



## SC Leading Index Forecasts Slower Growth

After four consecutive months of positive movement, the South Carolina Leading Index (SCLI) dipped 0.12 points in June. While still above the 100 mark, at 101.02, the SCLI forecasts improving economic conditions for South Carolina over the coming three to six months. Several factors led to the decline of the SCLI in June, including a 5 percent increase in initial claims for Unemployment Insurance, a nearly 12 percent drop in building permits for new residential construction, a decline in the valuation associated with those permits, and a declining stock market index. A 0.5 percent increase in the average manufacturing workweek helped moderate the SCLI last month. The Conference Board's Leading Economic Index for the U.S. was unchanged in June, remaining at 95.3.

-David Clayton

South Carolina Leading Index



Source: South Carolina Department of Commerce

## Residential Sales Continue to Improve

The number of residential closings last month, up 13 percent compared to a year ago, and the declining number of foreclosures in the state, down 24 percent compared to last year, have reduced the supply of available homes on the market. As inventory tightens, real estate values in South Carolina have gained ground. The median home sales price in South Carolina increased 3.1 percent last month and is now at the same level seen in 2007 before the recession. Residential building permits in South Carolina were down nearly 12 percent in June, falling due to an unusual volume of multi-family construction permitting in Charleston the previous month. Nevertheless, compared to a year ago, building permit activity in South Carolina is up more than 20 percent. Construction industries have added 3,700 jobs in the last year.

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 [EconomicOutlook@SCcommerce.com](mailto:EconomicOutlook@SCcommerce.com).

## KEY S.C. INDICATORS

### Income

-1.0%

#### State Personal Income

decreased to \$163.3 billion in the first quarter of 2013.

U.S. Bureau of Economic Analysis

-2.6%

#### South Carolina Stock Index

gave up 2.67 points in June, closing at 98.18 on the last trading day of the month.

Bloomberg

### Employment

+0.5%

#### Nonfarm Employment

increased 10,100 non-seasonally adjusted jobs in June from the prior month.

U.S. Bureau of Labor Statistics

-0.1%

#### Labor Force

decreased by 2,863 to 2,166,331, seasonally-adjusted, in June.

U.S. Bureau of Labor Statistics

+0.1%

#### Unemployment Rate

increased from 8.0 percent to 8.1 percent for the month of June.

U.S. Bureau of Labor Statistics

+0.5%

#### Manufacturing Weekly Hours

increased by 0.2 hours to 41.6 hours in June from 41.4 hours in May.

U.S. Bureau of Labor Statistics

+1.8%

#### Available Online Job Postings

increased by 1,000 positions in June to a seasonally-adjusted 58,100 job postings.

The Conference Board Help Wanted Online Index

### Real Estate

+3.1%

#### Single-Family Home Sales Price

increased by \$4,900 to \$164,900 in June.

South Carolina Association of Realtors

-11.9%

#### Residential Building Permits

decreased by 279 permits from the previous month to 2,063 permits issued in June.

U.S. Census Bureau



# South Carolina Employment

Non-Seasonally Adjusted Wage and Salary Employment

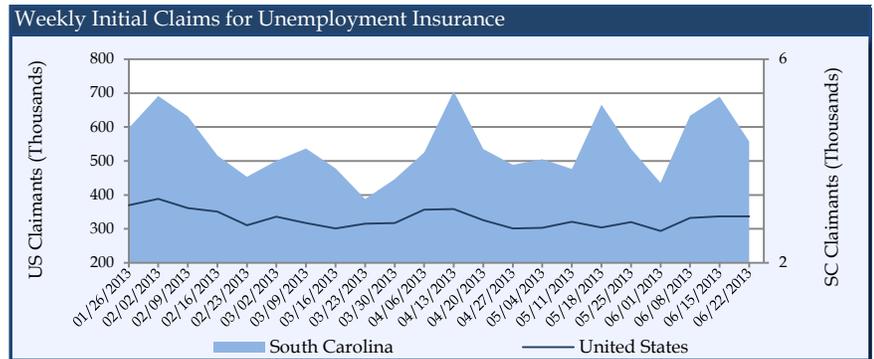
Total non-seasonally adjusted, nonfarm employment gained 10,100 jobs, or 0.5 percent, in June. The private sector contributed an increase of 17,100 positions while government shed 7,000 jobs, mostly seasonal teaching positions. Also following a seasonal pattern, the Leisure and Hospitality sector gained 6,800 jobs in June. Manufacturing employment grew by 1,000 positions last month, or 0.5 percent. Other gaining sectors included Retail Trade (+5,100 jobs), Professional and Business Services (+3,600), and Transportation and Warehousing (+1,600).

Industry Sector	June 2013	Previous Month	Previous Year	% Change Month Ago	% Change Year Ago
<b>Goods Producing</b>	<b>307,500</b>	<b>304,400</b>	<b>302,600</b>	<b>1.02</b>	<b>1.62</b>
Natural Resources and Mining	3,800	3,800	3,900	0.00	-2.56
Construction	82,100	80,000	78,400	2.63	4.72
Manufacturing	221,600	220,600	220,300	0.45	0.59
<b>Service Providing</b>	<b>1,599,000</b>	<b>1,592,000</b>	<b>1,572,700</b>	<b>0.44</b>	<b>1.67</b>
Trade, Transportation, and Utilities	364,100	356,700	355,900	2.07	2.30
Information	26,100	26,000	26,100	0.38	0.00
Finance	103,500	103,600	99,500	-0.10	4.02
Professional and Business Services	239,400	235,800	239,200	1.53	0.08
Educational and Health Services	209,100	212,700	208,600	-1.69	0.24
Leisure and Hospitality	240,800	234,000	229,100	2.91	5.11
Other Services	68,700	68,900	69,800	-0.29	-1.58
<b>Total Private</b>	<b>1,559,200</b>	<b>1,542,100</b>	<b>1,530,800</b>	<b>1.11</b>	<b>1.86</b>
Government	347,300	354,300	344,500	-1.98	0.81
<b>Total Nonfarm</b>	<b>1,906,500</b>	<b>1,896,400</b>	<b>1,875,300</b>	<b>0.53</b>	<b>1.66</b>

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

## Weekly Unemployment Claims

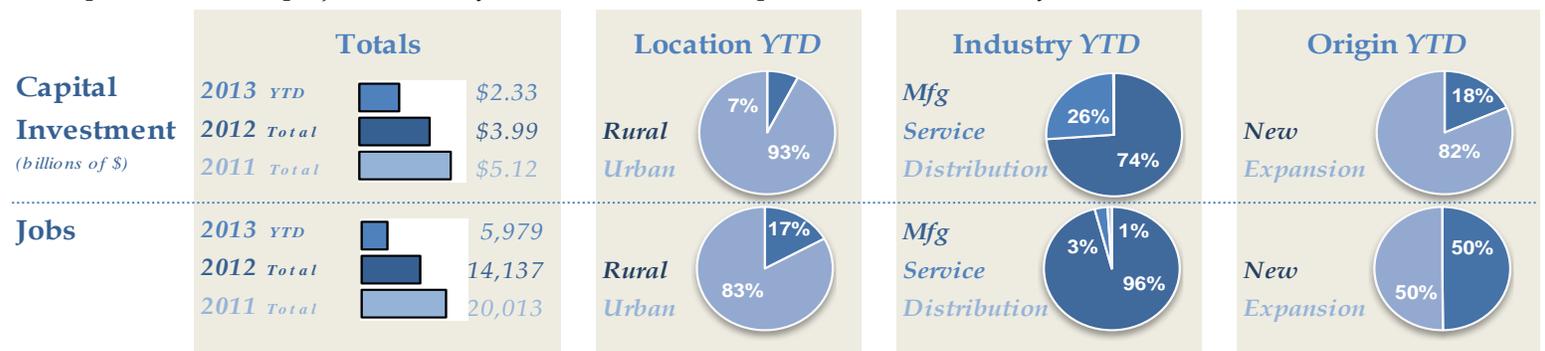
The average weekly number of initial claims for Unemployment Insurance (UI) increased 5.1 percent last month, reaching 4,572. Significant increases in claimant activity were seen in Florence (+37 percent), Spartanburg (+21 percent) and Charleston (+13 percent). Each of these metro areas had significant plant layoffs or closures announced in June. The Columbia, Greenville, and Myrtle Beach areas each saw slight declines, of 5 percent or less, in initial UI claimant activity.



Source: U.S. Department of Labor

## Capital Investment and Job Recruitment

Capital Investment and Job Recruitment provide preliminary 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

The Charleston housing market continues to lead the state in recovery, with 26 percent more home sales last month than in June a year ago and a 10 percent gain in the median home sales price. Improvements in the Columbia and Greenville areas also helped push the statewide sales volume up 4.4 percent and the median sales price up 13.5 percent compared to last year. Also helping the housing

recovery, foreclosure activity was down 23.7 percent last month compared to a year ago. While still up more than 20 percent compared to last year, permits for new residential construction took a surprising dip in June. Nearly 12 percent fewer permits were issued last month than the previous month. Usually, May and June activity are about the same.

	Month	Current	Previous Year	% Change Year Ago	2013 YTD	2012 YTD	% Change YTD
Closings	June	5,952	5,243	13.5%	30,351	25,538	18.8%
Median Sales Price*	June	\$164.9	\$158.0	4.4%	\$154.9	\$149.0	4.0%
Foreclosures	June	2,807	3,681	-23.7%	18,413	21,672	-15.0%
Residential Building Permits -Total	June	2,063	1,704	21.1%	11,467	9,902	15.8%
Residential Building Permits -Valuation*	June	\$392,828	\$300,402	30.8%	\$2,169,487	\$1,674,645	29.5%

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

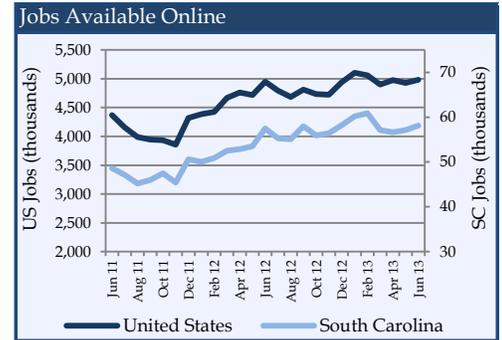
## Business Activity



Source: U.S. Census



Source: U.S. Department of Labor



Source: The Conference Board Help Wanted Online Index

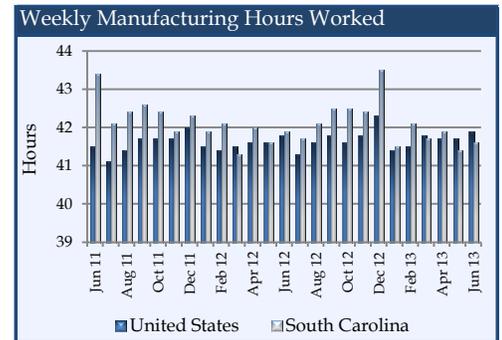


Source: South Carolina Department of Revenue



\*Represents publicly-traded companies headquartered in SC.

Source: Bloomberg

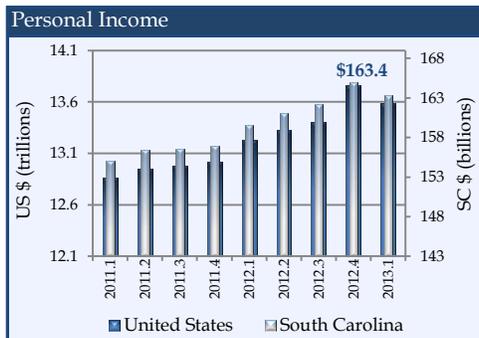


Source: U.S. Department of Labor

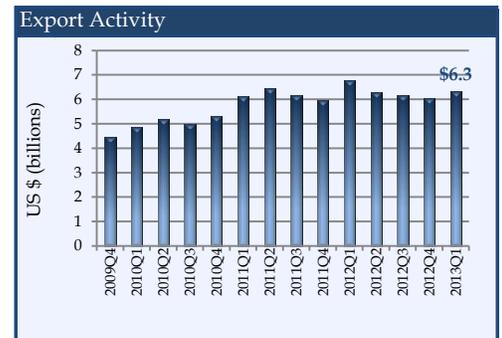
## Income and Output



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



Source: U.S. Census



Source: Foreign Trade Division, U.S. Census



# South Carolina Regional Update

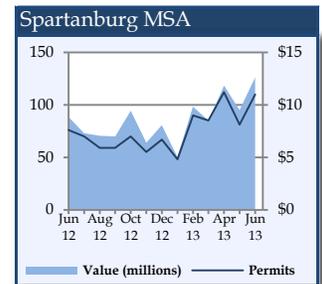
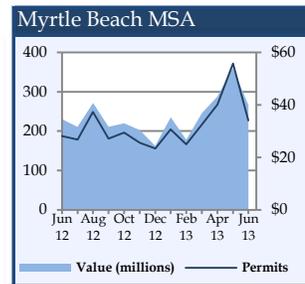
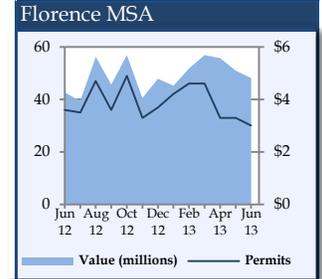
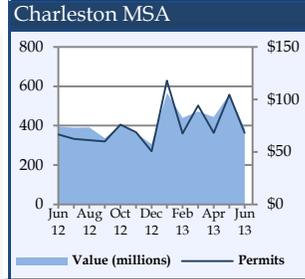
The South Carolina Regional Update provides a snapshot of the most recent economic figures for the six largest Metropolitan Statistical Areas (MSAs) in the state.

## Home Sales

MSA	Indicator	Jun 12	Jun 13
Charleston	Sales Volume	1,000	1,267
	Median Price (000's)	\$200	\$212
Columbia	Sales Volume	729	924
	Median Price (000's)	\$139	\$147
Florence	Sales Volume	128	151
	Median Price (000's)	\$143	\$125
Greenville	Sales Volume	687	955
	Median Price (000's)	\$145	\$157
Myrtle Beach	Sales Volume	835	898
	Median Price (000's)	\$137	\$150
Spartanburg	Sales Volume	229	316
	Median Price (000's)	\$116	\$118
South Carolina	Sales Volume	5,243	5,952
	Median Price (000's)	\$158.0	\$164.9

Source: S.C. Association of Realtors

## Building Permits



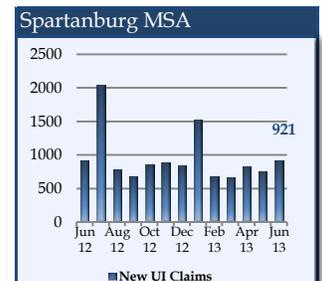
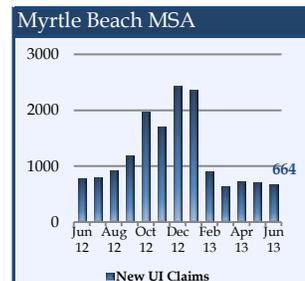
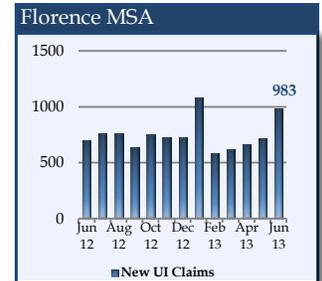
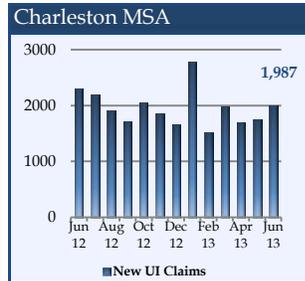
Source: U.S. Census

## Employment

MSA	Indicator	May 13	Jun 13
Charleston	Employment (000's)	316.3	317.5
	Unemployment Rate	6.4	7.3
Columbia	Employment (000's)	349.7	349.7
	Unemployment Rate	6.9	7.9
Florence	Employment (000's)	84.5	84.1
	Unemployment Rate	8.9	10.1
Greenville	Employment (000's)	295.2	295.1
	Unemployment Rate	6.4	7.4
Myrtle Beach	Employment (000's)	122.4	126.8
	Unemployment Rate	8.2	8.6
Spartanburg	Employment (000's)	125.9	125.2
	Unemployment Rate	7.7	8.8
South Carolina	Employment (000's)	1,996.7	1,991.9
	Unemployment Rate	8.0	8.1

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

## Unemployment Insurance Claims



Source: SCDOC analysis of SCDEW data

## Brookings Metro Monitor - Economic Recovery Rankings of 100 Largest Metro Areas

31	30	68	25	69
Greenville	Charleston	Columbia	Charlotte - Rock Hill	Augusta - Aiken

Source: Brookings Metro Monitor 2Q2013, July 2013