Georgia Southern’s Economic Monitor reports continued growth despite hurricane

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CONTINUED GROWTH DESPITE HURRICANE

Georgia Southern University’s latest Coastal Empire Economic Monitor, which analyzes data and identifies trends affecting the regional economy, reports that the Savannah metro economy closed out 2017 with moderate growth, while still feeling some of the effects of Hurricane Irma on employment and energy use (electricity sales). Exceptional strength in port activity, along with increased retail sales activity and tourism, lifted the regional economy.

“The regional economy continued to power along but at a slightly slower pace than during the previous quarter,” said Michael Toma, Ph.D., Fuller E. Callaway Professor of Economics and director of the Center for Business Analytics and Economic Research. “The lingering effects of Hurricane Irma on the forecasting index are dissipating, and signs are pointing to continued economic vitality in the second half of 2018.”

Overall, the Savannah metro economy remains on an upward trajectory of healthy, sustainable growth. With the passing of Hurricane Irma in September adversely affecting some economic indicators, sufficient forward momentum propelled the economy through the lag and kept the economy on its 12-month trend of 3.5 percent annual growth in regional output.

Additional highlights from the latest Economic Monitor include:

TOURISM
Regional tourism rebounded after the September hurricane even though boardings at the airport were flat. However, the year ended with a 16 percent increase in boardings from 2016. Hotel room sales increased 10 percent from the third quarter, closing out the year at 4.6 percent over 2016. Additionally, auto rentals increased eight percent, while alcohol sales and the number of visitors on guided tours in the city saw gains of 11 percent and 18 percent, respectively.

PORT ACTIVITY
Activity at Savannah’s port facilities soared by 13 percent compared to the previous quarter and is up 15 percent from the same time the previous year. The total number of containers handled exceeded four million in 2017, which is a record high and a gain of 10.6 percent over 2016.

EMPLOYMENT TRENDS
Fourth quarter employment bounced back to offset the September decline of 1,200 jobs caused by Hurricane Irma. The Coastal Empire’s metro area employers added 4,600 jobs, an increase of 2.7 percent, equaling the
average pace of expansion since 2010, and an improvement (up from 2.4 percent) from 2016. The fastest growing sector was construction with an increase of 200 jobs to 7,600 workers, adding 2,200 jobs since the post-recession low set in mid-2013, followed by leisure and hospitality, wholesale trade and business and professional services.

REGIONAL UNEMPLOYMENT

The regional unemployment rate saw a slight increase to 4.2 percent; however, this remains one full percentage point below the 5.2 percent recorded in the fourth quarter of 2016.

Residential construction in the region improved over last quarter’s performance. Seasonally adjusted building permit issuance for single-family homes rebounded 7.4 percent after plummeting 23 percent during the second quarter of 2017.

Building permits issued in the Savannah metro area for single-family homes increased to 443 during the quarter, compared to 413 units in the previous quarter. The average valuation of building permits for single-family homes increased 6.6 percent, rising from $223,500 to $238,400.

ECONOMIC INDEX/FORECASTING INDEX

The Coastal Empire coincident economic index increased 0.61 percent from the previous quarter. The forecasting economic index increased slightly during the fourth quarter, with softness therein reflecting the passage of Hurricane Irma. Most leading indicators moved favorably during the quarter, but the dip in residential construction caused by the hurricane was not completely offset during the fourth quarter.

The Coastal Empire Economic Monitor presents quarterly economic trends and short-term economic forecasts for Savannah’s Metropolitan Statistical Area (MSA). The quarterly report measures the heartbeat of the local economy, based on the analysis of economic data from the U.S. Census Bureau, the U.S. Department of Labor’s Bureau of Labor Statistics, the City of Savannah, Georgia Power and the three counties in the MSA—Chatham, Bryan and Effingham.
The report presents a short-term forecast of the region’s economic activity in the next six to nine months and is available for free by email. To subscribe, email mtoma@georgiasouthern.edu.

The Georgia Southern Center for Business Analytics and Economic Research, housed in the College of Business’s Business Innovation Group, meets the applied research needs of Savannah’s business and community organizations. Areas of concentrated research include regional economic forecasting, economic impact analysis, economic development and business expansion, tourism development, survey-based research and specialty reports on topics of state, regional and local interest.

NOTE TO MEDIA: Michael Toma, Ph.D., director of the Georgia Southern University Center for Business Analytics and Economic Research, is available for interviews. Media may contact Georgia Southern’s Director of Communications Jennifer Wise at 912-478-2301 or jwise@georgiasouthern.edu for interview and image requests.