

The Economic Impact of Manufacturing in South Carolina



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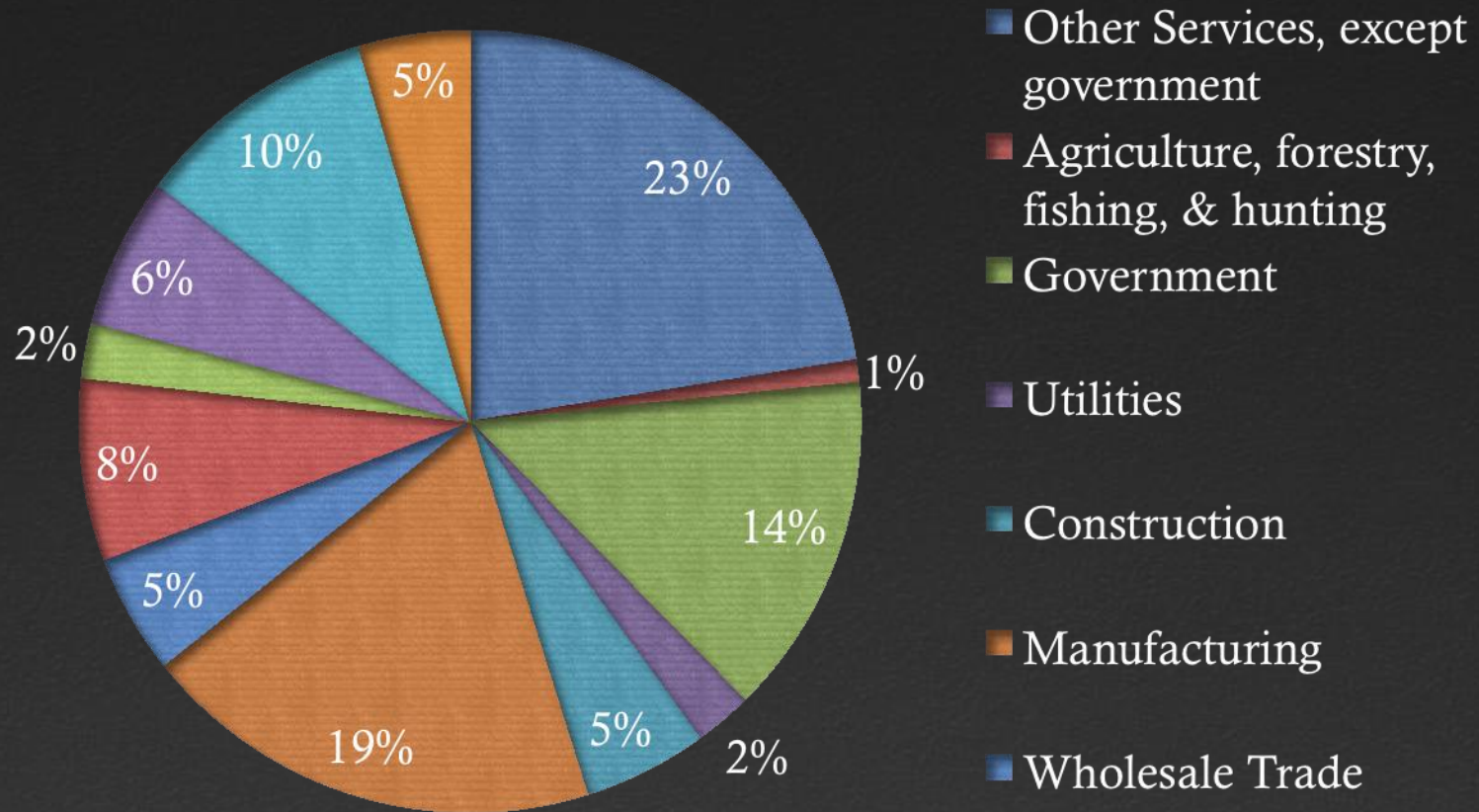
When viewed as one aggregate industrial sector, South Carolina's manufacturing sector represents the largest industry cluster in the State's economy.

Overview of Manufacturing



- ❧ 5,200 Manufacturing Establishments in SC
- ❧ Represents 4.5% of all establishments in the State
- ❧ Sector paid more than 20% of all wages in SC
- ❧ Represented more than 15% of all jobs

Gross State Product - 2008



Establishments' Impact

Industry	# of Employing Units	% of Total	Total Annual Wages	% of Total	Average Monthly Employment	% of Total	Average Annual Wages
Total, Private	115,220	100.0%	\$54,524,872,250	100.00%	1,538,996	100.00%	\$35,429
Goods - Producing	20,796	18.0%	\$16,059,880,126	29.5%	366,431	23.8%	\$43,828
Manufacturing	5,167	4.5%	\$11,185,775,278	20.5%	242,158	15.7%	\$46,192
Durable Goods Manufacturing	3,160	2.7%	\$6,384,697,578	11.7%	135,462	8.8%	\$47,133
Nondurable Goods Manufacturing	2,007	1.7%	\$4,801,077,700	8.8%	106,696	6.9%	\$44,998

Recent Trends in Employment

Since 1998, the sector has lost more than 151,000 jobs.

During this same period, the state's local employment has grown by roughly 70,000 jobs

Industry	2009(a)	1998	Change	% Change
Total Employment	1,853,600	1,783,600	(70,000)	3.9%
Total Manufacturing Employment	210,900	362,100	(151,200)	-41.8%
Durable Manufacturing Employment	115,400	151,800	(36,400)	-24.0%
Non-Durable Manufacturing Employment	95,500	210,300	(114,800)	-54.6%

Manufacturing Wages

- ❧ The manufacturing sector pays wages well above that of the average industry in the state
- ❧ The average manufacturing wage of \$46,192 is more than 27% above the statewide average.

Industry	Average Annual Wages
South Carolina Average	\$35,620
Nuclear Electric Power Manufacturing	\$83,980
Motor Vehicle Body Manufacturing	\$78,312
Basic Chemical Manufacturing	\$71,084
Utilities	\$68,432
Turbine & Power Equipment Manufacturing	\$68,016
Plastic materials & Resins Manufacturing	\$61,204
Rolled Steel Manufacturing	\$54,184
All Manufacturing Average	\$44,876
State Government Average	\$40,092
Local Government Average	\$38,948
Retail Trade	\$23,862
Grocery Stores	\$21,001
Department Stores	\$17,732
Full-service Restaurants	\$14,404
Accommodation & Food Services	\$14,357



- ❧ **The manufacturing sector pays almost 13% of all property taxes in South Carolina although it represents only about 5% of all establishments in the state.**

Industry's Economic Impact

- ❧ The direct and indirect impacts of the manufacturing sector totals over \$141 billion a year.

	Direct	Indirect	Induced	Total
Output	\$94,563,958,000	\$32,315,218,000	\$14,525,436,000	\$141,404,613,000
Labor Income	\$16,492,033,000	\$8,560,551,000	\$4,525,124,000	\$29,577,708,000
Jobs	256,477	186,694	141,693	584,863

Hypothetical – Automotive Parts Facility

	Direct	Indirect	Induced	Total
Output	\$57.3 million	\$16.5 million	\$10.3 million	\$84.1 million
Labor Income	\$12.9 million	\$5 million	\$3.2 million	\$21.1 million
Jobs	200	104	101	405

Summary

❧ The importance of manufacturing varies across the state.

* In some counties, the sector represents more than 20%

❧ Pays 13% of all property taxes – more than 50% in some counties.

❧ Total Impact is \$141 billion a year

❧ Supports over 585,000 jobs directly and indirectly

50-State Property Tax

Payable Year 2008

Minnesota Taxpayers
Association

This study reports on relative property tax burdens across the United States. It compares effective property tax rates for four classes of property located in the largest city of each state (plus an additional city for Illinois and New York) and the District of Columbia, the largest fifty cities in the United States, and a rural area for each state.

Urban Homestead Property Taxes Payable 2008

<u>\$150,000 VALUED PROPERTY</u>			<u>\$300,000 VALUED PROPERTY</u>		
STATE	CITY	RANK	STATE	CITY	RANK
South Carolina	Columbia	46	South Carolina	Columbia	48
Georgia	Atlanta	20	Georgia	Atlanta	21
North Carolina	Charlotte	25	North Carolina	Charlotte	28

Urban Homestead Property Taxes for a Median-Value Home – Listed by Net Tax Payable 2008

State	City	Rank
South Carolina	Columbia	47
Georgia	Atlanta	21
North Carolina	Charlotte	24

Urban Commercial Property Taxes Payable 2008

<u>\$100,000 VALUED PROPERTY</u> \$20,000 FIXTURES			<u>\$1 MILLION VALUED PROPERTY</u> \$200,000 FIXTURES			<u>\$25 MILLION VALUED PROPERTY</u> \$5,000,000 FIXTURES		
State	City	Rank	State	City	Rank	State	City	Rank
South Carolina	Columbia	12	South Carolina	Columbia	12	South Carolina	Columbia	13
Georgia	Atlanta	30	Georgia	Atlanta	31	Georgia	Atlanta	31
North Carolina	Charlotte	40	North Carolina	Charlotte	41	North Carolina	Charlotte	41

Urban Industrial Property Taxes (50% Personal Property)

<u>\$100,000 VALUED PROPERTY</u> \$50,000 Machinery and Equipment \$40,000 Inventories \$10,000 Fixtures			<u>\$25 MILLION VALUED PROPERTY</u> \$12,500,000 Machinery and Equipment \$10,000,000 Inventories \$2,500,000 Fixtures		
STATE	CITY	RANK	STATE	CITY	RANK
South Carolina	Columbia	1	South Carolina	Columbia	1
Georgia	Atlanta	18	Georgia	Atlanta	21
North Carolina	Charlotte	38	North Carolina	Charlotte	39

Urban Industrial Property Taxes (60% Personal Property)

\$100,000 VALUED PROPERTY
\$75,000 Machinery and Equipment
\$60,000 Inventories
\$15,000 Fixtures

\$25 MILLION VALUED PROPERTY
\$18,750,000 Machinery and Equipment
\$15,000,000 Inventories
\$3,750,000 Fixtures

STATE	CITY	RANK	STATE	CITY	RANK
South Carolina	Columbia	1	South Carolina	Columbia	1
Georgia	Atlanta	15	Georgia	Atlanta	17
North Carolina	Charlotte	37	North Carolina	Charlotte	39

Urban Industrial Property Taxes

(State-Specific Personal Property Shares/Values)

Payable 2008

<u>\$100,000 VALUED PROPERTY</u> \$(Variable) Machinery and Equipment \$(Variable) Inventories \$(Variable) Fixtures			<u>\$1 MILLION VALUED PROPERTY</u> \$(Variable) Machinery and Equipment \$(Variable) Inventories \$(Variable) Fixtures			<u>\$25 MILLION VALUED PROPERTY</u> \$(Variable) Machinery and Equipment \$(Variable) Inventories \$(Variable) Fixtures		
STATE	CITY	RANK	STATE	CITY	RANK	STATE	CITY	RANK
South Carolina	Columbia	1	South Carolina	Columbia	1	South Carolina	Columbia	1
Georgia	Atlanta	19	Georgia	Atlanta	21	Georgia	Atlanta	21
North Carolina	Charlotte	39	North Carolina	Charlotte	40	North Carolina	Charlotte	40

Rural Homestead Property Taxes

<u>\$70,000 VALUED PROPERTY</u>			<u>\$150,000 VALUED PROPERTY</u>			<u>\$300,000 VALUED PROPERTY</u>		
STATE	CITY	RAN K	STATE	CITY	RAN K	STATE	CITY	RAN K
South Carolina	Mullins	29	South Carolina	Mullins	32	South Carolina	Mullins	33
Georgia	Fitzgerald	19	Georgia	Fitzgerald	17	Georgia	Fitzgerald	19
North Carolina	Edenton	33	North Carolina	Edenton	34	North Carolina	Edenton	35

Rural Commercial Property Taxes

<u>\$100,000 VALUED PROPERTY</u> \$20,000 Fixtures			<u>\$1 MILLION VALUED PROPERTY</u> \$200,000 Fixtures			<u>\$25 MILLION VALUED PROPERTY</u> \$5,000,000 Fixtures		
STATE	CITY	RANK	STATE	CITY	RANK	STATE	CITY	RANK
South Carolina	Mullins	5	South Carolina	Mullins	5	South Carolina	Mullins	5
Georgia	Fitzgerald	25	Georgia	Fitzgerald	25	Georgia	Fitzgerald	25
North Carolina	Edenton	42	North Carolina	Edenton	42	North Carolina	Edenton	42

Rural Industrial Property Taxes (50% Personal Property)

<u>\$100,000 VALUED PROPERTY</u> \$50,000 Machinery and Equipment \$40,000 Inventories \$10,000 Fixtures			<u>\$1 MILLION VALUED PROPERTY</u> \$500,000 Machinery and Equipment \$400,000 Inventories \$100,000 Fixtures			<u>\$25 MILLION VALUED PROPERTY</u> \$12,500,000 Machinery and Equipment \$10,000,000 Inventories \$2,500,000 Fixtures		
STATE	CITY	RANK	STATE	CITY	RANK	STATE	CITY	RANK
South Carolina	Mullins	1	South Carolina	Mullins	1	South Carolina	Mullins	1
Georgia	Fitzgerald	17	Georgia	Fitzgerald	19	Georgia	Fitzgerald	19
North Carolina	Edenton	45	North Carolina	Edenton	45	North Carolina	Edenton	45

Rural Industrial Property Taxes

(60% Personal Property)

<u>\$100,000 VALUED PROPERTY</u> \$75,000 Machinery and Equipment \$60,000 Inventories \$15,000 Fixtures			<u>\$1 MILLION VALUED PROPERTY</u> \$750,000 Machinery and Equipment \$600,000 Inventories \$150,000 Fixtures			<u>\$25 MILLION VALUED PROPERTY</u> \$18,750,000 Machinery and Equipment \$15,000,000 Inventories \$3,750,000 Fixtures		
STATE	CITY	RANK	STATE	CITY	RANK	STATE	CITY	RANK
South Carolina	Mullins	1	South Carolina	Mullins	1	South Carolina	Mullins	1
Georgia	Fitzgerald	14	Georgia	Fitzgerald	15	Georgia	Fitzgerald	15
North Carolina	Edenton	43	North Carolina	Edenton	44	North Carolina	Edenton	44

Rural Industrial Property Taxes

(State-Specific Personal Property Shares/Values)

<u>\$100,000 VALUED PROPERTY</u> \$(Variable) Machinery and Equipment \$(Variable) Inventories \$(Variable) Fixtures			<u>\$1 MILLION VALUED PROPERTY</u> \$(Variable) Machinery and Equipment \$(Variable) Inventories \$(Variable) Fixtures			<u>\$25 MILLION VALUED PROPERTY</u> \$(Variable) Machinery and Equipment \$(Variable) Inventories \$(Variable) Fixtures		
STATE	CITY	RANK	STATE	CITY	RANK	STATE	CITY	RANK
South Carolina	Mullins	1	South Carolina	Mullins	1	South Carolina	Mullins	1
Georgia	Fitzgerald	17	Georgia	Fitzgerald	18	Georgia	Fitzgerald	19
North Carolina	Edenton	46	North Carolina	Edenton	46	North Carolina	Edenton	46