

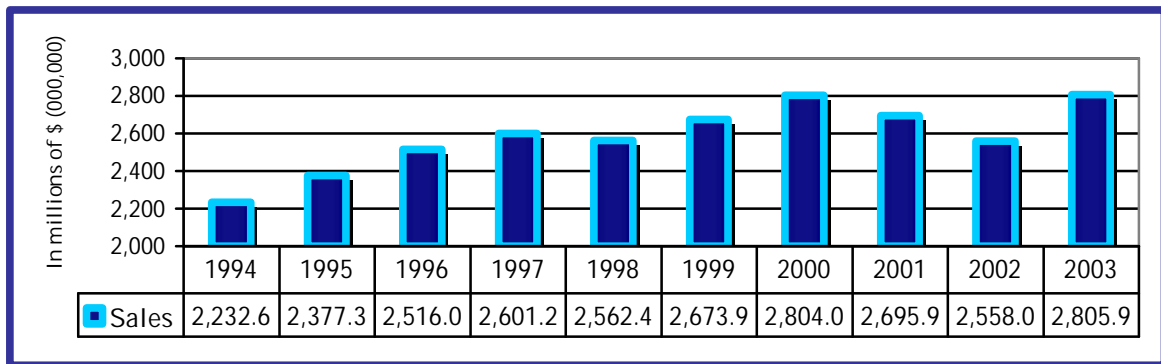
SANTEE-LYNCHES ECONOMY SERIES

REGION'S ECONOMIC RECOVERY AS MEASURED BY RETAIL SALES SHOWS MIXED RESULTS BY COUNTY

One barometer of the economic wellbeing of an area is its total gross retail sales. Gross sales include all retail sales, not merely those on which sales tax is collected.

In 2003, the Santee-Lynches Region reversed a two-year trend of diminishing retail sales. This two years of reduced retail sales corresponded to the national economic recession and slow recovery period following the 2001 Recession. This slow recovery was especially pronounced in South Carolina. The turnaround in retail sales brought the Region back to a slightly higher sales level than it had in the year 2000. The \$2.8 billion in total sales was the Region's all-time high for gross retail sales and topped the 2000 total by approximately 2 million dollars.

Gross Retail Sales for 1994 through 2003



Source: S.C. Department of Revenue

While the Region-wide totals in 2003 were encouraging, the retail sales for individual counties that make up the Region send a mixed message on the area's economic recovery. Two of the Santee-Lynches' counties (Kershaw and Clarendon) increased retail sales from 2002 to 2003. The other counties in the Region (Lee and Sumter) continued to decline in retail sales and had total sales that were as low as their totals in the early to mid-1990's.

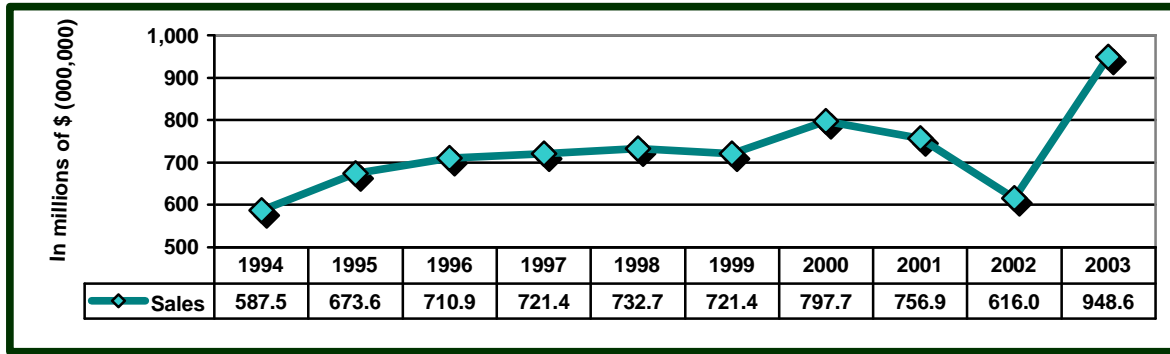
To address this disparity, the remainder of this monograph will detail the retail sales trends for each of the four counties that comprise the Santee-Lynches Region.

Kershaw County: In 2003, Kershaw County's gross retail sales reached an all-time high. The County's retail sales' totals jumped by over \$27 million between 2002 and 2003 for an increase of more than fifty percent (50%) in one year. This robust increase in a single year is due in part to Kershaw County's very low retail sales totals in 2002. However, much of the increase is attributable to a population growth rate well above the South Carolina average and the commercial business growth along US Route 1. Retail sales

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totals were aided by the fact that this commercial business increase includes several "big box" stores (Super Wal-Mart, Lowe's, etc), especially in and around the City of Camden.

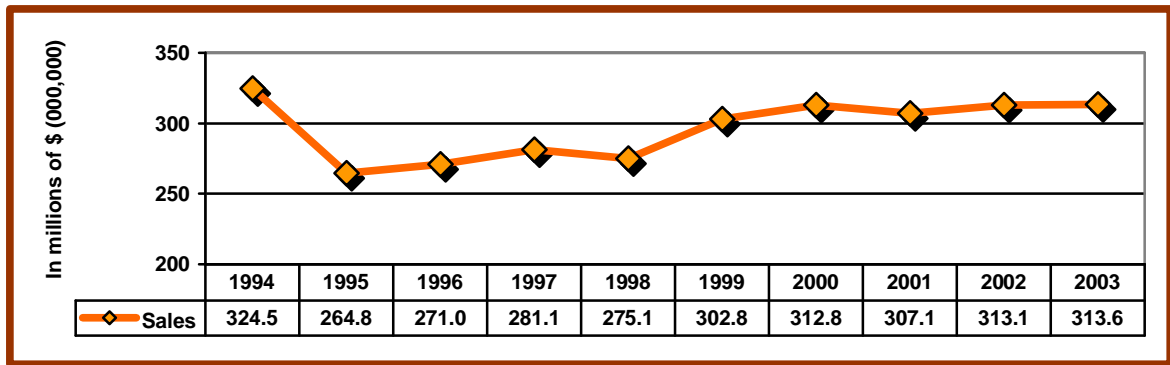
Kershaw County Gross Retail Sales 1994 - 2003



Source: S.C. Department of Revenue

Clarendon County: This County saw a slight increase in retail sales between 2002 and 2003. The sales growth of approximately one-half million dollars resulted in Clarendon County's total gross retail sales reaching the second highest total in the County's history. This increase in retail sales is due in some degree to the continued development of commercial businesses at the I-95 interchanges located in the County.

Clarendon County Gross Retail Sales 1994 -2003

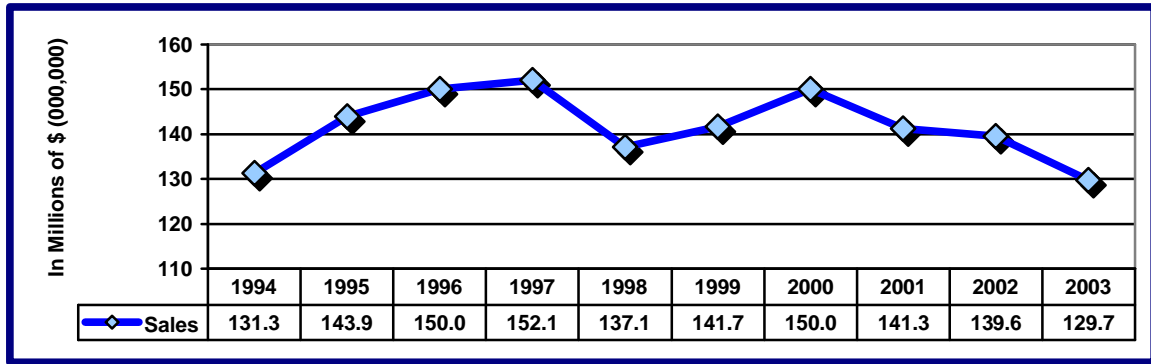


Source: S.C. Department of Revenue

Lee County: The Lee County gross retail sales for 2003 were at a ten-year low. Lee County has experienced several major manufacturing plant closings in this ten-year period. This has caused many of the workers who reside in the County to cross the County borders to find work. When people work in a community/county, they spend some of their disposable income in that location. Therefore, part of the County's loss of retail sales is caused by Lee workers buying products and services in counties where they are employed. The County has seen some growth in commercial businesses in Bishopville and at the I-20 and US Route 15 interchange. If Lee County's extensive development efforts are rewarded, increased employment in the County will result in an up-tick in gross retail sales.

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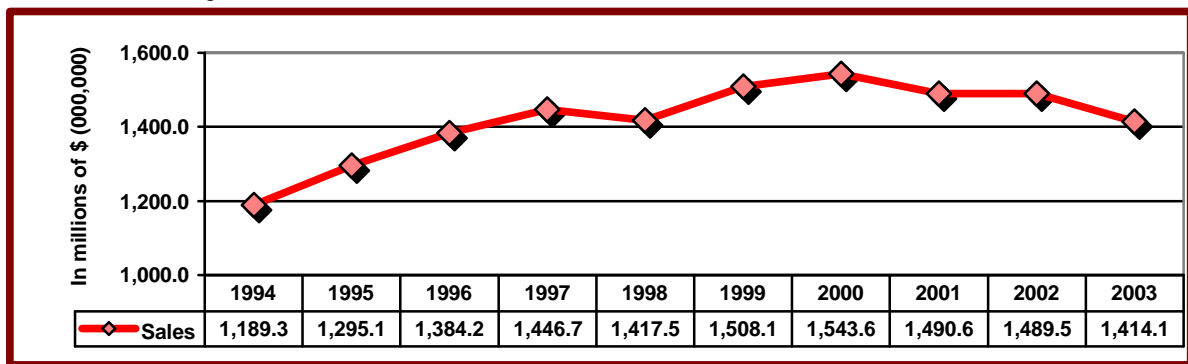
Lee County Gross Retail Sales 1994 - 2003



Source: S.C. Department of Revenue

Sumter County: Despite an increase in new commercial business locations in and around the City of Sumter and the opening of a Super Wal-Mart in 2003, Sumter County had \$75 million less in gross retail sales than in the previous year. This was the third straight year that the County experienced lower retail sales. Some of this loss in retail sales is attributable to Shaw AFB deployments and the corresponding decrease of active duty personnel and some dependents in the area. Another contributing factor is that Sumter lost 1,000 jobs between 2002 and 2003. This caused an increase of Sumter residents working outside the County and therefore, spending some of their disposable income in the counties where they work.

Sumter County Gross Retail Sales 1994 - 2003



Source: S.C. Department of Revenue