

South Carolina Economic Outlook



South Carolina
Department of Commerce

Just right for business.

Division of Research

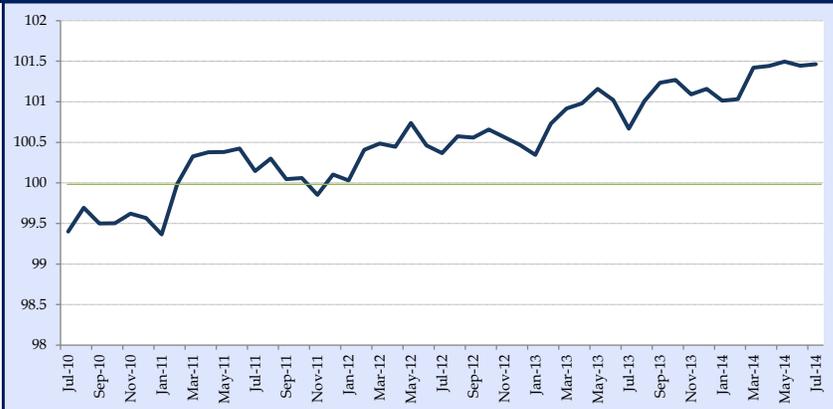
Volume 7 | Issue 8 | August 2014

SC Leading Index Rebounds in July

The South Carolina Leading Index (SCLI) gained 0.02 points in July, closing the month at 101.46. Mixed economic signals last month moderated improvement in the index. Significant increases in building permits (+10.5 percent last month) and the valuation associated with those permits (+7.4 percent) were offset by a 0.3 hour reduction in the average manufacturing workweek (-0.7 percent) and declines in the stock market. Last month showed a 3.5 percent reduction in initial claims for Unemployment Insurance (UI), posting the lowest UI initial claimant activity for a July in more than 27 years. The Conference Board's Leading Economic Index for the US also showed improvement last month, gaining 0.9 percent in July to 103.3.

- David Clayton

South Carolina Leading Index



Source: South Carolina Department of Commerce

Export Figures Strong for First Half of 2014

Preliminary figures released by the US Department of Commerce, International Trade Administration show South Carolina is on a path to record exports for the year. Comparing the first half of 2013 to the first half of this year, exports are up 11.9 percent to \$14.59 billion. Exports for the United States for the same period have increased only 2.9 percent to \$804 billion. Through the first half of this year, South Carolina ranks 16th by total exports while it ranks 24th by population. In the second quarter of 2014, top exports from the state include Vehicles (\$2.67 billion), Machinery (\$1.3 billion), Aircraft (\$548 million) and Tires (\$436 million).

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

+0.9%

State Personal Income

increased to \$173.7 billion in the first quarter of 2014.

U.S. Bureau of Economic Analysis

-4.1%

South Carolina Stock Index

lost 4.65 points in July, closing at 109.34 on the last trading day of the month.

Bloomberg

Employment

-1.1%

Nonfarm Employment

decreased by 20,500 non-seasonally adjusted jobs in July from the prior month.

U.S. Bureau of Labor Statistics

+0.1%

Labor Force

increased by 2,682 to 2,168,272, seasonally-adjusted, in July.

U.S. Bureau of Labor Statistics

+0.4%

Unemployment Rate

increased from 5.3 percent to 5.7 percent, seasonally-adjusted, for July.

U.S. Bureau of Labor Statistics

-0.7%

Manufacturing Weekly Hours

decreased by 0.3 hours to 41.0 hours in July from 41.3 hours in June.

U.S. Bureau of Labor Statistics

+6.1%

Available Online Job Postings

increased by 3,700 positions in July to a seasonally-adjusted 64,600 job postings.

The Conference Board Help Wanted Online Index

Real Estate

-3.9%

Single-Family Home Sales Price

decreased by \$6,777 to \$167,000 in July.

South Carolina Association of Realtors

+10.5%

Residential Building Permits

increased by 223 permits from the previous month to 2,352 permits issued in July.

U.S. Census Bureau



South Carolina Employment

Non-Seasonally Adjusted Wage and Salary Employment

Total non-seasonally adjusted, nonfarm employment declined 20,500 jobs from the previous month primarily due to seasonal operations in the Education and Manufacturing sectors. Despite the decline, the Leisure and Hospitality sector added 1,700 jobs while the Construction sector added 300 jobs. Combined, both

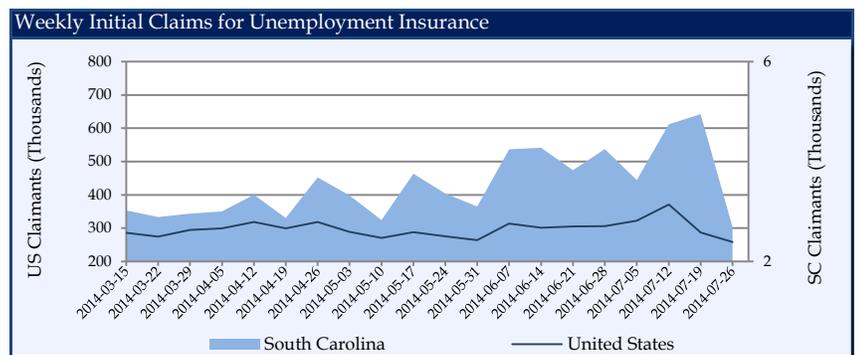
of these sectors have added nearly 11,000 jobs in the past year. Sectors showing strong year-over-year employment gains are Leisure and Hospitality (+9,600 jobs); Professional and Business Services (+7,800); Manufacturing (+7,100); Trade, Transportation, and Utilities (+5,700); and Education and Health Services (+5,400).

Industry Sector	July 2014	Previous Month	Previous Year	% Change Month Ago	% Change Year Ago
Goods Producing	316,900	318,300	308,000	-0.44	2.89
Natural Resources and Mining	3,800	3,800	3,700	0.00	2.70
Construction	82,400	82,100	80,700	0.37	2.11
Manufacturing	230,700	232,400	223,600	-0.73	3.18
Service Providing	1,611,600	1,631,100	1,583,000	-1.20	1.81
Trade, Transportation, and Utilities	370,300	370,200	364,600	0.03	1.56
Information	26,500	27,000	26,600	-1.85	-0.38
Finance	94,900	94,900	96,900	0.00	-2.06
Professional and Business Services	249,800	253,600	242,000	-1.50	3.22
Educational and Health Services	219,900	221,500	214,500	-0.72	2.52
Leisure and Hospitality	245,400	243,700	235,800	0.70	4.07
Other Services	71,200	71,500	71,400	-0.42	-0.28
Total Private	1,594,900	1,600,700	1,559,800	-0.36	2.25
Government	333,600	348,700	331,200	-4.33	0.72
Total Nonfarm	1,928,500	1,949,400	1,891,000	-1.07	1.98

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

Weekly Unemployment Claims

The weekly average number of initial claims for Unemployment Insurance (UI) decreased in July by 3.6 percent to 4,002 in South Carolina. Last month saw the fewest number of initial claimants in a July looking back 27 years in South Carolina. The July level of UI claimant activity was 20.5 percent less than July 2013 and 24.0 percent less than July 2012. Last month, the Upstate metro areas of Greenville and Spartanburg saw increased activity, of 22.0 percent and 28.4 percent respectively, while much of the rest of the state saw decreased activity.



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



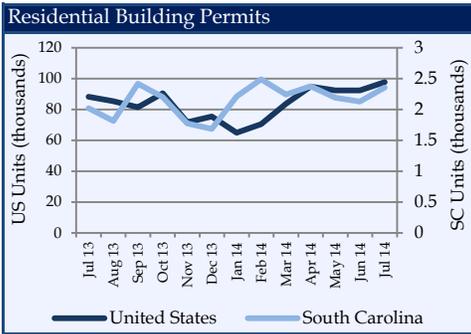
South Carolina Real Estate

Last month, the number of residential building permits increased 10.5 percent, with a 26 percent increase in the Myrtle Beach area and a 23 percent increase in Spartanburg. Comparing the last three months to the same quarter last year, these metros, along with Greenville, have shown the strongest gains in building permit activity. Home sales declined 2.0 percent last month and the median home sales price dropped by 3.9 percent. Foreclosure filing activity declined 3.8 percent in July.

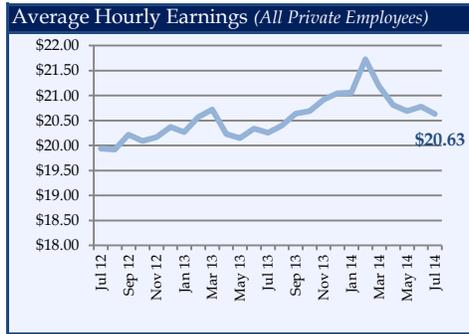
	Month	Current	Previous Year	% Change Year Ago	2014 YTD	2013 YTD	% Change YTD
Closings	July	6,311	6,294	0.3%	37,203	37,076	0.3%
Median Sales Price*	July	\$167.0	\$163.0	2.5%	\$161.5	\$155.0	4.2%
Foreclosures	July	2,396	2,704	-11.4%	16,657	21,117	-21.1%
Residential Building Permits -Total	July	2,352	2,018	16.6%	15,982	13,485	18.5%
Residential Building Permits -Valuation*	July	\$479,209	\$373,724	28.2%	\$3,056,060	\$2,543,211	20.2%

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

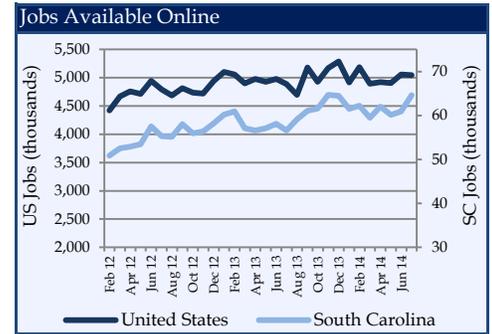
Business Activity



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

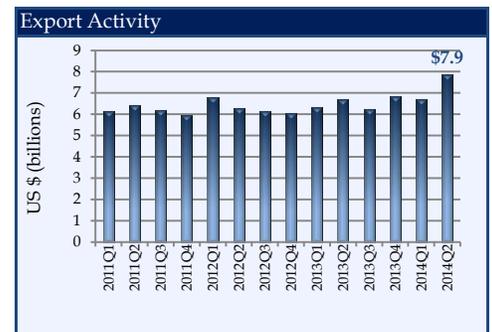
Income and Output



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



Source: U.S. Census



Source: Foreign Trade Division, U.S. Census



South Carolina Regional Update

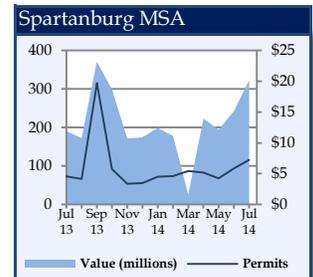
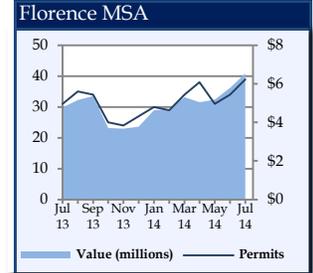
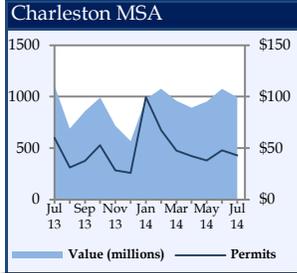
The South Carolina Regional Update provides a snapshot of the most recent economic figures for the six largest Metropolitan Statistical Areas (MSAs) in the state.

Home Sales

MSA	Indicator	July 13	July 14
Charleston	Sales Volume	1,281	1,356
	Median Price (000's)	\$210	\$217
Columbia	Sales Volume	940	938
	Median Price (000's)	\$150	\$153
Florence	Sales Volume	137	168
	Median Price (000's)	\$115	\$126
Greenville	Sales Volume	1,001	940
	Median Price (000's)	\$162	\$169
Myrtle Beach	Sales Volume	914	908
	Median Price (000's)	\$146	\$150
Spartanburg	Sales Volume	381	326
	Median Price (000's)	\$133	\$137
South Carolina	Sales Volume	6,294	6,311
	Median Price (000's)	\$163.0	\$167.0

Source: S.C. Association of Realtors

Building Permits



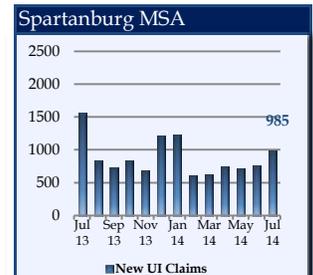
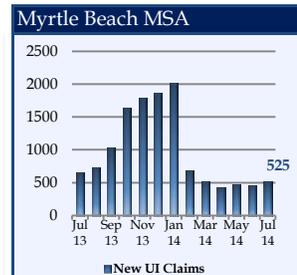
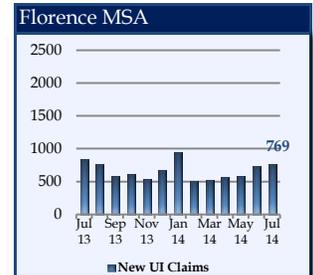
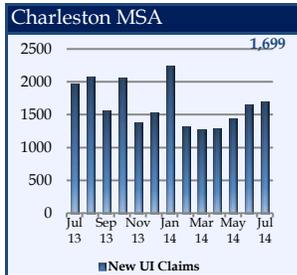
Source: U.S. Census

Employment

MSA	Indicator	June 14	July 14
Charleston	Employment (000's)	320.5	321.2
	Unemployment Rate	5.1	5.6
Columbia	Employment (000's)	354.6	353.3
	Unemployment Rate	5.5	6.0
Florence	Employment (000's)	87.5	87.2
	Unemployment Rate	6.6	7.4
Greenville	Employment (000's)	305.0	302.2
	Unemployment Rate	5.0	5.5
Myrtle Beach	Employment (000's)	132.7	134.5
	Unemployment Rate	5.5	5.8
Spartanburg	Employment (000's)	131.6	130.3
	Unemployment Rate	5.7	6.3
South Carolina	Employment (000's)	2,050.0	2,043.6
	Unemployment Rate	5.3	5.7

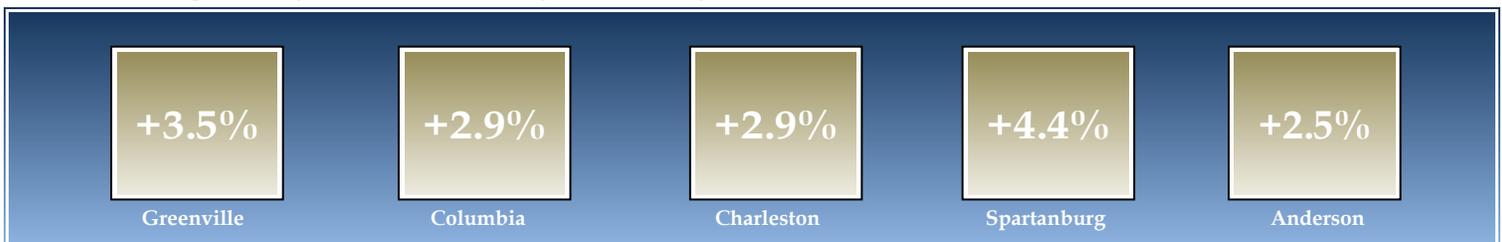
Source: U.S. Bureau of Labor Statistics (MSA figures not seasonally adjusted)

Unemployment Insurance Claims



Source: SCDOC analysis of SCDEW data

Manufacturing Employment Growth, July 2013 to July 2014



Source: Bureau of Labor Statistics, Current Employment Statistics, August 2014