South Carolina
Economic Outlook

South Carolina Department of Commerce
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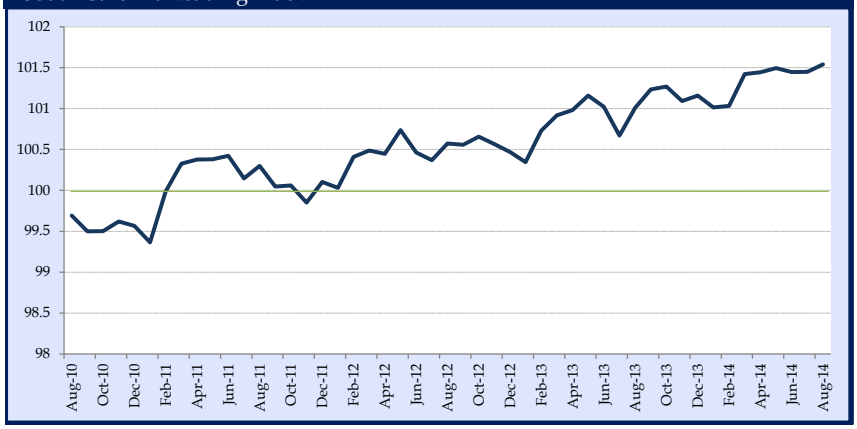
Division of Research | Volume 7 | Issue 9 | September 2014

SCLI Continues to Show Steady Improvement

The South Carolina Leading Index (SCLI) posted the strongest gain in five months in August, jumping 0.9 points to 101.54. Among the key indicators, only decreased building permit activity of 8.5 percent put downward pressure on the index. A 14.1 percent decline in initial claims for Unemployment Insurance and a 0.7 percent increase in the average South Carolina manufacturing workweek pushed the SCLI higher. Strong August gains in the stock market also contributed to the positive momentum. An SCLI value greater than 100 forecasts an improving economy for the state over the next three to six months. In August, the Conference Board's national Leading Economic Index also increased, gaining 0.2 percent to 103.8.

- David Clayton

South Carolina Leading Index



Source: South Carolina Department of Commerce

Positive Signs in Current Economic Indicators

In addition to the key indicators reflected in the SCLI, several concurrent economic indicators signify overall improvement in the South Carolina economy. The South Carolina Ports Authority reported an 8.4 percent gain in export of loaded shipping containers last month and a 6.4 percent rise year-over-year. Retail sales in South Carolina are up 4.2 percent cumulatively through the first half of 2014, compared to the same period in 2013. Three consecutive months of increasing online job placements in South Carolina indicate a 12.8 percent surge in hiring demand compared to a 6.2 percent increase in job postings nationwide over the same period.

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

+4.7% — **South Carolina Stock Index** gained 5.15 points in August, closing at 114.49 on the last trading day of the month.
Bloomberg

Employment

+0.1% — **Nonfarm Employment** increased by 2,300 non-seasonally adjusted jobs in August from the prior month.
U.S. Bureau of Labor Statistics

+0.3% — **Labor Force** increased by 5,747 to 2,173,859, seasonally-adjusted, in August.
U.S. Bureau of Labor Statistics

+0.6% — **Unemployment Rate** increased from 5.8 percent to 6.4 percent , seasonally-adjusted, for August.
U.S. Bureau of Labor Statistics

+0.7% — **Manufacturing Weekly Hours** increased by 0.3 hours to 41.2 hours in August from 40.9 hours in July.
U.S. Bureau of Labor Statistics

+5% — **Available Online Job Postings** increased by 3,200 positions in August to a seasonally-adjusted 67,800 job postings.
The Conference Board Help Wanted Online Index

Real Estate

-0.8% — **Single-Family Home Sales Price** decreased by $1,300 to $165,700 in August.
South Carolina Association of Realtors

-8.5% — **Residential Building Permits** decreased by 201 permits from the previous month to 2,151 permits issued in August.
U.S. Census Bureau

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South Carolina Employment

Non-Seasonally Adjusted Wage and Salary Employment

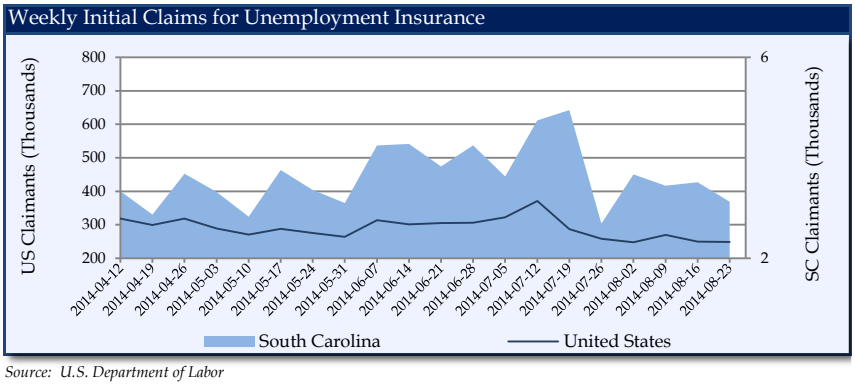
Total non-seasonally adjusted, nonfarm employment increased by 2,300 over the previous month. With schools starting after the summer break, employment in Education and Health Services sector added 3,200 jobs and Government added 1,700 jobs. Manufacturing (+1,700 jobs) and Professional and Business Services (+500 jobs) also increased in August. Since August 2013, substantial gains have been made in Manufacturing (+7,700), Professional and Business Services (+7,400), Leisure and Hospitality (+6,900), Education and Health Services (+6,400) and Government (+2,900). Year-over-year, total non-farm employment is up 32,600 jobs.

Industry Sector	August 2014	Previous Month	Previous Year	% Change Month Ago	% Change Year Ago
Goods Producing	**318,500**	**317,300**	**309,300**	**0.38**	**2.97**
Natural Resources and Mining	3,700	3,800	3,700	-2.63	0.00
Construction	82,300	82,400	80,800	-0.12	1.86
Manufacturing	232,500	231,100	224,800	0.61	3.43
Service Providing	**1,610,800**	**1,609,700**	**1,587,400**	**0.07**	**1.47**
Trade, Transportation, and Utilities	368,500	369,700	365,400	-0.32	0.85
Information	25,700	26,400	26,300	-2.65	-2.28
Finance	95,100	95,200	97,100	-0.11	-2.06
Professional and Business Services	250,900	250,400	243,500	0.20	3.04
Educational and Health Services	222,800	219,600	216,400	1.46	2.96
Leisure and Hospitality	241,700	244,000	234,800	-0.94	2.94
Other Services	70,900	70,900	71,600	0.00	-0.98
Total Private	**1,594,100**	**1,593,500**	**1,564,400**	**0.04**	**1.90**
Government	335,200	333,500	332,300	0.51	0.87
Total Nonfarm	**1,929,300**	**1,927,000**	**1,896,700**	**0.12**	**1.72**

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

Weekly Unemployment Claims

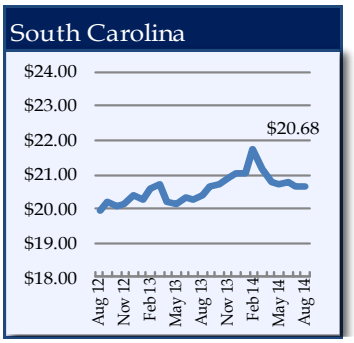
For the second consecutive month, following normal seasonal patterns, the number of initial claims for Unemployment Insurance (UI) declined in August. Initial claimant activity was down 14.1 percent last month to 3,438 average weekly claims. This level is 21.6 percent less than last year and 26.4 percent fewer claims than two years ago. Except Myrtle Beach, every metro in the state saw significantly decreased activity, from a 14.8 percent decline in Charleston to a 38.6 percent decline in Spartanburg.

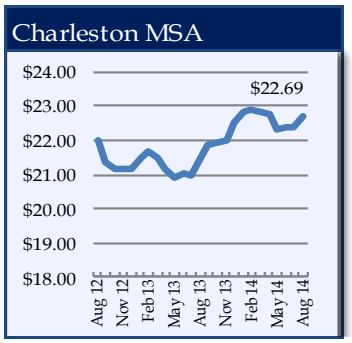


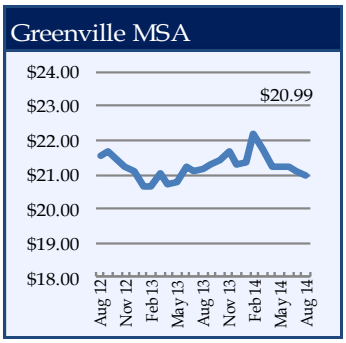
Source: U.S. Department of Labor

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

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South Carolina Real Estate

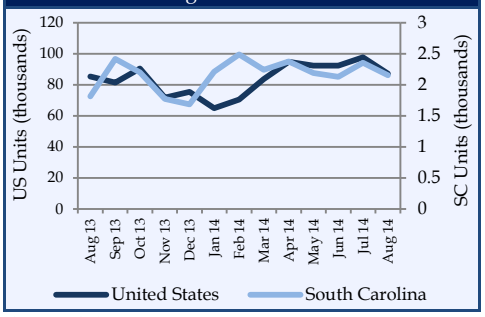
Comparing August to July, the South Carolina real estate building activity held fairly steady; however, year-over-year growth has been quite strong. The number of residential building permits issued last month declined 8.5 percent compared to the previous month, but is up 18.6 percent compared to this time last year. Residential real estate closings were down 0.1 percent last month and remain flat year-over-year. Similarly, the median home sales price dipped 1 percent last month to $165,700 and has held fairly steady year-over-year, gaining only 0.4 percent.

	Month	Current	Previous Year	% Change Year Ago	2014 YTD	2013 YTD	% Change YTD
Closings	August	6,302	6,342	-0.6%	44,315	43,419	2.1%
Median Sales Price*	August	$165.7	$165.0	0.4%	$162.0	$157.0	3.2%
Foreclosures	August	2,253	2,621	-14.0%	18,910	23,738	-20.3%
Residential Building Permits -Total	August	2,151	1,814	18.6%	18,133	15,299	18.5%
Residential Building Permits -Valuation*	August	$458,710	$401,948	14.1%	$3,514,770	$2,945,159	19.3%

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

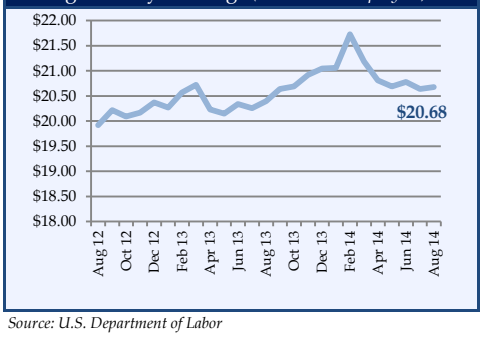
Business Activity

Residential Building Permits



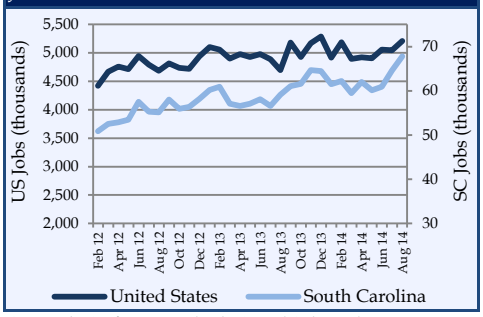
Source: U.S. Census

Average Hourly Earnings *(All Private Employees)*



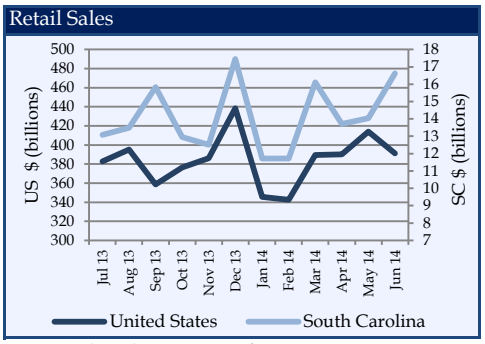
Source: U.S. Department of Labor

Jobs Available Online



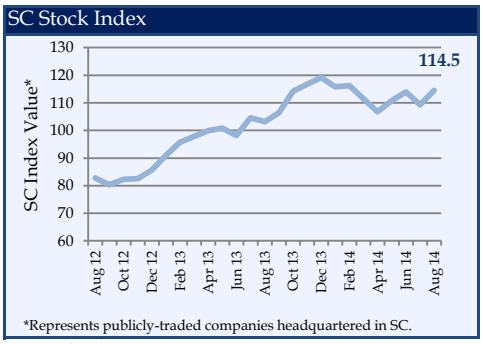
Source: The Conference Board Help Wanted Online Index

Retail Sales



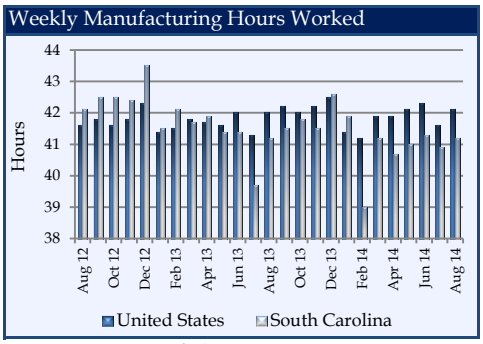
Source: South Carolina Department of Revenue

SC Stock Index



Source: Bloomberg

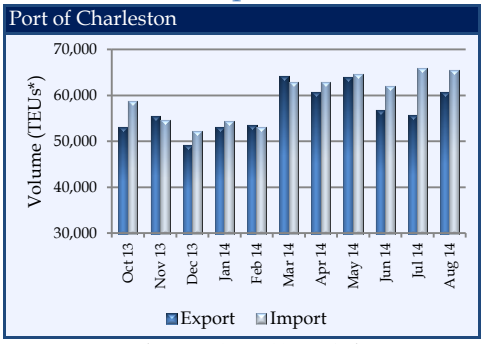
Weekly Manufacturing Hours Worked



Source: U.S. Department of Labor

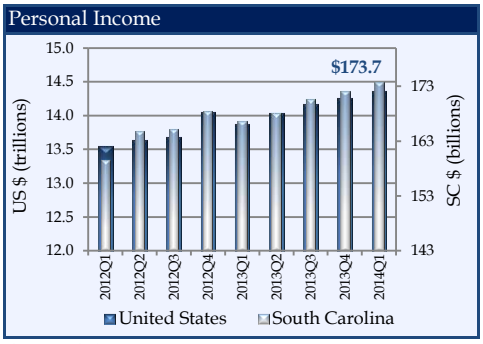
Income and Output

Port of Charleston



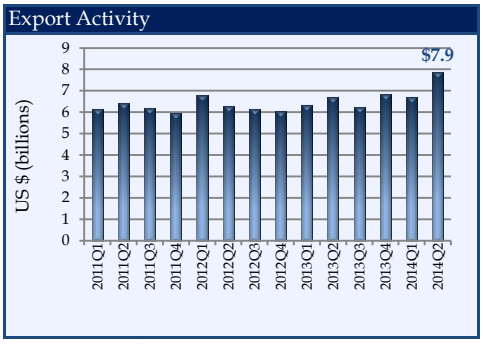
**Twenty-Foot Equivalent Units. Source: SC Ports Authority*

Personal Income



Source: U.S. Census

Export Activity



Source: Foreign Trade Division, U.S. Census

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South Carolina Regional Update

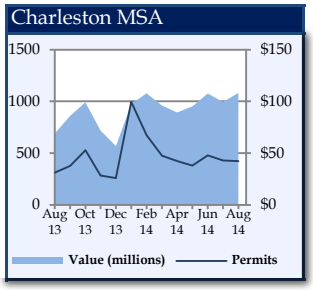
The South Carolina Regional Update provides a snapshot of the most recent economic figures for the six largest Metropolitan Statistical Areas (MSAs) in the state.

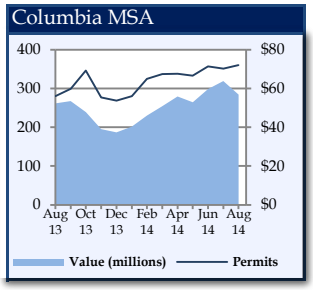
Home Sales

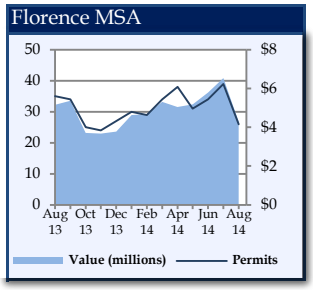
MSA	Indicator	Aug 13	Aug 14
Charleston	*Sales Volume*	1,276	1,323
	Median Price (000's)	$219	$215
Columbia	*Sales Volume*	992	922
	Median Price (000's)	$143	$152
Florence	*Sales Volume*	161	192
	Median Price (000's)	$123	$116
Greenville	*Sales Volume*	945	1,002
	Median Price (000's)	$169	$163
Myrtle Beach	*Sales Volume*	941	875
	Median Price (000's)	$160	$160
Spartanburg	*Sales Volume*	324	345
	Median Price (000's)	$129	$134
South Carolina	*Sales Volume*	**6,342**	**6,302**
	Median Price (000's)	**$165.0**	**$165.7**

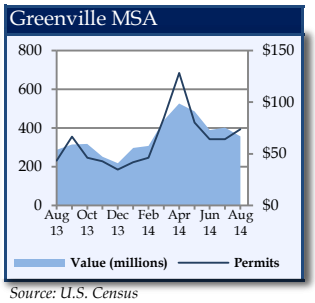
Source: S.C. Association of Realtors

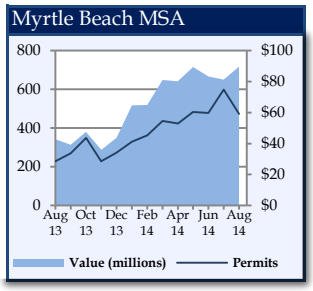
Building Permits

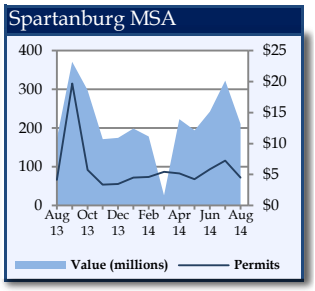












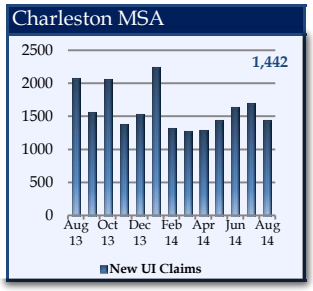
Source: U.S. Census

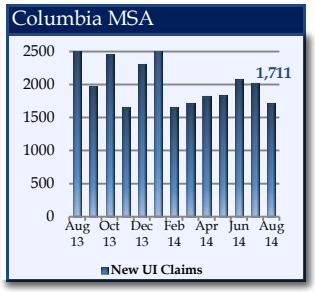
Employment

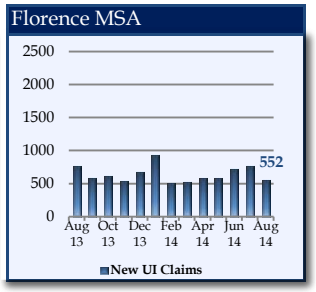
MSA	Indicator	July 14	Aug 14
Charleston	*Employment (000's)*	321.0	318.3
	Unemployment Rate	5.6	6.2
Columbia	*Employment (000's)*	351.5	349.7
	Unemployment Rate	6.1	6.6
Florence	*Employment (000's)*	87.0	86.2
	Unemployment Rate	7.4	8.0
Greenville	*Employment (000's)*	302.8	301.2
	Unemployment Rate	5.4	6.1
Myrtle Beach	*Employment (000's)*	134.5	130.0
	Unemployment Rate	5.7	6.6
Spartanburg	*Employment (000's)*	130.6	129.9
	Unemployment Rate	6.2	6.7
South Carolina	*Employment (000's)*	**2,043.4**	**2,035.8**
	Unemployment Rate	**5.8**	**6.4**

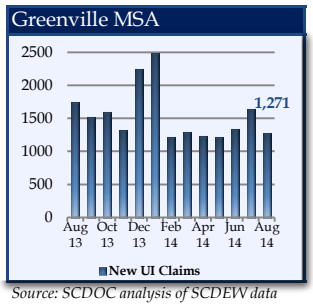
Source: U.S. Bureau of Labor Statistics (MSA figures not seasonally adjusted)

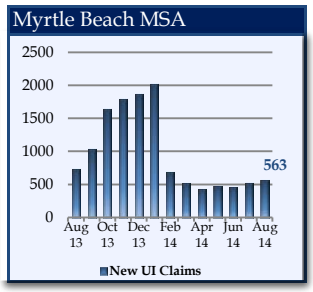
Unemployment Insurance Claims

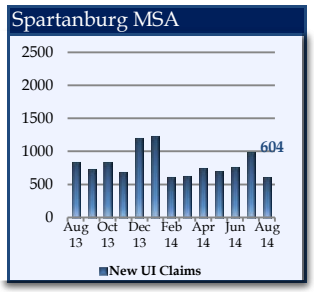












Source: SCDOC analysis of SCDEW data

Percent Change in Real Gross Domestic Product (GDP), 2012 to 2013

Greenville	Columbia	Charleston	Spartanburg	Myrtle Beach
+1.4%	+2.0%	+1.5%	+0.5%	+1.5%

Source: Bureau of Economic Analysis, September 2014