

South Carolina Economic Outlook



South Carolina
Department of Commerce

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Division of Research

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SC Leading Index Dips Slightly in May

The South Carolina Leading Index (SCLI) gave up 0.08 points in May to a value of 102.12. A 12.9 percent decrease in permits for new residential construction and a 13.3 percent decline in the valuation associated with those permits were the primary drivers of the SCLI last month. On the positive side, an 8.6 percent decrease in initial claims for Unemployment Insurance and a 0.7 percent increase in the average South Carolina manufacturing workweek helped moderate the SCLI. Overall, with a value greater than 100, the SCLI continues to forecast positive growth in the state over the next three to six months. Last month, the Conference Board's national Leading Economic Index gained 0.7 percent.

- David Clayton

South Carolina Leading Index



Source: South Carolina Department of Commerce

South Carolina Home Sales Gain Momentum

Following normal seasonal patterns, the number of permits for new residential construction dipped 12.9 percent last month to 2,960. However, May's number of construction permits was up 35.3 percent over May 2014. Aside from this decline, other indicators of the South Carolina real estate market were positive in May. The median home sales price in the state gained 4.7 percent while the number of residential home sales gained 11.3 percent last month. Year-to-date, home sales have increased the most in the Charleston region (closed sales up 19.6 percent), Greenville (up 18.5 percent) and Columbia market (up 16.2 percent). Gains in the median sales price have been most pronounced in the Florence, Spartanburg and Greenville areas.

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. 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 dclayton@SCcommerce.com.

KEY S.C. INDICATORS

Income

+1.2%

State Personal Income

increased to \$183.7 billion in the first quarter of 2015.

U.S. Bureau of Economic Analysis

-2.2%

South Carolina Stock Index

lost 2.46 points in May, closing at 111.27 on the last trading day of the month.

Bloomberg

Employment

+0.4%

Nonfarm Employment

increased by 7,100 non-seasonally adjusted jobs in May from the prior month.

U.S. Bureau of Labor Statistics

+0.3%

Labor Force

increased by 5,603 to 2,109,984, seasonally-adjusted, in May.

U.S. Bureau of Labor Statistics

+0.1%

Unemployment Rate

increased 0.1 percent to 6.8 percent, seasonally-adjusted, for May.

U.S. Bureau of Labor Statistics

+0.7%

Manufacturing Weekly Hours

increased by 0.3 hours to 42.6 hours in May from 42.3 hours in April.

U.S. Bureau of Labor Statistics

+3.8%

Available Online Job Postings

increased by 2,500 positions in May to a seasonally-adjusted 67,900 job postings.

The Conference Board Help Wanted Online Index

Real Estate

+4.7%

Single-Family Home Sales Price

increased by \$7,905 to \$174,900 in May.

South Carolina Association of Realtors

-12.9%

Residential Building Permits

decreased by 439 permits from the previous month to 2,960 permits issued in May.

U.S. Census Bureau



South Carolina Employment

Non-Seasonally Adjusted Wage and Salary Employment

Total non-seasonally adjusted, nonfarm employment increased by 7,100 from the previous month, a 0.35 percent gain for the month and 2.32 percent for the year. Last month, the Leisure and Hospitality (+4,800 jobs) and Professional and Business Services (+2,300 jobs) sectors saw the greatest employment increases.

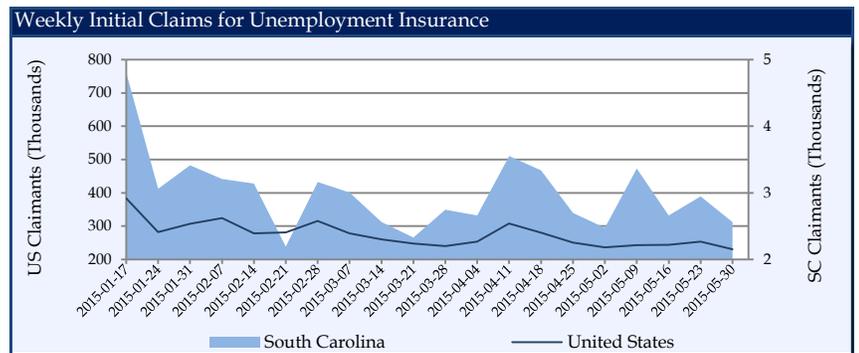
Year-over-year, the Service Providing sectors have added 38,600 jobs while the Goods Producing sectors have added 7,000 positions: 3,000 in Manufacturing and 4,100 in Construction. With the vacation season in full swing, the Leisure and Hospitality sector saw the largest percentage gain last month with a 2.01 percent increase.

Industry Sector	May 2015	Previous Month	Previous Year	% Change Month Ago	% Change Year Ago
Goods Producing	323,800	324,000	316,800	-0.06	2.21
Natural Resources and Mining	3,800	3,800	3,900	0.00	-2.56
Construction	86,900	87,700	82,800	-0.91	4.95
Manufacturing	233,100	232,500	230,100	0.26	1.30
Service Providing	1,687,600	1,680,300	1,649,000	0.43	2.34
Trade, Transportation, and Utilities	380,200	380,400	372,500	-0.05	2.07
Information	26,800	26,400	26,500	1.52	1.13
Finance	95,600	95,600	96,900	0.00	-1.34
Professional and Business Services	268,300	266,000	255,700	0.86	4.93
Educational and Health Services	234,400	234,400	226,300	0.00	3.58
Leisure and Hospitality	244,100	239,300	238,400	2.01	2.39
Other Services	73,400	72,700	72,400	0.96	1.38
Total Private	1,646,600	1,638,800	1,605,500	0.48	2.56
Government	364,800	365,500	360,300	-0.19	1.25
Total Nonfarm	2,011,400	2,004,300	1,965,800	0.35	2.32

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

Weekly Unemployment Claims

After an uptick in April, the number of initial claims for Unemployment Insurance (UI) fell 8.6 percent in May to 2,800 average weekly claims. Last month's level was 14.4 percent lower than May 2014 weekly claims activity and 34.9 percent lower than two years ago. Greenville and Spartanburg metro areas saw significant declines in UI claimant activity last month followed by smaller decreases in Florence and Charleston.



Source: U.S. Department of Labor

Average Hourly Earnings

These charts present the average hourly earnings of all employees in private industry, based on a monthly national survey of businesses. The data are not seasonally adjusted.



Source: US Department of Labor, Bureau of Labor Statistics



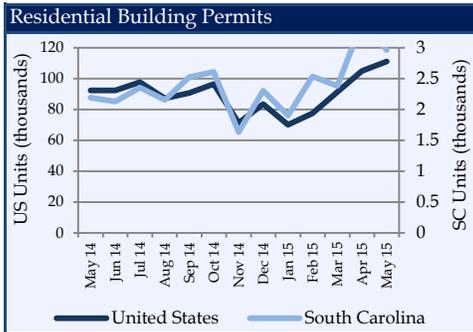
South Carolina Real Estate

Residential building permit activity in South Carolina continues to surge this year with the number of permits up 20.5 percent, year-to-date. Likewise, with 6,804 residential real estate closings last month, the number of home sales is up 15.7 percent year-to-date in 2015 compared to 2014. The median home sales price also shows positive momentum through May, with a 5.4% increase year-to-date. Foreclosure activity in South Carolina continues to subside, with 12.4 percent fewer foreclosures year-to-date in 2015.

	Month	Current	Previous Year	% Change Year Ago	2015 YTD	2014 YTD	% Change YTD
Closings	May	6,804	6,217	9.4%	28,158	24,335	15.7%
Median Sales Price*	May	\$174.9	\$160.0	9.3%	\$165.5	\$157.0	5.4%
Foreclosures	May	2,182	2,506	-12.9%	10,771	12,289	-12.4%
Residential Building Permits -Total	May	2,960	2,188	35.3%	13,173	11,501	14.5%
Residential Building Permits -Valuation*	May	\$542,352	\$471,157	15.1%	\$2,566,645	\$2,130,724	20.5%

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

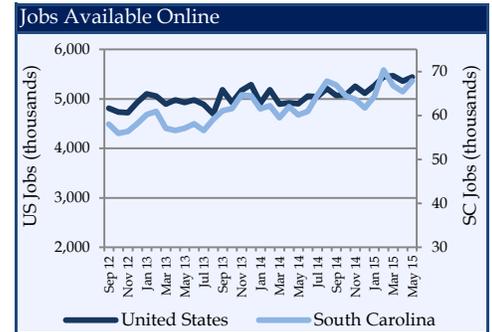
Business Activity



Source: U.S. Census



Source: U.S. Department of Labor



Source: The Conference Board Help Wanted Online Index



Source: South Carolina Department of Revenue



*Represents publicly-traded companies headquartered in SC.
Source: Bloomberg

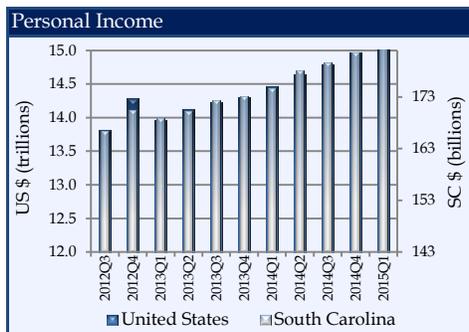


Source: U.S. Department of Labor

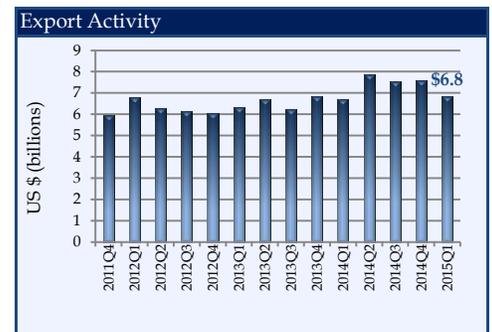
Income and Output



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



Source: U.S. Census



Source: Foreign Trade Division, U.S. Census



South Carolina Regional Update

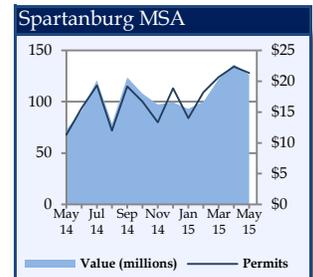
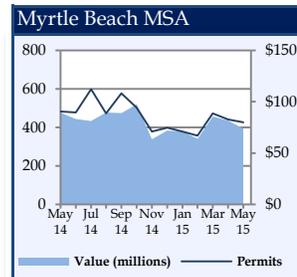
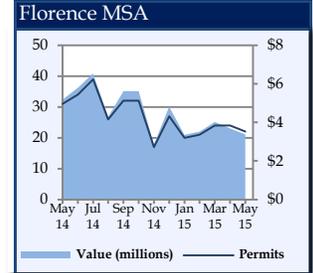
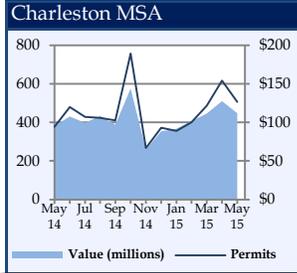
The South Carolina Regional Update provides a snapshot of the most recent economic figures for the six largest Metropolitan Statistical Areas (MSAs) in the state.

Home Sales

MSA	Indicator	May 14	May 15
Charleston	Sales Volume	1,315	1,460
	Median Price (000's)	\$218	\$235
Columbia	Sales Volume	943	1,035
	Median Price (000's)	\$150	\$155
Florence	Sales Volume	177	171
	Median Price (000's)	\$115	\$135
Greenville	Sales Volume	972	1,122
	Median Price (000's)	\$160	\$171
Myrtle Beach	Sales Volume	987	1,102
	Median Price (000's)	\$147	\$158
Spartanburg	Sales Volume	369	406
	Median Price (000's)	\$128	\$129
South Carolina	Sales Volume	6,217	6,804
	Median Price (000's)	\$160.0	\$174.9

Source: S.C. Association of Realtors

Building Permits



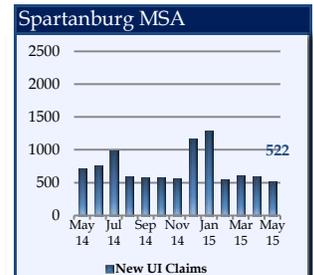
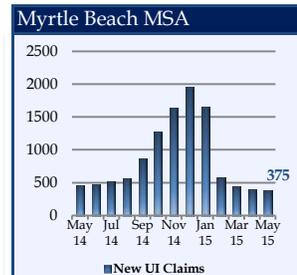
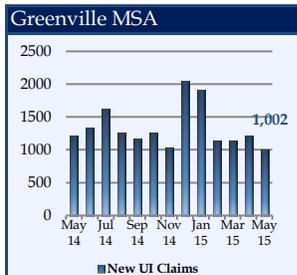
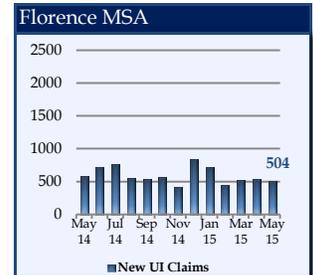
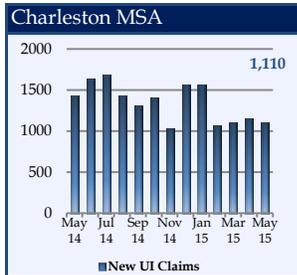
Source: U.S. Census

Employment

MSA	Indicator	Apr 15	May 15
Charleston	Employment (000's)	340.2	341.2
	Unemployment Rate	5.2	5.7
Columbia	Employment (000's)	368.1	370.0
	Unemployment Rate	5.6	6.0
Florence	Employment (000's)	87.6	87.7
	Unemployment Rate	7.1	7.5
Greenville	Employment (000's)	391.6	391.0
	Unemployment Rate	5.5	5.9
Myrtle Beach	Employment (000's)	173.6	175.8
	Unemployment Rate	6.7	7.0
Spartanburg	Employment (000's)	140.4	140.4
	Unemployment Rate	6.2	6.6
South Carolina	Employment (000's)	2,104.4	2,110.0
	Unemployment Rate	6.7	6.8

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

Unemployment Insurance Claims



Source: SCDOC analysis of SCDEW data

Change in Average Hourly Earnings of All Employees, May 2014 to May 2015



Source: United States Bureau of Labor Statistics, June 2015