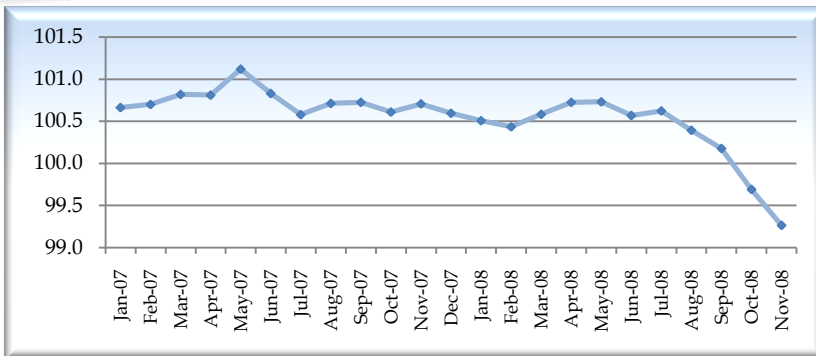


S.C. Leading Index Declines in November



Source: South Carolina Department of Commerce

The South Carolina Index of Leading Economic Indicators declined for the fifth month in a row, indicating continued declining statewide economic activity for the coming months. Although Weekly Manufacturing Hours posted a surprise increase, the index was heavily weighed down by the 40% drop in building permits. The decline follows the Conference Board's Leading U.S. Index drop of 0.4% in November, indicating a persisting national slowdown.

In other news, U.S. GDP contracted 0.5% in the 3rd Quarter. While U.S. initial claims for unemployment insurance fell the week ending December 20th (likely due to seasonal factors), continued claims increased, pointing to continued pressure in the labor market. Nationally, online job postings declined 1.6% yet increased 3.4% in South Carolina, according to the Conference Board.

3rd Quarter state personal income, released this month, showed South Carolina's income fell 0.4% from 2nd Quarter. Nationwide, growth

remained unchanged with 24 states experiencing negative growth. The general slowdown is, in large part, due to the end of federal Economic Stimulus Act payments, which were concentrated in the 2nd Quarter. South Carolina, which benefited more than most states from these payments, was likewise more impacted by their conclusion. Over 3rd Quarter 2007, the state's personal income rose 3.9%, ranking it 21st nationally in growth.

South Carolina witnessed the 10th largest population increase between 2007 and 2008, adding almost 75,000 people. Of these, almost 50,000 moved into the state, making South Carolina the 5th most popular U.S. relocation destination. The slowing economy, tight credit, and difficult housing market will work to stem the tide of near-term domestic migrations. However, South Carolina's affordability will continue to make it attractive, particularly areas of the state, such as Greenville, which ranked 5th on Forbes list of places to live in a weak economy.

-Rebecca M. Gunnlaugsson, Ph.D.

The South Carolina Department of Commerce's Research Division is a highly-skilled, multidisciplinary group of professionals dedicated to the collection, analysis and dissemination of precise, timely data. The team of 13 individuals—including two Ph.D.s and seven Master's degrees—has experience ranging from economics and business to statistics, information technology, and more. The group integrates workforce and economic development research through the incorporation of federally-funded Labor Market Information directives and state-funded workforce and economic development initiatives. If you would like to receive Commerce's monthly Economic Outlook, e-mail EconomicOutlook@SCcommerce.com.

KEY S.C. INDICATORS

Income

-0.4%

State Personal Income

fell \$635 million in the 3rd quarter, a 0.4% decrease over 2nd quarter and a 3.9% increase over 3rd quarter 2007.

Bureau of Economic Analysis

15.7%

Retail Sales

rose \$1.83 billion in October over September, but were down \$130 million over October '07.

South Carolina Department of Revenue

Employment

-0.6%

Nonfarm Employment

fell 11,900 in November.

Bureau of Labor Statistics

0.1%

Labor Force Participation

increased a seasonally adjusted 1,588 in November over the previous month.

Bureau of Labor Statistics

0.5%

Unemployment Rate

rose a seasonally adjusted 0.5 points in November to a rate of 8.4%.

Bureau of Labor Statistics

0.7%

Manufacturing Weekly Hours

increased 0.3 hours, or 0.7%, in November over the previous month.

Bureau of Labor Statistics

3.4%

Available Online Job Postings

increased statewide in November by 1,900 jobs to 57,300 online job postings.

The Conference Board Help Wanted Online Index

Real Estate

-1.3%

Median Home Sales Price

declined in November to \$146,500 statewide, a 1.3% decline over October.

South Carolina Association of Realtors

-40.1%

Building Permits

declined by 212 unites, or 40.1%, in November over the previous month.

U.S. Census

South Carolina Employment

Non-Seasonally Adjusted Wage and Salary Employment

While U.S. non-farm employment (seasonally adjusted) began its downturn in January, South Carolina did not experience sustained declines until September. In November, employment fell almost 12,000 jobs. While Government added jobs again, the majority of

losses occurred in the Leisure and Hospitality sector, which shed 7,800 positions. Administrative jobs declined by 3,300, and Construction lost 2,500. Retail Trade picked up 1,300 jobs in preparation for the holiday shopping season.

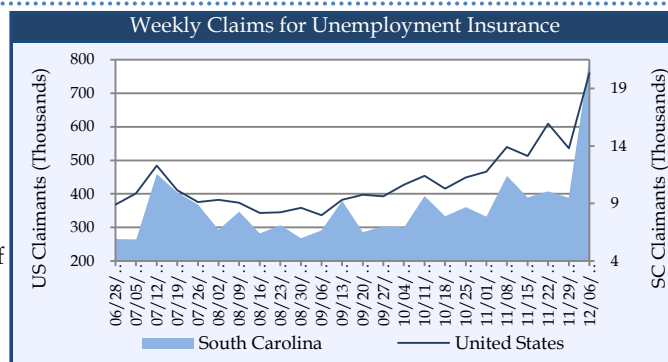
Industry Sector	November 2008	Previous Month	Previous Year	% Change Month Ago	% Change Year Ago
Goods Producing	350,800	354,600	382,500	-1.07	-8.29
Natural Resources and Mining	4,300	4,400	4,500	-2.27	-4.44
Construction	107,700	110,200	129,700	-2.27	-16.96
Construction of Buildings	29,300	29,700	33,400	-1.35	-12.28
Heavy and Civil Engineering Construction	15,300	15,600	18,100	-1.92	-15.47
Specialty Trade Contractors	63,100	64,900	78,200	-2.77	-19.31
Manufacturing	238,800	240,000	248,300	-0.50	-3.83
Durable Goods	131,300	132,300	137,500	-0.76	-4.51
Nondurable Goods	107,500	107,700	110,800	-0.19	-2.98
Service Providing	1,578,800	1,586,900	1,589,900	-0.51	-0.70
Trade, Transportation, and Utilities	372,900	371,800	384,100	0.30	-2.92
Wholesale Trade	71,300	71,700	72,800	-0.56	-2.06
Retail Trade	234,100	232,800	244,000	0.56	-4.06
Transportation Warehousing and Utilities	67,500	67,300	67,300	0.30	0.30
Information	27,300	27,300	27,800	0.00	-1.80
Finance	107,500	107,500	107,300	0.00	0.19
Finance and Insurance	76,300	76,000	76,700	0.39	-0.52
Real Estate and Rental and Leasing	31,200	31,500	30,600	-0.95	1.96
Professional and Business Services	221,200	225,400	230,200	-1.86	-3.91
Professional, Scientific, and Technical	74,600	75,500	75,300	-1.19	-0.93
Management of Companies and Enterprises	15,700	15,700	15,600	0.00	0.64
Admin and Support of Waste Management	130,900	134,200	139,300	-2.46	-6.03
Educational and Health Services	208,900	208,500	204,000	0.19	2.40
Leisure and Hospitality	210,400	218,200	216,800	-3.57	-2.95
Arts, Entertainment, and Recreation	27,000	29,000	27,700	-6.90	-2.53
Accommodation and Food Services	183,400	189,200	189,100	-3.07	-3.01
Other Services	74,500	74,800	73,800	-0.40	0.95
Total Private	1,573,500	1,588,100	1,626,500	-0.92	-3.26
Government	356,100	353,400	345,900	0.76	2.95
Federal Government	29,800	29,900	29,900	-0.33	-0.33
State Government	101,800	101,200	100,300	0.59	1.50
Local Government	224,500	222,300	215,700	0.99	4.08
Total Nonfarm	1,929,600	1,941,500	1,972,400	-0.61	-2.17

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

Initial Unemployment Claims

November witnessed a rise in initial claims for unemployment insurance both nationally and statewide. Initial weekly claims in South Carolina for November averaged almost 1,600 more than for October, an 18% increase. Nationally, average initial weekly claims climbed over 102,000, or just over 23%. Meanwhile, on November 21st, federal legislation to

extend unemployment benefits by 7 weeks (13 weeks for states with rates of unemployment higher than 6%, which includes South Carolina) was passed. With this extension to the original Emergency Extended Unemployment Compensation Act of 2008 passed in June, continued claims are predicted to remain high in upcoming periods.



Source: U.S. Department of Labor



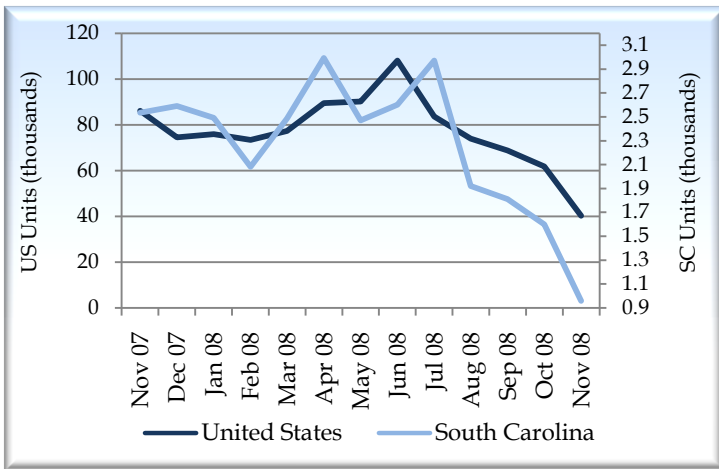
South Carolina Real Estate

Mirroring national trends, residential building permits fell steeply statewide in November. Year-to-date, permits have fallen almost 32% over the same period in 2007. As foreclosures have risen, the median price for a home in South Carolina fell to \$146,500 in November. While statewide median home values fell 7.5% over last November, values for existing homes have fallen 13.2% nationwide, and several pockets of home appreciation exist within the state, including the upstate locations of Greater Greenville (up 2.7% YTD), Cherokee County (3.7%), and Greenwood (1.8%). On the bright side, historically low mortgage rates coupled with reduced home prices make homes more affordable than they have been in decades.

	Month	Current	Previous Year	% Change Year Ago	2008 YTD	2007 YTD	% Change Year Ago
Closings	November	2,452	4,315	-43.2%	43,623	57,951	-24.7%
Median Sales Price*	November	146.5	158.3	-7.5%	155	160	-3.1%
Foreclosures	November	2,021	526	284.2%	14,323	5,038	184.3%
Residential Building Permits-Total	November	959	2,535	-62.2%	24,391	35,713	-31.7%
Residential Building Permits-Valuation*	November	156,324	375,031	-58.3%	3,929,500	5,404,420	-27.3%

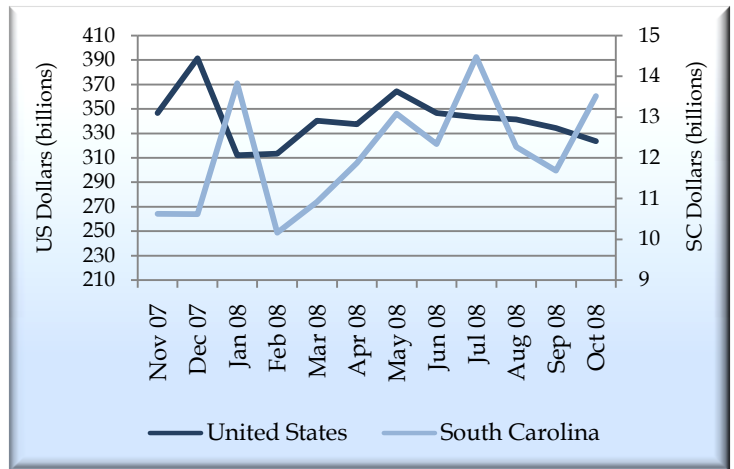
*Thousands of US dollars. Source: S.C. Realtors Association, RealtyTrac, U.S. Census

Residential Building Permits



Source: U.S. Census

Retail Sales



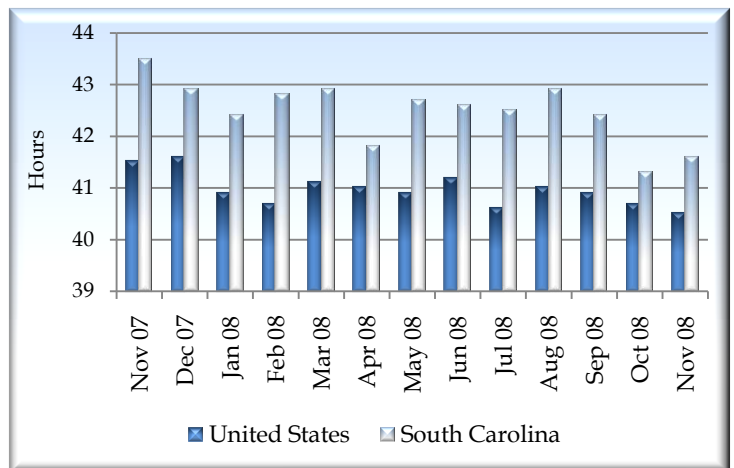
Source: S.C. Department of Revenue

Port of Charleston



*Twenty-Foot Equivalent Units. Source: S.C. Ports Authority

Average Weekly Hours Worked*



*For manufacturing sector. Source: U.S. Department of Labor