

## S.C. Leading Index Forecasts Future Growth

The South Carolina Leading Index gained 0.07 points in August after a sharp decline in July. Last month makes seven consecutive months of index values above the 100 mark. All but one of the components of the SCLI showed positive movement in August. The number of initial unemployment insurance claimants fell, while building permits issued and manufacturing weekly hours worked reversed trends from the previous month with significant gains in August. The only component of the SCLI to decline was the stock index, which fell sharply due to losses in the first week of August.

-David Clayton



Source: South Carolina Department of Commerce

## Building Permits Soar in August

New residential building permit volume in August increased over 8 percent in South Carolina, with 1,331 permits issued last month following a 7 percent decline in July. Nearly every metropolitan area in the state experienced an increase, with permits in Charleston and Spartanburg areas each rising more than 30 percent when compared to the previous month. Columbia, Greenville and Myrtle Beach also showed moderate positive growth in residential construction starts last month. Florence had a slight decrease in permitting in August. The median home price in South Carolina remained relatively stable over the last month and year, dropping 2 percent compared to the \$150,000 median price set in both July 2011 and August 2010.

The Research Division at the South Carolina Department of Commerce is a highly-skilled, multidisciplinary team of professionals dedicated to the economic development of South Carolina and the collection, analysis and dissemination of information to support that mission. Consisting of seven professionals with advanced degrees and expertise in economics, business, statistics and information sciences, the Research Division publishes reports and analyses for statewide constituents and proposals for companies considering South Carolina for investment. If you would like to receive Commerce's monthly Economic Outlook, e-mail [EconomicOutlook@SCcommerce.com](mailto:EconomicOutlook@SCcommerce.com).

## KEY S.C. INDICATORS

### Income

+1.2%

#### State Personal Income

increased to \$157 billion in the second quarter of 2011, a 1.2 percent increase over the previous quarter.

*U.S. Bureau of Economic Analysis*

-9.5%

#### South Carolina Stock Index

fell 8.66 points in August, closing at 82.11 on the last trading day of the month.

*Bloomberg*

### Employment

-0.1%

#### Nonfarm Employment

fell by 1,700 non-seasonally adjusted jobs in August over the previous month.

*U.S. Bureau of Labor Statistics*

+0.1%

#### Labor Force

increased by a seasonally-adjusted 2,855 people in August.

*U.S. Bureau of Labor Statistics*

+0.2%

#### Unemployment Rate

rose 0.2 percentage points to 11.1 percent in August.

*U.S. Bureau of Labor Statistics*

+0.2%

#### Manufacturing Weekly Hours

increased 0.1 hours to 42.2 hours in August over the previous month.

*U.S. Bureau of Labor Statistics*

-4.0%

#### Available Online Job Postings

declined 1,900 positions in August to a seasonally-adjusted 45,200 job postings.

*The Conference Board Help Wanted Online Index*

### Real Estate

-2.0%

#### Single-Family Home Sales Price

decreased to \$147,000 in August, down 2.0 percent over June and last year, as well.

*South Carolina Association of Realtors*

+8.3%

#### Residential Building Permits

increased by 163 permits over the previous month.

*U.S. Census Bureau*



# South Carolina Employment

*Non-Seasonally Adjusted Wage and Salary Employment*

Non-seasonally adjusted employment declined for the second consecutive month as a total of 1,700 nonfarm jobs were lost in August. 600 jobs were created by Goods Producing sectors, while 2,300 jobs were lost in the Service producing industries. Outside of the Government sector, which added 1,400 jobs, subsectors with the most job gains included Professional

Services (+1,200), Manufacturing (+800), and Educational and Health Services (+500). Subsectors with declining employment in August included the Leisure and Hospitality industry (-3,400) as its busy season came to an end, Trade, Transportation, and Utilities (-1,500), Finance (-500), Information (-300), and Construction (-200).

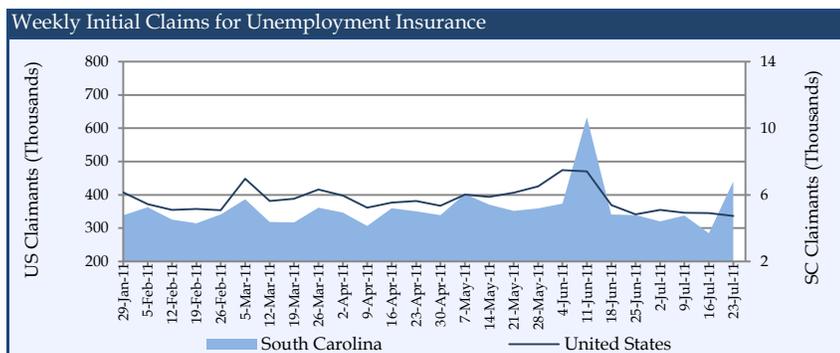
Industry Sector	August 2011	Previous Month	Previous Year	% Change Month Ago	% Change Year Ago
<b>Goods Producing</b>	<b>300,500</b>	<b>299,900</b>	<b>290,600</b>	<b>0.20</b>	<b>3.41</b>
Natural Resources and Mining	4,200	4,200	4,000	0.00	5.00
Construction	77,600	77,800	78,900	-0.26	-1.65
Manufacturing	218,700	217,900	207,700	0.37	5.30
<b>Service Providing</b>	<b>1,528,400</b>	<b>1,530,700</b>	<b>1,521,800</b>	<b>-0.15</b>	<b>0.43</b>
Trade, Transportation, and Utilities	351,800	353,300	346,200	-0.42	1.62
Information	25,500	25,800	25,400	-1.16	0.39
Finance	97,100	97,600	98,300	-0.51	-1.22
Professional and Business Services	224,600	223,400	218,400	0.54	2.84
Educational and Health Services	216,400	215,900	212,100	0.23	2.03
Leisure and Hospitality	224,400	227,800	216,900	-1.49	3.46
Other Services	68,300	68,000	68,500	0.44	-0.29
<b>Total Private</b>	<b>1,508,600</b>	<b>1,511,700</b>	<b>1,476,400</b>	<b>-0.21</b>	<b>2.18</b>
Government	320,300	318,900	336,000	0.44	-4.67
<b>Total Nonfarm</b>	<b>1,828,900</b>	<b>1,830,600</b>	<b>1,812,400</b>	<b>-0.09</b>	<b>0.91</b>

Source: U.S. Department of Labor, Bureau of Labor Statistics

## Weekly Unemployment Claims

Initial weekly Unemployment Insurance claims fell in August over the previous month to an average around 4,900 claims per week. These numbers reflect a 21 percent drop over the previous month. Claims initiated in August 2011 were 2 percent higher than claims during the same time last year.

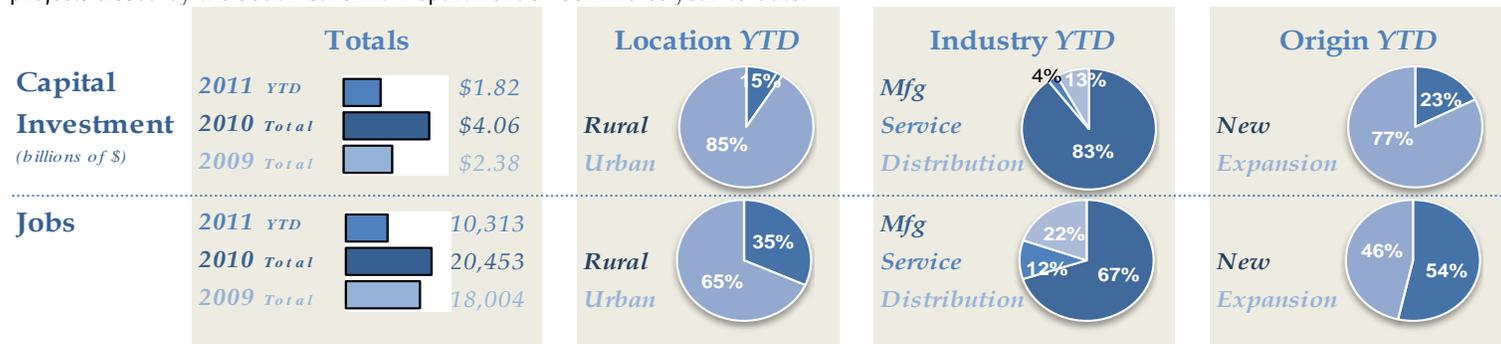
The initial Unemployment Insurance claims decrease coupled by the increase in unemployment is best explained by seasonal job losses, particularly in the Leisure and Hospitality industry, and also by the fact that many workers who lost jobs were not eligible for Unemployment Insurance.



Source: U.S. Department of Labor

## Capital Investment and Job Recruitment

Capital Investment and Job Recruitment provide statistics on industry recruitment efforts, detailing upcoming jobs and capital investment projects closed by the South Carolina Department of Commerce year-to-date.



Source: S.C. Department of Commerce Note: Not all closed projects have yet undergone announcement.



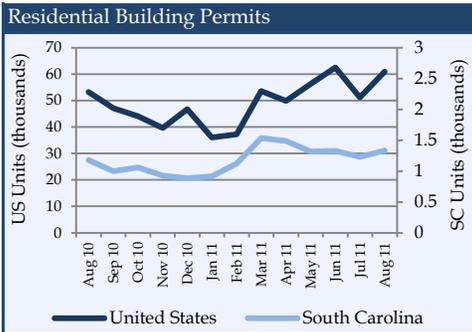
## South Carolina Real Estate

Both the median home price - down 2.0 percent to \$147,000 - and sales volumes - down 1.3 percent - have continued to decline over the previous year. Year-to-date numbers for the median sales price (-2.0 percent) and sales volumes (-5.9 percent) are also down. Foreclosures have continued falling, down 1.5 percent in August over the previous year and are down 12.6 percent year-to-date. Building permits for new residential construction experienced a double-digit rise of 12.7 percent since last year and the valuation of those permits also rose substantially by 32.7 percent from one year ago.

	Month	Current	Previous Year	% Change Year Ago	2011 YTD	2010 YTD	% Change YTD
Closings	August	3,379	3,422	-1.3%	30,715	32,647	-5.9%
Median Sales Price*	August	\$147.0	\$150.0	-2.0%	\$147.0	\$149.9	-1.9%
Foreclosures	August	3,339	3,389	-1.5%	23,754	27,179	-12.6%
Residential Building Permits -Total	August	1,331	1,181	12.7%	10,261	10,746	-4.5%
Residential Building Permits -Valuation*	August	\$254,129	\$191,491	32.7%	\$1,796,480	\$1,830,948	-1.9%

\* Thousands of US dollars. Source: S.C. Association of Realtors, RealtyTrac, U.S. Census

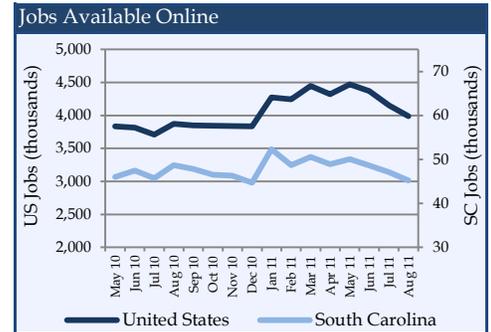
## Business Activity



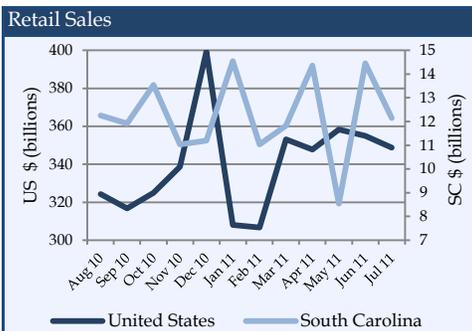
Source: U.S. Census



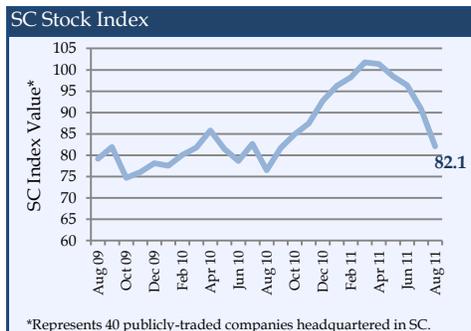
Source: U.S. Department of Labor



Source: The Conference Board Help Wanted Online Index



Source: South Carolina Department of Revenue



Source: Bloomberg

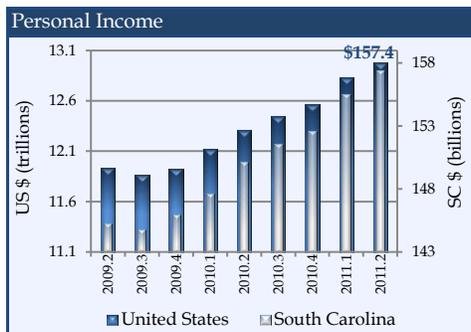


Source: U.S. Department of Labor

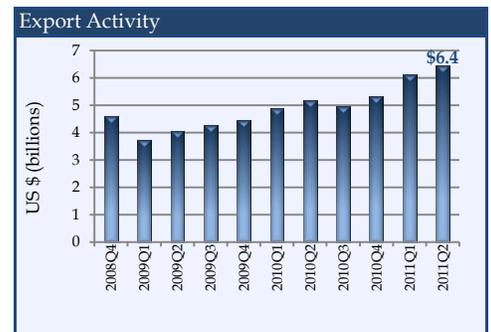
## Income and Output



\*Twenty-Foot Equivalent Units. Source: SC Ports Authority



Source: U.S. Census



Source: Foreign Trade Division, U.S. Census



# South Carolina Regional Update

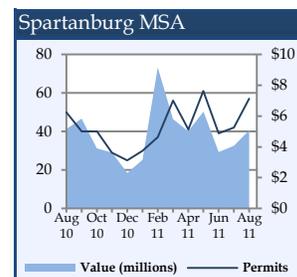
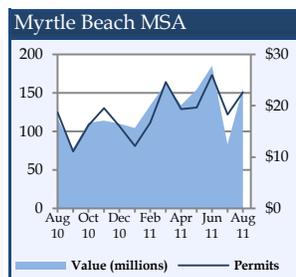
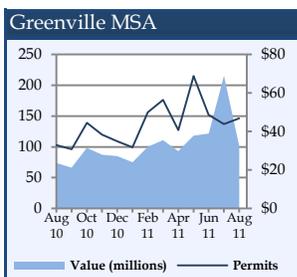
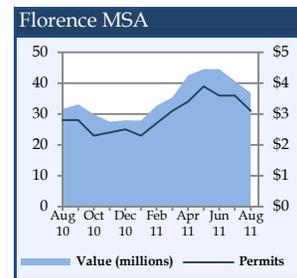
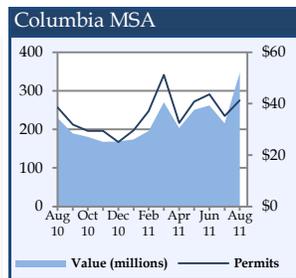
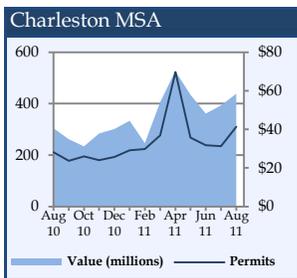
The South Carolina Regional Update provides a snapshot of the most recent economic figures for the six largest Metropolitan Statistical Areas (MSAs) in the state. The metropolitan areas highlighted below all experienced GDP growth greater than the nationwide metropolitan average in 2010.

## Home Sales

MSA	Indicator	Aug 10	Aug 11
Charleston	Sales Volume	716	903
	Median Price (000's)	\$197	\$185
Columbia	Sales Volume	563	617
	Median Price (000's)	\$152	\$137
Florence	Sales Volume	134	130
	Median Price (000's)	\$116	\$111
Greenville	Sales Volume	531	681
	Median Price (000's)	\$140	\$140
Myrtle Beach	Sales Volume	645	559
	Median Price (000's)	\$156	\$135
Spartanburg	Sales Volume	169	202
	Median Price (000's)	\$125	\$126
South Carolina	Sales Volume	3,422	3,379
	Median Price (000's)	\$150.0	\$147.0

Source: S.C. Association of Realtors

## Building Permits



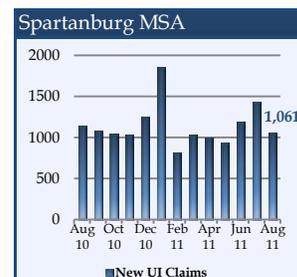
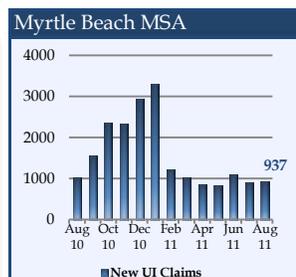
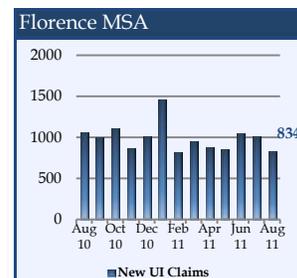
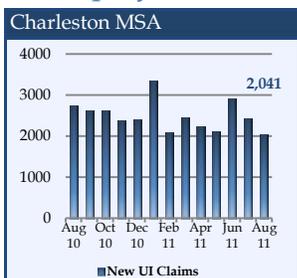
Source: U.S. Census

## Employment

MSA	Indicator	Jul 11	Aug 11
Charleston	Employment (000's)	300.0	296.9
	Unemployment Rate	9.5	9.6
Columbia	Employment (000's)	337.6	335.7
	Unemployment Rate	9.9	9.8
Florence	Employment (000's)	85.1	84.8
	Unemployment Rate	12.1	11.9
Greenville	Employment (000's)	285.8	286.8
	Unemployment Rate	9.5	9.4
Myrtle Beach	Employment (000's)	130.8	129.3
	Unemployment Rate	9.9	10.0
Spartanburg	Employment (000's)	117.6	119.2
	Unemployment Rate	11.6	11.3
South Carolina	Employment (000's)	1,925.1	1,924.6
	Unemployment Rate	10.9	11.1

Source: U.S. Bureau of Labor Statistics (MSA figures not seasonally adjusted)

## Unemployment Insurance Claims



Source: SCDOC analysis of SCDEW data

## GDP Growth in 2010 - Top 6 SC MSAs - US Average 2.5%



Source: BEA