

S.C. Leading Index Stabilizes

The South Carolina Leading Index fell slightly in May, as declines in the stock market and building starts overcame improvements in employment and hours worked. Still, the slight decline of 0.07 points to 99.79 created a month of relative stability in May. In the previous two months the SCLI rose, and then fell, by more than 0.60 points each month. The index - designed to indicate economic conditions for the upcoming 3-to-6 months - experienced downward pressure from the lowest number of monthly building permit requests this year, but this was countered positively by Manufacturing Weekly Hours climbing to their highest levels this year.

-Rebecca M. Gunnlaugsson, Ph.D.



Source: South Carolina Department of Commerce

Unemployment Picture Continues to Improve

For the second straight month, South Carolina's seasonally-adjusted unemployment rate improved dramatically, dropping an additional 0.5 percentage points from the previous month. The Palmetto State's rate now stands at 11.0 percent, down from a downwardly-revised figure from a month ago, and 1.5 percentage points below the historically-high levels reached at the beginning of the year. As was the case last month, the drop in the rate was due to the combination of two seasonally-adjusted factors - the new employment of 3,302 individuals as well as the departure of 7,686 people from the labor force.

In seasonally-adjusted terms, the state has seen an increase of 18,673 jobs in the past four months, or roughly 150 more people employed every day. At the same time, a decline in the state's labor force has resulted in a 33,851-person decrease in the number of unemployed in South Carolina during the same time period.

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

+9.7%

State Personal Income

rose to \$4.9 billion in the 1st quarter of 2010.

U.S. Bureau of Economic Analysis

-5.0%

South Carolina Stock Index

decreased 4.30 index points to close at 81.52 on the last day of trading in May.

Bloomberg

Employment

+1.2%

Nonfarm Employment

rose by 22,100 jobs in May, led by seasonal increases in the Government sector.

U.S. Bureau of Labor Statistics

-0.4%

Labor Force

decreased by a seasonally-adjusted 7,700 people in May.

U.S. Bureau of Labor Statistics

-0.5

Unemployment Rate

fell 0.5 percentage points from a revised 11.5 percent in April to 11.0 percent in May.

U.S. Bureau of Labor Statistics

+2.2%

Manufacturing Weekly Hours

increased 0.9 hours in May to 42.2 hours.

U.S. Bureau of Labor Statistics

-2.6%

Available Online Job Postings

decreased by 1,400 positions in May to a seasonally-adjusted 51,600 job postings.

The Conference Board Help Wanted Online Index

Real Estate

0.0%

Single-Family Home Sales Price

remained at \$141,000 in May, the same as the previous month.

South Carolina Association of Realtors

-12.6%

Building Permits

decreased in May by 180 units to a level of 1,250 permits issued for the month.

U.S. Census Bureau

South Carolina Employment

Non-Seasonally Adjusted Wage and Salary Employment

Total nonfarm employment continued to rise in May, as the state economy added 22,100 positions. Approximately 8,600 of these additional jobs were found in the Federal Government sector, as employment was ramped up by the U.S. Census Bureau. In total, government jobs in South Carolina increased by approximately 9,700 positions.

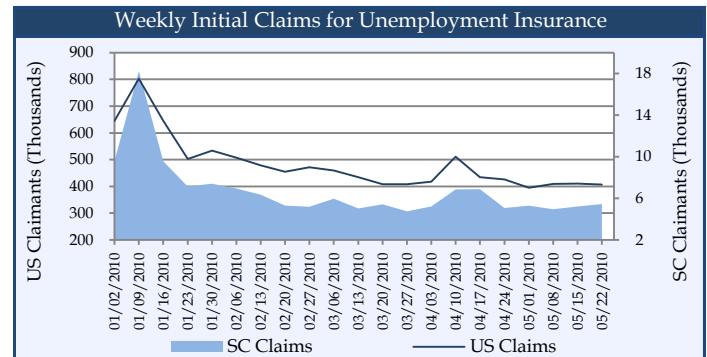
Across-the-board increases in both service providing and goods producing sectors - including Construction (+800 jobs) and Manufacturing (+800 jobs) - led to South Carolina employment totals climbing above the previous year's figures by 9,100 positions. This marked the first time employment totals topped previous year totals in South Carolina since May 2008.

Industry Sector	May 2010	Previous Month	Previous Year	% Change Month Ago	% Change Year Ago
Goods Producing	291,200	289,600	307,200	0.55	-5.21
Natural Resources and Mining	4,300	4,300	4,100	0.00	4.88
Construction	78,800	78,000	89,300	1.03	-11.76
Construction of Buildings	19,500	19,300	22,400	1.04	-12.95
Heavy and Civil Engineering Construction	10,900	10,700	12,600	1.87	-13.49
Specialty Trade Contractors	48,400	48,000	54,300	0.83	-10.87
Manufacturing	208,100	207,300	213,800	0.39	-2.67
Durable Goods	112,900	113,100	117,400	-0.18	-3.83
Nondurable Goods	95,200	94,200	96,400	1.06	-1.24
Service Providing	1,555,800	1,535,300	1,530,700	1.34	1.64
Trade, Transportation, and Utilities	346,000	345,500	350,500	0.14	-1.28
Wholesale Trade	65,300	65,100	65,800	0.31	-0.76
Retail Trade	223,700	222,800	224,800	0.40	-0.49
Transportation, Warehousing, and Utilities	57,000	57,600	59,900	-1.04	-4.84
Information	27,700	27,600	27,500	0.36	0.73
Finance	103,300	101,400	102,100	1.87	1.18
Finance and Insurance	75,200	74,000	74,300	1.62	1.21
Real Estate and Rental and Leasing	28,100	27,400	27,800	2.55	1.08
Professional and Business Services	214,700	212,600	198,700	0.99	8.05
Professional, Scientific, and Technical	74,800	75,900	72,600	-1.45	3.03
Management of Companies and Enterprises	14,100	14,100	14,500	0.00	-2.76
Administrative Support and Waste Management	125,800	122,600	111,600	2.61	12.72
Educational and Health Services	210,100	210,400	208,400	-0.14	0.82
Leisure and Hospitality	213,900	208,400	219,200	2.64	-2.42
Arts, Entertainment, and Recreation	28,800	26,700	29,700	7.87	-3.03
Accommodation and Food Services	185,100	181,700	189,500	1.87	-2.32
Other Services	70,500	69,500	70,300	1.44	0.28
Total Private	1,477,400	1,465,000	1,483,900	0.85	-0.44
Government	369,600	359,900	354,000	2.70	4.41
Federal Government	41,600	33,000	32,300	26.06	28.79
State Government	98,600	98,800	99,500	-0.20	-0.90
Local Government	229,400	228,100	222,200	0.57	3.24
Total Nonfarm	1,847,000	1,824,900	1,837,900	1.21	0.50

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

Initial UI Claims at Pre-Recession Levels

Initial Unemployment Insurance claims averaged slightly less than 5,200 claims in the month of May, not only erasing increases seen in the previous month but also falling to levels more in-line with levels experienced before the recent nationwide recession. In May 2009, South Carolina saw nearly 9,500 people make initial UI requests each week, nearly twice as many as the previous month. In fact, last month's levels were the second-lowest for the month of May this decade. May 2010 also experienced a week during which fewer than 5,000 people made initial UI claims in South Carolina. This was only the second time this year weekly claims were below 5,000.



Source: U.S. Department of Labor



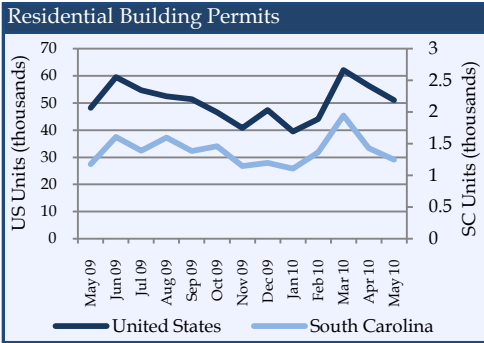
South Carolina Real Estate

Closings on residential homes in May closely resembled the year-to-date increases seen in South Carolina, witnessing a 23 percent increase in a year-over-year comparison. For the year, closings are 22.1 percent ahead of 2009. Median sales prices fell slightly (0.7 percent) to \$141,000 when compared to the same time last year, however the year-to-date median sales price remains some 3.7 percent ahead of last year. At the same time, foreclosures also continued to increase in South Carolina in May. The number of homes in any stage of foreclosure was up 31.4 percent in May when compared to the same month last year, and are up 35.6 percent year-to-date.

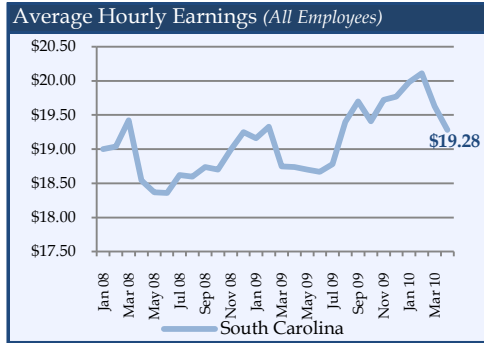
	Month	Current	Previous Year	% Change Year Ago	2010 YTD	2009 YTD	% Change Year Ago
Closings	May	4,555	3,717	23.0%	18,112	14,834	22.1%
Median Sales Price*	May	141.0	142.0	-0.7%	140.0	135.0	3.7%
Foreclosures	May	4,064	3,092	31.4%	17,223	12,703	35.6%
Residential Building Permits-Total	May	1,250	1,179	6.0%	7,094	6,068	16.9%
Residential Building Permits-Valuation*	May	224,734	192,614	16.7%	1,219,570	971,922	25.5%

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

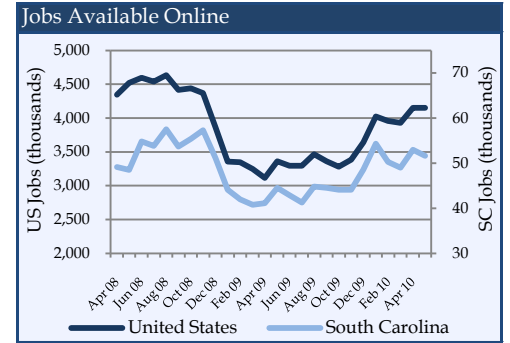
Business Activity



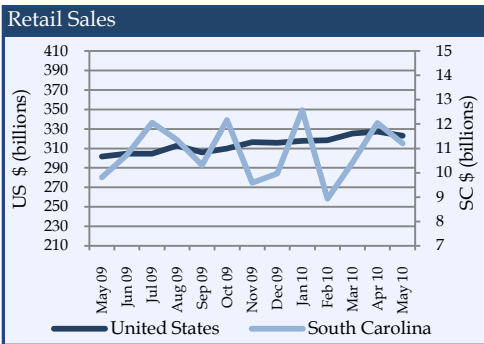
Source: U.S. Census



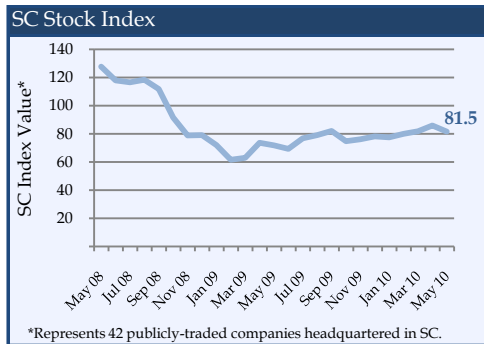
Source: U.S. Department of Labor



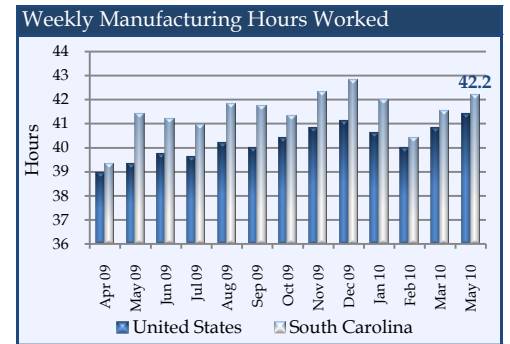
Source: The Conference Board Help Wanted Online Index



Source: South Carolina Department of Revenue

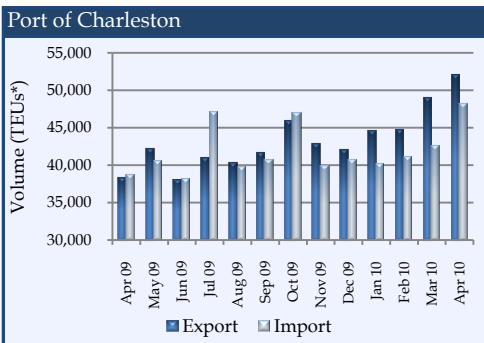


Source: Bloomberg

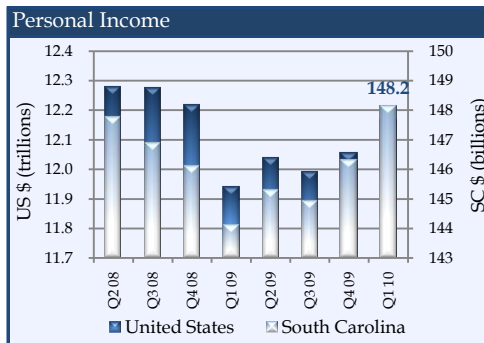


Source: U.S. Department of Labor

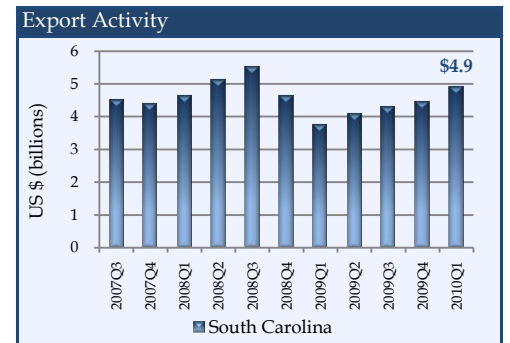
Income and Output



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



Source: U.S. Census



Source: Foreign Trade Division, U.S. Census

South Carolina Regional Update

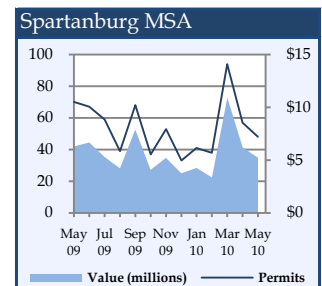
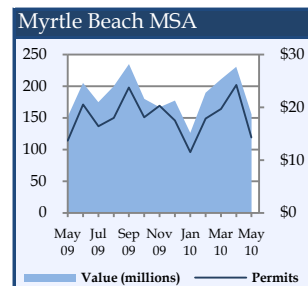
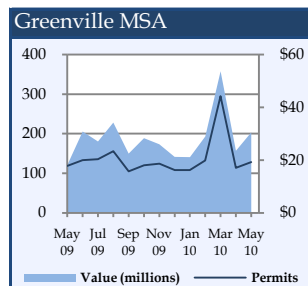
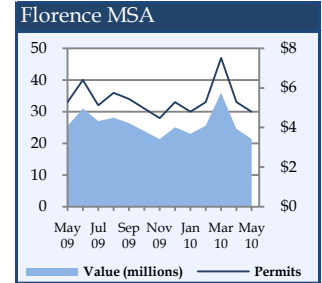
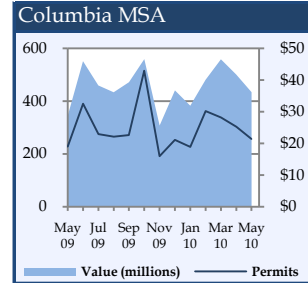
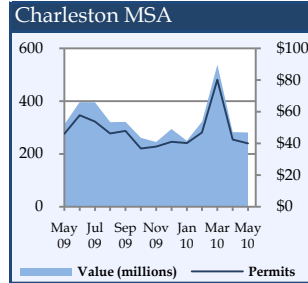
The South Carolina Regional Update provides a snapshot of the most recent economic figures for the six largest Metropolitan Statistical Areas (MSA) in the state. Only the Myrtle Beach MSA experienced a non-seasonally adjusted unemployment rate decline, falling to 10.7 percent.

Home Sales

MSA	Indicator	May 09	May 10
Charleston	Sales Volume	663	878
	Median Price (000's)	\$191	\$188
Columbia	Sales Volume	643	772
	Median Price (000's)	\$139	\$137
Florence	Sales Volume	146	151
	Median Price (000's)	\$105	\$120
Greenville	Sales Volume	583	673
	Median Price (000's)	\$141	\$144
Myrtle Beach	Sales Volume	521	681
	Median Price (000's)	\$152	\$146
Spartanburg	Sales Volume	209	264
	Median Price (000's)	\$110	\$115
South Carolina	Sales Volume	3,717	4,555
	Median Price (000's)	\$142.0	\$141.0

Source: S.C. Association of Realtors

Building Permits



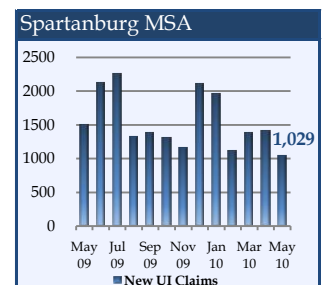
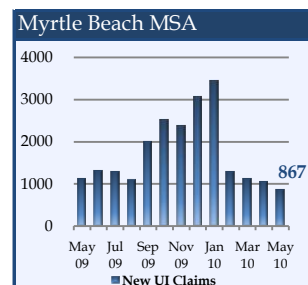
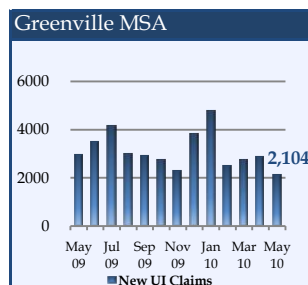
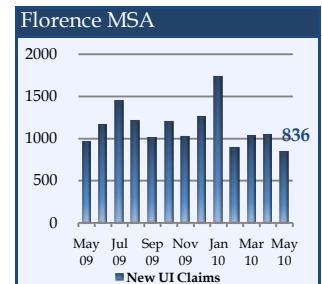
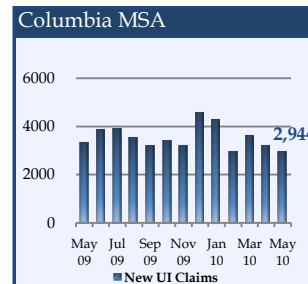
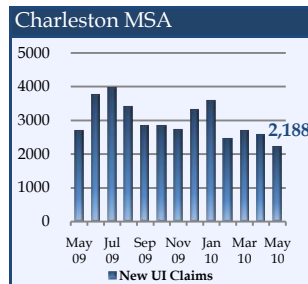
Source: U.S. Census

Employment

MSA	Indicator	Apr 10	May 10
Charleston	Employment (000's)	321.2	324.5
	Unemployment Rate	8.4	8.8
Columbia	Employment (000's)	368.5	370.6
	Unemployment Rate	8.3	8.9
Florence	Employment (000's)	94.8	95.0
	Unemployment Rate	10.7	11.1
Greenville	Employment (000's)	308.1	309.5
	Unemployment Rate	9.1	9.5
Myrtle Beach	Employment (000's)	133.7	133.7
	Unemployment Rate	10.8	10.7
Spartanburg	Employment (000's)	133.3	133.1
	Unemployment Rate	10.8	11.0
South Carolina	Employment (000's)	1,930.3	1,934.9
	Unemployment Rate	11.5	11.0

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

Unemployment Insurance Claims



Source: SCDOC analysis of SCDEW data

MSA Employment Growth, 4th Quarter 2009 to 1st Quarter 2010 : 100 largest metropolitan areas

- 3rd:** Greenville -Mauldin-Easley, SC (0.6% growth)
 - 4th:** Charlotte-Gastonia-Rock Hill, NC-SC (0.5% growth)
 - 6th:** Augusta-Richmond County, GA-SC (0.5% growth)
 - 9th:** Columbia, SC (0.4% growth)
 - 13th:** Charleston-North Charleston-Summerville, SC (0.3% growth)
- National Average: -0.1% growth**

Source: The Brookings Institution June 2010 MetroMonitor report