

South Carolina Economic Outlook



South Carolina
Department of Commerce
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Division of Research

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SC Leading Index Edges Upward in July

The South Carolina Leading Index (SCLI) rose 0.043 points to 102.198 in July. This positive nudge arose from otherwise mixed economic indicators. Permits for new residential construction fell 8.9 percent from June, alongside a month-over-month drop in manufacturing hours (down 1.4 percent) and an increase in initial claims for unemployment insurance (up 10.9 percent). The Dow Jones Composite Average, however, climbed 2.6 percent versus June. The Conference Board's national Leading Economic Index increased 0.4 percent in July.

- Brandon Wilkerson

South Carolina Leading Index



Source: South Carolina Department of Commerce

Real Estate Market Falters Slightly

The median sales price for a single-family home in South Carolina dropped for the first time since February 2016, falling 3.5 percent in July to \$182,900. Closings also ticked downward after a long stretch of increases, coming in at 7,184, 12.4 percent below June's results. Foreclosure activity was more favorable, down 7.7 percent month-over-month and down 20.2 percent compared to July 2015. For the six largest MSAs, closings declined across the board, with Florence (-18.7 percent) and Myrtle Beach (-18.2 percent) the hardest hit. The Myrtle Beach MSA saw its median sales price go up 3.0 percent, however, and prices rose 2.7 percent in the Florence MSA. The other MSAs reported a drop in median sales price for July.

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, examination, and dissemination of information to support that mission. The Research Division publishes reports and analyses for stakeholders statewide, and furnishes information for companies considering an investment in South Carolina. If you would like to receive Commerce's monthly Economic Outlook, e-mail bwilkerson@SCcommerce.com.

KEY S.C. INDICATORS

Income

+1.6%

State Personal Income

increased to \$192.6 billion in the first quarter of 2016.

U.S. Bureau of Economic Analysis

+3.4%

South Carolina Stock Index

rose 3.77 points in July, closing at 114.82 on the last trading day of the month.

Bloomberg

Employment

-0.7%

Nonfarm Employment

decreased by 14,200 net non-seasonally adjusted jobs from the prior month.

U.S. Bureau of Labor Statistics

-0.3%

Labor Force

decreased by 7,288 to 2,303,434, seasonally-adjusted, in July.

U.S. Bureau of Labor Statistics

-0.2%

Unemployment Rate

decreased to 5.2 percent, seasonally-adjusted, for July.

U.S. Bureau of Labor Statistics

-1.4%

Manufacturing Weekly Hours

decreased by 0.6 hours to 41.7 hours in July from 42.3 hours in June.

U.S. Bureau of Labor Statistics

+3.1%

Available Online Job Postings

increased by 1,800 positions in July to a seasonally-adjusted 59,700 job postings.

The Conference Board Help Wanted Online Index

Real Estate

-3.5%

Single-Family Home Sales Price

decreased by \$6,600 to \$182,900 in July.

South Carolina Association of Realtors

-8.5%

Residential Building Permits

decreased by 263 permits from the previous month to 2,830 issued in July.

U.S. Census Bureau



South Carolina Employment

Non-Seasonally Adjusted Wage and Salary Employment

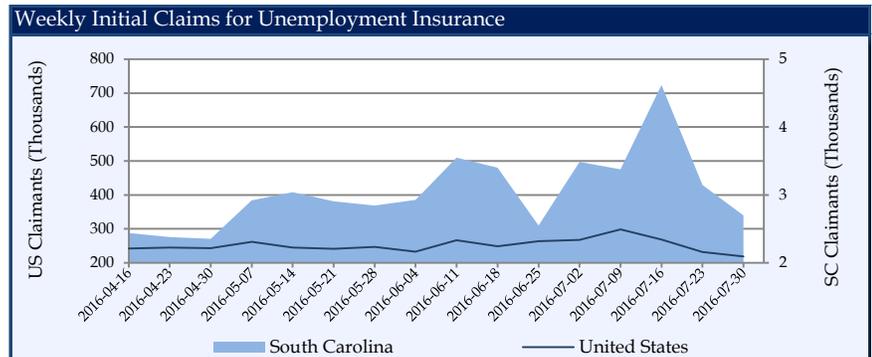
South Carolina's total non-seasonally adjusted, nonfarm employment fell by 14,200 net jobs to 2,053,100 in July, a 0.7 percent decline from June, but 2.3 percent higher than one year ago. The Leisure and Hospitality and Trade, Transportation, and Utilities sectors each added a net 400 jobs, leading all other sectors. The other sector with positive results was Finance, with +100 jobs in July. Construction was flat, with no change month-over-month. July's biggest losses came from the Government sector (-11,200) and the Manufacturing sector (-1,500). Still, compared to one year ago, the state economy had added 45,400 net nonfarm jobs.

Industry Sector	July 2016	Previous Month	Previous Year	% Change Month Ago	% Change Year Ago
Goods Producing	335,800	337,900	327,600	-0.62	2.50
Natural Resources and Mining	4,200	4,200	4,000	0.00	5.00
Construction	93,600	94,200	87,800	-0.64	6.61
Manufacturing	238,000	239,500	235,800	-0.63	0.93
Service Providing	1,717,300	1,729,400	1,680,100	-0.70	2.21
Trade, Transportation, and Utilities	392,800	392,400	389,000	0.10	0.98
Information	26,600	26,700	27,100	-0.37	-1.85
Finance	100,700	100,600	98,300	0.10	2.44
Professional and Business Services	277,800	278,000	262,900	-0.07	5.67
Educational and Health Services	240,000	240,900	232,800	-0.37	3.09
Leisure and Hospitality	254,400	254,000	251,300	0.16	1.23
Other Services	73,300	73,900	74,200	-0.81	-1.21
Total Private	1,701,400	1,704,400	1,663,200	-0.18	2.30
Government	351,700	362,900	344,500	-3.09	2.09
Total Nonfarm	2,053,100	2,067,300	2,007,700	-0.69	2.26

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

Weekly Unemployment Claims

The number of initial claims for unemployment insurance in the state rose somewhat in July. The average for the month was 3,465 weekly initial claims, an 11.5 percent increase versus June, but down 9.0 percent compared to one year ago and 13.4 percent lower than two years ago. By total claims, however, most of the top six MSAs reported declining numbers, with Myrtle Beach and Charleston seeing the biggest change, at -14.3 percent and -13.7 percent, respectively. Only Greenville, up 2.5 percent, had more total claims compared to one month ago.



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

Average Hourly Earnings

These charts present the average hourly earnings of all employees in private industry, based on a monthly national survey of businesses. The data are not seasonally adjusted.



Source: US Department of Labor, Bureau of Labor Statistics



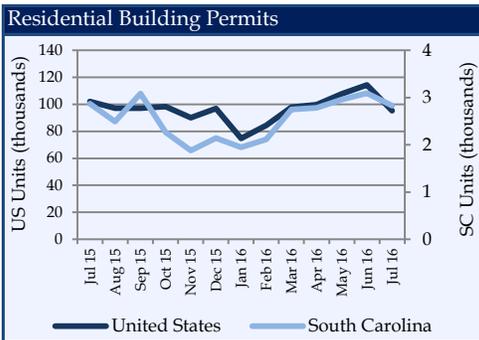
South Carolina Real Estate

In July, the number of building permits issued in South Carolina for new residential construction fell 8.5 percent to 2,830. This figure was 1.4 percent below that of July 2015. Valuation for the permits rose 33.0 percent, buoyed by an apparent outlier in reported results from the MSAs. Total closings for the month fell 12.4 percent, and median sales price was down 3.5 percent. Median sales price, however, was still up compared to the same point in 2015. Foreclosure activity was down in July for the second consecutive month, and dropped 20.2 percent from one year ago.

	Month	Current	Previous Year	% Change Year Ago	2016 YTD	2015 YTD	% Change YTD
Closings	July	7,184	7,569	-5.1%	46,317	43,806	5.7%
Median Sales Price*	July	\$182.9	\$179.9	1.7%	\$178.5	\$170.0	5.0%
Foreclosures	July	1,855	2,326	-20.2%	15,219	15,335	-0.8%
Residential Building Permits -Total	July	2,830	2,869	-1.4%	18,477	18,572	-0.5%
Residential Building Permits -Valuation*	July	\$769,584	\$558,496	37.8%	\$3,946,316	\$3,647,583	8.2%

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

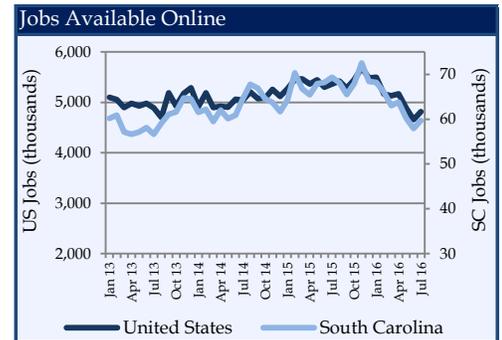
Business Activity



Source: U.S. Census



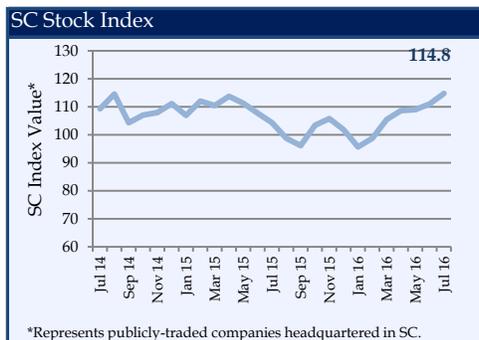
Source: U.S. Department of Labor



Source: The Conference Board Help Wanted Online Index



Source: South Carolina Department of Revenue



*Represents publicly-traded companies headquartered in SC.

Source: Bloomberg

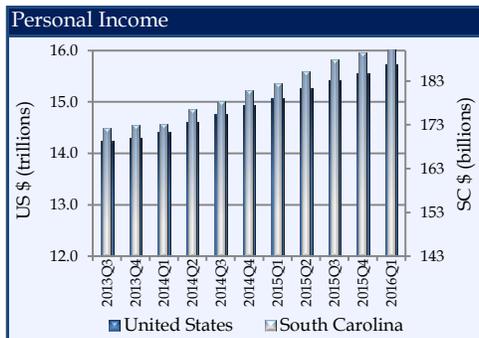


Source: U.S. Department of Labor

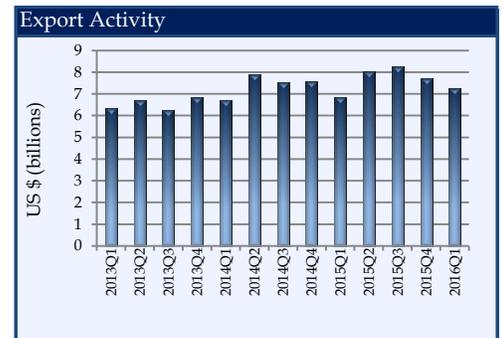
Income and Output



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



Source: U.S. Census



Source: Foreign Trade Division, U.S. Census



South Carolina Regional Update

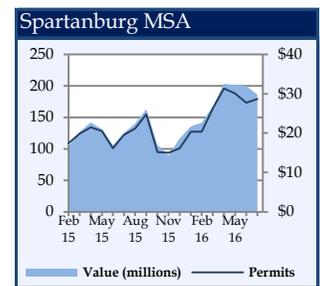
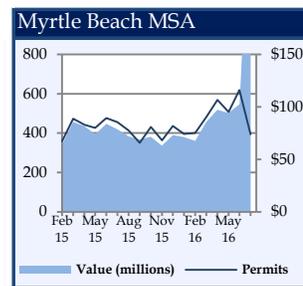
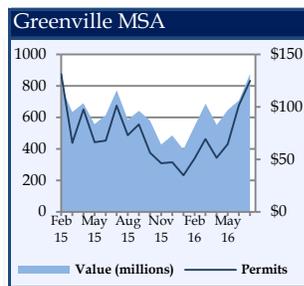
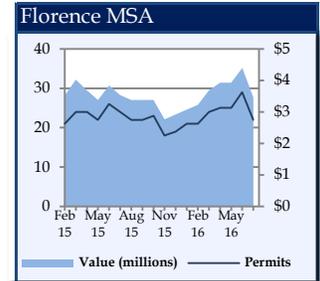
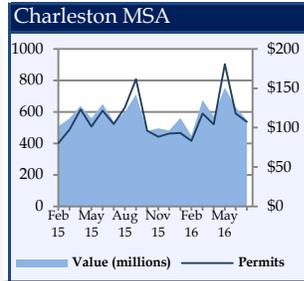
The South Carolina Regional Update provides a snapshot of the most recent economic figures for the six largest Metropolitan Statistical Areas (MSAs) in the state.

Home Sales

MSA	Indicator	July 15	July 16
Charleston	Sales Volume	1,701	1,648
	Median Price (000's)	\$236	\$240
Columbia	Sales Volume	1,166	1,181
	Median Price (000's)	\$155	\$163
Florence	Sales Volume	196	165
	Median Price (000's)	\$147	\$154
Greenville	Sales Volume	1,191	1,171
	Median Price (000's)	\$177	\$180
Myrtle Beach	Sales Volume	1,088	1,025
	Median Price (000's)	\$165	\$173
Spartanburg	Sales Volume	461	394
	Median Price (000's)	\$142	\$149
South Carolina	Sales Volume	7,569	7,184
	Median Price (000's)	\$179.9	\$182.9

Source: S.C. Association of Realtors.

Building Permits



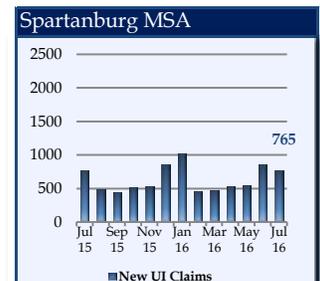
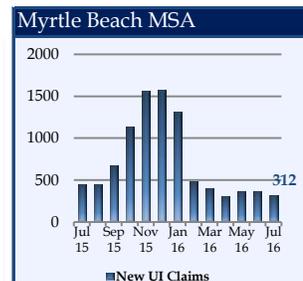
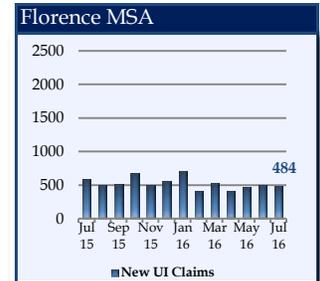
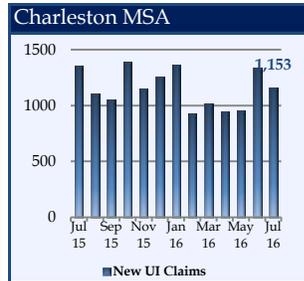
Source: U.S. Census

Employment

MSA	Indicator	Jun 16	Jul 16
Charleston	Employment (000's)	357.7	360.3
	Unemployment Rate	4.9	4.6
Columbia	Employment (000's)	386.0	386.7
	Unemployment Rate	5.3	5.1
Florence	Employment (000's)	91.0	90.6
	Unemployment Rate	6.3	6.0
Greenville	Employment (000's)	404.7	404.0
	Unemployment Rate	5.2	4.9
Myrtle Beach	Employment (000's)	187.1	189.8
	Unemployment Rate	5.6	5.3
Spartanburg	Employment (000's)	145.8	144.3
	Unemployment Rate	5.7	5.5
South Carolina	Employment (000's)	2,185.1	2,182.6
	Unemployment Rate	5.4	5.2

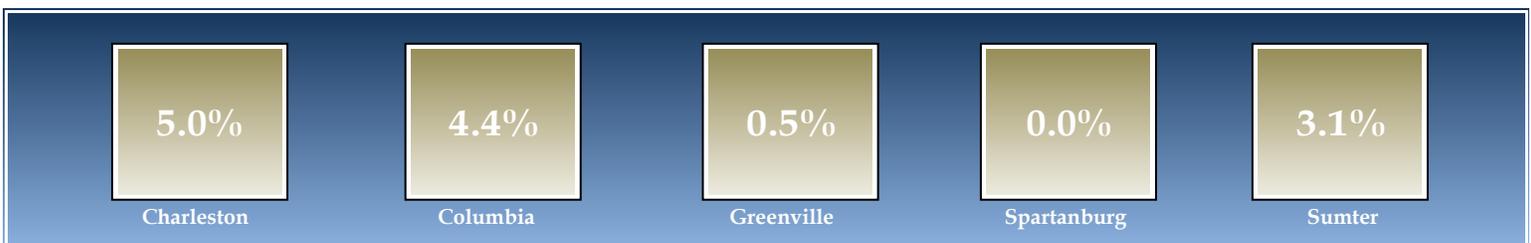
Source: U.S. Bureau of Labor Statistics (MSA figures not seasonally adjusted)

Unemployment Insurance Claims



Source: SCDOC analysis of SCDEW data

Manufacturing Employment Growth, July 2015 to July 2016



Source: Brookings Metro Monitor - January 2016