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South Carolina's beaches are one of the state's biggest draws for the tourism industry.

Economists expect slow growth in state

Myrtle Beach region has seen greatest increase in past year, thanks to leisure, hospitality areas

By Cassie Cope
The State

You can expect slow, steady growth in South Carolina economy in the short run, economists said.

"We're in the sixth year of economic recovery, and our forecast continues to call for slow and steady growth," Board of Economic Advisors chairman Chad Walldorf said after that board heard from five regional economists.

Some growth is expected in personal income — either because of higher wages, more workers in the state or a combination of the two.

The economists expect personal income to grow about 3.75 percent in the state's current fiscal year, which ends June 30, 2015. They expect personal income to strengthen — increasing by 4.1 percent to 4.5 percent — next fiscal year, which starts July 1, 2015.

That increase, however slight, should lead to an increase in state revenues, via higher sales tax and income tax collections.

Sales taxes and individual income taxes make up the majority of the state's $7.2 billion general fund budget.

Regional economists said they expect the state's sales tax collections to grow from 3.2 percent to 3.4 percent, which would add up to $88.4 million to next fiscal year's budget.

The economists say individual income taxes could grow from 3.6 percent to 4 percent, adding up to $140 million to the state's budget.

During the past four years, the Upstate and Charleston areas have seen the most economic growth, said University of South Carolina economist Joey Von Nessen.

But, over the past year, the greatest growth has been in the Myrtle Beach region, largely due to the growing leisure and hospitality industry.

Mark Witte, an economics professor at the College of Charleston, said South Carolina is importing skilled workers for jobs in some areas, including engineering, from neighboring states and elsewhere. Those workers are coming from North Carolina, Georgia, Florida and even the Northeast, he said.

Still, some jobs are sitting vacant due to "credential creep," Witte said.

That creep is caused by businesses increasing their experience and education requirements for jobs. As a result, some would-be workers cannot find jobs because they lack credentials that would not previously have been required.

Across the state, urban areas are doing very well in South Carolina, Witte said. He added the rural areas of the state likely will continue to struggle going forward.