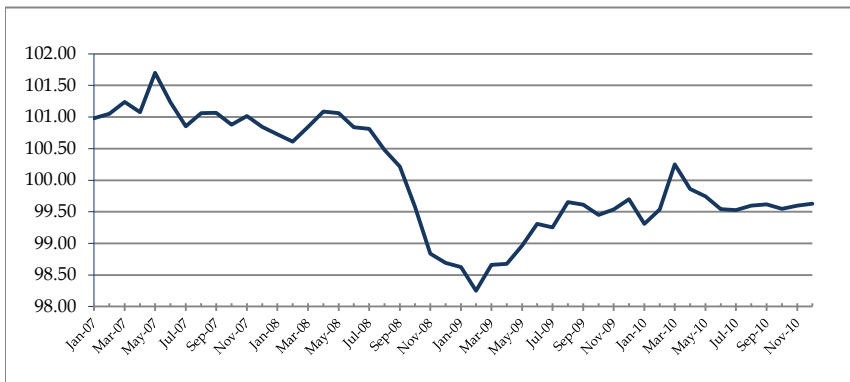


S.C. Leading Index Remains Stable

The South Carolina Leading Index (SCLI) continued its seven-month even course, increasing just 0.03 points in December. Since June 2010, the SCLI—which gauges economic activity for the coming three to six months—has gained a total of only 0.09 points, the longest period of near stability since the index began in January of 2000. Underlying components weighing the index down included the continued decline in building permits and valuations along with the increase in new claims for unemployment insurance. These declines were largely countered by strength in the stock market, while weekly manufacturing hours worked remained stable.

—Rebecca M. Gunnlaugsson, Ph.D.



Source: South Carolina Department of Commerce

Employment, Labor Force Rise in December

Employment numbers released this month provided a mixture of news, as the state's unemployment rate rose 0.1 points to a level of 10.7 percent, while the number of employed also increased by 4,394 individuals. At the same time, seasonally-adjusted unemployment increased by 2,783 individuals as the state's labor force grew by 7,177 workers to its highest level since May 2010, an indicator of increasing confidence in the job market as unemployed workers re-enter the labor force to seek work.

Further complicating the employment picture is the news from a different survey that the state gained 9,000 seasonally-adjusted wage and salary jobs (second behind Texas) yet lost 300 wage and salary jobs when *not* accounting for seasonal variations. While December typically witnesses seasonal variations that lead to declining employment during the month, the decrease this year is the smallest since 2004.

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

+0.8%

State Personal Income

increased 0.8 percent to \$153.7 billion in the 3rd Quarter of 2010.

U.S. Department of Commerce, Bureau of Economic Analysis

+6%

South Carolina Stock Index

climbed 5.26 points in December, closing at 92.74 on the last trading day of the month.

Bloomberg

Employment

+0%

Nonfarm Employment

remained almost even, falling by a non-seasonally-adjusted 300 jobs in December over the previous month.

U.S. Bureau of Labor Statistics

+0.3%

Labor Force

grew by a seasonally-adjusted 7,177 people in December.

U.S. Bureau of Labor Statistics

+0.1%

Unemployment Rate

rose 0.1 percentage points to 10.7 percent in December.

U.S. Bureau of Labor Statistics

+0%

Manufacturing Weekly Hours

remained unchanged at 42.4 hours in December.

U.S. Bureau of Labor Statistics

-3.7%

Available Online Job Postings

declined 2,100 positions in December to a seasonally-adjusted 55,400 job postings.

The Conference Board Help Wanted Online Index

Real Estate

+0%

Single-Family Home Sales Price

held steady at \$150,000 in December when compared to the previous month.

South Carolina Association of Realtors

-4.1%

Residential Building Permits

decreased in December by 38 units to a level of 886 permits issued for the month.

U.S. Census Bureau

South Carolina Employment

Non-Seasonally Adjusted Wage and Salary Employment

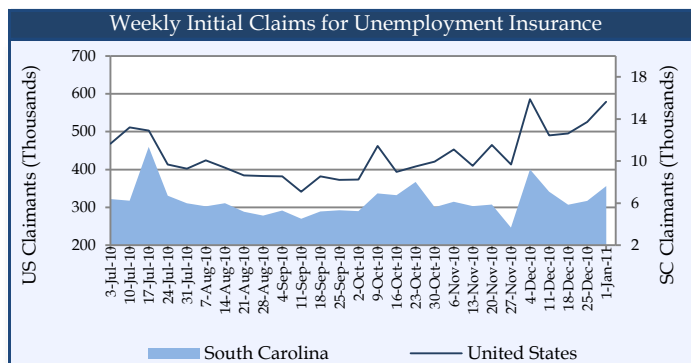
South Carolina experienced a reduction of 300 nonfarm jobs during the month of December, according to the Bureau of Labor Statistics. While the government sector lost 1,100 jobs--primarily in local government--the private sector added a total of 800 positions. The majority of employment gains occurred in the Retail Trade (+1,300), Education and Health Services (+1,200), and Professional and Business Services (+1,600) industries. Manufacturing gained again, led by the Durable Goods sectors, and Construction, Information, and Finance all posted gains. Job losses were concentrated in the seasonal Leisure and Hospitality industry, which eliminated 3,900 positions.

Industry Sector	December 2010	Previous Month	Previous Year	% Change Month Ago	% Change Year Ago
Goods Producing	296,800	296,200	294,100	0.20	0.92
Natural Resources and Mining	4,400	4,400	4,100	0.00	7.32
Construction	79,900	79,500	82,500	0.50	-3.15
Construction of Buildings	20,100	20,500	18,800	-1.95	6.91
Heavy and Civil Engineering Construction	9,600	9,800	11,600	-2.04	-17.24
Specialty Trade Contractors	50,200	49,200	52,100	2.03	-3.65
Manufacturing	212,500	212,300	207,500	0.09	2.41
Durable Goods	117,400	116,700	112,600	0.60	4.26
Nondurable Goods	95,100	95,600	94,900	-0.52	0.21
Service Providing	1,532,000	1,532,900	1,518,600	-0.06	0.88
Trade, Transportation, and Utilities	351,200	349,700	350,000	0.43	0.34
Wholesale Trade	67,300	67,200	64,700	0.15	4.02
Retail Trade	225,000	223,700	225,000	0.58	0.00
Transportation, Warehousing, and Utilities	58,900	58,800	60,300	0.17	-2.32
Information	28,100	27,900	27,900	0.72	0.72
Finance	103,800	103,300	100,100	0.48	3.70
Finance and Insurance	75,800	75,400	73,600	0.53	2.99
Real Estate and Rental and Leasing	28,000	27,900	26,500	0.36	5.66
Professional and Business Services	212,700	211,100	208,700	0.76	1.92
Professional, Scientific, and Technical	74,400	73,600	75,400	1.09	-1.33
Management of Companies and Enterprises	14,100	14,200	14,300	-0.70	-1.40
Administrative Support and Waste Management	124,200	123,300	119,000	0.73	4.37
Educational and Health Services	213,700	212,500	210,500	0.56	1.52
Leisure and Hospitality	194,200	198,100	194,700	-1.97	-0.26
Arts, Entertainment, and Recreation	24,300	24,800	24,700	-2.02	-1.62
Accommodation and Food Services	169,900	173,300	170,000	-1.96	-0.06
Other Services	69,400	70,300	67,900	-1.28	2.21
Total Private	1,469,900	1,469,100	1,453,900	0.05	1.10
Government	358,900	360,000	358,800	-0.31	0.03
Federal Government	33,600	33,500	31,500	0.30	6.67
State Government	98,500	98,700	99,300	-0.20	-0.81
Local Government	226,800	227,800	228,000	-0.44	-0.53
Total Nonfarm	1,828,800	1,829,100	1,812,700	-0.02	0.89

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

Initial UI Claims Increase in December

Initial claims for Unemployment Insurance rose again in December to just over 6,700 average weekly claims. This increase mirrored the national increase during both November and December as well. Continued claims rose across the state as well, reaching over 63,000 average continued claims per week in December. The majority of new claims occurred in the Food Services and Drinking Places industry sector as well as the Administrative Support Services industry (which includes temporary staffing firms). Among counties, the highest number of new unemployment insurance claimants during December occurred in Horry County, with 2,937 new claimants.



Source: U.S. Department of Labor



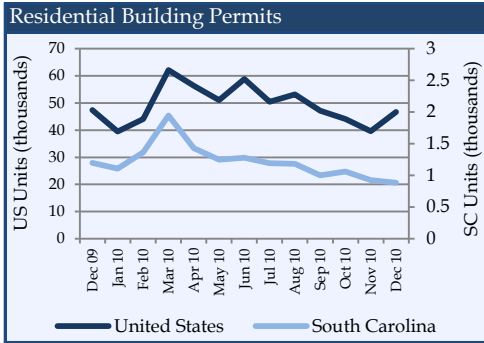
South Carolina Real Estate

Home sales in South Carolina declined 7.4 percent over revised figures from the previous year during the month of December. Annual total home sales for 2010 rose 0.2 percent above total 2009 levels. The median price of a home remained at \$150,000 statewide, exactly even with the previous year's median cost. The number of homes in some stage of foreclosure rose 331 units, 12.3 percent ahead of the same time last year. Residential building permits fell again in December, down 26 percent over December 2009. Annually, 2010 residential permits were 7.8 percent below 2009 levels.

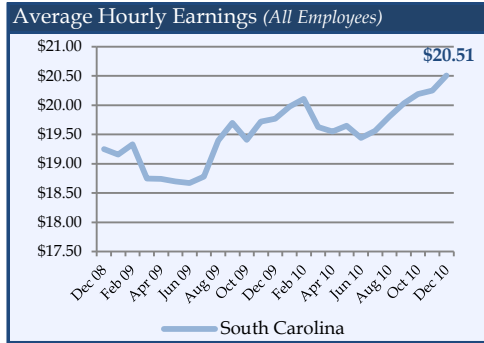
	Month	Current	Previous Year	% Change Year Ago	2010 YTD	2009 YTD	% Change YTD
Closings	December	3,478	3,755	-7.4%	47,034	46,951	0.2%
Median Sales Price*	December	150.0	150.0	0.0%	150.0	148.9	0.8%
Foreclosures	December	3,014	2,683	12.3%	41,180	30,327	35.8%
Residential Building Permits-Total	December	886	1,198	-26.0%	14,614	15,843	-7.8%
Residential Building Permits-Valuation*	December	159,801	207,709	-23.1%	2,497,849	2,610,790	-4.3%

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

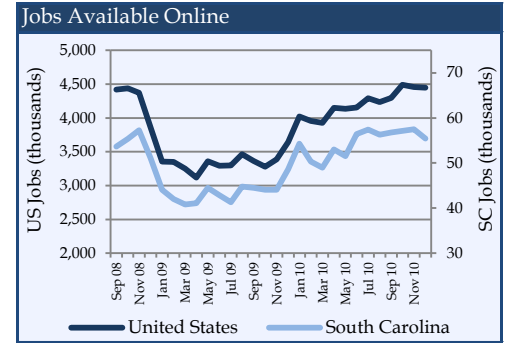
Business Activity



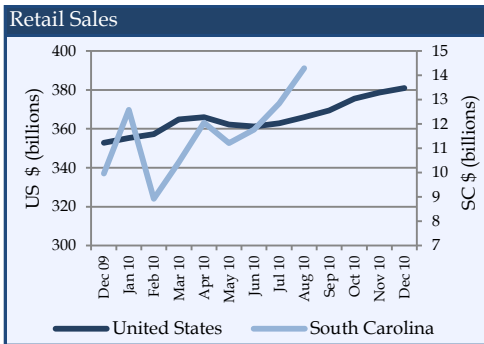
Source: U.S. Census



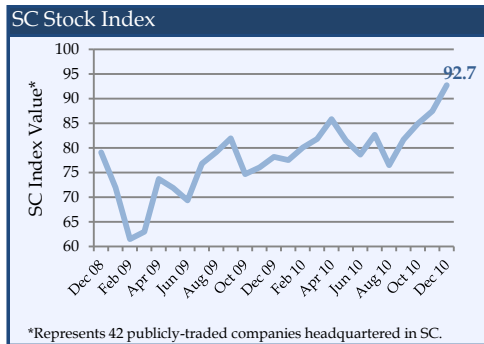
Source: U.S. Department of Labor



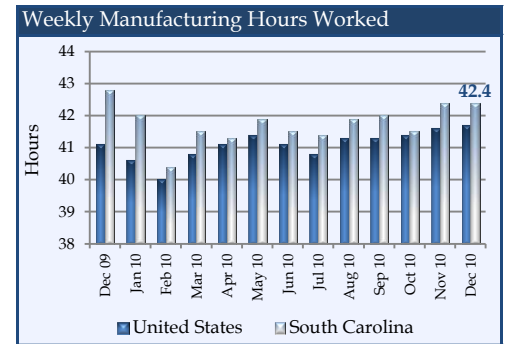
Source: The Conference Board Help Wanted Online Index



Source: South Carolina Department of Revenue
Note: SC Retail Sales delayed due to changes in reporting methods.

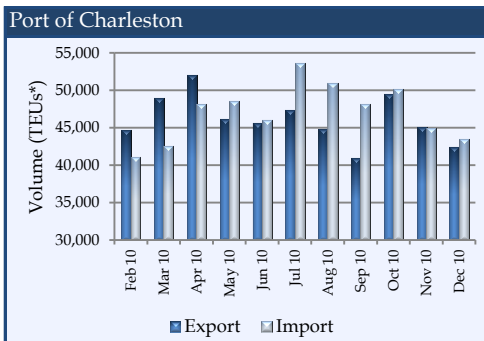


*Represents 42 publicly-traded companies headquartered in SC.
Source: Bloomberg

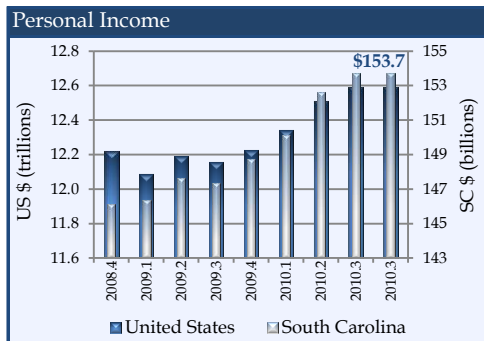


Source: U.S. Department of Labor

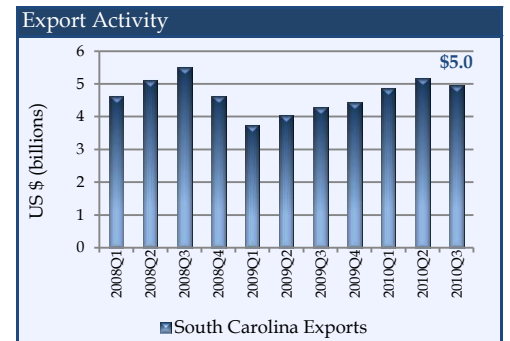
Income and Output



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



Source: U.S. Census



Source: Foreign Trade Division, U.S. Census

South Carolina Regional Update

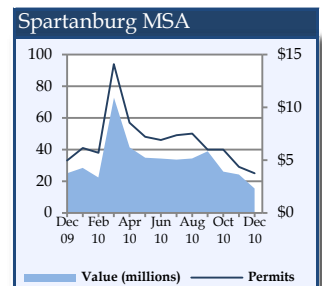
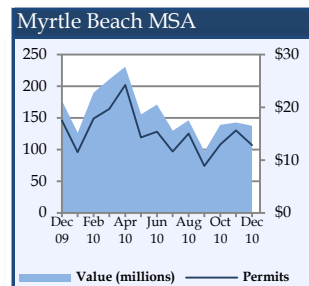
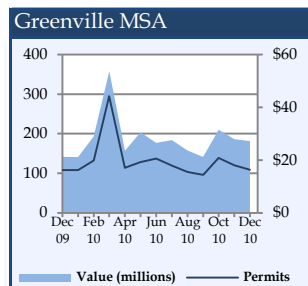
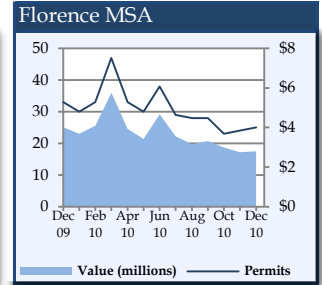
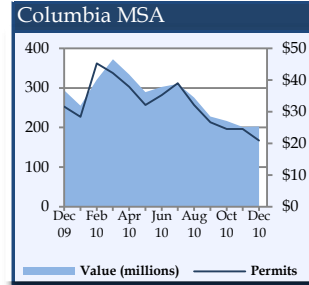
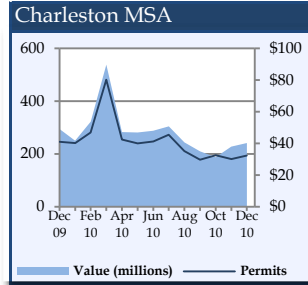
The South Carolina Regional Update provides a snapshot of the most recent economic figures for the six largest Metropolitan Statistical Areas (MSA) in the state. Of these areas, the coastal MSAs both witnessed the largest increases in residential home sales during 2010, rising 16% in the Myrtle Beach area and 4.4% in the Charleston area.

Home Sales

MSA	Indicator	Dec 09	Dec 10
Charleston	Sales Volume	656	657
	Median Price (000')	\$194	\$182
Columbia	Sales Volume	586	465
	Median Price (000')	\$145	\$146
Florence	Sales Volume	135	95
	Median Price (000')	\$117	\$125
Greenville	Sales Volume	546	474
	Median Price (000')	\$133	\$129
Myrtle Beach	Sales Volume	582	613
	Median Price (000')	\$157	\$142
Spartanburg	Sales Volume	227	180
	Median Price (000')	\$113	\$94
South Carolina	Sales Volume	3,755	3,478
	Median Price (000')	\$150.0	\$150.0

Source: S.C. Association of Realtors

Building Permits



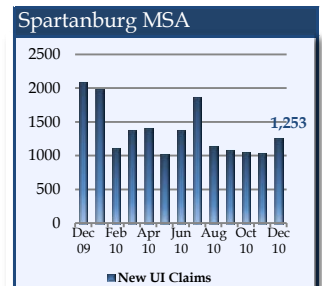
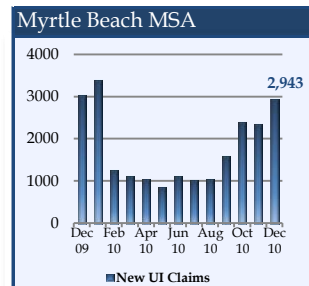
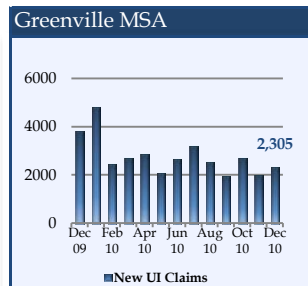
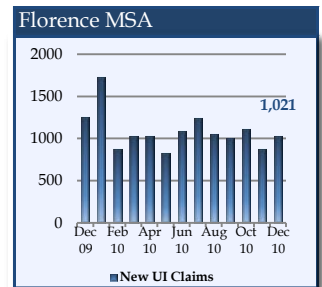
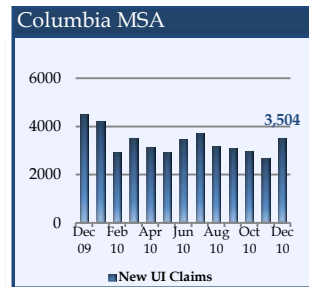
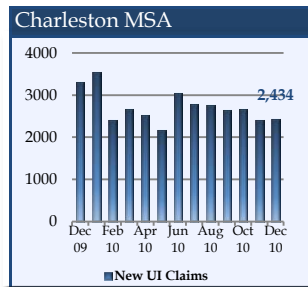
Source: U.S. Census

Employment

MSA	Indicator	Nov 10	Dec 10
Charleston	Employment (000's)	321.6	322.2
	Unemployment Rate	9.0	9.0
Columbia	Employment (000's)	369.3	370.0
	Unemployment Rate	9.0	9.0
Florence	Employment (000's)	95.4	96.2
	Unemployment Rate	11.3	11.5
Greenville	Employment (000's)	307.5	308.3
	Unemployment Rate	9.3	9.2
Myrtle Beach	Employment (000's)	129.6	128.2
	Unemployment Rate	11.8	13.0
Spartanburg	Employment (000's)	133.1	133.2
	Unemployment Rate	10.8	10.9
South Carolina	Employment (000's)	1,925.4	1,929.8
	Unemployment Rate	10.6	10.7

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

Unemployment Insurance Claims



Source: SCDOC analysis of SCDEW data

Home Sales, 2010

8,694 +4.4%	7,202 -11.5%	1,498 -7.6%	6,806 -5.4%	7,516 +16.0%	2,551 -6.2%
Charleston	Columbia	Florence	Greenville	Myrtle Beach	Spartanburg

Second figure represents percentage change over 2009. Source: SC Realtors