

South Carolina Economic Outlook



South Carolina
Department of Commerce
Just right for business.

Division of Research

Volume 8 | Issue 8 | August 2015

South Carolina Leading Index Gains in July

The South Carolina Leading Index (SCLI) gained 0.09 points last month, ending with a value of 101.94 and predicting positive growth for the state's economy over the next three to six months. Last month, residential building permit activity was the biggest contributor to the SCLI with a 13.4 percent gain in the number of new permits issued and a 6.9 percent increase in the value associated with those permits. A slight increase in the number of initial claims for Unemployment Insurance (up 7.2 percent for the month) and a decrease in the average manufacturing workweek (down 0.2 hours or 0.5 percent) moderated the improvement for July. Last month, the Conference Board's national Leading Economic Index lost 0.2 percent to reach a value of 123.3.

- David Clayton

South Carolina Leading Index



Source: South Carolina Department of Commerce

SC Exports on Track for Record 2015

Figures from the US International Trade Administration show South Carolina on a strong growth trend for exports in 2015. Through the first half of 2015, South Carolina's export volume is up 1.9 percent compared to the first half of 2014. Meanwhile, the US total export volume is down 5.4 percent over the same period. In the second quarter of 2015, South Carolina exported more than \$8 billion in merchandise, achieving a new quarterly record for the state, and surpassing North Carolina for the quarter. For the first time, South Carolina's exports for the quarter exceeded 2 percent of the nation's total despite its population being only 1.5 percent of the US population. With its currently volatile economy, China is the top export market for South Carolina, presenting a risk to continued growth as the second half of the year unfolds.

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

-3.2%

South Carolina Stock Index

lost 3.44 points in June, closing at 104.29 on the last trading day of the month.

Bloomberg

Employment

-0.8%

Nonfarm Employment

decreased by 15,900 non-seasonally adjusted jobs in July from the prior month.

U.S. Bureau of Labor Statistics

-0.3%

Labor Force

decreased by 5,939 to 2,254,166, seasonally-adjusted, in July.

U.S. Bureau of Labor Statistics

-0.2%

Unemployment Rate

decreased 0.2 percent to 6.4 percent, seasonally-adjusted, for July.

U.S. Bureau of Labor Statistics

-0.5%

Manufacturing Weekly Hours

decreased by 0.2 hours to 42.1 hours in July from 42.3 hours in June.

U.S. Bureau of Labor Statistics

+1.3%

Available Online Job Postings

increased by 900 positions in July to a seasonally-adjusted 69,100 job postings.

The Conference Board Help Wanted Online Index

Real Estate

-1.1%

Single-Family Home Sales Price

decreased by \$2,000 to \$180,000 in July.

South Carolina Association of Realtors

+13.4%

Residential Building Permits

increased by 339 permits from the previous month to 2,869 permits issued in July.

U.S. Census Bureau



South Carolina Employment

Non-Seasonally Adjusted Wage and Salary Employment

Total non-seasonally adjusted, nonfarm employment fell by 15,900 from the previous month, representing a 0.79 percent drop. Year-over-year, however, the number of jobs rose 3.02 percent from July 2014. The bulk of the loss month-over-month came from the Government sector (-14,700 jobs, primarily due to teachers' seasonal schedules).

The largest increase for the month came from the Leisure and Hospitality sector (+2,100 jobs). The Service Industry as a whole performed well year-over-year, picking up 52,600 total jobs (89.6 percent of all jobs gained). The Manufacturing sector set the strongest pace year-over-year, with a 7.35 percent increase, representing 6,100 jobs.

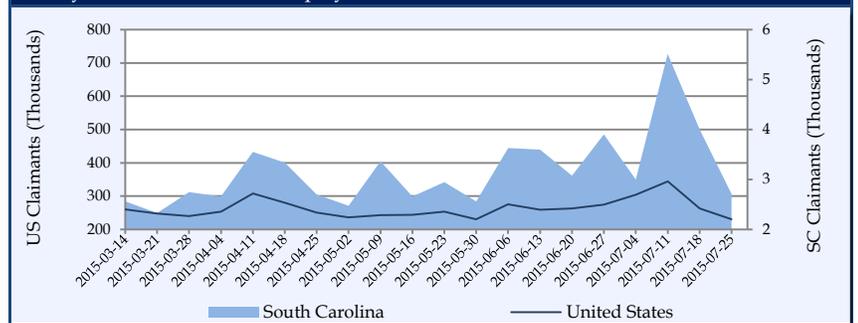
Industry Sector	July 2015	Previous Month	Previous Year	% Change Month Ago	% Change Year Ago
Goods Producing	323,300	324,900	317,200	-0.49	1.92
Natural Resources and Mining	3,700	3,800	3,900	-2.63	-5.13
Construction	89,100	89,100	83,000	0.00	7.35
Manufacturing	230,500	232,000	230,300	-0.65	0.09
Service Providing	1,678,400	1,692,700	1,625,800	-0.84	3.24
Trade, Transportation, and Utilities	385,800	384,300	374,100	0.39	3.13
Information	27,100	26,800	26,600	1.12	1.88
Finance	95,900	95,700	97,400	0.21	-1.54
Professional and Business Services	269,100	270,900	253,400	-0.66	6.20
Educational and Health Services	229,700	231,500	223,200	-0.78	2.91
Leisure and Hospitality	253,200	251,100	239,400	0.84	5.76
Other Services	72,700	72,800	72,100	-0.14	0.83
Total Private	1,656,800	1,658,000	1,603,400	-0.07	3.33
Government	344,900	359,600	339,600	-4.09	1.56
Total Nonfarm	2,001,700	2,017,600	1,943,000	-0.79	3.02

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

Weekly Unemployment Claims

The number of initial claims for Unemployment Insurance (UI) spiked in the second week of July for normal maintenance shutdowns, to a level of 5,515. The largest increases in UI claims last month were in the manufacturing-centric economies of Greenville and Spartanburg. Over the following three weeks, the statewide number fell to more normal levels in the 2,600 to 2,700 range. For July, the average number of weekly initial claims was 7.2 percent higher than the previous month, but 4.8 percent lower than July a year ago and 24.4 percent lower than two years ago.

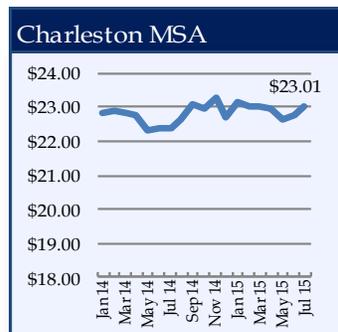
Weekly Initial Claims for Unemployment Insurance



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



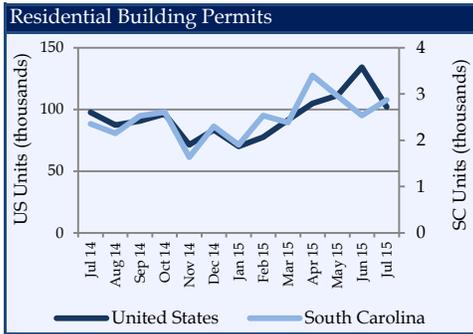
South Carolina Real Estate

Last month, the number of building permits issued in South Carolina for new residential construction gained 13.4 percent and is up 16.2 percent year-to-date compared to 2014. The median home sales price is up 7.9 percent compared to July 2014 and the number of residential real estate closings has also improved significantly, up 15.7 percent. Foreclosure activity is also down slightly to 2,326 filing actions in July, a 2.9 percent decline from a year ago. All real estate indicators continue to point to an improving housing market in South Carolina.

	Month	Current	Previous Year	% Change Year Ago	2015 YTD	2014 YTD	% Change YTD
Closings	July	7,340	6,342	15.7%	43,450	37,173	16.9%
Median Sales Price*	July	\$180.0	\$166.8	7.9%	\$171.2	\$161.1	6.3%
Foreclosures	July	2,326	2,396	-2.9%	15,335	16,657	-7.9%
Residential Building Permits -Total	July	2,869	2,352	22.0%	18,572	15,982	16.2%
Residential Building Permits -Valuation*	July	\$558,496	\$479,209	16.5%	\$3,647,583	\$3,056,060	19.4%

* 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.

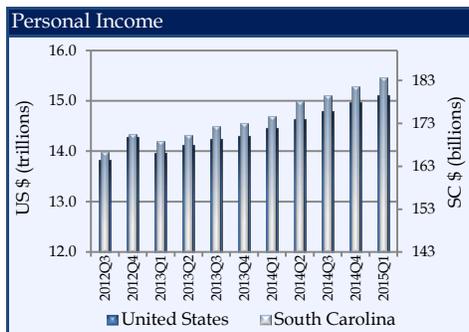


Source: U.S. Department of Labor

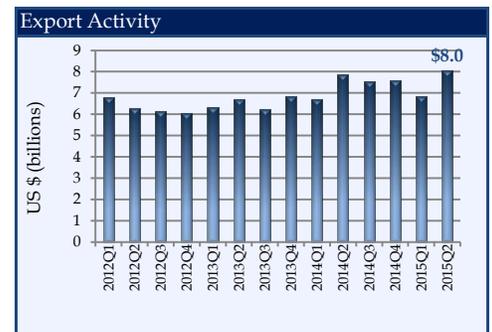
Income and Output



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



Source: U.S. Census



Source: Foreign Trade Division, U.S. Census



South Carolina Regional Update

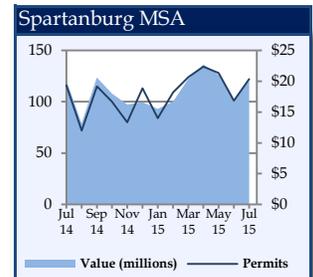
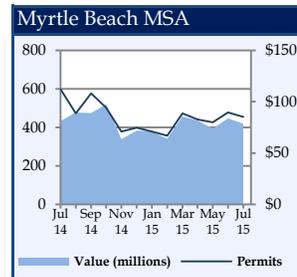
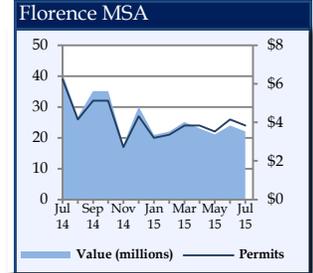
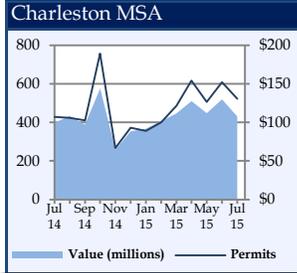
The South Carolina Regional Update provides a snapshot of the most recent economic figures for the six largest Metropolitan Statistical Areas (MSAs) in the state.

Home Sales

MSA	Indicator	Jul 14	Jul 15
Charleston	Sales Volume	1,399	1,689
	Median Price (000's)	\$216	\$237
Columbia	Sales Volume	976	1,160
	Median Price (000's)	\$152	\$155
Florence	Sales Volume	170	192
	Median Price (000's)	\$126	\$147
Greenville	Sales Volume	970	1,186
	Median Price (000's)	\$168	\$176
Myrtle Beach	Sales Volume	966	1,003
	Median Price (000's)	\$151	\$164
Spartanburg	Sales Volume	346	435
	Median Price (000's)	\$137	\$145
South Carolina	Sales Volume	6,342	7,340
	Median Price (000's)	\$166.8	\$180.0

Source: S.C. Association of Realtors

Building Permits



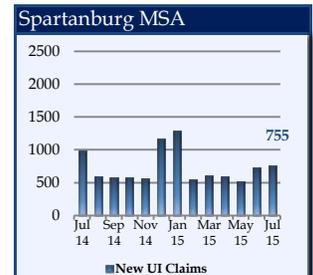
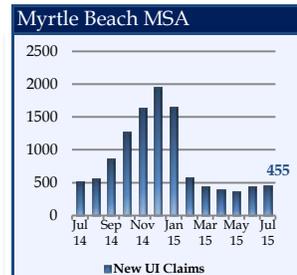
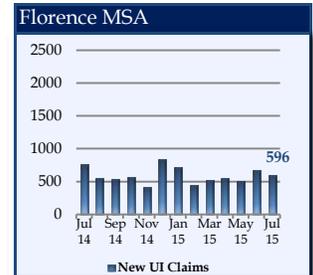
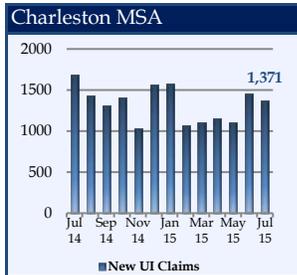
Source: U.S. Census

Employment

MSA	Indicator	Jun 15	Jul 15
Charleston	Employment (000's)	341.6	343.0
	Unemployment Rate	5.8	5.6
Columbia	Employment (000's)	370.2	370.8
	Unemployment Rate	6.3	6.1
Florence	Employment (000's)	87.5	87.6
	Unemployment Rate	7.8	7.5
Greenville	Employment (000's)	392.8	393.2
	Unemployment Rate	6.1	5.7
Myrtle Beach	Employment (000's)	181.1	182.6
	Unemployment Rate	6.9	6.6
Spartanburg	Employment (000's)	140.6	140.4
	Unemployment Rate	6.9	6.6
South Carolina	Employment (000's)	2,111.4	2,110.7
	Unemployment Rate	6.6	6.4

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

Unemployment Insurance Claims



Source: SCDOC analysis of SCDEW data

Manufacturing Employment Growth, July 2014 to July 2015

0.4%

Greenville

3.0%

Columbia

3.2%

Charleston

2.9%

Spartanburg

0.0%

Sumter

Source: US Bureau of Labor Statistics, August 2015