The Outlook for South Carolina's Economy: 2012 & 2013

August 1, 2012

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MOORE DARLA MOORE SCHOOL OF BUSINESS
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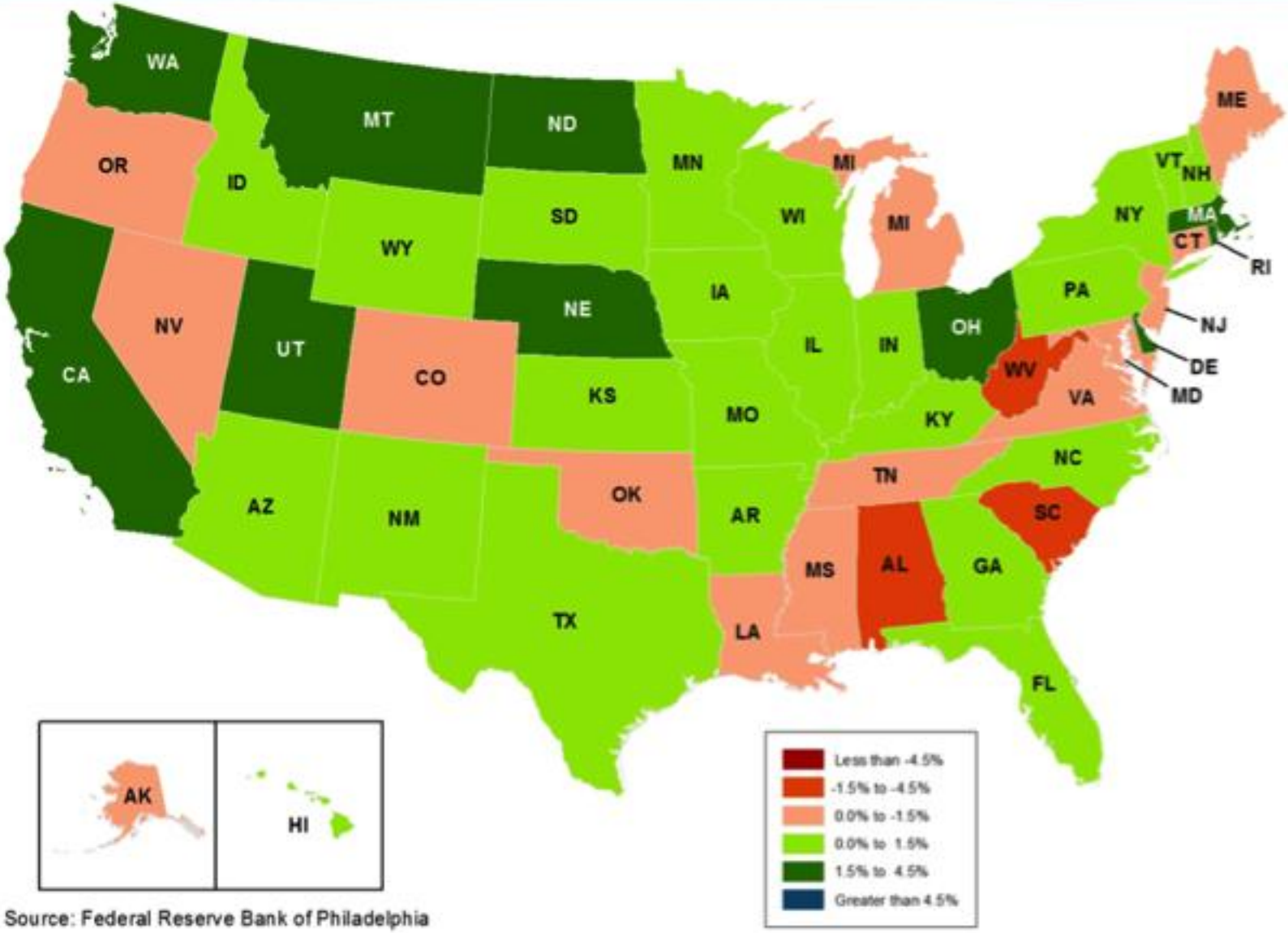
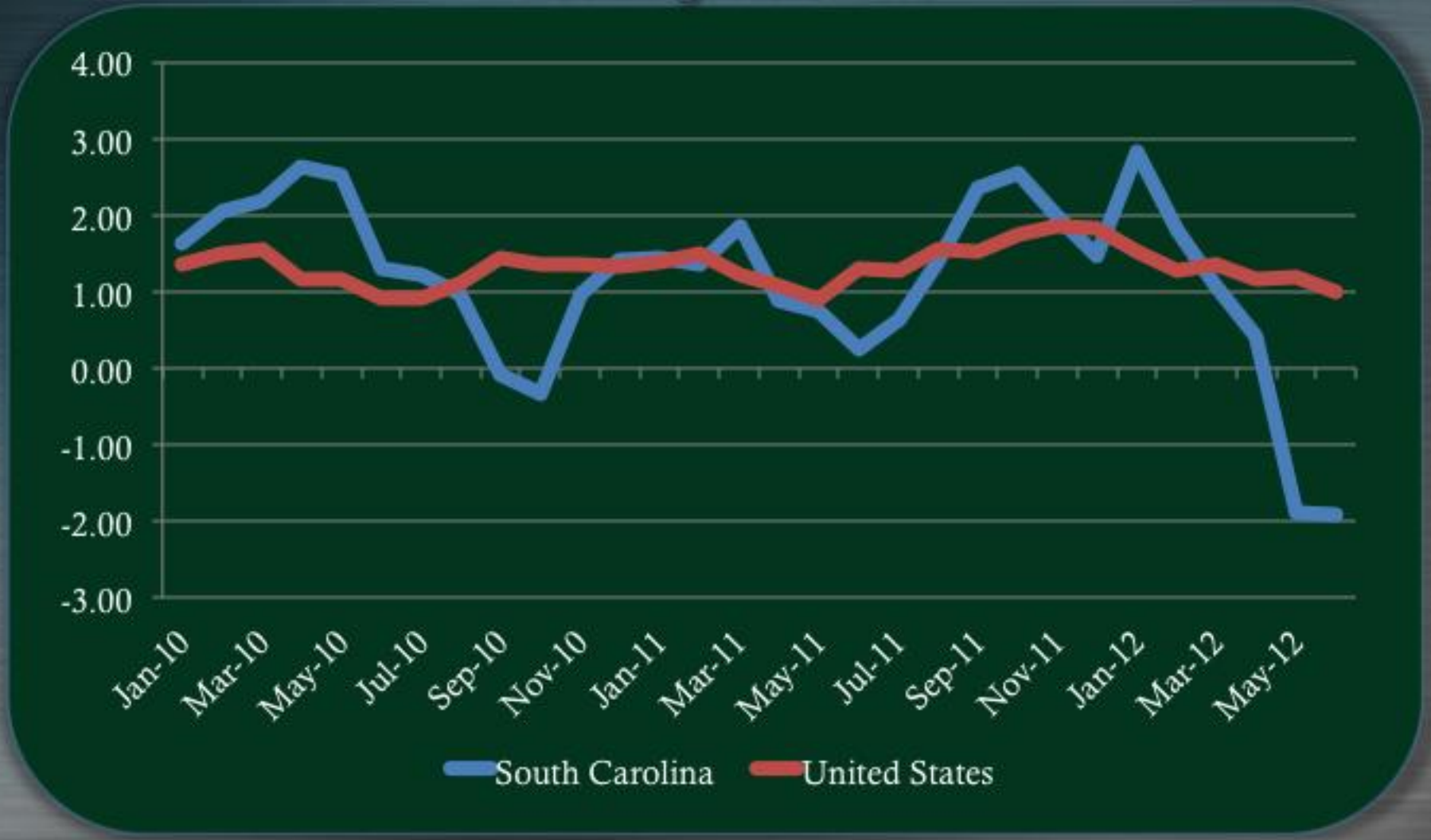


Source: Federal Reserve Bank of Philadelphia

Federal Reserve Bank of Philadelphia

Leading Indicators



South Carolina Total Employment

(Non-Farm S.A.)

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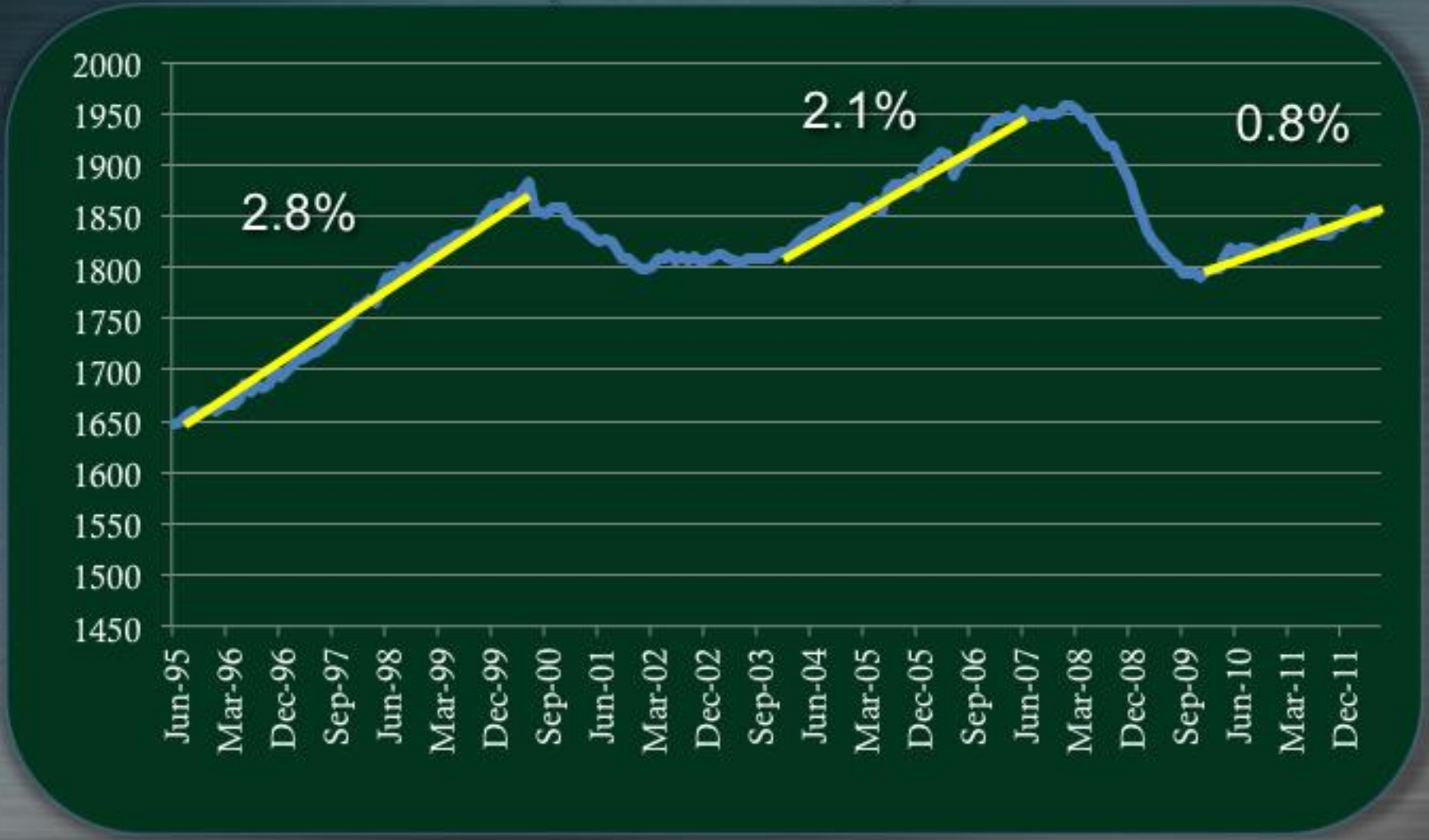
(Non-Farm S.A.)

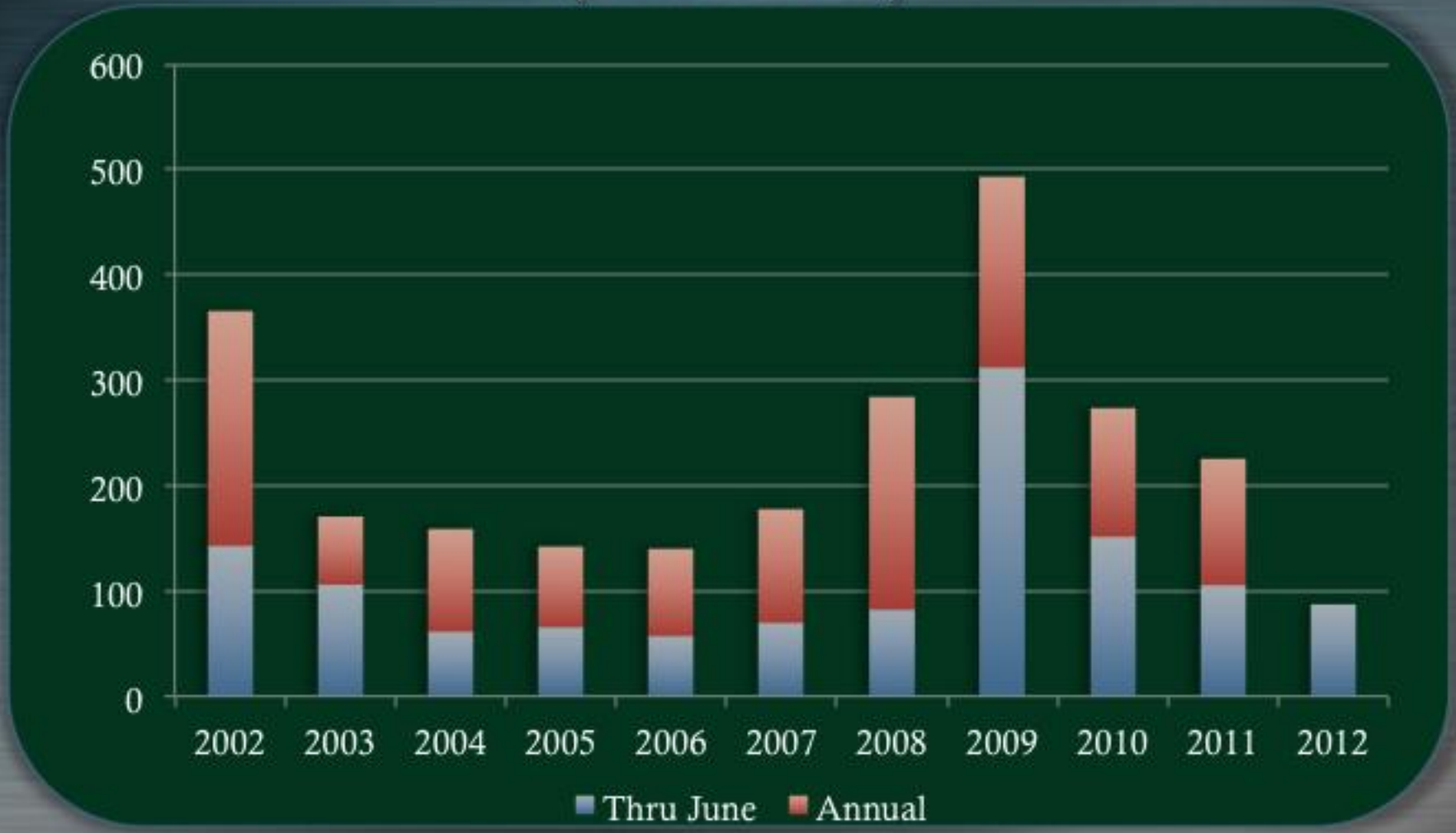


Initial Unemployment Insurance Claims

(3-month M.A.)

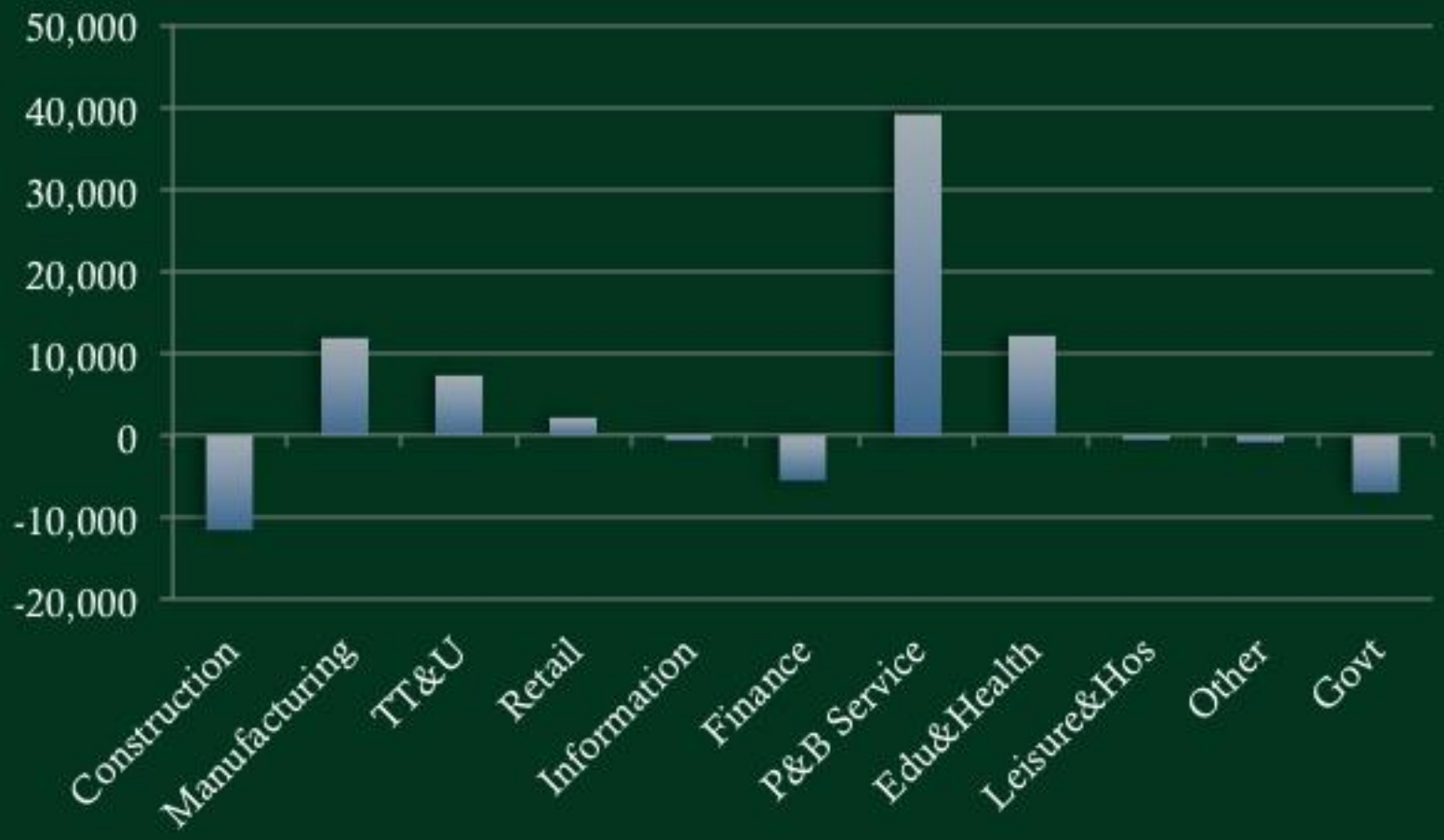
S.C. Mass Layoffs

(All Industries)



South Carolina Employment Gains

(June 2009 – June 2012)



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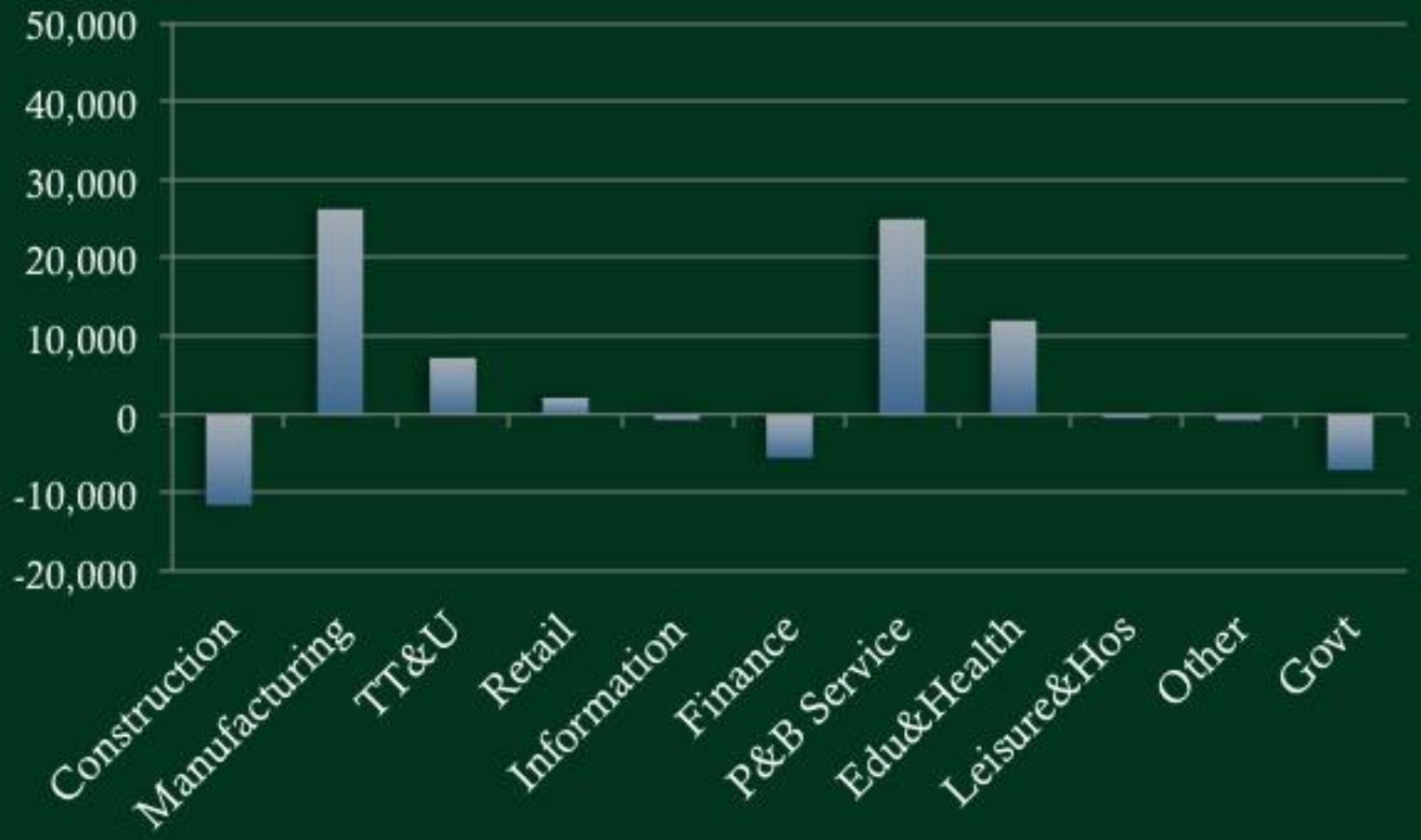
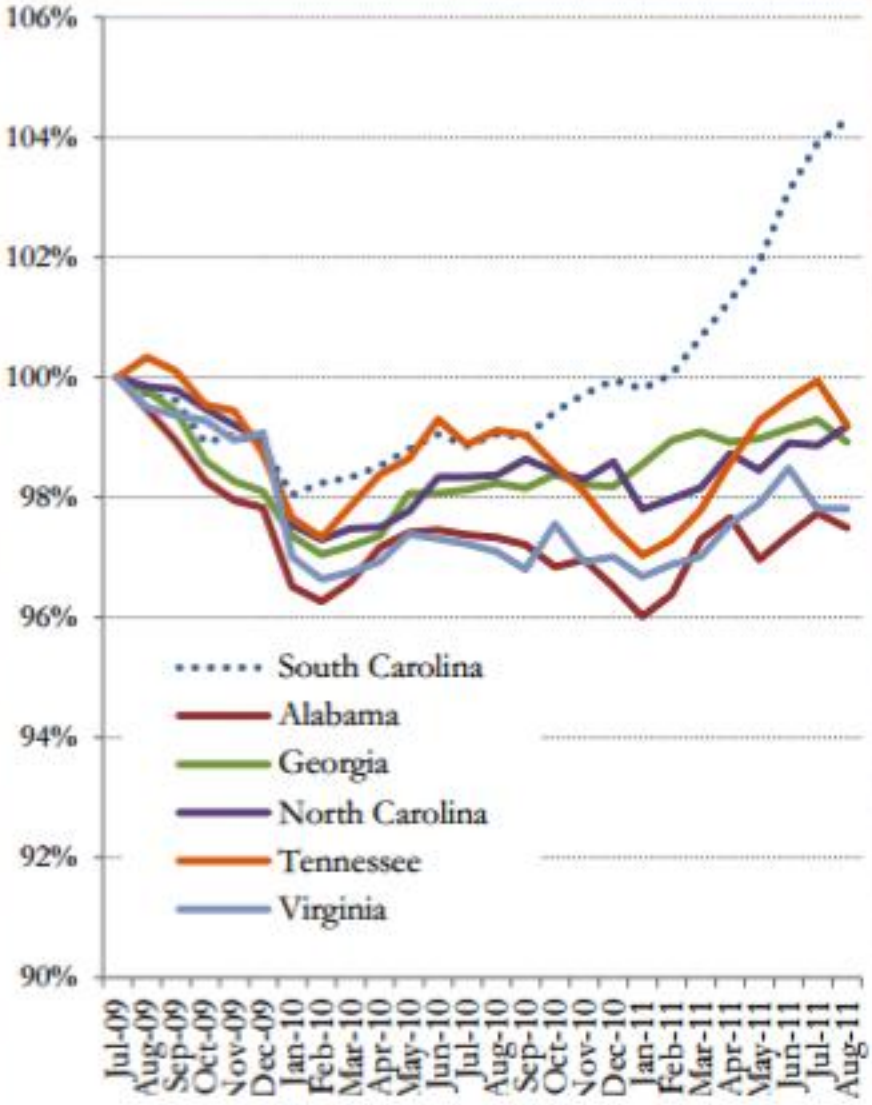


South Carolina Employment Change by Sector

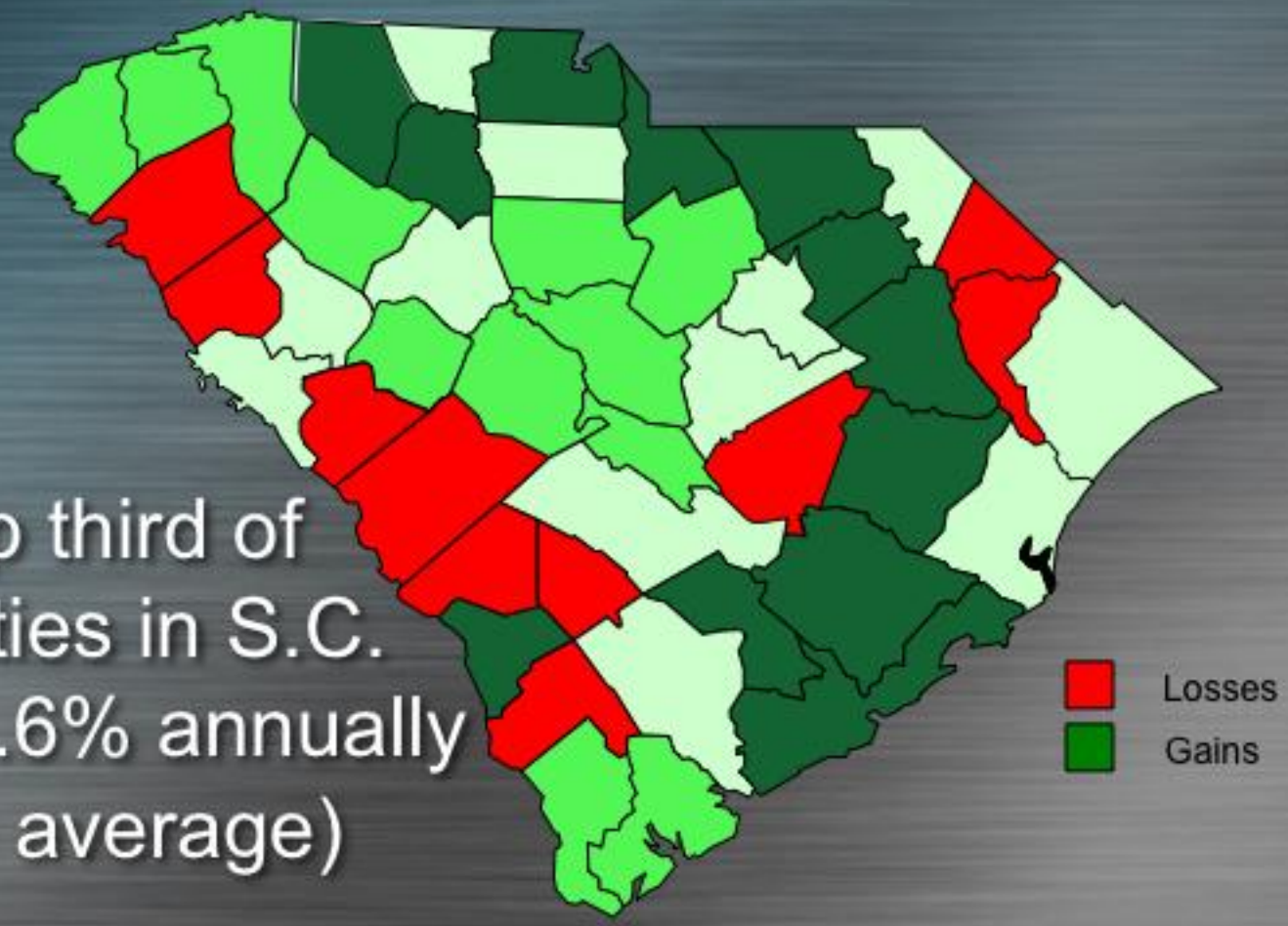
Industry Sector	2001 - 2007	2007 - 2009	2009 - 2010	2010 - 2011
Natural Resources and Mining	-600	-500	-100	200
Construction	12,500	-41,200	-6,600	-1,300
Manufacturing - Durable Goods	-8,300	-23,700	-900	8,500
Manufacturing - Non-Durable Goods	-51,700	-16,300	-500	2,500
Wholesale Trade	7,900	-6,400	-100	2,400
Retail Trade	12,300	-17,000	-300	800
Transportation Warehousing and Utilities	4,000	-7,300	-700	2,400
Information	-200	-1,600	-1,500	100
Finance	17,000	-5,400	-3,200	-1,200
Professional and Business Services	38,800	-29,200	19,400	6,200
Educational and Health Services	35,300	7,800	3,700	4,300
Leisure and Hospitality	32,200	-9,700	-800	7,500
Other Services	10,300	-3,800	-700	-200
Local Government	17,600	8,400	-2,100	-12,800
State Government	-4,100	-900	-2,200	-1,000
Federal Government	1,100	1,400	3,200	-1,900



Source: US Department of Labor, Bureau of Labor Statistics, Current Employment Statistics, September 2011

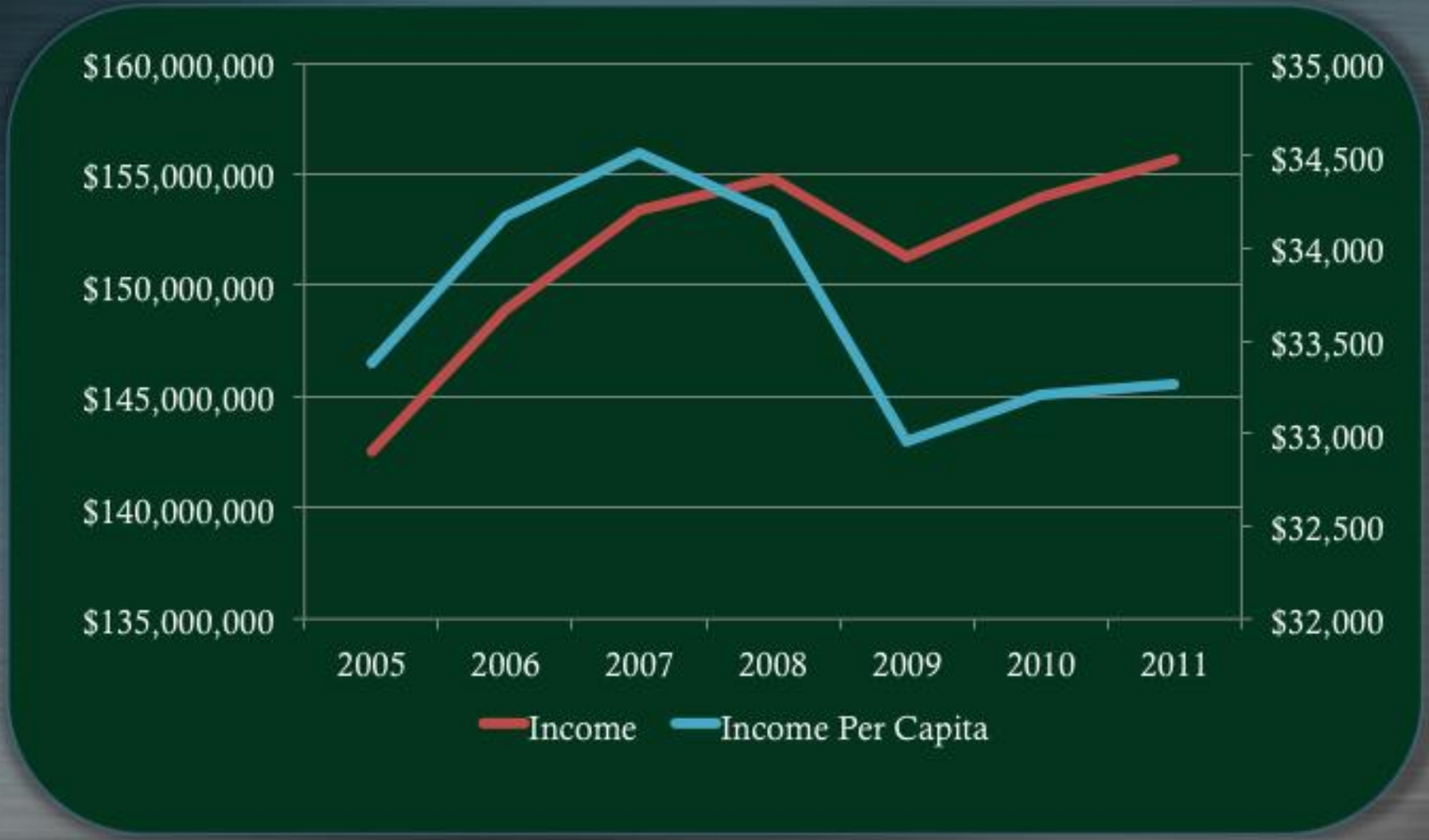
- Avg. Manufacturing Salary: $47,192
- Avg. Other Salary: $37,620
- Pays over 20% of wages in SC
- Accounts for 97% of the state's exports ($13.5 out of $13.9 billion)
- GSP: $24.9 Billion (20.9% of state's) – Largest in state
- Nationally, manufacturing layoffs are at their lowest since 1995

Employment Growth by County Jun.'10-Jun.'12

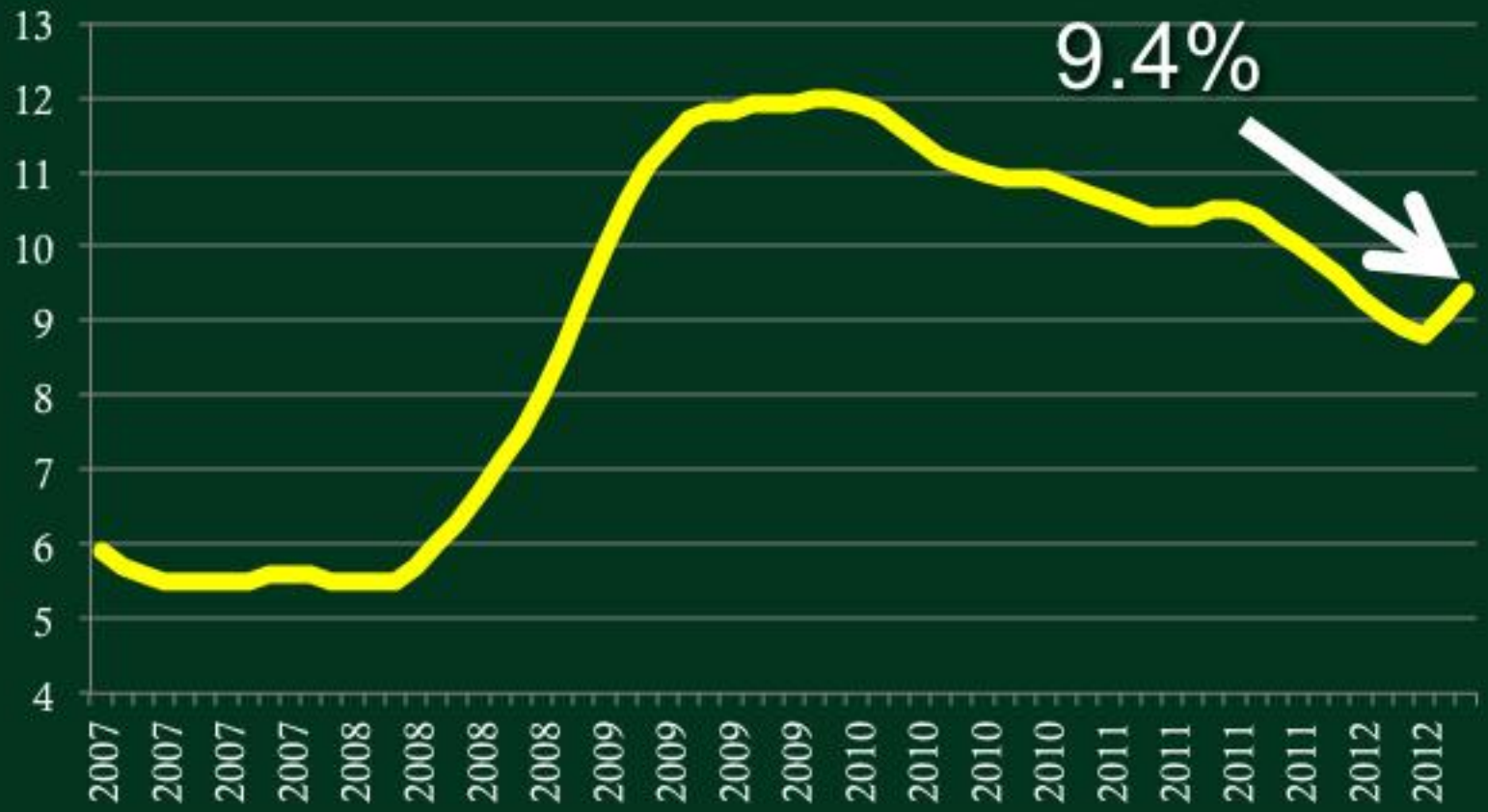


Top third of counties in S.C. grew 1.6% annually (on average)

S.C. Personal Income

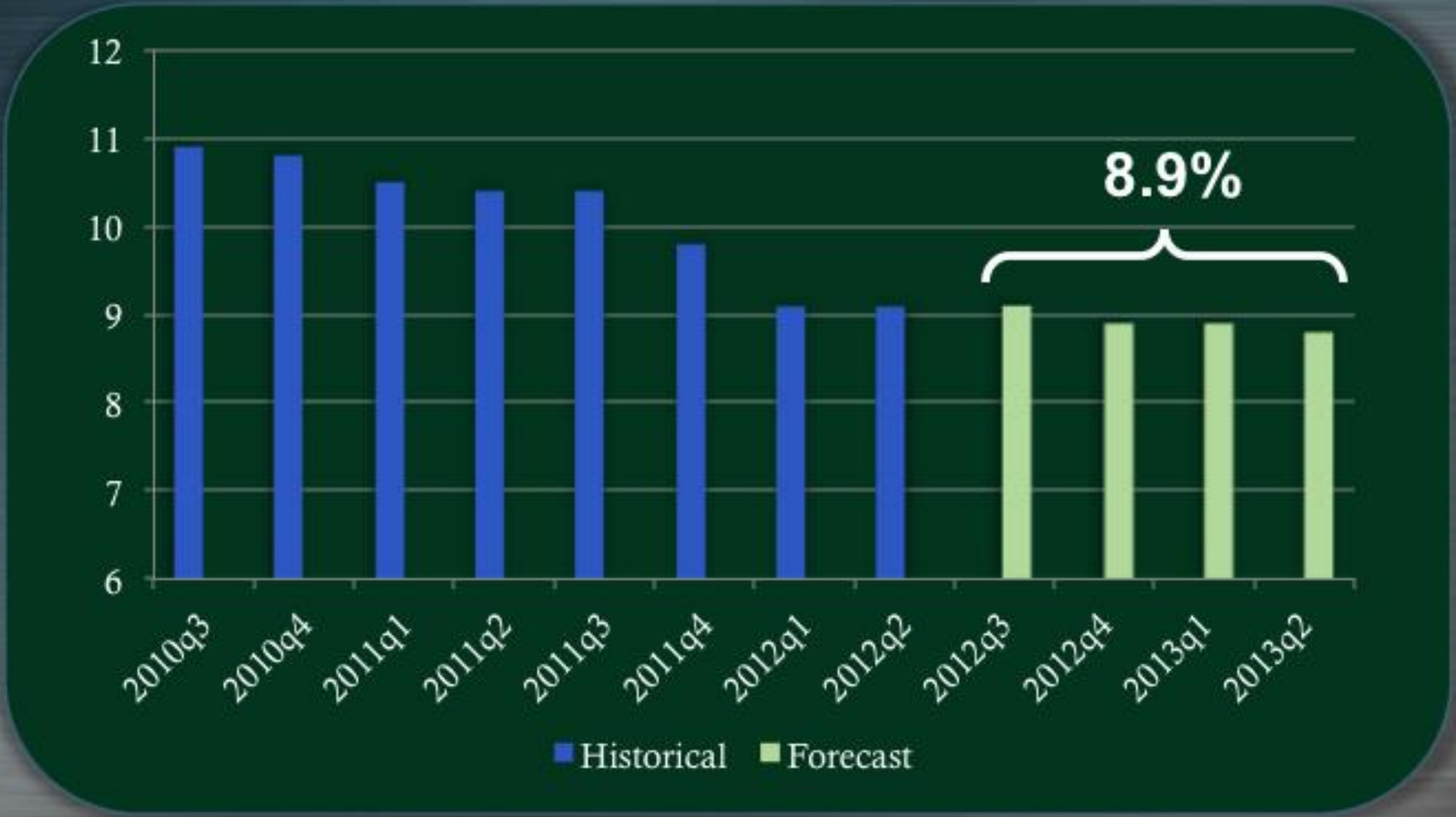


S.C. Unemployment Rate

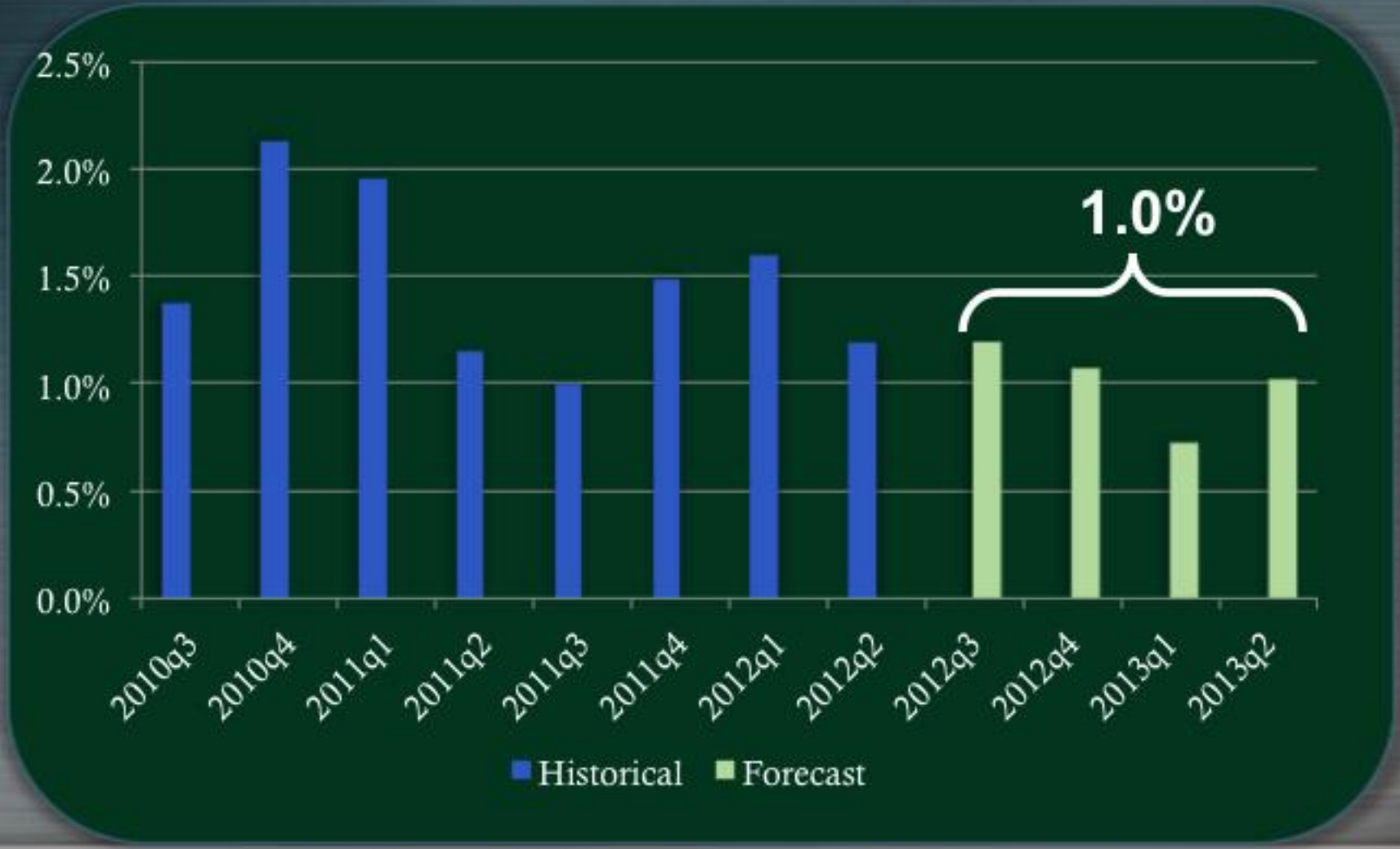


S.C. Employment Data

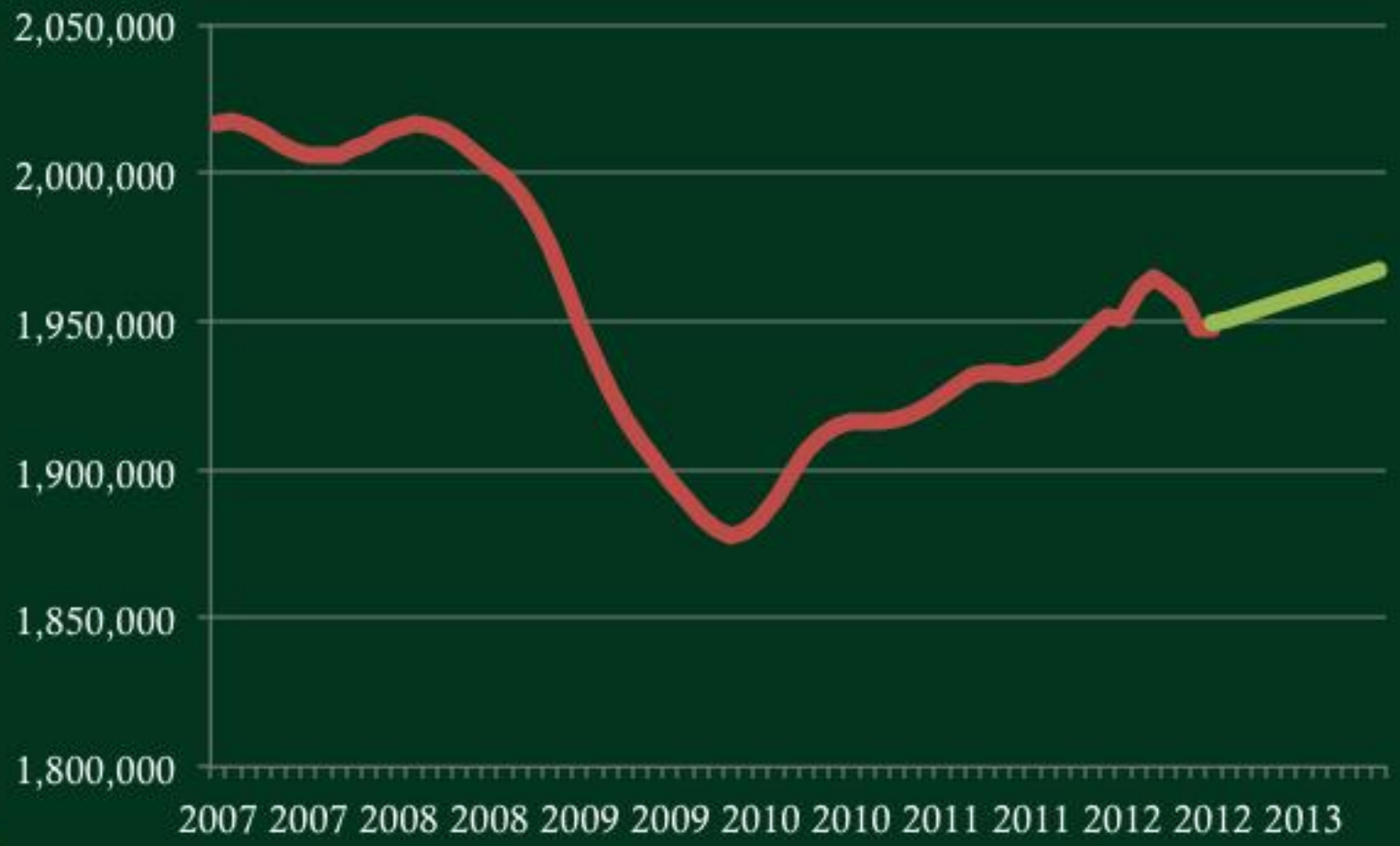
Unemployment Outlook



S.C. Employment Outlook



Total Employment



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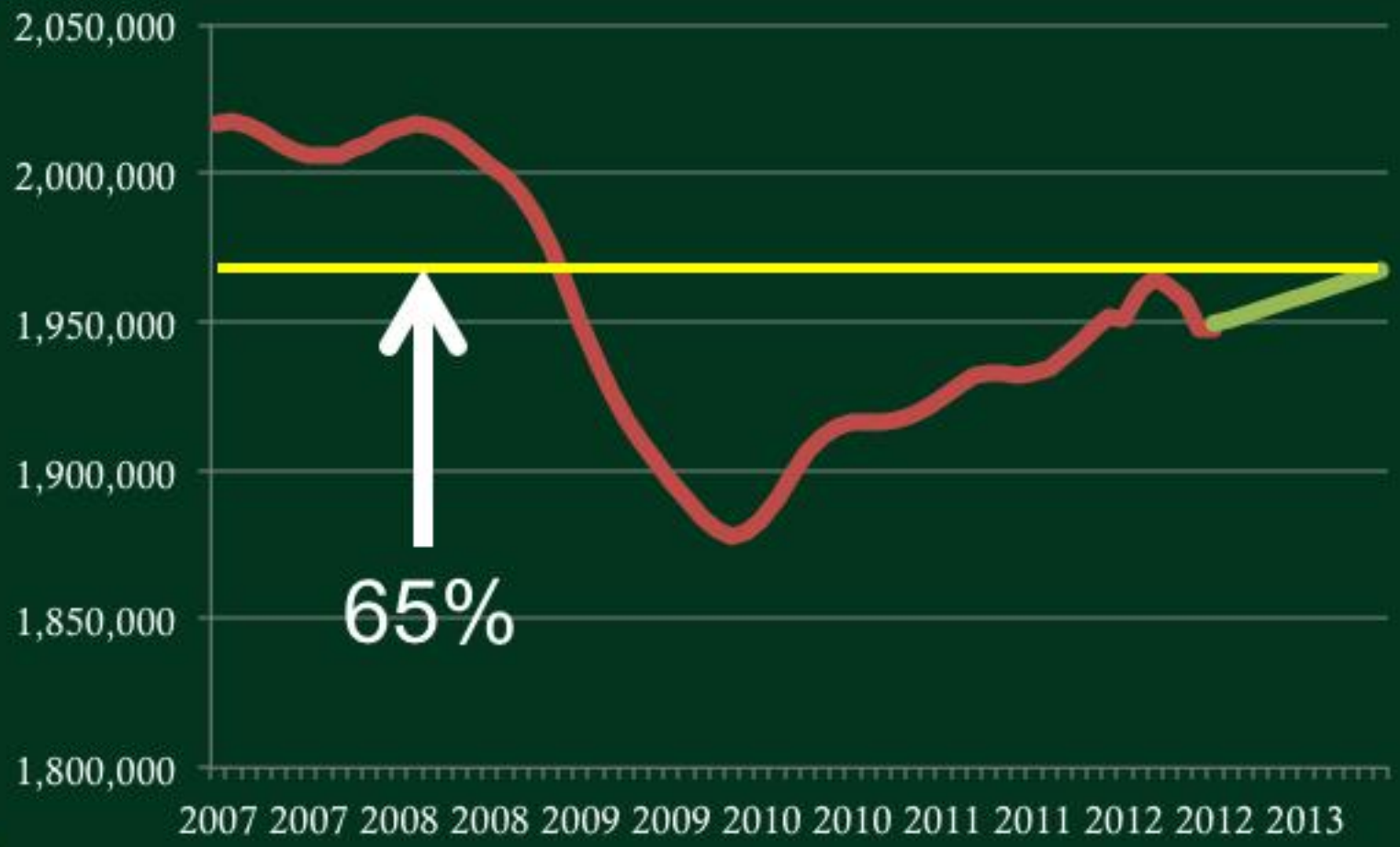
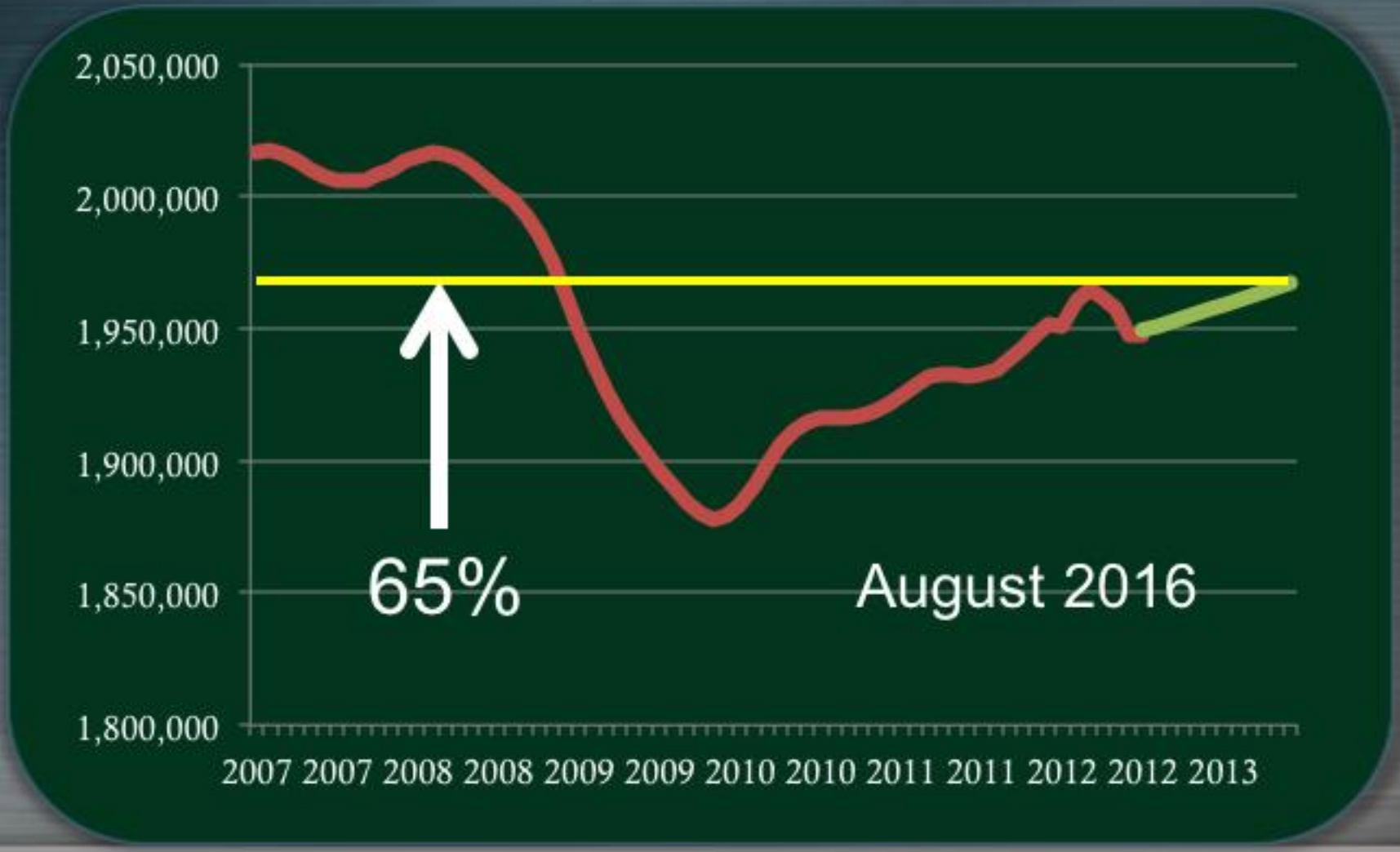
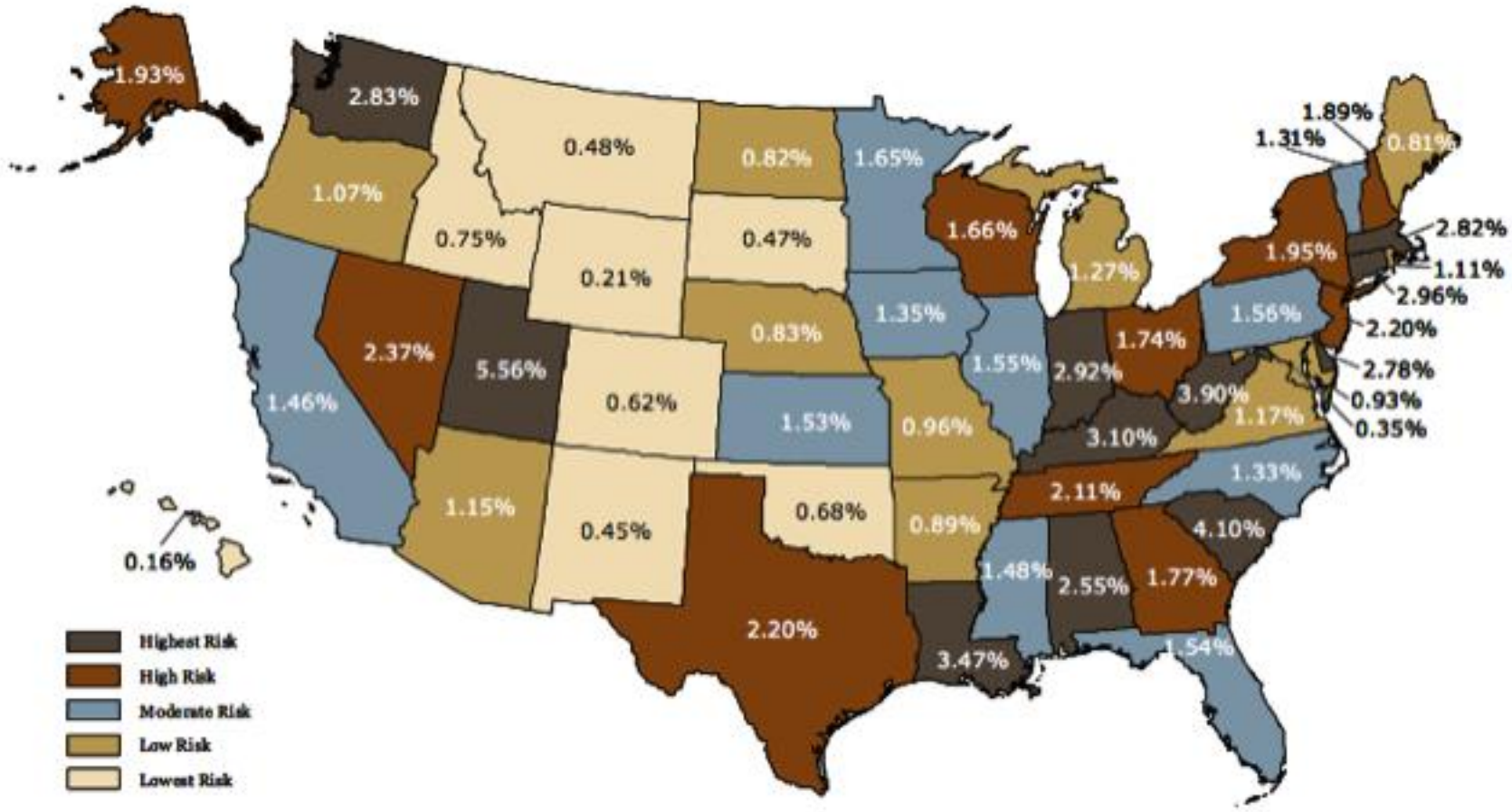


Total Employment

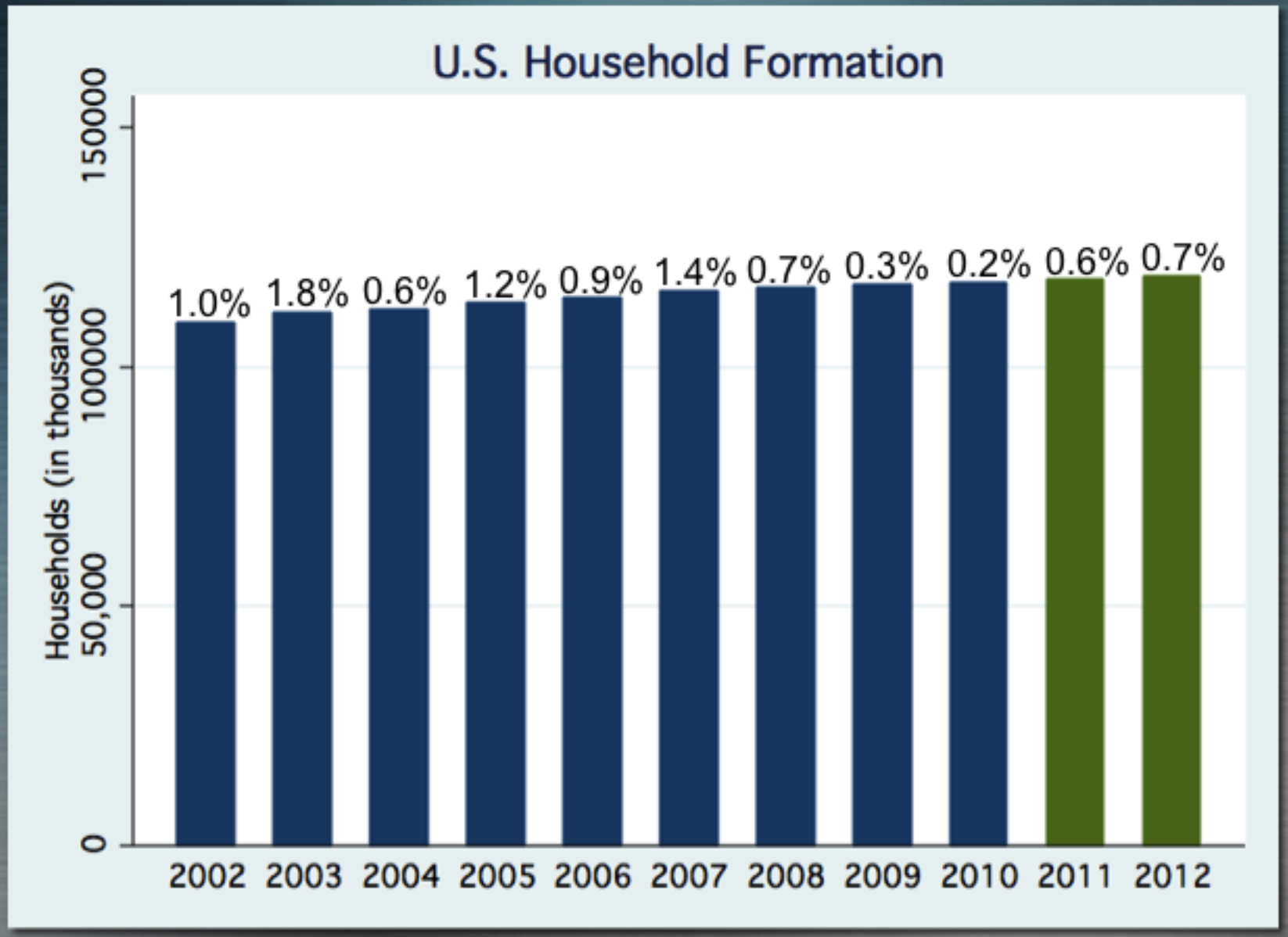


European Exports as a Percent of GDP



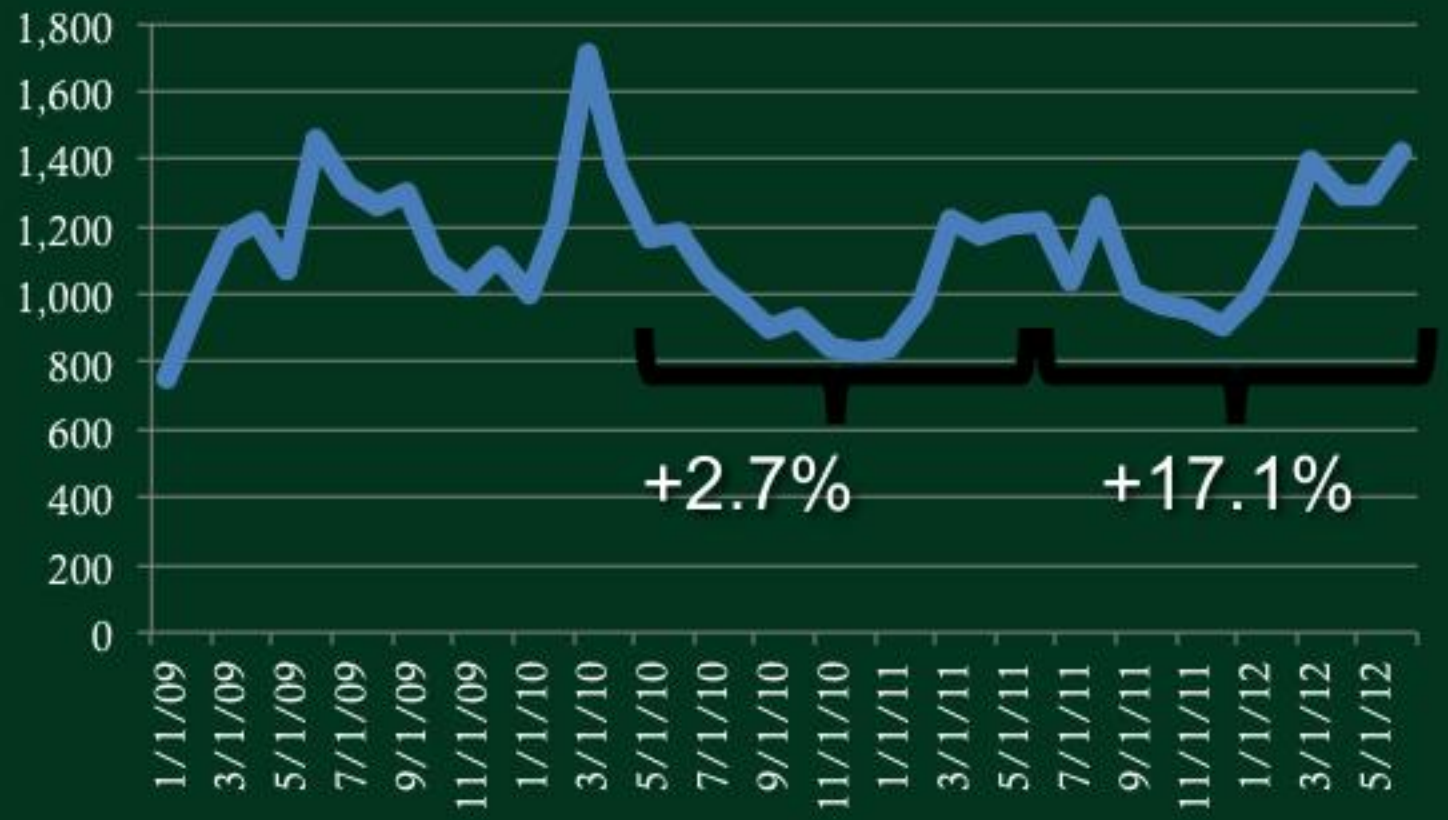
Source: U.S. Department of Commerce and Wells Fargo Securities, LLC

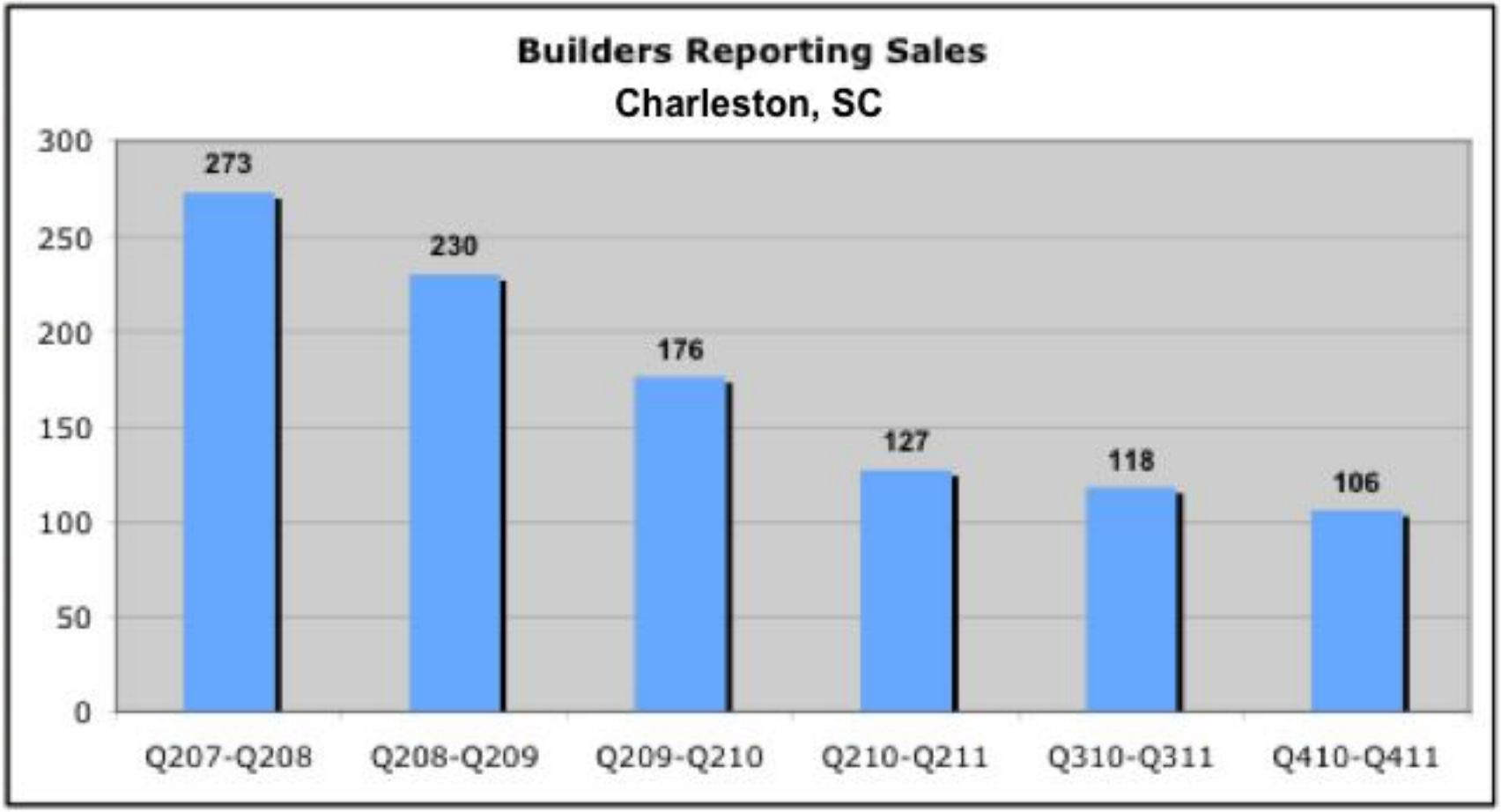
Housing Activity

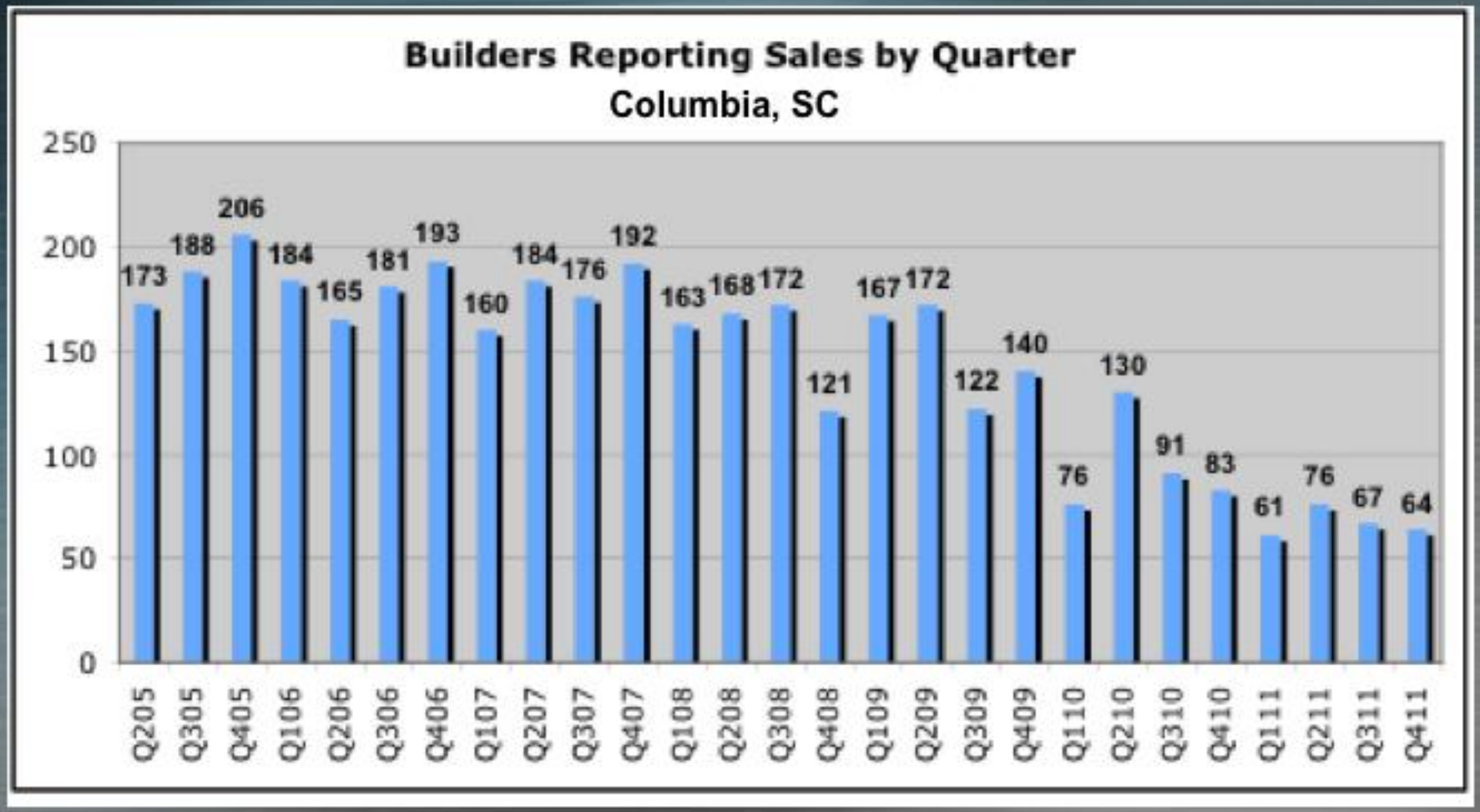

U.S. Household Formation
Households (in thousands)
150000
100000
50,000
0
1.0%
1.8%
0.6%
1.2%
0.9%
1.4%
0.7%
0.3%
0.2%
0.6%
0.7%
2002
2003
2004
2005
2006
2007
2008
2009
2010
2011
2012

U.S. Household Changes

South Carolina Housing Starts




Builders Reporting Sales
Charleston, SC
300
250
200
150
100
50
0
273
230
176
127
118
106
Q207-Q208
Q208-Q209
Q209-Q210
Q210-Q211
Q310-Q311
Q410-Q411


Builders Reporting Sales by Quarter
Columbia, SC
250
200
150
100
50
0
173
188
206
184
165
181
193
160
184
176
192
163
168
172
121
167
172
122
140
76
130
91
83
61
76
67
64
Q205
Q305
Q405
Q106
Q206
Q306
Q406
Q107
Q207
Q307
Q407
Q108
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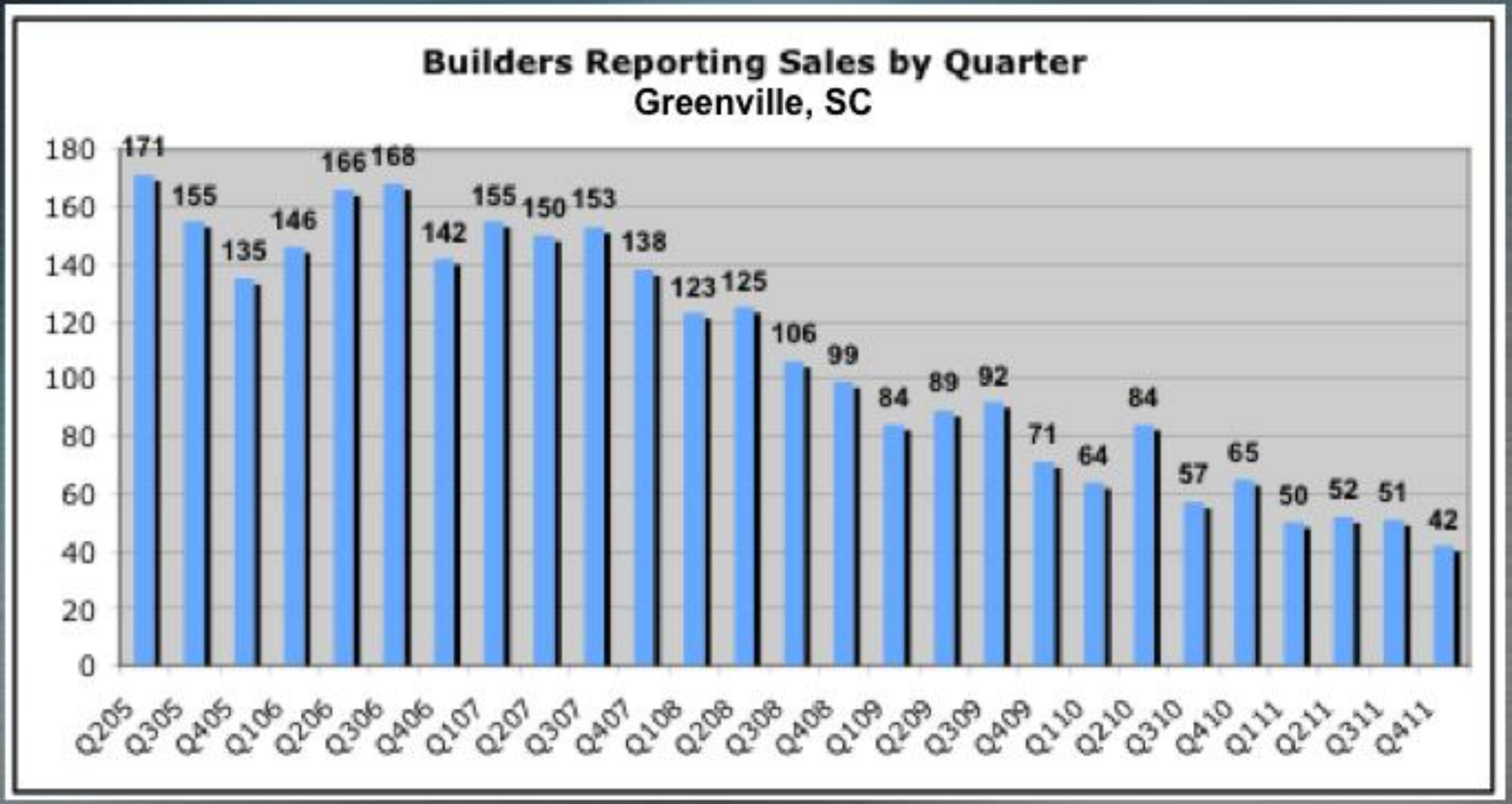
Q410
Q111
Q211
Q311
Q411


Builders Reporting Sales by Quarter
Greenville, SC
180
160
140
120
100
80
60
40
20
0
171
155
135
146
166
168
142
155
150
153
138
123
125
106
99
84
89
92
71
64
84
57
65
50
52
51
42
Q205
Q305
Q405
Q106
Q206
Q306
Q406
Q107
Q207
Q307
Q407
Q108
Q208
Q308
Q408
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Q209
Q309
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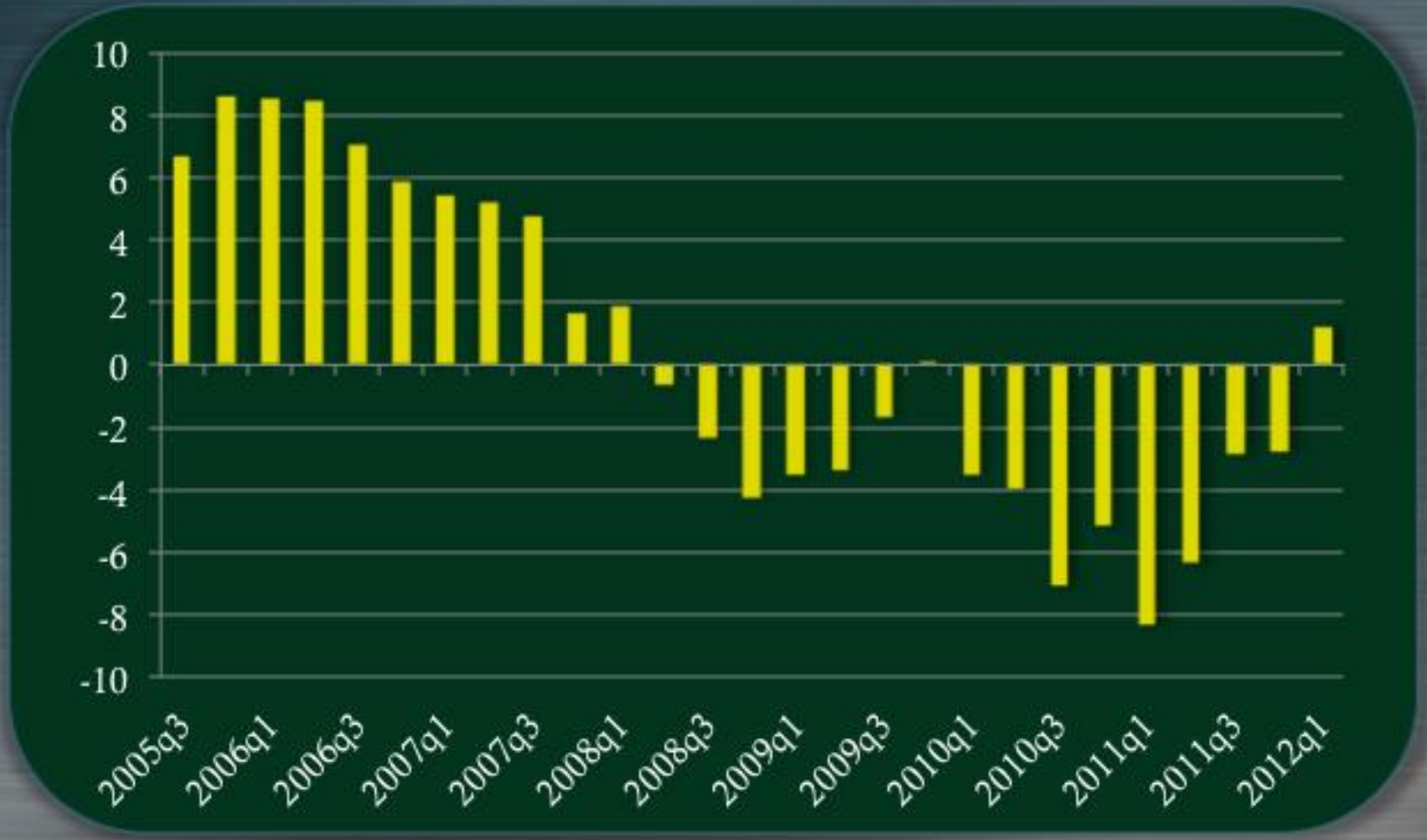
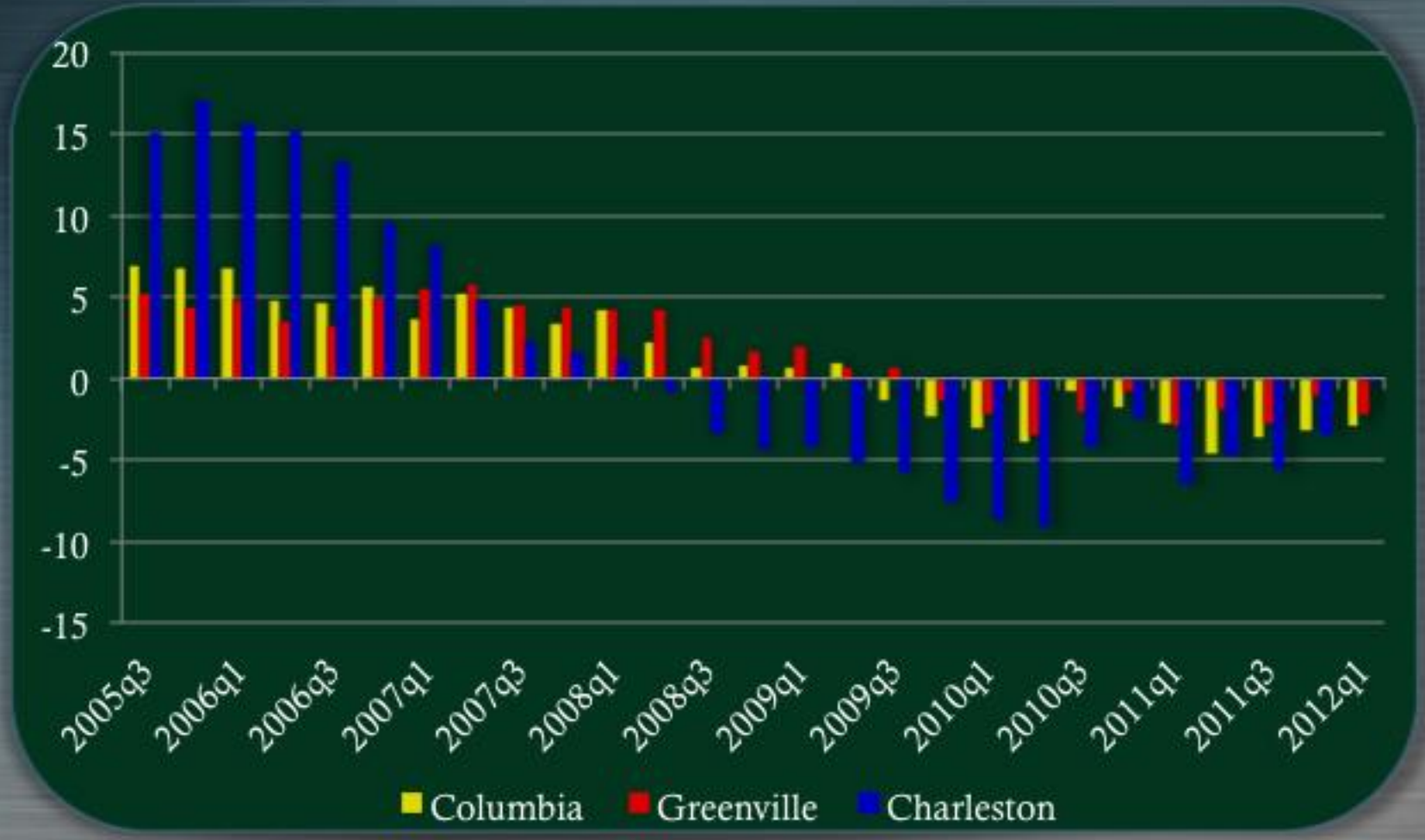
Q110
Q210
Q310
Q410
Q111
Q211
Q311
Q411

South Carolina FHFA House Price Index



FHFA House Price Index – Markets in S.C.



The Bottom Line

(1) Economic growth remains sluggish

(2) Manufacturing carrying South Carolina's recovery – sustainable?

(3) Charleston is state growth leader

(4) Housing fundamentals are better

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