

REVENUE AND ECONOMIC UPDATE FY 2024–25 AND FY 2025-26



Presented to
South Carolina Senate Finance Committee

March 25, 2025

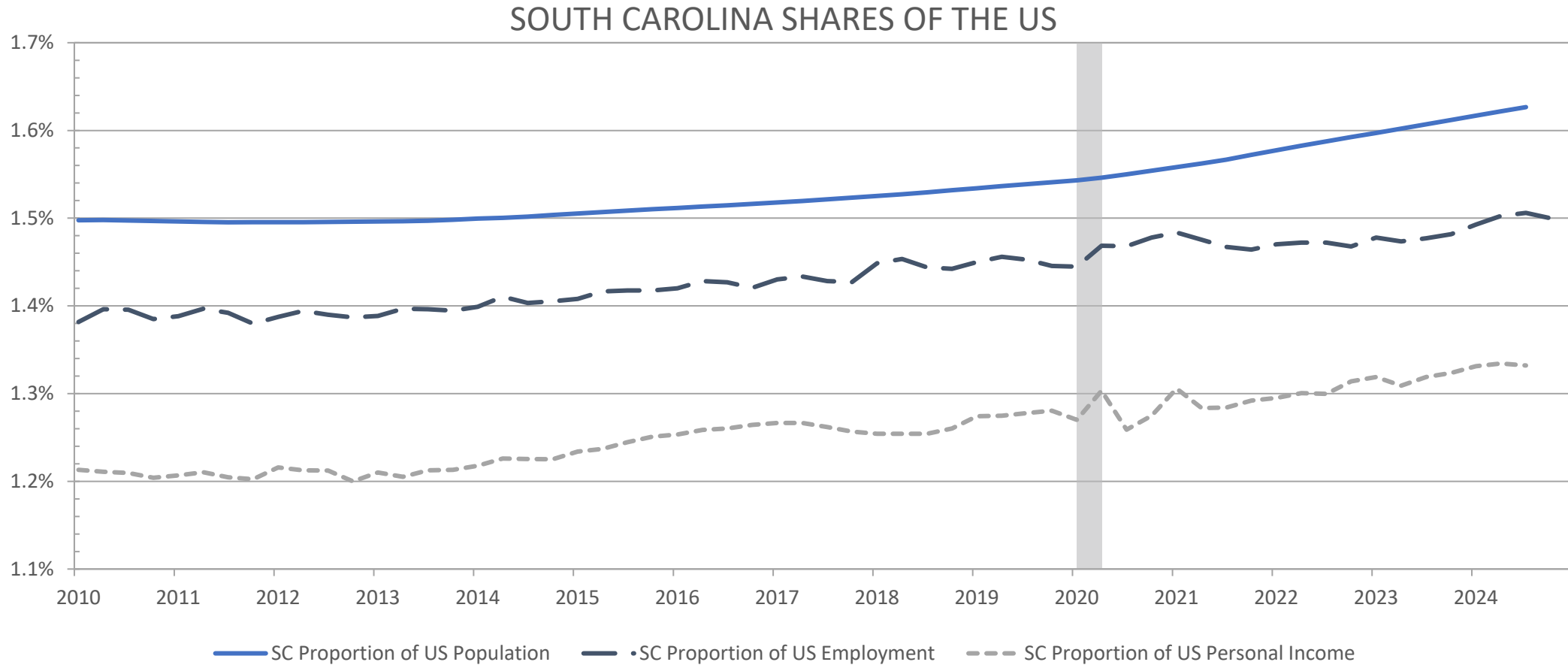
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Trends at the State Level

South Carolina Compared to the US

SC's shares of the total US population, employment, and personal income continue to increase

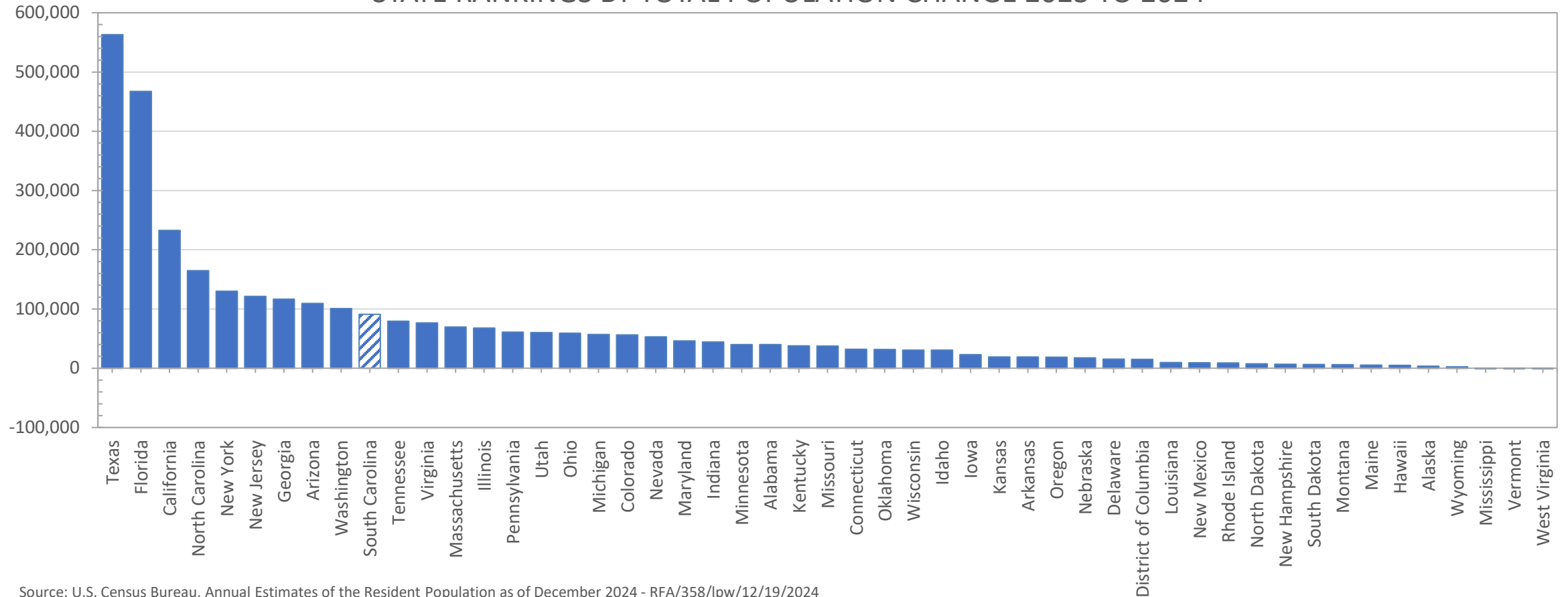


Source: U.S. Department of Commerce, Bureau of Economic Analysis; 344- RFA/kav/2/6/2025

South Carolina had the 10th Largest Population Increase in the US

Population increased by 91,001 (1.7%) from 2023 to 2024

STATE RANKINGS BY TOTAL POPULATION CHANGE 2023 TO 2024



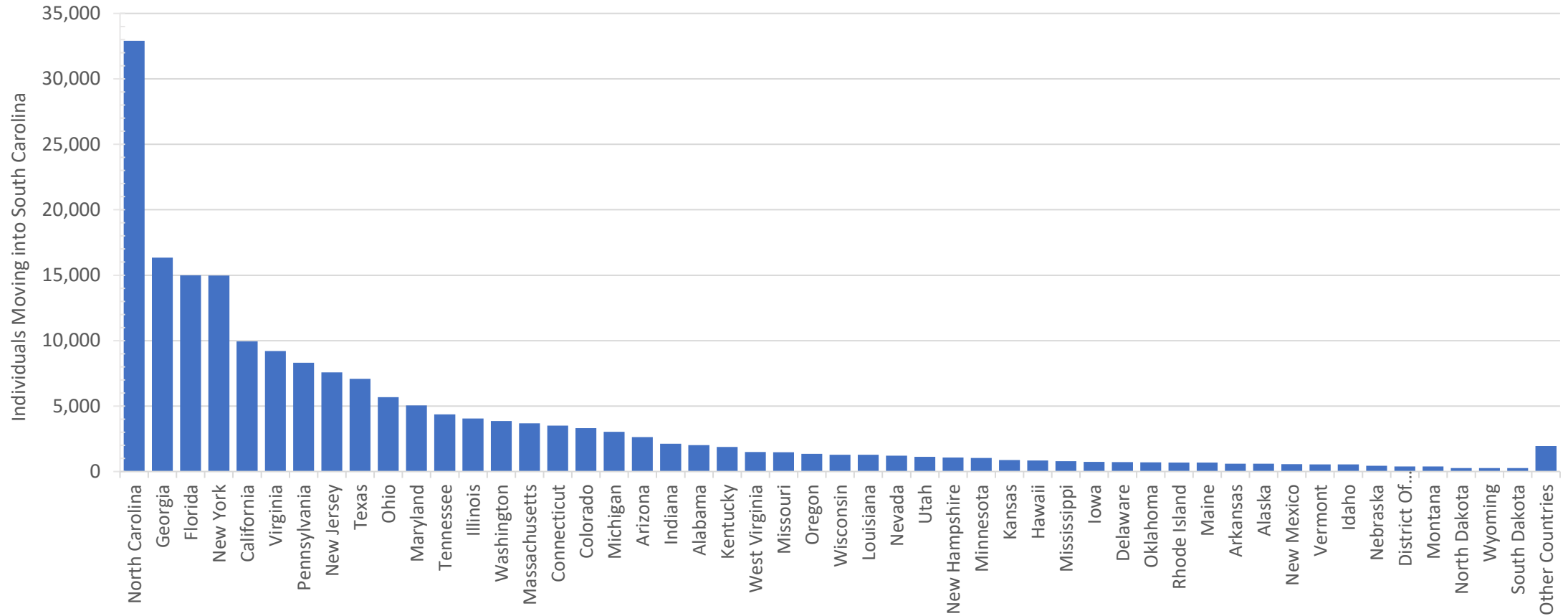
Source: U.S. Census Bureau, Annual Estimates of the Resident Population as of December 2024 - RFA/358/lpw/12/19/2024



South Carolina In-Migration

The majority of people moving to SC came from North Carolina and Georgia

MIGRATION INTO SOUTH CAROLINA, 2021 to 2022
by State of Previous Residence

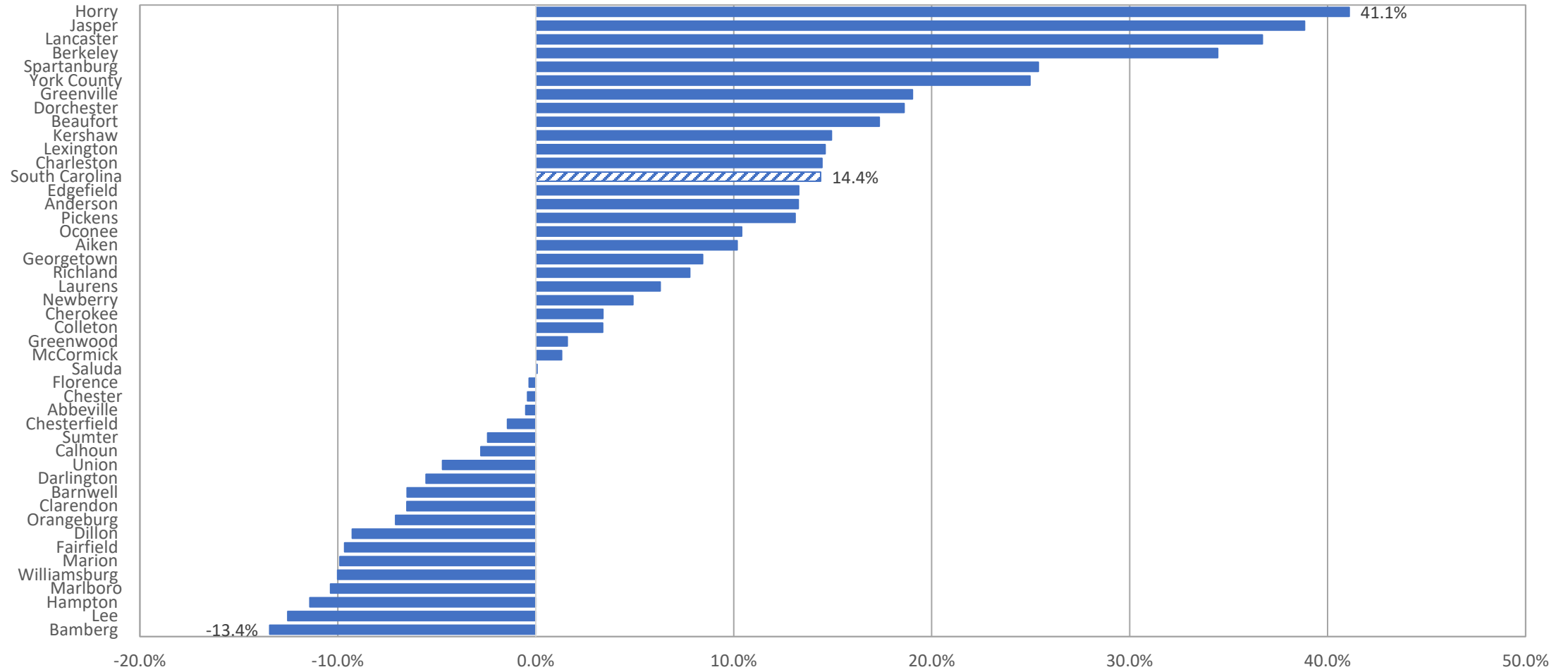


Source: Internal Revenue Service, Individual Income Tax Filings, 360-RFA/kv/01/27/2025

Population Growth by County over the Past 10 Years

Geographic dispersion of population varies significantly

POPULATION GROWTH BY COUNTY, 2014 TO 2024



Source: U.S. Census Bureau; 2014 population estimate, Intercensal Estimates of the Resident Population; 2024 population estimate, Annual Estimates of the Resident Population 365-RFA/lpw/3/14/2025

Employment Growth over the Past 10 Years

South Carolina has over 2.4 million jobs today, compared to just under 1.9 million in 2014

TOTAL NONFARM EMPLOYMENT IN SOUTH CAROLINA



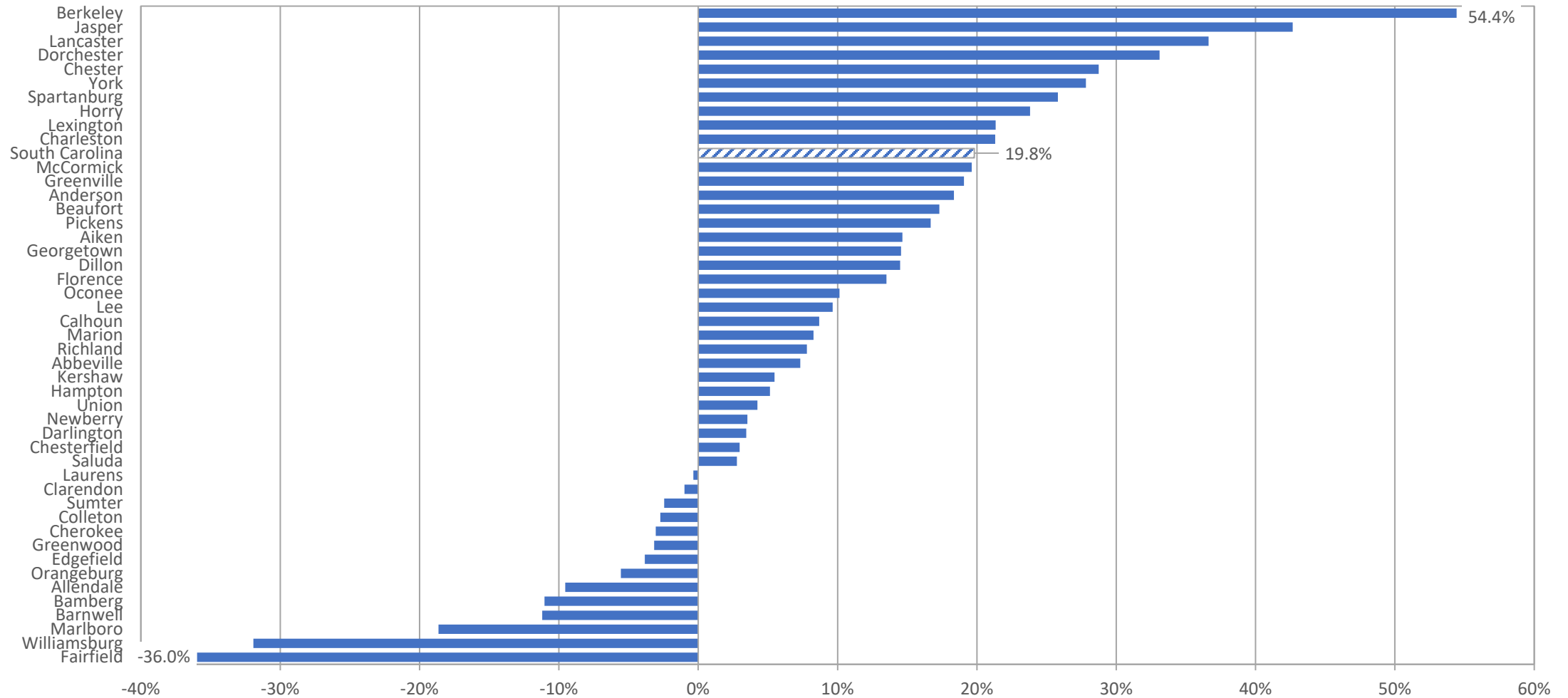
Source: U.S. Department of Labor, Bureau of Labor Statistics 60-RFA/kav/3/14/2025



Employment Growth by County over the Past 10 Years

Geographic dispersion of job growth varies significantly

TOTAL EMPLOYMENT GROWTH BY COUNTY, 2014 TO 2024



Source: Bureau of Labor Statistics, U.S. Department of Labor; 2014 Annual Average to First Half of 2024 363-RFA/kav/2/6/2025

Unemployed Persons per Job Opening

Both SC and the US are experiencing more job openings than unemployed people



Source: U.S. Bureau of Labor Statistics, CPS and JOLTS; seasonally adjusted 259A2 - RFA/kv/2/14/2025

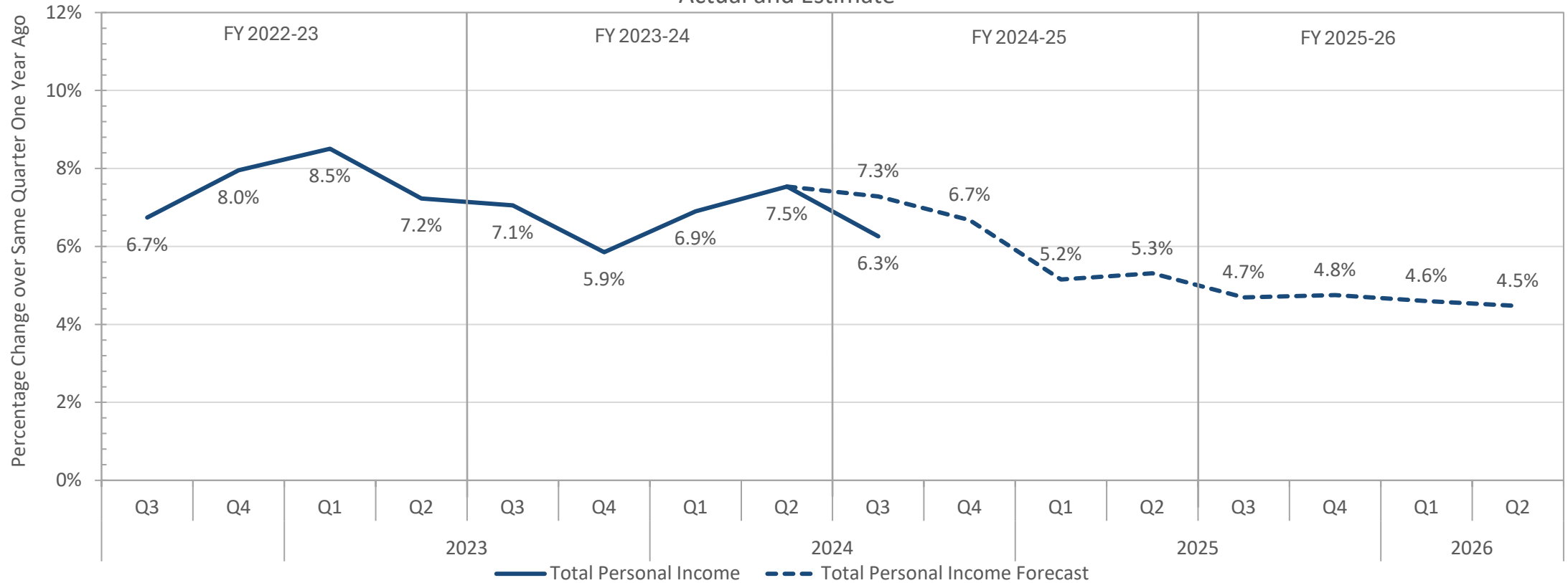


SC Personal Income Growth

Personal income growth is expected to continue to slow closer to historical average over the forecast horizon; **FY 25: 5.7%** **FY 26: 4.6%**

SOUTH CAROLINA PERSONAL INCOME

Actual and Estimate

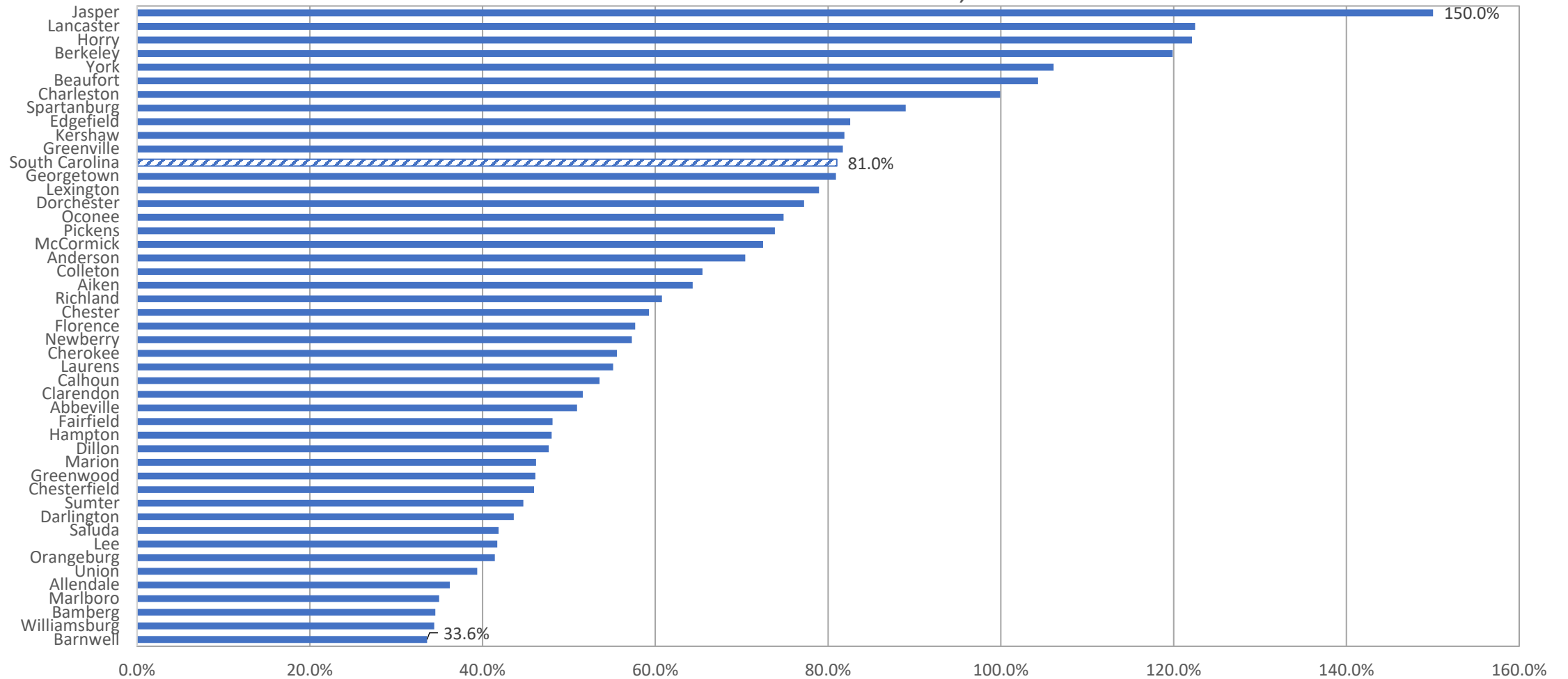


Source: U.S. Department of Commerce, Bureau of Economic Analysis; S.C. Board of Economic Advisors - RFA/kv/1/15/2025

Personal Income Growth by County over the Past 10 Years

Geographic dispersion of personal income varies significantly

PERSONAL INCOME GROWTH BY COUNTY, 2013 TO 2023

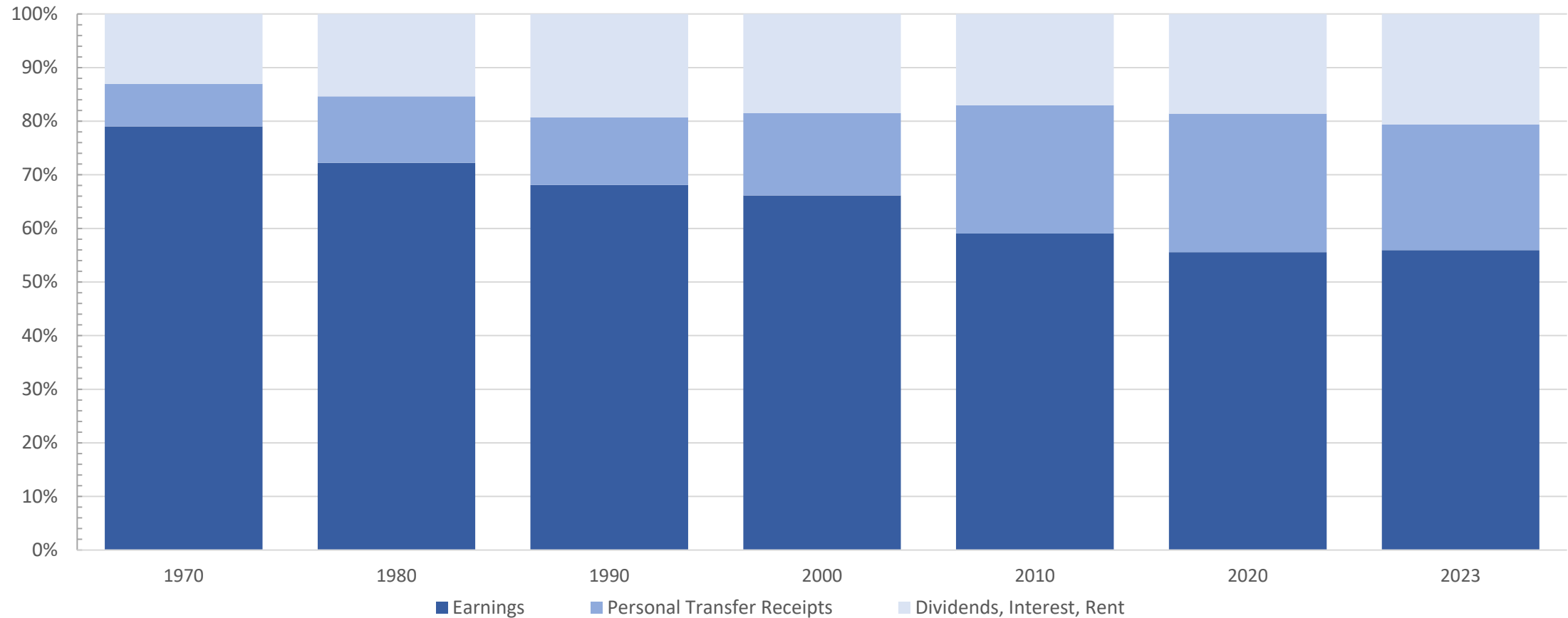


Source: Bureau of Economic Analysis, Personal Income by County for 2013 and 2023 365-RFA/lpw/3/12/2025

South Carolina Personal Income Growth

The proportion of income from earnings (wages, salaries, proprietor's income) has fallen since 1970; aging population increases transfer payments

SHARES OF SOUTH CAROLINA PERSONAL INCOME



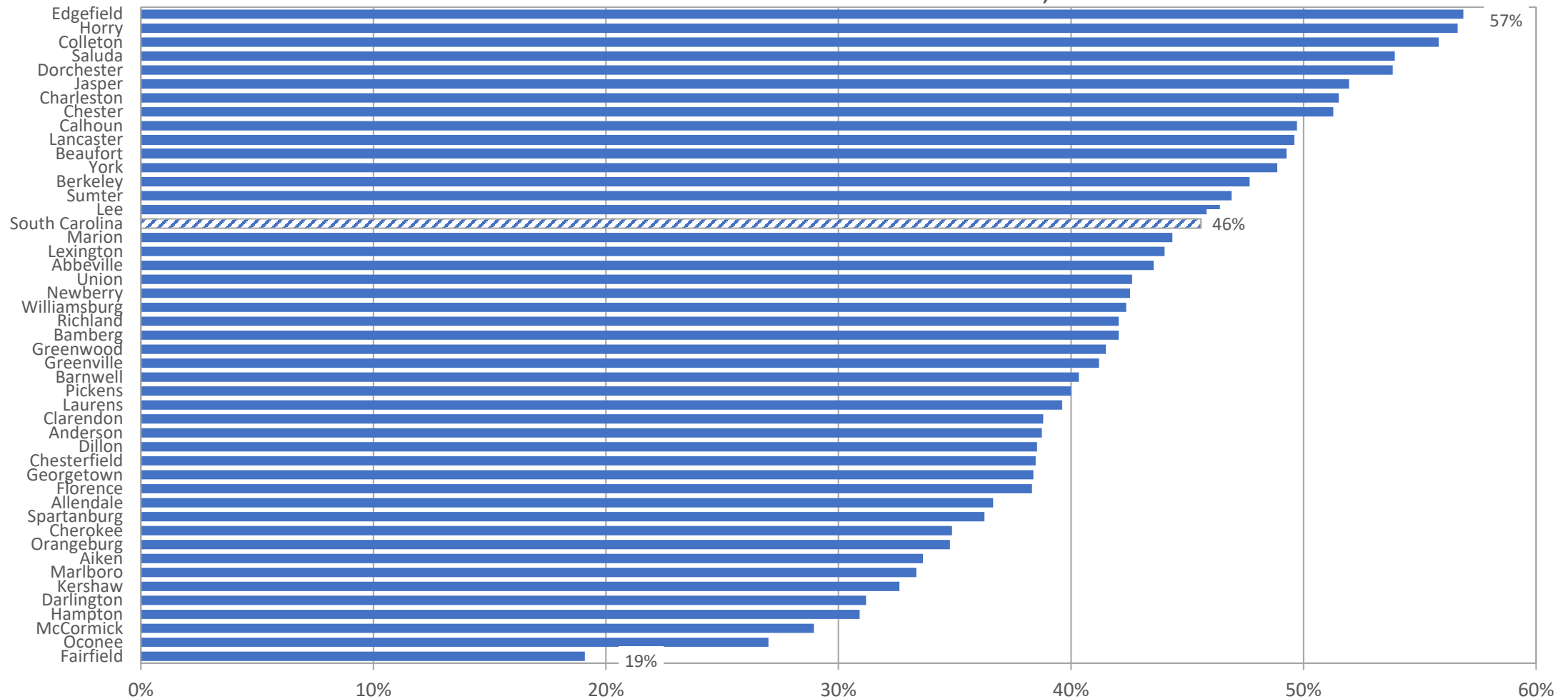
Source: U.S. Bureau of Economic Analysis, Personal Income by Major Component -361 RFA/ kv/1/14/2024



Average Job Wage Growth by County over the Past 10 Years

The annual wage for the average job has risen 46% statewide in the past 10 years

AVERAGE WAGE AND SALARY GROWTH BY COUNTY, 2013 TO 2023

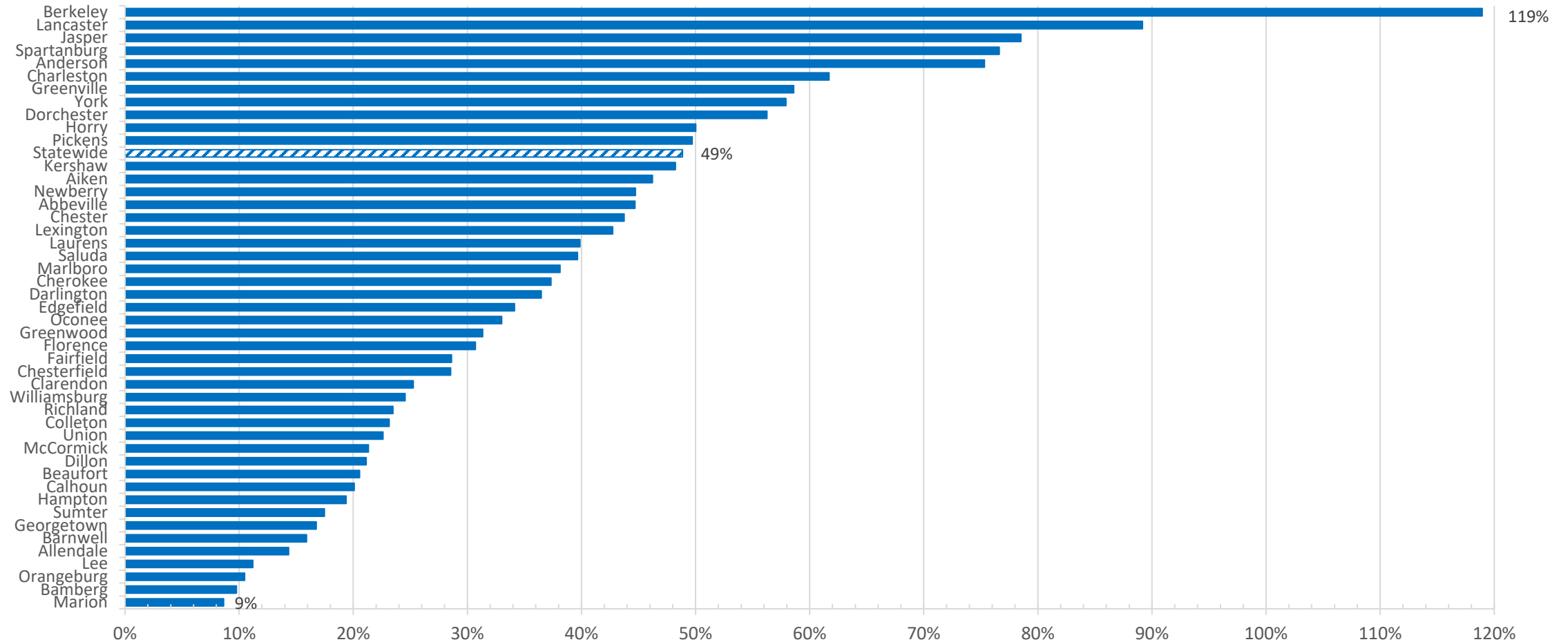


Source: Bureau of Labor Statistics, U.S. Department of Labor 363-RFA/kv/2/21/2025

Growth in Value of a Mill by County over the Past 10 Years

Growth in property values varies widely across the state

VALUE OF A MILL - GROWTH FROM TAX YEAR 2012 to 2022



Source: Department of Revenue 2024 and 2014 Index of Taxpaying Ability Reports RFA/mkm/3/10/2025

Note: For purposes of this chart, Lexington/Richland 5 is included in Lexington County



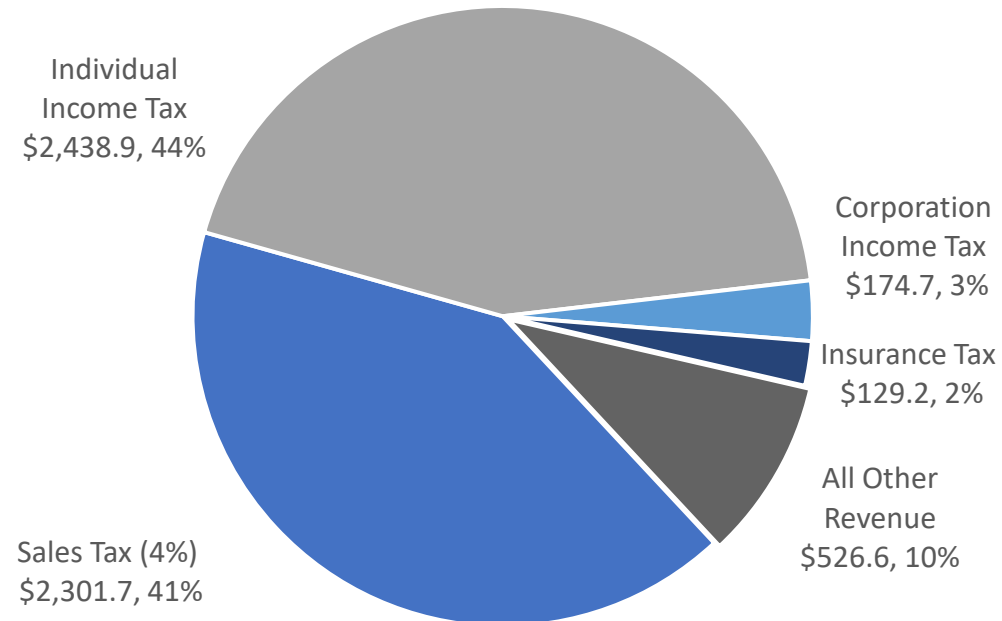
Fiscal Status



General Fund Revenue by Category - FY 04 versus FY 24

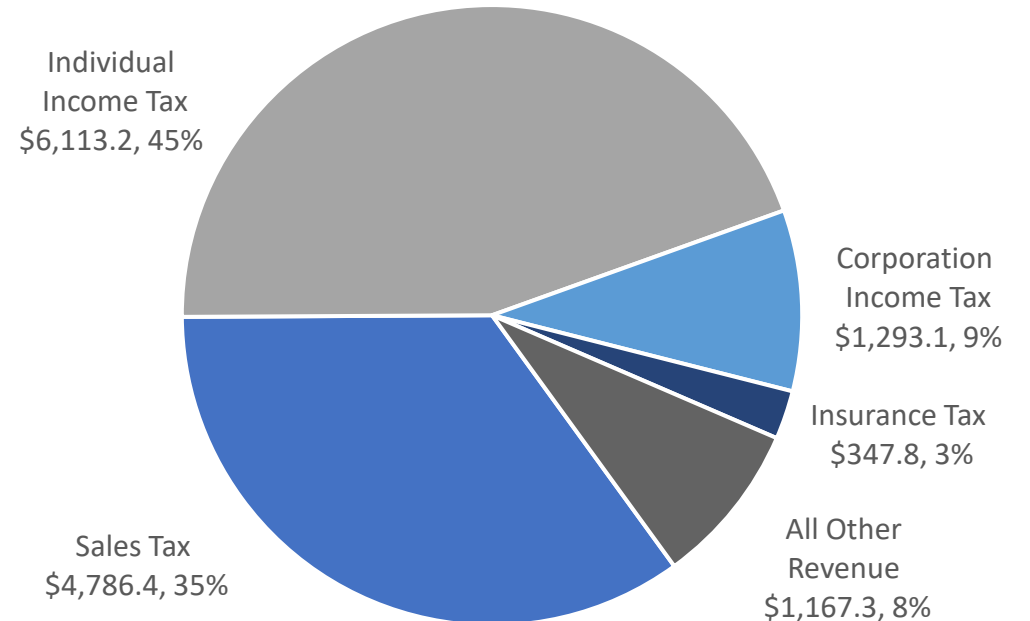
The percentage of General Fund revenue shifted from sales tax to corporate income tax by 6%

FY 2003-04 GENERAL FUND REVENUE
Percentage Distribution By Revenue Type (\$ Millions)



Source: S.C. Revenue and Fiscal Affairs 30 - lhj/03/10/2025

FY 2023-24 GENERAL FUND REVENUE
Percentage Distribution By Revenue Type (\$ Millions)

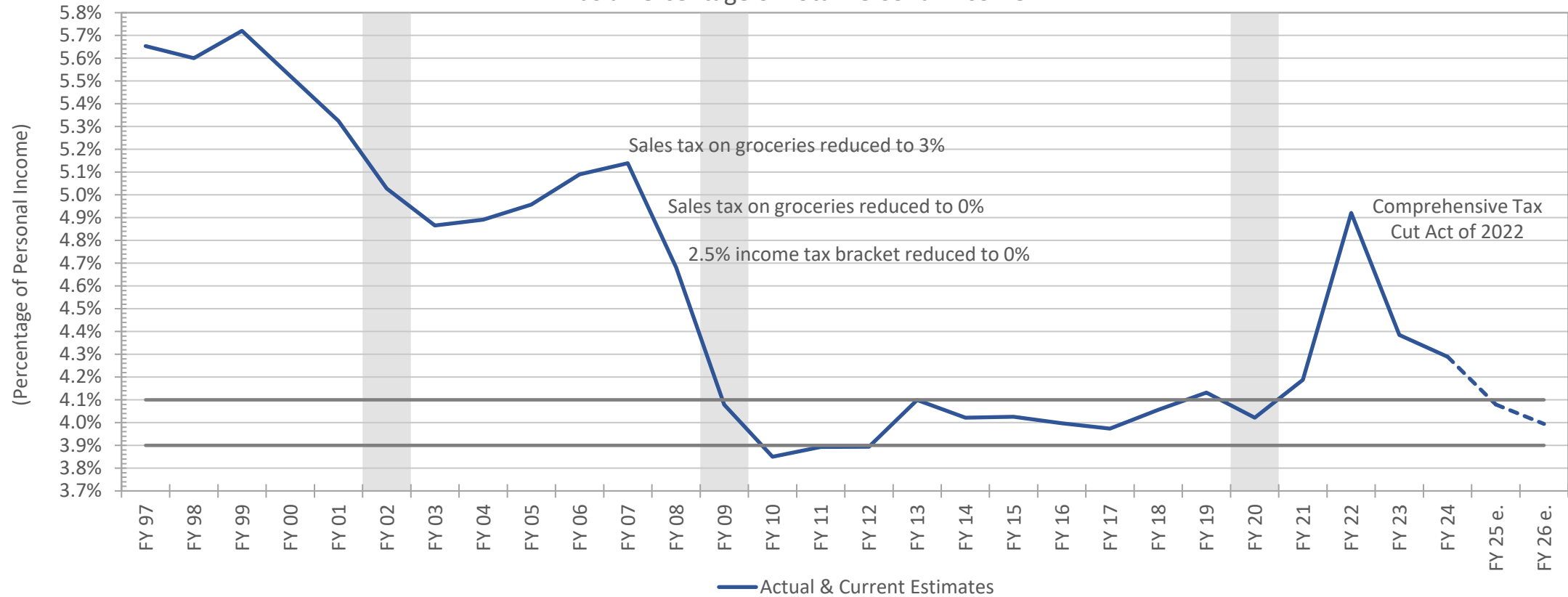


Source: S.C. Revenue and Fiscal Affairs 30 - kav/11/14/2024

General Fund as a Percent of Personal Income

The relationship between General Fund revenue and personal income is moving back into the historical 3.9% to 4.1% range due to tax cuts

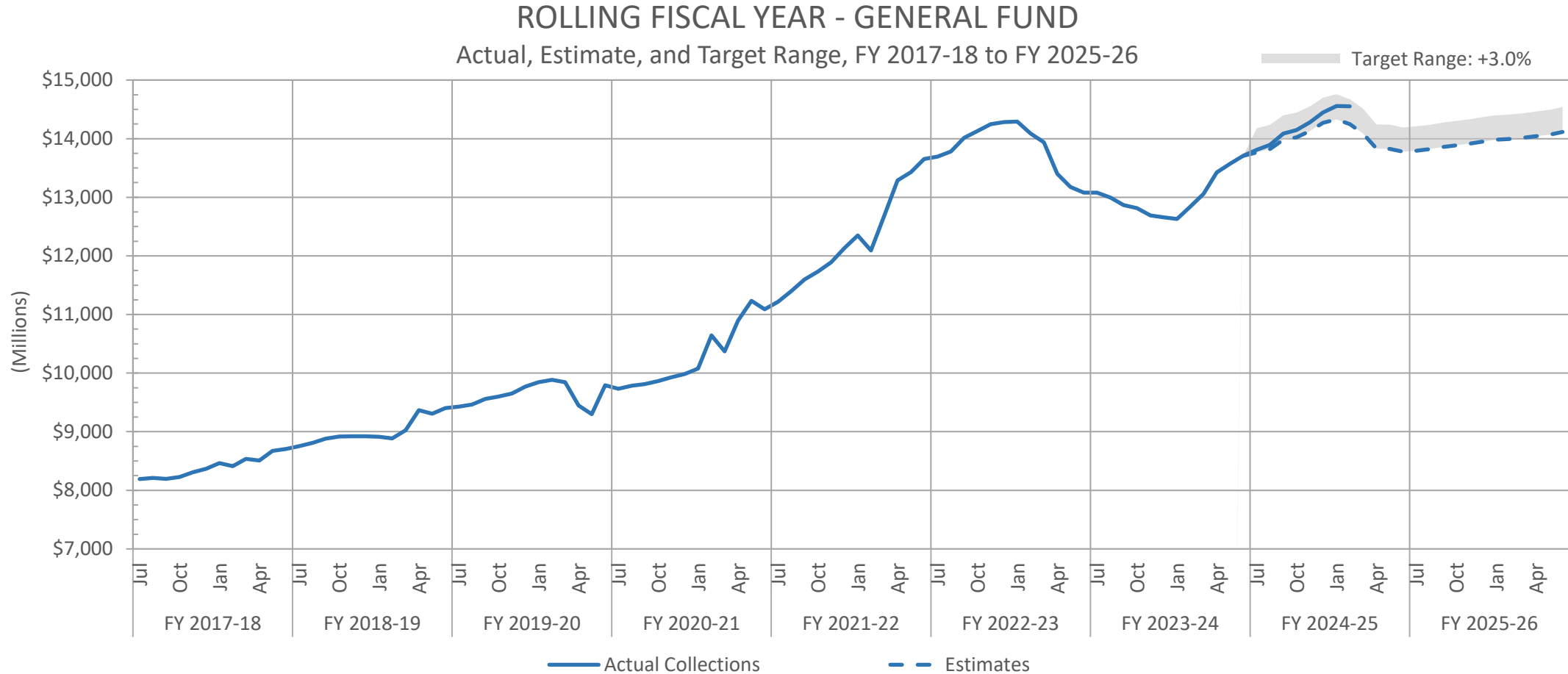
SOUTH CAROLINA GENERAL FUND REVENUE
as a Percentage of Total Personal Income



Source: U.S. Department of Commerce, Bureau of Economic Analysis; SC Revenue and Fiscal Affairs Office 34-kv/2/13/2025

General Fund – February 2025 Estimate

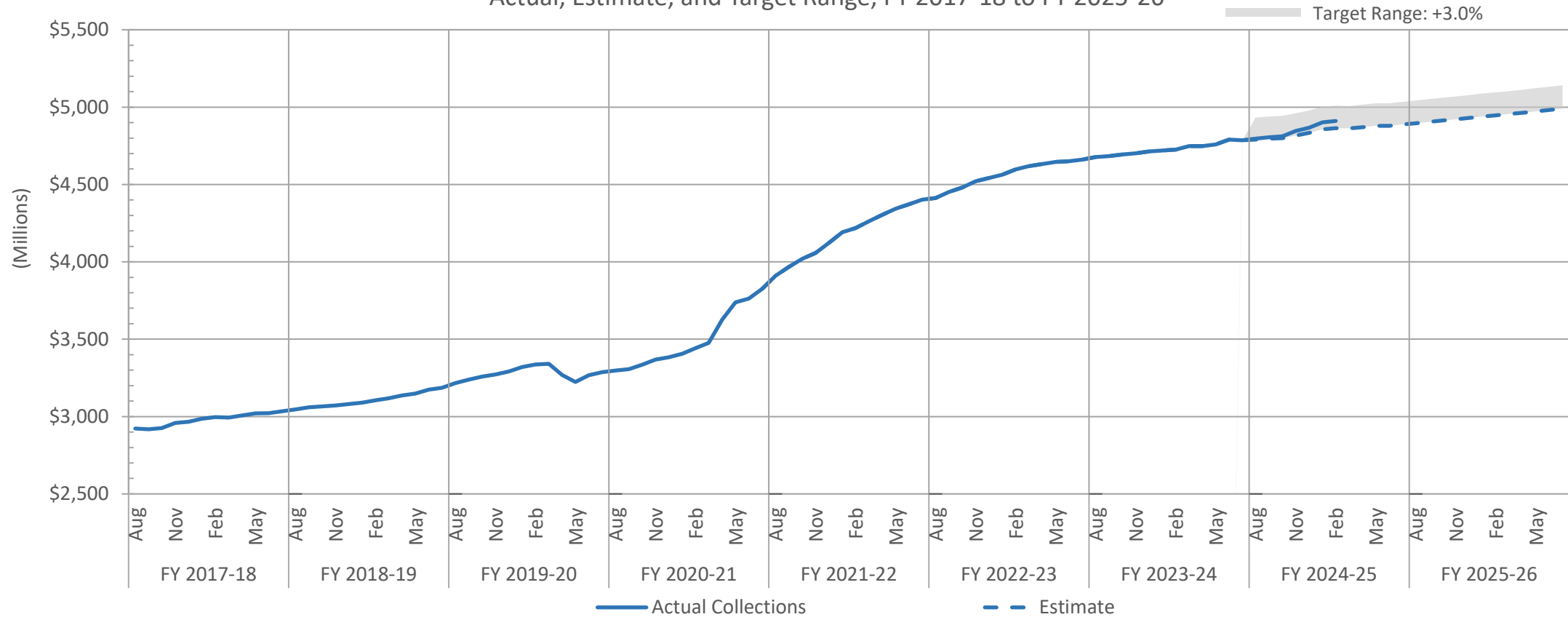
Collections are 10.3% above last year and \$306.4 million ahead of fiscal year-to-date expectations through February



Sales Tax - Actual vs. Estimate

Growth has slowed following the pandemic run-up in collections and is expected to be 2.1% for FY 25

ROLLING FISCAL YEAR - SALES TAX
Actual, Estimate, and Target Range, FY 2017-18 to FY 2025-26

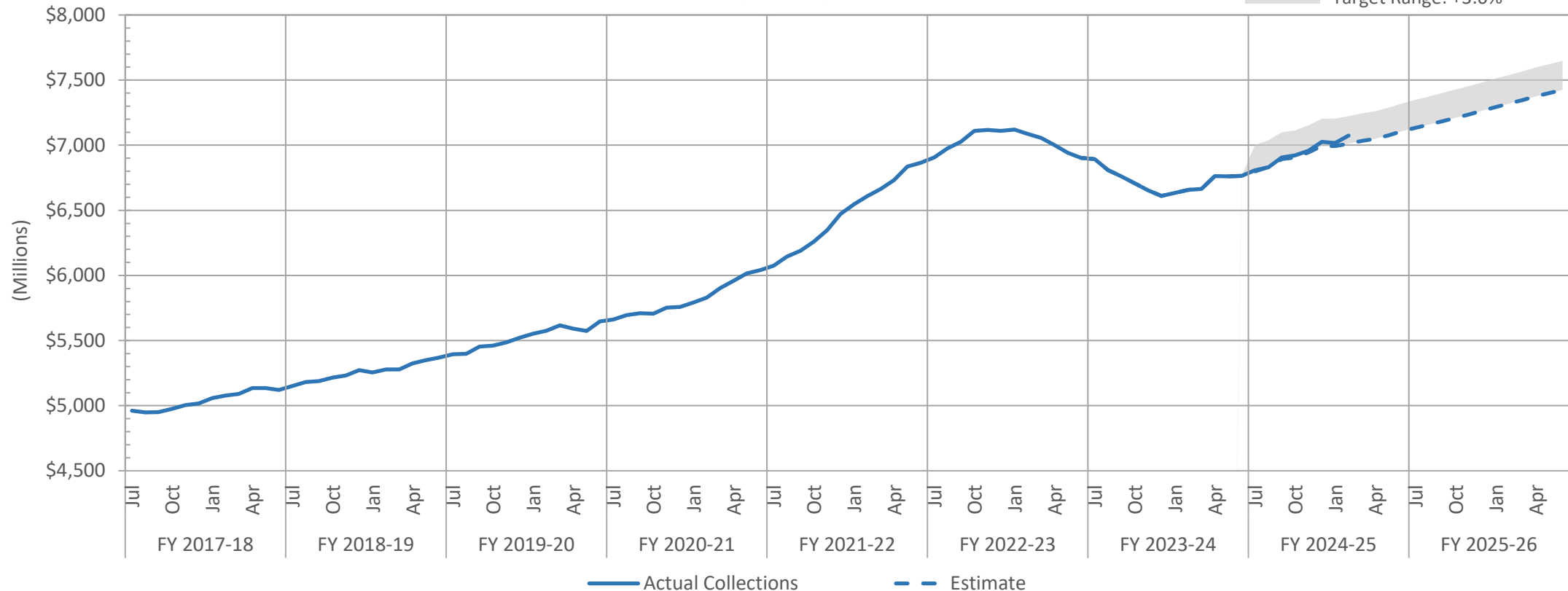


Withholdings - Actual vs. Estimate

Strong wage growth has increased income tax withholdings; fiscal year-to-date collections are 6.9% higher than the same period last year, but growth is expected to moderate in the second half of the fiscal year

ROLLING FISCAL YEAR - INDIVIDUAL INCOME WITHHOLDINGS

Actual, Estimate, and Target Range, FY 2017-18 to FY 2025-26

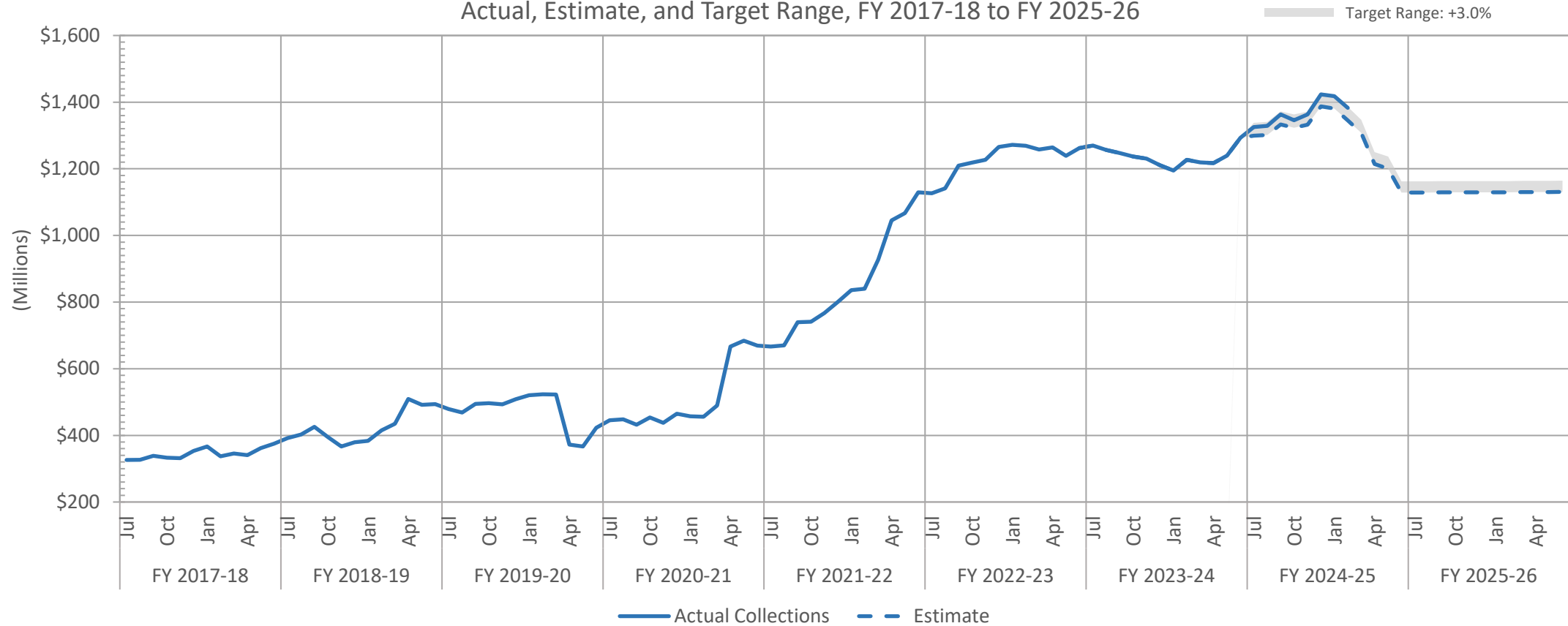


Corporate Income Tax – Actual vs. Estimate

Collections have grown from an average of \$400 million per year to over \$1.29 billion in FY 24

ROLLING FISCAL YEAR - CORPORATE INCOME TAX

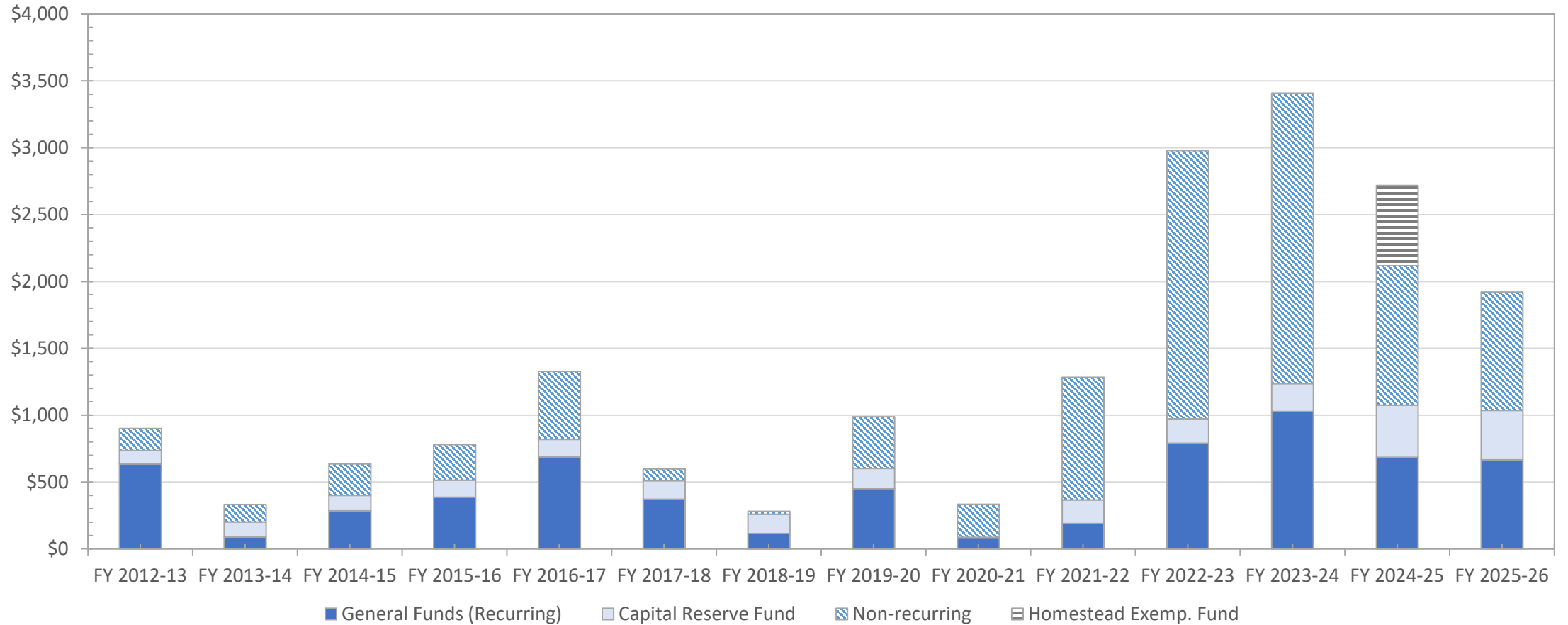
Actual, Estimate, and Target Range, FY 2017-18 to FY 2025-26



“New” Budget Funds by Fiscal Year

FY 26 budget funds will be much lower than recent years

AVAILABLE "NEW" FUNDS BY BUDGET YEAR

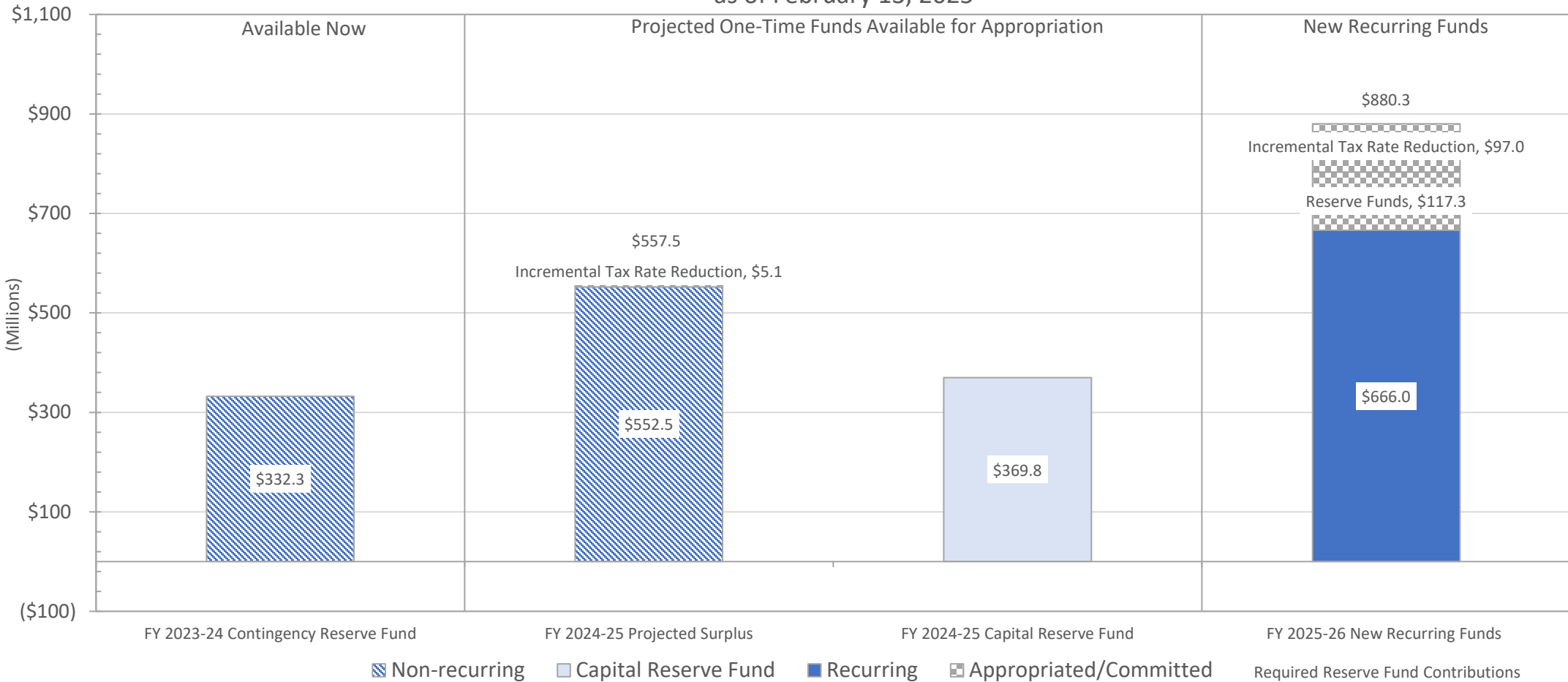


Source: Revenue and Fiscal Affairs Office 333 - lhj/2/14/25

FY 2025-26 Available Funds

Recurring: \$666 million Non-recurring: \$1.25 billion

AVAILABLE FUNDS - FY 2025-26 BUDGET PROCESS
as of February 13, 2025

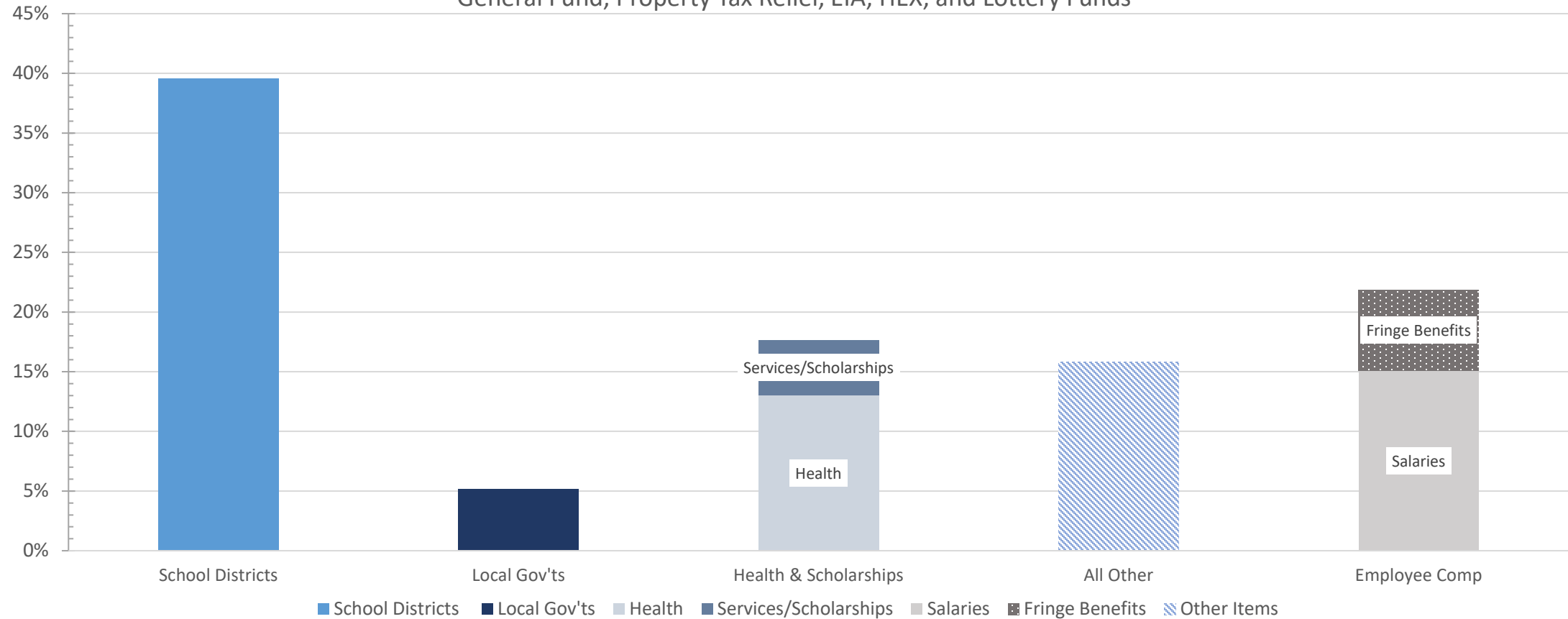


Source: S.C. Revenue and Fiscal Affairs 297/RFA/02/13/2025

Major Recipients of Budget Allocations – FY 2024-25

Over 60% of funding items aid local governments and families

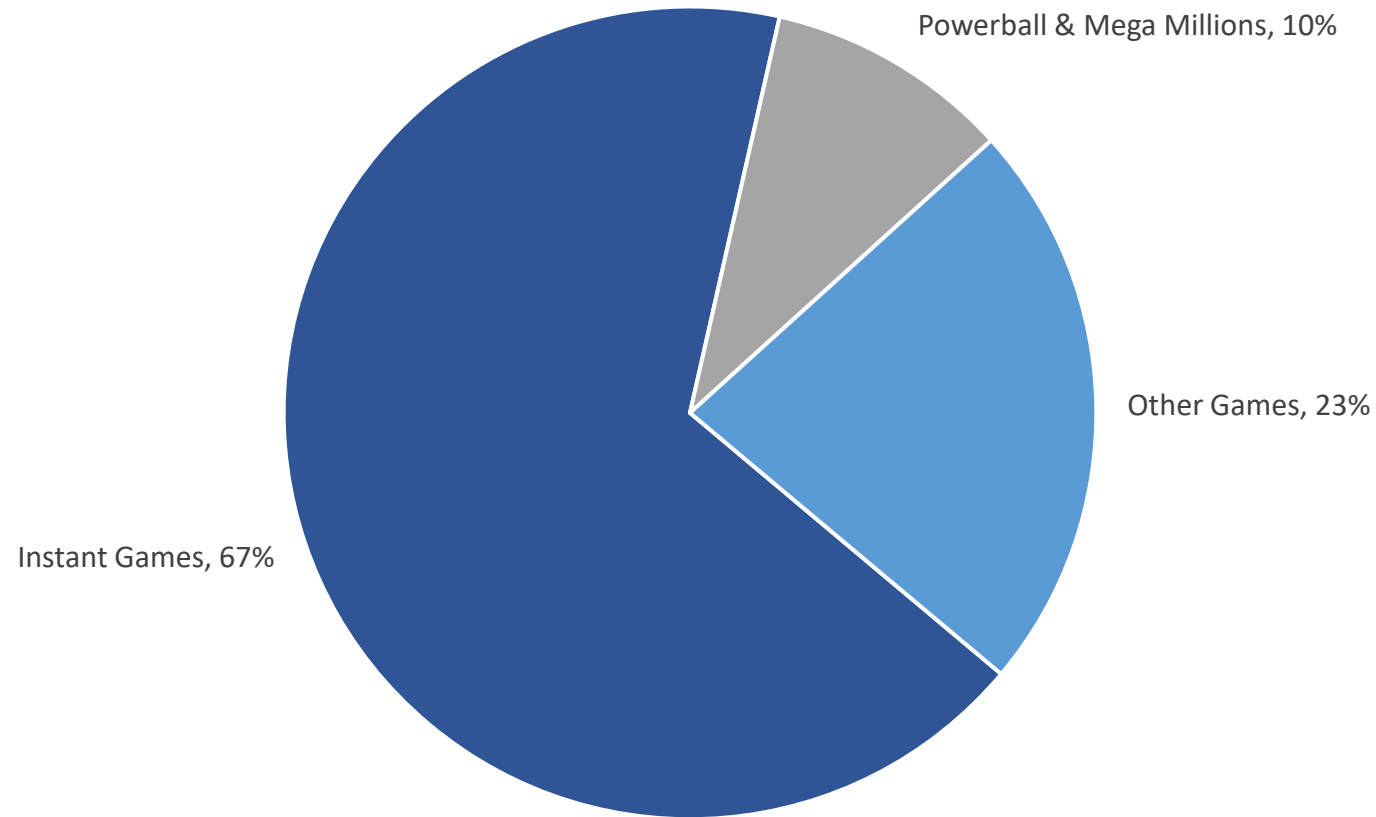
ALLOCATION OF MAJOR FUNDING SOURCES - FY 2024-25
 General Fund, Property Tax Relief, EIA, HEX, and Lottery Funds



Source: SC Revenue and Fiscal Affairs 175/RFA/far/03/12/2025

SC Education Lottery - Online and Instant Games

FY 2023-24 SOUTH CAROLINA EDUCATION LOTTERY SALES BY GAME TYPE

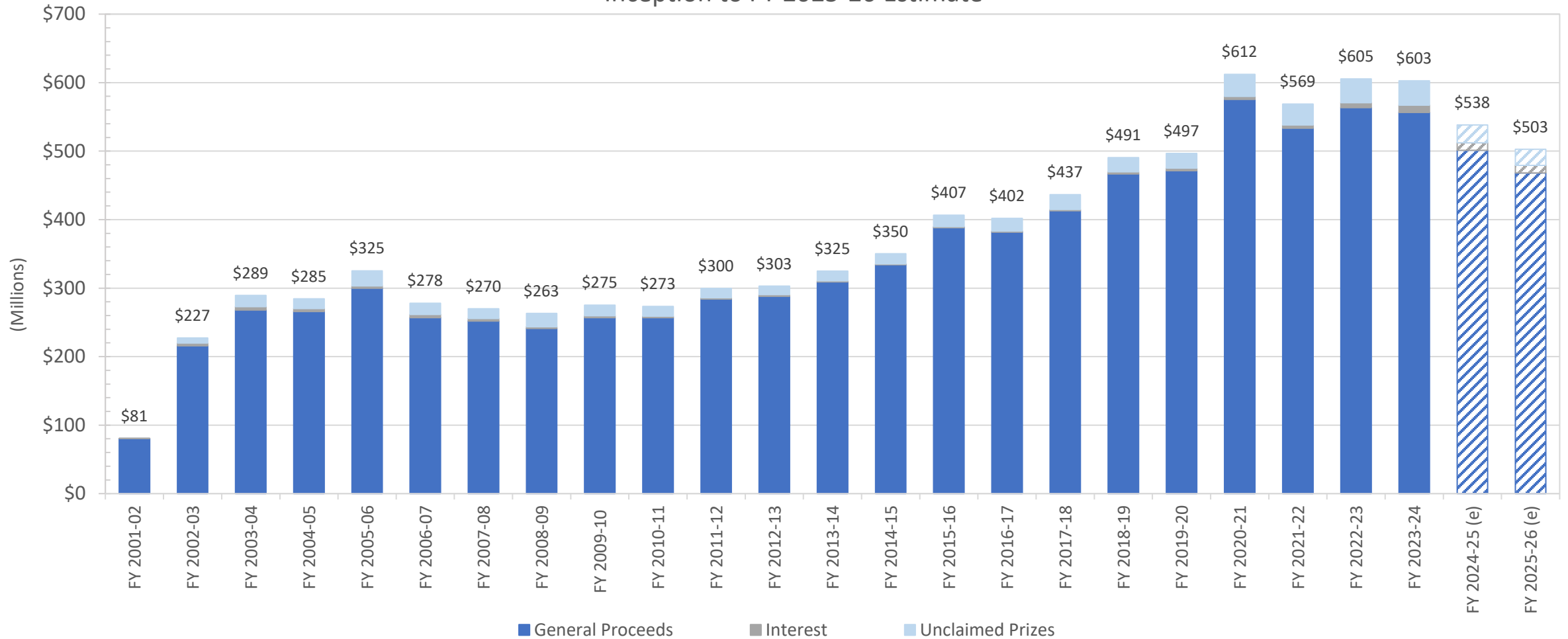


Other Games includes Cash Pop, Palmetto Cash 5, Pick 3, and Pick 4

Source: SC Education Lottery Weekly Sales by Product RFA-351/lhj/08/01/2024

SC Education Lottery Proceeds

TRANSFERS TO SC EDUCATION LOTTERY ACCOUNTS Inception to FY 2025-26 Estimate



Source: South Carolina Revenue and Fiscal Affairs Office RFA/265/lpw/11/19/2024 Based on BEA General Fund Revenue Forecast as of November 19, 2024

Questions?

Thank you!

