

Economists predict a strong year for South Carolina in 2018

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University of South Carolina economists expect the state's economy will remain stable in the new year, with growth anticipated in most industries along with gains in income for working South Carolinians.

The biggest hurdle the state will face is labor availability, but that's a good thing for workers as companies will likely compete for talent, research economist Joseph Von Nessen said.

"The labor market in South Carolina is more favorable to workers than at any time in the last eight years," he said. "With the unemployment rate

currently at 3.9 percent - the lowest level since the year 2000 - employers are having to provide stronger incentives, such as higher wages, to attract and retain the workers they need.

Personal income across the board is projected to grow at 4.3 percent next year, which is greater than the 3.8 percent increase seen in 2017, according to an economic forecast provided by the University of South Carolina.

In Greenville, employment rose 0.7 percent, a small gain compared to other communities such as Myrtle Beach and Augusta that saw employment rise by more than 3 percent.

See PREDICT, Page 2A

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Continued from Page 1A

Unemployment in Greenville fell by 0.5 percent, according to information from the University of South Carolina.

South Carolina's already-low unemployment rate is expected to decrease slightly in the new year to 3.6 percent. Von Nessen expects to see a 2.1 percent boost in job creation, the best measure of economic performance, he said.

While large companies make up a significant share of the employment statistics, economists said the proposed tax plan under debate in the U.S. Congress could help small businesses realize additional growth next year.

"Because businesses are struggling to find new workers in an economy with such low unemployment, access to new financial resources would be more likely to go towards efforts to help retain and invest in existing employees," Von Nessen said.

Workforce investment can already be seen around the Greenville area. Clemson University and Greenville Technical College both recently an-

nounced the openings of advanced manufacturing educational centers in partnership with larger companies that have presences in the Upstate. And Samsung announced Friday it would be partnering with the state, Clemson and the University of South Carolina on a research effort targeting home appliance innovation. Samsung is expected to employ 1,000 people at its new washing machine manufacturing facility in Newberry by 2020.

After seeing a strong surge in 2016, the housing industry slowed this year due to rising lumber costs.

"The U.S. Department of Commerce imposed import tariffs on Canadian lumber beginning in late 2016, which has contributed to higher input costs for builders and reduced the overall growth rate for the industry this year," Von Nessen said.

Despite that, single family residential building permit activity was up across most of the state, including Greenville, which saw a 7.2 percent increase. Florence, Myrtle Beach and Spartanburg saw the most significant gains, each experiencing increases upwards of 20 percent.