

# REVENUE AND ECONOMIC UPDATE



Presented to  
**South Carolina Senate Finance Committee**

**March 31, 2026**

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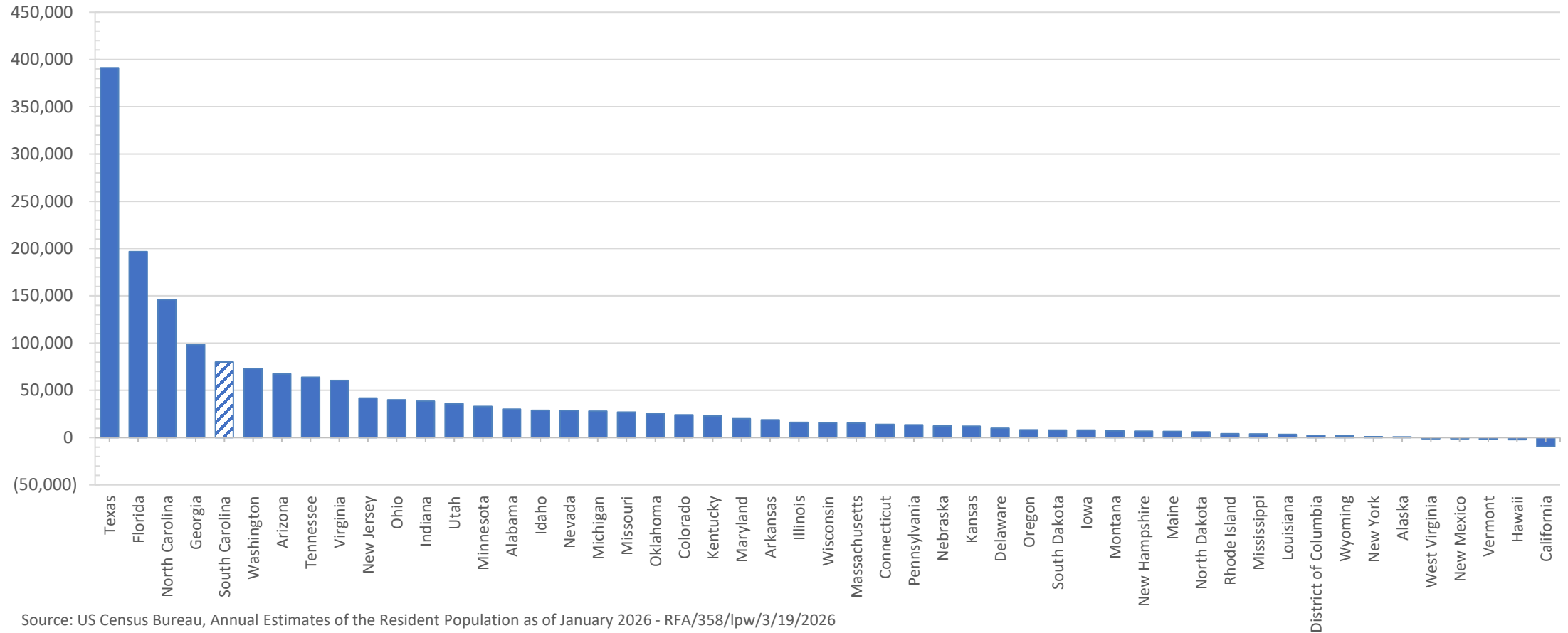
# Population and Economic Trends



# SC Population Increase - 5th Largest in 2025

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

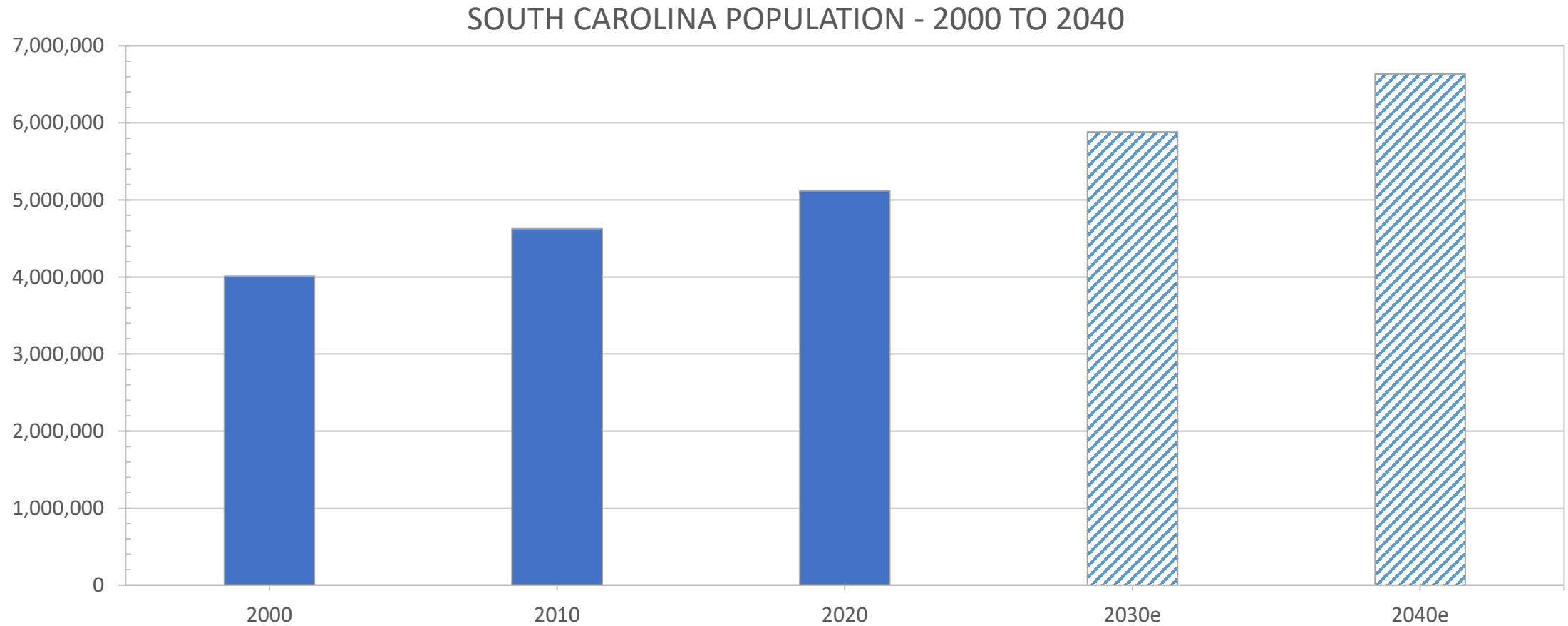
STATE RANKINGS BY TOTAL POPULATION CHANGE 2024 TO 2025



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

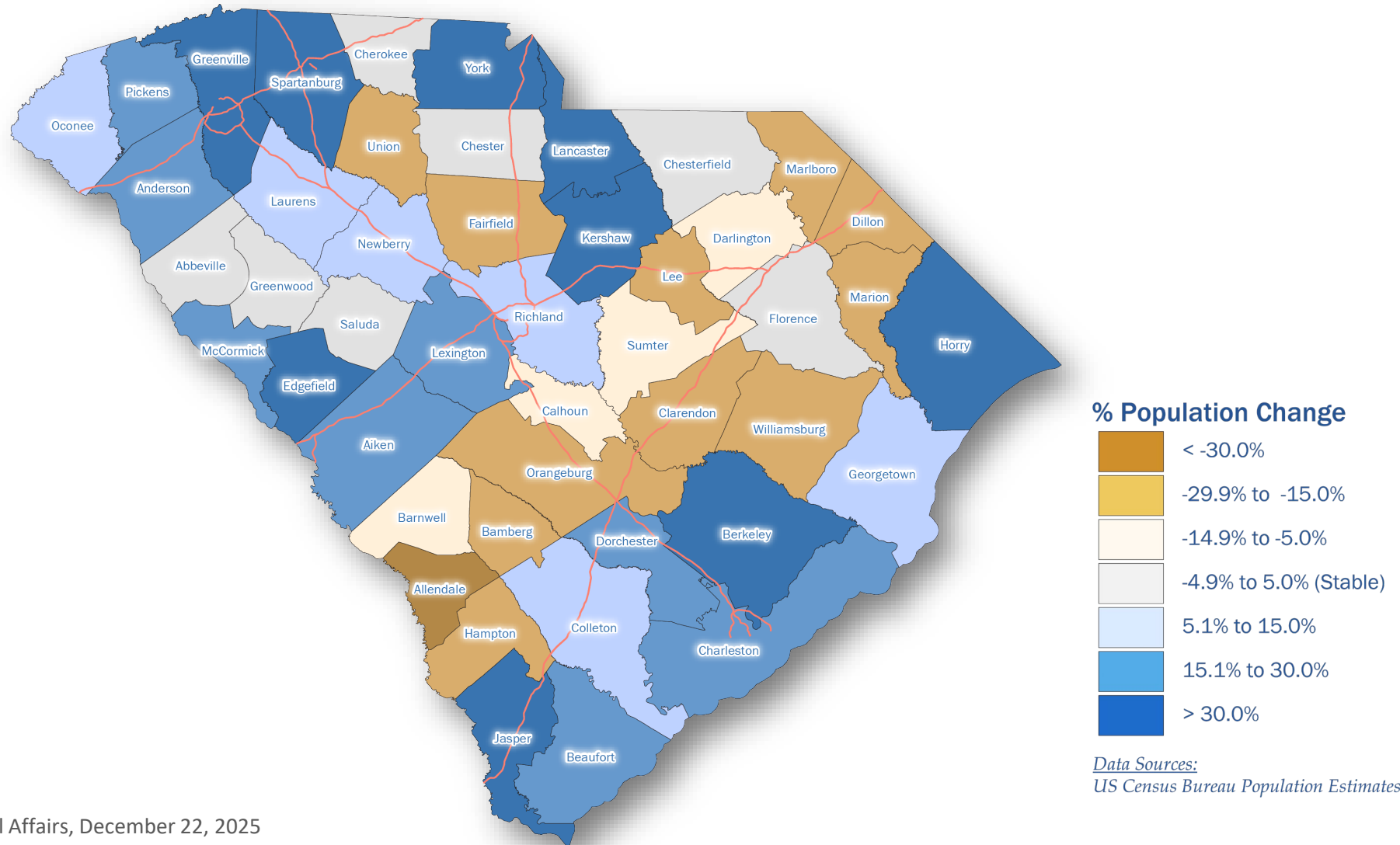
# SC Population Growth - Projections

Population is estimated to grow 29% from 5.1 million in 2020 to 6.6 million in 2040



Source: U.S. Census Bureau, Intercensal Estimates of the Resident Population, 2000, 2010, and 2020; S.C. RFA Population Estimates 2030 and 2040. S.C. RFA - 372/lpw/9/11/2025

# Projected Population Change by County - 2020 to 2040

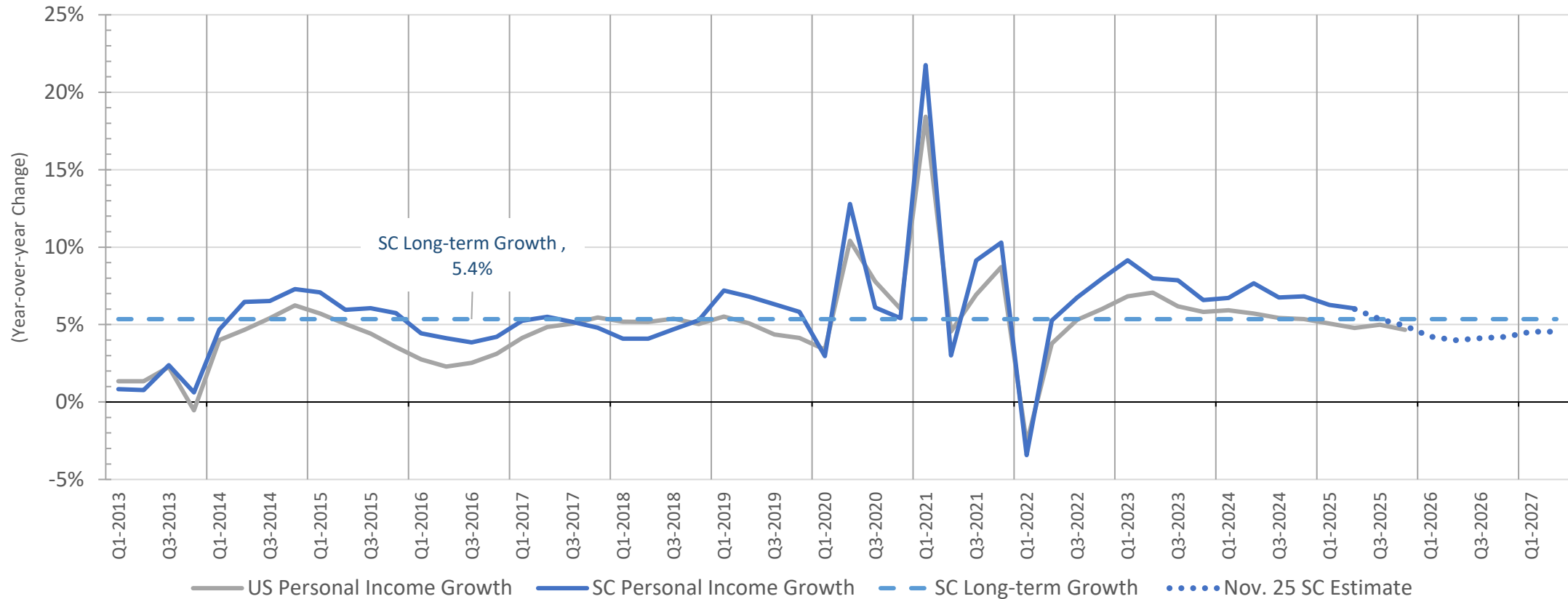


Source: SC Revenue and Fiscal Affairs, December 22, 2025

# Long-term Personal Income Growth – US & SC

Historically, SC personal income grows about 5.4% on average; US personal income growth is frequently slower than SC

PERSONAL INCOME GROWTH - US VERSUS SC

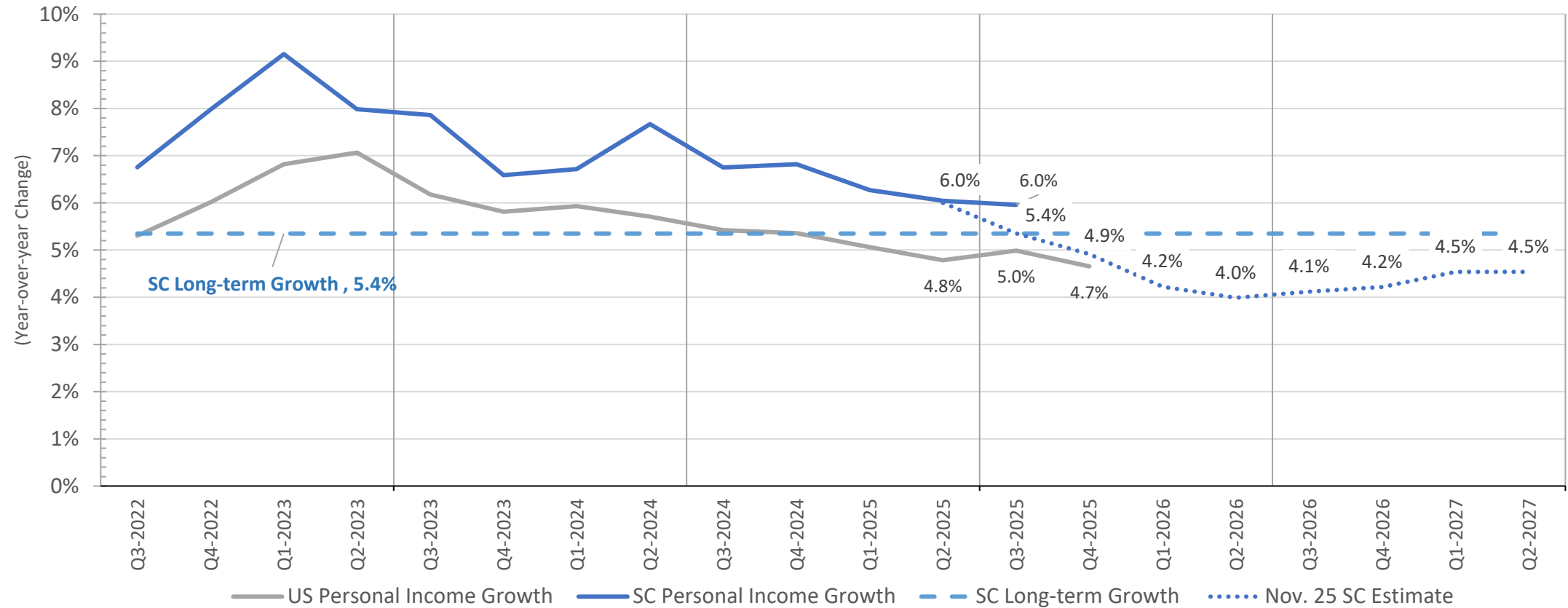


Source: U.S. Bureau of Economic Analysis (retrieved from FRED) ; SC long-term growth is 20-year growth rate as of 2024 352 - RFA/lhj/3/17/2026

# Personal Income Growth – US & SC

SC personal income growth has exceeded the US since 2022; income growth is expected to slow below the long-term average of 5.4% during FY 26 and FY 27

PERSONAL INCOME GROWTH - US VERSUS SC

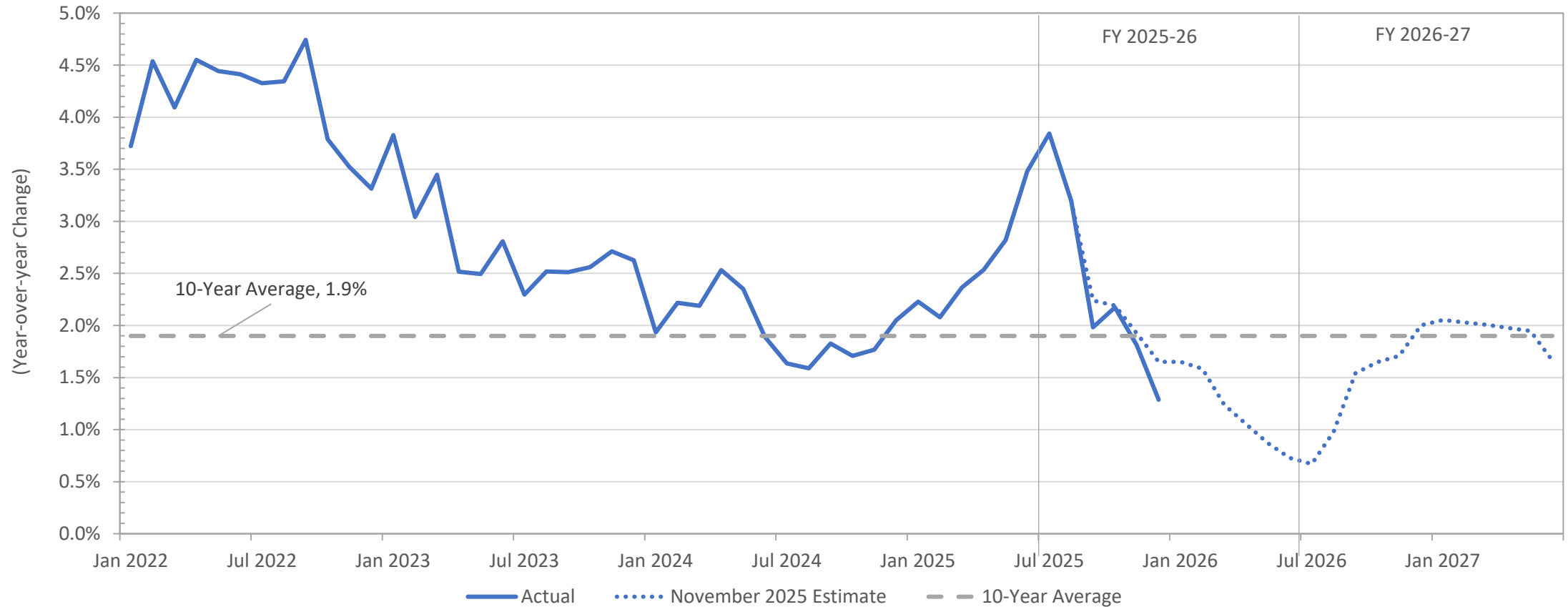


Source: U.S. Bureau of Economic Analysis (retrieved from FRED); long-term growth is 20-year growth rate as of 2024 352 - RFA/lhj/3/17/2026

# SC Employment – Percent Change

South Carolina employment growth fell to 1.3% in December; the annual employment data revision will be released in April

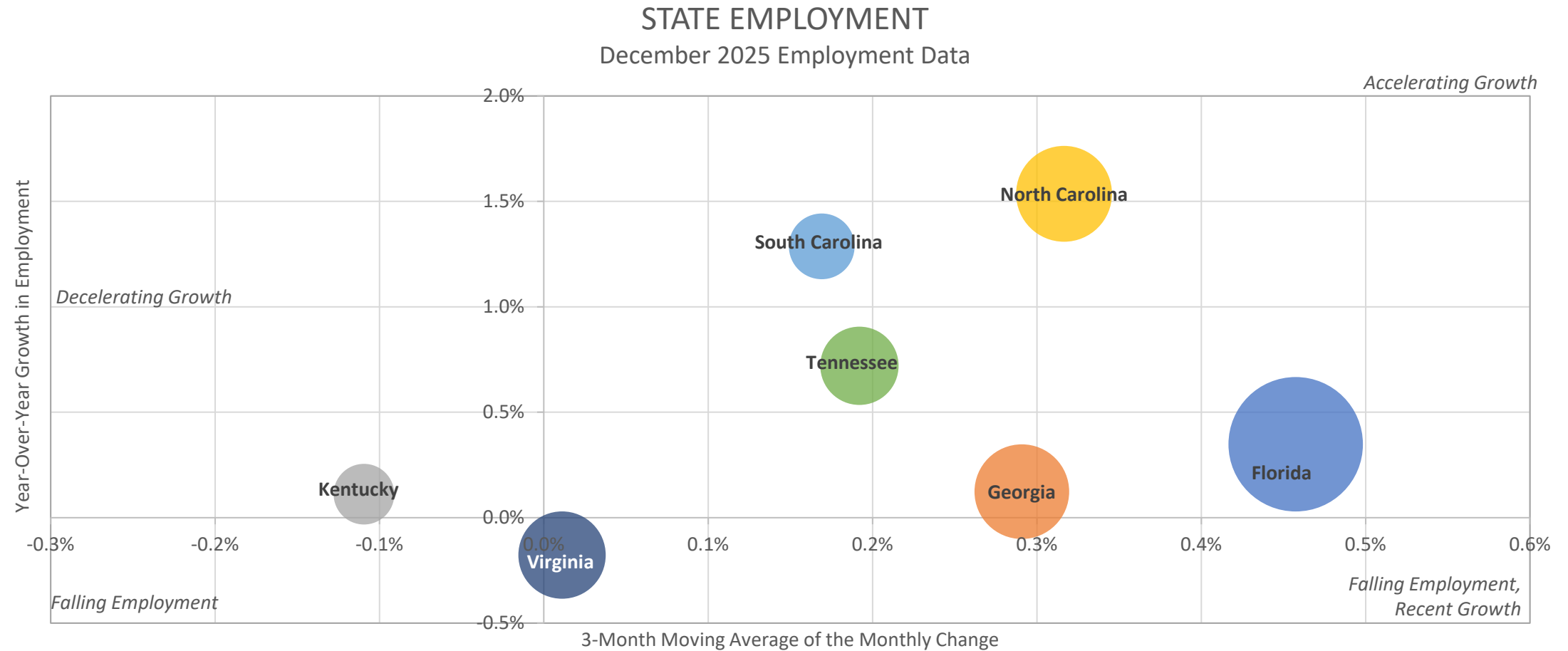
SOUTH CAROLINA TOTAL NONFARM EMPLOYMENT



Source: Bureau of Labor Statistics, U.S. Department of Labor RFA/kv/3/5/2026

# SC Employment – Across the Southeast

South Carolina is the second fastest growing state in the southeast on a year-over-year basis, only behind North Carolina



Source: U.S. Bureau of Labor Statistics 375-RFA/kv/1/27/2026

# General Fund Revenue Trends

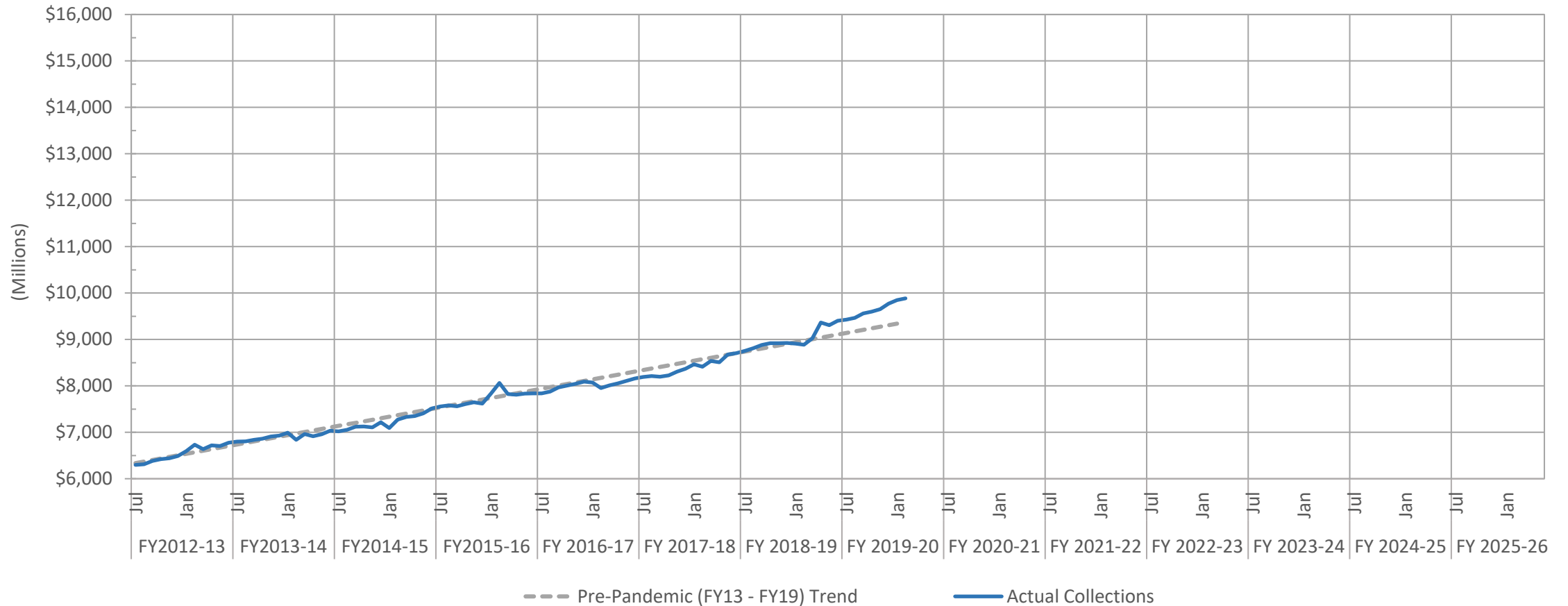


# General Fund Revenue – Long-term Growth

Prior to the pandemic, annual revenues tracked closely to long-run trends

## ROLLING FISCAL YEAR PRIOR TO COVID - GENERAL FUND

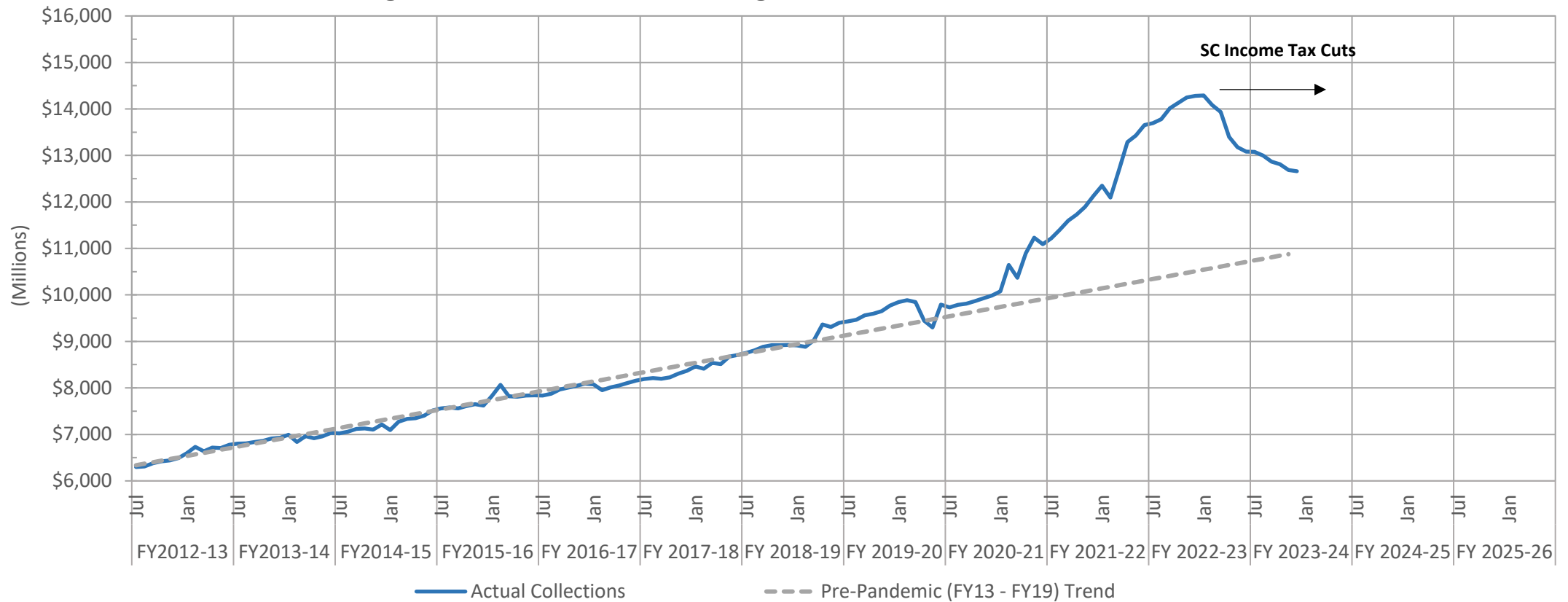
Actuals, FY 2012-13 to February 2020



# General Fund Revenue - Long-term Growth

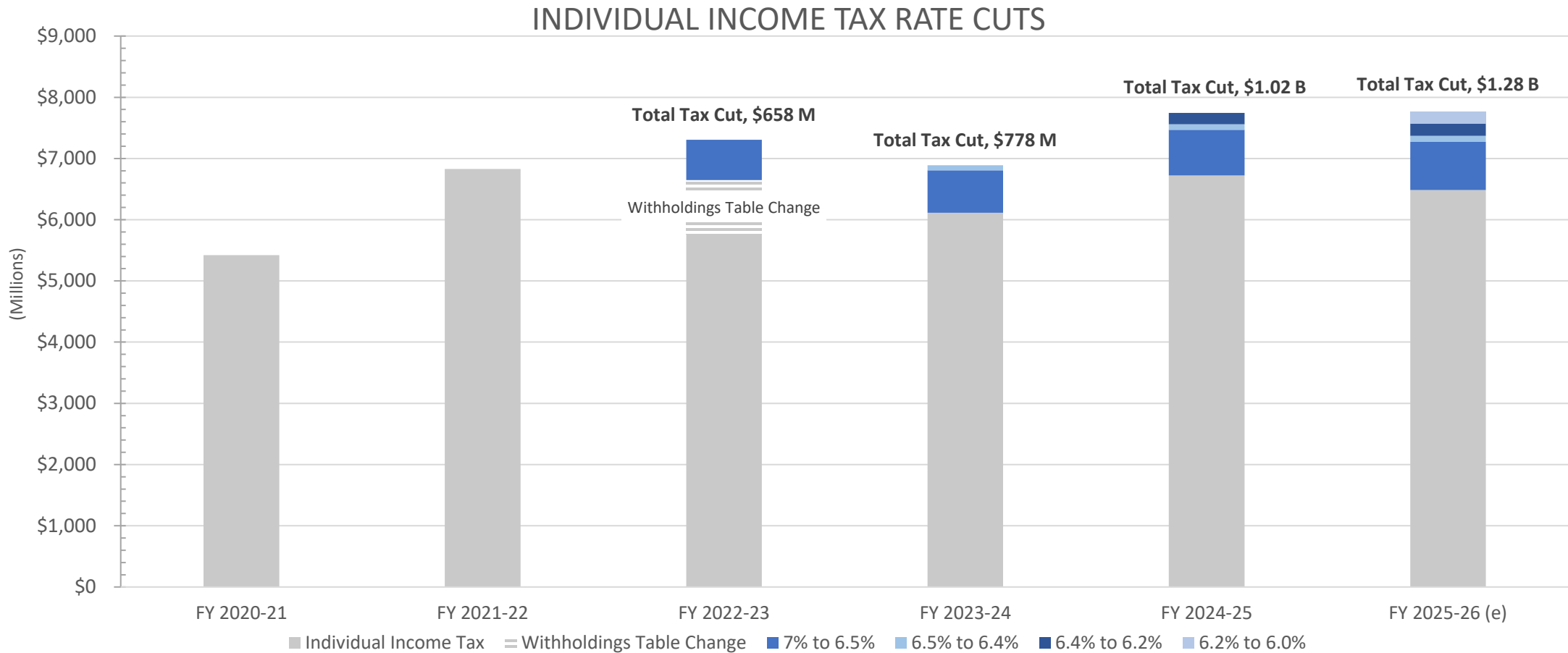
In response to the stimulus funding during the pandemic, revenues grew significantly, well above long-term trends

ROLLING FISCAL YEAR WITH INITIAL TAX CUT- GENERAL FUND  
Through Initial Tax Rate and Withholdings Cut - Actuals, FY 2012-13 to December 2023



# Individual Income Tax Rate Cuts Since 2022

The income tax rate reductions since tax year 2022 lowered income taxes by an estimated \$1.28 billion this fiscal year

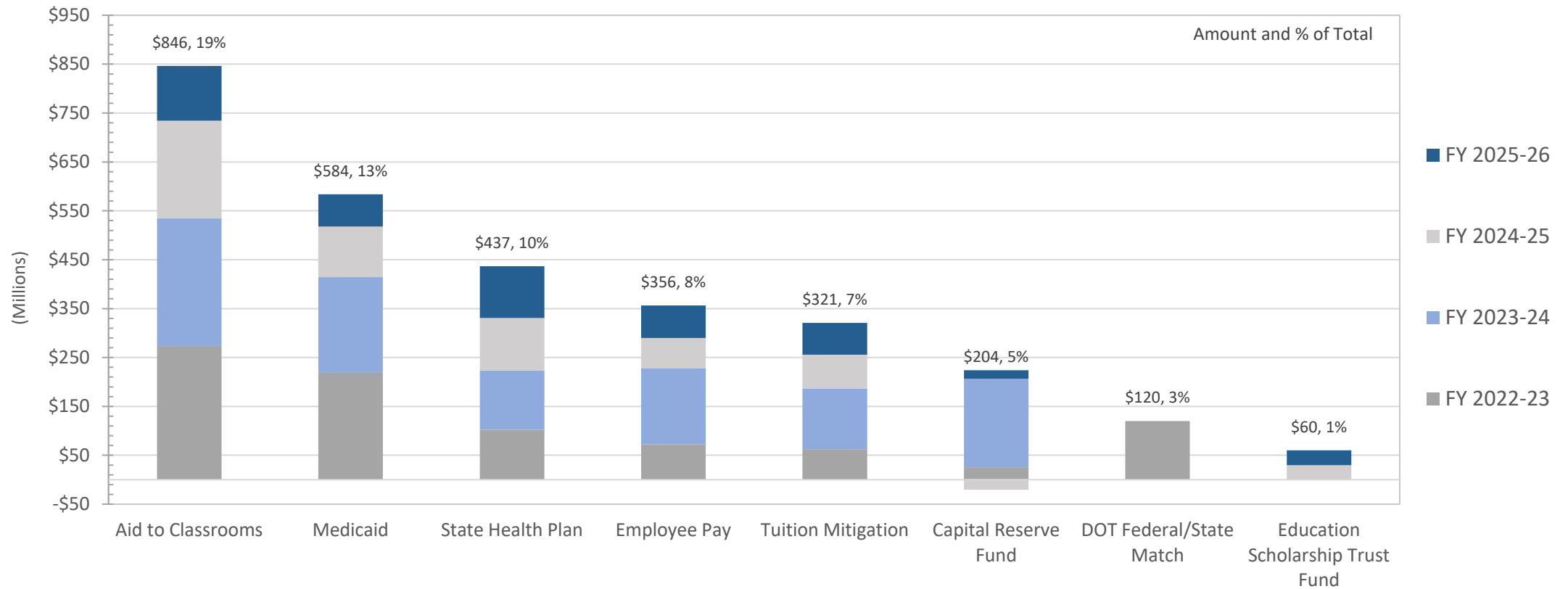


Source: SC Revenue and Fiscal Affairs; individual income tax liability change attributed to each fiscal year without regard to extensions (TY 22 in FY22- 23) 379-RFA/lhj/03/19/2026

# Recurring Appropriation Increases by Category

Over 65% of recurring General Fund and EIA appropriations in the last four fiscal years were in these eight areas

MAJOR RECURRING APPROPRIATION INCREASES  
General Fund and Education Improvement Act, FY 2022-23 to FY 2025-26

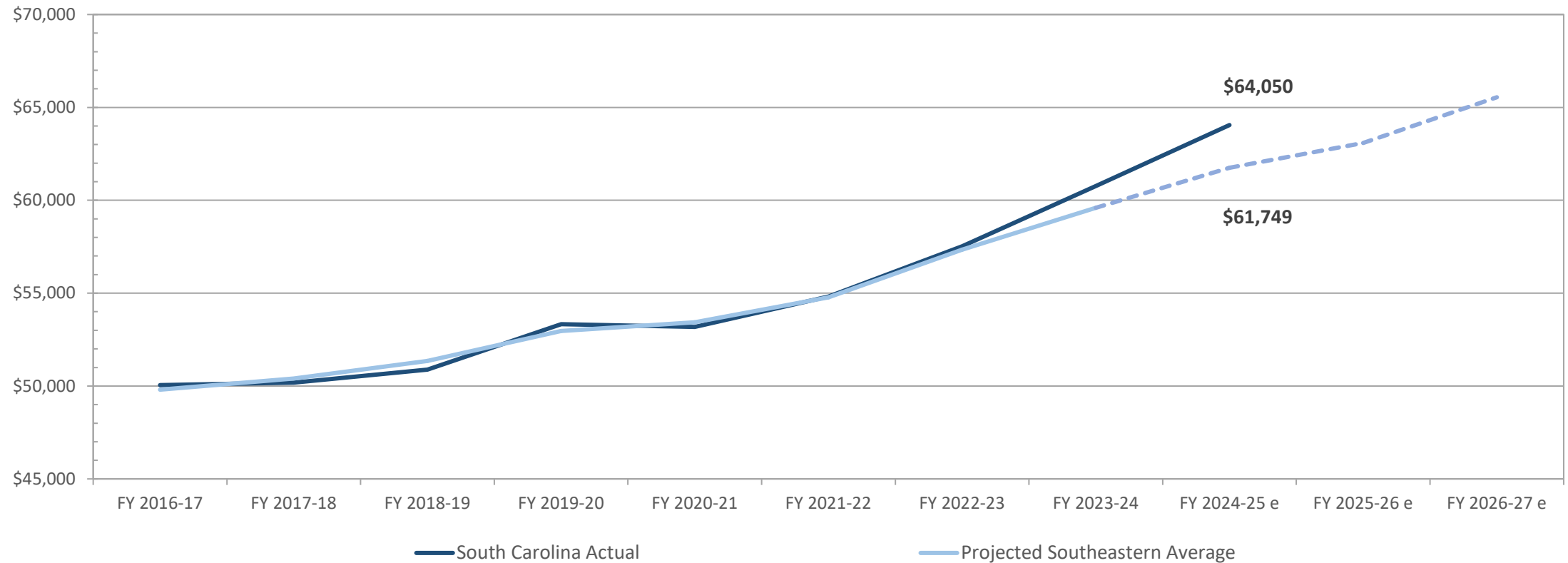


Notes: Medicaid includes maintenance of effort, provider reimbursement increases, and FMAP adjustments; Capital Reserve Fund base appropriation in FY 2024-25 was more than required  
Source: SC Revenue and Fiscal Affairs, General Fund and Education Improvement Act recurring appropriations 380-RFA/lhj/03/20/2026

# SC and Southeastern Average Teacher Salary

In FY 25, the average teacher salary in SC was about 3.7% higher than the SE average

SOUTH CAROLINA AND SOUTHEASTERN AVERAGE TEACHER SALARY



Data Source: S.C. Department of Education, S.C. teacher salary; S.C. Revenue and Fiscal Affairs Office, Southeastern average salary estimates  
Source: S.C. Revenue and Fiscal Affairs Office - 301 - 11/7/2025

# Current Trends and Expectations

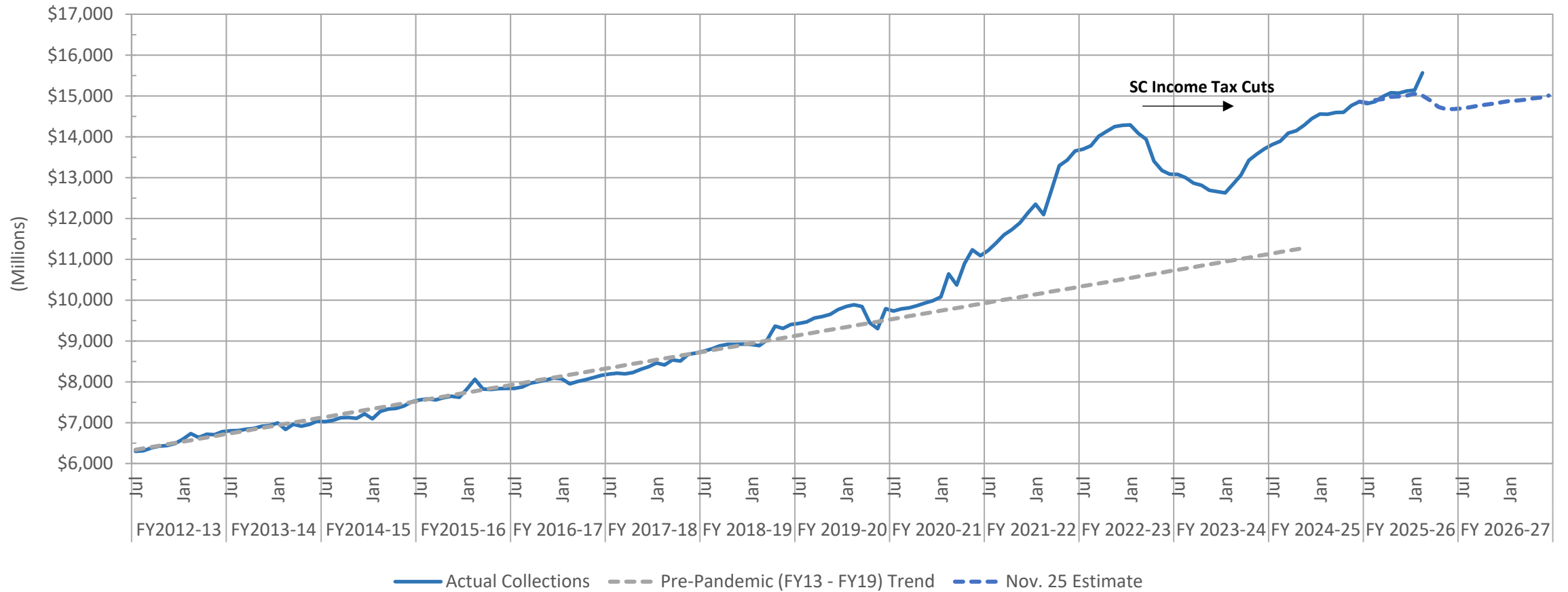


# General Fund Revenue – Long-term Growth

Post pandemic, revenues have settled at a higher level, and growth rates are steadier

## ROLLING FISCAL YEAR FORECAST- GENERAL FUND

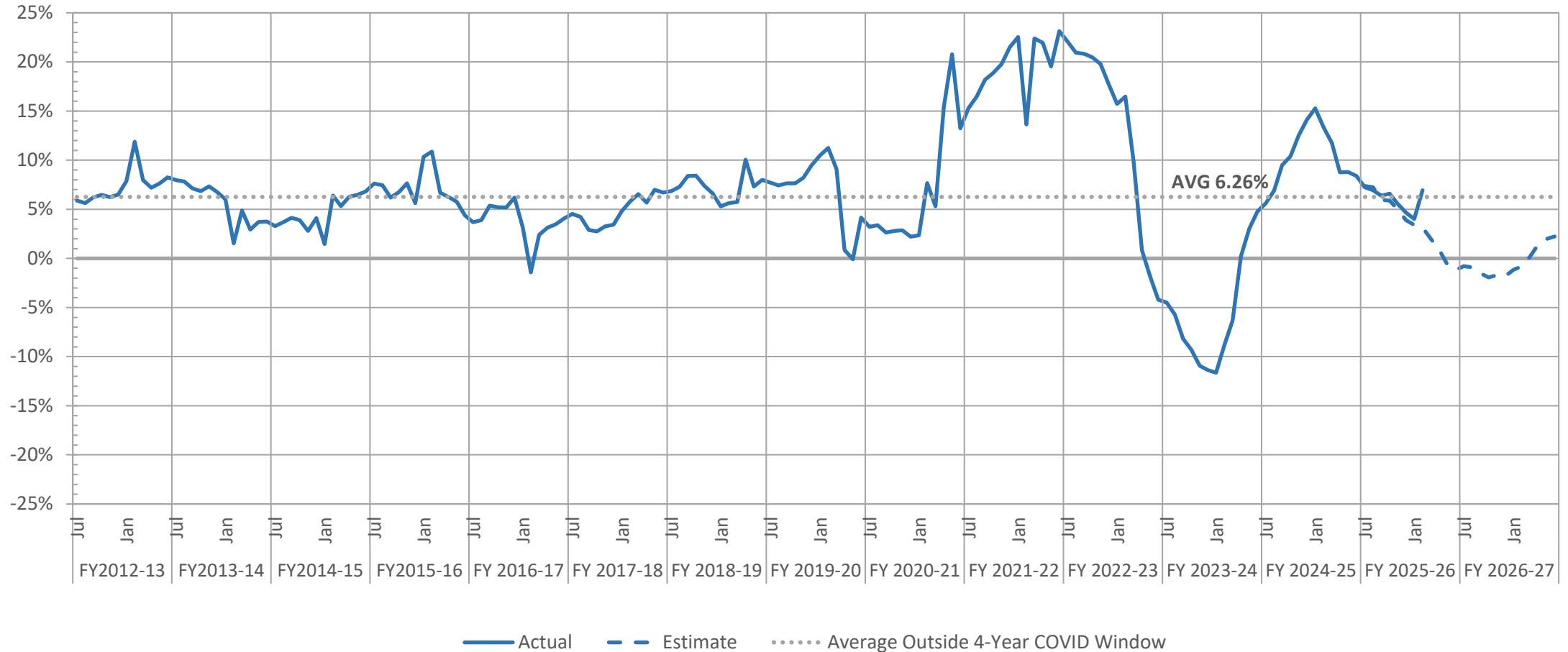
Actuals & Forecast, FY 2012-13 to FY 2026-27



# General Fund Revenue – Long-term Percent Change

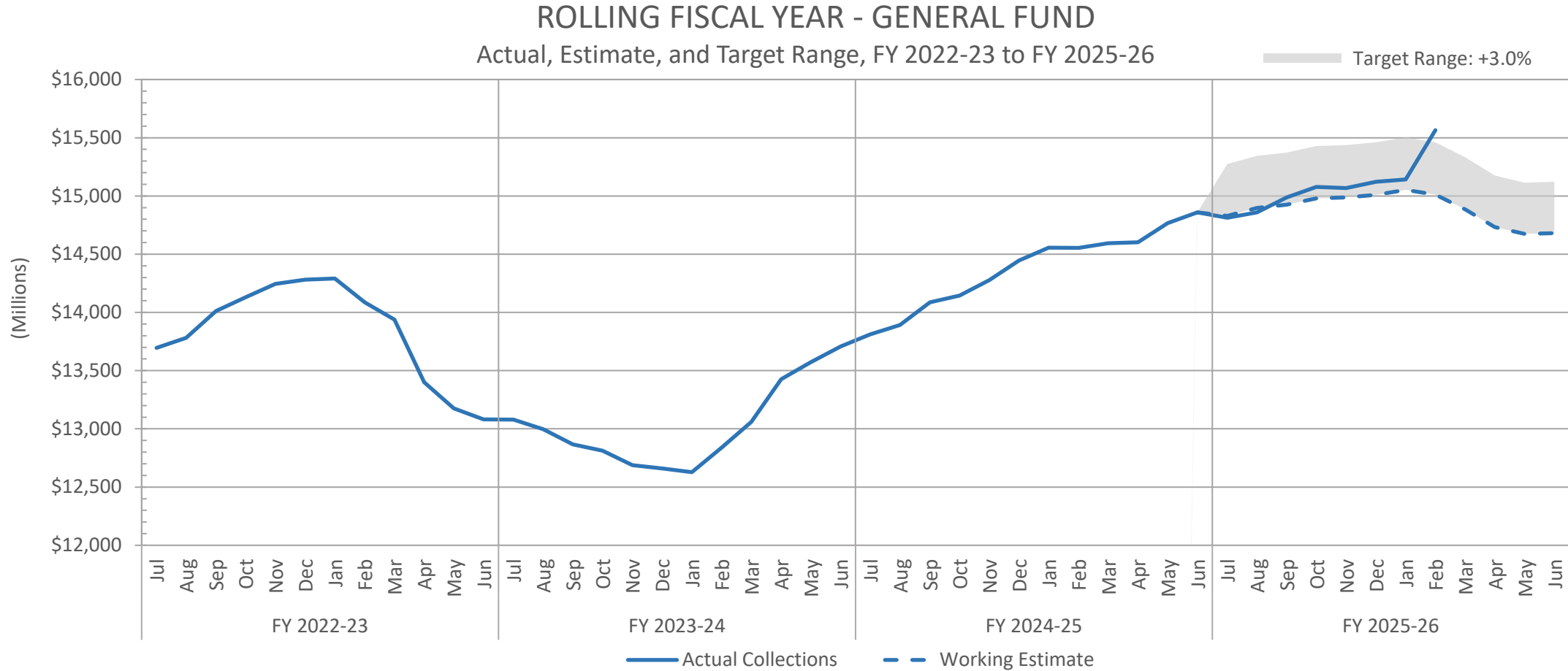
## Current growth rates are still volatile and trending below long-term average

ROLLING FISCAL YEAR PERCENT CHANGE - GENERAL FUND  
 Actuals and Estimates, FY 2012-13 to FY 2026-27



# General Fund Revenue FY 2025-26 – Actual versus Estimate

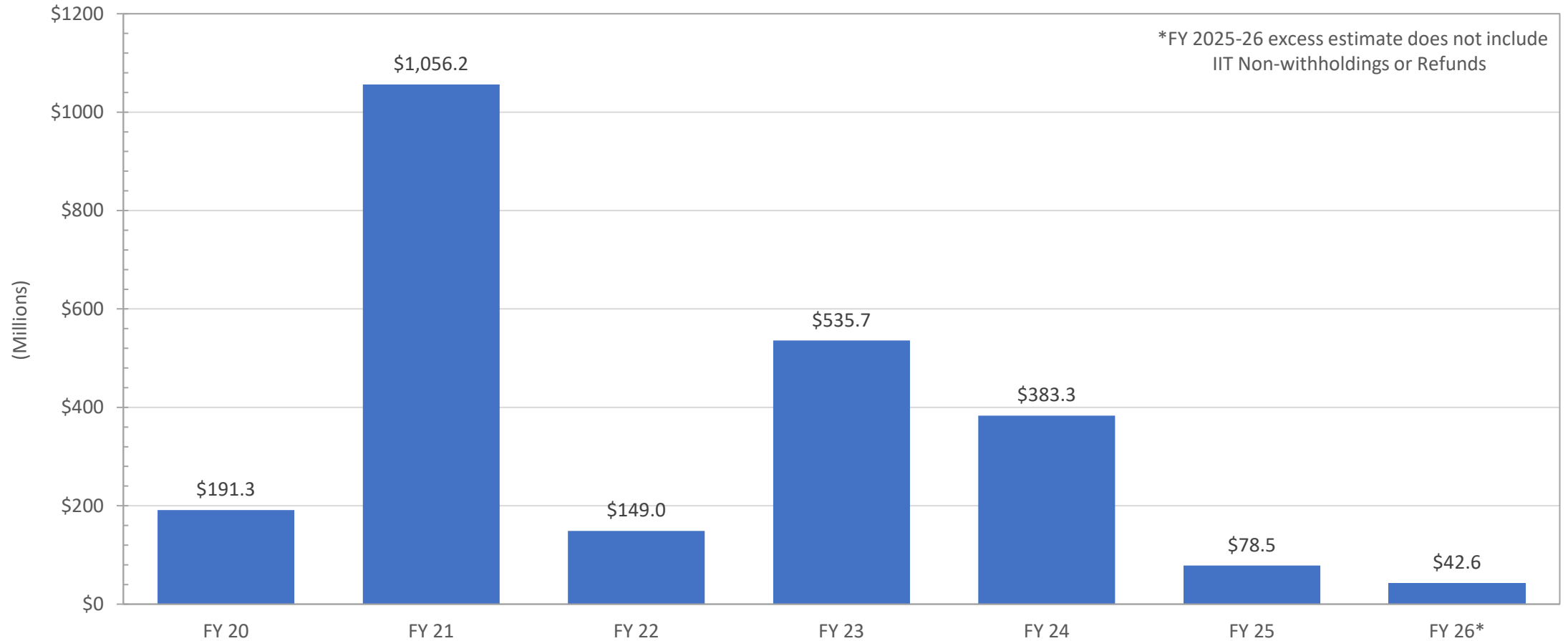
Timing differences in Individual Income tax February processing significantly distorted revenue results and trends



# General Fund Revenue – February Excess

Excluding Individual Income tax filing related categories for FY 26, actual revenue collections remain very close to expectations

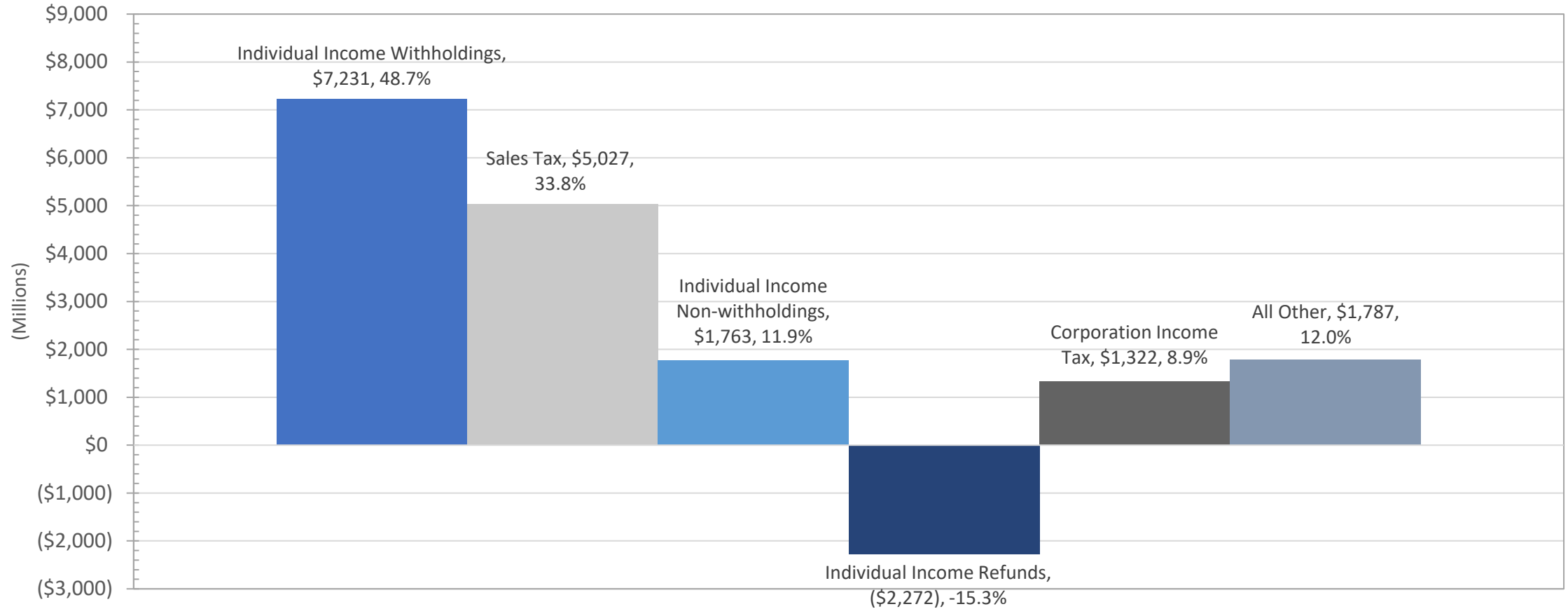
FEBRUARY EXCESS ABOVE THE ESTIMATE - FY 2019-20 TO FY 2025-26



# General Fund Revenue by Category – FY 2024-25

Individual Income tax components are three of the four largest revenue items

FY 2024-25 GENERAL FUND REVENUE BY MAJOR TAX TYPE



Source: SC Revenue and Fiscal Affairs 30-RFA/kv/03/19/2026

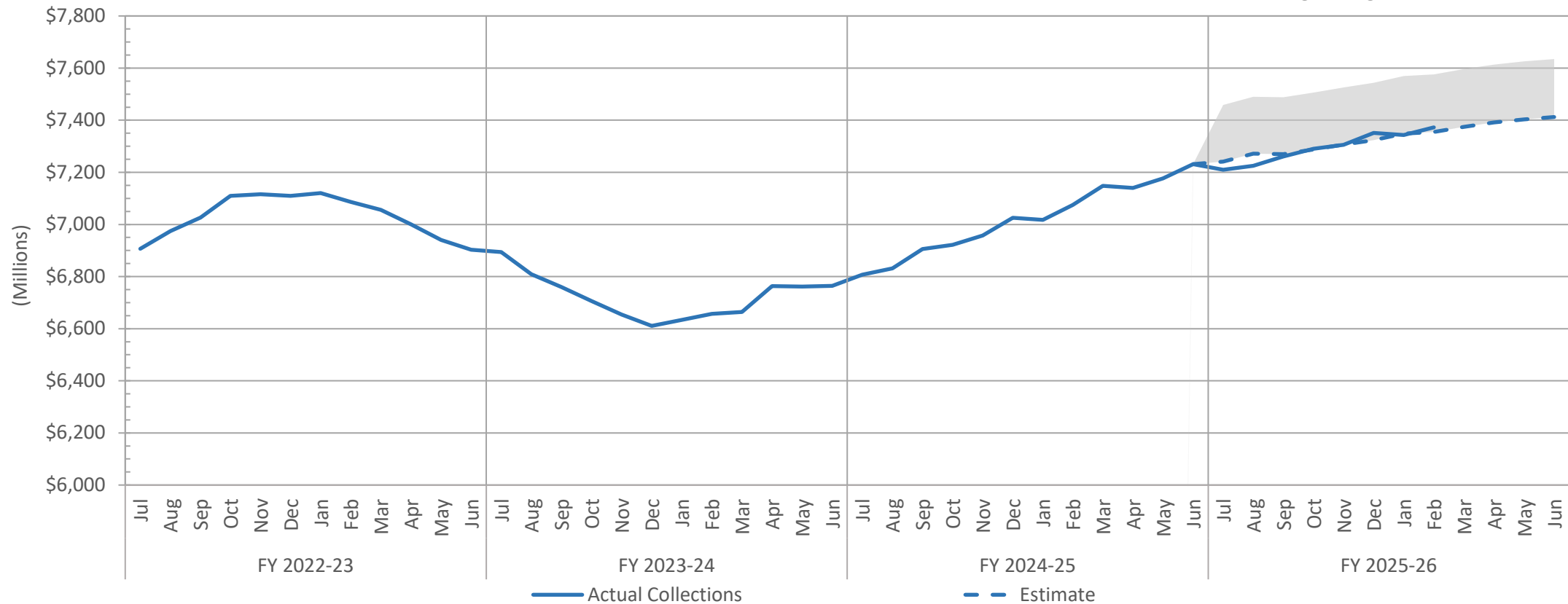
# Withholdings - Actual versus Estimate

Withholdings collections are growing 2.9% through February and are now \$17.6 million above expectations, or within 0.2% of the estimate

## ROLLING FISCAL YEAR - INDIVIDUAL INCOME WITHHOLDINGS

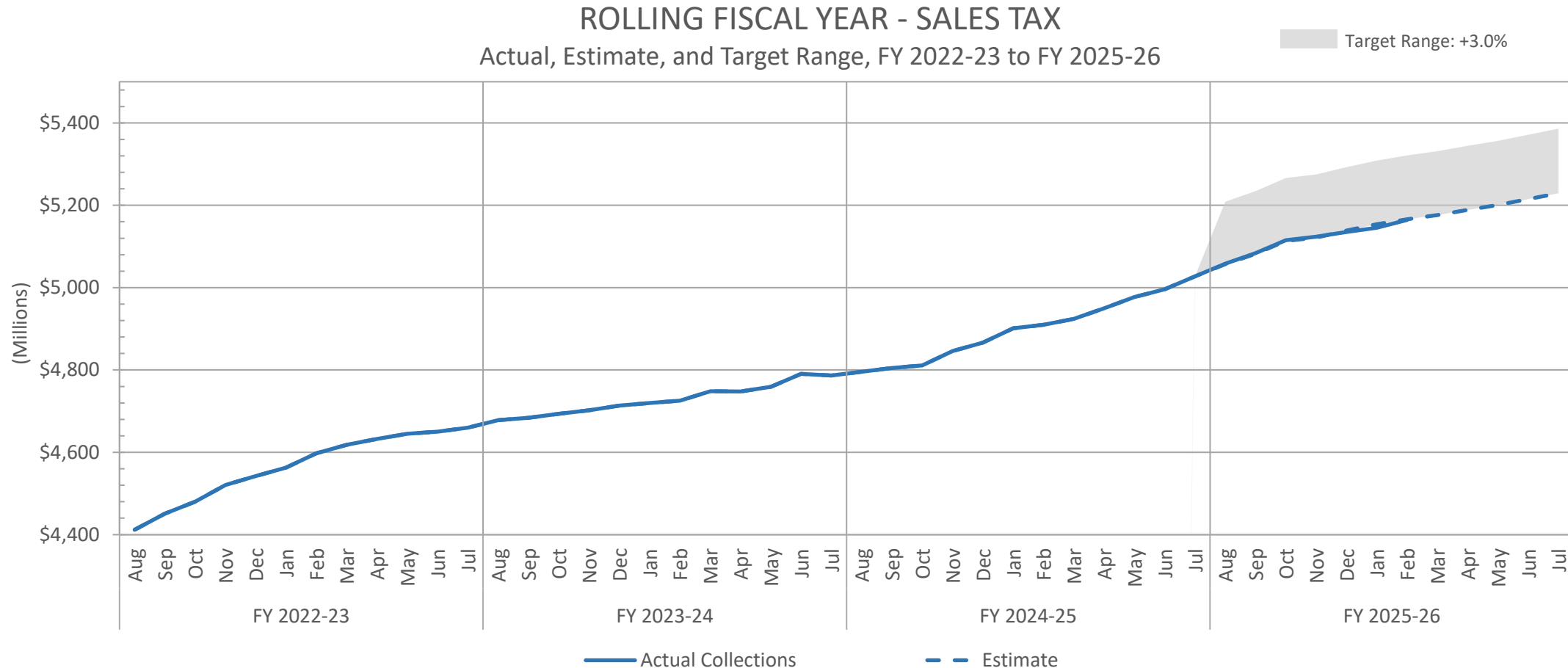
Actual, Estimate, and Target Range, FY 2022-23 to FY 2025-26

Target Range: +3.0%



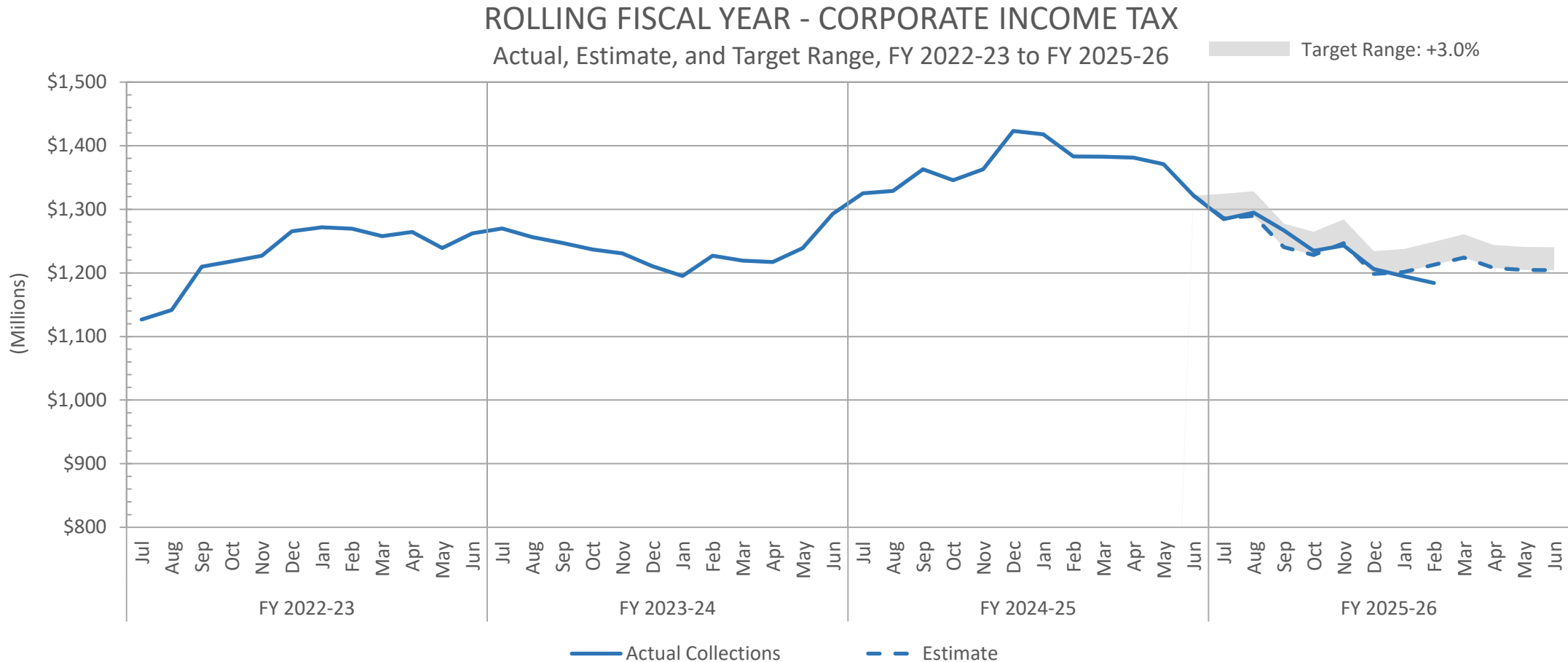
# Sales Tax - Actual versus Estimate

Sales tax collections continue to track closely with expectations, growing 4.7% compared to 4.8% expected overall, and are \$2.1 million below the estimate through February 2026



# Corporate Income Tax - Actual versus Estimate

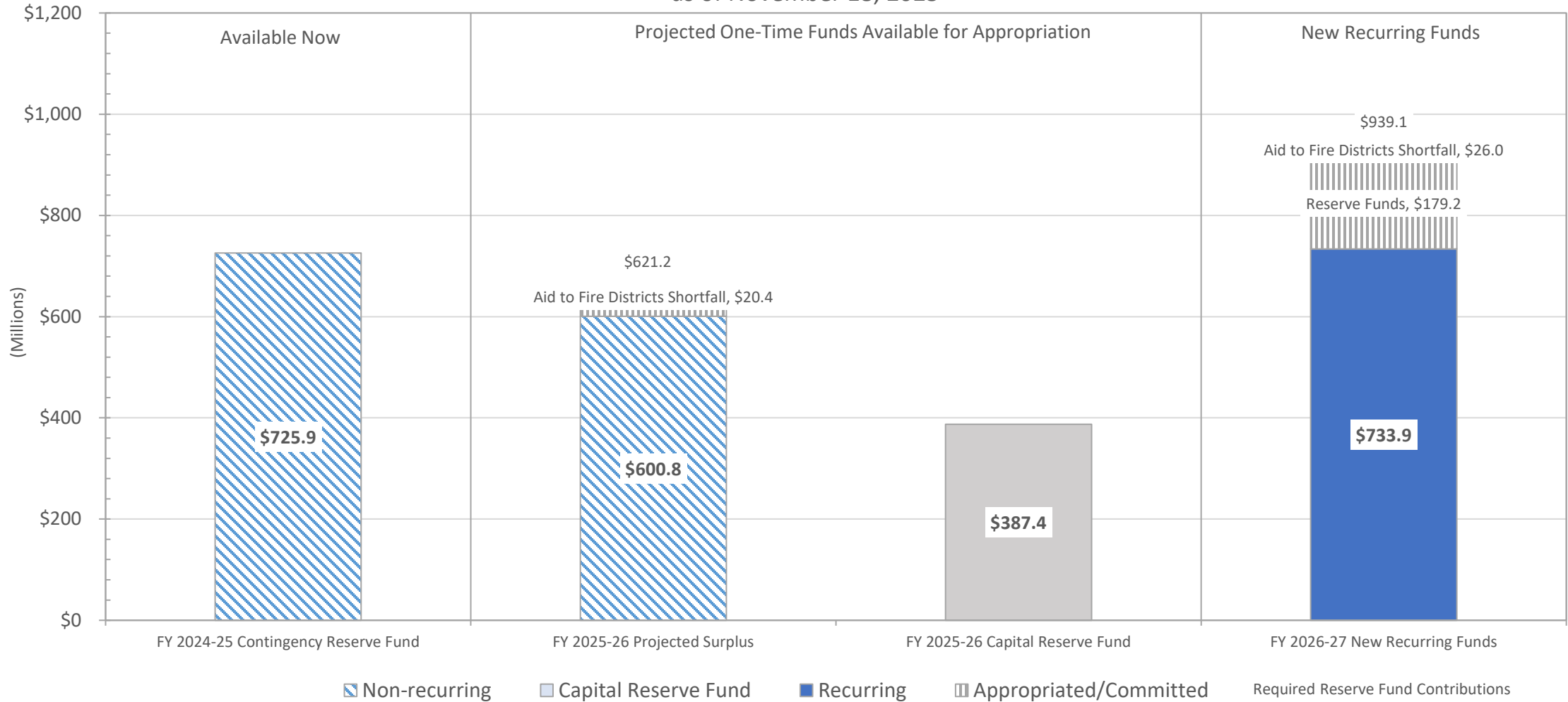
Corporate Income tax continues to trend below expectations and is now \$28.6 million below the fiscal year-to-date estimate; historically, over 60% of collections occur in the final 4 months



# FY 2026-27 Budget - Available Funds

## AVAILABLE FUNDS - FY 2026-27 BUDGET PROCESS

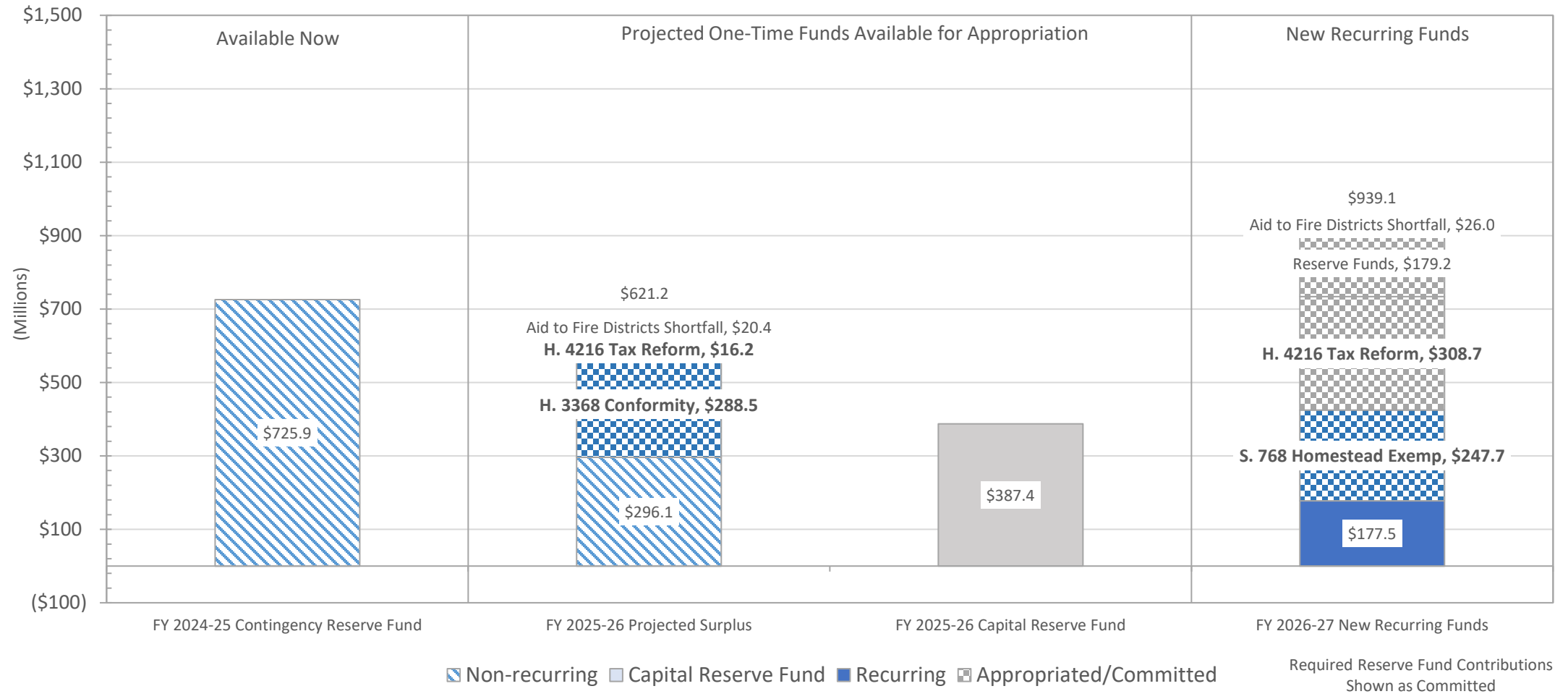
as of November 18, 2025



Source: S.C. Revenue and Fiscal Affairs 297/RFA/11/18/2025

# FY 2026-27 Budget – Available Funds after Tax Cut Bills

TAX LAW IMPACTS ON AVAILABLE FUNDS - FY 2026-27 BUDGET PROCESS  
 Select Bills Only - Forecast as of November 18, 2025



Source: S.C. Revenue and Fiscal Affairs 297/RFA/3/30/2026

# Questions and Thank You!

