

# College of Business News

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Georgia Southern University

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# Georgia Southern's Q1 2018 Economic Monitor reports expected upswing later in the year

July 16, 2018

Georgia Southern University's latest *Economic Monitor*, which analyzes data and identifies trends affecting the regional economy, reports that the Savannah metro economy ticked up modestly despite Winter Storm Grayson, which blanketed the area in heavy snow and ice fall in early January. Indicators of economic conditions were slightly mixed due to the weather-related incidents, however, the surging forecasting index is based on renewed strength in the housing and labor markets, which points toward increased growth during the rest of the year.



“Overall, expansion in the regional economy remained modest, but marginally improved from the closing quarter of 2017,” said Michael Toma, Ph.D., Fuller E. Callaway Professor of Economics and director of the Center for Business Analytics and Economic Research. “Expect increasing economic strength in Savannah-area business conditions during the remainder of 2018.”

During the first quarter of 2018, the Savannah metro total employment figure remained flat at 179,000, up only .5 percent over the previous year's data. Early data from the second quarter suggests improved conditions will push year-over-year gains to about 1 percent.

Additional highlights from the latest *Economic Monitor* include:

## TOURISM

On Jan. 3, Winter Storm Grayson dropped between two and six inches of snow on the region, thereby shutting down business and travel for up to five days. Tourism activity in the first quarter was soft, with hotel room sales and vacation rentals dipping four percent on a seasonally adjusted basis as compared to the fourth quarter of 2017. The number of visitors on tours in Savannah declined 10 percent.

## PORT ACTIVITY

Activity at Savannah's port facilities fell by 3 percent compared to 2017's closing quarter and is up 6 percent from this time last year.

## EMPLOYMENT TRENDS

Employment growth has slowed, remaining flat for the first quarter of 2018, however, some sector-level changes are notable. Construction added 300 workers, manufacturing added 200, while retail and state government lost 200 workers. Year-over-year, the healthiest growth was in manufacturing, wholesale trade, business and professional services and leisure and hospitality.

## REGIONAL UNEMPLOYMENT

Unemployment insurance claims dropped from 631 to 541 in the first quarter of 2018, representing a 14 percent quarterly decline. The regional unemployment rate fell to four percent in the first quarter, dropping from 4.1 percent in the previous quarter. The unemployment rate was 4.8 percent in the first quarter of 2018.

## RESIDENTIAL CONSTRUCTION

Residential construction in the region improved over last quarter's performance. Seasonally adjusted building permit issuance for single-family homes soared 18 percent, in contrast to weak nationwide residential construction.

Building permits issued in the Savannah metro area for single-family homes increased to 522 during the quarter compared to 443 units (seasonally adjusted) in the fourth quarter. The average valuation of building permits for single-family homes fell seven percent, dropping from \$238,000 to \$221,000.

## ECONOMIC INDEX/FORECASTING INDEX

The leading/forecasting economic index showed a 2.4 percent increase from 162.5 to 166.3 in the previous quarter, reflecting sharp gains in residential construction and falling unemployment insurance claims.

The *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](mailto:mtoma@georgiasouthern.edu).

The Georgia Southern Center for Business Analytics and Economic Research (CBAER), housed in the College of Business's Business Innovation Group (BIG), 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.

***The First Quarter 2018 edition of the Economic Monitor has been published. You can find it [here](#).***

NOTE TO MEDIA: CBAER director Michael Toma, Ph.D., is available for telephone interviews. Media may contact Jennifer Wise at 912-478-2301 or [jwise@georgiasouthern.edu](mailto:jwise@georgiasouthern.edu) for interview and image requests.

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