Economic Update

Presented to

South Carolina Association of Counties

Fall Advocacy Meeting

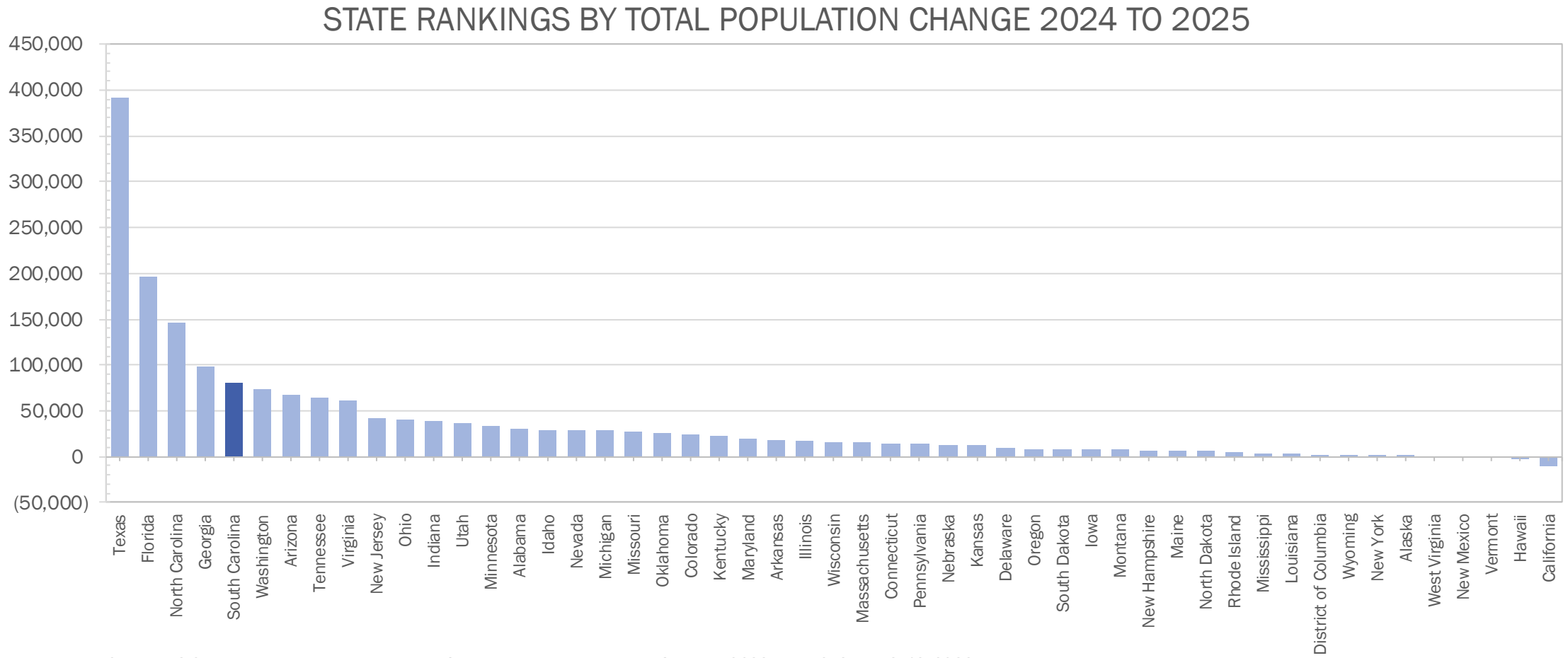
October 27, 2026

SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE
REMBERT C. DENNIS BUILDING, 1000 ASSEMBLY STREET, SUITE 400, COLUMBIA, SC 29201
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Population Trends

Population Change 2025 – SC is 5th Largest

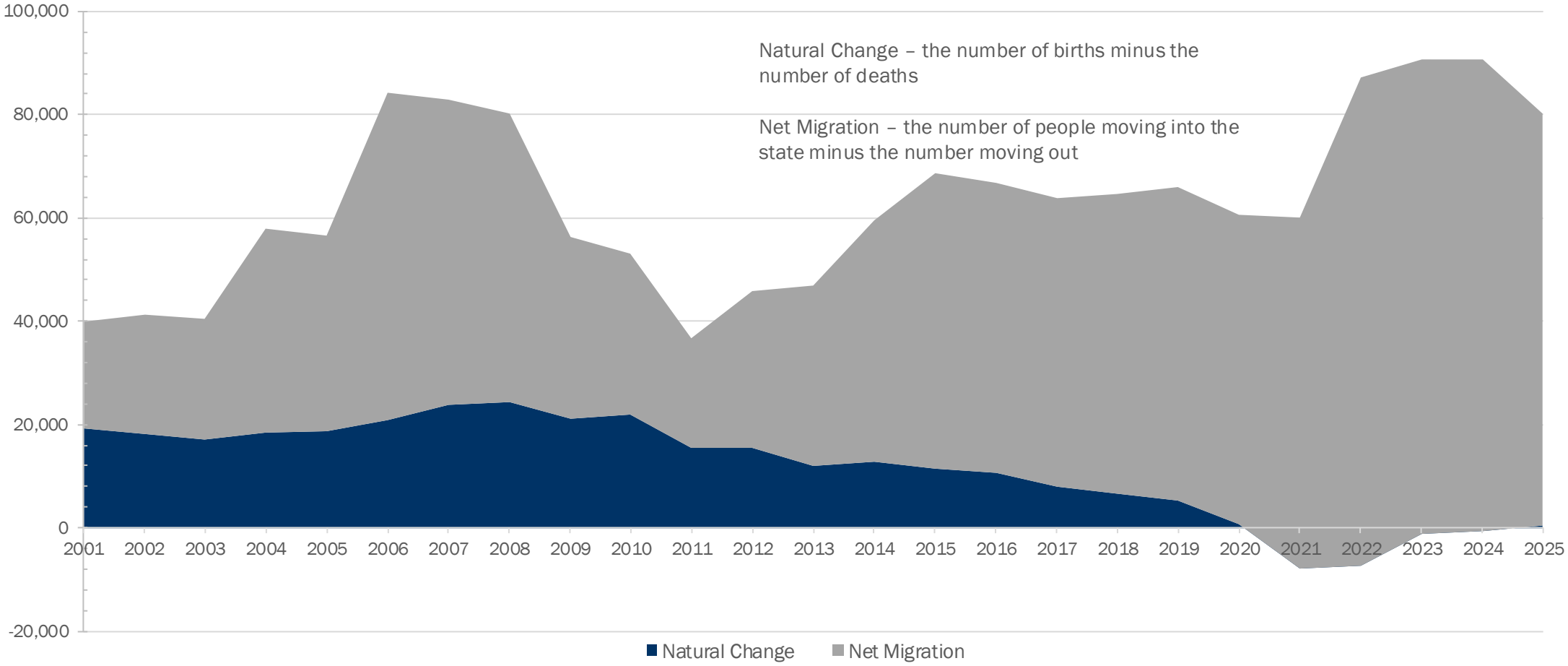
From 2024 to 2025, SC's population increased by 79,958, or 1.46%, the highest rate of growth in the US



Source: US Census Bureau, Annual Estimates of the Resident Population as of January 2026 - RFA/358/lpw/3/19/2026

Migration is Accounting for all the Growth

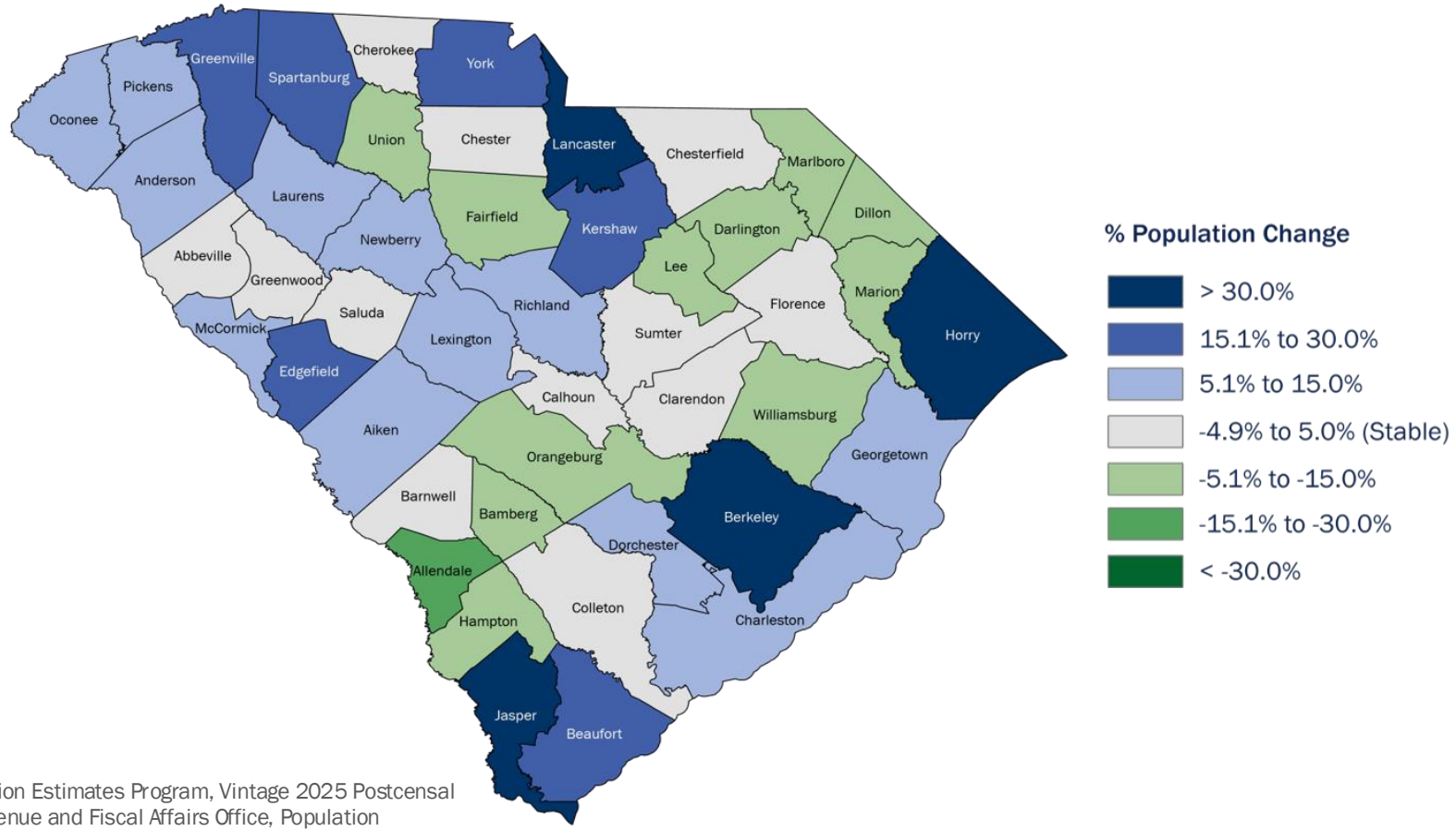
Net migration is driving population growth; natural change was negative during the pandemic but has since leveled out



Sources: US Census Bureau Population Estimates Program, Vintage 2025 Postcensal Estimates, December 2025

Projected Total Population Change by SC County, 2020 - 2030

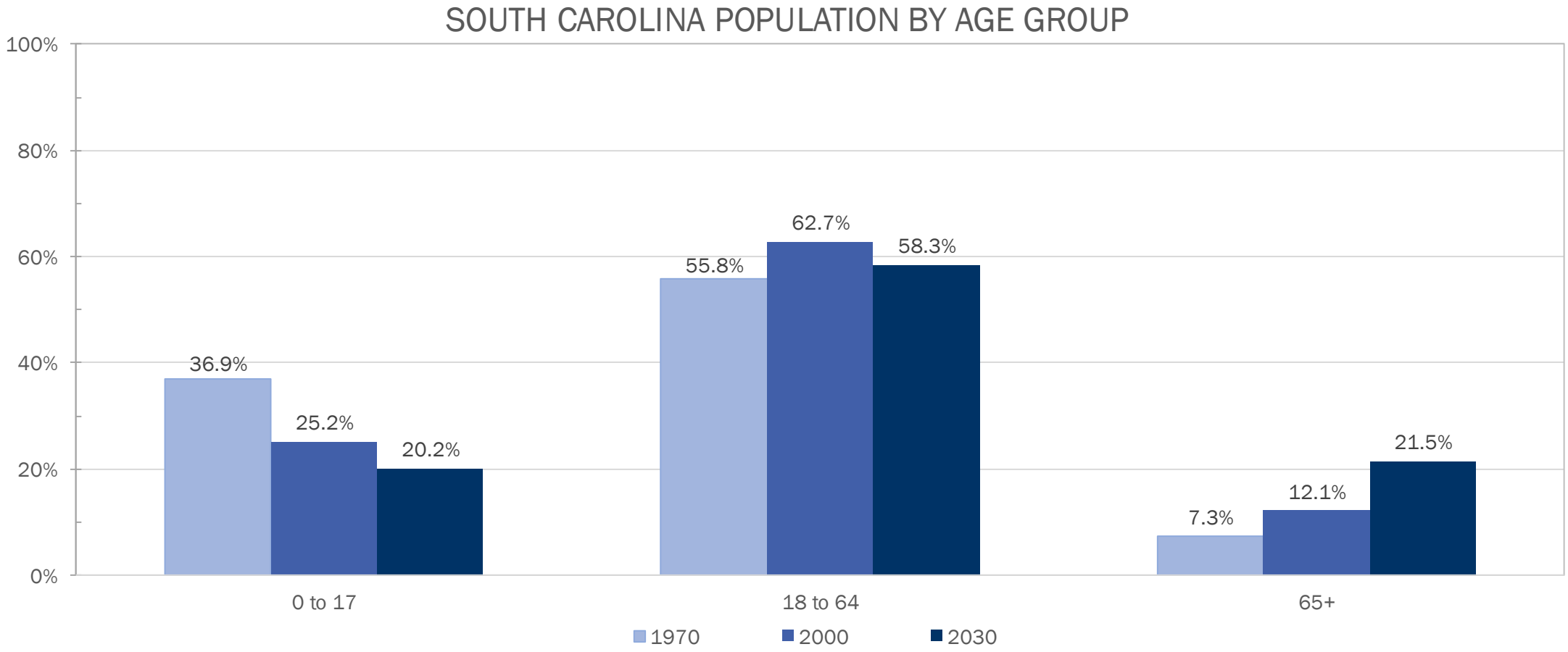
Significant differences in population growth by county are expected; 22 counties are expected to increase, while 12 are expected to decline



Sources: US Census Bureau Population Estimates Program, Vintage 2025 Postcensal Estimates, December 2025; SC Revenue and Fiscal Affairs Office, Population Projections

Changing Mix of Age Groups – Different Service Demands

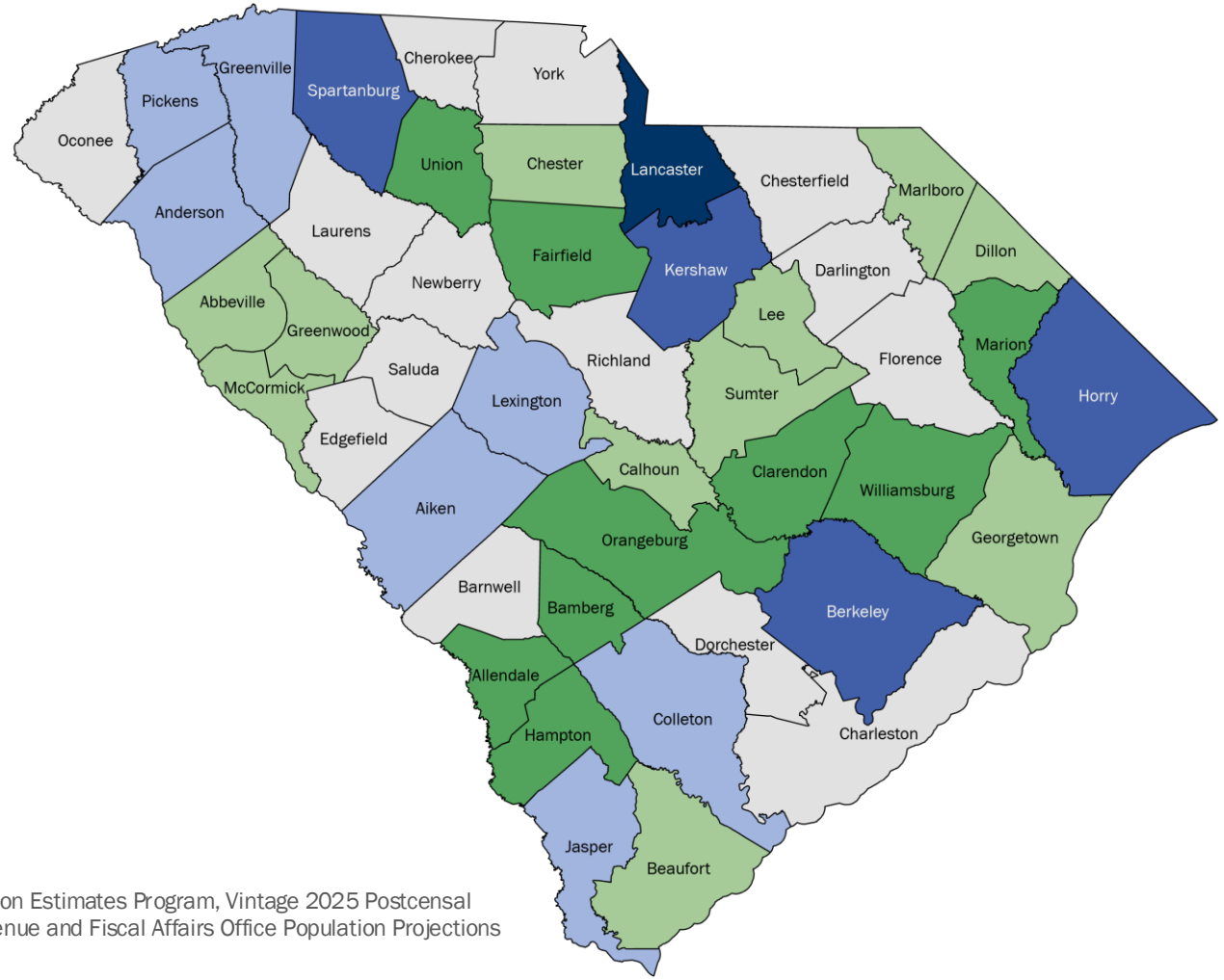
By 2030, projections are that there will be more people over 64 than under 18; the percentage of people of workforce age is projected to decrease



Source: US Census Bureau, Population Estimates; SC Revenue and Fiscal Affairs, Population Projections 383-RFA/lpw/9/1/2026

Age 0-17 Projected Population Change by SC County, 2020 – 2030

Population growth in children will vary widely by county with many counties decreasing



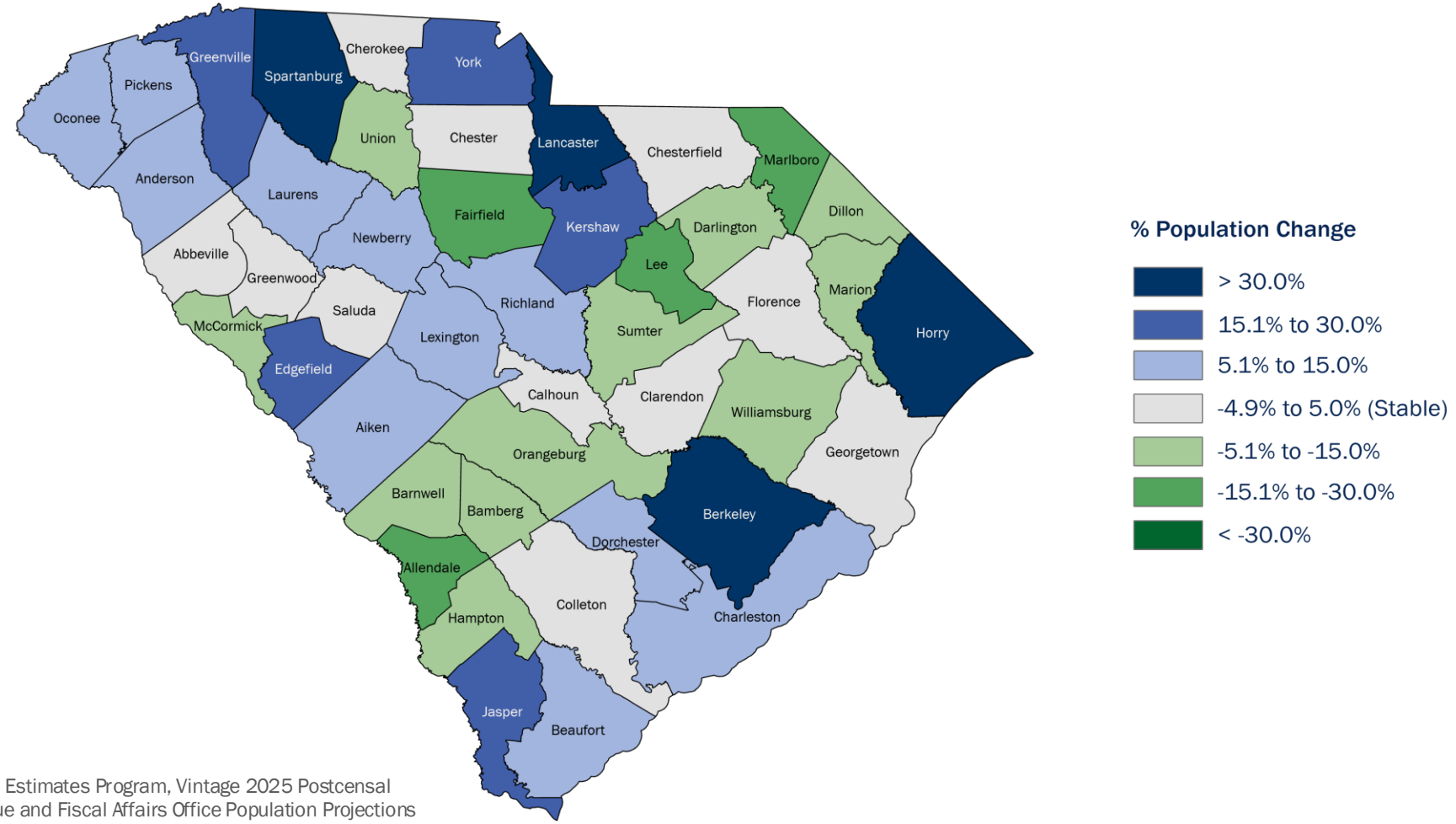
% Population Change

- > 30.0%
- 15.1% to 30.0%
- 5.1% to 15.0%
- -4.9% to 5.0% (Stable)
- -5.1% to -15.0%
- -15.1% to -30.0%
- < -30.0%

Sources: US Census Bureau Population Estimates Program, Vintage 2025 Postcensal Estimates, December 2025; SC Revenue and Fiscal Affairs Office Population Projections

Projected 18-64 Population Change by SC County, 2020 – 2030

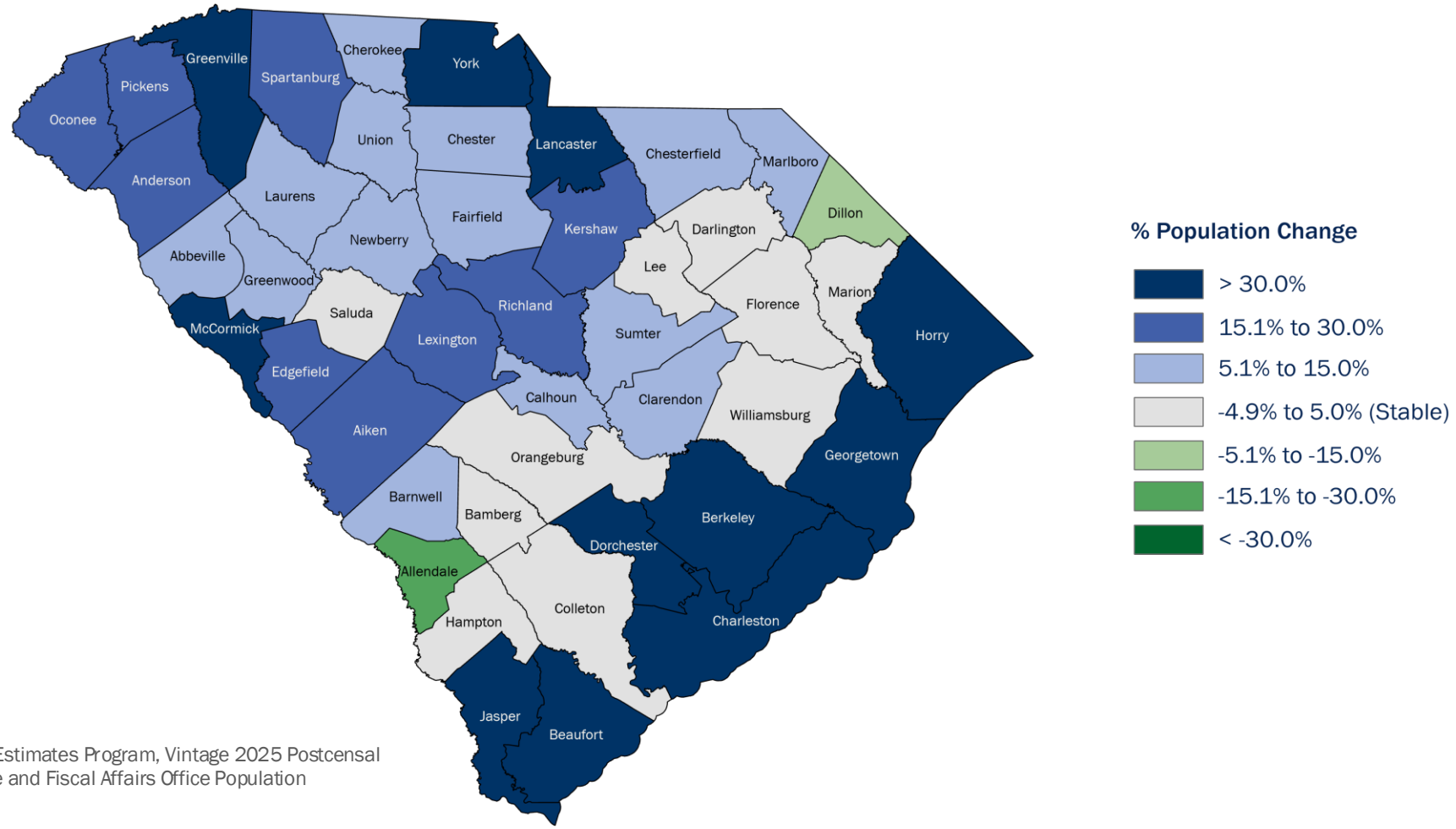
Growth in the workforce age population varies with 20 counties expected to increase, while 15 are expected to decline



Sources: US Census Bureau Population Estimates Program, Vintage 2025 Postcensal Estimates, December 2025; SC Revenue and Fiscal Affairs Office Population Projections

Age 65+ Projected Population Change by SC County, 2020 – 2030

Some counties are projected to see significant growth in the 65+ population; 34 counties are expected to increase, while 2 are expected to decline

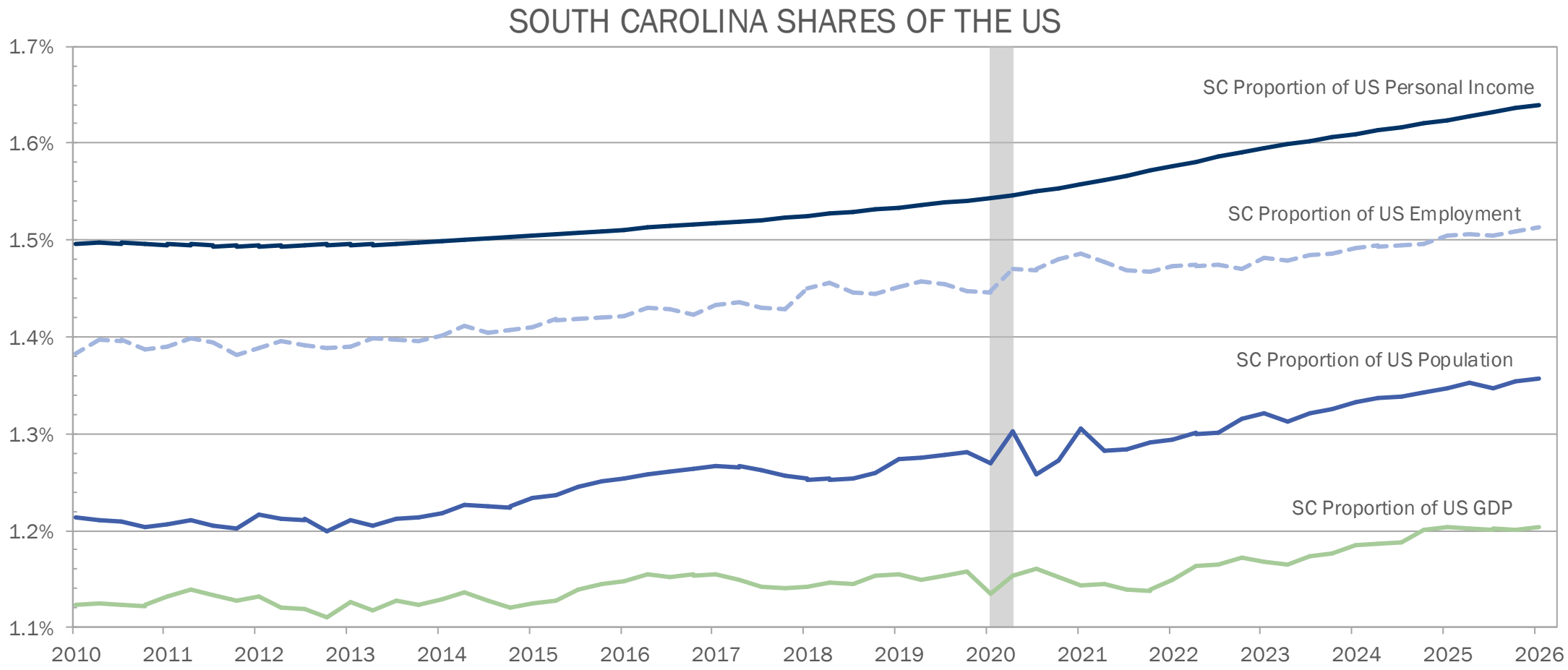


Sources: US Census Bureau Population Estimates Program, Vintage 2025 Postcensal Estimates, December 2025; SC Revenue and Fiscal Affairs Office Population Projections

Economic Updates

SC Versus US – Share of Population, Employment, Income, and GDP

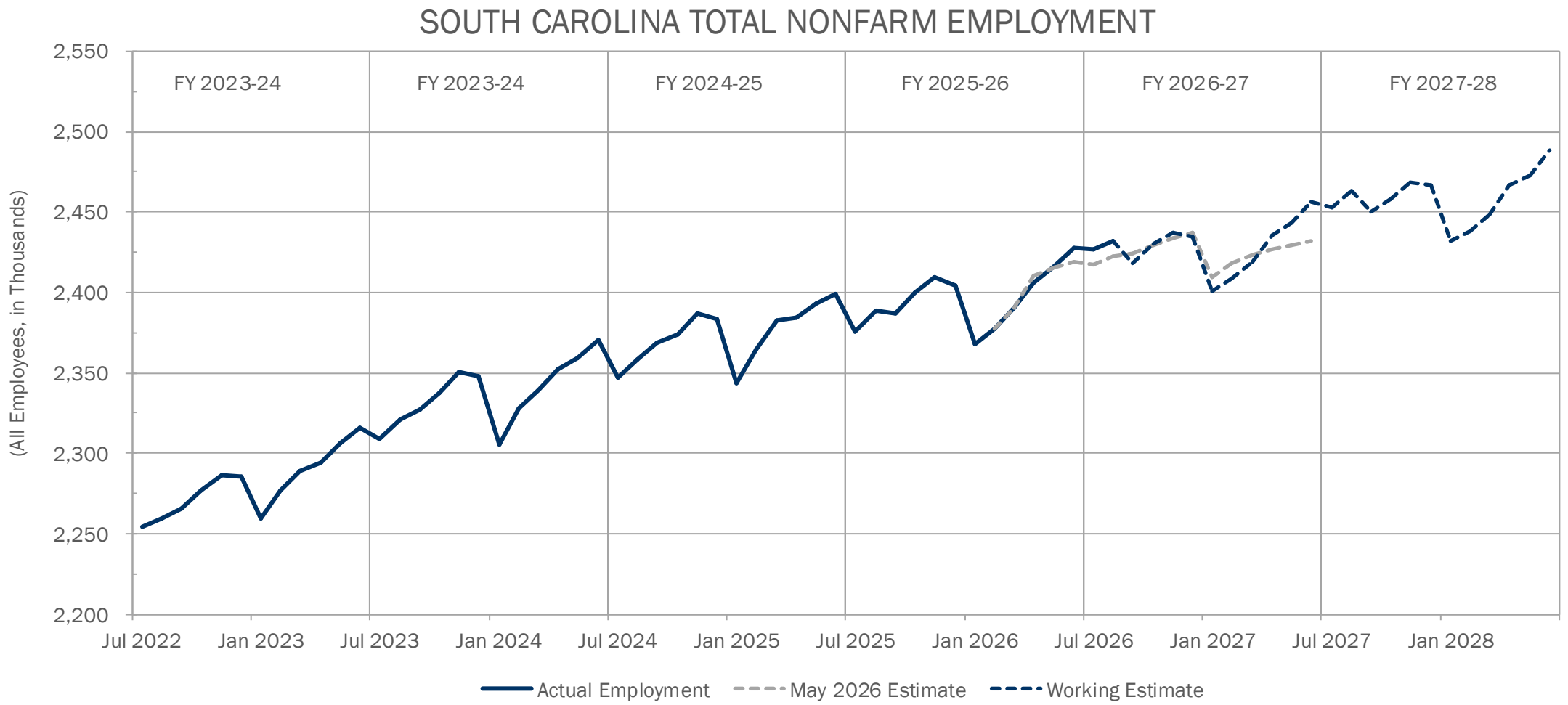
SC's share of US population, employment, personal income, and GDP continue to increase



Source: U.S. Department of Commerce, Bureau of Economic Analysis; 344- RFA/kv/7/23/2026

Employment – Working Estimate*

Working estimate for FY 27 assumes faster growth than last fiscal year but for growth to slow in FY 28



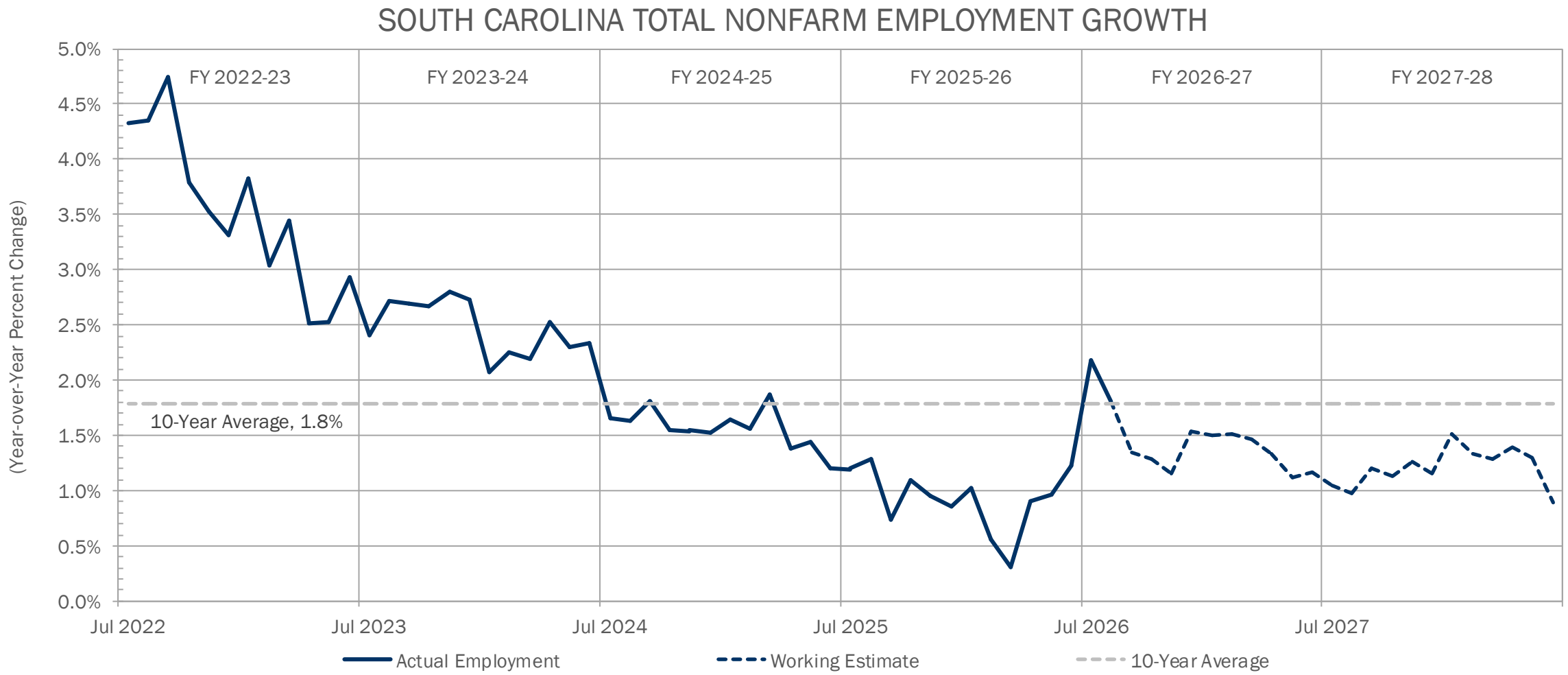
Source: Bureau of Labor Statistics, U.S. Department of Labor RFA/kv/10/5/2026

*Subject to change in final November 2026 Forecast

Employment Growth – Working Estimate*

Growth is expected to be below the 10-year average

FY 27: 1.4%; FY 28: 1.2%

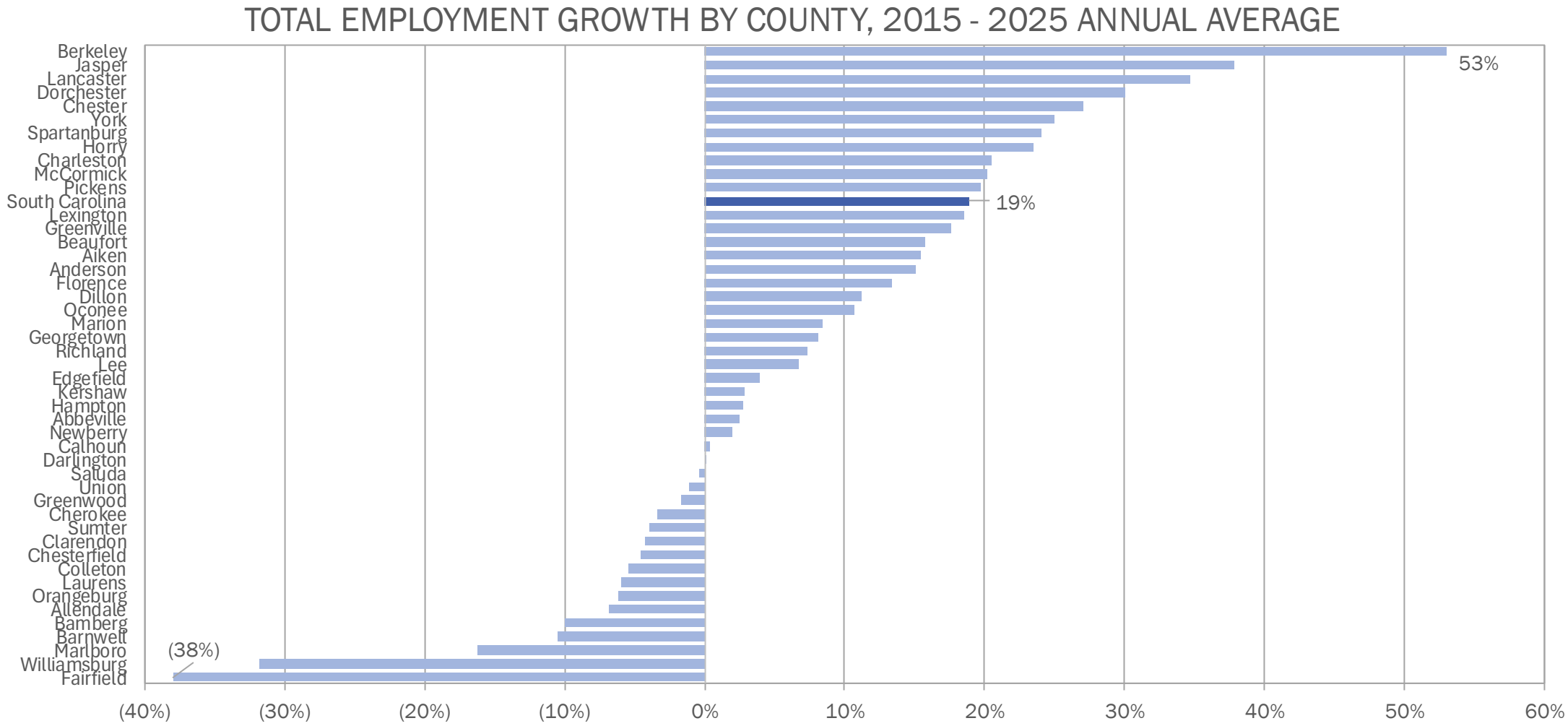


Source: Bureau of Labor Statistics, U.S. Department of Labor RFA/kv/10/5/2026

*Subject to change in final November 2026 Forecast

Employment Growth by County over the Past 10 Years

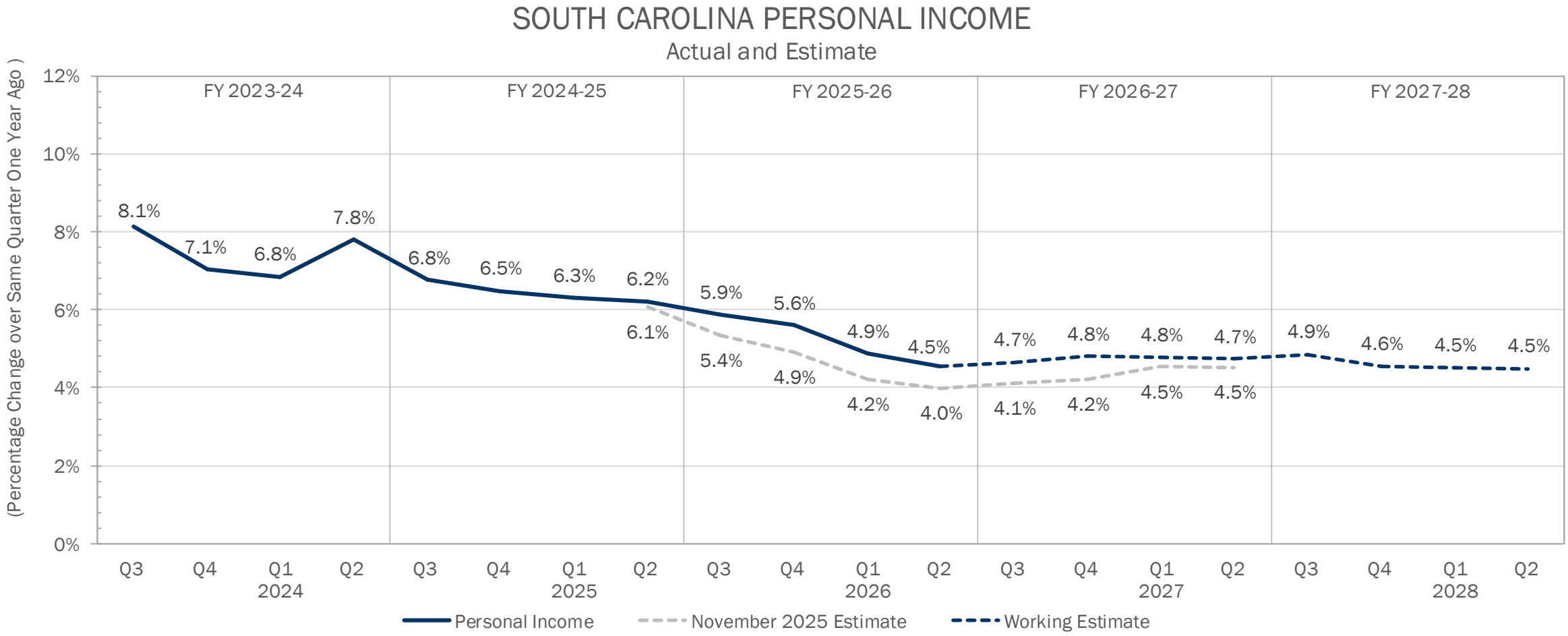
Employment growth also varied widely by county; 11 counties grew faster than the state average



Source: Bureau of Labor Statistics, U.S. Department of Labor 363-RFA/kv/8/20/2026

Personal Income Quarterly Growth – Working Estimate*

Growth is expected to remain relatively stable over FY 27 and FY 28 (FY 27: 4.7%; FY 28: 4.6%)

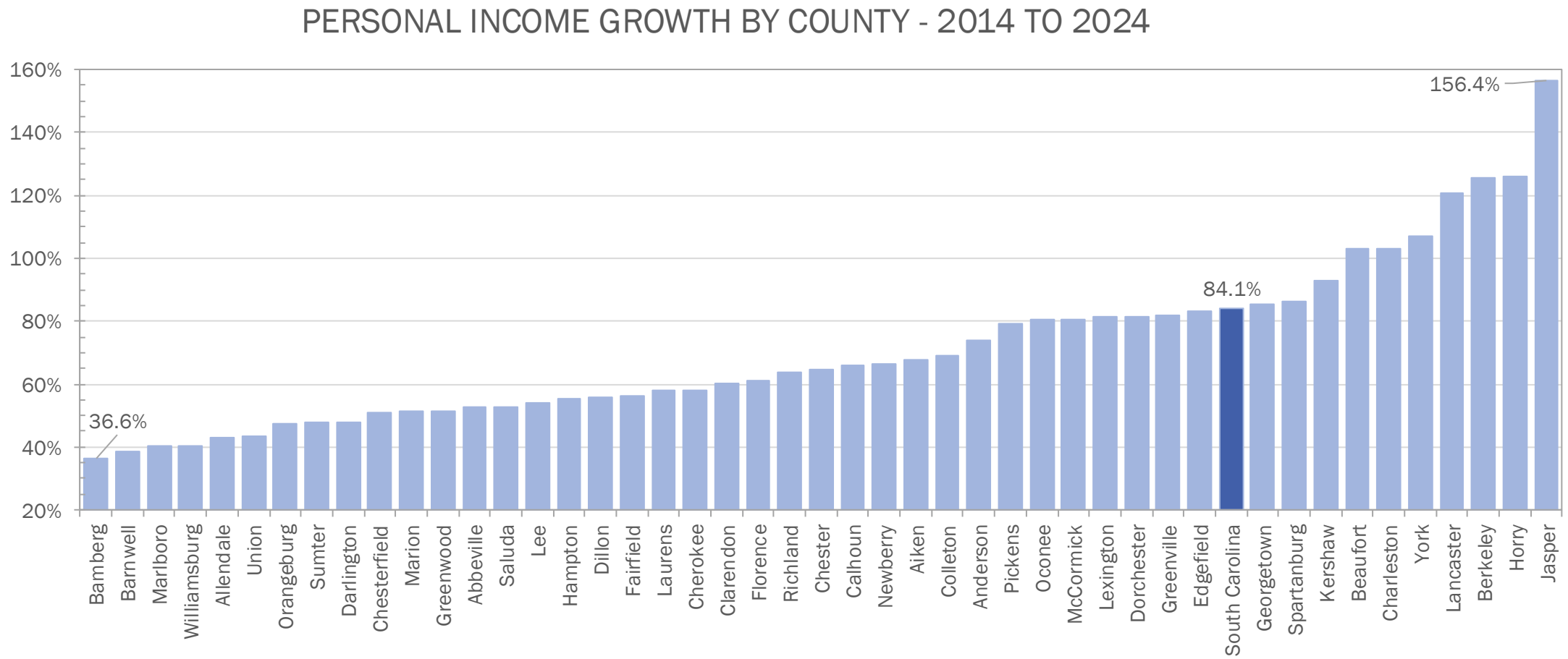


Source: U.S. Department of Commerce, Bureau of Economic Analysis; S.C. Board of Economic Advisors - RFA/kv/10/6/2026

*Subject to change in final November 2026 Forecast

Personal Income Growth by County

SC total personal income grew 84.1% over 10 years, but growth varied widely among counties; only 10 counties grew faster than the state average

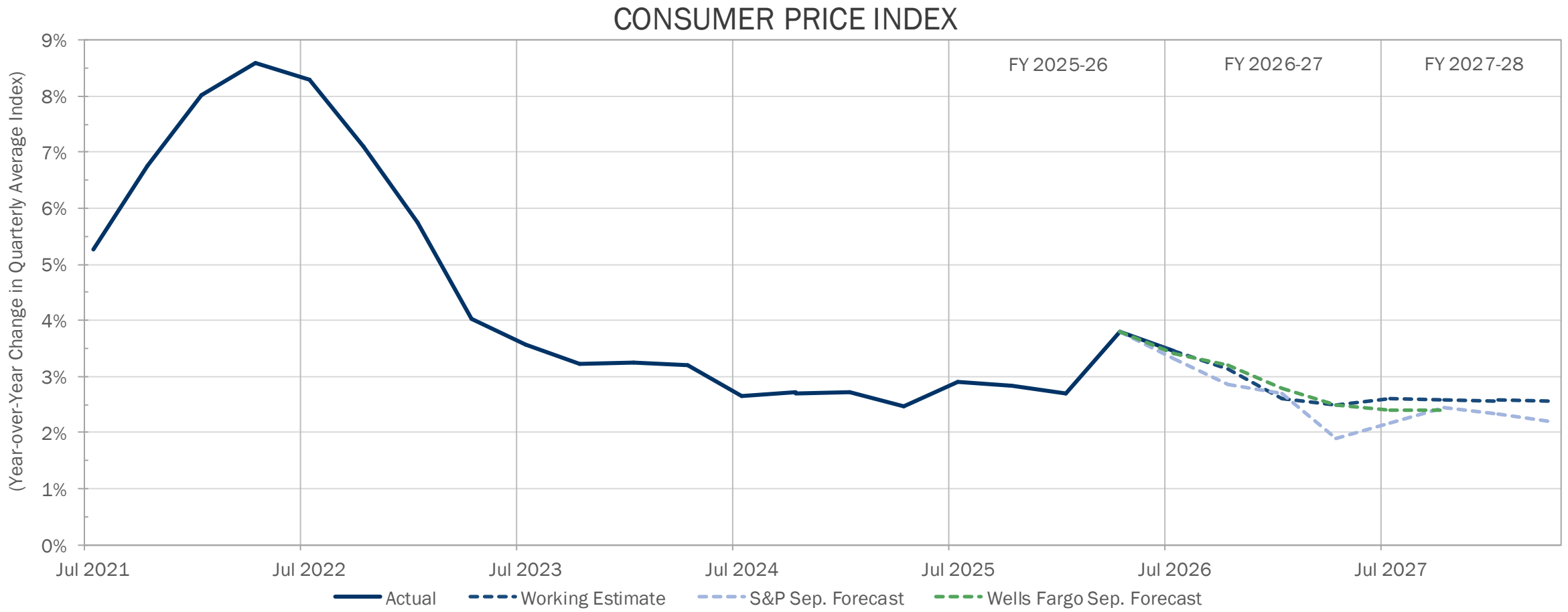


Source: U.S. Bureau of Economic Analysis, Personal Income; Bureau of Labor Statistics, U.S. Department of Labor RFA/361/kv/8/20/2026

Inflation – Working Estimates*

CPI inflation estimates: FY 27: 2.9%; FY 28: 2.6%

(Comparison forecasts: S&P: 2.7%, 2.3%; Wells Fargo: 3.0%, n/a)

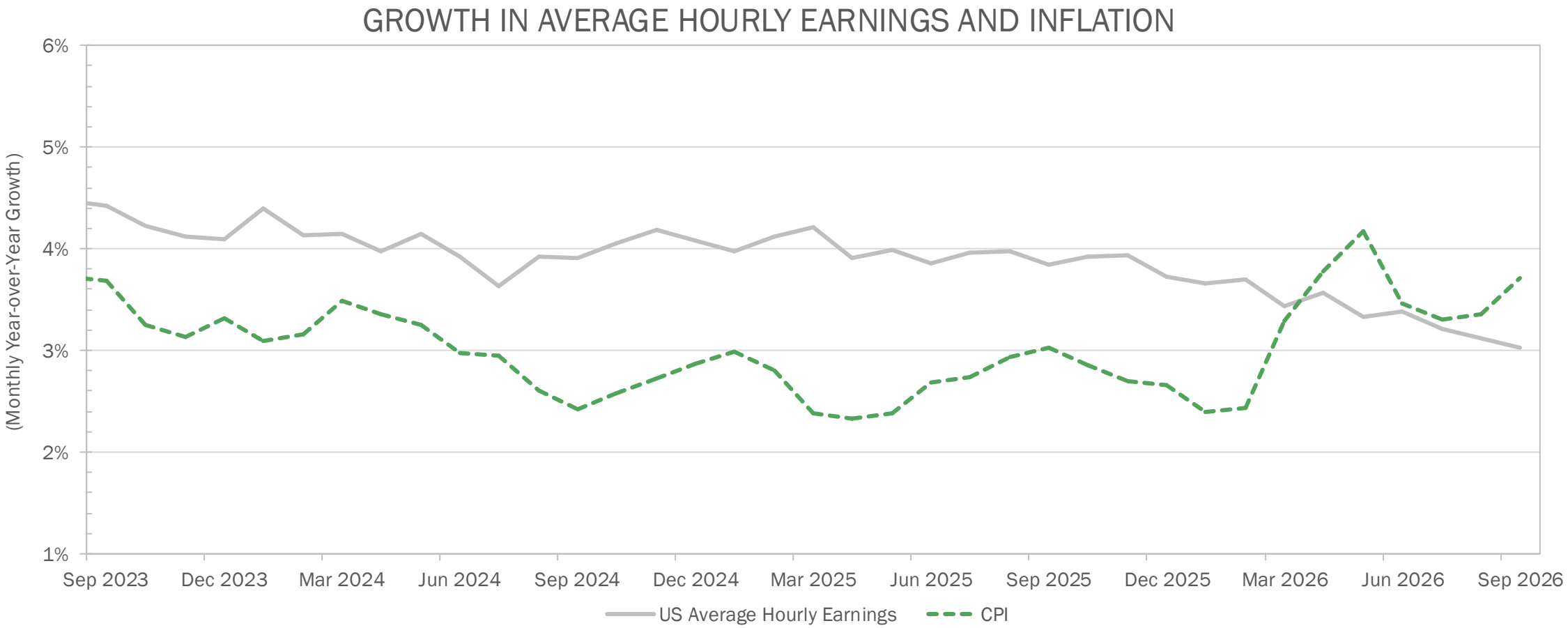


Source: Bureau of Labor Statistics, U.S. Department of Labor RFA/kv/10/14/2026

*Subject to change in final November 2026 Forecast

US Average Hourly Earnings versus Inflation

Inflation is outpacing growth in average hourly employee earnings, which erodes real gains in hourly wages and presents risks to spending

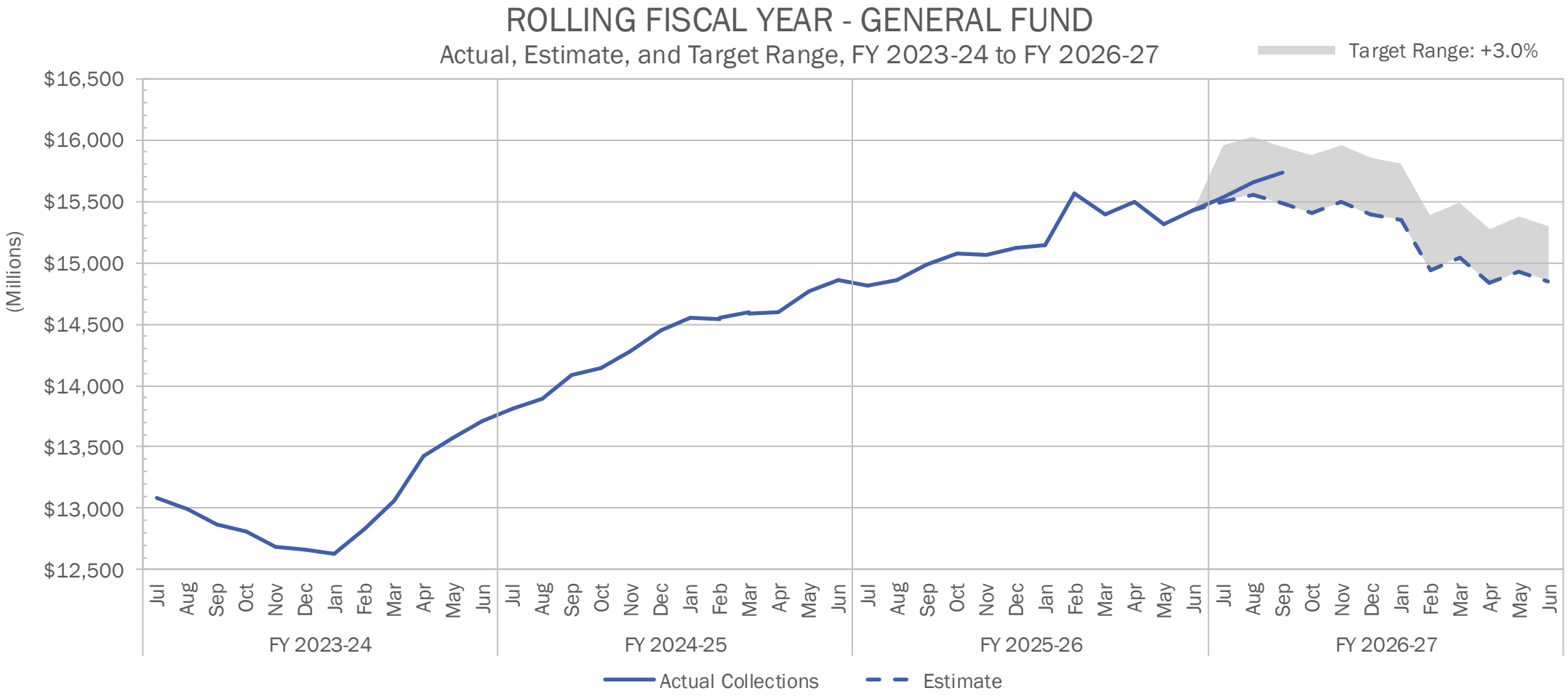


Source: US Bureau of Labor Statistics, Average Hourly Earnings of All Employees, Total Private, Consumer Price Index for All Urban Consumers: All Items in US city Average RFA-mad/10/14/2026

State and Local Revenue Updates

General Fund – Actual versus Estimate

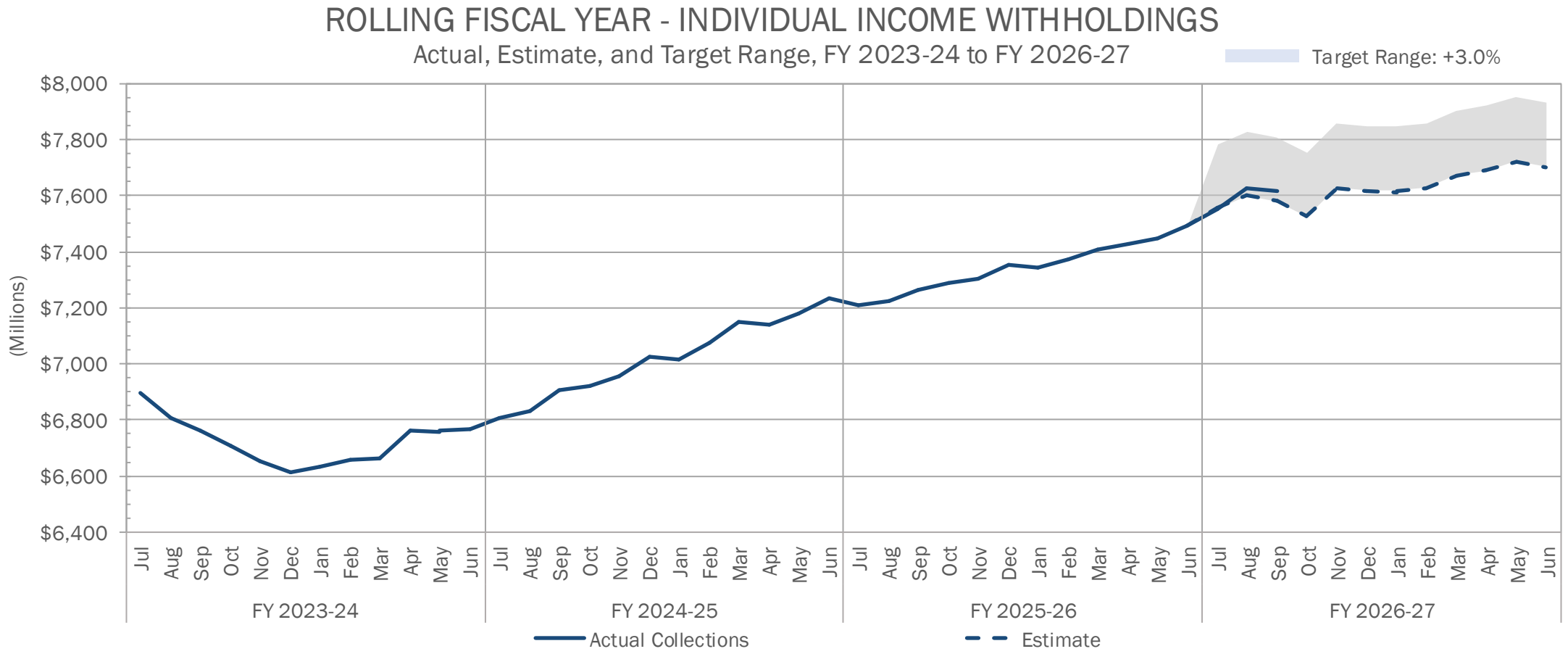
Revenues through September total $3.83 billion, $248.3 million above the current estimate for FY 2026-27



Source: SC Revenue and Fiscal Affairs, BEA Forecast as of May 19, 2026, with Legislative Adjustments

Withholdings – Actual versus Estimate

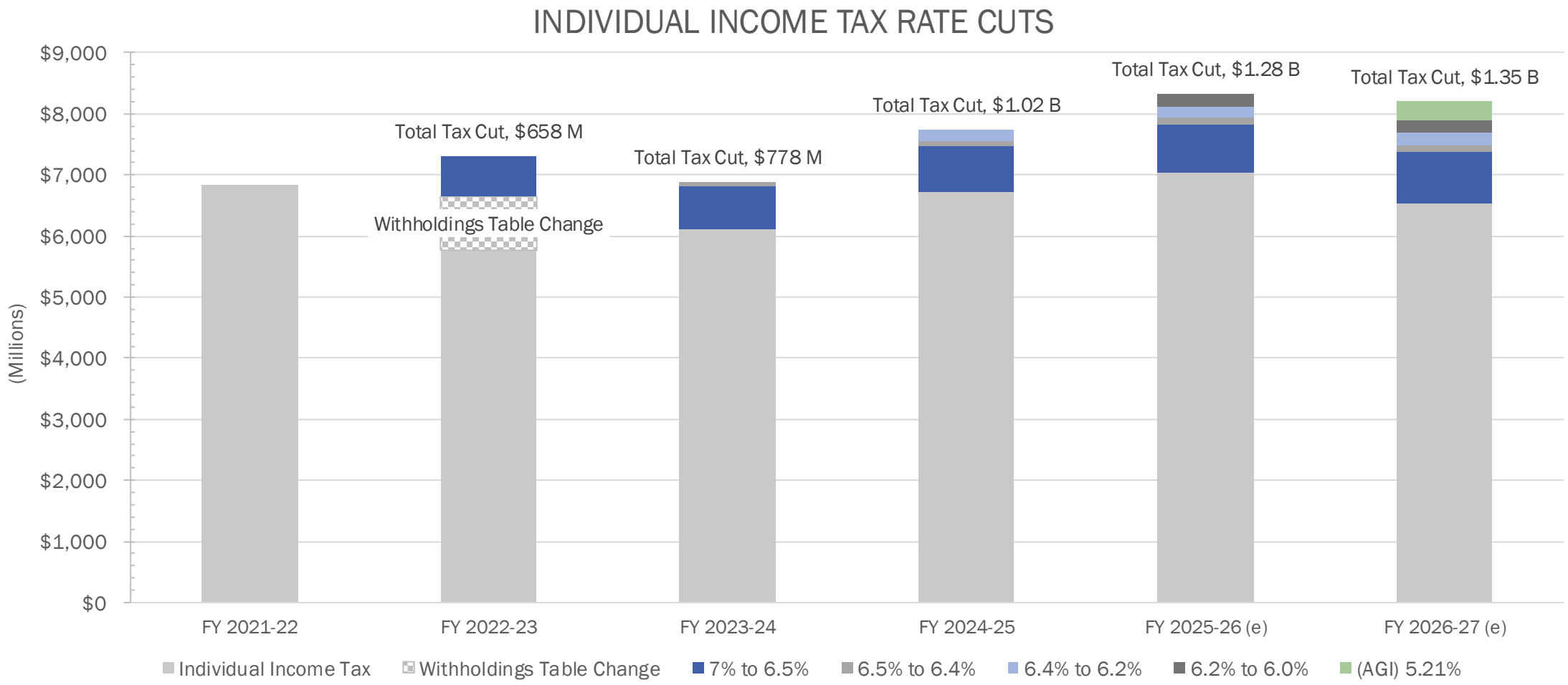
September Withholdings were $11.7 million ahead of the monthly estimate; collections are $37.9 million above expectations for the first three months, growing 7.3%



Source: SC Revenue and Fiscal Affairs, BEA Forecast as of May 19, 2026 with legislative adjustments

Individual Income Tax Rate Cuts Since 2022

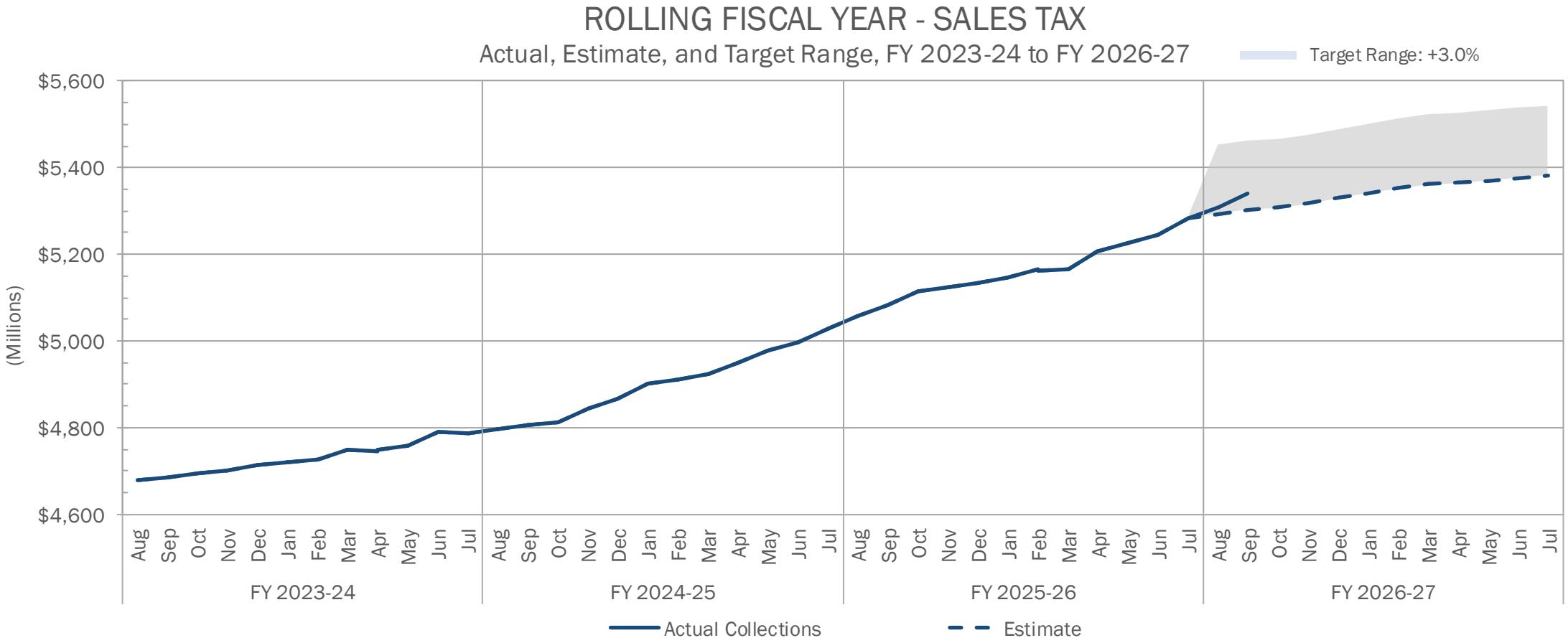
The income tax cuts since tax year 2022 will lower income taxes by an estimated $1.35 billion in FY 2026-27



Source: SC Revenue and Fiscal Affairs; individual income tax liability change attributed to each fiscal year without regard to extensions (TY 22 in FY22- 23) 379-RFA/lhj/08/21/2026

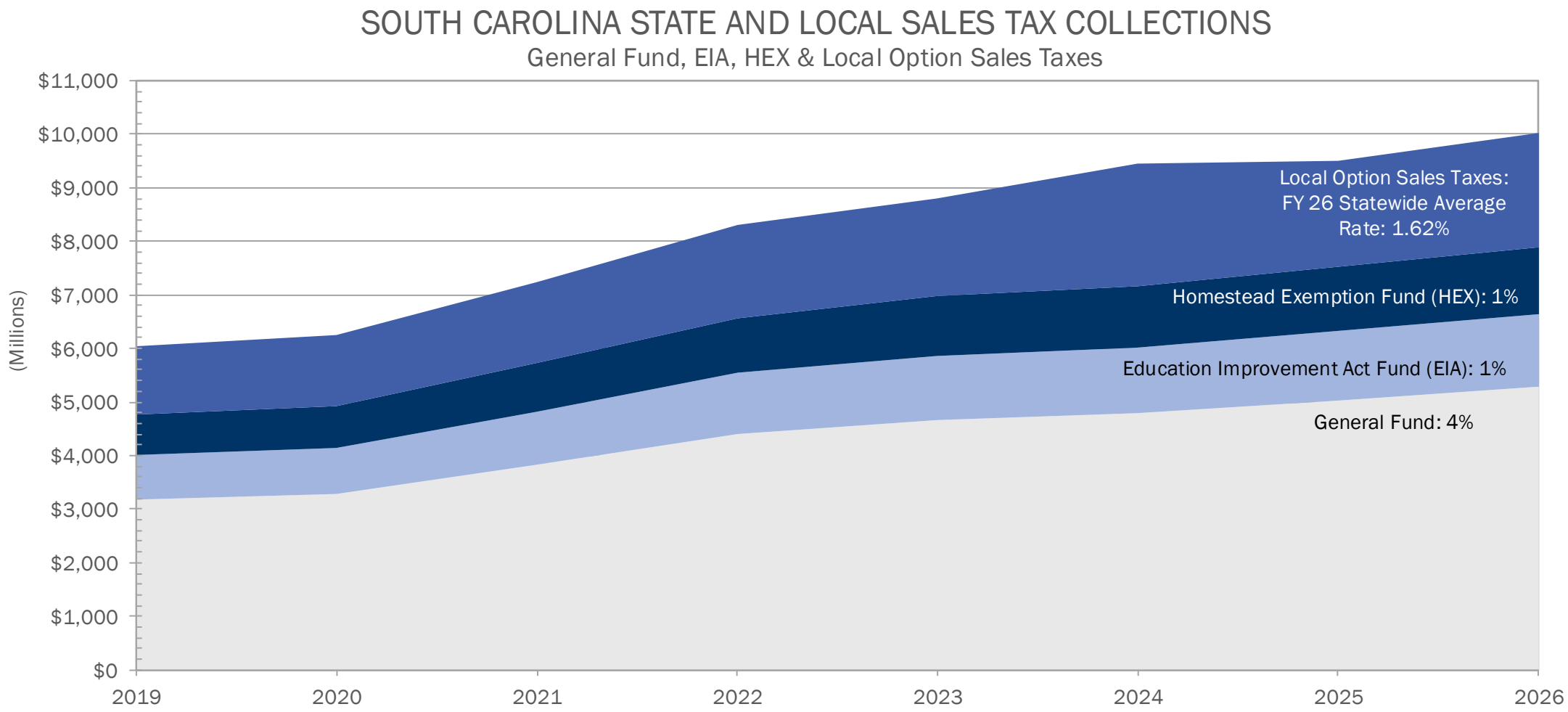
Sales Tax – Actual versus Estimate

September collections grew by 7.3% over last year, partly due to audit revenue of $25 million (1.5% without the audit); FY 27 collections are now $37.8 million above the estimate and growing 3.7% in total without audit revenue



Source: SC Revenue and Fiscal Affairs, BEA Forecast as of May 19, 2026, with legislative adjustments

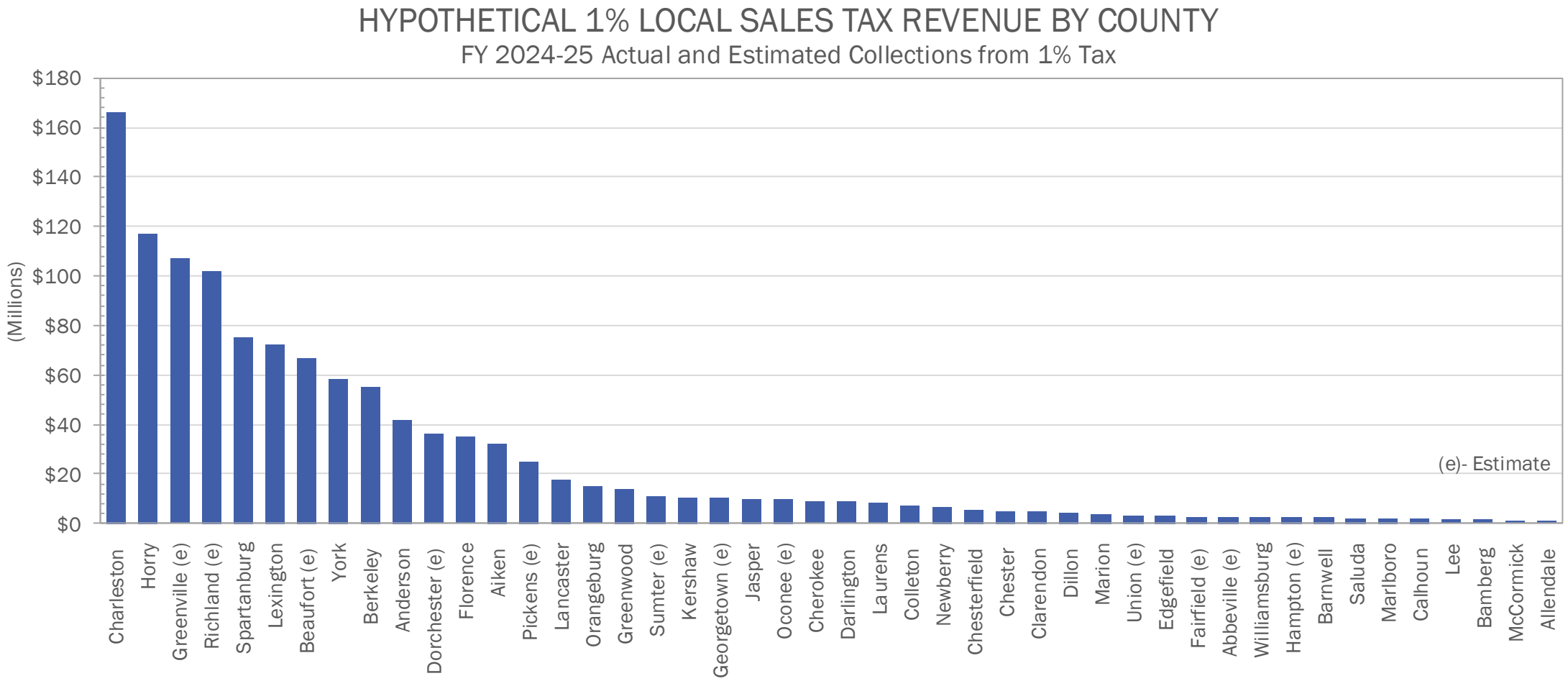
Total State and Local Sales and Use Tax Collections



Source: SC Department of Revenue, SC Revenue and Fiscal Affairs Office 32m-mad/8/24/2026
Note: Includes all local option sales taxes (capital projects, transportation, etc.)

Hypothetical Local Revenue from a 1% Sales Tax by County

Top four counties account for 42% of state-wide collections from a 1% sales tax

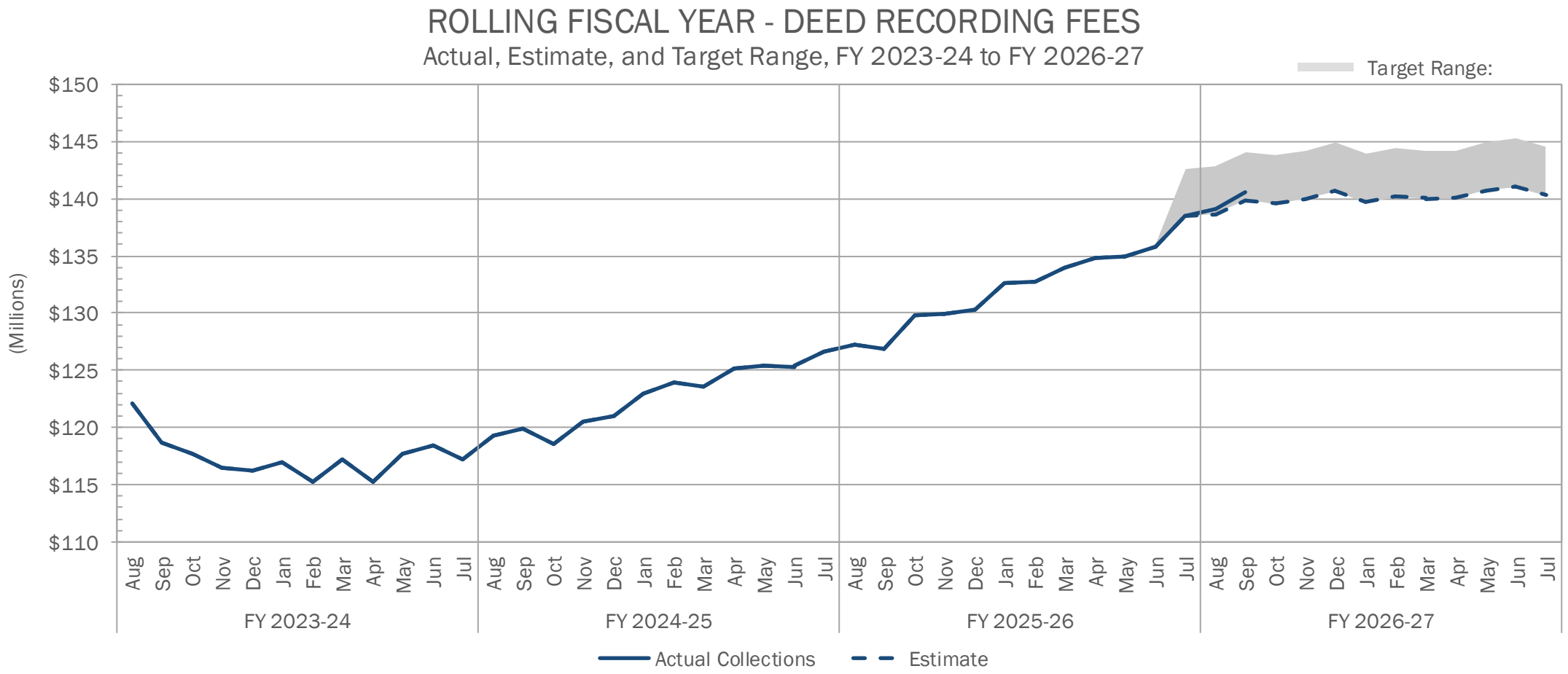


Source: SC Dept. of Revenue local option sales tax revenue and net taxable sales by county; RFA estimates based on other local option sales tax or net taxable sales 376B - RFA/md/01/27/2026

Note: Collections do not include tax on unprepared food.

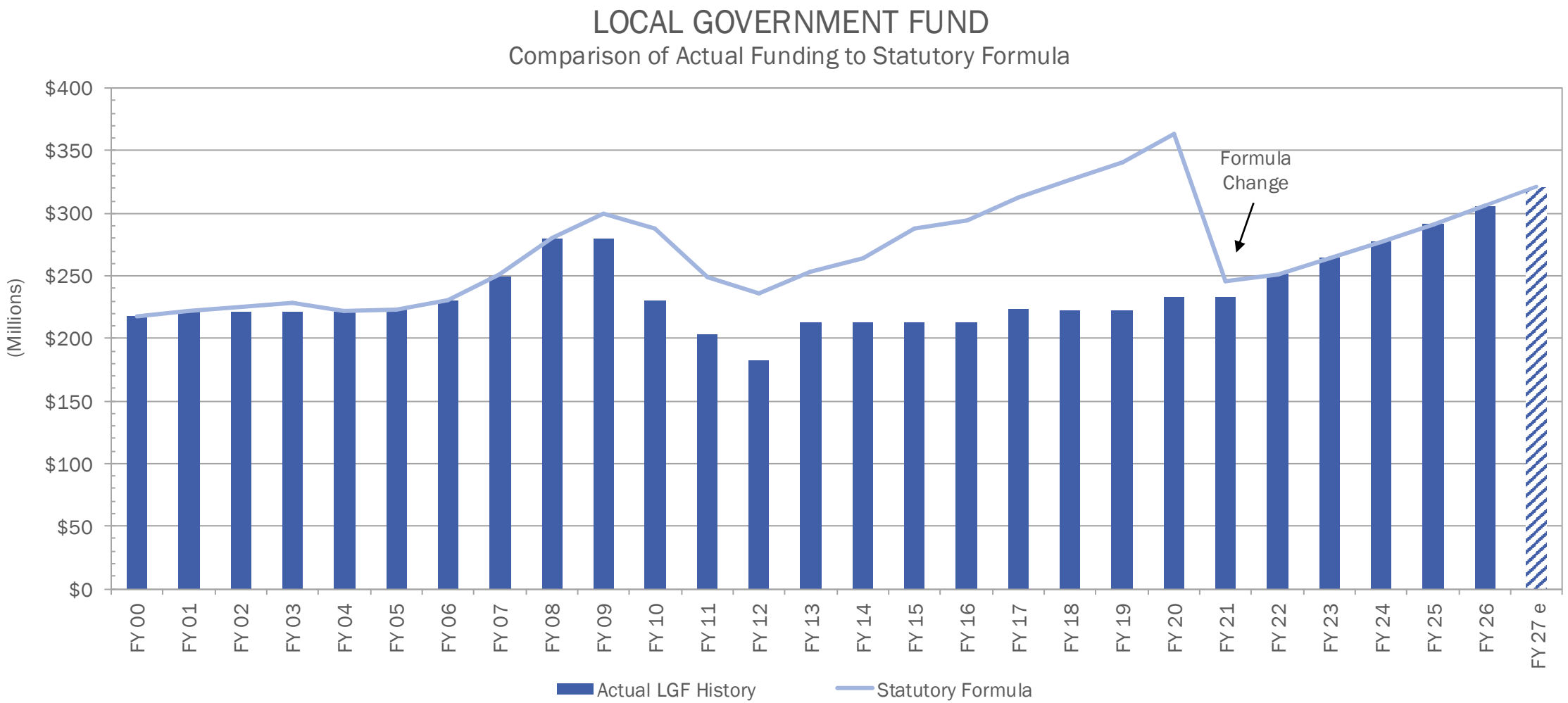
Deed Recording Fees

September collections grew by 13.4% over the same month last year; cumulative FY 27 collections are growing by 9.1% so far and are $700,000 above expectations



Local Government Fund

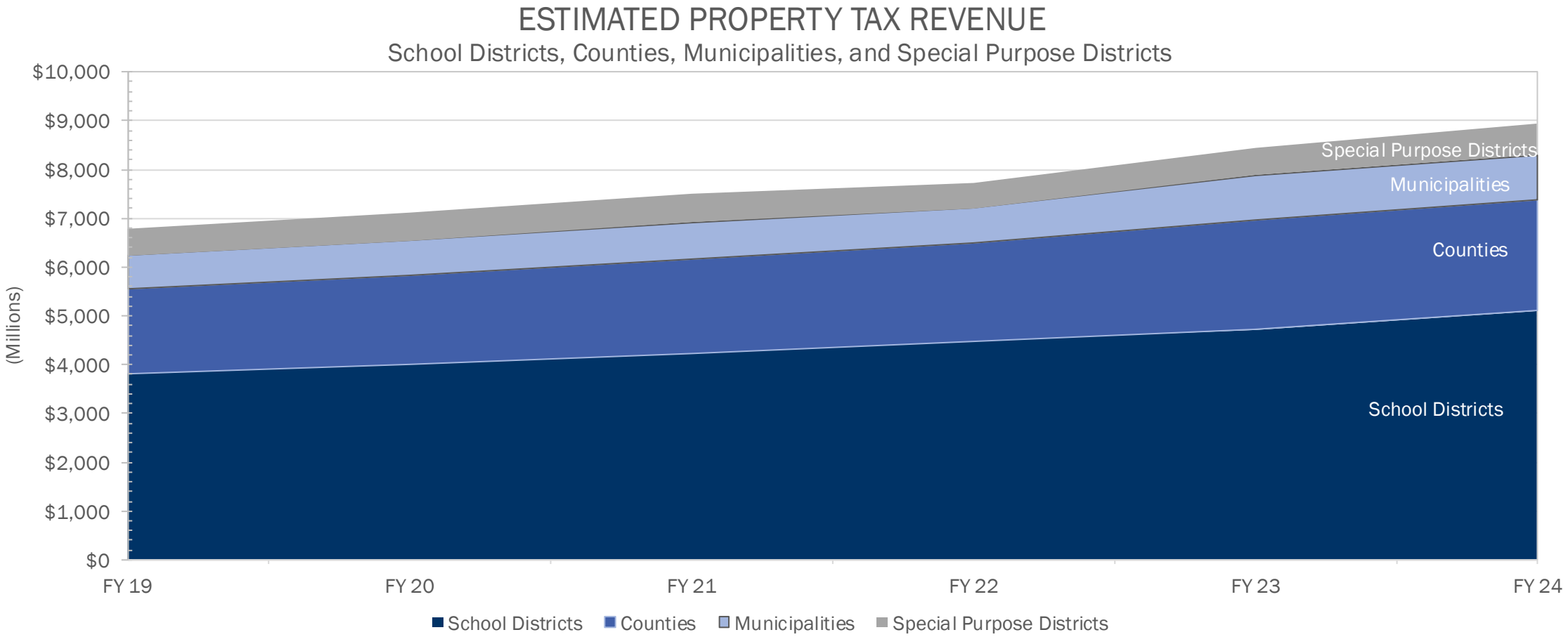
FY 27 appropriations increased total funding by 5%, or $15.3 million



Source: S.C. Revenue and Fiscal Affairs Office - 193/lpw/10/20/2026

Property Tax Revenue – FY 2018-19 to FY 2023-24

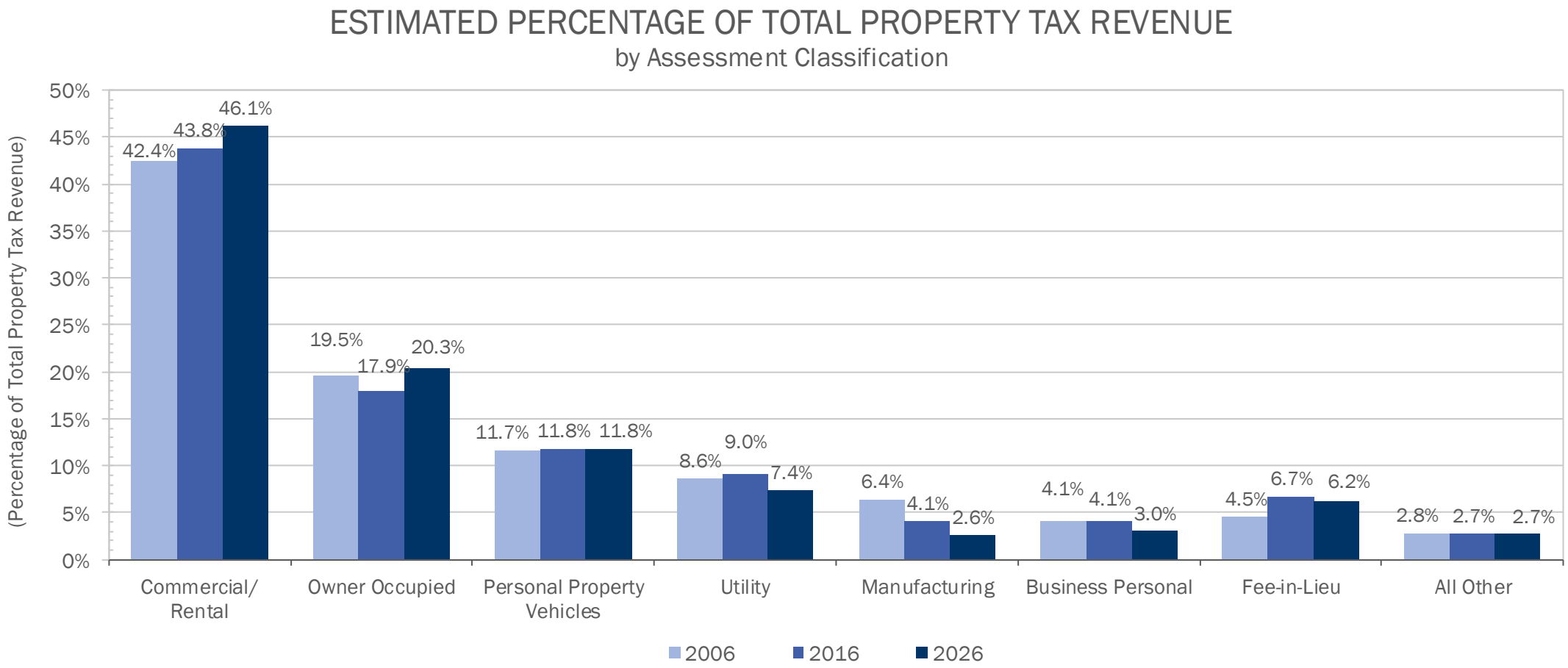
In FY 24, school districts collected 57% of property tax revenue statewide, counties 25%, municipalities 11%, and special purpose districts 7%



Source: SC Department of Education, Statement of Revenues; SC Department of Revenue, Tax Collections by County; SC Revenue and Fiscal Affairs Office, Local Government Finance Report (municipal data) RFA/mkm/9/3/2026

Estimated Property Tax Revenue by Classification – History

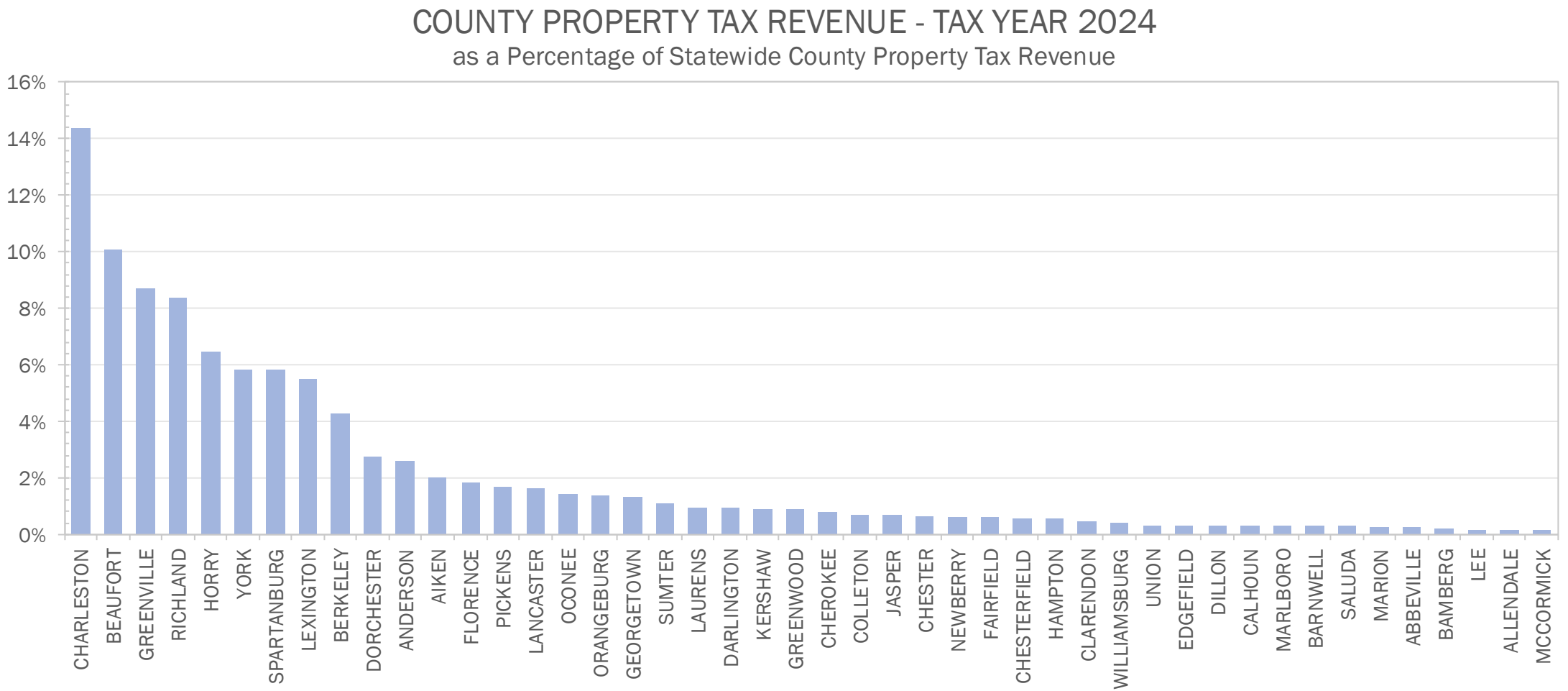
The percentage of property tax revenue from commercial/rental has increased while owner-occupied has varied



Note: All Other includes other personal property, motor carrier, agricultural real property (corporate and private)
Source: DOR Index of Taxpaying Ability; calculations by Revenue and Fiscal Affairs 229-RFA/mkm/8/28/2026

County Percentage of Statewide Property Tax Revenue

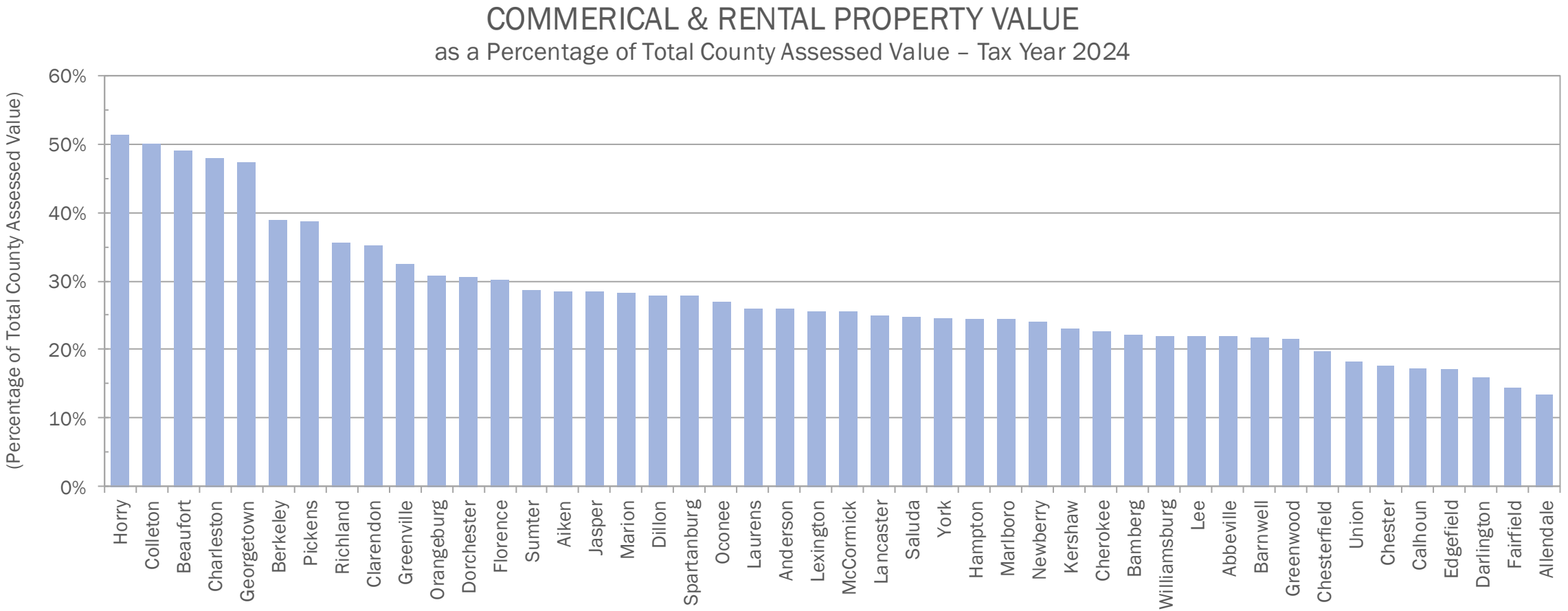
The top 6 counties make up almost 54% of total county property taxes



Source: S.C. Department of Revenue; Tax Collections by County Report - 377 RFA-mkm/8/19/2026

Commercial Property Values by County

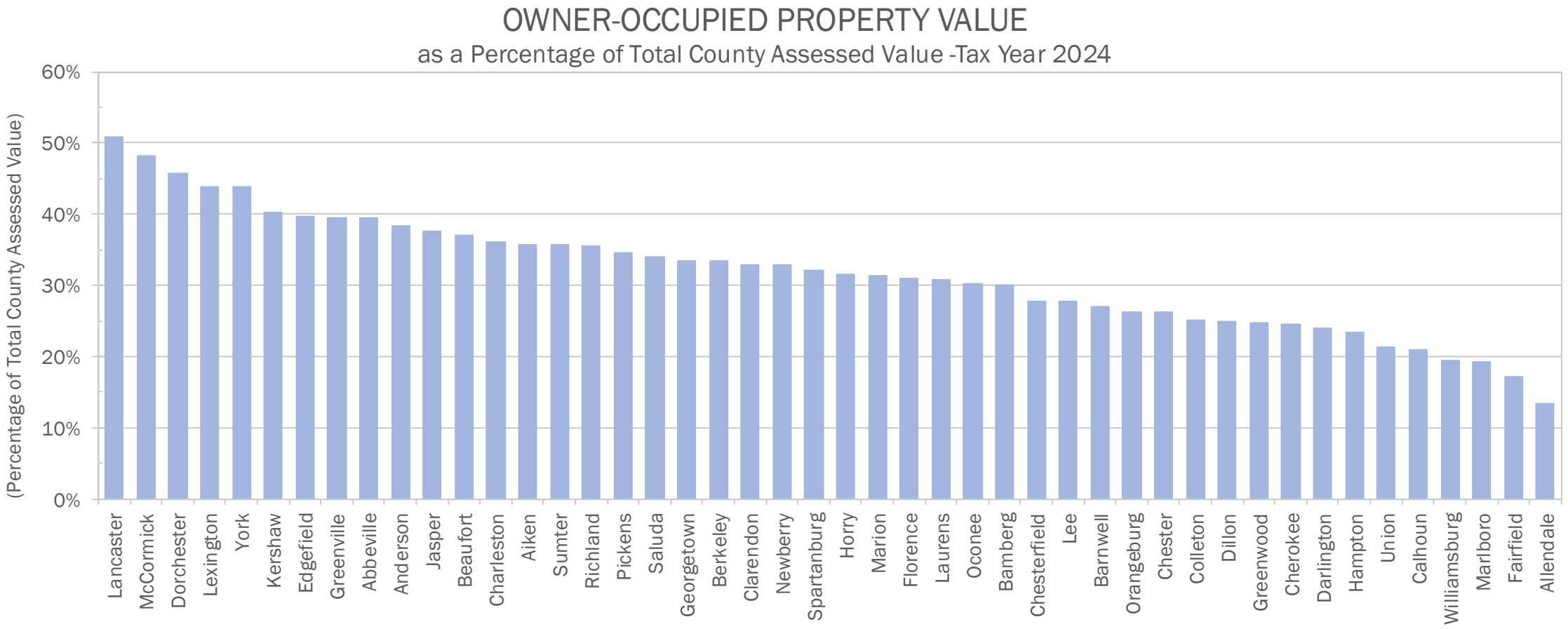
Commercial real property is the largest component of the tax base statewide at 36.1% of total property value, but the percentage varies by county



Source: Department of Revenue 2026 Index of Taxpaying Ability RFA/mkm/02/20/2026

Owner-occupied Property Values by County

Residential property is the second largest category at 35.8% of total value, but again, percentages range by county



Source: Department of Revenue 2026 Index of Taxpaying Ability RFA/mkm/02/20/2026

Additional Information and Resources

- SC Population and Demographics Data Resources
  - https://rfa.sc.gov/programs/census-state-liaison-and-data-center
- State Government Finance Resources
  - https://rfa.sc.gov/resources/state-finances
- Local Government Finance Resources
  - https://rfa.sc.gov/resources/local-government
- Presentations
  - https://rfa.sc.gov/resources/presentations

Questions?

Thank You!