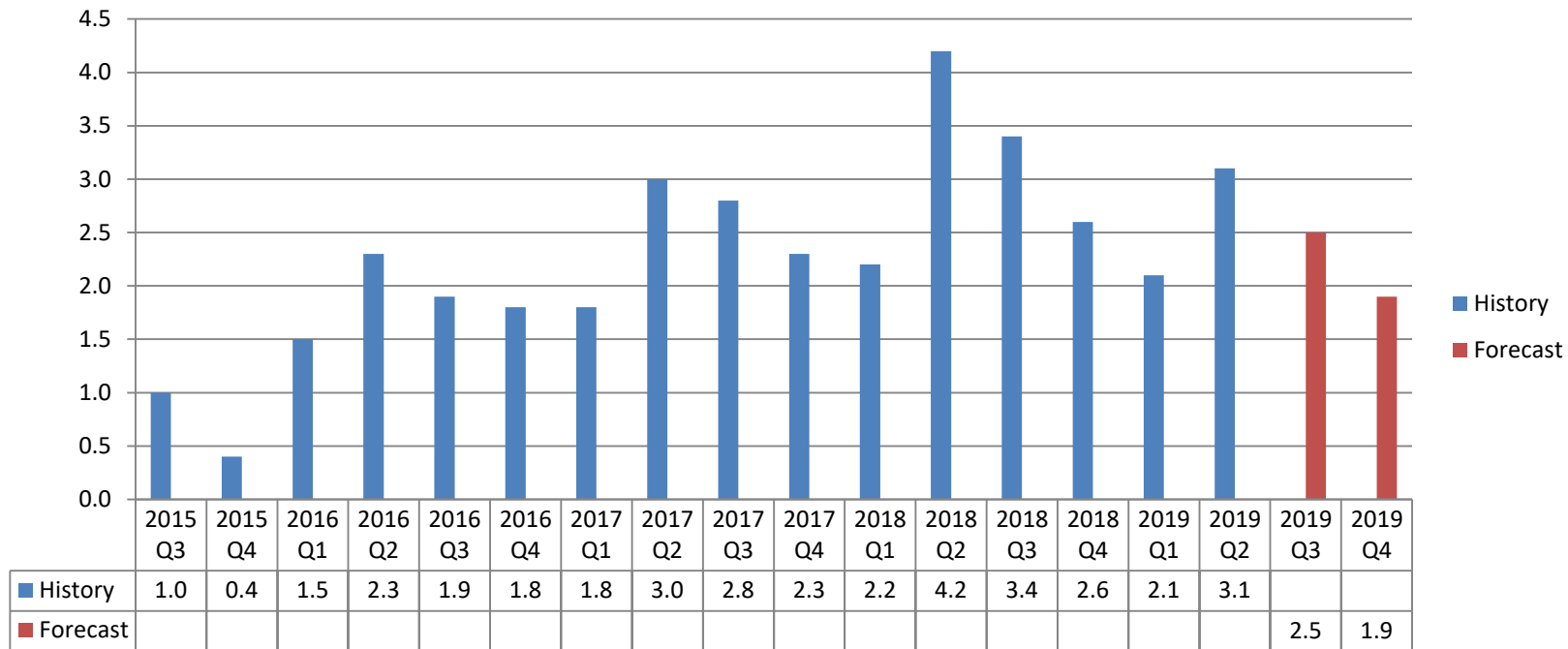


# 10Yr-3Month Spread





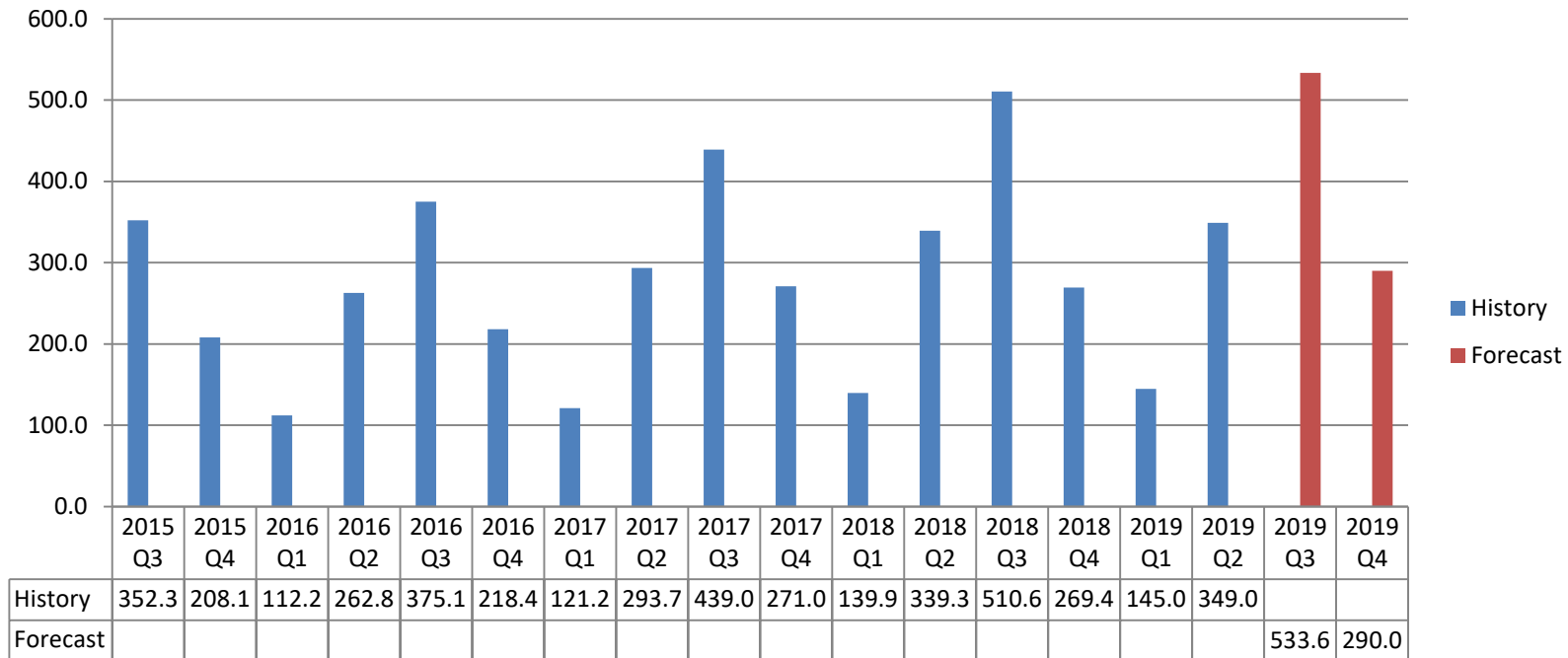
## Annualized Real GDP Growth (%)



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



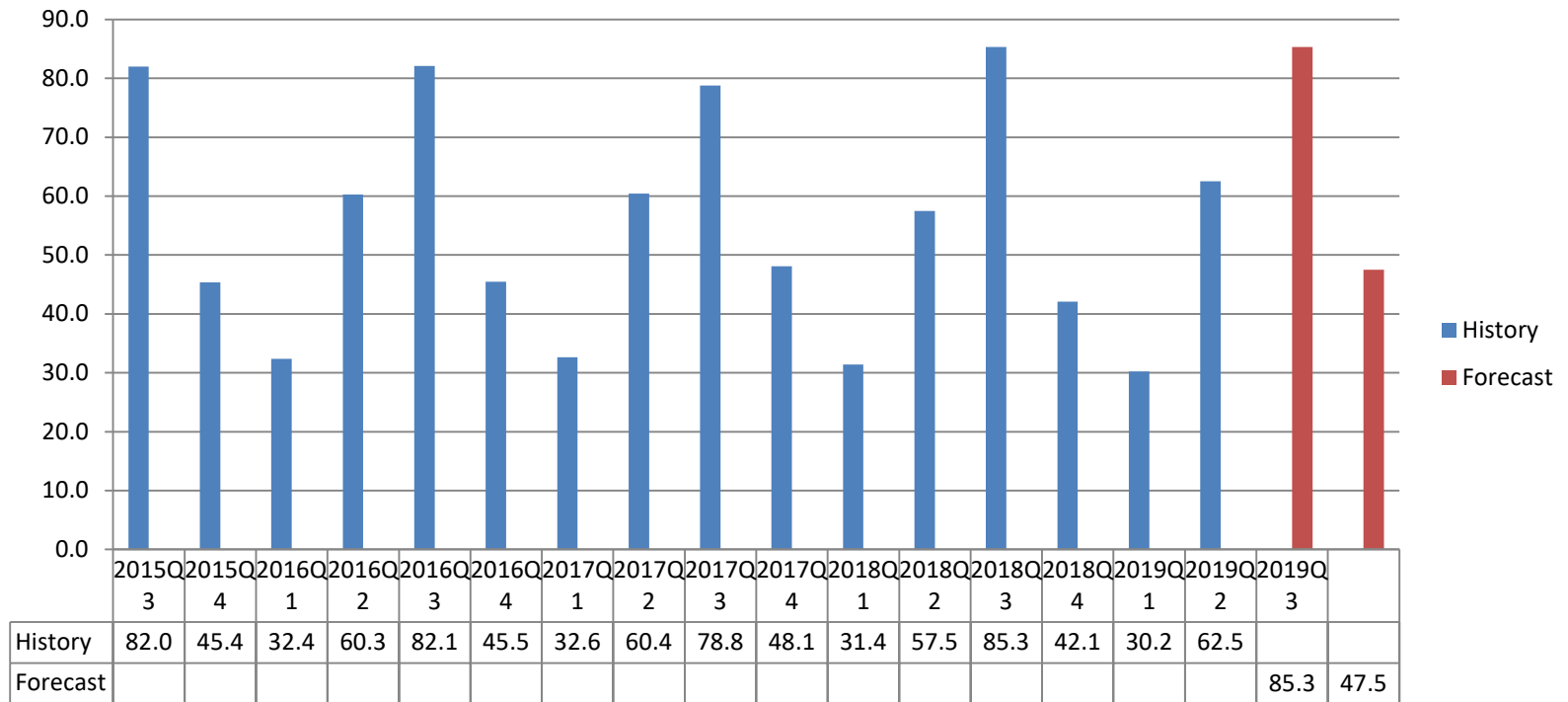
## MYR Airport Deplanements (Thousands)



Source: Myrtle Beach International Airport



# Hotel-Condotel-Campground Occupancy Rate

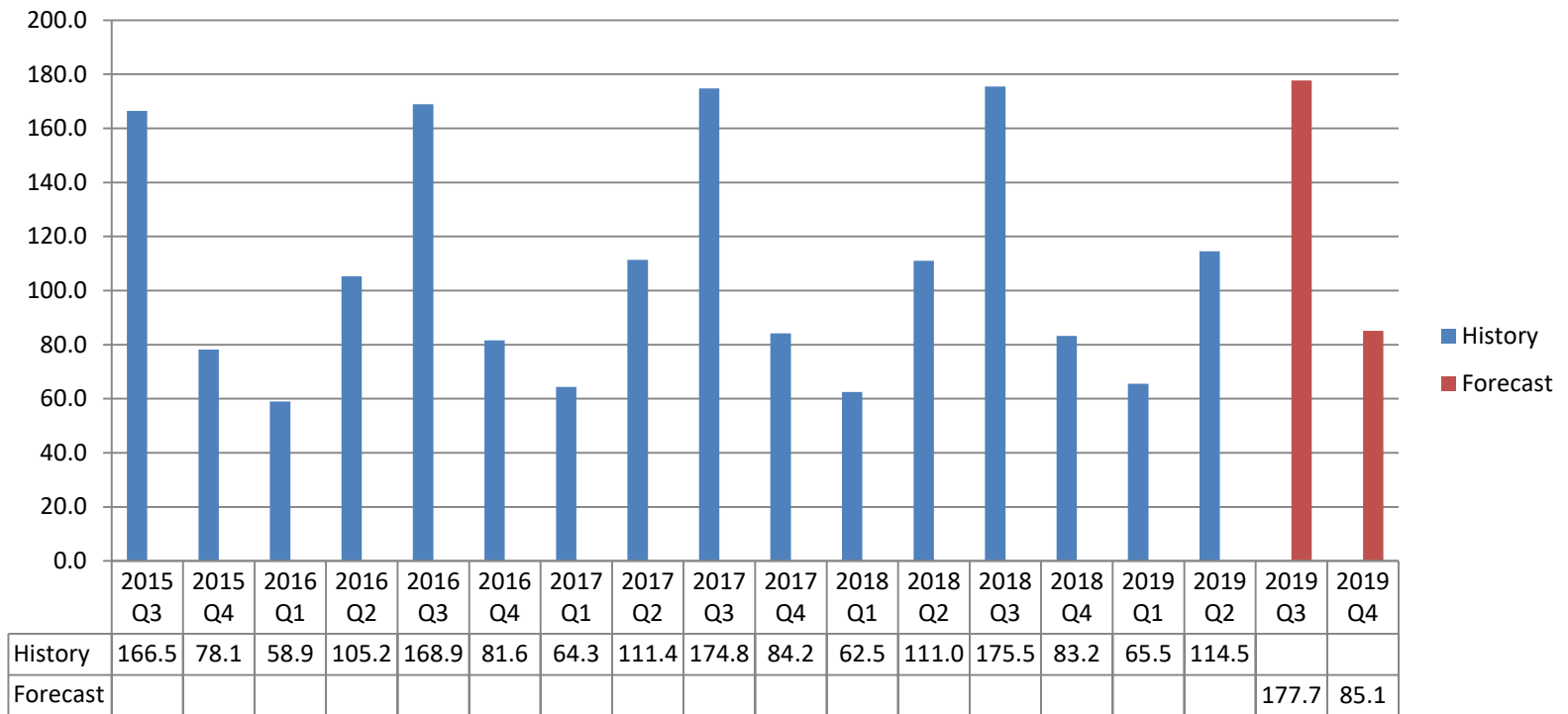


Source: Clay Brittain Jr. Center for Resort Tourism





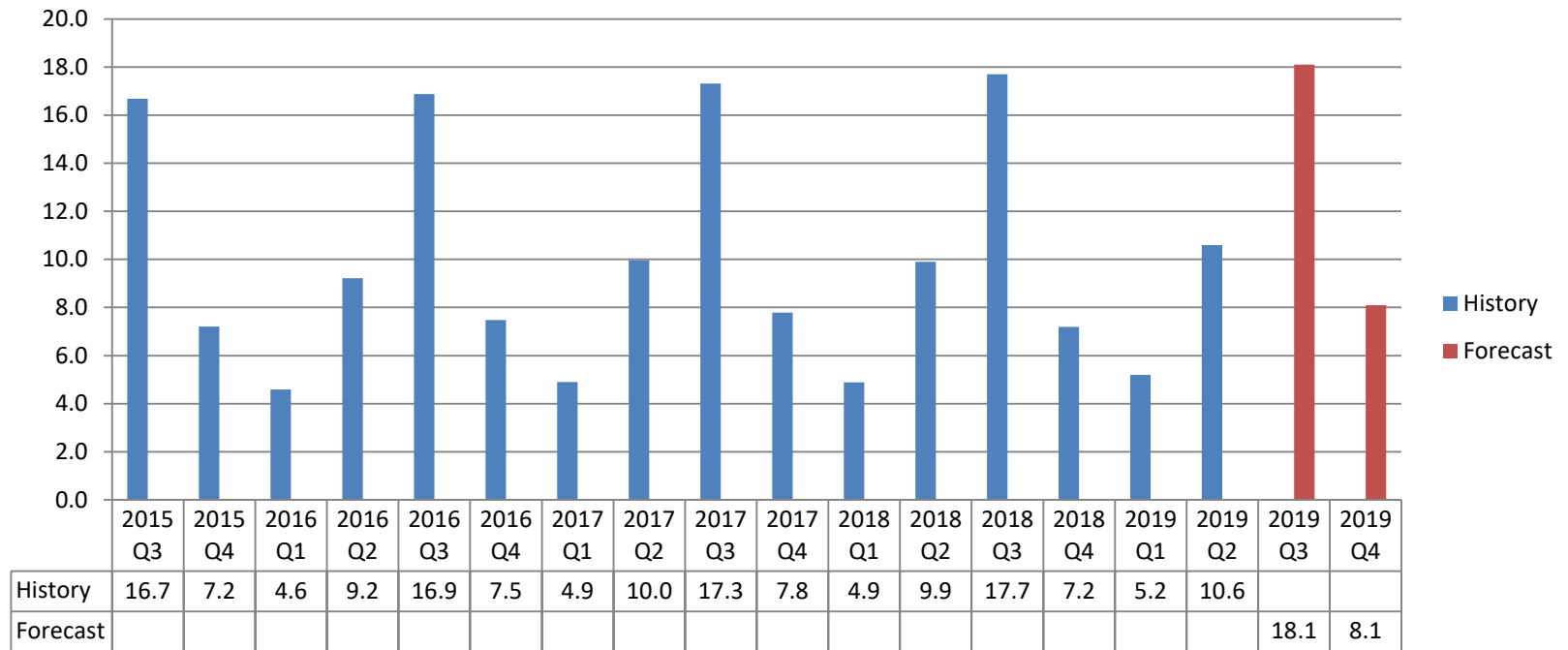
# Hotel-Condotel-Campground Average Daily Rate



Source: Clay Brittain Jr. Center for Resort Tourism



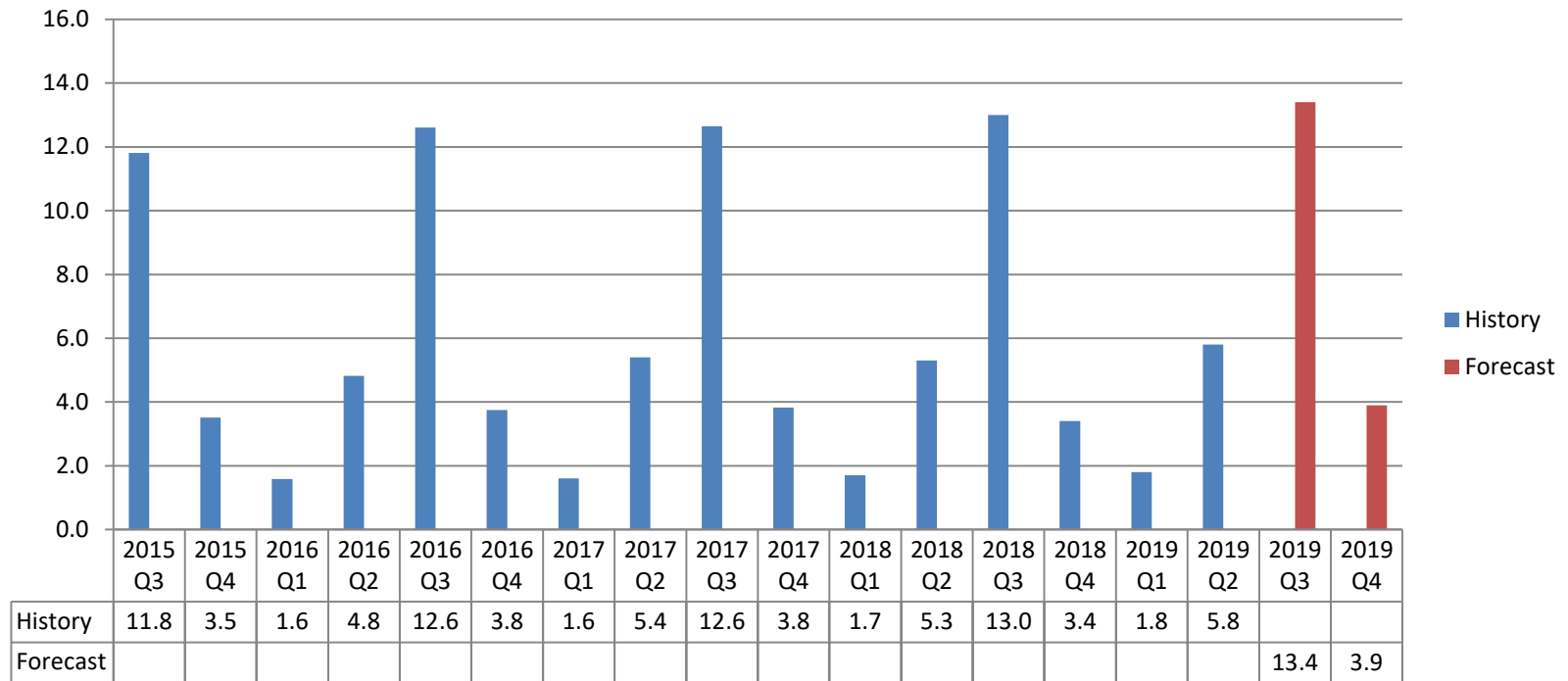
### Horry 1.5% Hospitality Fee Revenue (\$Millions) (County-wide fees on accommodations, prepared foods, beverages, admissions)



Source: Horry County Government



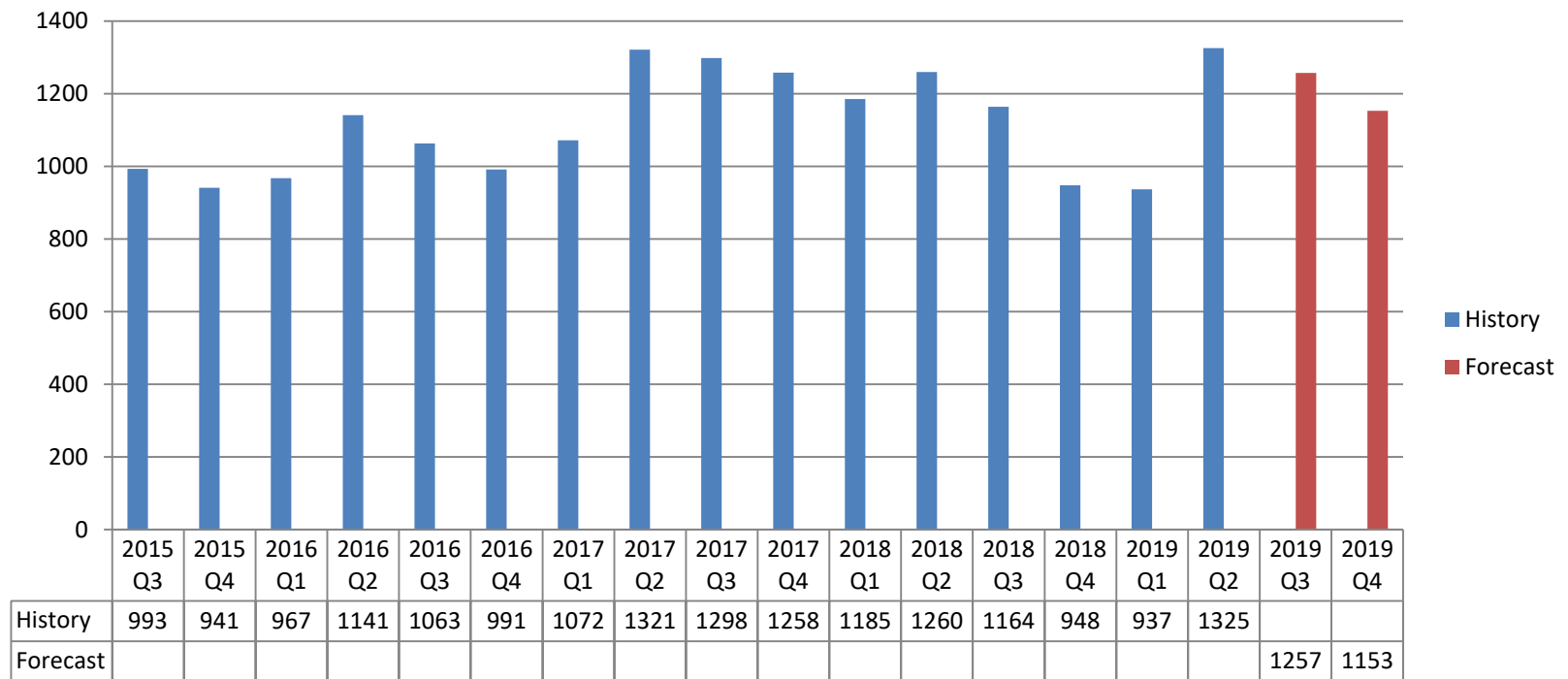
## Accommodations Tax Revenue (\$Millions)



Source: SC Department of Revenue



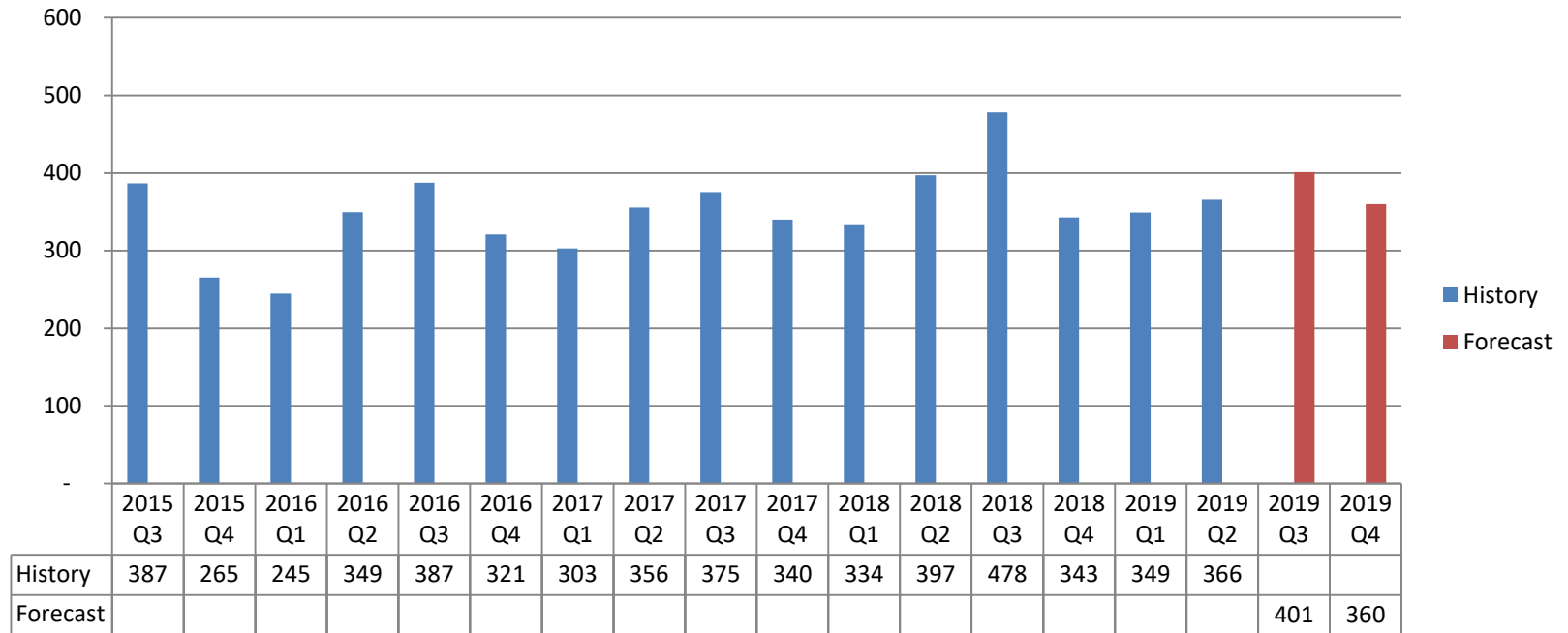
## Regional Single Family Permits



Source: HUD State of the Cities Data System



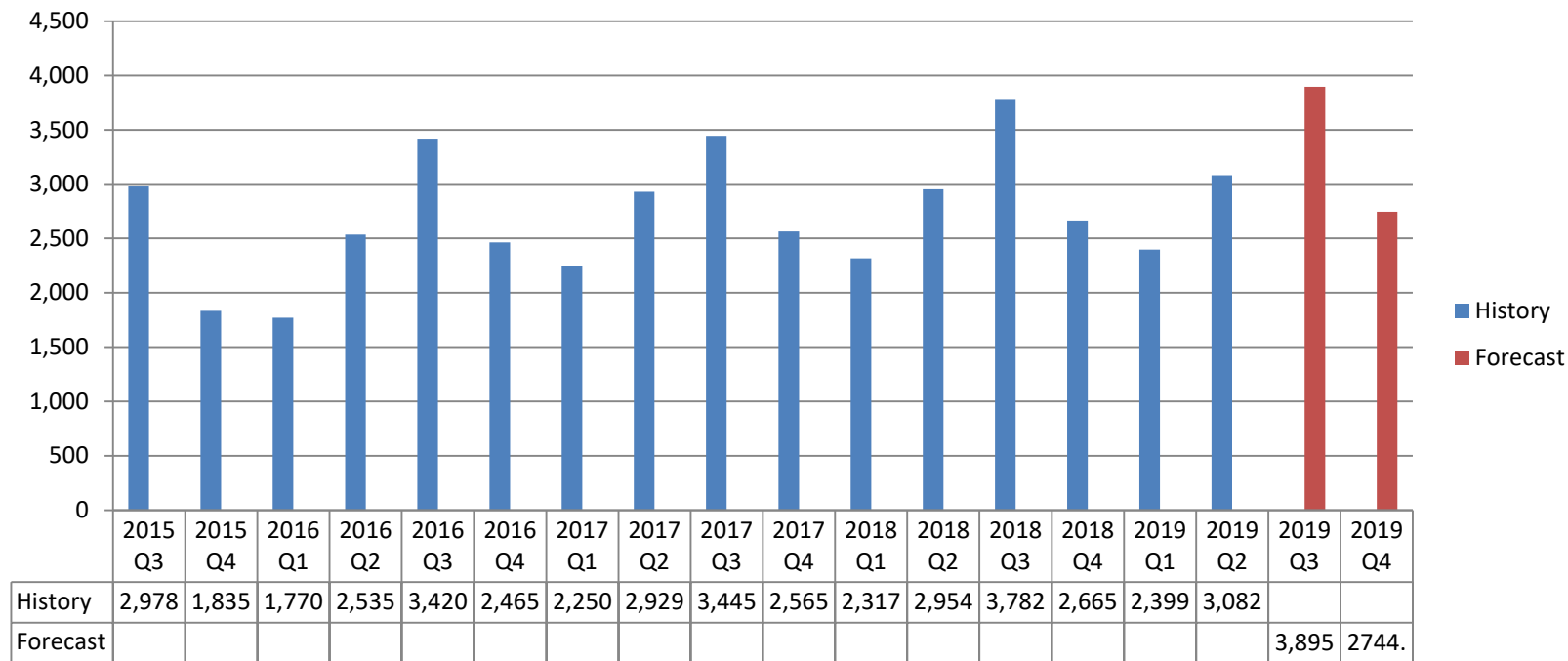
## Georgetown Retail Sales (\$ Millions)



Source: SC Department of Revenue



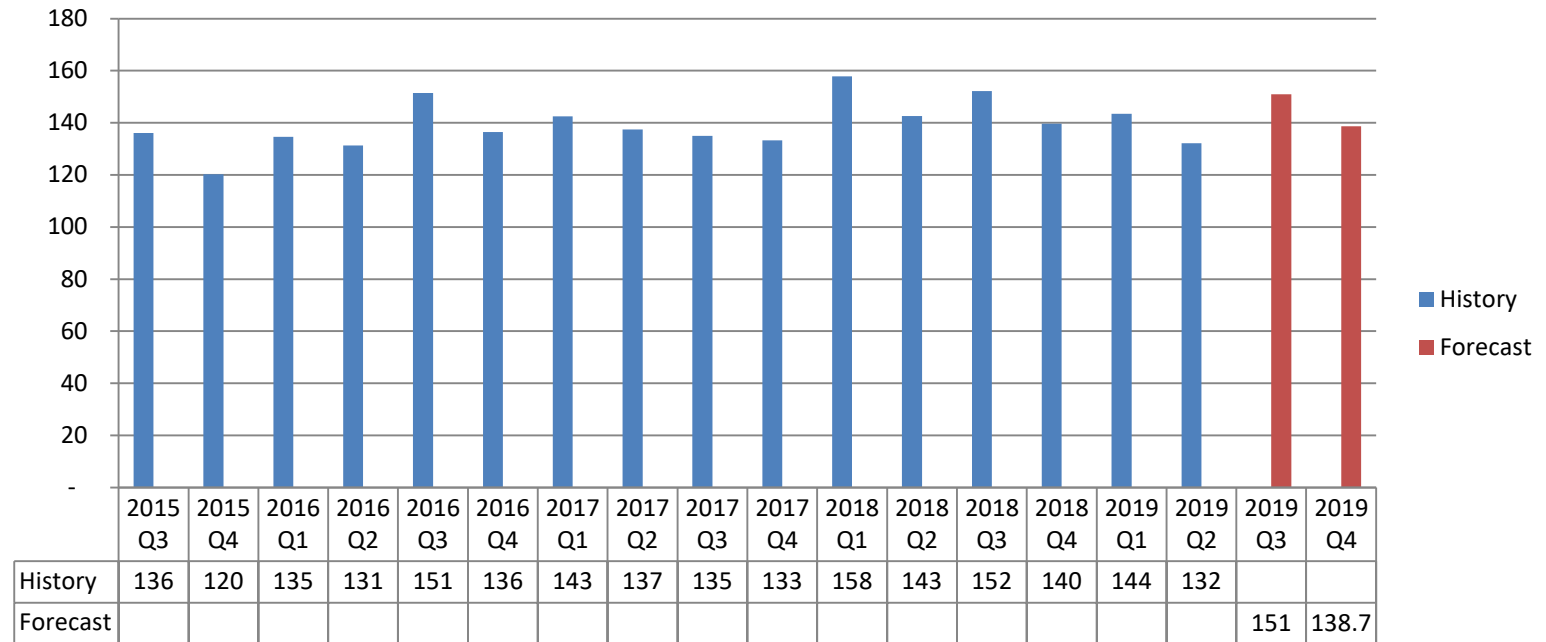
## Horry Retail Sales (\$ Millions)



Source: SC Department of Revenue



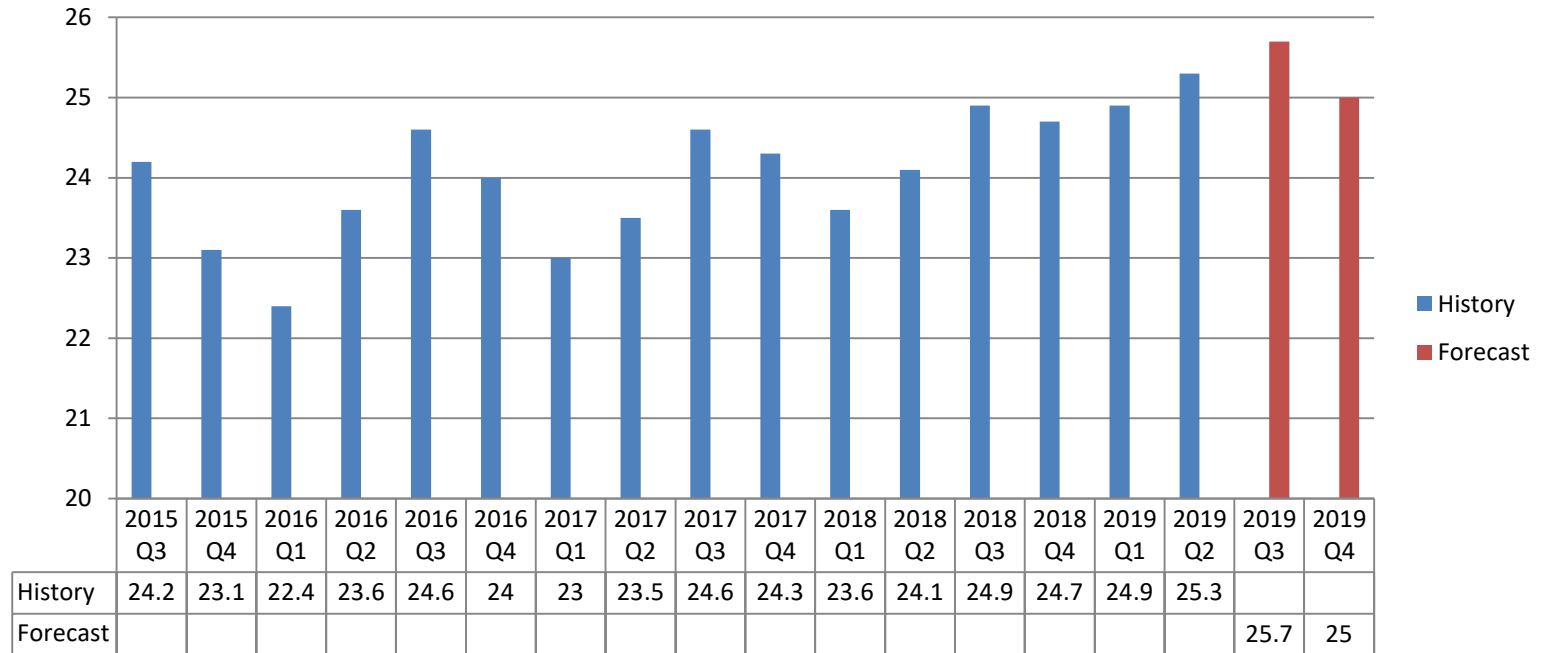
## Williamsburg Retail Sales (\$ Millions)



Source: SC Department of Revenue



## Georgetown Employment (Thousands)

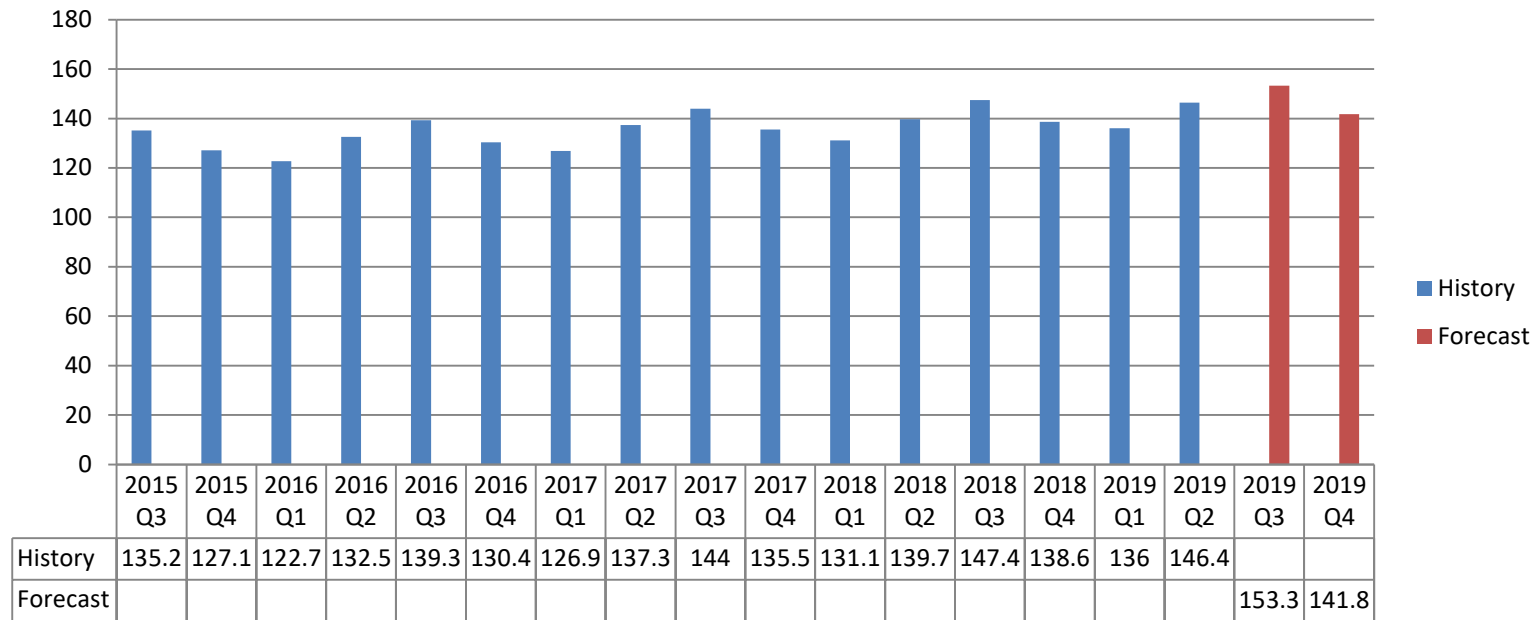


Source: Local Area Unemployment Statistics, Bureau of Labor Statistics





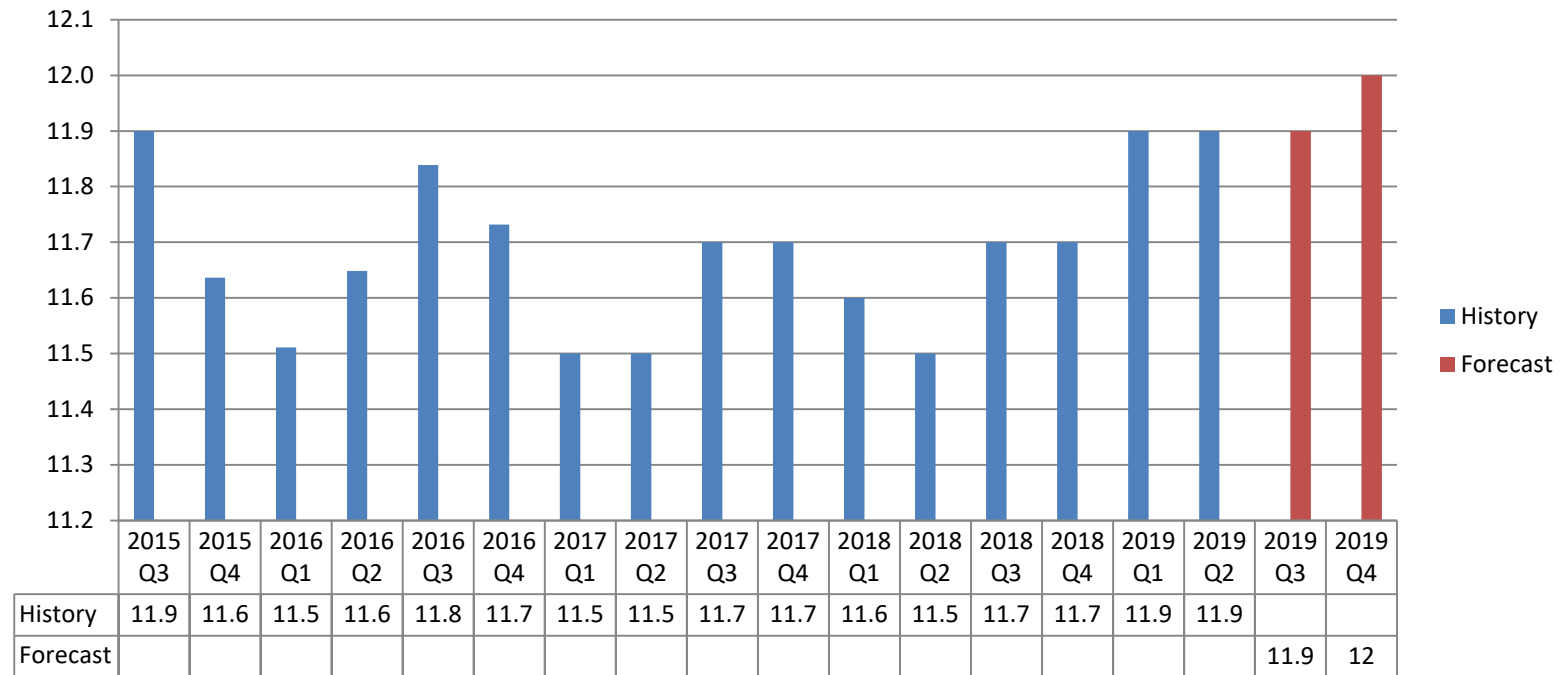
## Horry Employment (Thousands)



Source: Local Area Unemployment Statistics, Bureau of Labor Statistics



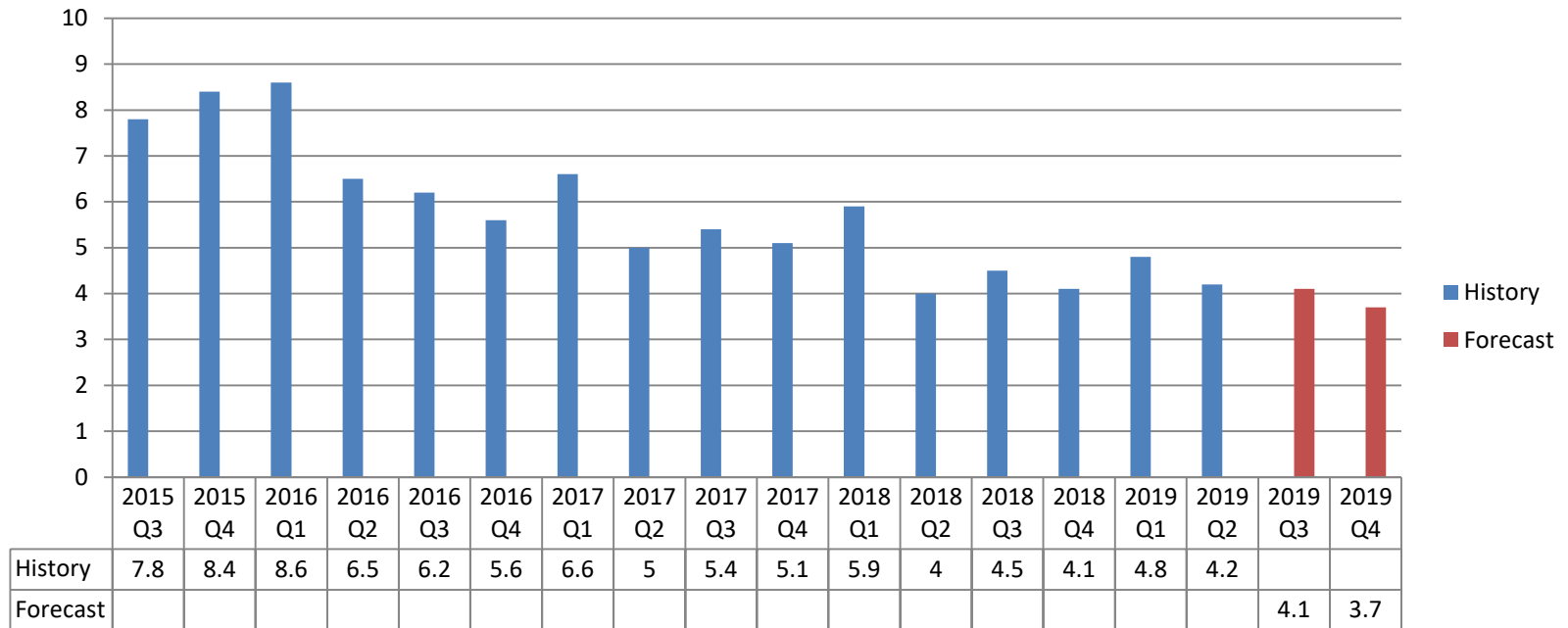
## Williamsburg Employment (Thousands)



Source: Local Area Unemployment Statistics, Bureau of Labor Statistics



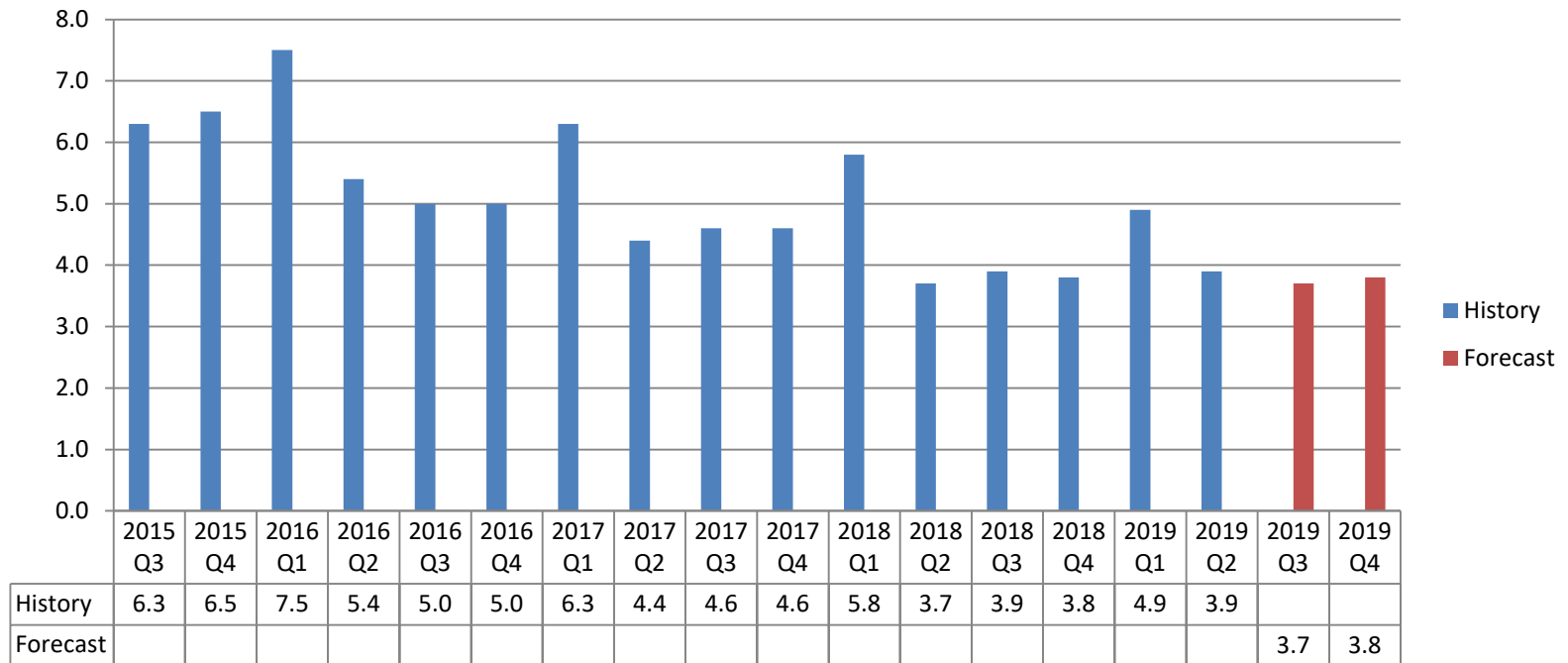
## Georgetown Unemployment Rate



Source: Local Area Unemployment Statistics, Bureau of Labor Statistics



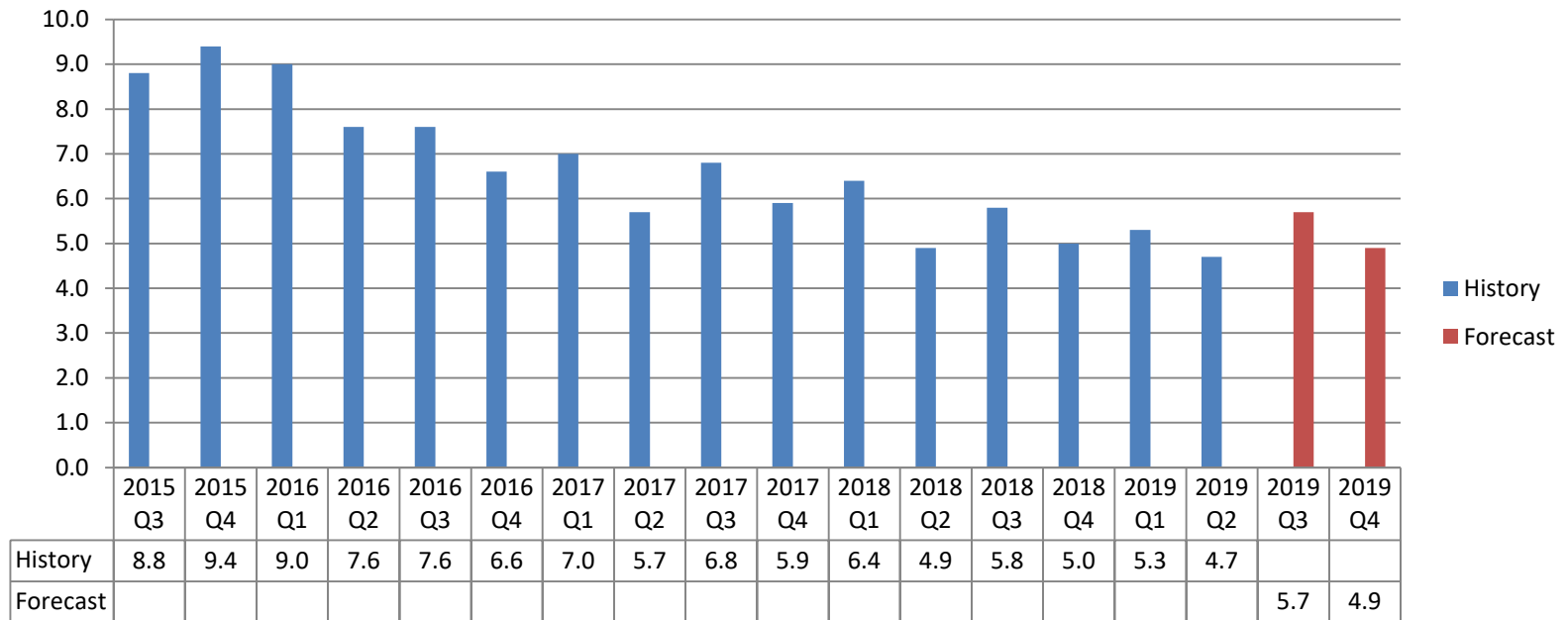
# Horry Unemployment Rate



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 2019

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

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**August 2019**

	Value			Percent Change from Previous Year		
	History*	Forecast	Forecast	History*	Forecast	Forecast
	Previous	Current	Next	Previous	Current	Next
	Quarter	Quarter	Quarter	Quarter	Quarter	Quarter
	Spring 2019	Summer 2019	Fall 2019	Spring 2019	Summer 2019	Fall 2019
Airport Deplanements (thousands)	349.0	533.6	290.0	2.8	4.5	7.7
Occupancy Rate (Full Week)	62.5	85.3	47.5	4.9	0.0	5.4
Average Daily Rate (Full Week)	\$ 114.5	\$ 177.7	\$ 85.1	3.4	2.2	1.9
Horry County 1.5% Hosp. Fee Revenue (\$millions)	\$ 10.6	\$ 18.1	\$ 8.1	6.5	2.0	12.5
Accommodations Tax Revenue (\$millions)	\$ 5.8	\$ 13.4	\$ 3.9	9.6	3.3	14.2
Regional SF Building Permits	1,325	1,257	1,153	5.2	8.0	21.6
<b>Retail Sales (\$millions)</b>						
Georgetown County	\$ 365.7	401**	\$ 360.0	-7.9	-16.1	5.1
Horry County	\$ 3,081.5	\$3,895.3	\$2,744.7	4.3	3.0	3.0
Williamsburg County	\$ 132.1	\$ 151.0	\$ 138.7	-7.4	-0.8	-0.6
<b>Employment (thousands)</b>						
Georgetown County	25,305	25,664	24,962	5.2	2.9	1.2
Horry County	146,354	153,271	141,780	4.8	4.0	2.3
Williamsburg County	11,926	11,878	11,954	3.5	1.8	2.0
<b>Unemployment Rate</b>						
Georgetown County	4.2	4.1	3.7	0.2	-0.4	-0.4
Horry County	3.9	3.7	3.8	0.2	-0.2	0.0
Williamsburg County	4.7	5.7	4.9	-0.2	-0.1	-0.1

\*Some history data not yet released for Accommodations Tax and Retail Sales (extrapolated; will be updated for next quarterly outlook). \*\*Georgetown Sales 18Q3 in question.

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.