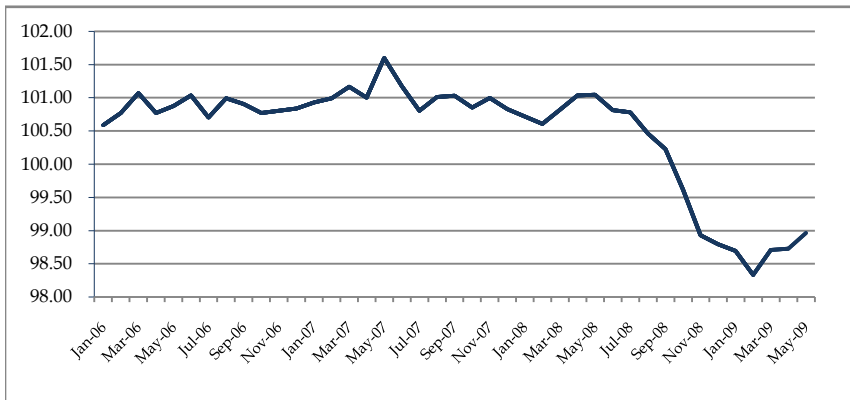


S.C. Leading Index Continues Improvement

Reaching its highest level since October of last year, the South Carolina Leading Index (SCLI) rose 0.24 points in May, as the state's economy continued to display signs of improvement. The increase in the SCLI to 98.97 was largely driven by a significant increase in the average number of manufacturing hours worked in the state, as well as a strong reduction in the number of people making initial claims for Unemployment Insurance. The SCLI - a measurement used to forecast the state's economic status for the next three-to-six months - has now seen three consecutive months of improvement.

-Rebecca M. Gunnlaugsson, Ph.D.



Source: South Carolina Department of Commerce

Personal Income Grows in 1st Quarter of 2009

Total state personal income in South Carolina experienced the 4th highest growth in the United States during the first quarter of 2009, increasing \$337 million, or 0.24 percent, over the fourth quarter of 2008. The increase was driven primarily by increases in Social Security and Unemployment Insurance payments, which increased 5.81 percent versus 4.67 percent nationally. Across the nation, total personal income contracted 0.53 percent.

According to data released by the US Department of Commerce, Bureau of Economic Analysis, South Carolina was one of 13 states - nine of which are located in the Southeast - in which personal income rose. North Carolina income increased 0.25 percent, while Georgia was one of the few Southeastern states to experience a decrease, falling 0.35 percent.

First quarter dividend income declined 3.75 percent in South Carolina versus 3.71 percent nationwide. Finally, the state's net earnings fell 0.46 percent (a tie for the 11th strongest performance nationally) while the nation experienced a reduction of 0.93 percent.

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

-10.9%

Retail Sales

fell \$1.20 billion in May over April, and were down \$3.27 billion when compared to May 2008.

South Carolina Department of Revenue

0.2%

State Personal Income

increased \$337 million in 2009Q1, a 0.24% increase over 2008Q4, and a 1.63% increase over 2008Q1.

Bureau of Economic Analysis

Employment

0.6%

Nonfarm Employment

increased by 11,800 jobs, or 0.6%, in May.

Bureau of Labor Statistics

0.3%

Labor Force Participation

increased by a seasonally-adjusted 7,542 people in May.

Bureau of Labor Statistics

0.7%

Unemployment Rate

rose a seasonally-adjusted 0.7 points in May to a rate of 12.1%. Non-seasonally-adjusted unemployment rose 0.6 to 11.6%.

Bureau of Labor Statistics

4.3%

Manufacturing Weekly Hours

rose 1.7 hours, or 4.3%, to 41.0 hours in April.

Bureau of Labor Statistics

4.4%

Available Online Job Postings

increased statewide in May by 1,800 jobs to 42,900 online job postings.

The Conference Board Help Wanted Online Index

Real Estate

0.4%

Single-Family Home Sales Price

increased 0.39% in the 1st Quarter of 2009 over the previous quarter.

Federal Housing Finance Agency

-9.8%

Building Permits

fell by 9.8% in May, or about 128 permits, over the previous month.

U.S. Census

South Carolina Employment

Non-Seasonally Adjusted Wage and Salary Employment

Non-seasonally adjusted employment in May increased for the third consecutive month in South Carolina. Increases were spread throughout industry sectors, led by the Leisure and Hospitality (7,100 jobs), Retail Trade (1,400 jobs) and Transportation (2,800) sectors as seasonal employers increased hiring in advance of the summer months.

The Construction industry added 1,200 positions, the sector's first increase in almost one year. At the same time, Manufacturing jobs continued their decline in May, falling another 2,200 positions, or slightly more than one percent. Versus a year ago, total nonfarm employment in South Carolina is down 90,300 jobs.

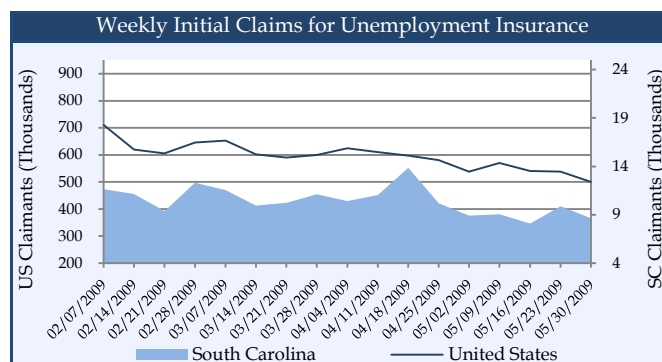
Industry Sector	May 2009	Previous Month	Previous Year	% Change Month Ago	% Change Year Ago
Goods Producing	325,100	326,100	364,400	-0.31	-10.78
Natural Resources and Mining	4,200	4,200	4,400	0.00	-4.55
Construction	104,200	103,000	114,300	1.17	-8.84
Construction of Buildings	26,500	26,500	29,300	0.00	-9.56
Heavy and Civil Engineering Construction	13,900	13,700	15,900	1.46	-12.58
Specialty Trade Contractors	63,800	62,800	69,100	1.59	-7.67
Manufacturing	216,700	218,900	245,700	-1.01	-11.80
Durable Goods	118,900	120,800	137,500	-1.57	-13.53
Nondurable Goods	97,800	98,100	108,200	-0.31	-9.61
Service Providing	1,548,100	1,535,300	1,599,100	0.83	-3.19
Trade, Transportation, and Utilities	360,800	358,000	374,800	0.78	-3.74
Wholesale Trade	67,300	67,100	71,300	0.30	-5.61
Retail Trade	229,900	228,500	238,400	0.61	-3.57
Transportation, Warehousing and Utilities	63,600	62,400	65,100	1.92	-2.30
Information	29,800	29,500	28,800	1.02	3.47
Finance	104,000	102,300	106,600	1.66	-2.44
Finance and Insurance	74,400	73,500	75,900	1.22	-1.98
Real Estate and Rental and Leasing	29,600	28,800	30,700	2.78	-3.58
Professional and Business Services	211,800	211,900	226,700	-0.05	-6.57
Professional, Scientific, and Technical	75,500	76,400	76,900	-1.18	-1.82
Management of Companies and Enterprises	15,500	15,500	15,800	0.00	-1.90
Administrative Support and Waste Management	120,800	120,000	134,000	0.67	-9.85
Educational and Health Services	208,900	207,800	207,400	0.53	0.72
Leisure and Hospitality	213,900	206,800	229,300	3.43	-6.72
Arts, Entertainment, and Recreation	31,100	29,200	31,600	6.51	-1.58
Accommodation and Food Services	182,800	177,600	197,700	2.93	-7.54
Other Services	71,900	71,800	72,500	0.14	-0.83
Total Private	1,526,200	1,514,200	1,610,500	0.79	-5.23
Government	347,000	347,200	353,000	-0.06	-1.70
Federal Government	31,600	30,700	30,300	2.93	4.29
State Government	99,000	100,500	101,200	-1.49	-2.17
Local Government	216,400	216,000	221,500	0.19	-2.30
Total Nonfarm	1,873,200	1,861,400	1,963,500	0.63	-4.60

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

Initial UI Claims Continue to Fall

May witnessed the decline in initial Unemployment Insurance claims in South Carolina to an average of less than 10,000 claims per week for the first time since October 2008. The weekly average represented a decline of approximately 15 percent over the previous month.

Initial claims for Unemployment Insurance still remained over 50 percent higher than the same period one year previously. In May 2009, South Carolina averaged 9,493 initial claims per week, while in May 2008 the state averaged 6,054 claims. Nationally, the number of claims for the last week of May fell to 500,383, nearly 80,000 fewer than the last week of April.



Source: U.S. Department of Labor



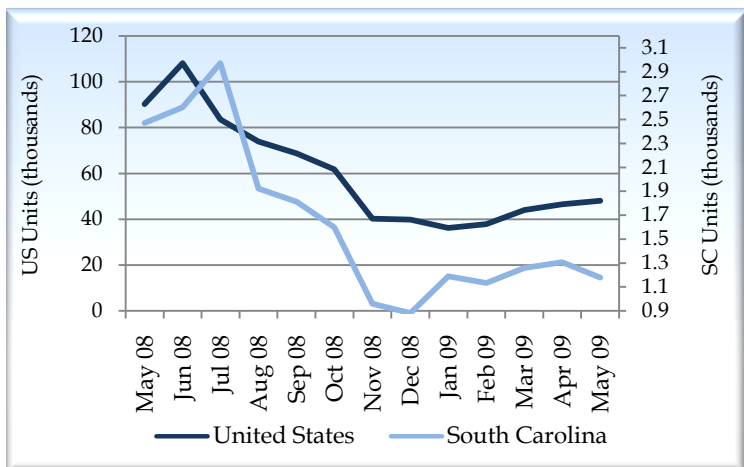
South Carolina Real Estate

Although down 21.4 percent over the previous year, residential closings increased 16.5 percent in May over the previous month, to 3,704. May's median home sales price declined 1.4 percent over April and 7.8 percent over May 2008. Meanwhile, foreclosures in South Carolina increased to 3,092, up 121.2 percent year-over-year. Residential building permits in South Carolina slowed in May, reversing the upward trend of the past two months. The 1,179 permits reported in May represent a 9.8 percent decrease over April and a 52.3 percent decrease over the same month last year. Valuation of permits declined at a more rapid pace of 57.2 percent over the prior year.

	Month	Current	Previous Year	% Change Year Ago	2009 YTD	2008 YTD	% Change Year Ago
Closings	May	3,704	4,715	-21.4%	14,755	20,208	-27.0%
Median Sales Price*	May	142.0	154.0	-7.8%	135.0	147.0	-8.2%
Foreclosures	May	3,092	1,398	121.2%	12,703	4,289	196.2%
Residential Building Permits-Total	May	1,179	2,471	-52.3%	6,068	12,524	-51.5%
Residential Building Permits-Valuation*	May	192,614	449,523	-57.2%	971,922	2,048,328	-52.6%

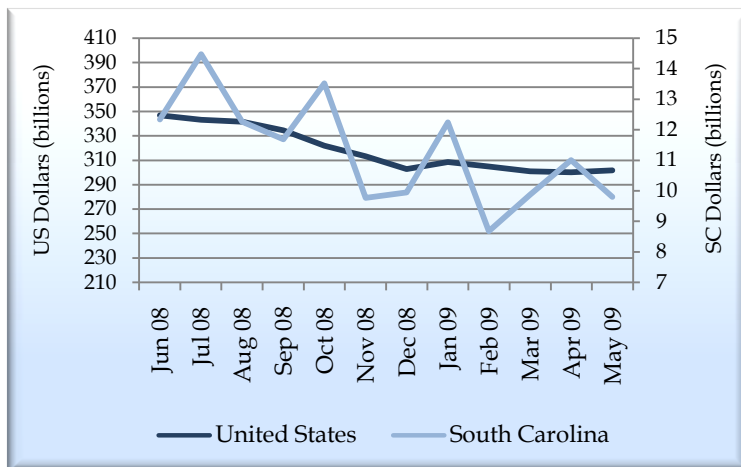
* Thousands of US dollars. Source: S.C. Realtors Association, RealtyTrac, U.S. Census

Residential Building Permits



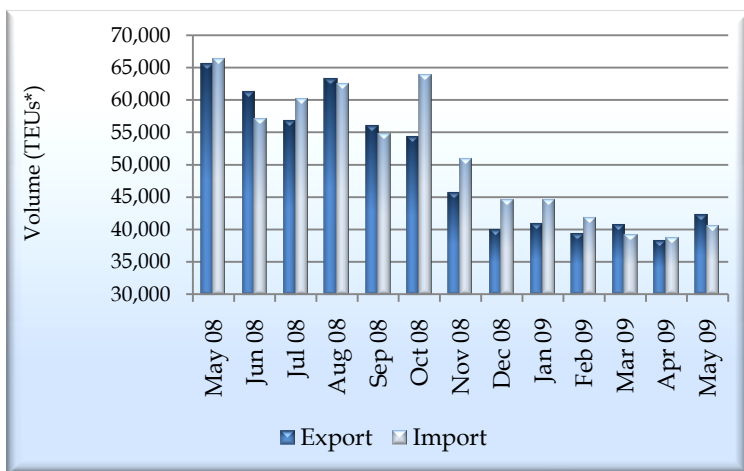
Source: U.S. Census

Retail Sales



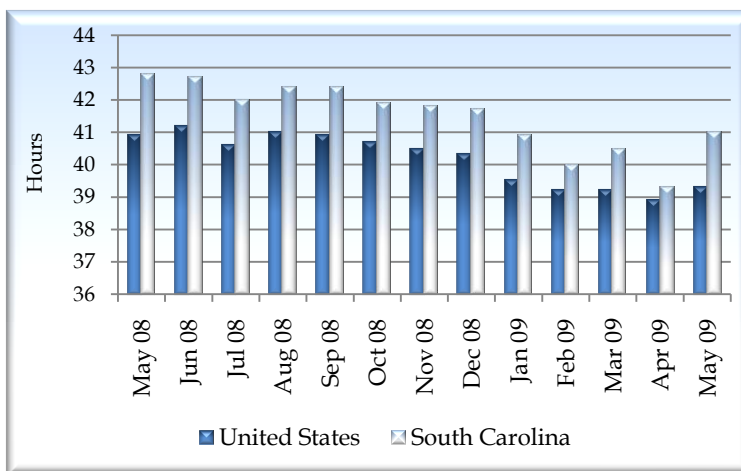
Source: South Carolina Department of Revenue

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