Established in 1995, the Fiscal Research Center (FRC) provides nonpartisan research, technical assistance and education in the evaluation and design of state and local fiscal and economic policy.

What do we do?
- Tax Advisement to local and state governments
- Produce fiscal notes for the General Assembly
- Produce the Annual Tax Expenditure Budget
- Analyze impacts of tax changes (credits, exemptions, changes in rates, etc.)
- Support for the Georgia State Economist

Sister Center: Center for State and Local Finance
- Research and analysis of public finance issues in Georgia, the Southeast and the Nation
- Leader in the use of “big data” to provide information for policy makers
Tools available

- Substantial micro-level data:
  - Individuals
  - Firms
- ES202 Data
  - Wages by sector by quarter
  - Questions that can be answered:
    - Which sectors see the most turnover in labor?
    - Which industries saw the largest number of layoffs?
    - Where do we see employment growth in the state—and which industries?
Example of analysis

Chart 1: Georgia Sector Group Jobs Levels 2000 and 2012

- Wholesale retail trade
- Healthcare and Social Services
- Leisure and Hospitality
- Education Services
- Manufacturing
- Government Services
- Professional and Scientific
- Transportation and Warehousing
- Construction
- Agriculture and Forestry
- Mining
- Utilities
- Other**

2012

2000
Other Data and Capacity

- Tax return information
- SNAP, TANF
There are five counties with more than 65% of families on SNAP during 2010.
And..modeling

- Microsimulation model – allows detailed analysis of tax changes at state and federal level by income group, region
- REMI: Regional Economic Models, Inc.
  - Proprietary
  - Helpful in analysis of direct and indirect impacts of tax credits, new business investments, on the Georgia economy
Switching gears...

- What does our economic and fiscal landscape look like today?
In FY 2014, General Fund Revenues Finally Reached Pre-recession Peak

Georgia General Fund Revenues ($M)

- $1.1B or -7.2%
- $3.6B or -19.2%

In FY 2014, General Fund Revenues Finally Reached Pre-recession Peak.
But Adjusted for Inflation and Population Growth, Revenues are Still Below Prior Peak
Property Tax Digests – 2013 Level vs. 2008
FY 2014 Revenues Outperformed Budget Plan

Georgia General Fund Revenues

<table>
<thead>
<tr>
<th>% Change Over FY 2013</th>
<th>FY 2014 Growth Target</th>
<th>FY 2014 Prelim Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>3.4%</td>
<td></td>
<td>4.8%</td>
</tr>
</tbody>
</table>

FY 2014 Prelim Growth

% Change Over FY 2013

4.8%
Georgia Employment Growth in Line with US Growth
Growth is Diversified Across Industries

GA Sector Employment Growth - September 2014
Yr/Yr % Change - 3 Month Moving Average

Professional and Business Services
Construction
Leisure and Hospitality
Manufacturing
Trade Transportation and Utilities
Information
Education and Health
Financial
Government
Other Services
Significant Regional Disparities in Growth Across Georgia

Employment Growth by Metro Area - Sept. 2014
Yr/Yr % Change - 3 Month Moving Average

- Atlanta
- Savannah
- Gainesville
- Augusta
- Hinesville
- Rome
- Dalton
- Athens
- Macon
- Valdosta
- Columbus
- Brunswick
- Albany
- Warner Robins
Recap

- State and Local government revenues have stabilized and are growing.

- US economy seems poised for much faster growth than seen during recovery to date.
  - Acceleration in housing activity and consumer spending is required to achieve and maintain a broad based expansion, but we are still waiting on clear acceleration in these sectors.
  - Slow global growth, threat of deflation in Europe could have big repercussions
  - Geopolitical risk is high.
Other factors looming?

- Demographic shifts: quick overview
## Older

### U.S. Population, by Age Group: 1950-2050

<table>
<thead>
<tr>
<th>Age/year</th>
<th>1950</th>
<th>1975</th>
<th>2000</th>
<th>2025</th>
<th>2050</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>152,272</td>
<td>215,972</td>
<td>282,171</td>
<td>357,452</td>
<td>439,010</td>
</tr>
<tr>
<td>0-19</td>
<td>51,673</td>
<td>75,646</td>
<td>80,576</td>
<td>94,254</td>
<td>112,940</td>
</tr>
<tr>
<td>20-64</td>
<td>88,202</td>
<td>117,630</td>
<td>166,522</td>
<td>199,290</td>
<td>237,523</td>
</tr>
<tr>
<td>65-65+</td>
<td>12,397</td>
<td>22,696</td>
<td>35,074</td>
<td>63,907</td>
<td>88,547</td>
</tr>
</tbody>
</table>

**Number (in thousands, rounded)**

<table>
<thead>
<tr>
<th>Age/year</th>
<th>1950</th>
<th>1975</th>
<th>2000</th>
<th>2025</th>
<th>2050</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>33.9</td>
<td>35.0</td>
<td>28.6</td>
<td>26.4</td>
<td>25.7</td>
</tr>
<tr>
<td>0-19</td>
<td>57.9</td>
<td>54.5</td>
<td>59.0</td>
<td>55.8</td>
<td>54.1</td>
</tr>
<tr>
<td>20-64</td>
<td>8.1</td>
<td>10.5</td>
<td>12.4</td>
<td>17.9</td>
<td>20.2</td>
</tr>
</tbody>
</table>

**Percent in Age Group (rounded)**

*Source: CRS computations based on data in the U.S. January 21, 2011 based on the Census Bureau’s December 2010 data release. These data do not include results from the 2010 census.*
More Educated Women

Percent of 25-32 year-olds with at least a four-year college degree

- WOMEN: 38%
- MEN: 31%


Pew Research Center
### Projected U.S. Population, by Race: 2000-2050

<table>
<thead>
<tr>
<th>Population</th>
<th>2000</th>
<th>2010</th>
<th>2020</th>
<th>2030</th>
<th>2040</th>
<th>2050</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>282,125</td>
<td>310,233</td>
<td>341,387</td>
<td>373,504</td>
<td>405,655</td>
<td>439,010</td>
</tr>
<tr>
<td>(100.0)</td>
<td>(100.0)</td>
<td>(100.0)</td>
<td>(100.0)</td>
<td>(100.0)</td>
<td>(100.0)</td>
<td>(100.0)</td>
</tr>
<tr>
<td>White alone</td>
<td>228,548</td>
<td>246,630</td>
<td>266,275</td>
<td>286,109</td>
<td>305,247</td>
<td>324,800</td>
</tr>
<tr>
<td>(81.0)</td>
<td>(79.5)</td>
<td>(78.0)</td>
<td>(76.6)</td>
<td>(75.2)</td>
<td>(74.0)</td>
<td></td>
</tr>
<tr>
<td>Black alone</td>
<td>35,818</td>
<td>39,909</td>
<td>44,389</td>
<td>48,728</td>
<td>52,868</td>
<td>56,944</td>
</tr>
<tr>
<td>(12.7)</td>
<td>(12.9)</td>
<td>(13.0)</td>
<td>(13.0)</td>
<td>(13.0)</td>
<td>(13.0)</td>
<td></td>
</tr>
<tr>
<td>Asian alone</td>
<td>10,684</td>
<td>14,415</td>
<td>18,756</td>
<td>23,586</td>
<td>28,836</td>
<td>34,399</td>
</tr>
<tr>
<td>(3.8)</td>
<td>(4.6)</td>
<td>(5.5)</td>
<td>(6.3)</td>
<td>(7.1)</td>
<td>(7.8)</td>
<td></td>
</tr>
<tr>
<td>All other racesa</td>
<td>7,075</td>
<td>9,279</td>
<td>11,967</td>
<td>15,081</td>
<td>18,704</td>
<td>22,867</td>
</tr>
<tr>
<td>(2.5)</td>
<td>(3.0)</td>
<td>(3.5)</td>
<td>(4.0)</td>
<td>(4.6)</td>
<td>(5.2)</td>
<td></td>
</tr>
</tbody>
</table>

Lessons?

- Diversity in the labor market on top of slow recovery
- Labor Supply Policies (e.g. educational attainment, training, etc.) specific for demographics?
- Flexibility in economic development from supply and demand side?
- Is there a new norm?
Thank you

- swallace@gsu.edu
- 404-413-0046