

Economic Outlook and Issues Georgia and the Coastal Region

**Rotary Club Presentation
Metter, Georgia**

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BBRED Regional Activity

Bureau of Business Research and Economic Development

www.bbred.org

Recent Projects

- SEDA Tax Abatement Study 2007
- Economic Impact of Georgia Southern University
- Effingham County Hospital Modernization Study

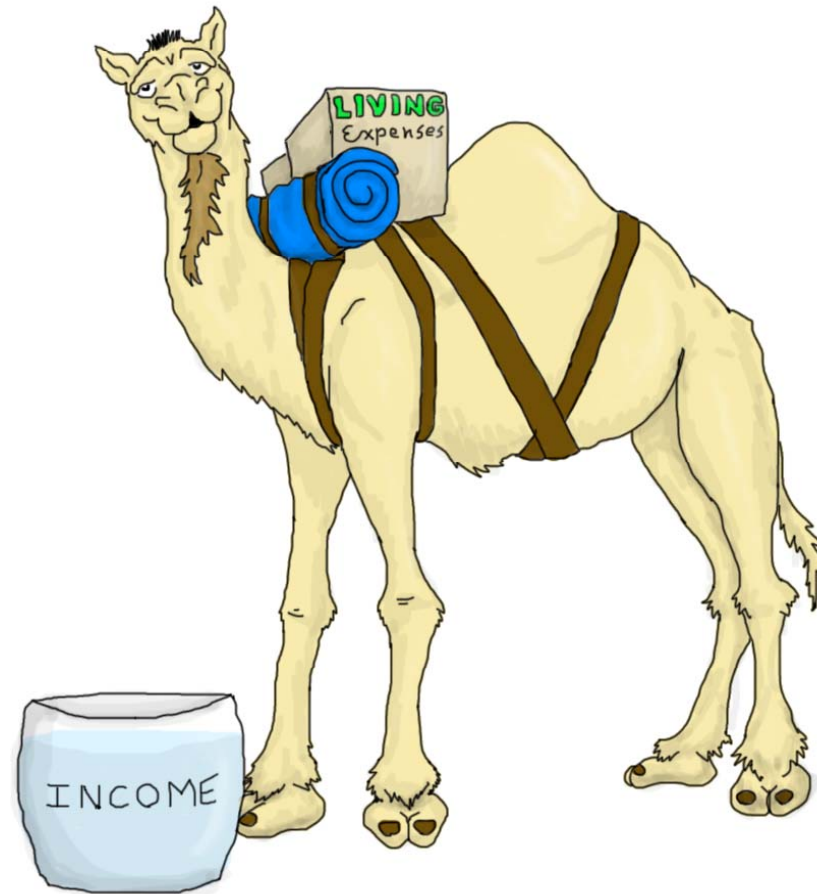


How did the Economy Get Here?

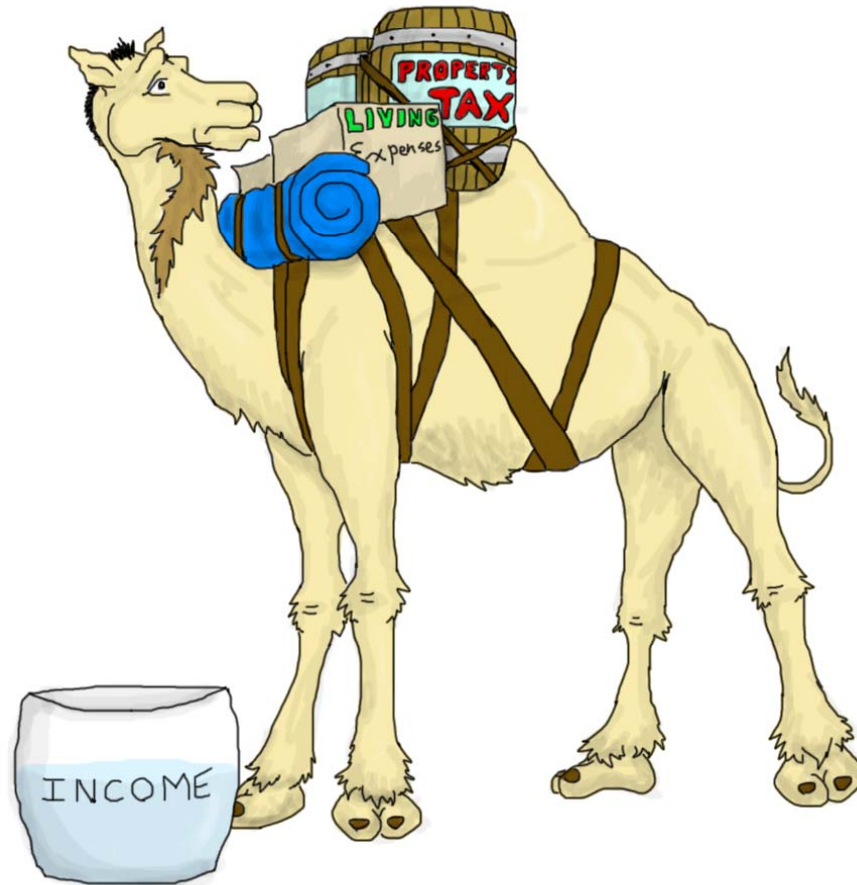
- Short Story is:
 - Consumer Slowed Spending in Early 2008
 - As Consumer Spending Slowed Financial Crisis Hit
 - Business Spending/Investing Stopped
 - Finally Hiring Stopped
 - Recession Started December 2007 and 'ended' June 2009



The American Consumer 1996-2003



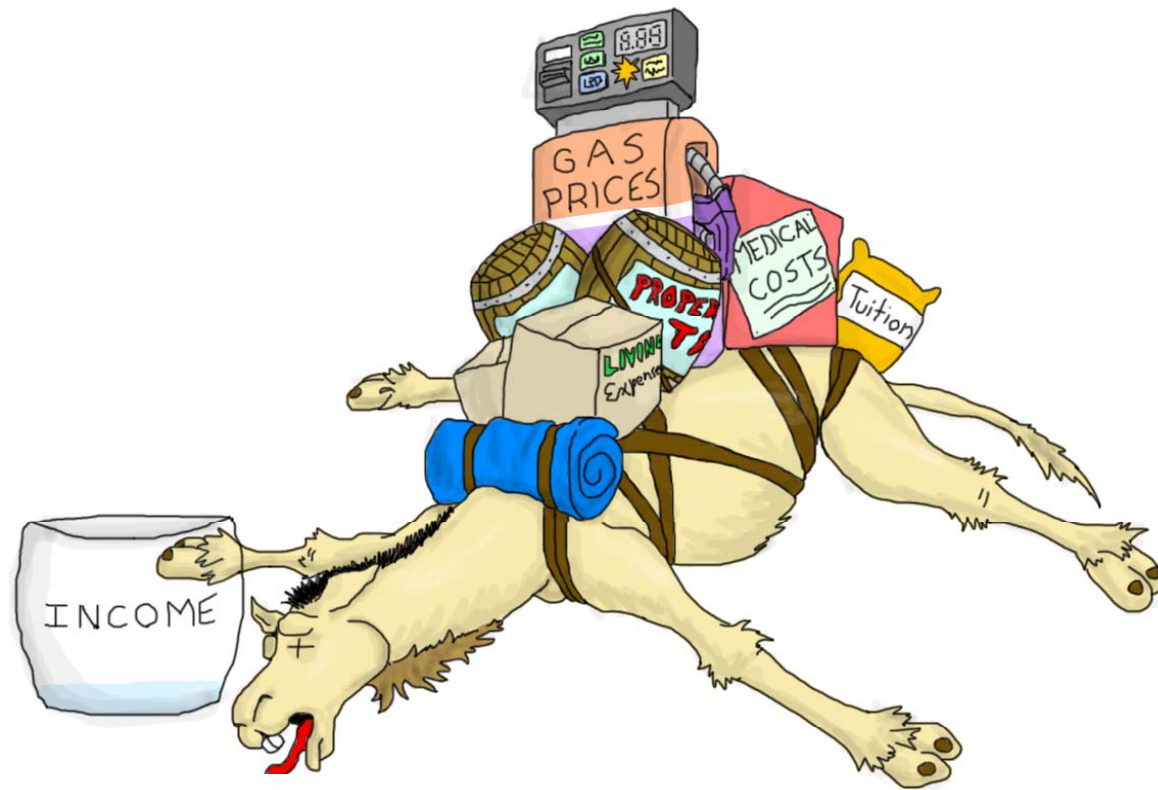
The American Consumer 2004-2006



The American Consumer 2006-2008



The American Consumer 2008-2010



Impact of Great Recession

- Candler County:
 - Unemployment rate started at 5.2% in December of 2007 – 9.6% September of 2009
 - Employment essentially flat during past 12 months
 - Goods Producing Industry- Economic hit hard by downturn
 - Agriculture and Forestry, Construction & Manufacturing
 - Service Industry – Declined Slower During Recession and is lead the recovery.



Impact of Great Recession

- Bulloch County

- Unemployment rate started at 4.6% in December of 2007 - 9.4% September of 2010
- Employment essentially flat during past 12 months
- Goods Producing Industry - Hit by downturn
 - Share of Economic about the same
- Service industry- Still Strong and is leading the recovery.

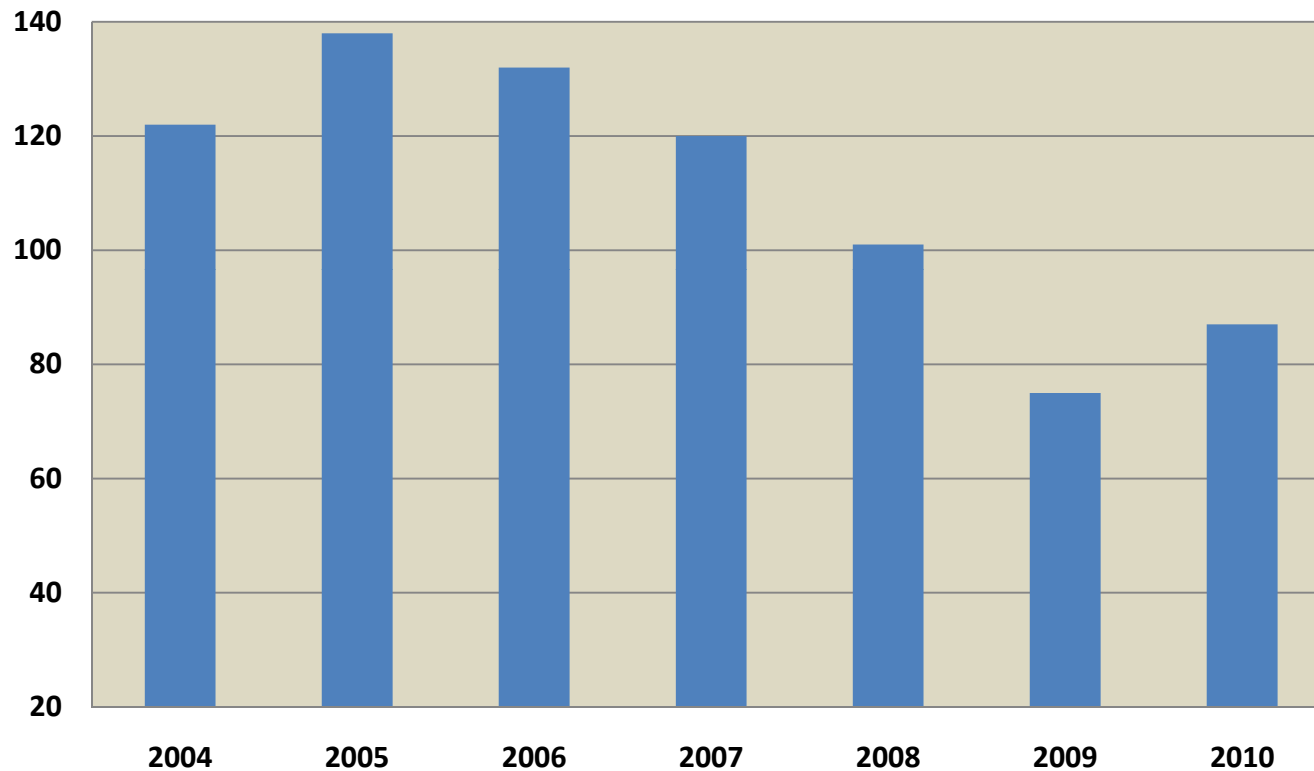


So what about the Future: Christmas Shopping

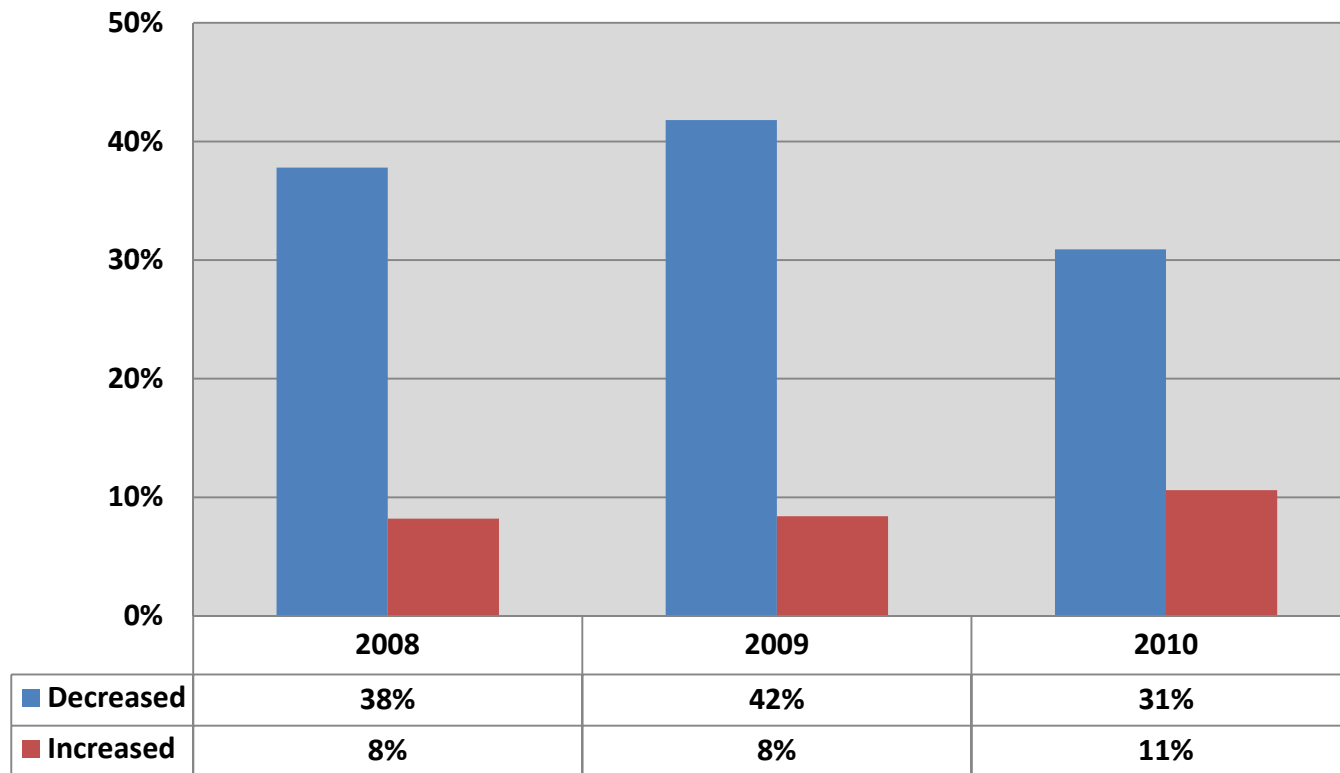
- Better than last years for retailers in the Coastal Empire of Georgia and the Low Country of South Carolina.
- 47% report to be bargain shoppers and 80% often check prices before buying.
- 59% are planning to spend about the same amount as they did last year-an increase over the 2009 level in 47%.
- “Fun items” are returning . 59% will buy electronics in 2010 compared to 55% in 2009.



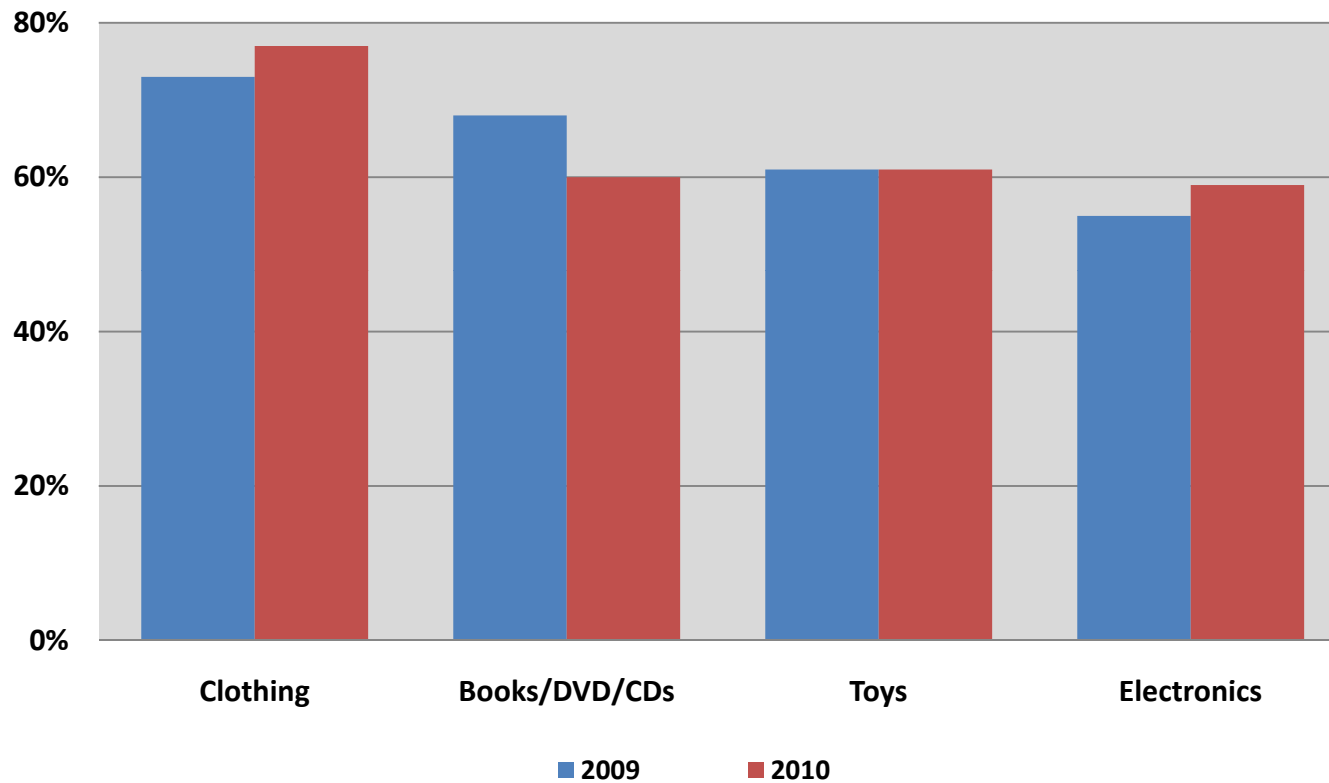
Average Spending on Gifts



How Much are you Planning to Spend



What Items are you Purchasing



The Bottom Line...

- Based on consumers intentions, in this survey holiday sales are estimated to increase by 2% to 3% this year
- 2009 was only .3% increase in retail sales

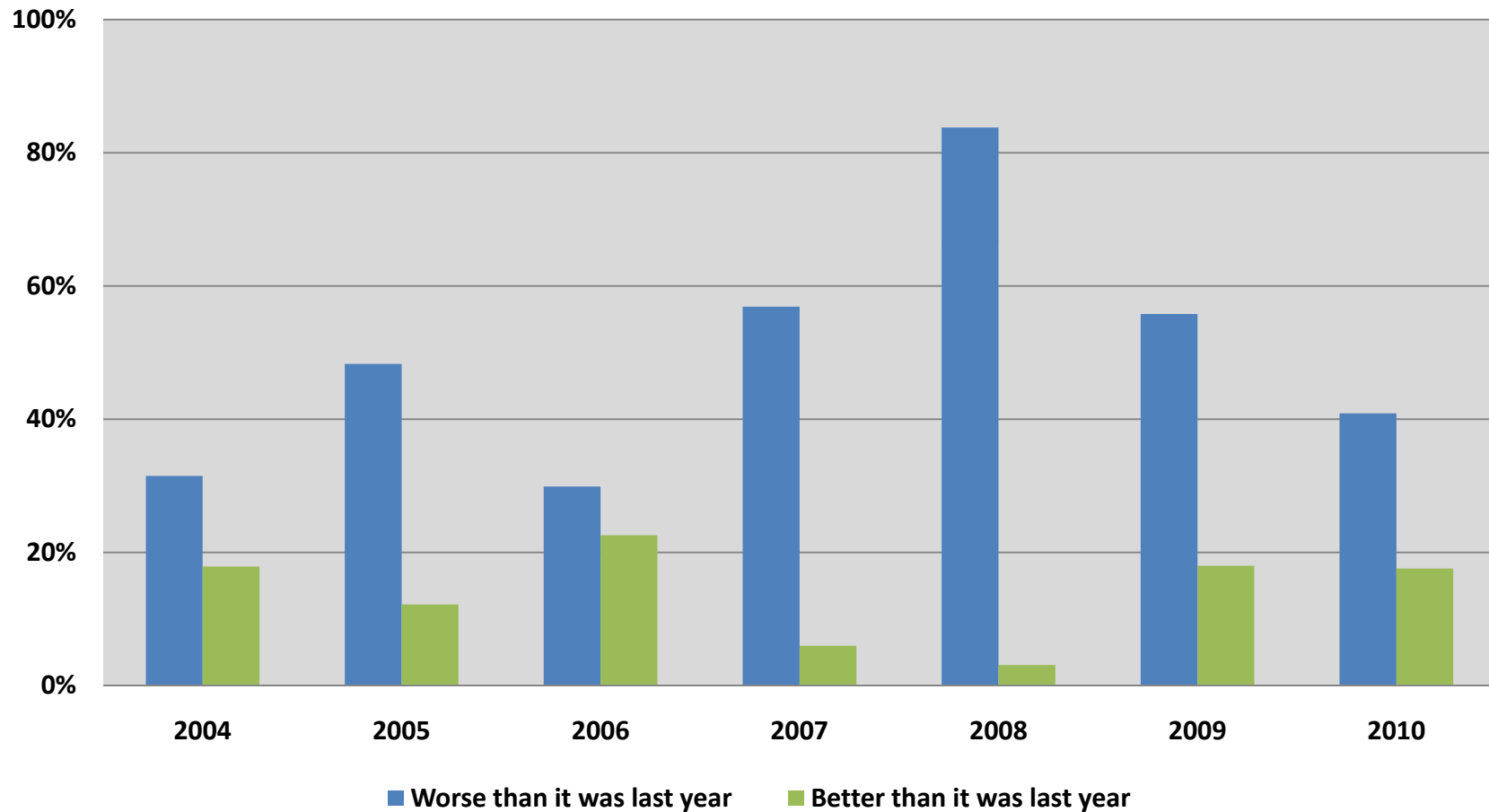


It's the Economy...

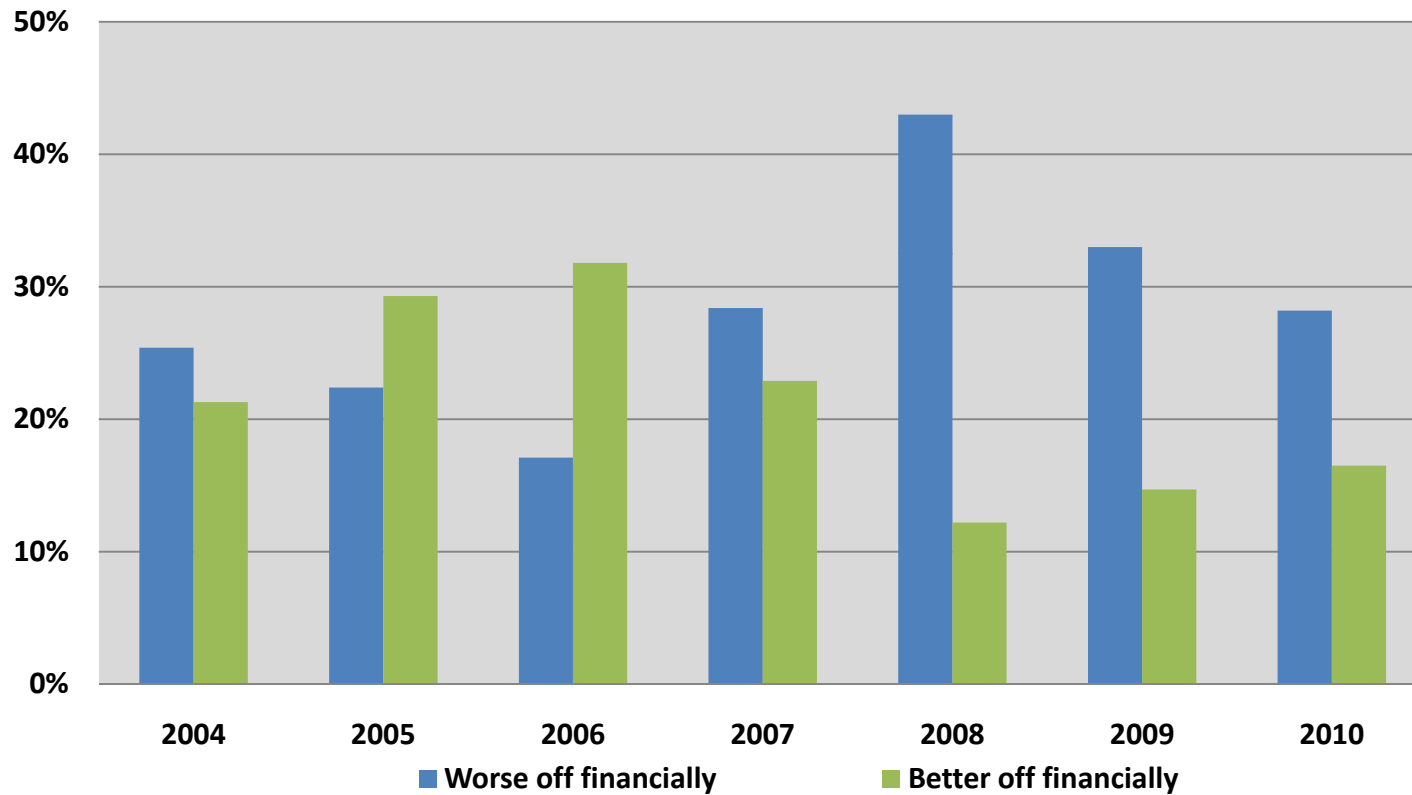
- Residents less pessimistic about the local economy the Coastal Empire of Georgia and the Low Country of South Carolina.
- 41% report that the economy is about the same as it was last year, this is an increase from 25% in 2009
- Financially, 55% report to be at a about the same level as last year.



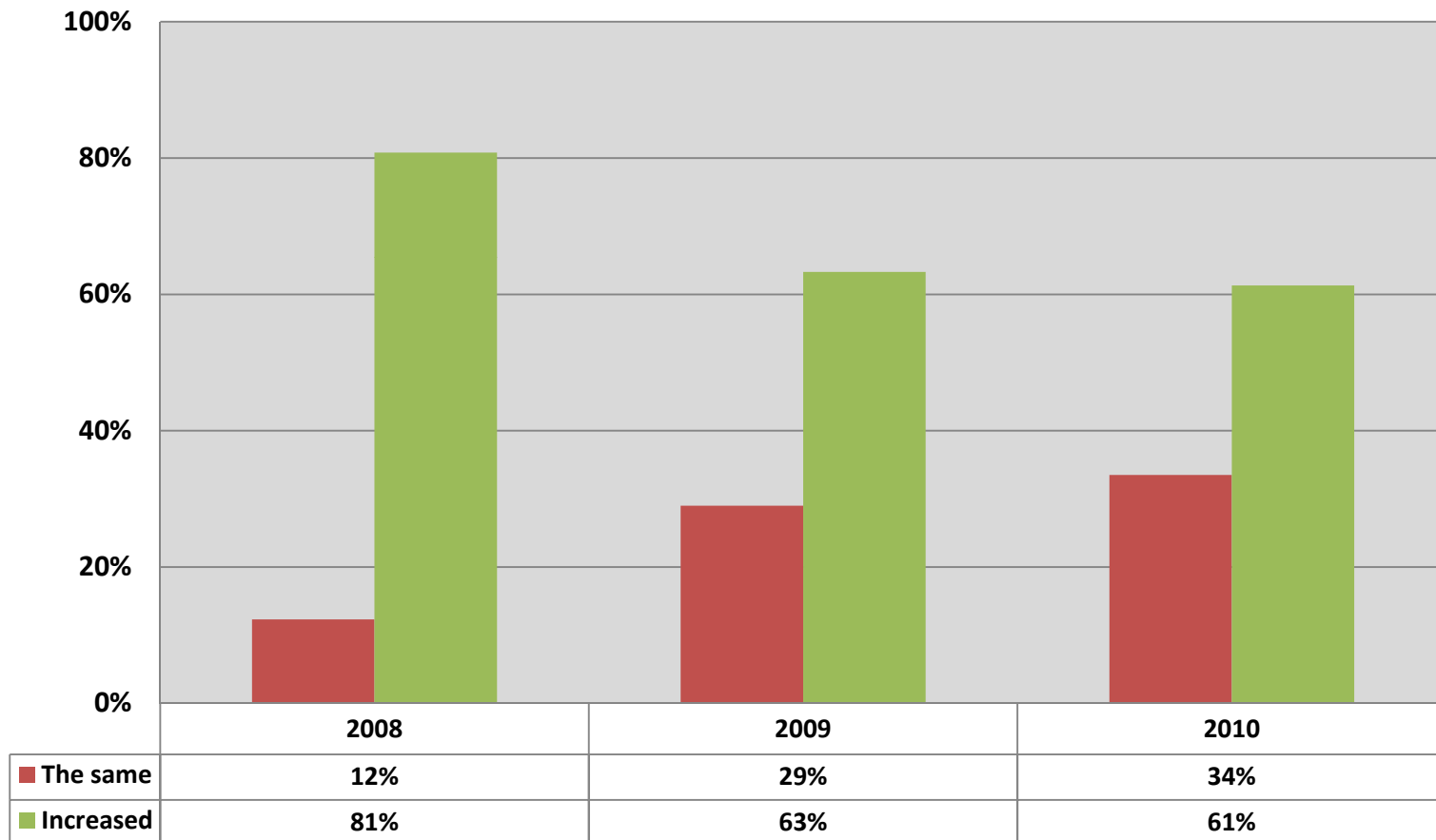
Do You Think the Economy



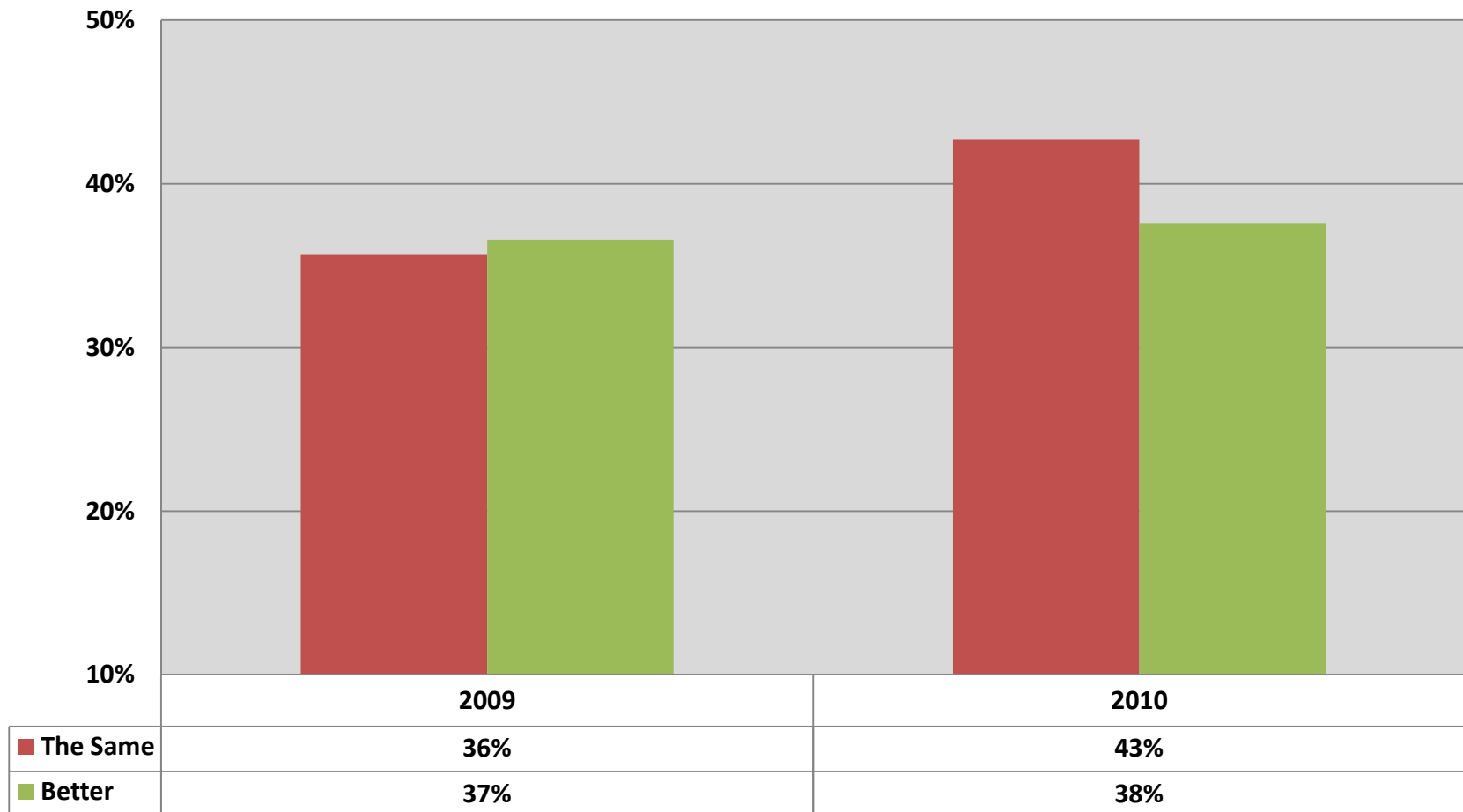
Financially Are You



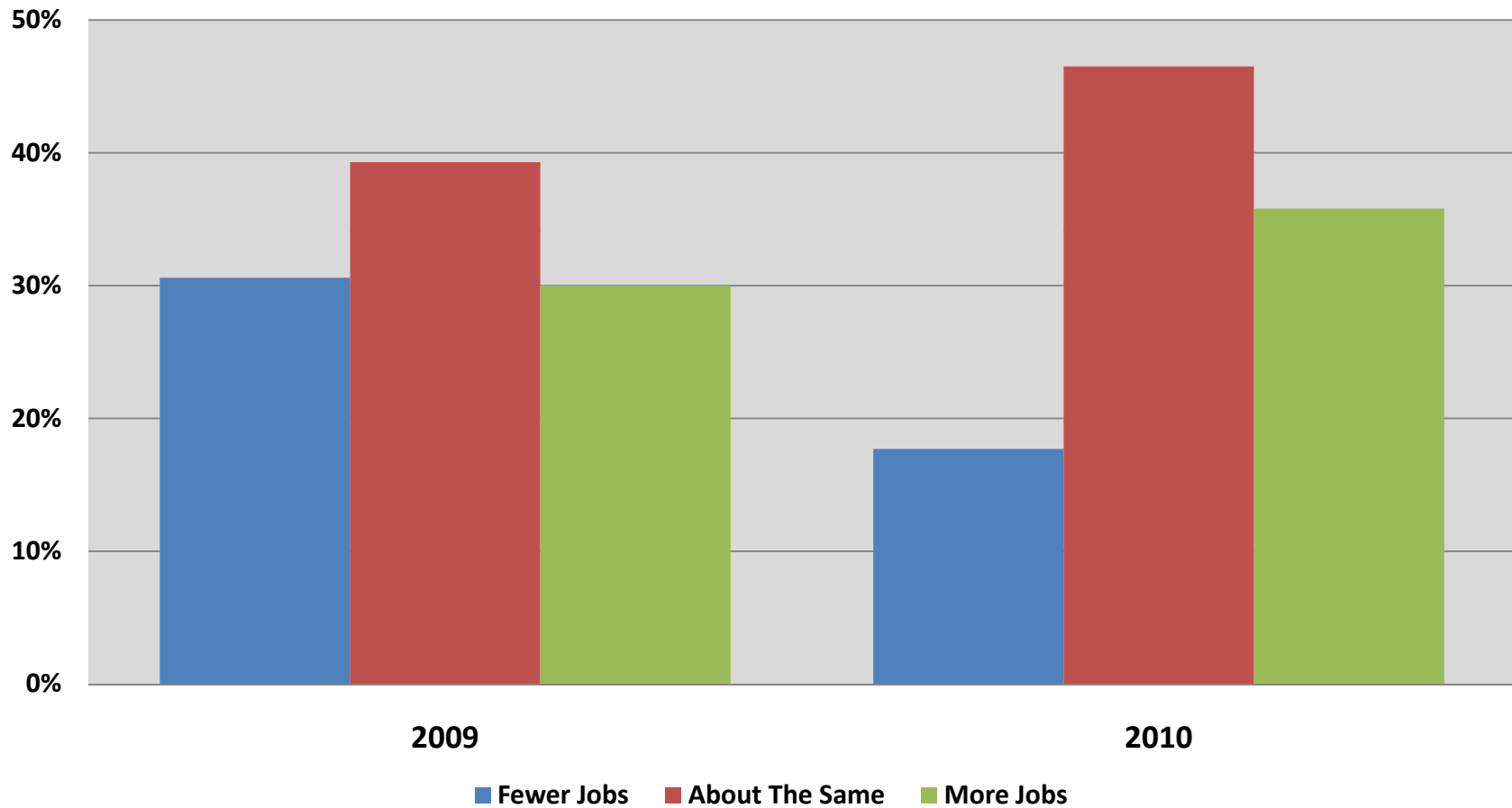
Cost of Living



General Business Conditions



Job Availability



2011-2012 Economic Outlook

- Slow gradual recovery –GDP growth around 2.50%
- Unemployment rates high (8.5-9.0%) through 2011.
- Population Migration below 2000-2006 levels
- Consumer spending increasing moderately
- Interest rates remain low throughout 2011. Modest increase in 2012.
- Business spending limited to equipment and technology
- Capital Investment low through 2012.

