

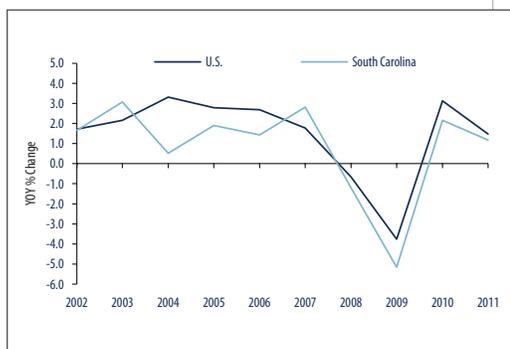
Regional Profiles



Economic Profile - South Carolina

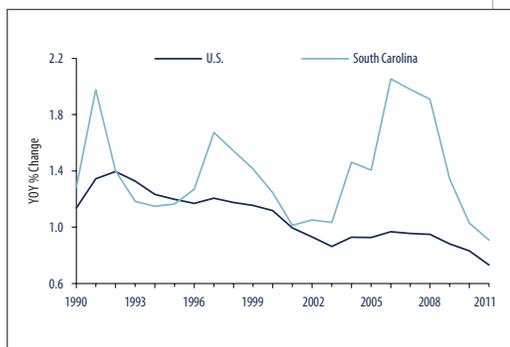
South Carolina's economy continued its sluggish recovery in 2011, with most indicators showing gradual improvement. Real GDP and per capita income increased marginally, though not as much as in 2010. In the labor market, payroll employment continued to rise while unemployment declined slightly. Meanwhile, a greater number of new building permits signaled improvement in real estate markets, although house prices continued to decline.

Figure 1: Real GDP



SOURCE: Bureau of Economic Analysis/Haver Analytics

Figure 2: Population



SOURCE: U.S. Census Bureau/Haver Analytics

Economic Contribution

- South Carolina's gross state product was valued nominally at \$165.8 billion in 2011 after rising at a real rate of 1.2 percent over the year.
- South Carolina economic activity ranked fourth among the six jurisdictions in the Fifth District and accounted for 11.0 percent of Fifth District output.
- In 2010—the latest year for which data are available—all nine metro areas in South Carolina experienced real positive output growth, a strong improvement from 2009 when every metro area experienced a decline in output.
- The Anderson MSA led the turnaround in 2010, with a 5.8 percent increase in output following a 6.0 percent decline in 2009.

Population

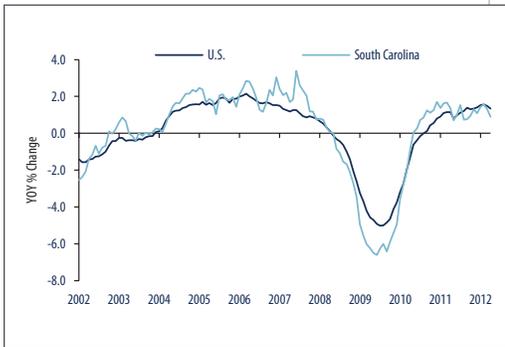
- The population of South Carolina increased 0.9 percent to approach 4.7 million residents in 2011.
- The population growth rate fell for the fifth consecutive year in 2011, though South Carolina was still growing faster than the nation as a whole (0.7 percent).
- Only 20 of South Carolina's 46 counties experienced a notable increase in population in 2011, although eight of its nine MSAs reported a gain.
- McCormick County reported the largest percentage decrease in population in 2011 (2.0 percent), while Berkeley County in the Charleston MSA experienced a 2.7 percent increase.

Labor Market Conditions

- Although the South Carolina labor market experienced inconsistent improvement in employment growth in 2011, by the end of the year state employment had expanded 1.1 percent (19,800 jobs).

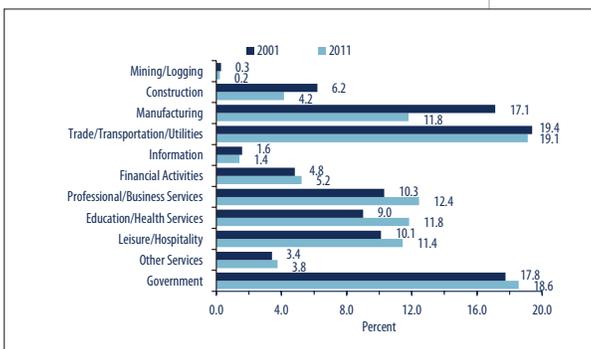
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Figure 3: Payroll Employment



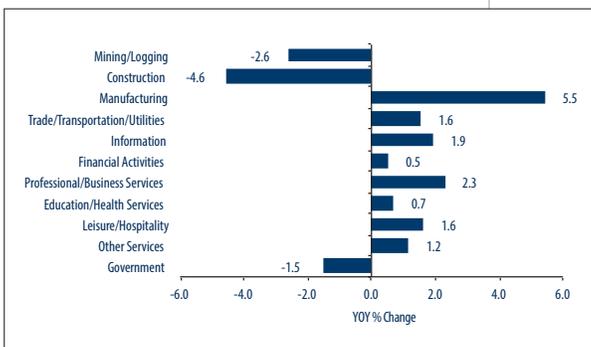
SOURCE: Bureau of Labor Statistics/Haver Analytics

Figure 4: Employment Share by Industry



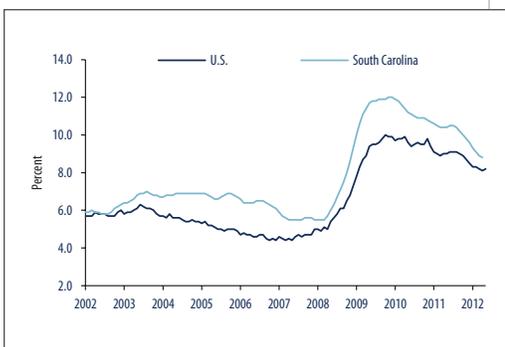
SOURCE: Bureau of Labor Statistics/Haver Analytics

Figure 5: Change in Employment by Industry (December 2011)



SOURCE: Bureau of Labor Statistics/Haver Analytics

Figure 6: Unemployment Rate



SOURCE: Bureau of Labor Statistics/Haver Analytics

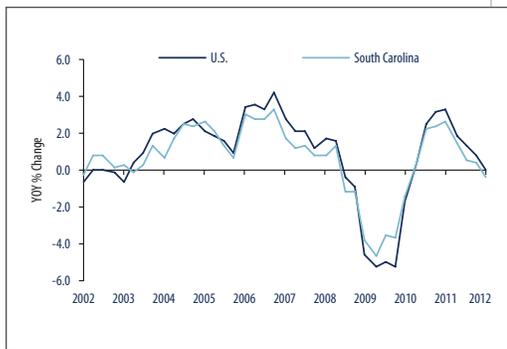
- In 2011, payroll employment growth was 0.6 percentage point lower than 2010's rate of 1.7 percent (30,400 jobs).
- Goods-producing industries as a whole improved upon their 2010 employment increase with stronger growth of 2.7 percent (7,800 jobs) in 2011.
- Within the goods-producing sector, the construction industry continued its employment contraction with a decline of 4.6 percent (3,600 jobs).
- The manufacturing industry more than made up for the drop in construction employment by adding 11,500 jobs (5.5 percent). Manufacturing employment has been slowly expanding since 2009.

- Service-providers continued to be of critical importance to the South Carolina economy, accounting for 83.7 percent of employment in the state. In 2011 the service-providing industry grew 0.8 percent (12,000 jobs).
- Seven of the eight service-providing industries experienced positive growth in 2011, with the largest percentage growth of 2.3 percent (5,100 jobs) occurring in the professional and business services industry.
- Although leisure and hospitality only grew 1.6 percent (3,400 jobs) as a whole, the arts, entertainment, and recreation subsector grew 7.6 percent (2,000 jobs).
- Private service-providers carried service sector employment growth by expanding 1.4 percent (17,200 jobs).
- The government sector continued to shrink in 2011 with an employment decrease of 1.5 percent (5,200 jobs). The year 2011 marked the third consecutive year with at least a 4,600 reduction in government jobs.

- Of the nine MSAs in South Carolina, seven experienced positive employment growth in 2011, led by the Myrtle Beach MSA with a 3.4 percent increase (3,800 jobs) in employment.
- South Carolina employment growth got off to a mild start in 2012; the state added 13,600 jobs during the first five months of the year. Only three MSAs recorded an increase in employment by May.

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Figure 7: Real Per Capita Income



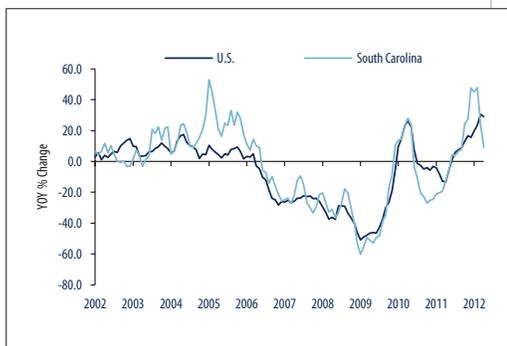
SOURCE: Bureau of Economic Analysis/Haver Analytics

Figure 8: Nominal Per Capita Income (2010)

Highest Per Capita Income			Lowest Per Capita Income		
County	Per Capita Income (\$)	YoY % Change	County	Per Capita Income (\$)	YoY % Change
Beaufort	42,430	0.3	Marlboro	23,464	3.6
Charleston	40,075	2.4	Dillon	23,589	1.2
Georgetown	37,340	3.9	Chesterfield	24,002	3.4
Greenville	36,426	3.4	Clarendon	24,486	3.2
Richland	35,266	1.8	Lancaster	25,030	3.5

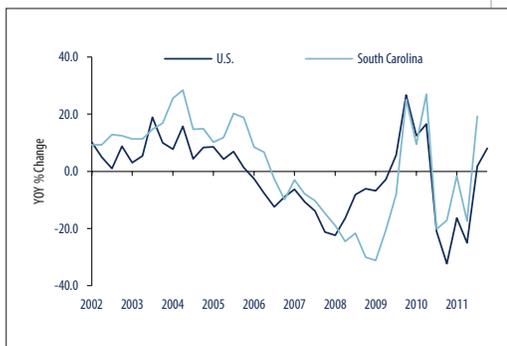
SOURCE: Bureau of Economic Analysis/Haver Analytics

Figure 9: Building Permits Issued (3-month moving average)



SOURCE: U.S. Census Bureau/Haver Analytics

Figure 10: Existing Home Sales



SOURCE: National Association of Realtors/Haver Analytics

Household Conditions

- South Carolina's unemployment rate fell 1.1 percentage points in 2011 to 9.6 percent, which, though notable, represents a smaller decrease than the 2.3 percentage point decline in 2010.
- By the end of 2011, South Carolina remained more than a full percentage point above the nation's unemployment rate of 8.5 percent.
- From December 2011 through May 2012 the unemployment rate in South Carolina continued to decrease to 9.1 percent.

- Unemployment rates decreased in all nine MSAs in South Carolina, with the Anderson MSA's rate falling 1.3 percentage points in 2011 following a 2.3 percentage point drop in 2010.

- Nominal per capita income rose to \$33,673 in 2011, surpassing the previous state high of \$32,971 in 2008.

- South Carolina's per capita income grew at a real rate of 1.2 percent in 2011, well below the nation's 1.8 percent growth.

- The gap between South Carolina's nominal per capita income (\$33,673) and the national nominal per capita income (\$41,663) continued to widen in 2011.

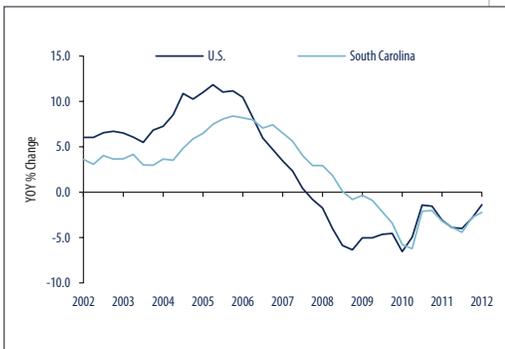
- Nominal per capita income rose in all nine South Carolina metro areas in 2010, the most recent year for which data are available. Growth was led by the Greenville and Anderson MSAs, where income grew 3.3 percent.
- Nominal per capita income grew in all 46 counties in South Carolina in 2010.
- Allendale County remained among the poorest counties, with nominal per capita income of \$25,907 in 2010, despite growth of 10.6 percent.

Real Estate Conditions

- New residential building permits experienced a sharp turnaround in 2011, rising 10.8 percent to reach a level of 15,542 new permits following a 9.7 percent decline in 2010.
- South Carolina's 10.8 percent increase in new building permits was more than triple the national increase of 3.2 percent.
- Housing starts also reversed their trend, rising 3.5 percent in 2011 after falling 1.6 percent in 2010 and 42.0 percent in 2009.

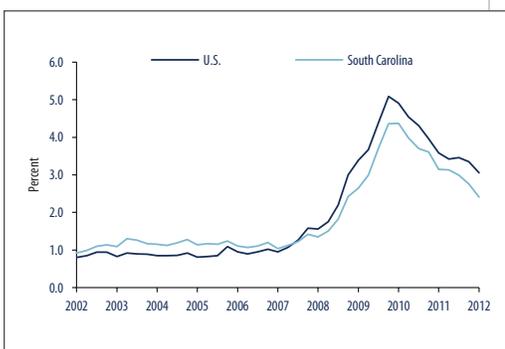
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Figure 11: House Price Index



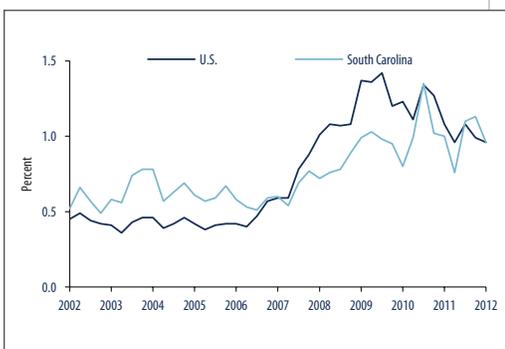
SOURCE: Federal Housing Finance Agency/HAVAR Analytics

Figure 12: 90+ Day Mortgage Delinquency Rate



SOURCE: Mortgage Bankers Association/HAVAR Analytics

Figure 13: Foreclosure Starts Rate



SOURCE: Mortgage Bankers Association/HAVAR Analytics

- Home prices continued to decrease in South Carolina, falling 2.8 percent in 2011, which was nearly the same as the national decline of 2.9 percent.
- All nine South Carolina MSAs experienced depreciation in home values, with the Myrtle Beach metro area posting the largest drop (7.7 percent).
- Delinquency rates for mortgages with payments at least 90 days past due in South Carolina fell to 2.8 percent in 2011 and remained below the national rate of 3.4 percent.
- While only 1.5 percent of prime borrowers were over 90 days delinquent, 8.5 percent of subprime borrowers were over 90 days delinquent.
- The percentage of mortgages in foreclosure in South Carolina continued its stubborn rise, reaching 4.6 percent, while the national foreclosure rate fell slightly to 4.4 percent.
- Both prime and subprime borrowers experienced an increase in foreclosure rates, as 3.6 percent of prime borrowers and 13.5 percent of subprime borrowers were in foreclosure by the end of 2011.

CONTACT: Jamie Feik

DEPARTMENT: Research/Regional

PHONE: 804.697.8927

EMAIL: Jamie.Feik@rich.frb.org



www.richmondfed.org