

# State Economic Profile Georgia

## Overview

Over the five years to 2017, Georgia, the Peach State, has been economically outperforming the nation as a whole. During the period, Georgia's gross domestic product (GDP) increased an annualized 2.7% to reach \$477.6 billion in 2017, while the national GDP lagged behind, increasing at an annualized rate of just 2.2% over the same period. Additionally, the state has recorded an annualized 2.4% increase in total employment, while the United States as

a whole recorded an annualized 1.8% increase in total employment. Most importantly, GDP gains in the state have resulted from strong performance in the Real Estate, Rental and Leasing sector, which accounts for 11.4% of state GDP, but only 1.5% of state employment. The state of Georgia is estimated to be the ninth-largest economy in the United States, and has a population of nearly 10.5 million individuals.

## Georgia at a Glance 2017

### Gross State Product

**\$477.6bn**

2.7% growth 12-17

### Establishments

**240,900**

2.2% growth 12-17

### Employment

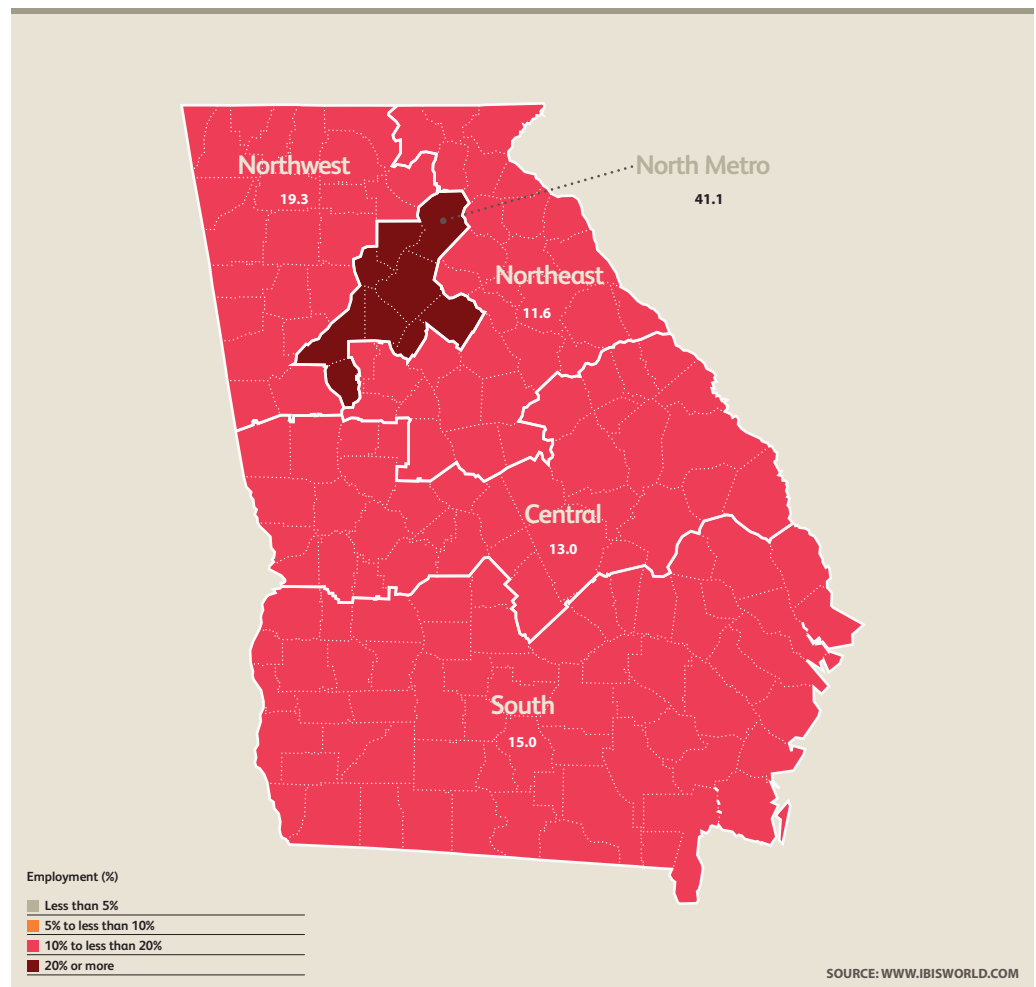
**4.3m**

2.4% growth 12-17

### State & Local Government Spending

**\$79.0bn**

1.2% growth 12-17



## Recent Developments

Economic performance in Georgia has been particularly strong, spurred by positive trends. The most critical driver of growth in Georgia has been an influx of laborers and businesses to the state. The state's increasing population and business formation have contributed to Georgia's annualized 2.7% increase in GDP.

Additionally, strong growth in numerous sectors has supported an annualized 2.4% increase in statewide employment. Businesses have been attracted to the state due to a comparatively lower cost of living. The median home price in Georgia is well below the national median, which has attracted many to the state, heating up the Real Estate, Rental and Leasing sector.

Overall, demand for housing is strong and homes are being sold at a faster pace in Georgia than they are nationally. Construction activity in the state has been strong, with the value of private nonresidential construction increasing an annualized 13.3% over the five years to 2017. Commercial

construction has been strong, with some of Atlanta's professional sports teams such as the Falcons and the Braves each receiving a new stadium in 2017.

Strong growth in the state has been further supported by an influx of patrons of the arts. The Arts, Entertainment and Leisure sector has recorded an annualized 4.4% increase in employment, which has primarily been a result of a strong film and television industry within the state. Additionally, Atlanta has been a burgeoning hub for the Technology sector, with a number of companies in the Professional Scientific and Technical Services sector setting up shop in the state, causing sector employment to increase an annualized 3.0%. Moreover, the growing number of distribution facilities opened to accommodate rising demand for e-commerce has helped to increase employment in the Transportation and Warehousing sector at an annualized rate of 3.4%. Overall, Georgia's dominance over the five years to 2017 has resulted from an influx of new labor and new businesses into the state.

## Outlook

Over the next two years to 2019, GDP growth in Georgia is anticipated to decelerate slightly, increasing an annualized 2.4% to reach \$500.4 billion. Ultimately, the state is expected to continue outpacing the nation as a whole, but just marginally. During the same period, US GDP is anticipated to increase an annualized 2.3%. Gains in state employment are also expected to decelerate, increasing an annualized 2.0%, which is marginally below expected employment gains of 2.1% nationally during the same period. Overall, this slowdown is expected to result from softer added job growth in 2017 and 2018. Values of residential and private nonresidential construction are expected to slow, but still expected to keep pace ahead of the national average. Overall, in quarter one of 2018, the state is expected to lose an

estimated 7,900 jobs in March 2018 alone. Half of this decline is anticipated to occur in the Health Care and Social Assistance sector because sector hiring was slowing in late 2017 due to an expected deceleration in the number of individuals aged 65 and up.

Overall, economic performance in Georgia is expected to remain strong, despite the anticipated weak performance in Healthcare and Social Assistance sector and the Construction sector. Ultimately, performance was so strong during the previous five-year period due to Georgia's recovery from the Great Recession. Postrecessionary Georgia is a different place than prerecessionary Georgia, and a repeat performance of the past five years will be unlikely, despite the strong projected increase in GDP in Georgia over the two years to 2019.

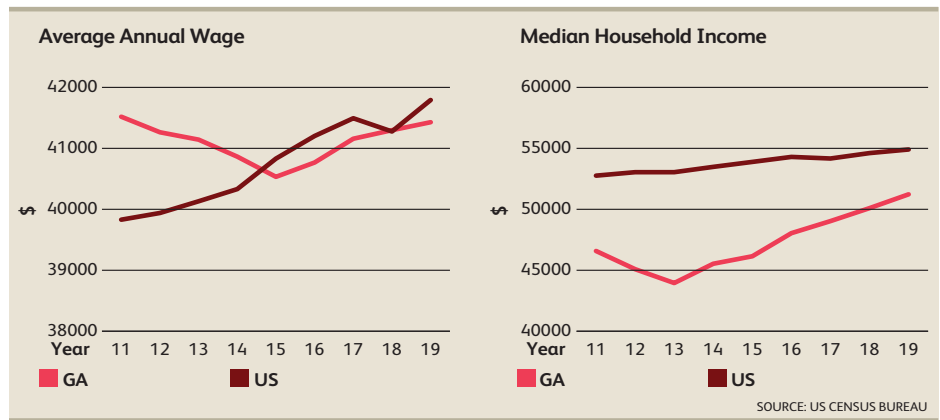
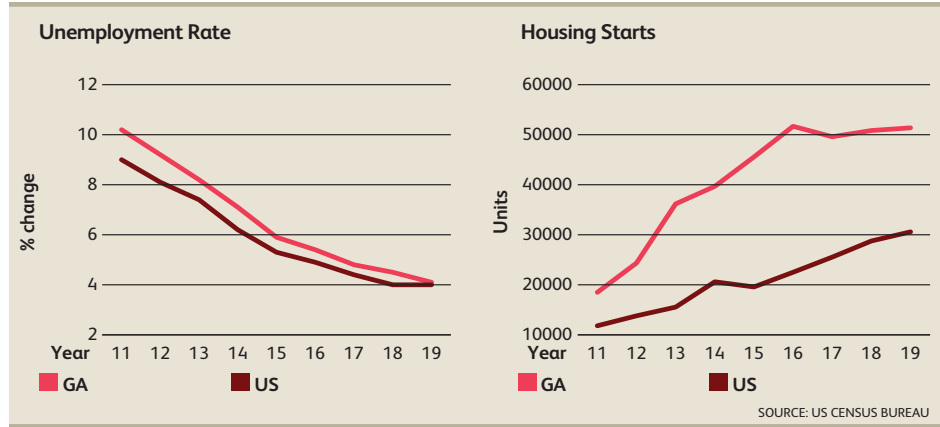
## Economic Environment

### Economic Data 2017

	GA Total	GA Average Annual Growth 12-17 (%)	US Average Annual Growth 12-17 (%)	GA Projected Average Annual Growth 17-19 (%)	US Projected Average Annual Growth 17-19 (%)
Gross Product	\$477.6 bn	2.7	2.2	2.4	2.3
Establishments	240,900	2.2	1.3	2.0	1.0
Employment	4.3 m	2.4	1.8	2.0	2.1
Consumer Price Index	235.2	1.5	1.3	1.9	2.4
Value of Nonresidential Construction	\$8.9 bn	13.3	2.1	5.1	2.8
Value of Residential Construction	\$9.7 bn	20.3	6.5	7.6	2.7
State & Local Government Spending	\$79.0 bn	1.2	-1.1	0.2	3.8

SOURCE: BEA; US CENSUS BUREAU; BUREAU OF LABOR STATISTICS; IBISWORLD

Over the five years to 2017, economic indicators in Georgia have been encouraging, with most indicators outperforming the nation as a whole. First, Georgia has outpaced the nation in terms of housing starts, with the state posting an annualized 15.3% increase in housing starts, while the nation as a whole posted an annualized increase of only 13.1%. Additionally, the state has exhibited larger declines in unemployment, with the unemployment rate in Georgia declining an annualized 12.3%, while the national figure fell at an annualized rate of only 10.7%. Overall, in Georgia, the construction sector has exhibited the largest annualized increase in state employment. However, income growth in the state has been mixed, with average annual incomes in Georgia remaining nearly stagnant, while the national average annual income rose an annualized 2.4%.



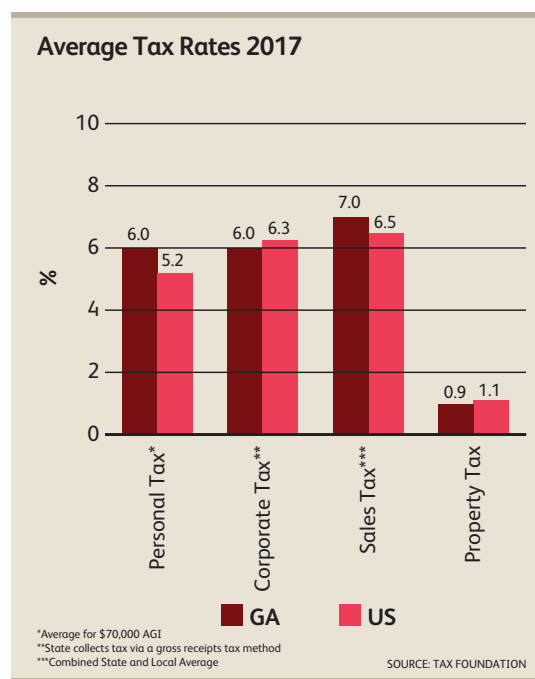
### Georgia Employment by Sector 2017\*

Sector	Employment	Growth 2017 (%)	Average Annual Growth 12-17 (%)
Accommodation & Food Services	424,438	2.2	3.8
Admin, Support & Waste Management	327,814	1.6	3.8
Agriculture, Forestry, Fishing & Hunting	23,772	-6.4	-0.4
Arts, Entertainment & Recreation	51,931	3.8	4.4
Construction	181,769	3.5	5.3
Educational Services	383,809	1.1	0.3
Finance & Insurance	168,234	1.3	1.9
Healthcare & Social Assistance	532,165	1.7	2.4
Information	117,512	3.8	2.9
Management of Companies & Enterprises	67,536	-0.4	3.5
Manufacturing	395,007	2.4	2.3
Mining, Quarrying, Oil & Gas Extraction	5,162	2.5	2.1
Other Services (except Public Administration)	108,107	2.1	2.7
Professional, Scientific & Technical Services	269,658	3.2	3.0
Public Administration	235,950	-0.2	-0.3
Real Estate, Rental & Leasing	65,348	2.3	3.2
Retail Trade	493,174	0.5	2.2
Transportation & Warehousing	223,002	3.3	3.4
Utilities	19,650	-2.1	-0.1
Wholesale Trade	219,821	0.6	1.8

\*Sums may not add up to total figures elsewhere due to sourcing

SOURCE: GA DEPARTMENT OF LABOR

On average, taxes in the state of Georgia are slightly higher than the national average. The average of personal, corporate, sales and property taxes in Georgia is 5.0%, while this figure is 4.8% nationally (based on an average \$70,00 annual gross income). On a more granular basis, Georgia exhibits a higher combined sales tax of 7.0% (4.0% state sales tax and 3.0% average local sales tax) and a lower property tax of 0.9%. By comparison, the average US sales tax is 6.5%, while the average US property tax is 1.1%. By way of attracting more business to the state's burgeoning film and entertainment industry, the state has offered production incentives via the Georgia Entertainment Industry Investment Act, which offers a 20.0% base transferable tax credit and an additional 10.0% uplift can be earned if the Georgia logo and state website link are included on promotional materials for approved projects.



### Georgia Employment by Sector by Region (%)\*

2017

Figures in green are at least two percentage points higher than the US figure  
 Figures in red are at least two percentage points lower than the US figure

Sector	Northeast	Northwest	North Metro	South	Central	GA	United States
Accommodation & Food Services	11.7	11.0	10.2	12.1	10.4	9.8	9.5
Admin, Support & Waste Management	8.6	8.1	9.0	8.0	7.3	7.6	6.4
Agriculture, Forestry, Fishing & Hunting	0.7	0.2	0.1	2.4	0.6	0.6	0.9
Arts, Entertainment & Recreation	0.8	1.4	1.8	1.1	0.9	1.2	1.9
Construction	4.2	6.2	4.3	4.4	3.8	4.2	4.8
Educational Services	1.0	1.2	2.6	1.3	1.3	8.9	8.8
Finance & Insurance	2.3	3.2	5.5	2.9	5.2	3.9	4.1
Healthcare & Social Assistance	10.9	11.7	12.1	11.9	13.7	12.3	14.7
Information	1.8	2.7	5.2	2.6	2.3	2.7	2.1
Management of Companies & Enterprises	0.9	1.8	2.5	0.7	1.1	1.6	1.6
Manufacturing	10.6	14.3	6.7	11.8	11.7	9.2	8.7
Mining	0.2	0.1	0.1	0.1	0.4	0.1	0.4
Other Services (except Public Administration)	2.0	2.6	3.0	2.8	2.5	2.5	3.1
Professional, Scientific & Technical Services	3.9	6.6	9.6	3.9	4.3	6.3	6.3
Public Administration	5.0	3.3	3.6	9.3	14.6	5.5	5.2
Real Estate & Rental & Leasing	1.4	1.4	2.2	1.2	1.2	1.5	1.5
Retail Trade	14.7	14.1	10.7	13.4	12.0	11.4	11.2
Transportation & Warehousing	12.5	3.2	4.5	4.8	2.5	5.2	4.0
Utilities	0.8	0.5	0.3	0.7	0.5	0.5	0.6
Wholesale Trade	6.1	6.3	6.2	4.6	3.5	5.1	4.1

\*Nearest MSA(s) are used as proxies for the region

SOURCE: BUREAU OF LABOR STATISTICS

## Demographics

### Population Growth

	GA	GA Avg Annual Growth 12-17 (%)	US Avg Annual Growth 12-17 (%)	GA Projected Avg Annual Growth 17-19 (%)	US Projected Avg Annual Growth 17-19 (%)
Total Population	10,433,511	1.0	1.1	1.0	0.8
10 to 19 years	2,828,844	0.4	-0.1	1.2	0.1
20 to 64 years	6,203,364	0.7	0.8	0.5	0.4
65 years and older	1,401,303	4.2	4.5	3.3	3.3

SOURCE: US CENSUS BUREAU

### Education Level 2016

	Georgia (%)	US (%)
Less than high school graduate	14.5	11.8
High school graduate or equivalent	28.5	26.4
Some college or associate's degree	30.4	30.5
Bachelor's degree or higher	26.6	31.3

SOURCE: US CENSUS BUREAU

### Race 2016

	Georgia (%)	US (%)
White*	53.2	63.7
Black*	31.1	12.2
Asian*	3.8	4.7
Hispanic or Latino	9.3	16.3
Other	2.5	3.0

\*Indicated non-Hispanic

SOURCE: US CENSUS BUREAU

### First Language 2016

	Georgia (%)	US (%)
English	86.0	78.9
Spanish	8.0	13.0
Asian and Pacific Island	2.3	3.7
Indo-European	2.7	3.4
Other	1.0	1.0

SOURCE: US CENSUS BUREAU

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