

# Cost of Doing Business

South Carolina Companies Profit from One of the Lowest-Cost Business Environments in the Southeast.

## WORKFORCE AND WAGES *The Best People at the Right Costs*

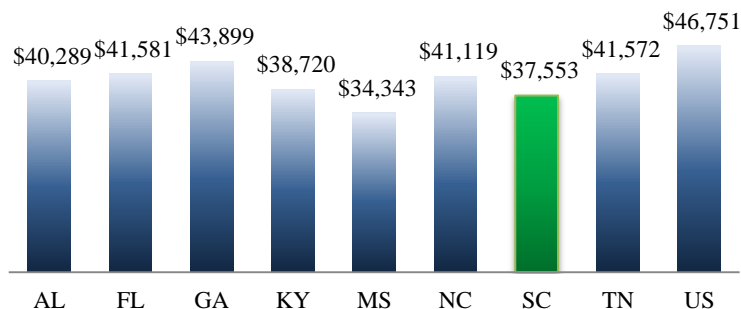
South Carolina is the nation's 10<sup>th</sup> fastest growing state, increasing in population by 16.6 percent between 2000 and 2011; higher than national rate of 10.7 percent.  
 (Source: U.S. Census Bureau, Current Population Estimates)

During the period from 2000 to 2011, the South Carolina labor force grew 8.5 percent; more than national growth rate of 7.7 percent.  
 (Source: U.S. Department of Labor, Bureau of Labor Statistics)

Employers in South Carolina have the right to operate their businesses and manage their workforce free of union influence. As a right-to-work state, South Carolina has the 2<sup>nd</sup> lowest unionization rate in the country. Only 2.9 percent of employees of private firms were covered by unions in 2011.  
 (Source: U.S. Department of Labor, Bureau of Labor Statistics)

In 2010, the average salary in South Carolina ranks the 8<sup>th</sup> lowest in the nation and 2<sup>nd</sup> lowest in the Southeast region.

Annual Average Wages for Southeastern States In 2010

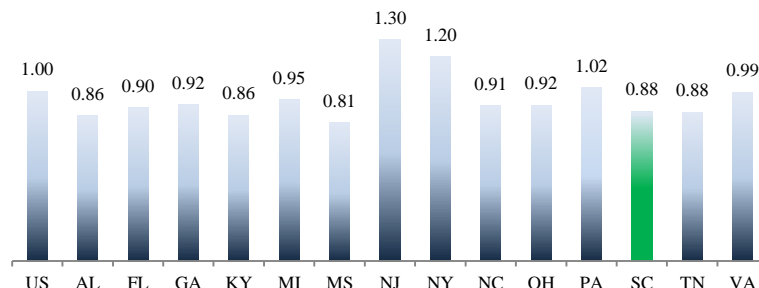


## COST OF LIVING *Providing More Buying Power*

The annual cost of living index which compares all states, metropolitan areas, and counties in the United States for 2009 shows that the cost of living in South Carolina cost is 12 percent less than the national average and is the 10<sup>th</sup> lowest in the nation.

South Carolina's effective purchase power is \$1.14, which means the average value of \$1 across the nation can purchase \$1.14 worth of goods and services in South Carolina.  
 (Source: SC Dept. of Commerce "Annual Cost of Living Index")

Cost of Living Index by State (US=1.00), 2009

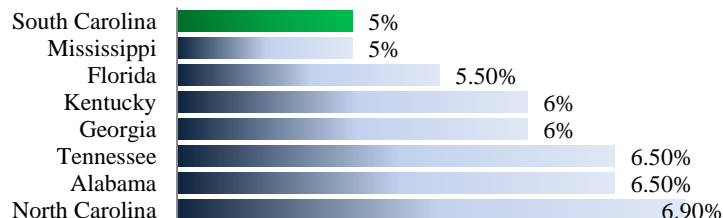


## LOW TAXES *Maximizing a Business's Bottom Line*

The Tax Foundation ranked South Carolina the state with the 10<sup>th</sup> lowest corporate income tax in the nation in 2011.  
 (Source: Tax Foundation, 2011 State Business Tax Climate Index)

South Carolina has the 11<sup>th</sup> best tax structure for entrepreneurship and small business.  
 (Source: Small Bus. & Entrepreneurship Council's Tax Index, 2011)

State Corporate Tax Rate, 2012



Updated 4/6/2012

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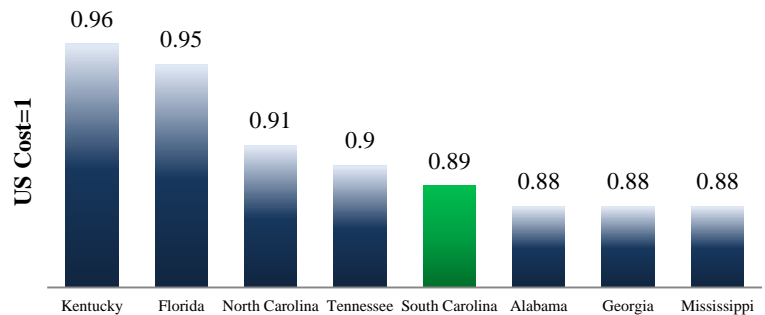
## REAL ESTATE *Providing Lower Operating Costs*

Construction costs in South Carolina are the 6<sup>th</sup> lowest in the Nation and the 4<sup>th</sup> lowest in the Southeast. The cost in South Carolina is 11 percent below the United State average for Class A office facilities.

(Source: Marshall Valuation Service, January 2012)

The state has a diverse array of buildings and sites to meet a company's needs. A full database of industrial and commercial buildings and sites is located on the Department of Commerce web site at [www.sccommerce.com](http://www.sccommerce.com). Click on the "Buildings and Sites Locator" from the home page to find the ideal location to fit the needs of your business.

Construction Cost Index, 2012



## LOW UTILITY COSTS *Reliable Productivity and Energizing Profits*

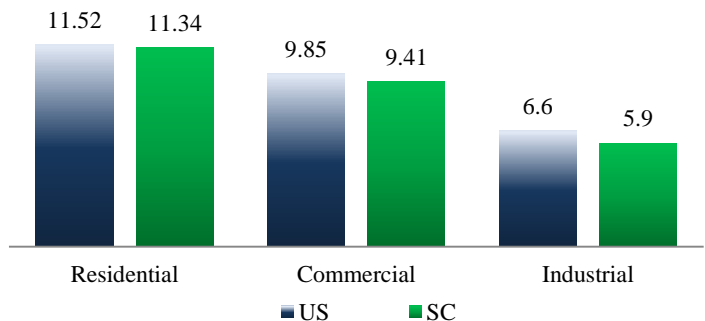
Business-friendly regulations and smart investments in energy infrastructure give South Carolina the region's most affordable power costs. Industrial power costs in the state average only 5.9 cents per kilowatt hour, the lowest in the Southeast. The average South Carolina industrial rate is among the lowest in the nation and 11 percent less than the national average of 6.6 cents per kilowatt hour.

(Source: U.S. Energy Information Administration, December 2011)

Compared with other Southeastern states, South Carolina offers very low rates for natural gas to industrial users. The average price in 2011 was \$5.6 per thousand cubic feet, lower than the average industrial rates in Georgia, North Carolina, Alabama, Tennessee and Florida.

(Source: U.S. Energy Information Administration, December 2011)

Average Price of Electricity (Cents per Kilowatt Hour), Dec 2011



## RECENT RANKINGS *South Carolina is Recognized Nationally*

- South Carolina consistently ranks high on *Site Selection* magazine's "Top State Business Climates" and took the 5<sup>th</sup> spot for 2011. South Carolina also scores high with business executives surveyed by *Site Selection*. They ranked South Carolina among the top 10 states for business each of the past eight years.  
(Source: *Site Selection*, November Issues)
- South Carolina ranks the 3<sup>rd</sup> best business climate in the nation according to the latest Rating of the States from Development Counsellors International (DCI)  
(Source: *Development Counsellors International*, September 2011)
- The Small Business & Entrepreneurship Council ranks South Carolina as the 5<sup>th</sup> friendliest state in the nation for small business and entrepreneurship based on 44 government-related costs affecting small business and entrepreneurs.  
(Source: *Small Business & Entrepreneurship Council*, *Small Business Survival Index 2011*, December 2011)
- South Carolina came in as one of the ten best states for business on *Chief Executive Magazine's* annual poll of CEOs, ranking 8<sup>th</sup>. About 550 CEOs rated states on taxation and regulation, workforce quality and quality of life.  
(Source: *Chief Executive*, May/June 2011)