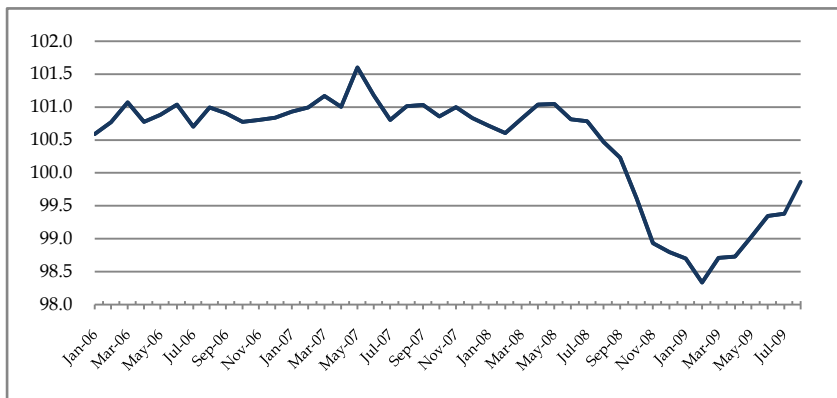


## S.C. Leading Index Continues Advancement

With improvements in every contributing sector, the South Carolina Leading Index (SCLI) jumped sharply in August, rising to its highest point in nine months. The near half-point gain to 99.87 marked the sixth-straight month of improvement in the index designed to forecast the state's economic status for the coming three-to-six months.

Several of the factors composing the SCLI experienced changes in August that accelerated trends begun earlier in the year. Since January, building permits in South Carolina have grown 34 percent, while the valuation of those permits has grown 76 percent. Meanwhile, the number of people filing initial Unemployment Insurance claims continued to fall, reaching levels of approximately half that experienced in July.

-Rebecca M. Gunnlaugsson, Ph.D.



Source: South Carolina Department of Commerce

## Manufacturing Hours Near Record High

Manufacturing sector employees worked on average 43.0 hours per week in August, marking the second-highest weekly average this decade and the highest since November of 2007.

The high number of hours reflects the nationwide rebuilding of depleted inventories by firms as well as the effect of stimulus spending, namely the "Cash for Clunkers" program. As a result, some subsequent easing of this level may be anticipated.

Weekly hours began a sustained decline in October of last year. By April of the current year, the average number of weekly manufacturing hours worked had fallen to 39.3 hours a week, the lowest level in nearly four years.

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](mailto:EconomicOutlook@SCcommerce.com).

## KEY S.C. INDICATORS

### Income

-5.9%

#### Retail Sales

fell \$720 million in August over July, and were down \$920 million when compared to August 2008.

South Carolina Department of Revenue

+10.8%

#### South Carolina Stock Index

increased 2.32 index points to close at 79.17 the last day in August.

Bloomberg

### Employment

+0.8%

#### Nonfarm Employment

increased by 14,300 jobs in August as some education-related workers returned to the workforce.

Bureau of Labor Statistics

-0.4%

#### Labor Force

decreased by a seasonally-adjusted 7,915 people in August.

Bureau of Labor Statistics

-0.2%

#### Unemployment Rate

fell a seasonally-adjusted 0.2 points in August to a rate of 11.5 percent.

Bureau of Labor Statistics

+3.9%

#### Manufacturing Weekly Hours

rose 1.6 hours, or 3.9 percent, to 43.0 hours in August.

Bureau of Labor Statistics

+8.5%

#### Available Online Job Postings

increased statewide in August by 3,500 jobs to 44,800 online job postings.

The Conference Board Help Wanted Online Index

### Real Estate

+3.6%

#### Single-Family Home Sales Price

climbed in August to \$147,600, while closings fell to around 3,950 for the month.

South Carolina Association of Realtors

+14.8%

#### Building Permits

increased 14.8 percent in August, or about 205 permits, over the previous month.

U.S. Census

## South Carolina Employment

*Non-Seasonally Adjusted Wage and Salary Employment*

Non-seasonally adjusted employment climbed in August by 14,300 workers as many of the education-related government workers returned to the workplace. Excluding the government sector, South Carolina experienced a decrease of approximately 2,100 private sector jobs. Sectors experiencing the largest increases included Professional and Business Services, adding 4,000 jobs, and Administrative Support Services, adding 3,100 jobs.

As would be expected with the beginning of the school year, the growth in government jobs occurred on the local level, as local government rehired 17,200 employees. Federal and state government jobs in South Carolina actually declined in August.

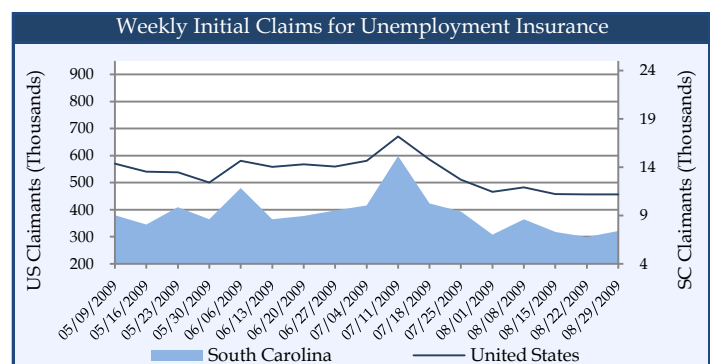
Industry Sector	August 2009	Previous Month	Previous Year	% Change Month Ago	% Change Year Ago
<b>Goods Producing</b>	<b>315,400</b>	<b>318,000</b>	<b>361,800</b>	<b>-0.82</b>	<b>-12.82</b>
Natural Resources and Mining	4,100	4,100	4,200	0.00	-2.38
Construction	97,900	100,500	115,900	-2.59	-15.53
Construction of Buildings	24,200	25,100	29,400	-3.59	-17.69
Heavy and Civil Engineering Construction	13,300	13,500	15,800	-1.48	-15.82
Specialty Trade Contractors	60,400	61,900	70,700	-2.42	-14.57
Manufacturing	213,400	213,400	241,700	0.00	-11.71
Durable Goods	117,300	116,800	134,500	0.43	-12.79
Nondurable Goods	96,100	96,600	107,200	-0.52	-10.35
<b>Service Providing</b>	<b>1,534,200</b>	<b>1,517,300</b>	<b>1,566,700</b>	<b>1.11</b>	<b>-2.07</b>
Trade, Transportation, and Utilities	355,900	356,400	373,400	-0.14	-4.69
Wholesale Trade	66,900	67,100	0	-0.30	-5.51
Retail Trade	225,800	226,800	238,300	-0.44	-5.25
Transportation, Warehousing, and Utilities	63,200	62,500	64,300	1.12	-1.71
Information	29,900	30,000	29,300	-0.33	2.05
Finance	103,800	103,800	107,600	0.00	-3.53
Finance and Insurance	74,000	73,900	76,100	0.14	-2.76
Real Estate and Rental and Leasing	29,800	29,900	31,500	-0.33	-5.40
Professional and Business Services	220,100	216,100	220,200	1.85	-0.05
Professional, Scientific, and Technical	76,600	75,900	74,000	0.92	3.51
Management of Companies and Enterprises	15,700	15,500	15,800	1.29	-0.63
Administrative Support and Waste Management	127,800	124,700	130,400	2.49	-1.99
Educational and Health Services	207,600	206,200	207,200	0.68	0.19
Leisure and Hospitality	217,300	220,000	226,600	-1.23	-4.10
Arts, Entertainment, and Recreation	30,400	31,400	31,300	-3.18	-2.88
Accommodation and Food Services	186,900	188,600	195,300	-0.90	-4.30
Other Services	71,800	73,400	71,600	-2.18	0.28
<b>Total Private</b>	<b>1,521,800</b>	<b>1,523,900</b>	<b>1,597,700</b>	<b>-0.14</b>	<b>-4.75</b>
Government	327,800	311,400	330,800	5.27	-0.91
Federal Government	32,500	32,600	0	-0.31	5.86
State Government	94,600	95,300	97,500	-0.73	-2.97
Local Government	200,700	183,500	202,600	9.37	-0.94
<b>Total Nonfarm</b>	<b>1,849,600</b>	<b>1,835,300</b>	<b>1,928,500</b>	<b>0.78</b>	<b>-4.09</b>

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

### Initial UI Claims Continue Decline

August saw initial claims for Unemployment Insurance (UI) continue to decline, falling below levels of one year ago on one of the month's weekly reports. The month experienced a weekly low of 6,782 new claimants for the week of August 22<sup>nd</sup>, approximately 300 people less than the same week in 2008.

Historically, initial claims for UI experience spikes in January and July due to seasonal layoffs. Since the July 11<sup>th</sup> peak of 15,165 claims, the state witnessed a 51 percent decrease in new claims by the end of August. Nationally, the decline was 32 percent over the same period. Likewise, continued claims have fallen since their most recent peak in July, having declined 15 percent to 88,885 the last week in August.



Source: U.S. Department of Labor



## South Carolina Real Estate

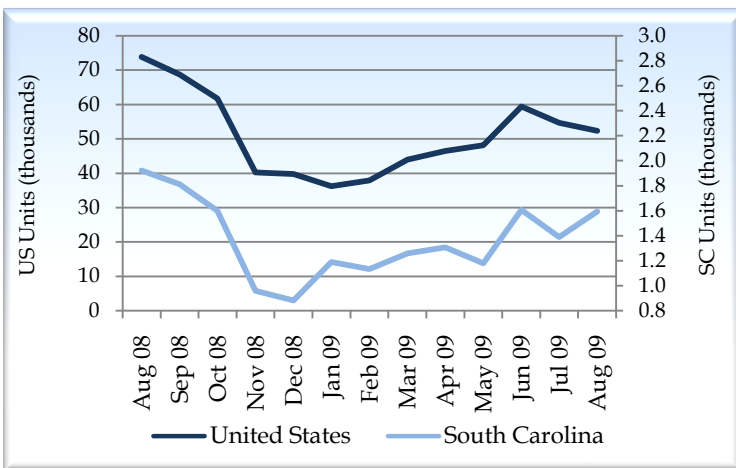
Statewide, the median home sales price rose in August to \$147,600, up \$5,100 over the previous month yet down \$7,300 year-over-year. Home sales volume during the month of August fell approximately five percent, declining by 238 units from July to 3,952 closings. This decline is, however, consistent with seasonal sales patterns in previous years. Foreclosures largely moderated, increasing a marginal 1.9 percent over July.

Meanwhile, statewide residential building permits climbed by 205 requests in August, up 14.8 percent from last month. This number remains 17.1 percent below the previous year's figures, yet it continues the upward trend begun in January. Valuation of permits rose \$12.7 million over last month, to \$260.5 million, a level that is 14.2 percent below the same period last year.

	Month	Current	Previous Year	% Change Year Ago	2009 YTD	2008 YTD	% Change Year Ago
Closings	August	3,952	4,360	-9.4%	27,174	33,880	-19.8%
Median Sales Price*	August	147.6	154.9	-4.7%	142.0	155.0	-8.4%
Foreclosures	August	2,475	1,384	78.8%	19,305	8,069	139.2%
Residential Building Permits-Total	August	1,594	1,922	-17.1%	10,657	20,020	-46.8%
Residential Building Permits-Valuation*	August	260,530	303,681	-14.2%	1,748,042	3,253,145	-46.3%

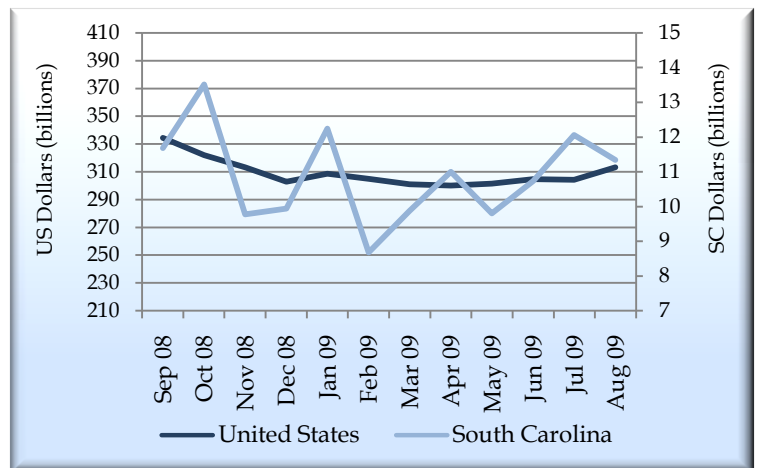
\*Thousands of US dollars. Source: S.C. Realtors Association, RealtyTrac, U.S. Census

### Residential Building Permits



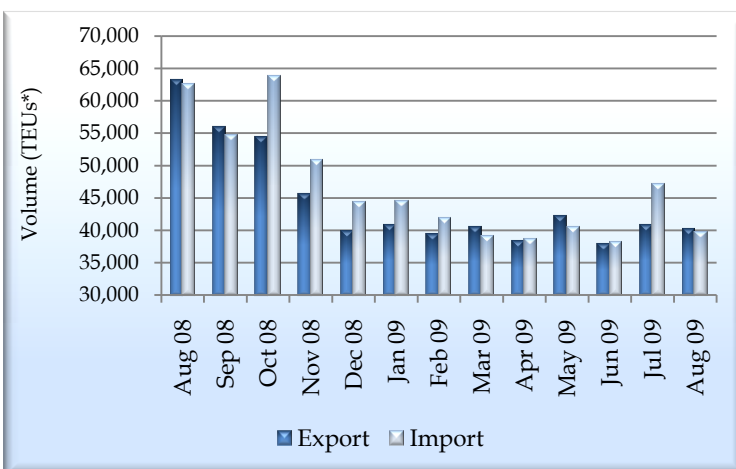
Source: U.S. Census

### Retail Sales



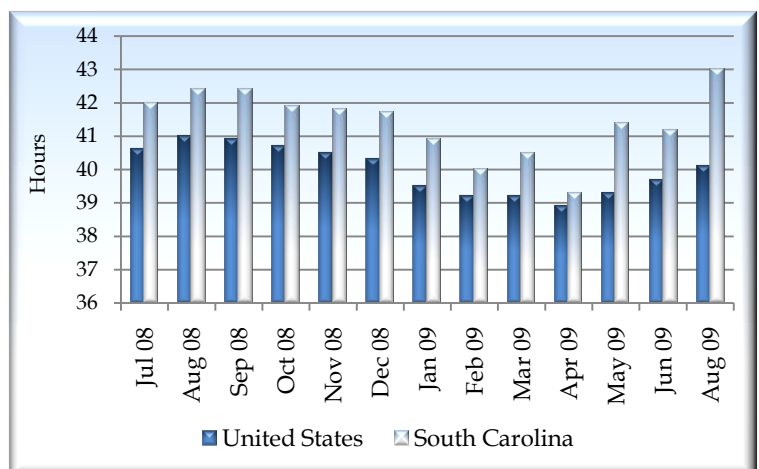
Source: South Carolina Department of Revenue

### 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