2012 Outlook for the South Carolina Economy

31st Annual Economic Outlook Conference
December 7, 2011

How much recovery have we seen?

What can we expect going forward?

South Carolina Coincident Indicator

Source: Division of Research - Moore School of Business
Dr. Joseph Von Nessen's Presentation - 2011 Economic Outlook Conference
Moore School of Business - University of South Carolina

**S.C. Total Employment by Industry**
(Note: Data Non-Seasonally Adjusted: 10/08, 10/09, 10/10, 10/11)

- **Employment (in thousands)**
  - Construction
  - Manufacturing
  - Wholesale
  - Retail
  - Finance
  - Prof. & Bus.
  - Edu. & Health
  - Leisure & Hospitality
  - Gov't

**Changes from Previous Year**:
- Construction: +3.2%
- Wholesale: +4.9%
- Manufacturing: -3.6%
- Wholesale: -1.2%
- Leisure & Hospitality: -7.9%
- Edu. & Health: -7.9%

**Diagram Descriptions**
- The first chart shows the total employment by industry for South Carolina, with non-seasonally adjusted data for the years 2008 to 2011.
- The second chart highlights the changes in employment across industries, with percentage increases and decreases indicated.
- The third chart further details the changes in specific industries, providing a more focused view on employment shifts.
Employment Growth by Industry
(Non-Farm Non-Seasonally Adjusted)

<table>
<thead>
<tr>
<th>Industry</th>
<th>Difference</th>
<th>% Change</th>
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<tbody>
<tr>
<td>Government</td>
<td>-5,100</td>
<td>-1.5%</td>
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<tr>
<td>Manufacturing</td>
<td>+10,800</td>
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<td>Retail Trade</td>
<td>-2,100</td>
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<td>Professional &amp; Business Services</td>
<td>+3,900</td>
<td>+1.8%</td>
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<tr>
<td>Leisure &amp; Hospitality Services</td>
<td>+2,300</td>
<td>+1.1%</td>
</tr>
<tr>
<td>Education and Health Services</td>
<td>+4,000</td>
<td>+1.9%</td>
</tr>
<tr>
<td>Construction</td>
<td>-4,700</td>
<td>-3.8%</td>
</tr>
<tr>
<td>Financial Activities</td>
<td>+1,700</td>
<td>+1.7%</td>
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(Non-Res Gov't, Non-Seasonally Adjusted: 10/08, 10/09, 10/10, 10/11)

Employment Growth by Industry
(Non-Farm Non-Seasonally Adjusted)

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S.C. Unemployment Rate
(seasonally adjusted)
U-6 includes total unemployed, marginally attached workers, and total employed part-time for economic reasons.

- Employed workers / Working age population 16+
- Currently at 58.4% down from 62.7% in October 2007

S.C. Unemployment Insurance Claims

Claims
Dr. Joseph Von Nessen's Presentation - 2011 Economic Outlook Conference
Moore School of Business - University of South Carolina

How Long Until Recovery?

Outlook for 2012: Unemployment Rate

The Holiday Season
Black Friday
Cyber Monday
Total Sales (January-September)

<table>
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<th>Year</th>
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<tr>
<td>2008</td>
<td>$31,000</td>
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<tr>
<td>2009</td>
<td>$32,000</td>
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<tr>
<td>2010</td>
<td>$33,000</td>
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<tr>
<td>2011</td>
<td>$34,000</td>
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Percent Change over Previous Year

-6 -4 -2 0 2 4 6 8 10

Historical  Current Forecast

-1 -0.5 0 0.5 1 1.5 2 2.5 3 3.5 4

Outlook for 2012: Personal Income

-3.5 -3 -2.5 -2 -1.5 -1 -0.5 -0.25 0 0.25 0.5 0.75 1 1.25 1.5 1.75 2 2.25 2.5 2.75 3 3.25 3.5 3.75 4

Historical  Current Forecast

-1.9% 2.1% 2.4% 2.5% 2.3% 2.1% 2.4% 2.5%
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Housing
Household Formation
S.C. Housing

GDP
HOUSING
EMPLOYMENT

Housing as a Percentage of GDP


Percent

Housing Construction  Housing Services  Total Housing
Summary

Economic conditions are stable, but fragile
- Continued growth in S.C. in 2012
- It's all about jobs: Manufacturing, Professional Services, Health Care
- First time/move up house prices stabilizing
Dr. Joseph Von Nessen's Presentation - 2011 Economic Outlook Conference
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Additional information available at:
http://moreschool.sc.edu/moore/research/

Happy Holidays
Thank you!