



# South Carolina Economic Outlook

Volume 4: Issue 11 November 2011

South Carolina Department of Commerce | Division of Research

## S.C. Leading Index Rebounds Above 100 Mark

After a one month drop below the 100 level, the South Carolina Leading Index (SCLI) rose to 100.29 in October. A value of the SCLI above 100 forecasts positive economic growth in the state over the next three to six months. This month's rise of 0.37 points was the largest increase of the index since February of this year. Significant gains in building permit activity and the stock market offset a slightly weakening labor market. Driven predominantly by multi-family housing units, building permits increased over 50 percent in October. Holding the SCLI back, initial claims for Unemployment Insurance increased 0.5 percent and average manufacturing hours worked decreased 0.7 percent.

-David Clayton



Source: South Carolina Department of Commerce

## Grand Strand Boosts Building Permit Activity in S.C.

Residential building permit activity increased over 50 percent this month, due in large part to permits issued for 524 new apartment or condominium units in the Myrtle Beach area. The South Carolina median home sales price remained flat in October, at \$150,000, while the number of residential real estate closings fell 6.5 percent during the month. Foreclosure filings increased 47.6 percent over the month, to 3,652 in October, the highest level so far this year. Employment in the construction industry also increased, adding 700 jobs or 0.9 percent in October.

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. Consisting of seven professionals with advanced degrees and expertise in economics, business, statistics and information sciences, 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

+1.2%

#### State Personal Income

increased to \$157 billion in the second quarter of 2011, a 1.2 percent increase over the previous quarter.

*U.S. Bureau of Economic Analysis*

+15%

#### South Carolina Stock Index

increased 11.00 points in October, closing at 84.35 on the last trading day of the month.

*Bloomberg*

### Employment

+0.5%

#### Nonfarm Employment

rose by 9,400 non-seasonally adjusted jobs in October over the previous month.

*U.S. Bureau of Labor Statistics*

+0%

#### Labor Force

remained unchanged for the month of October.

*U.S. Bureau of Labor Statistics*

+0%

#### Unemployment Rate

was unchanged at 11.0 percent for the month of October.

*U.S. Bureau of Labor Statistics*

-0.7%

#### Manufacturing Weekly Hours

decreased 0.3 hours to 42.3 hours in October over the previous month

*U.S. Bureau of Labor Statistics*

+3.3%

#### Available Online Job Postings

increased by 1,518 positions in October to a seasonally-adjusted 47,518 job postings.

*The Conference Board Help Wanted Online Index*

### Real Estate

+0%

#### Single-Family Home Sales Price

remained constant at \$150,000 in October.

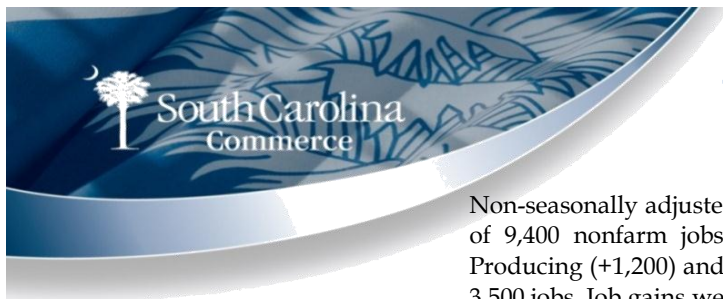
*South Carolina Association of Realtors*

+50.6%

#### Residential Building Permits

increased by 517 permits over the previous month.

*U.S. Census Bureau*



# South Carolina Employment

Non-Seasonally Adjusted Wage and Salary Employment

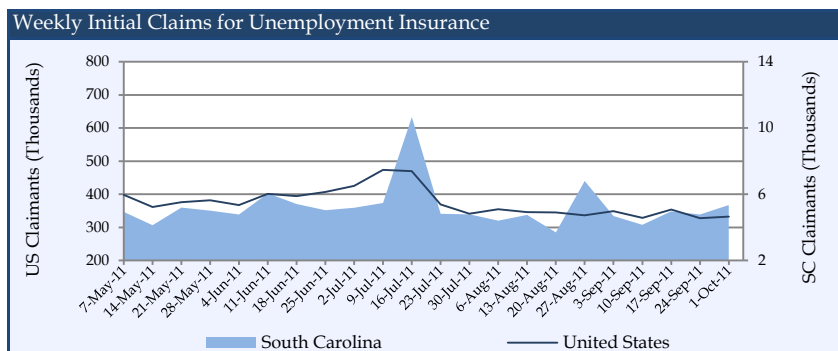
Non-seasonally adjusted employment increased for the first time in three months, with a total of 9,400 nonfarm jobs gained in October. Job growth was observed in both the Goods Producing (+1,200) and Service Providing (+8,200) sectors. The Government sector also added 3,500 jobs. Job gains were most significant in the Educational and Health Services (+2,200) and Finance (+1,600) subsectors. The only subsector with significant job loss was the Leisure and Hospitality industry (-2,200), but this was expected due to the seasonal decline in tourism.

Industry Sector	October 2011	Previous Month	Previous Year	% Change Month Ago	% Change Year Ago
<b>Goods Producing</b>	<b>299,700</b>	<b>298,500</b>	<b>293,600</b>	<b>0.40</b>	<b>2.08</b>
Natural Resources and Mining	4,000	4,100	4,000	-2.44	0.00
Construction	76,400	75,700	81,100	0.92	-5.80
Manufacturing	219,300	218,700	208,500	0.27	5.18
<b>Service Providing</b>	<b>1,532,800</b>	<b>1,524,600</b>	<b>1,523,900</b>	<b>0.54</b>	<b>0.58</b>
Trade, Transportation, and Utilities	350,600	348,500	346,800	0.60	1.10
Information	25,400	25,200	25,300	0.79	0.40
Finance	97,700	96,100	96,900	1.66	0.83
Professional and Business Services	224,500	223,300	220,600	0.54	1.77
Educational and Health Services	219,300	217,100	215,300	1.01	1.86
Leisure and Hospitality	211,400	213,600	209,100	-1.03	1.10
Other Services	67,900	68,300	68,800	-0.59	-1.31
<b>Total Private</b>	<b>1,496,500</b>	<b>1,490,600</b>	<b>1,476,400</b>	<b>0.40</b>	<b>1.36</b>
Government	336,000	332,500	341,100	1.05	-1.50
<b>Total Nonfarm</b>	<b>1,832,500</b>	<b>1,823,100</b>	<b>1,817,500</b>	<b>0.52</b>	<b>0.83</b>

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

## Weekly Unemployment Claims

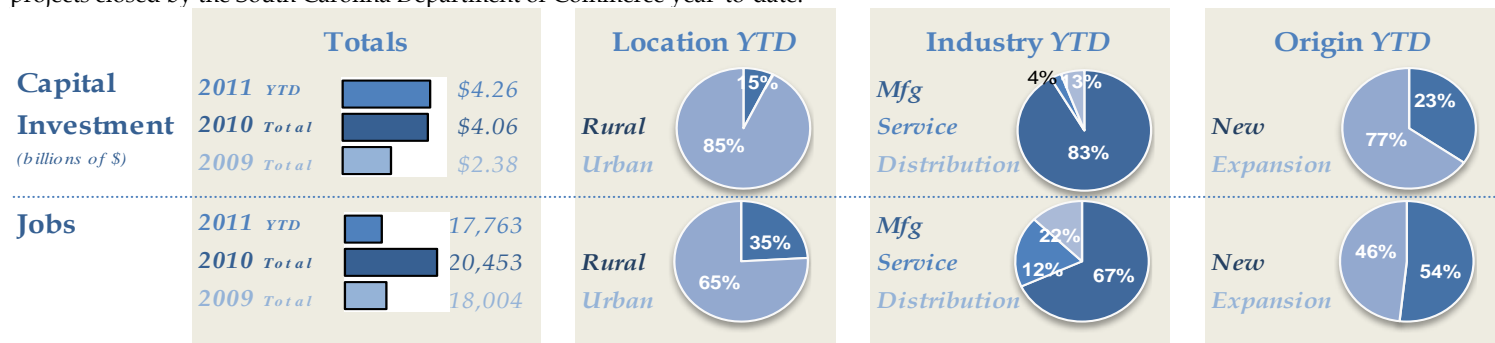
Initial weekly Unemployment Insurance claims remained relatively stable over the previous month, with an average of just over 4,800 claims per week. October initial UI claims were 1.1 percent lower than initial UI claims in September. Although labor force remained constant and weekly initial Unemployment Insurance claims decreased, the unemployment rate remained static due to the relatively low job growth in October.



Source: U.S. Department of Labor

## Capital Investment and Job Recruitment

Capital Investment and Job Recruitment provide 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.



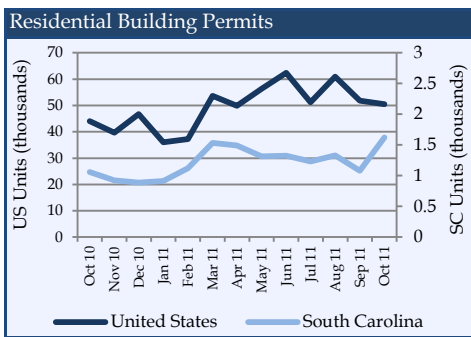
# South Carolina Real Estate

While the median sales price of homes remained unchanged over the previous year at \$150,000, sales volumes, residential building permits and the valuation of those permits increased. However, year-to-date numbers for median sales price (-1.3 percent) and sales volumes (-3.0 percent) are down. Foreclosures continued to fall over the previous year 11.6 percent year-to-date. Building permits for new residential construction are up 53.1 percent from one year ago and 1.2 percent year-to-date, while the valuation of those permits is up 32.0 percent from one year ago and 3.1 percent year-to-date, significantly higher than one year ago, as well.

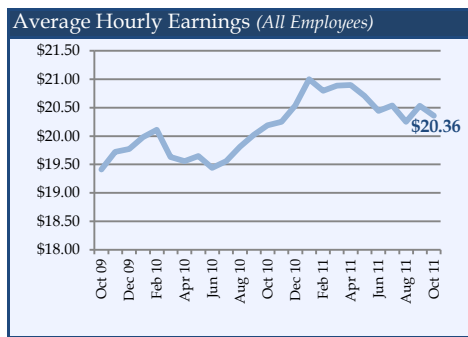
	Month	Current	Previous Year	% Change Year Ago	2011 YTD	2010 YTD	% Change YTD
Closings	October	3,554	3,528	0.7%	39,486	40,719	-3.0%
Median Sales Price*	October	\$150.0	\$150.0	0.0%	\$148.0	\$149.9	-1.3%
Foreclosures	October	3,652	3,068	19.0%	30,329	34,290	-11.6%
Residential Building Permits -Total	October	1,623	1,060	53.1%	12,962	12,804	1.2%
Residential Building Permits -Valuation*	October	\$228,387	\$173,043	32.0%	\$2,244,261	\$2,175,771	3.1%

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

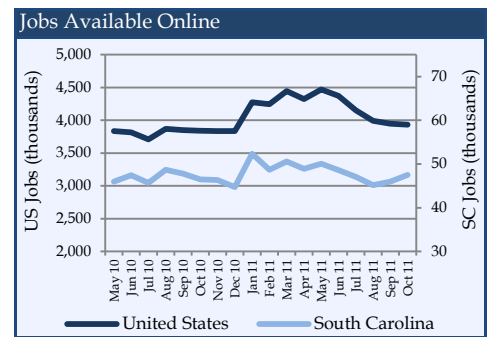
## Business Activity



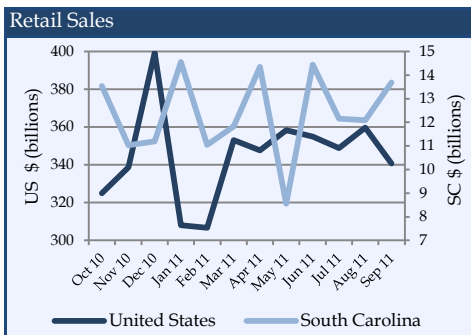
Source: U.S. Census



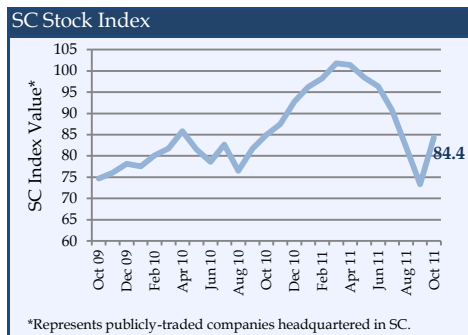
Source: U.S. Department of Labor



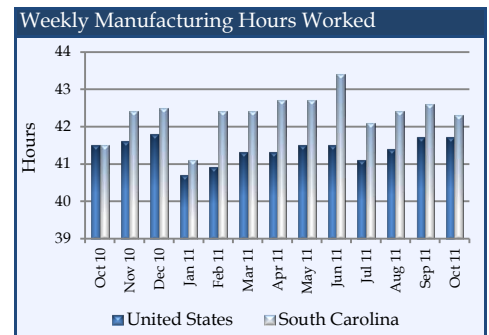
Source: The Conference Board Help Wanted Online Index



Source: South Carolina Department of Revenue

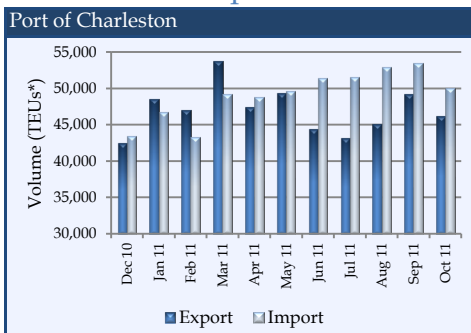


\*Represents publicly-traded companies headquartered in SC. Source: Bloomberg

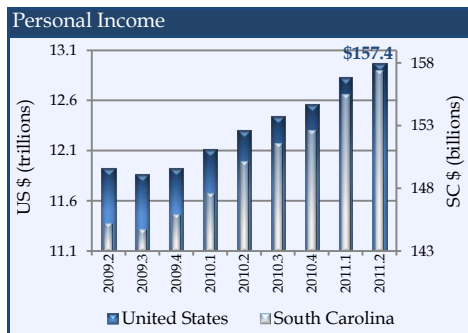


Source: U.S. Department of Labor

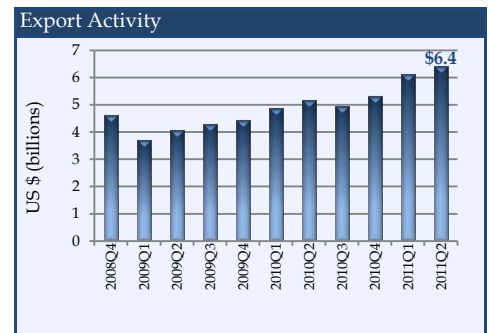
## Income and Output



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



Source: U.S. Census



Source: Foreign Trade Division, U.S. Census



## South Carolina Regional Update

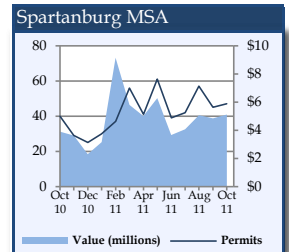
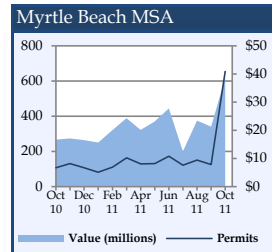
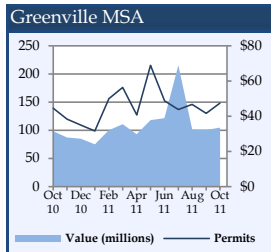
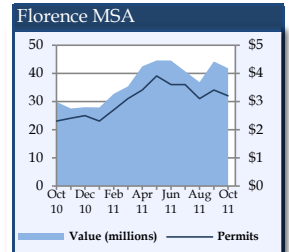
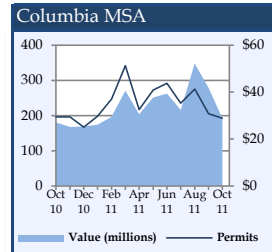
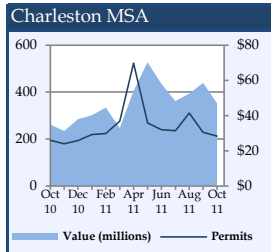
The South Carolina Regional Update provides a snapshot of the most recent economic figures for the six largest Metropolitan Statistical Areas (MSAs) in the state. The metropolitan areas highlighted below all experienced GDP growth greater than the nationwide metropolitan average in 2010.

### Home Sales

MSA	Indicator	Oct 10	Oct 11
Charleston	Sales Volume	666	663
	Median Price (000's)	\$192	\$190
Columbia	Sales Volume	471	504
	Median Price (000's)	\$147	\$147
Florence	Sales Volume	96	121
	Median Price (000's)	\$120	\$120
Greenville	Sales Volume	545	483
	Median Price (000's)	\$142	\$142
Myrtle Beach	Sales Volume	562	571
	Median Price (000's)	\$146	\$146
Spartanburg	Sales Volume	205	204
	Median Price (000's)	\$116	\$116
<b>South Carolina</b>	Sales Volume	<b>3,528</b>	<b>3,554</b>
	Median Price (000's)	<b>\$150.0</b>	<b>\$150.0</b>

Source: S.C. Association of Realtors

### Building Permits



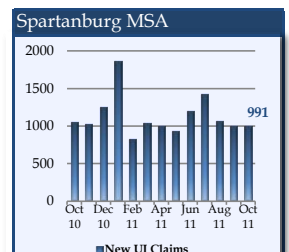
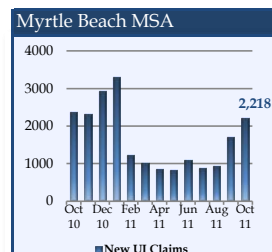
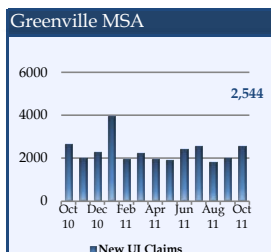
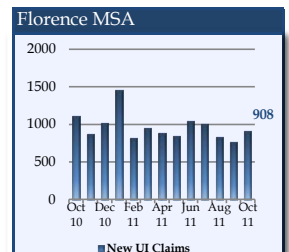
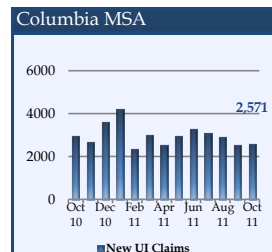
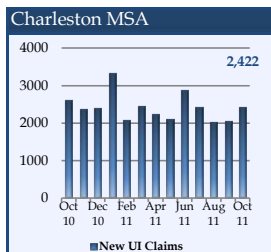
Source: U.S. Census

### Employment

MSA	Indicator	Sep 11	Oct 11
Charleston	Employment (000's)	294.4	296.4
	Unemployment Rate	9.0	8.5
Columbia	Employment (000's)	339.0	341.8
	Unemployment Rate	9.1	8.5
Florence	Employment (000's)	84.1	84.8
	Unemployment Rate	11.4	10.8
Greenville	Employment (000's)	287.9	287.6
	Unemployment Rate	8.8	8.4
Myrtle Beach	Employment (000's)	120.7	119.1
	Unemployment Rate	10.5	10.4
Spartanburg	Employment (000's)	120.6	122.5
	Unemployment Rate	10.5	9.9
<b>South Carolina</b>	Employment (000's)	<b>1,931.7</b>	<b>1,941.8</b>
	Unemployment Rate	<b>10.9</b>	<b>10.5</b>

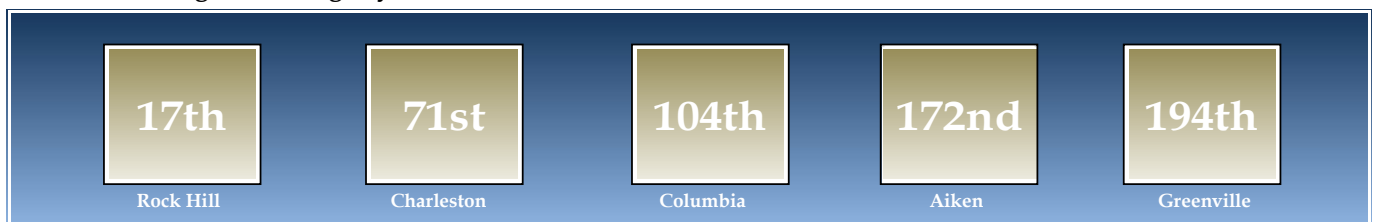
Source: U.S. Bureau of Labor Statistics (MSA figures not seasonally adjusted)

### Unemployment Insurance Claims



Source: SCDOC analysis of SCDEW data

### Economic Strength Rankings by MSA - Out of a total of 366 MSAs



Source: Economic Strength Rankings 2011 - Policom Corporation