

S.C. Leading Index Falls Sharply in July

Driven by downward movement in all but one of its components, the South Carolina Leading Index (SCLI) declined by 0.34 points to 100.06. Relatively flat over the previous three months, July brought the largest decrease in the SCLI since April 2010. A 3.5 percent decline in the average weekly work hours of manufacturing production employees coupled with a 17 percent increase in the number of initial claimants for unemployment insurance were the main reasons for the falling SCLI this month. Bright spots in July include the increasing size of the South Carolina labor force and rising state personal income. Despite the decrease this month, the SCLI continues to indicate modest growth as it hovers above the 100 mark.

-David Clayton



Real Estate Market Still Ahead for 2011

Despite this month's downturn in building permits and home sales, which is typical for July, South Carolina's Association of Realtors, the United States Census Bureau and RealtyTrac all continue to report significant improvements and growth in the state's real estate market compared to one year ago. Over the past year, home sales have increased 8.1 percent and new residential building permits have increased 3.1 percent over July of last year. These two indicators provide welcome news in both the Finance and Construction sectors as the number of qualified homebuyers is increasing while new residential building permits and construction employment are positively correlated, as well. Although foreclosures were slightly lower in May and June of this year than in July, they are trending downward and are 21.3 percent lower than one year ago and 14.2 percent lower year-to-date.

The Research Division at the South Carolina Department of Commerce is a highly-skilled, multidisciplinary team of professionals dedicated to the economic development of South Carolina and the collection, analysis and dissemination of information to support that mission. Consisting of seven professionals with advanced degrees and expertise in economics, business, statistics and information sciences, the Research Division publishes reports and analyses for statewide constituents and proposals for companies considering South Carolina for investment. 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

-5.8%

South Carolina Stock Index

fell 5.63 points in June, closing at 90.77 on the last trading day of the month.

Bloomberg

Employment

-0.4%

Nonfarm Employment

fell by 7,200 non-seasonally adjusted jobs in July over the previous month.

U.S. Bureau of Labor Statistics

+0.2%

Labor Force

increased by a seasonally-adjusted 4,142 people in July.

U.S. Bureau of Labor Statistics

+0.4%

Unemployment Rate

rose 0.4 percentage points to 10.9 percent in July.

U.S. Bureau of Labor Statistics

-3.5%

Manufacturing Weekly Hours

decreased 1.5 hours to 41.9 hours in July over the previous month.

U.S. Bureau of Labor Statistics

-3.1%

Available Online Job Postings

declined 1,500 positions in July to a seasonally-adjusted 47,100 job postings.

The Conference Board Help Wanted Online Index

Real Estate

-3.20%

Single-Family Home Sales Price

decreased to \$150,000 in July, down 3.2 percent over June and last year, as well.

South Carolina Association of Realtors

-7.3%

Residential Building Permits

declined, falling by 97 permits over the previous month.

U.S. Census Bureau



South Carolina Employment

Non-Seasonally Adjusted Wage and Salary Employment

Non-seasonally adjusted employment decreased in July across South Carolina. While total private sector jobs increased by 6,400, the Government sector shed 13,600 jobs, making it responsible for the net decrease of 7,200 non-farm wage and salary jobs during the month.

Continued gains were observed in Manufacturing, which led private sector

job gains, increasing by 1,800 workers, bringing the year-over-year total to 9,400 manufacturing jobs added. Leisure and Hospitality added 1,400 positions and Educational and Health Services rebounded from the previous month adding 1,300 jobs, as educational employees were added to payrolls for the beginning of the school year.

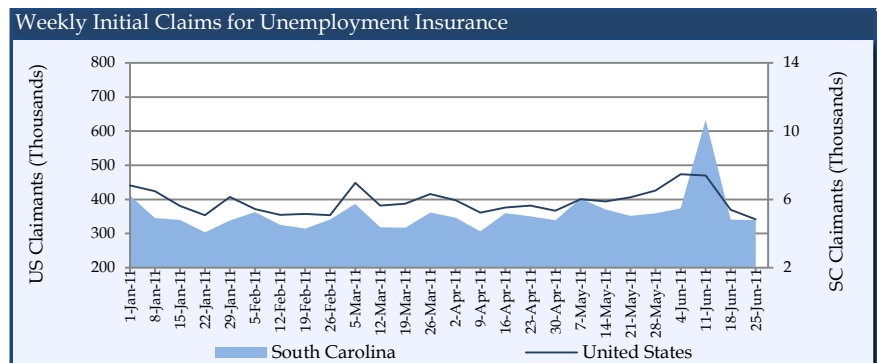
Industry Sector	July 2011	Previous Month	Previous Year	% Change Month Ago	% Change Year Ago
Goods Producing	300,400	298,300	290,900	0.70	3.27
Natural Resources and Mining	4,200	4,200	4,000	0.00	5.00
Construction	78,200	77,900	79,600	0.39	-1.76
Manufacturing	218,000	216,200	207,300	0.83	5.16
Service Providing	1,533,100	1,542,400	1,518,000	-0.60	0.99
Trade, Transportation, and Utilities	353,400	351,700	345,700	0.48	2.23
Information	25,700	25,600	26,100	0.39	-1.53
Finance	97,600	97,800	98,500	-0.20	-0.91
Professional and Business Services	223,700	223,600	216,300	0.04	3.42
Educational and Health Services	216,900	215,600	211,000	0.60	2.80
Leisure and Hospitality	228,200	226,800	218,600	0.62	4.39
Other Services	68,000	68,100	68,800	-0.15	-1.16
Total Private	1,513,900	1,507,500	1,475,900	0.42	2.57
Government	319,600	333,200	333,000	-4.08	-4.02
Total Nonfarm	1,833,500	1,840,700	1,808,900	-0.39	1.36

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

Weekly Unemployment Claims

Initial weekly Unemployment Insurance claims increased in July over the previous month to an average of just under 6,200 claims per week. These numbers reflected a 17 percent increase over the previous month, which is similar to seasonal increases that have occurred during the same period in previous years. Claims initiated in July 2011 were 14 percent lower than claims during the same time last year.

Industry sectors most affecting initial claims during the month of July include Heavy and Civil Engineering Construction and Administrative and Support Services.



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 year-to-date.

	Totals	Location YTD	Industry YTD	Origin YTD
Capital Investment <i>(billions of \$)</i>	2011 YTD			
	2010 Total			
	2009 Total			
Jobs	2011 YTD			
	2010 Total			
	2009 Total			

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



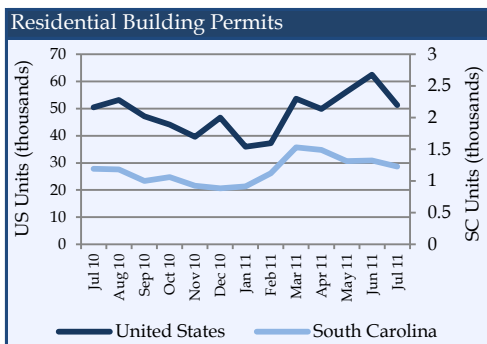
South Carolina Real Estate

While the median home price in South Carolina declined - down 3.2 percent to \$150,000 over the previous year, sales volumes increased 8.1 percent but are still down 7.8 percent year-to-date over 2010. Foreclosures witnessed a sharp decline of 21.3 percent in July over the previous year and are down 14.2 percent year-to-date. Finally, building permits for new residential construction rose 3.1 percent during July, and the valuation of those permits rose significantly by 21.7 percent.

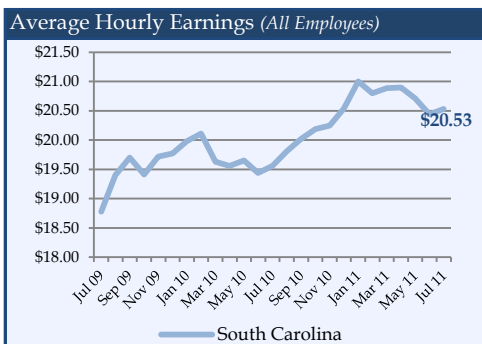
	Month	Current	Previous Year	% Change Year Ago	2011 YTD	2010 YTD	% Change YTD
Closings	July	4,110	3,801	8.1%	27,232	29,538	-7.8%
Median Sales Price*	July	\$150.0	\$155.0	-3.2%	\$147.0	\$149.9	-1.9%
Foreclosures	July	2,982	3,788	-21.3%	20,415	23,790	-14.2%
Residential Building Permits-Total	July	1,229	1,192	3.1%	8,930	9,565	-6.6%
Residential Building Permits-Valuation*	July	\$243,555	\$200,085	21.7%	\$1,542,351	\$1,639,457	-5.9%

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

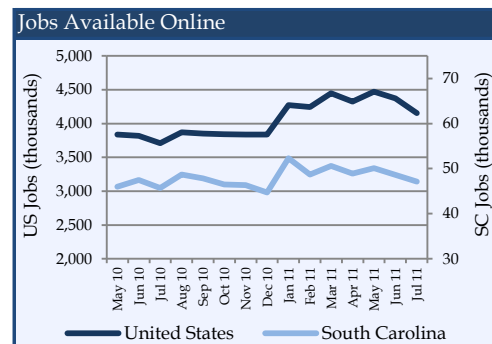
Business Activity



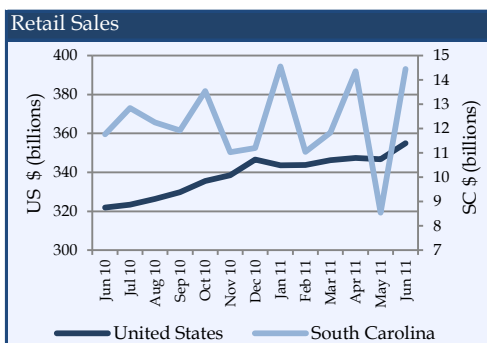
Source: U.S. Census



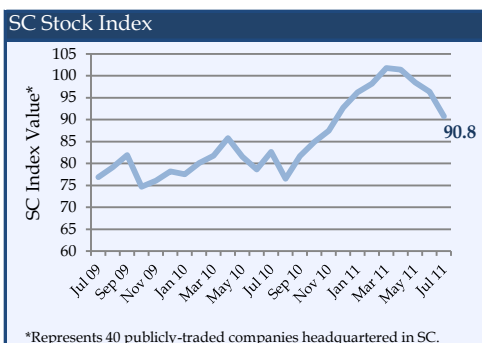
Source: U.S. Department of Labor



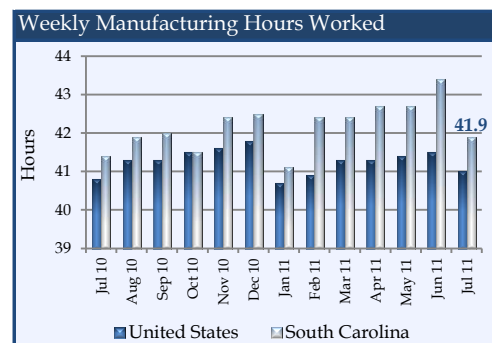
Source: The Conference Board Help Wanted Online Index



Source: South Carolina Department of Revenue

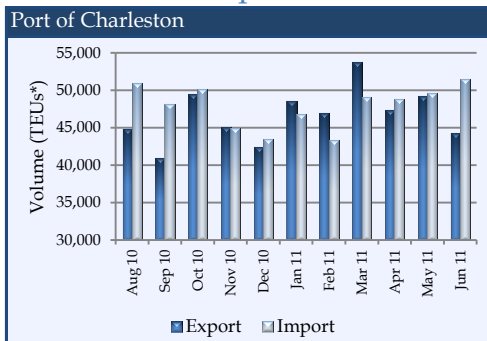


Source: Bloomberg

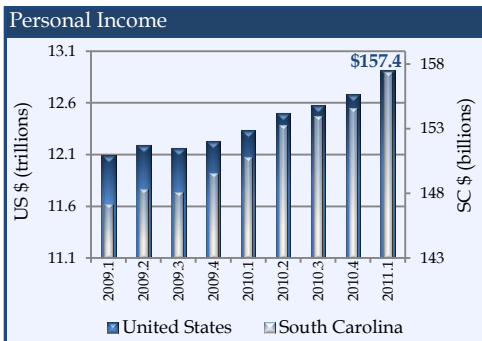


Source: U.S. Department of Labor

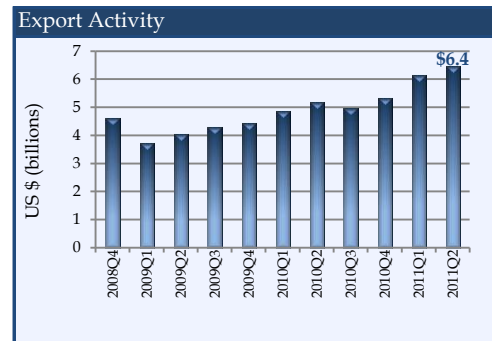
Income and Output



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



Source: U.S. Census



Source: Foreign Trade Division, U.S. Census



South Carolina Regional Update

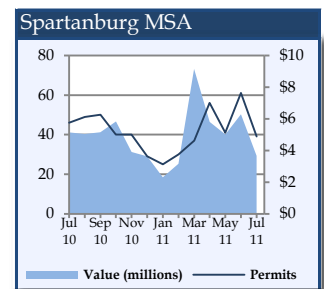
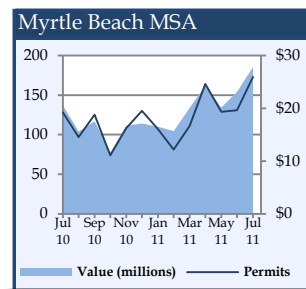
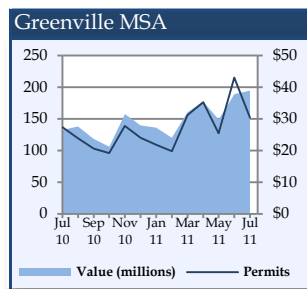
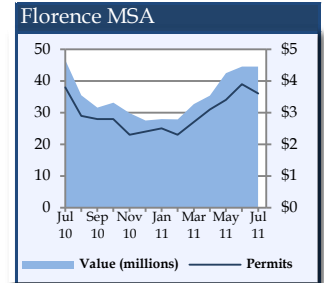
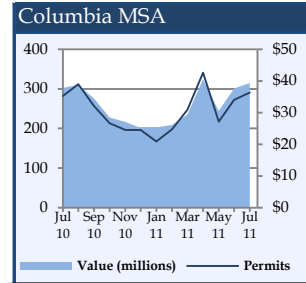
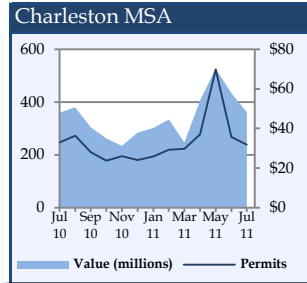
The South Carolina Regional Update provides a snapshot of the most recent economic figures for the six largest Metropolitan Statistical Areas (MSAs) in the state. According to the United States Department of Commerce, the Charlotte-Rock Hill area ranked 45th out of 336 MSAs in personal income growth.

Home Sales

MSA	Indicator	Jul 10	Jul 11
Charleston	Sales Volume	678	832
	Median Price (000')	\$195	\$180
Columbia	Sales Volume	619	592
	Median Price (000')	\$150	\$143
Florence	Sales Volume	104	120
	Median Price (000')	\$129	\$130
Greenville	Sales Volume	538	637
	Median Price (000')	\$141	\$153
Myrtle Beach	Sales Volume	599	605
	Median Price (000')	\$148	\$137
Spartanburg	Sales Volume	197	220
	Median Price (000')	\$115	\$126
South Carolina	Sales Volume	3,801	4,110
	Median Price (000')	\$155.0	\$150.0

Source: S.C. Association of Realtors

Building Permits



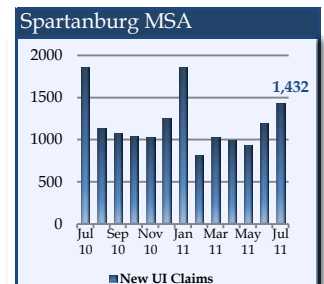
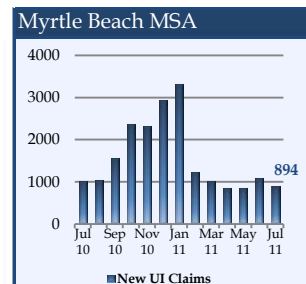
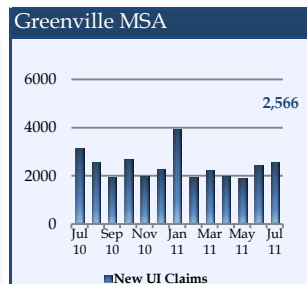
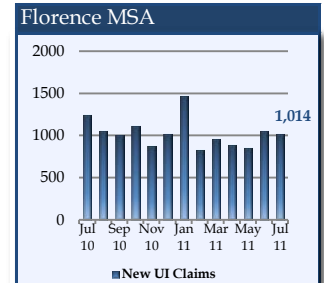
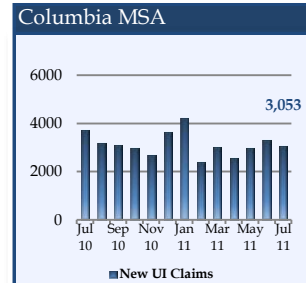
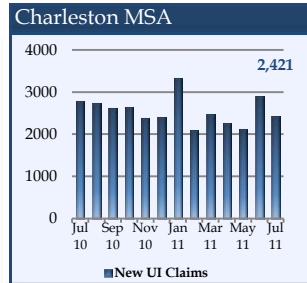
Source: U.S. Census

Employment

MSA	Indicator	Jun 11	Jul 11
Charleston	Employment (000's)	298.3	300.4
	Unemployment Rate	9.8	9.5
Columbia	Employment (000's)	336.8	337.0
	Unemployment Rate	10.0	10.0
Florence	Employment (000's)	83.3	84.9
	Unemployment Rate	12.4	12.2
Greenville	Employment (000's)	285.0	285.7
	Unemployment Rate	9.7	9.6
Myrtle Beach	Employment (000's)	127.4	131.1
	Unemployment Rate	10.5	10.0
Spartanburg	Employment (000's)	119.5	117.3
	Unemployment Rate	11.7	11.7
South Carolina	Employment (000's)	1,931.4	1,925.2
	Unemployment Rate	10.5	10.9

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

Unemployment Insurance Claims



Source: SCDOC analysis of SCDEW data

Personal Income Growth - Out of 366 US MSAs - BEA, 2010

45th	51st	59th	67th	69th
Charlotte-Rock Hill, NC-SC	Sumter	Augusta-Aiken GA-SC	Charleston	Anderson

Source: BEA