

South Carolina Department of Commerce

Committed to Growing Opportunity in the Palmetto State

Volume 2: Issue 1

South Carolina Should Be Proud of Economic Development Efforts in 2008

In spite of difficult economic times, the Department of Commerce and local economic development professionals delivered another record year in 2008, recruiting nearly 19,000 new jobs, not including the thousands of construction jobs that will be created as these projects are built and

come online, and over \$4.1 billion in capital investment.

*Companies committing to invest in South Carolina will bring new jobs throughout the state in a wide variety of industries. Manufacturing led the way followed by service and distribution. Specific sector leaders

included metal fabrication, high-tech manufacturing, alternative energy, automotive, advanced materials and information services.

Business Facilities magazine has consistently ranked South Carolina as one of the strongest states in the

(Continued on page 2)

American Titanium Works LLC to Invest \$422 Million and Employ 320 in Laurens County

Investment Marks the Largest Ever in Laurens County



Gov. Mark Sanford and Thomas Sax, CEO of American Titanium Works (ATW) announced last fall that ATW will build a world-class titanium mini-mill in Laurens County. ATW will invest an estimated \$422 million and plans to employ 320 people at its new facility in Laurens County.

ATW also announced that it will establish its applications development and engineering technical center in Greenville County at the Clemson University International Center for Automotive Research (CU-ICAR) campus. ATW's Tech Center will create 40 applied engineering jobs

that will specialize in prototype development and fabrication techniques for multiple industry sectors.

Mr. Sax said, "This titanium facility marks a breakthrough in the evolution of the titanium industry



with the co-location of state-of-the-art equipment and technologies that will lower costs and delivery lead times. The combination of lower costs and reliable delivery will create new market opportunities throughout the world. ATW is confident in the ability

of the state's workforce to execute our production needs and we look forward to establishing and growing our business in South Carolina."

By producing melted and rolled titanium products through innovative processes, ATW will reduce the costs and lead times associated with traditional titanium production; thus making the product desirable to a broader range of industries including defense, industrial, commercial, consumer and emerging markets. Specific market drivers for titanium include chemical processing and high-performance machinery including racing, aerospace, biomedical, power generation and energy efficiency.



(Economic Development continued from page 1)

Southeast for manufacturing, and in 2008 named South Carolina as the third strongest state in the U.S. for automotive manufacturing growth.

The Palmetto State again demonstrated its strength in attracting foreign direct investment with 44 percent of capital investment and 28 percent of jobs recruited to South Carolina in 2008 coming from foreign-affiliated companies. According



to *Site Selection* magazine, South Carolina leads the nation in its percentage of workforce employed by foreign companies.

Companies such as BMW, American Yuncheng Plate Making Inc., Iljin Corp. and KMA Global Solutions chose to invest in Spartanburg County. These investments from foreign-affiliated companies led to record recruitment there. "Spartanburg had a record year in 2008 and we are pleased that our successes contribute to the state of South Carolina as a whole," said Carter Smith, CECD, executive vice president, Economic Futures Group of the Spartanburg Area Chamber of Commerce.



"While all projects we recruit are special, 2008 brought Laurens County the largest capital investment in its history with FITESA, a Brazilian manufacturer of non-woven fabrics, committing to locate its new manufacturing facility there. Their investment was surpassed only weeks later with American Titanium Works choosing Laurens County for its new titanium production facility. Significant investments like these



occurred across the state and we continued to see world-class companies choose South Carolina with globally recognized names such as Heinz, Coca-Cola, BMW, Shaw Industries Group and many more," said Secretary of Commerce Joe Taylor. "Another unique investment last year came from Monster.com®. The fact that the company with the most access to resumes and workforce information chose to locate in South Carolina is an incredible compliment to our state's workforce."



Monster will locate its new customer service center in Florence County creating an estimated 350 jobs. This contributed to record recruitment in that county as well.

"In 2008, Florence County had the largest job creation in over 25 years. We also saw the largest percentage increase in per capita income in the state," said Joe W. King, executive director, Florence County Economic Development Partnership.

Economic development occurred throughout the state. In fact, the percentage of jobs recruited to rural South Carolina exceeded the percentage of workforce that resides in these areas for the third straight year.

"The numbers show that it was a good year for industry recruitment and job creation in our region, despite the challenging economic times. Every job, created or lost, has a greater impact in a rural area like ours. We look forward to working closely with the South Carolina Department of Commerce and our allies to continue record industry recruitment

and to find ways to improve our workforce and communities for continued job creation," said Danny Black, SouthernCarolina Alliance president and chief executive officer.

Workforce played a large role in helping South Carolina attract new jobs and investment. It's no wonder CNBC ranked South Carolina's workforce second in the nation for 2008.



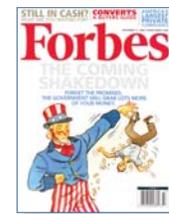
Some highlights not already mentioned from 2008 include: URS Corp. in Lancaster County, Osage Bio Energy in Union County, Home Depot in Lexington County, Rollcast Energy in Newberry County, Horsehead Corp. in Barnwell County, Michelin North America Inc. in Lexington County, Target Corp. in Kershaw County, Titanium Solutions Inc. in Lancaster County and Lear Corp. in Spartanburg County.



South Carolina's reputation as a business-friendly state continued to grow and the state received national accolades in 2008. Among them, *Forbes* magazine ranked South Carolina third best in 2008 for its pro-business regulatory environment.

"We value the partnership we have with Commerce, the state's lead economic development agency, and recognize the importance of working together," said Mike Briggs, president and chief executive officer, Central SC Alliance.

**The Department of Commerce only includes projects it is involved with in its published results. When small business growth and projects worked exclusively by regional alliances and local officials are taken into account, capital investment and job recruitment numbers are even higher.*



South Carolina Department of Commerce Division of Research

Rebecca Gunnlaugsson, Ph.D., Division Director

The Department of Commerce has a highly-skilled research division headed by Dr. Rebecca Gunnlaugsson.

The Division of Research is a multidisciplinary group of professionals dedicated to the collection, analysis and dissemination of precise, timely data. Commerce's philosophy is that decisions should be made with accurate and reliable data.

The Research team includes 13 individuals—including two Ph.D.s and seven Masters degrees—with experience ranging from economics and business to statistics, information technology and more.

The group further integrates workforce and economic development research through the incorporation of federally-funded Labor Market Information directives and state-funded workforce and economic development initiatives.

The Division of Research produces a quarterly economic outlook, which provides insightful information on key South Carolina indicators.

Commerce's research division also produces a monthly economic outlook report. The report is disseminated via email. If you would like to receive Commerce's economic outlook report, e-mail EconomicOutlook@SCcommerce.com to be added to the distribution list.

Annual Cost of Living Index *Applied to South Carolina Sub-State Areas*

The variation in the purchasing power of the United States dollar occurs over time and across geographical locations, including not only states, but also counties and metropolitan areas. A method to consistently account for these diverging price levels is essential for research and policy applications, yet no index that accounts for sub-state cost of living exists. In its study, "Annual Cost of Living Index - Applied to South Carolina Sub-State Areas," the Division of Research presents the results of a new Annual Cost of Living Index (Annual COLI) applied to the sub-state level and, in particular, to South Carolina. This research extends the work of Berry, Fording and Hanson's 2000

Journal of Politics paper, "An Annual Cost of Living Index for the American States, 1960-1995," using median housing values, per capita income and population to generate cross-sectionally adjusted Consumer Price Index (CPI) estimates by county.

Currently, the most widely used reference for cost of living is the CPI. The CPI is constructed based on the cost of a basket of goods and services. The foundation of the method allows it to accurately measure the real cost of living in an area. At the sub-national level, however, the CPI only covers major metropolitan areas. Furthermore, when the U.S. Bureau of Labor Statics began computing sub-national CPIs in

1967, it fixed the value of these indices at 100, despite the fact that purchasing power was not identical throughout the United States at that time. Thus, the CPI provides accurate comparisons over time, but not across metropolitan areas.

Another frequently used measurement is the American Chamber of Commerce Research Association (ACCRA) Cost of Living Index. Like the CPI, the ACCRA index is built using a basket of goods and services method, and it only provides coverage for select metropolitan areas throughout the United States. Furthermore, municipalities participate voluntarily, causing the areas that are participating in each quarter's index to vary over time.

Results of the Study

Annual Cost of Living Index by State

The state cost of living indices for 2006 are presented in Table 1. In addition, per capita income (PCI) by state, as well as the per capita income adjusted by the cost of living factor, is presented. South Carolina ranks 43rd among the 48 contiguous United States in per capita income for 2006. Once adjusted for the cost of living, South Carolina moves up to 32nd.

Additionally, the Annual COLI can be translated to measure the “purchasing power” of a locality or region. Purchasing power refers to the effective value of money in terms of the quality and quantity of goods and services that can be purchased with it. Inverting the Annual COLI provides this measure of purchasing power, thus states and regions with lower cost of living values have higher purchasing power. For South Carolina, the effective purchasing power is \$1.16. That is, the average value of \$1 across the United States can purchase \$1.16 worth of goods and services in South Carolina.

South Carolina Annual Cost of Living Index by County

Figure 1 provides the 2006 values of the Annual Cost of Living Index for all South Carolina counties, as well as for the state.

Additionally, each county’s per capita income is reported, as well as the per capita income adjusted by the cost of living factor. The Annual COLI can be interpreted as a gauge of the amount of money required to maintain a set standard of living. Thus, in South Carolina, only 86 percent of the average national cost is required to maintain the same standard of living. Beaufort is the only South Carolina county that exceeds the national average.

Annual Cost of Living Index by MSA

Table 2 provides a comparison of South Carolina metropolitan regions with others throughout the United States.

Table 1: Annual Cost of Living Index by State, 2006 (U.S. = 1.00)

State	Annual COLI	PCI		Adjusted PCI	
		\$	Rank	\$	Rank
United States	1.00	\$36,714	-	\$36,714	-
Alabama	0.83	\$30,894	39	\$37,088	18
Arizona	1.04	\$31,936	37	\$30,590	42
Arkansas	0.80	\$28,473	46	\$35,725	28
California	1.39	\$39,626	8	\$28,508	46
Colorado	1.25	\$39,491	10	\$31,517	39
Connecticut	1.30	\$50,762	1	\$38,928	9
Delaware	1.03	\$39,131	11	\$37,844	14
Florida	0.89	\$36,720	18	\$41,492	3
Georgia	0.90	\$32,095	34	\$35,543	30
Idaho	1.01	\$29,920	42	\$29,683	44
Illinois	0.99	\$38,409	14	\$38,836	10
Indiana	0.89	\$32,288	31	\$36,484	22
Iowa	0.87	\$33,038	27	\$37,975	12
Kansas	0.88	\$34,799	21	\$39,544	7
Kentucky	0.84	\$29,729	44	\$35,561	29
Louisiana	0.84	\$31,821	38	\$37,973	13
Maine	1.04	\$32,095	34	\$30,950	41
Maryland	1.05	\$43,788	5	\$41,545	2
Massachusetts	1.35	\$46,299	3	\$34,346	33
Michigan	0.94	\$33,788	24	\$35,983	27
Minnesota	0.99	\$38,859	13	\$39,411	8
Mississippi	0.79	\$27,028	48	\$34,343	34
Missouri	0.88	\$32,789	28	\$37,430	16
Montana	0.99	\$30,790	40	\$31,007	40
Nebraska	0.90	\$34,440	22	\$38,224	11
Nevada	1.17	\$38,994	12	\$33,414	36
New Hampshire	1.18	\$39,753	7	\$33,660	35
New Jersey	1.29	\$46,763	2	\$36,250	24
New Mexico	1.01	\$29,929	41	\$29,633	45
New York	1.19	\$44,027	4	\$37,060	19
North Carolina	0.90	\$32,247	32	\$35,990	26
North Dakota	0.88	\$32,763	29	\$37,273	17
Ohio	0.90	\$33,320	25	\$36,981	20
Oklahoma	0.80	\$32,391	30	\$40,590	5
Oregon	1.18	\$33,299	26	\$28,148	47
Pennsylvania	1.00	\$36,825	17	\$36,936	21
Rhode Island	1.18	\$37,523	16	\$31,826	37
South Carolina	0.86	\$29,767	43	\$34,573	32
South Dakota	0.89	\$32,030	36	\$36,110	25
Tennessee	0.86	\$32,172	33	\$37,584	15
Texas	0.80	\$35,166	19	\$43,793	1
Utah	1.15	\$29,406	45	\$25,482	48
Vermont	1.11	\$34,871	20	\$31,529	38
Virginia	0.97	\$39,540	9	\$40,637	4
Washington	1.25	\$38,212	15	\$30,570	43
West Virginia	0.81	\$28,206	47	\$34,995	31
Wisconsin	0.94	\$34,405	23	\$36,446	23
Wyoming	1.02	\$40,655	6	\$39,741	6

Source: Per Capita Income from Bureau of Economic Analysis, Local Area Personal Income series

Figure 1:
South Carolina
Annual Cost of Living
Index by County,
2006 (U.S. = 1.00)

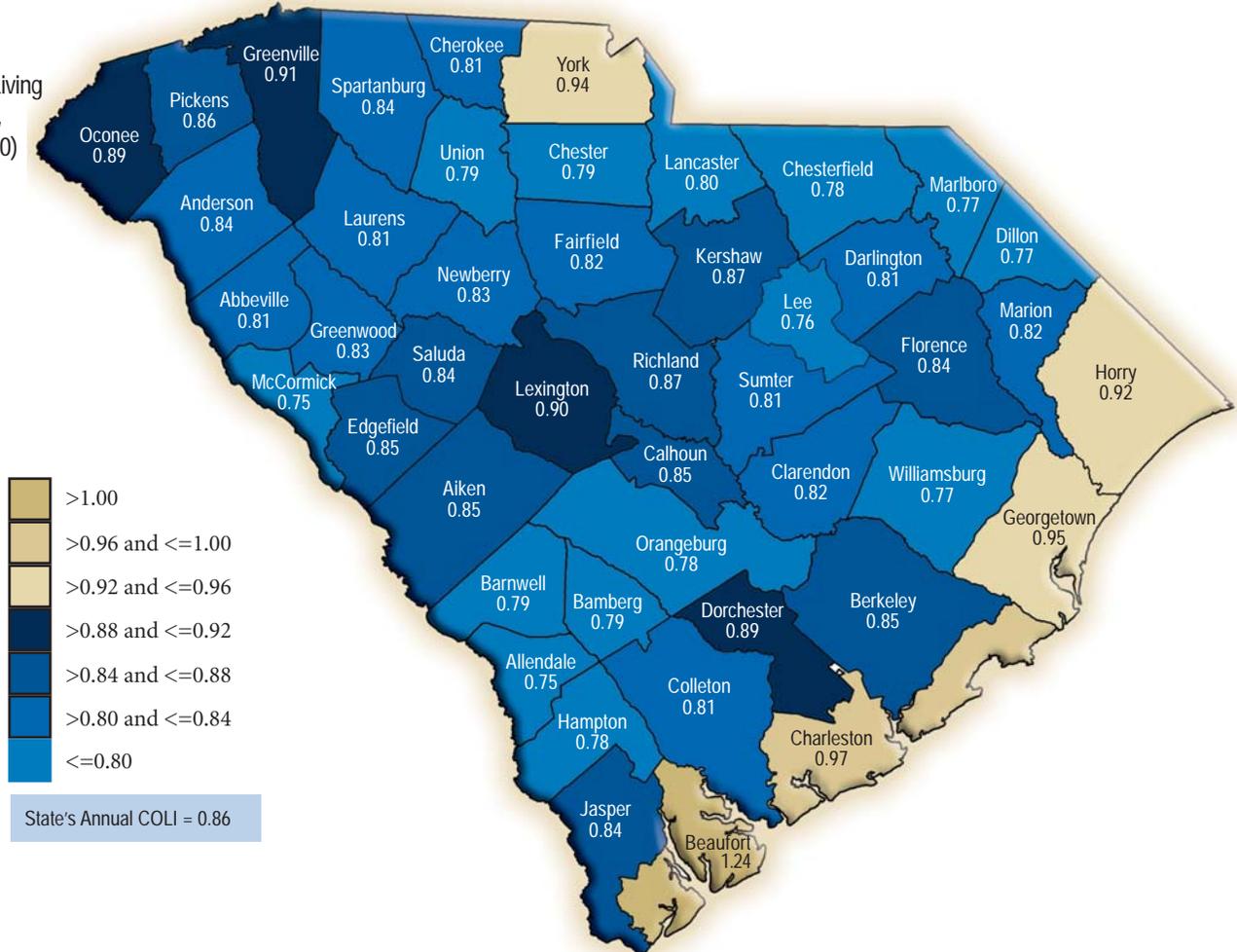


Table 2: Annual Cost of Living Index by MSA, 2006 (U.S. = 1.00)

MSA	ACOLI
Atlanta-Sandy Springs-Marietta, GA	0.93
Augusta-Richmond County, GA-SC	0.82
Austin-Round Rock, TX	0.94
Baton Rouge, LA	0.85
Birmingham-Hoover, AL	0.86
Boston-Cambridge-Quincy, MA-NH	1.29
Charleston-North Charleston-Summerville, SC	0.89
Charlotte-Gastonia-Concord, NC-SC	0.93
Charlottesville, VA	1.00
Chicago-Naperville-Joliet, IL-IN-WI	1.00
Columbia, SC	0.86
Dallas-Fort Worth-Arlington, TX	0.84
Detroit-Warren-Livonia, MI	0.94
Florence, SC	0.83
Gainesville, FL	0.87
Greensboro-High Point, NC	0.88
Greenville, SC	0.85
Houston-Sugar Land-Baytown, TX	0.81
Los Angeles-Long Beach-Santa Ana, CA	1.28

(Table 2 continued)

MSA	ACOLI
Louisville-Jefferson County, KY-IN	0.86
Miami-Fort Lauderdale-Pompano Beach, FL	0.92
Minneapolis-St. Paul-Bloomington, MN-WI	0.99
Mobile, AL	0.82
Nashville-Davidson-Murfreesboro-Franklin, TN	0.93
New Orleans-Metairie-Kenner, LA	0.87
New York-Northern New Jersey-Long Island, NY-NJ-PA	1.29
Philadelphia-Camden-Wilmington, PA-NJ-DE-MD	1.04
Phoenix-Mesa-Scottsdale, AZ	1.01
Raleigh-Cary, NC	1.00
Richmond, VA	0.91
Roanoke, VA	0.89
San Francisco-Oakland-Fremont, CA	1.90
Savannah, GA	0.87
Seattle-Tacoma-Bellevue, WA	1.29
Sumter, SC	0.82
Washington-Arlington-Alexandria, DC-VA-MD-WV	1.04
Wilmington, NC	0.97

JAG-SC Program Expands With Grant Money from the AT&T Foundation

South Carolina's efforts to prepare students for the working world with the Jobs for America's Graduates - South Carolina (JAG-SC) initiative have recently gained attention – and a grant from a well-known foundation.

In December, the JAG-SC program was awarded a \$200,000 grant from the AT&T Foundation to help expand the program to a new high school in the Midlands. C. A. Johnson Academy was chosen by JAG-SC, and the program is set to launch at the school this semester.

JAG-SC was chosen from among approximately 2,000 other applicants nationwide for the grant award.

The JAG-SC program employs an intensive curriculum based on developing real-world job skills to prevent at-risk students from dropping out of high school and help them move towards successful careers. JAG-SC currently serves 785 students in 20 South Carolina high schools.



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A check presentation ceremony was held at C. A. Johnson in December where AT&T and the company's foundation presented a \$200,000 grant to the JAG-SC program.

JAG-SC began in 2005 with funding from the State Workforce Investment Board and the support of Gov. Mark Sanford and the South Carolina Department of Commerce.

Last year, JAG-SC received national recognition for its results. Since its inception, approximately 95 percent of JAG-SC participants did not drop out of school after joining the program.

Meet the Department of Commerce's Business Services Team

Commerce's team of Business Specialists provide services and support for companies that are just starting up or expanding existing operations. These services include: working with entrepreneurs to develop business plans, helping companies access start-up resources and alternative financing opportunities, pairing existing businesses with service providers and suppliers, developing export markets and identifying recycling resources and opportunities for specific industries.



From left, Row 1: **Leigh Roberson** – BA in French Language & International Trade, Cum Laude, fluent in 4 languages, hometown Columbia; **Chantal Fryer** – 7+ yrs exp, BA in International Studies, Summa Cum Laude, Certified Recycling Professional; **Tonya Lott** – 12+ yrs exp in environmental programs, Masters degree, hometown Columbia; Row 2: **Clarke Thompson** – 20 yrs economic development experience, International Trade Specialist Training graduate, Economic Development Institute graduate; **Ted Campbell** – 20 yrs exp, Marketing and Management degrees, S.C. Certified Economic Developer, hometown Columbia; **Gregory Guest** – 4 yrs international exp, graduated Summa Cum Laude, hometown Summerville; **Brandon Spence** – Business degree from the Citadel, former U.S. Air Force Captain; **Chuck Bundy** – department Manager, 25+ yrs exp, BA from Furman University, MBA from USC, Certified Economic Developer, hometown Lancaster.

South Carolina's Technical College System

A Huge Draw for World-Class Companies

Commerce's Workforce Division and the readySC™ program, offered through the S.C. Technical College System, work together to assist new or expanding companies throughout the state with each company's specific workforce training needs.

More than a quarter million workers have been trained since the program's inception and it has been recognized as a national training leader by *Expansion Management* magazine. South Carolina's technical college system continues to be a draw for world-class companies.

“Florence-Darlington Technical College is one of the main factors that drove our decision to locate Monster's new customer service center in Florence. This is a prosperous region and we're confident that the Technical College System, in combination with the community partnership at both state and local levels, will support the quality of talent that Monster needs to be successful. Monster is focused on providing the best-in-class customer service with the smart, dedicated and customer-oriented talent in Florence.”

Art O'Donnell, Executive Vice President,
Global Customer Services, Monster