

South Carolina Economic Outlook



South Carolina
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Division of Research

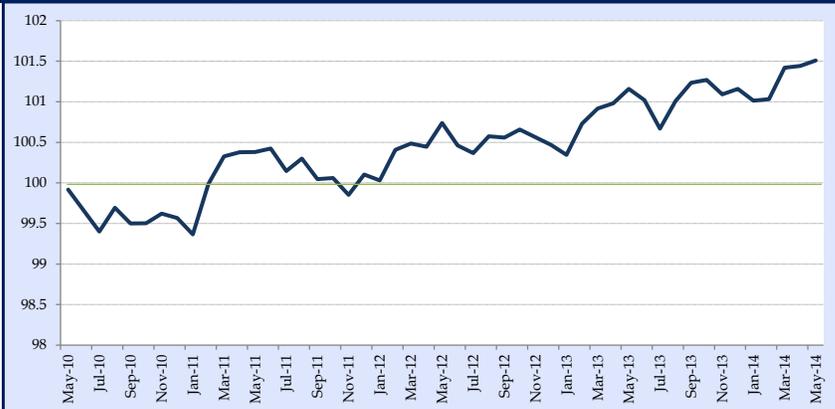
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SC Leading Index Reaches Another High

The South Carolina Leading Index (SCLI) rose for the fourth consecutive month in May, gaining 0.06 points to a seven-year-high value of 101.51. A SCLI value greater than 100 predicts economic growth over the next three to six months in South Carolina. Gains in the stock market and a 1.0 percent increase in the average manufacturing workweek moved the SCLI higher last month. A 3.3 percent increase in initial claims for Unemployment Insurance and a 7.9 percent decline in permits issued for new residential construction offset some of the positive movement of the SCLI. In May, the Conference Board's Leading Economic Index for the US increased 0.5 percent to 101.7.

- David Clayton

South Carolina Leading Index



Source: South Carolina Department of Commerce

Mixed Signals for SC Real Estate Market in May

While the median South Carolina home sales price showed a solid gain of 1.2 percent in May and the number of residential real estate closings had a typical seasonal surge of 13.5 percent last month, new residential building permits trended down 7.9 percent. While the number of permits declined, the value associated with those permits actually increased 4.2 percent largely due to higher value projects in the Charleston market. Foreclosure activity continues to abate, with three consecutive months of decreasing activity and a 21.3 percent overall reduction year-to-date compared to 2013. While the construction industry shed 500 jobs last month in South Carolina, employment in the sector is still up 2,200 positions compared to a year ago.

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

+0.5%

State Personal Income

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

U.S. Bureau of Economic Analysis

+3.9%

South Carolina Stock Index

gained 4.14 points in May, closing at 110.84 on the last trading day of the month.

Bloomberg

Employment

+0.6%

Nonfarm Employment

increased by 19,000 non-seasonally adjusted jobs in May from the prior month.

U.S. Bureau of Labor Statistics

+0.1%

Labor Force

increased 1,236 to 2,166,183, seasonally-adjusted, in May.

U.S. Bureau of Labor Statistics

+0%

Unemployment Rate

remained unchanged at 5.3 percent, seasonally-adjusted, for May.

U.S. Bureau of Labor Statistics

+1%

Manufacturing Weekly Hours

increased by 0.4 hours to 41.7 hours in May from 40.7 hours in April.

U.S. Bureau of Labor Statistics

-3.1%

Available Online Job Postings

decreased by 1,900 positions in May to a seasonally-adjusted 60,100 job postings.

The Conference Board Help Wanted Online Index

Real Estate

+1.2%

Single-Family Home Sales Price

increased by \$1,900 to \$160,900 in May.

South Carolina Association of Realtors

-7.9%

Residential Building Permits

decreased by 188 permits from the previous month to 2,376 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 19,000 jobs, or 1.0 percent, for the second consecutive month in May. The Professional and Business Services sector added 3,200 jobs (1.3 percent) while the Trade, Transportation, and Utilities sector added 4,900 jobs (1.35 percent). Both of these sectors have added

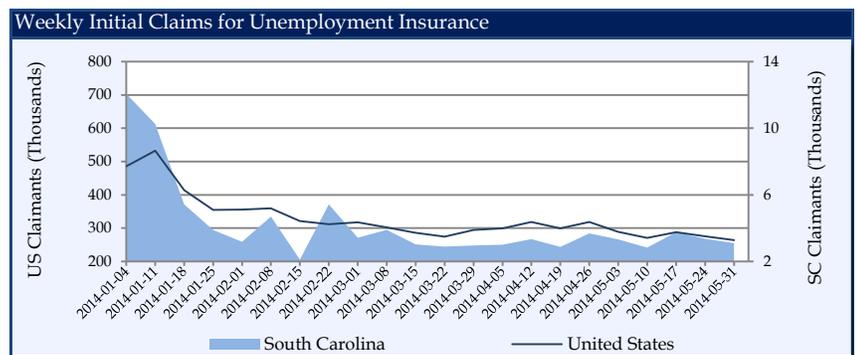
more than 8,000 jobs year-over-year. Manufacturing has also showed strong gains, adding 900 jobs last month and 6,800 year-over-year.

Industry Sector	May 2014	Previous Month	Previous Year	% Change Month Ago	% Change Year Ago
Goods Producing	317,100	316,700	308,200	0.13	2.89
Natural Resources and Mining	3,700	3,700	3,800	0.00	-2.63
Construction	82,100	82,600	79,900	-0.61	2.75
Manufacturing	231,300	230,400	224,500	0.39	3.03
Service Providing	1,629,400	1,617,700	1,603,600	0.72	1.61
Trade, Transportation, and Utilities	368,200	363,300	360,100	1.35	2.25
Information	26,900	26,600	26,700	1.13	0.75
Finance	94,800	94,100	95,900	0.74	-1.15
Professional and Business Services	249,500	246,300	240,500	1.30	3.74
Educational and Health Services	223,700	224,700	219,100	-0.45	2.10
Leisure and Hospitality	237,400	233,700	231,300	1.58	2.64
Other Services	70,200	70,300	71,200	-0.14	-1.40
Total Private	1,587,800	1,575,700	1,553,000	0.77	2.24
Government	358,700	358,700	358,800	0.00	-0.03
Total Nonfarm	1,946,500	1,934,400	1,911,800	0.63	1.82

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

Weekly Unemployment Claims

The weekly average number of initial claims for Unemployment Insurance (UI) increased in May by 3.2 percent to 3,272 in South Carolina. This level of activity was 24 percent lower than May of last year. Charleston saw an 11.2 percent uptick in claimant activity while Myrtle Beach saw a 9.8 percent increase in initial claims last month. Greenville and Spartanburg metros each saw decreased activity of 1.8 percent and 5.9 percent, respectively. Columbia and Florence each had modest increases of about one percent.



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

Year-to-date, the South Carolina real estate market has shown improvements on all fronts. While the number of real estate closings has only increased slightly (0.3 percent) comparing 2014 year-to-date to 2013 year-to-date, the median sales price is up 4.0 percent, the number of residential foreclosures is down more than 20 percent and the number of residential building permits issued has increased

more than 20 percent. Last month saw modest improvement in the median home price (up 1.2 percent) and a decrease in the number of real estate closings (down 2.2 percent) and building permits issued (down 7.9 percent).

	Month	Current	Previous Year	% Change Year Ago	2014 YTD	2013 YTD	% Change YTD
Closings	May	6,164	6,305	-2.2%	24,646	24,576	0.3%
Median Sales Price*	May	\$160.9	\$159.0	1.2%	\$157.5	\$151.5	4.0%
Foreclosures	May	2,506	3,521	-28.8%	12,289	15,606	-21.3%
Residential Building Permits -Total	May	2,188	2,342	-6.6%	11,501	9,404	22.3%
Residential Building Permits -Valuation*	May	\$471,157	\$429,170	9.8%	\$2,130,724	\$1,776,659	19.9%

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

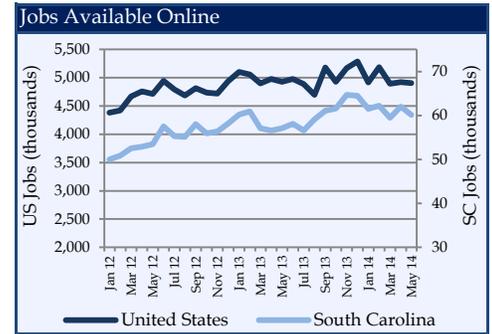
Business Activity



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

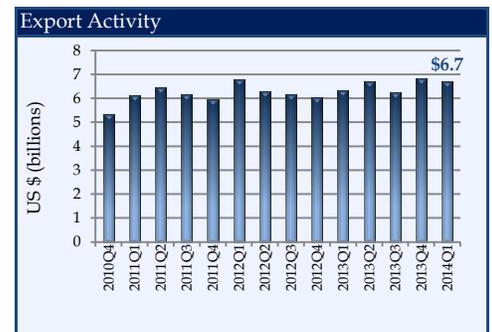
Income and Output



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



Source: U.S. Census



Source: Foreign Trade Division, U.S. Census



South Carolina Regional Update

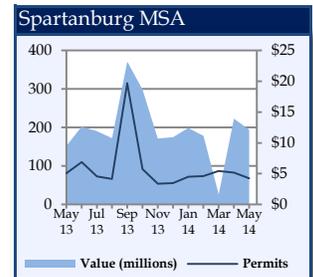
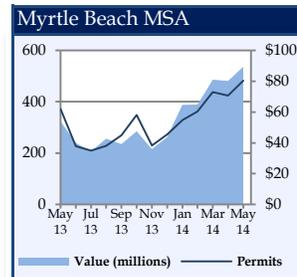
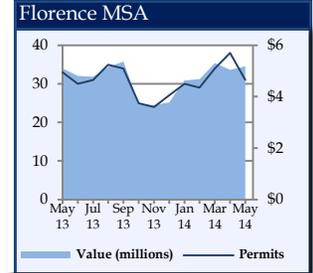
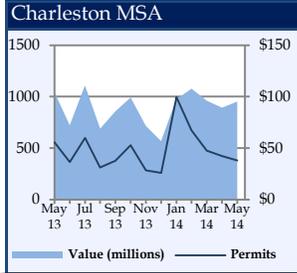
The South Carolina Regional Update provides a snapshot of the most recent economic figures for the six largest Metropolitan Statistical Areas (MSAs) in the state.

Home Sales

MSA	Indicator	May 13	May 14
Charleston	Sales Volume	1,285	1,266
	Median Price (000's)	\$213	\$220
Columbia	Sales Volume	957	909
	Median Price (000's)	\$147	\$150
Florence	Sales Volume	151	172
	Median Price (000's)	\$125	\$119
Greenville	Sales Volume	969	946
	Median Price (000's)	\$157	\$158
Myrtle Beach	Sales Volume	964	926
	Median Price (000's)	\$150	\$145
Spartanburg	Sales Volume	337	365
	Median Price (000's)	\$118	\$129
South Carolina	Sales Volume	6,305	6,164
	Median Price (000's)	\$159.0	\$160.9

Source: S.C. Association of Realtors

Building Permits



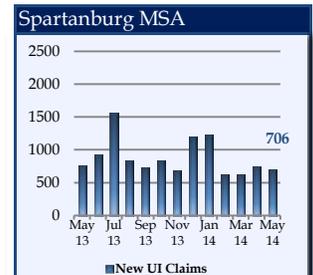
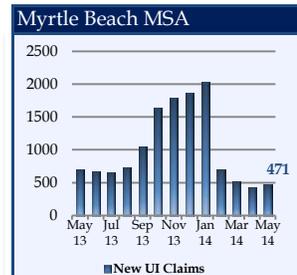
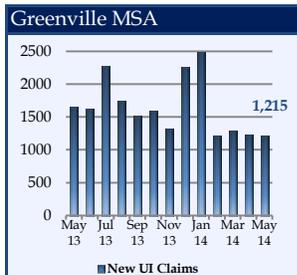
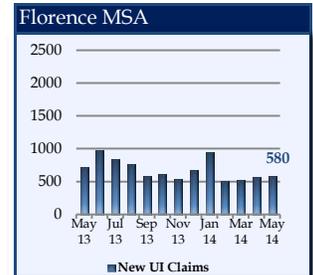
Source: U.S. Census

Employment

MSA	Indicator	Apr 14	May 14
Charleston	Employment (000's)	318.6	319.2
	Unemployment Rate	4.2	4.6
Columbia	Employment (000's)	354.7	354.4
	Unemployment Rate	4.5	4.9
Florence	Employment (000's)	85.5	86.7
	Unemployment Rate	5.9	6.1
Greenville	Employment (000's)	303.1	304.8
	Unemployment Rate	4.1	4.4
Myrtle Beach	Employment (000's)	122.9	126.5
	Unemployment Rate	5.5	5.5
Spartanburg	Employment (000's)	131.3	131.5
	Unemployment Rate	4.7	4.9
South Carolina	Employment (000's)	2,050.5	2,051.0
	Unemployment Rate	5.3	5.3

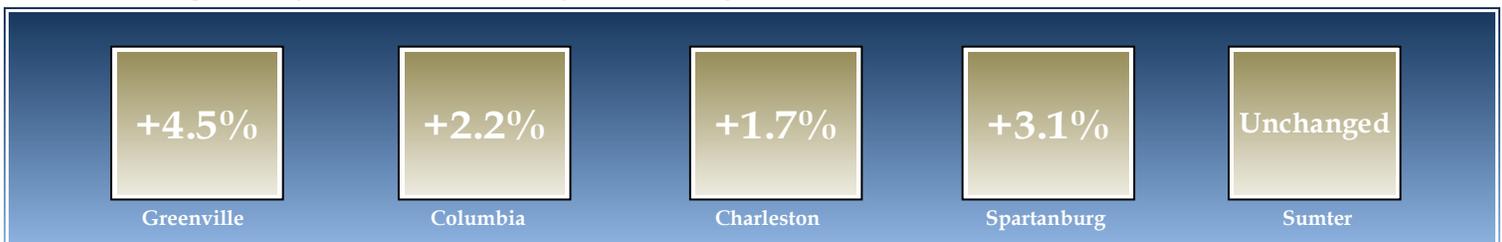
Source: U.S. Bureau of Labor Statistics (MSA figures not seasonally adjusted)

Unemployment Insurance Claims



Source: SCDOC analysis of SCDEW data

Manufacturing Employment Growth - May 2013 to May 2014



Source: US Bureau of Labor Statistics, Current Employment Statistics, June 2014