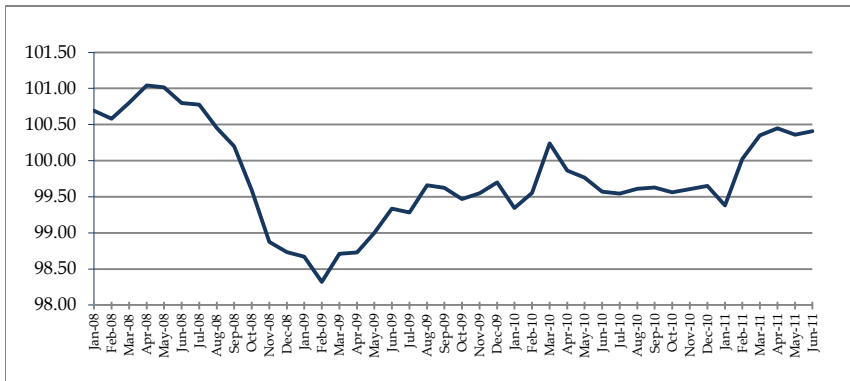


S.C. Leading Index Stable in June

The South Carolina Leading Index (SCLI) improved just 0.05 points to 100.41 in June, essentially remaining steady over the previous month. Underlying components were mixed, with initial claims for Unemployment Insurance rising an average of 500 claims per week, while weekly manufacturing hours jumped 2.1 percent to 43.6 hours. Building permits remained steady, nudging up only slightly over the previous month. Additionally, new jobs available online declined, as did the South Carolina stock index. The SCLI, a measurement used to forecast the state's economic status for the coming three-to-six months, continues to indicate ongoing modest, stable growth statewide.

-Rebecca M. Gunnlaugsson, Ph.D.



Source: South Carolina Department of Commerce

Manufacturing Employment Grows

Between 2001 and 2010, South Carolina lost over 100,000 manufacturing positions, declining from 313,600 to 207,400, according to the Bureau of Labor Statistics. Nearly two-thirds of those losses came before the effects of the Great Recession were felt. More remarkably, despite this significant decline in employment, manufacturing output actually increased from \$24.2 billion in 2001 to \$27.0 billion in 2010, making up 16.5 percent of state GDP. This increase in productivity was largely due to rapid advancement in engineering, technology, and processes that has caused manufacturing to evolve from an industry requiring intensive labor inputs to one that is more capital-intensive requiring highly skilled workers. Most remarkably, since January of 2010, the state has added 9,100 new manufacturing jobs, many of which have been concentrated in advanced manufacturing subsectors as companies seek skilled workers to further optimize their productive capacity.

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

+1.8%

State Personal Income

increased to \$157 billion in the first quarter of 2011, a 1.8 percent increase over the previous quarter.

U.S. Bureau of Economic Analysis

-2.1%

South Carolina Stock Index

fell 2.1 points in June, closing at 96.4 on the last trading day of the month.

Bloomberg

Employment

+0.2%

Nonfarm Employment

rose by 3,300 non-seasonally adjusted jobs in June over the previous month.

U.S. Bureau of Labor Statistics

+0.1%

Labor Force

increased by a seasonally-adjusted 2,830 people in June.

U.S. Bureau of Labor Statistics

+0.5%

Unemployment Rate

rose 0.5 percentage points to 10.5 percent in June.

U.S. Bureau of Labor Statistics

+2.1%

Manufacturing Weekly Hours

increased 0.9 hours to 43.6 hours in June over the previous month.

U.S. Bureau of Labor Statistics

-3.0%

Available Online Job Postings

declined 1,500 positions in June to a seasonally-adjusted 48,600 job postings.

The Conference Board Help Wanted Online Index

Real Estate

+3.3%

Single-Family Home Sales Price

increased to \$155,000 in June, up 3.3 percent over May and 1.3 percent over last year.

South Carolina Association of Realtors

+0.8%

Residential Building Permits

held relatively steady, rising just 10 permits over the previous month.

U.S. Census Bureau



South Carolina Employment

Non-Seasonally Adjusted Wage and Salary Employment

June witnessed continued increases in non-seasonally adjusted employment statewide. The private sector added 7,800 employees while the government sector shed 4,500 positions for a net increase of 3,300 non-farm wage and salary jobs during the month. Leisure and Hospitality led private sector job gains, increasing 5,300 positions as tourism season continues to peak.

Manufacturing added another 1,600 workers, bringing the year-over-year total to 7,600 manufacturing jobs. Construction added 1,500, although the sector has lost 2,400 positions since the same time last year. In addition to Government sector declines, the Educational and Health Services industry lost 1,600 positions, primarily as educational employees left payrolls for the summer months at the conclusion of the school year.

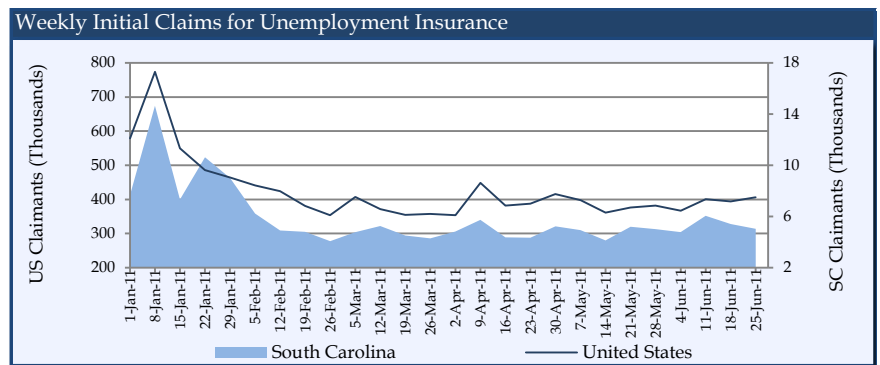
Industry Sector	June 2011	Previous Month	Previous Year	% Change Month Ago	% Change Year Ago
Goods Producing	297,300	294,100	291,900	1.09	1.85
Natural Resources and Mining	4,200	4,100	4,000	2.44	5.00
Construction	77,800	76,300	80,200	1.97	-2.99
Manufacturing	215,300	213,700	207,700	0.75	3.66
Service Providing	1,542,100	1,542,000	1,534,000	0.01	0.53
Trade, Transportation, and Utilities	351,600	350,900	345,800	0.20	1.68
Information	25,700	25,700	25,900	0.00	-0.77
Finance	97,600	98,300	98,300	-0.71	-0.71
Professional and Business Services	224,000	223,800	215,100	0.09	4.14
Educational and Health Services	215,400	217,000	211,200	-0.74	1.99
Leisure and Hospitality	226,400	221,100	218,500	2.40	3.62
Other Services	68,100	67,400	69,300	1.04	-1.73
Total Private	1,506,100	1,498,300	1,476,000	0.52	2.04
Government	333,300	337,800	349,900	-1.33	-4.74
Total Nonfarm	1,839,400	1,836,100	1,825,900	0.18	0.74

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

Weekly Unemployment Claims

Initial weekly Unemployment Insurance claims increased in June over the previous month to an average of just over 5,300 claims per week, approximately 13 percent lower than claims experienced during the same time last year. Due to seasonal employment fluctuations, an increase in June claims is typical, as are further increases in July as firms often perform routine facility maintenance and retooling.

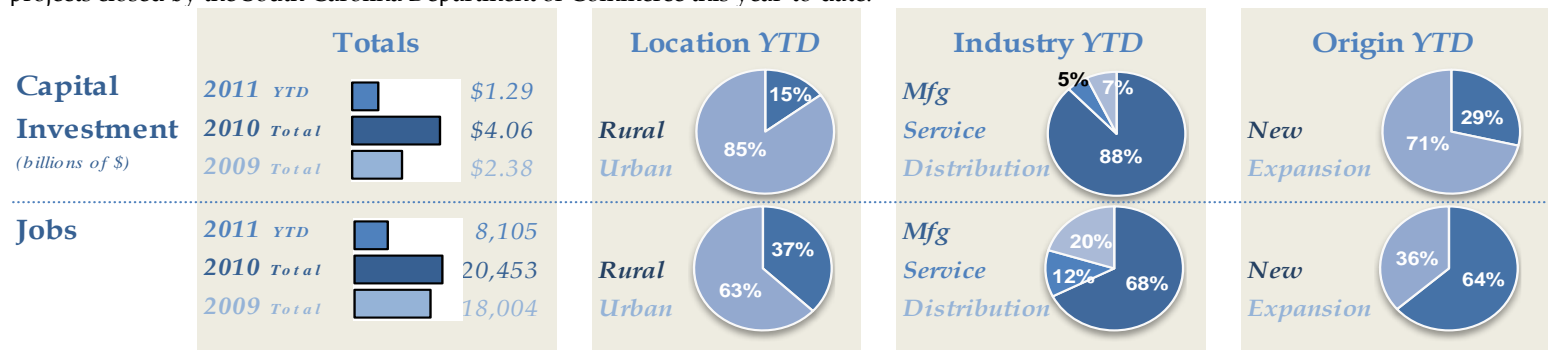
Industry sectors most affecting initial claims during the month of June include Administrative and Support Services (including temporary staffing), Food Services and Drinking Places, Educational Services, Social Assistance, and Specialty Trade Contractors.



Source: U.S. Department of Labor

Capital Investment and Job Recruitment

Capital Investment and Job Recruitment provide statistics on industry recruitment efforts, detailing upcoming jobs and capital investment projects closed by the South Carolina Department of Commerce this year-to-date.



Source: S.C. Department of Commerce Note: Not all closed projects have yet undergone announcement.



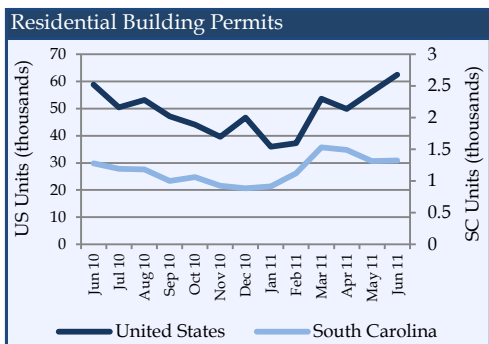
South Carolina Real Estate

While the median home price in South Carolina remained stable - up 1.6 percent to \$155,000 over the previous year, sales volumes declined 19.7 percent and are down 11.1 percent year-to-date over 2010. A portion of the decline can be accredited to June 2010 being the final month of the federal First-Time Home Buyer tax credit, increasing closings during that period. Foreclosures edged up 2.4 percent in June over the previous year, yet were down 12.8 percent year-to-date. Finally, building permits for new residential construction rose 3.7 percent during June, and the valuation of those permits rose 6.7 percent.

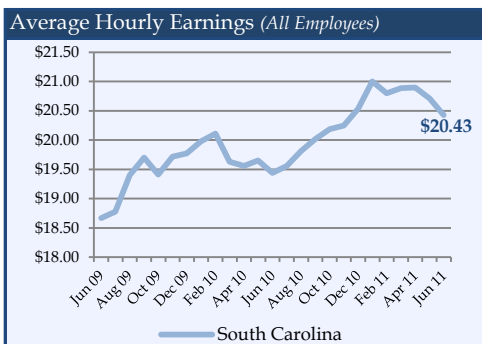
	Month	Current	Previous Year	% Change Year Ago	2011 YTD	2010 YTD	% Change YTD
Closings	June	4,552	5,670	-19.7%	22,881	25,732	-11.1%
Median Sales Price*	June	\$155.0	\$152.5	1.6%	\$146.0	\$148.9	-1.9%
Foreclosures	June	2,847	2,779	2.4%	17,433	20,002	-12.8%
Residential Building Permits-Total	June	1,326	1,279	3.7%	7,701	8,373	-8.0%
Residential Building Permits-Valuation*	June	\$234,514	\$219,802	6.7%	\$1,298,796	\$1,439,372	-9.8%

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

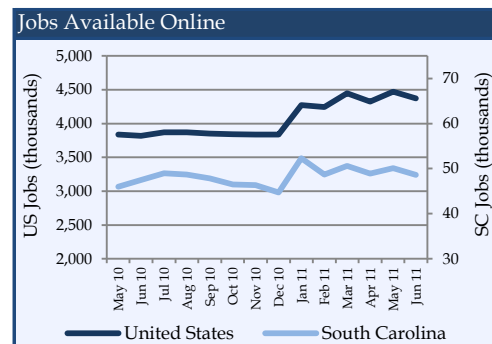
Business Activity



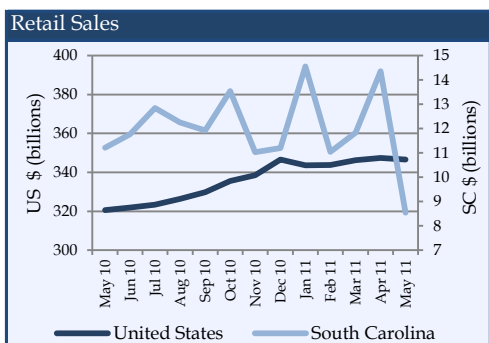
Source: U.S. Census



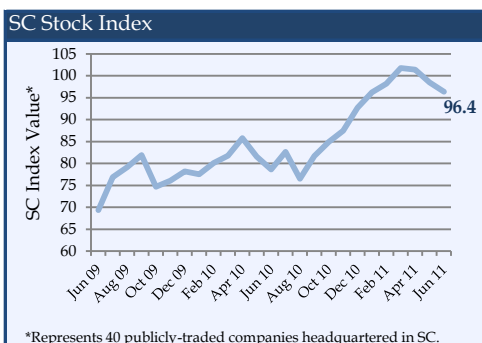
Source: U.S. Department of Labor



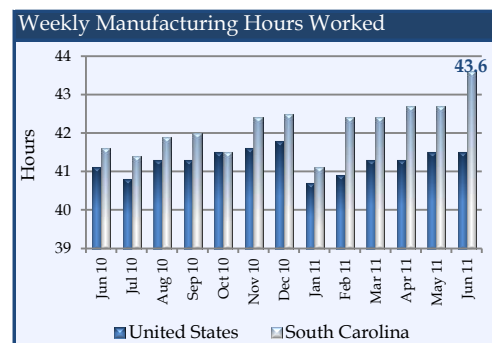
Source: The Conference Board Help Wanted Online Index



Source: South Carolina Department of Revenue

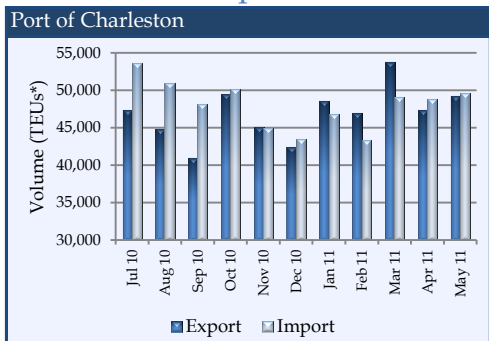


*Represents 40 publicly-traded companies headquartered in SC. Source: Bloomberg

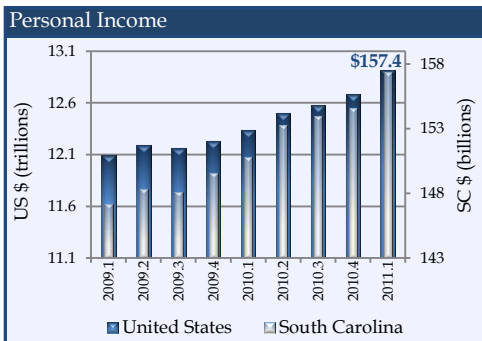


Source: U.S. Department of Labor

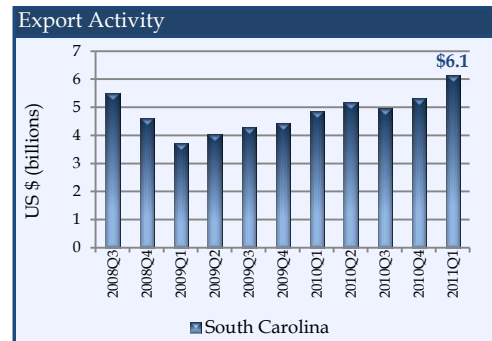
Income and Output



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



Source: U.S. Census



Source: Foreign Trade Division, U.S. Census



South Carolina Regional Update

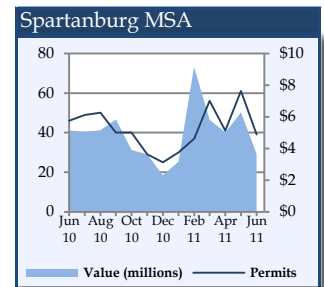
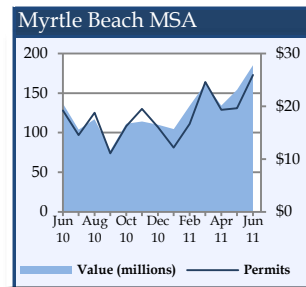
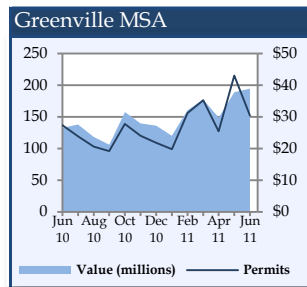
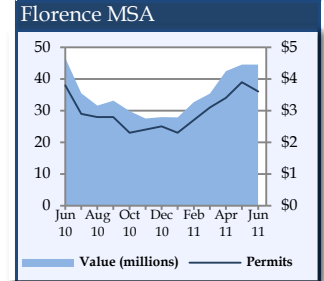
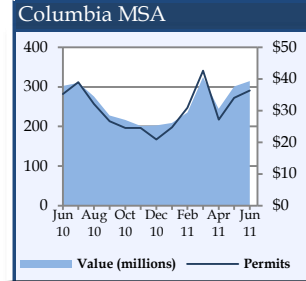
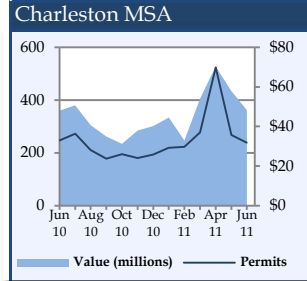
The South Carolina Regional Update provides a snapshot of the most recent economic figures for the six largest Metropolitan Statistical Areas (MSA) in the state. According to the Milken Institute's index of best-performing cities, the Charleston metro ranked 19th overall in creating and sustaining jobs and economic growth.

Home Sales

MSA	Indicator	Jun 10	Jun 11
Charleston	Sales Volume	1,113	904
	Median Price (000')	\$186	\$196
Columbia	Sales Volume	977	672
	Median Price (000')	\$145	\$146
Florence	Sales Volume	194	160
	Median Price (000')	\$120	\$120
Greenville	Sales Volume	804	655
	Median Price (000')	\$150	\$150
Myrtle Beach	Sales Volume	789	700
	Median Price (000')	\$150	\$150
Spartanburg	Sales Volume	300	247
	Median Price (000')	\$119	\$118
South Carolina	Sales Volume	5,670	4,552
	Median Price (000')	\$152.5	\$155.0

Source: S.C. Association of Realtors

Building Permits



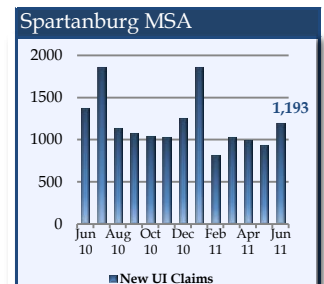
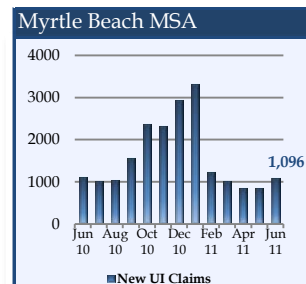
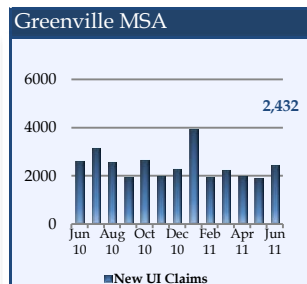
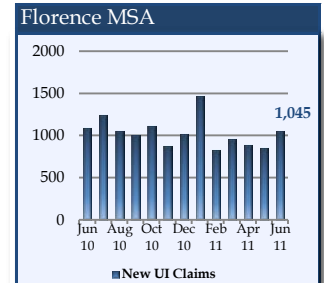
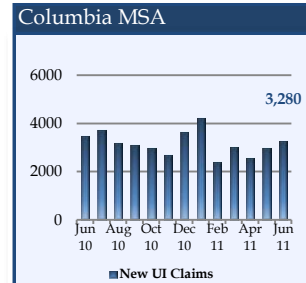
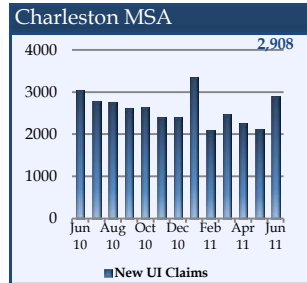
Source: U.S. Census

Employment

MSA	Indicator	May 11	Jun 11
Charleston	Employment (000's)	297.0	298.4
	Unemployment Rate	8.7	9.8
Columbia	Employment (000's)	338.0	336.8
	Unemployment Rate	8.9	10.0
Florence	Employment (000's)	83.6	83.0
	Unemployment Rate	11.3	12.6
Greenville	Employment (000's)	285.4	285.0
	Unemployment Rate	8.8	9.8
Myrtle Beach	Employment (000's)	123.9	127.7
	Unemployment Rate	10.3	10.5
Spartanburg	Employment (000's)	120.4	119.5
	Unemployment Rate	10.4	11.7
South Carolina	Employment (000's)	1,939.8	1,931.4
	Unemployment Rate	10.0	10.5

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

Unemployment Insurance Claims



Source: SCDOD analysis of SCDEW data

Milken Institute's Best-Performing Cities, 2010

71 st	19 th	62 nd	65 th	177 th
Augusta-Aiken, GA-SC	Charleston	Charlotte-Rock Hill, NC-SC	Columbia	Greenville

Source: Milken Institute (<http://bestcities.milkeninstitute.org>)