



U.S. Economic Outlook

October 2026

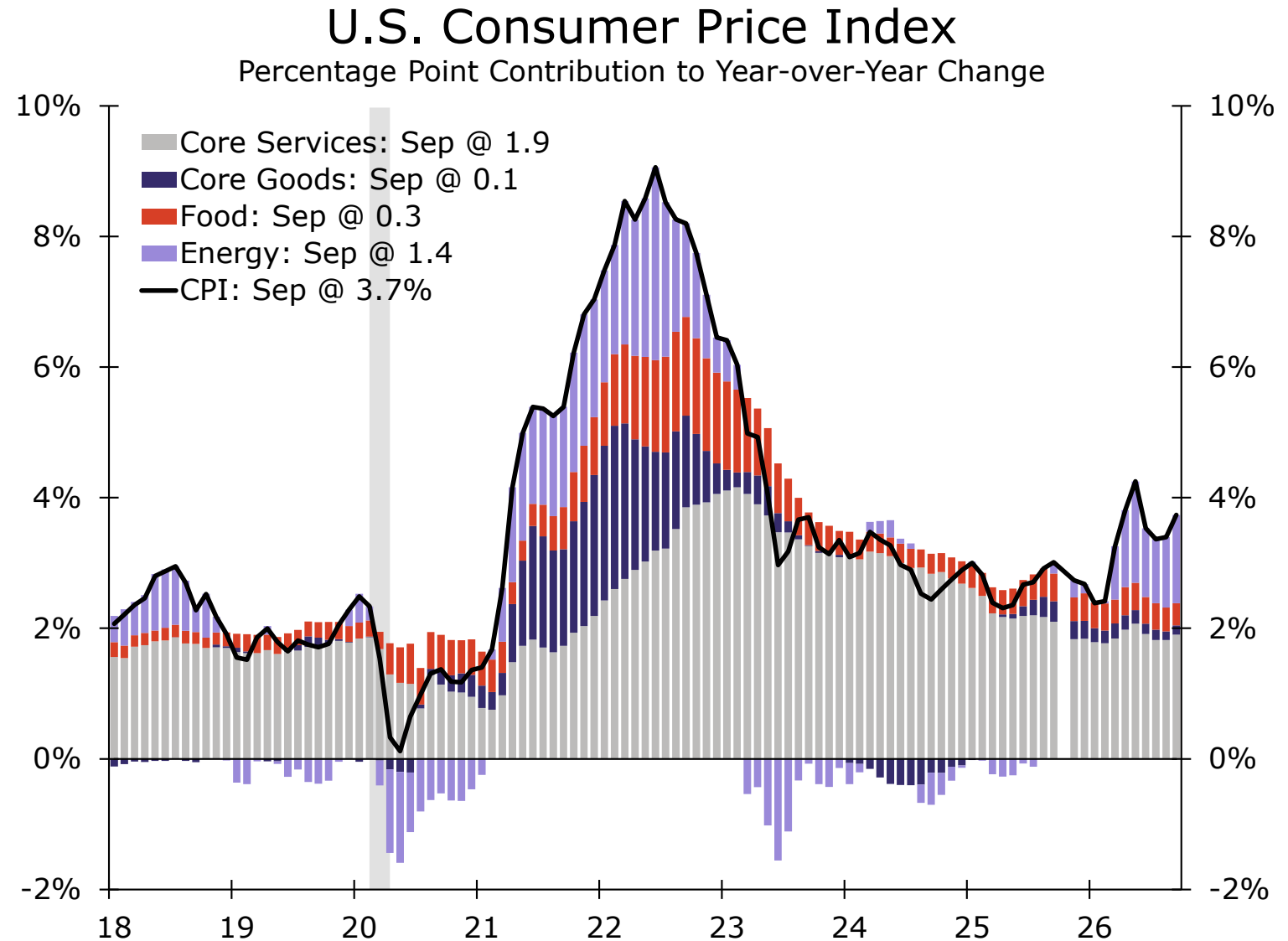
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Vice President & Economist

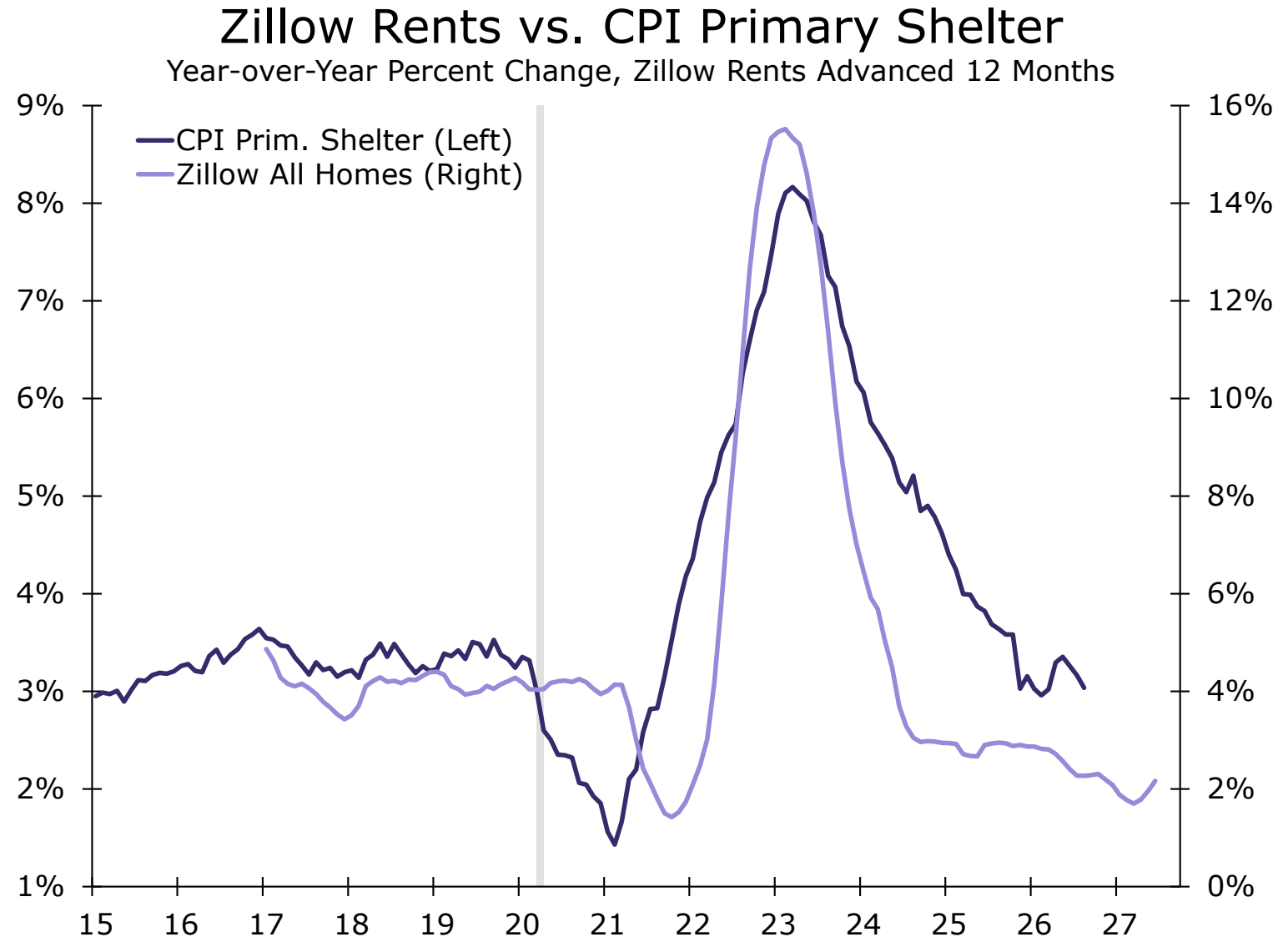
Wells Fargo Corporate and Investment Banking

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Inflation jumped on higher energy prices.



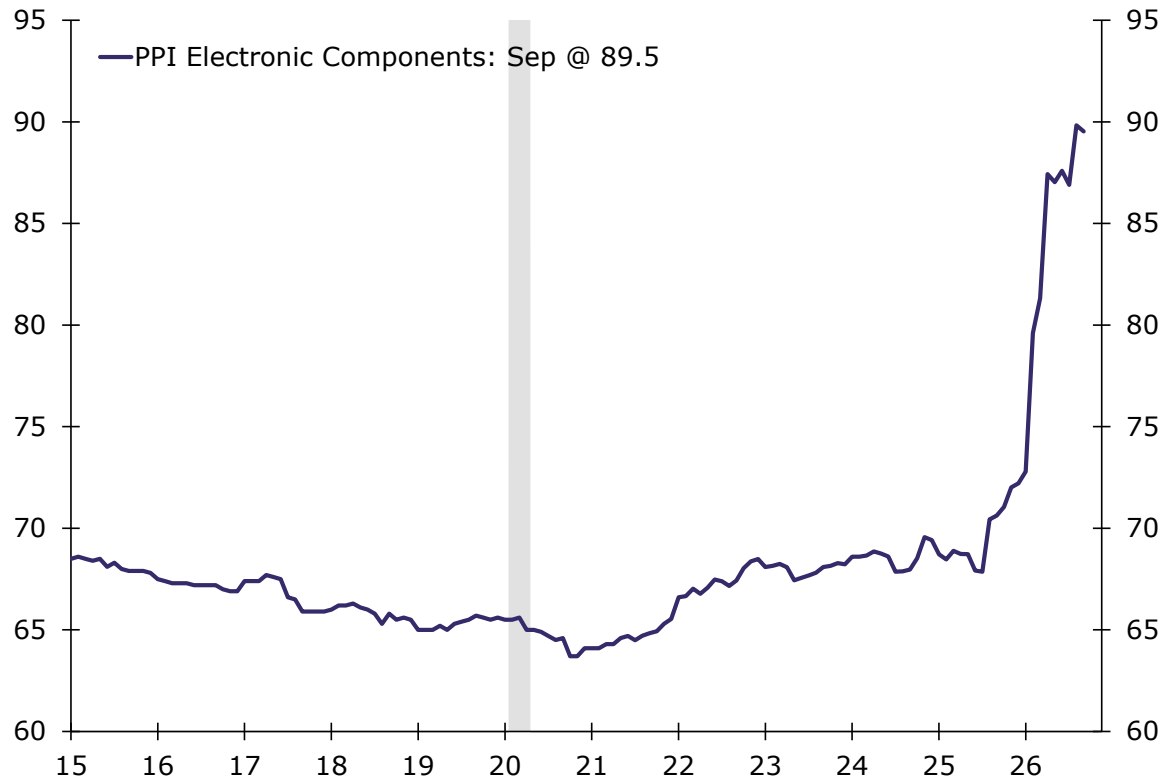
Shelter inflation has meaningfully receded, but disinflationary momentum is fading.



High demand for computing power has inflated the cost of tech-related goods.

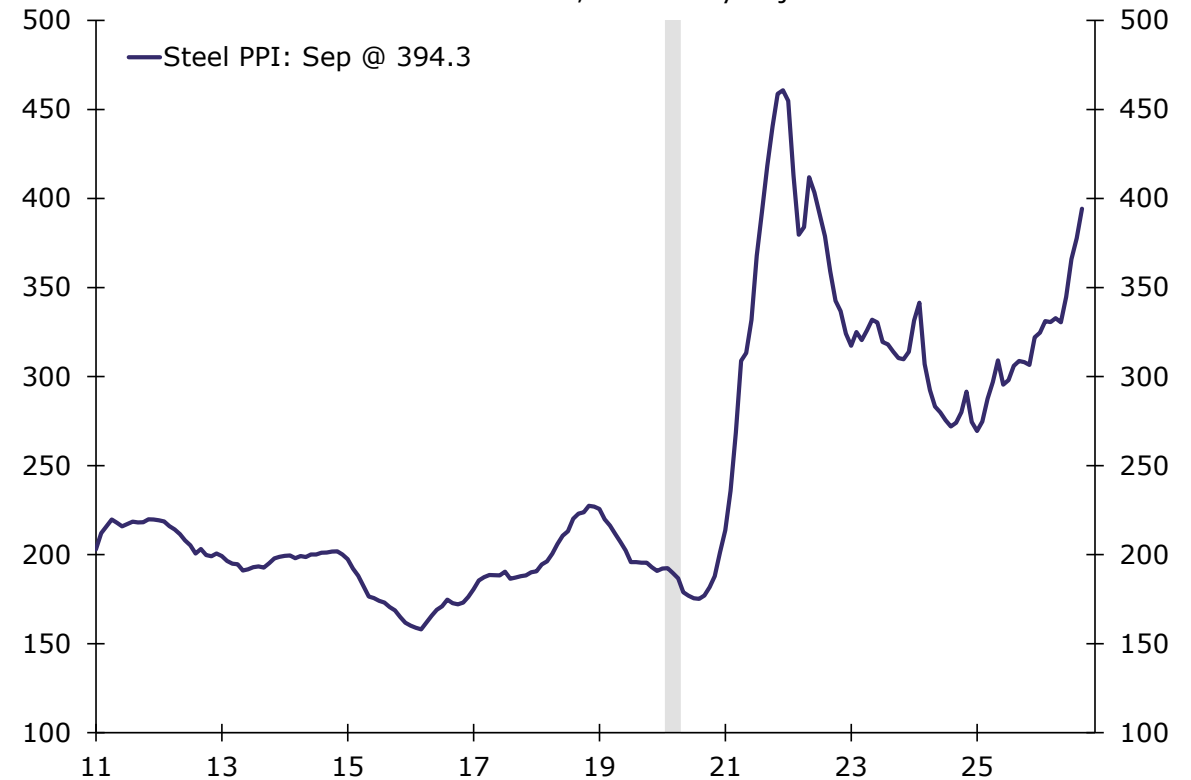
Near-Term Inflation Pressure from the AI Buildout

Index: 1982 = 100; Seasonally Adjusted

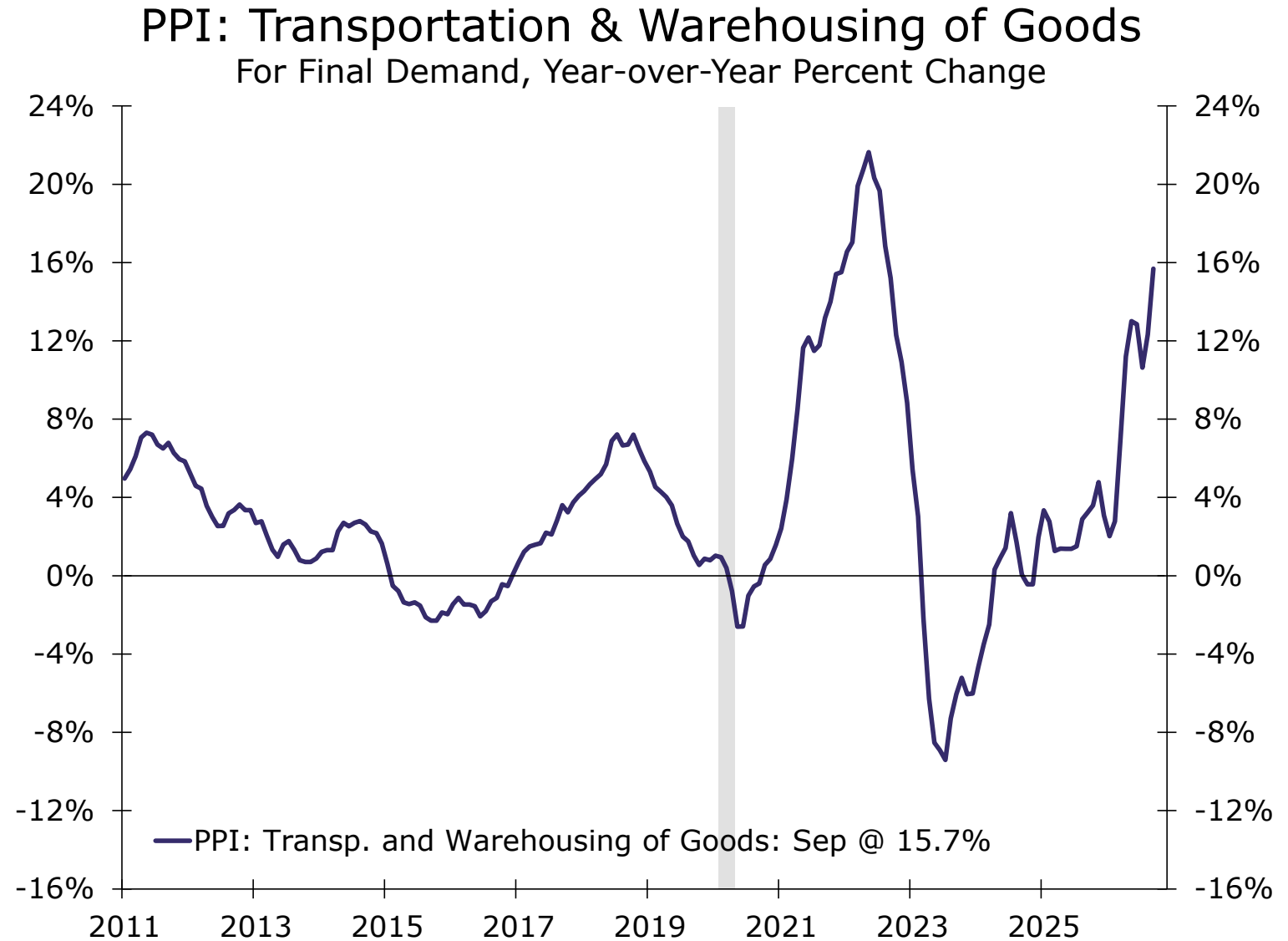


Producer Price Index: Steel Mill Products

Index: 1982 = 100; Seasonally Adjusted

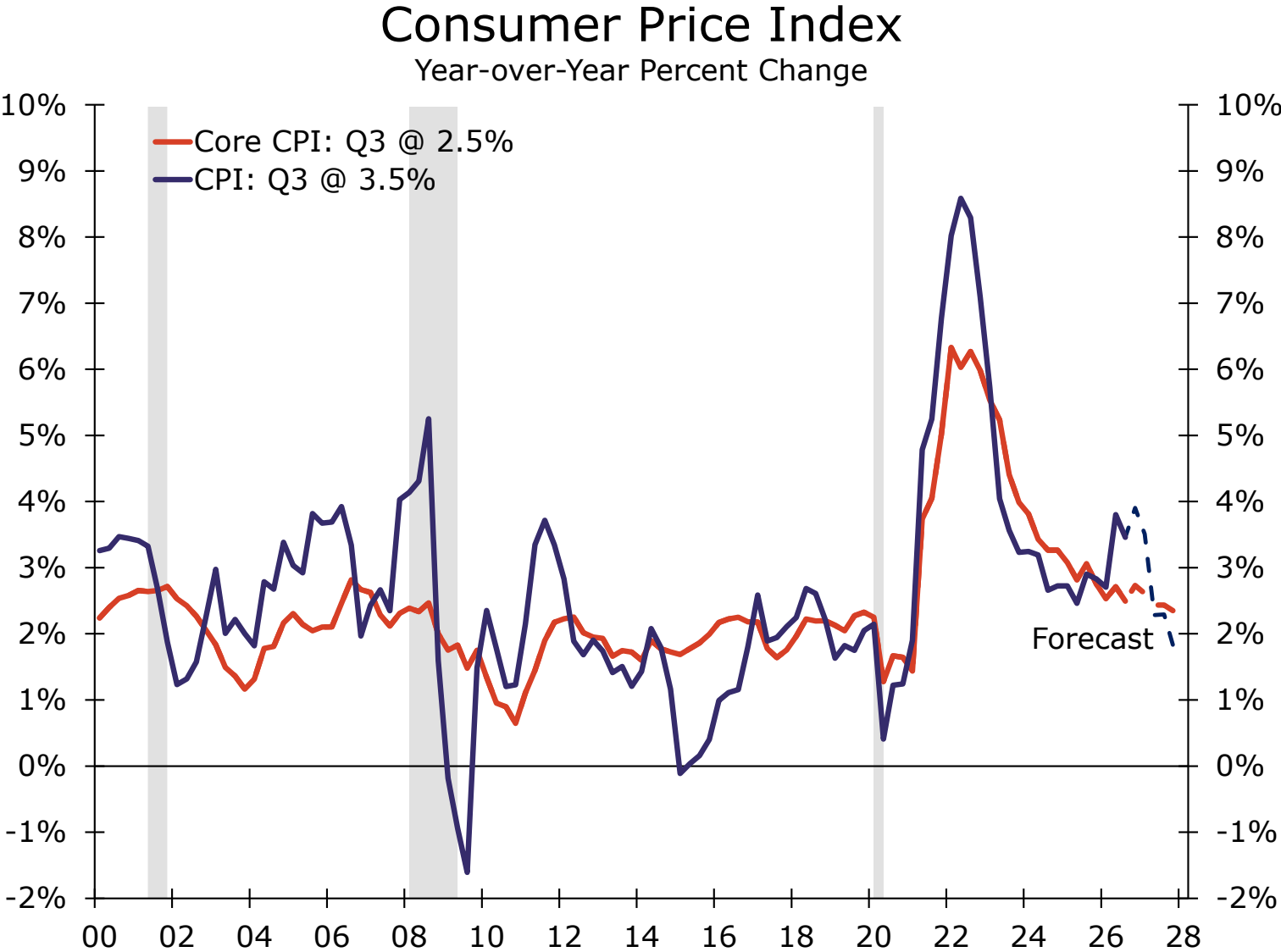


The energy shock is starting to bleed through more broadly.



We expect inflation to remain sticky this year.

Favorable year-over-year comparisons set the stage for a more meaningful retraction in 2027.

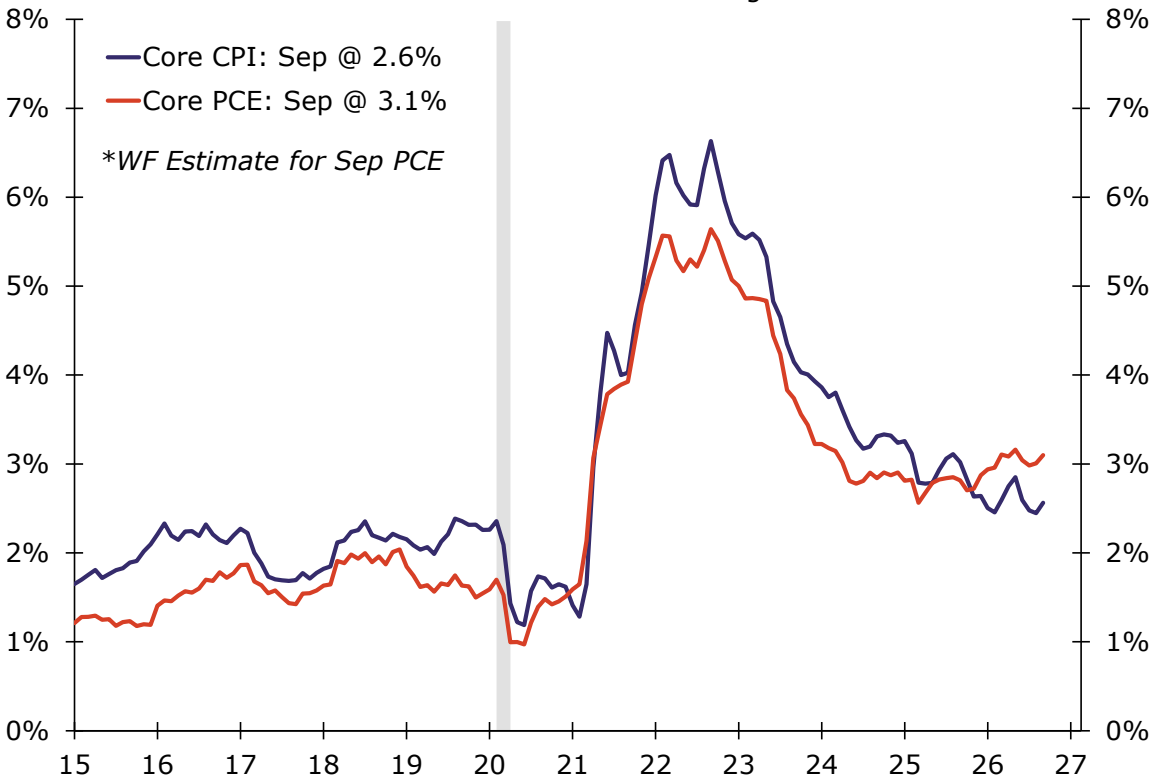


Source: U.S. Department of Labor and Wells Fargo Economics

We expect at least one additional rate hike.

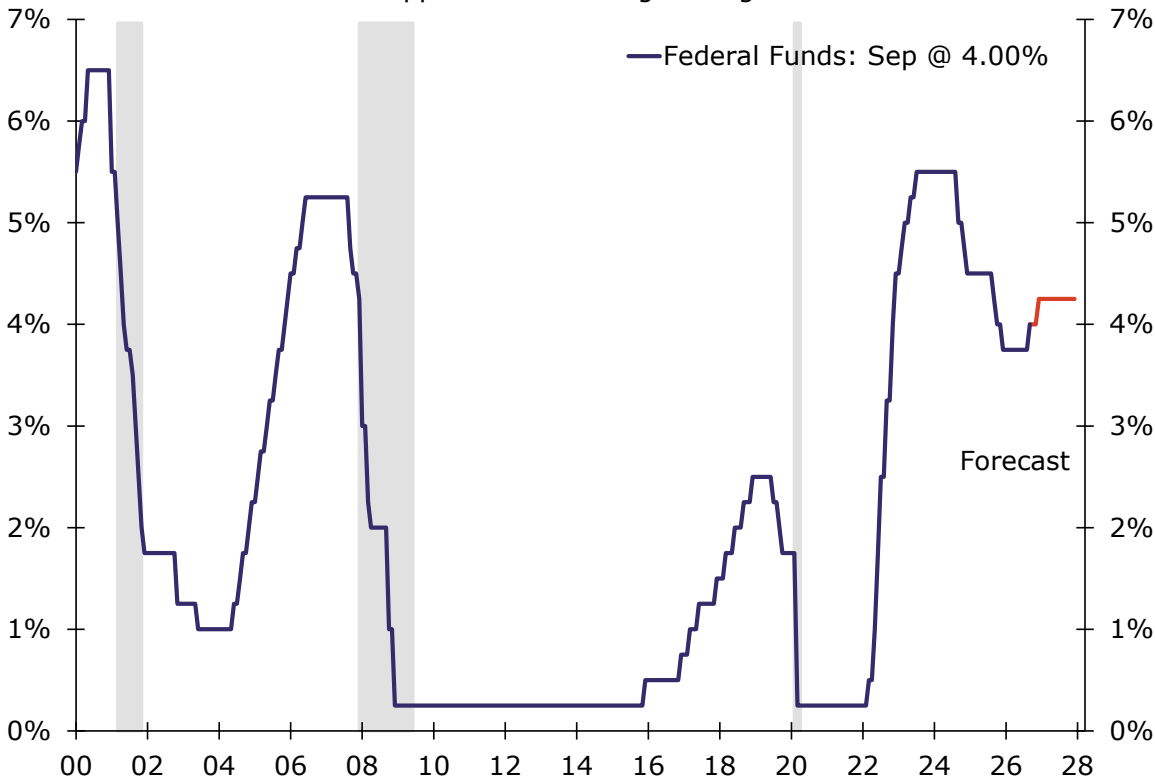
Core CPI vs. Core PCE

Year-over-Year Percent Change



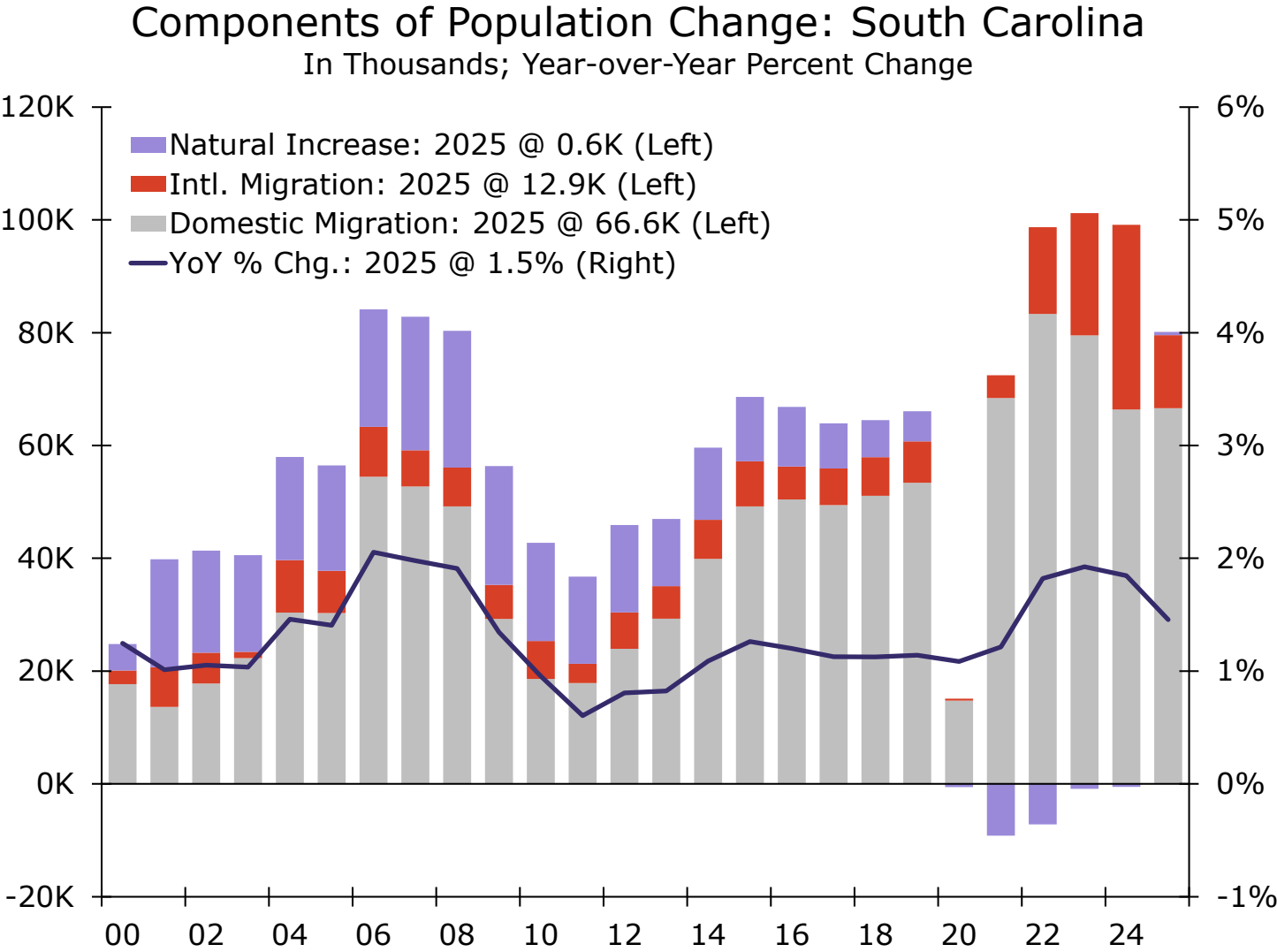
Federal Funds Target Rate

Upper Bound of Target Range

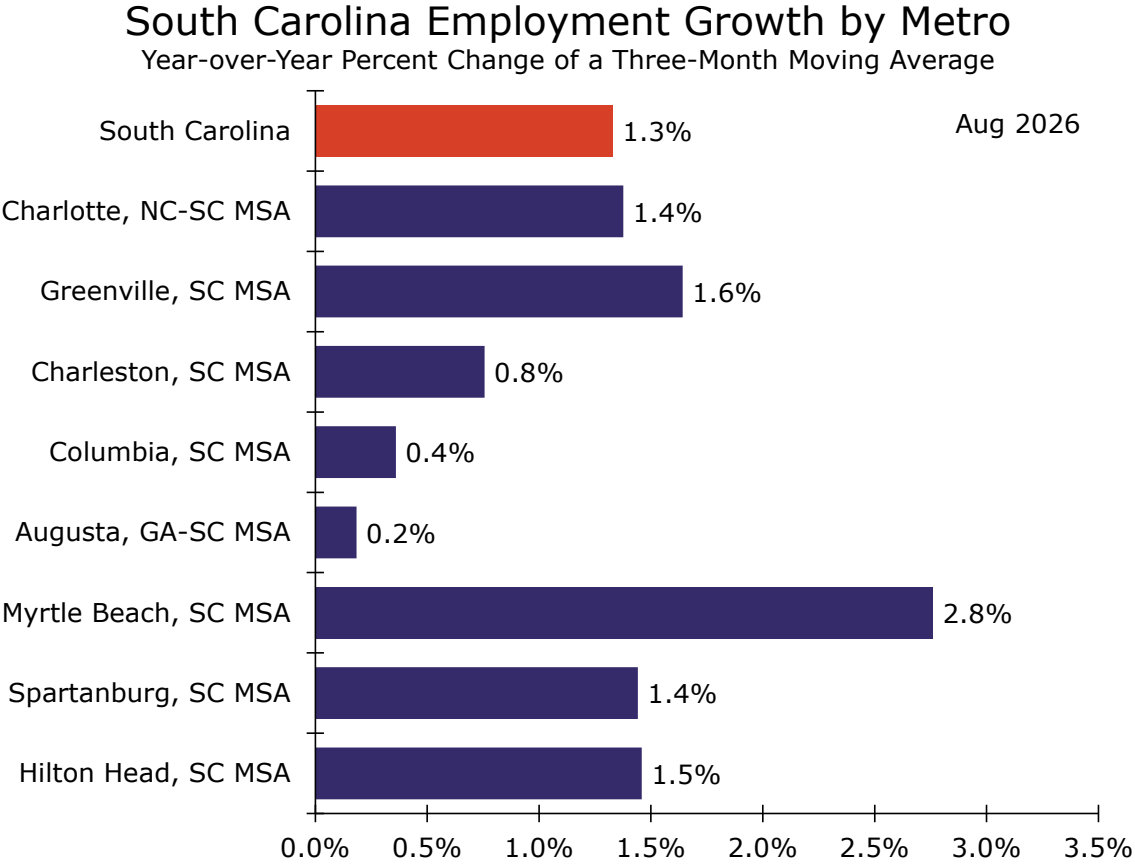
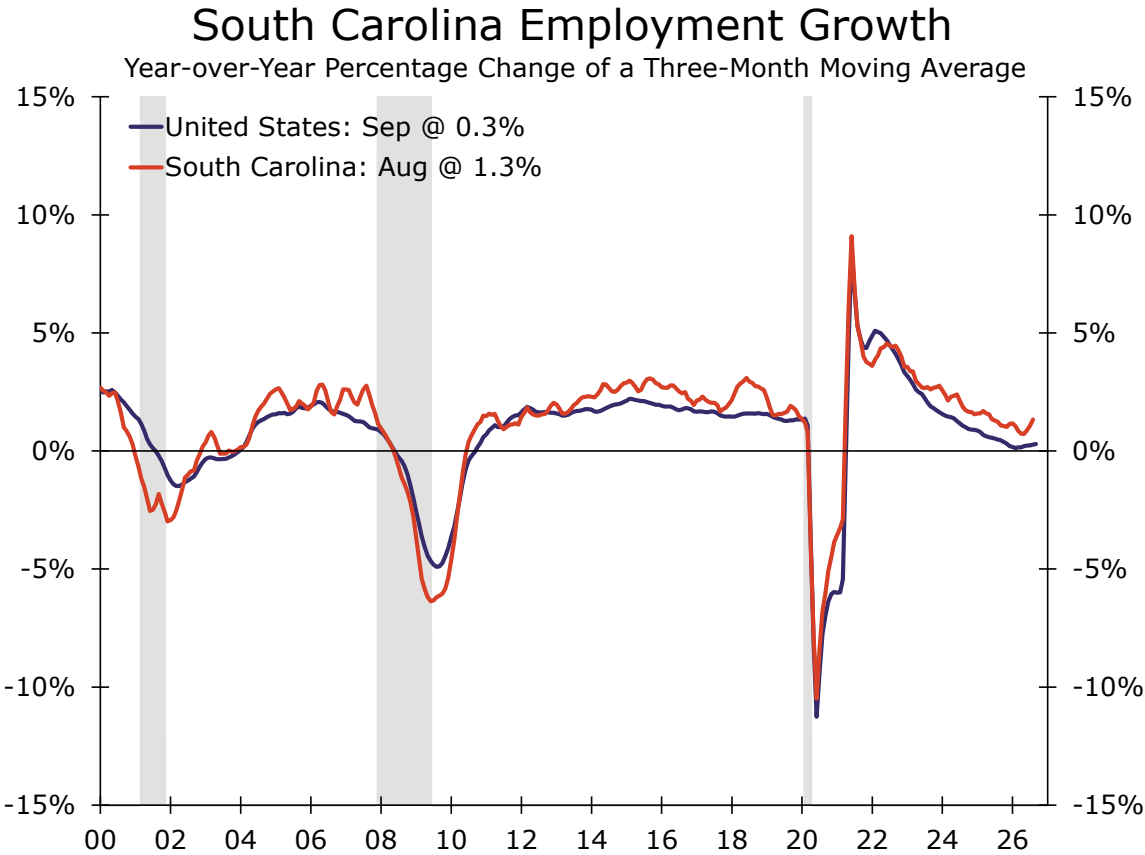


South Carolina

South Carolina registered the strongest population growth in the nation in 2025.

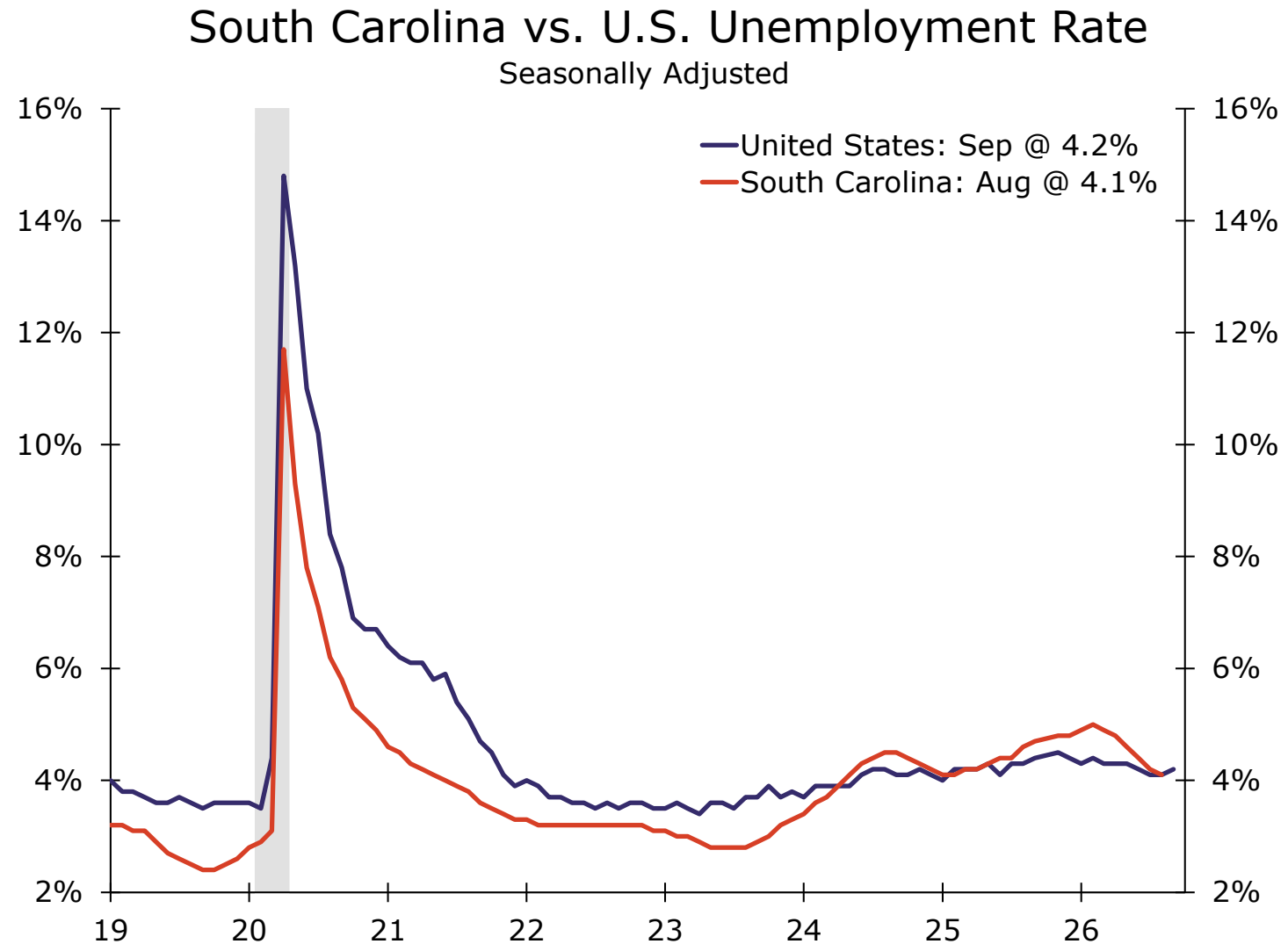


Hiring is strongest in high population growth areas.



Source: U.S. Department of Labor and Wells Fargo Economics

A declining unemployment rate signifies healthy job growth.

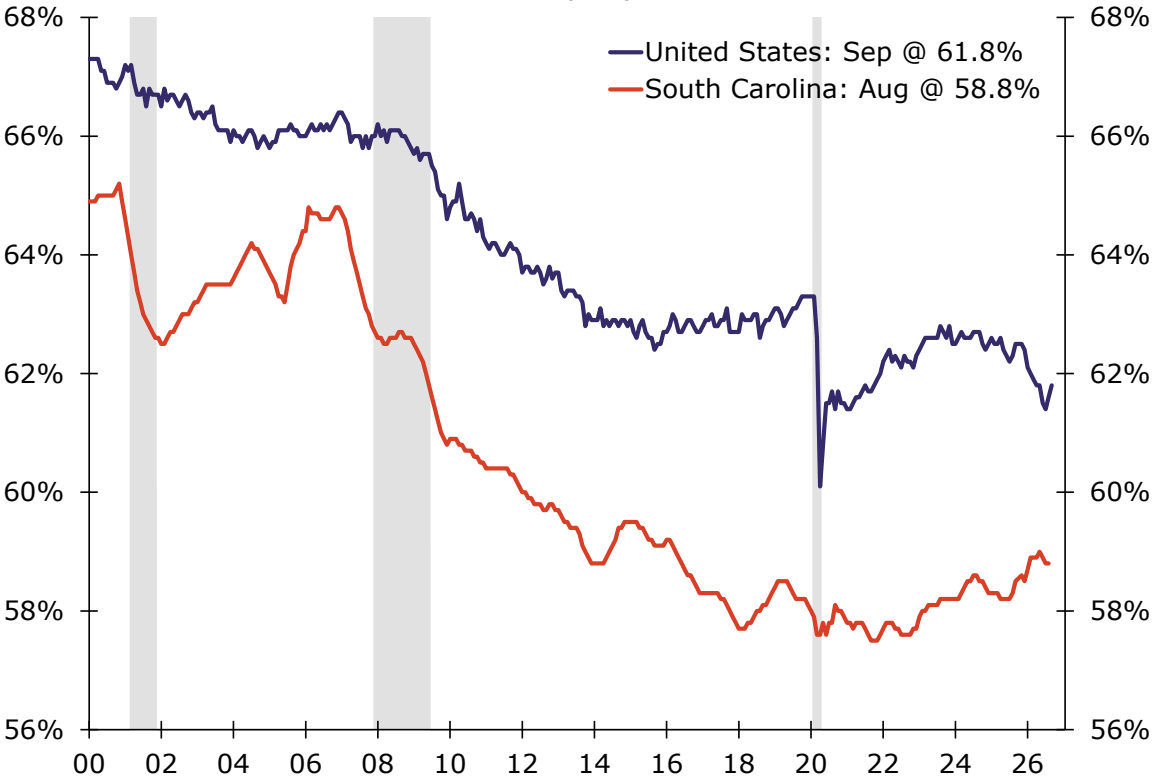


Labor Force Participation

South Carolina’s labor force participation has bucked national trends, likely reflecting working-age population growth.

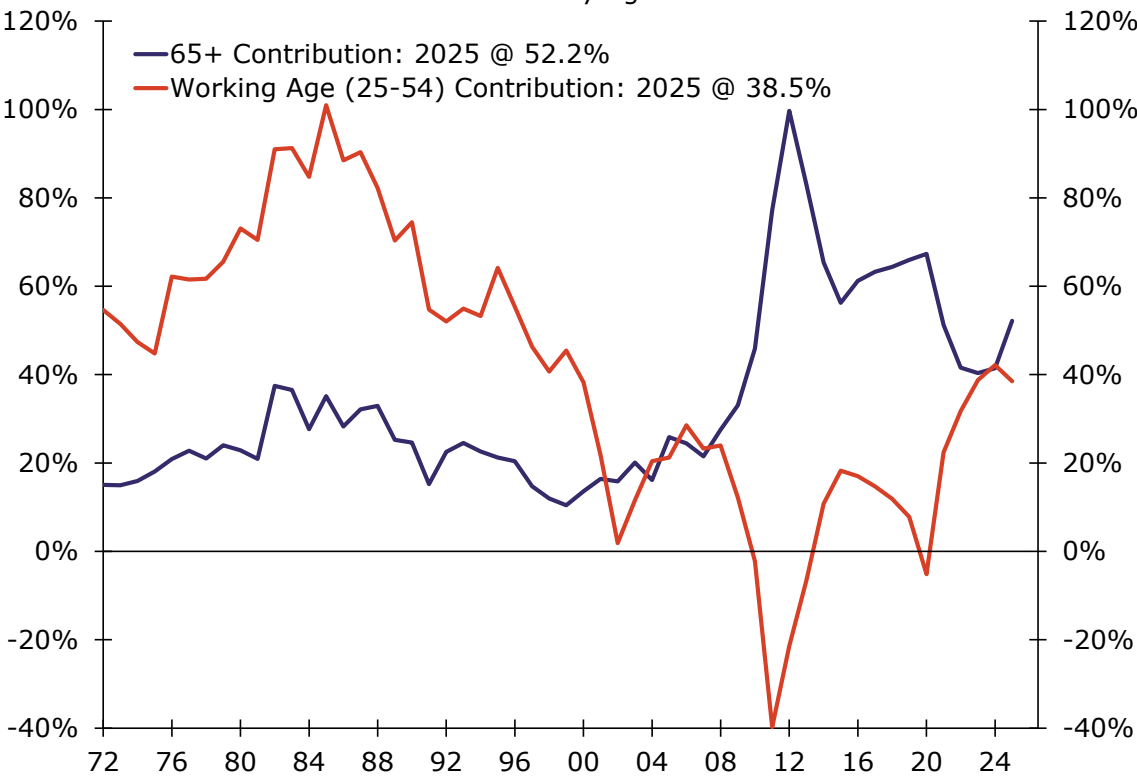
Labor Force Participation Rate

Seasonally Adjusted



South Carolina Population Growth

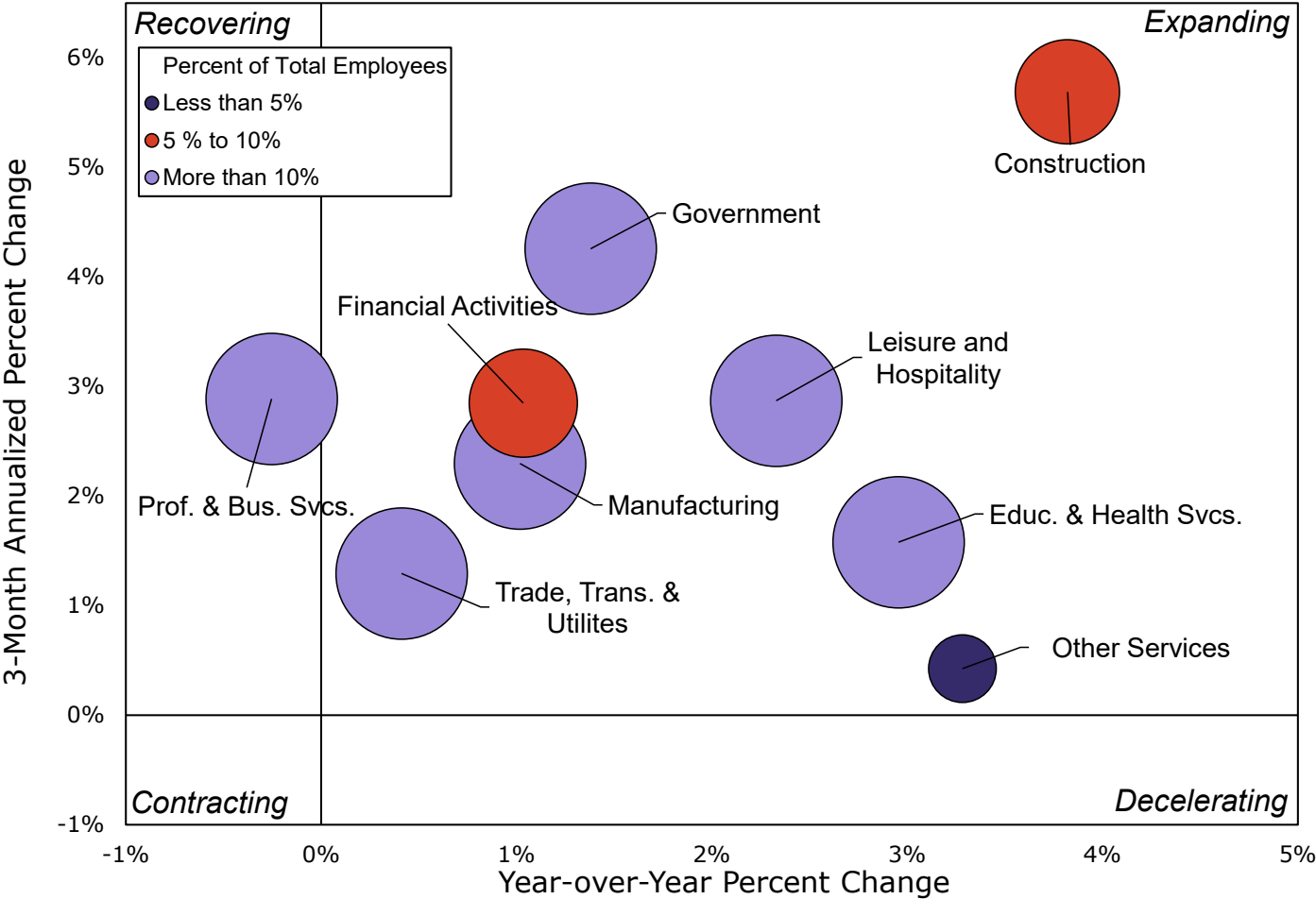
Share by Age



Source: U.S. Department of Labor, U.S. Department of Commerce and Wells Fargo Economics

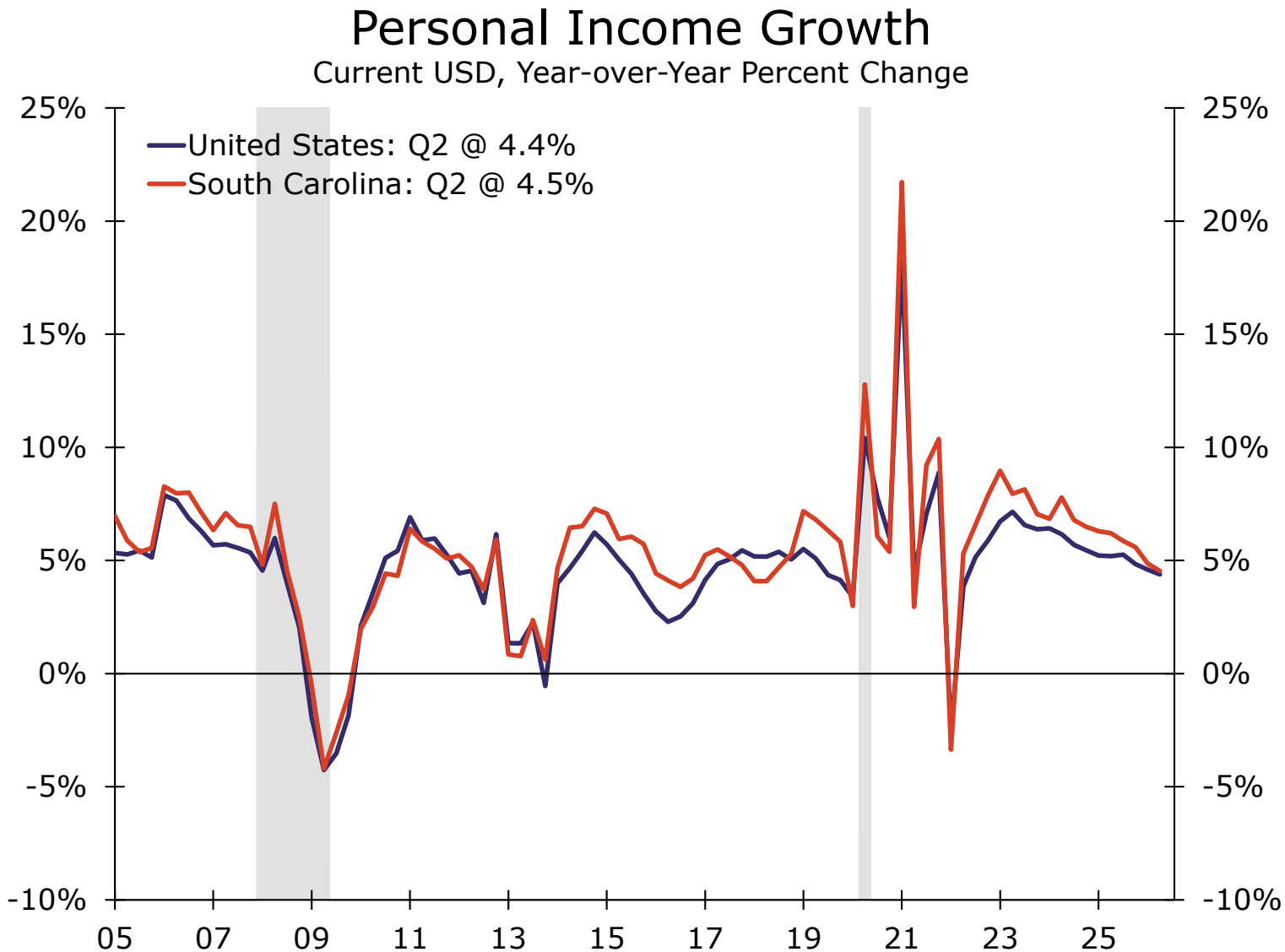
Nearly every major industry is expanding.

South Carolina Employment Growth by Industry
3-Month Moving Averages, August 2026

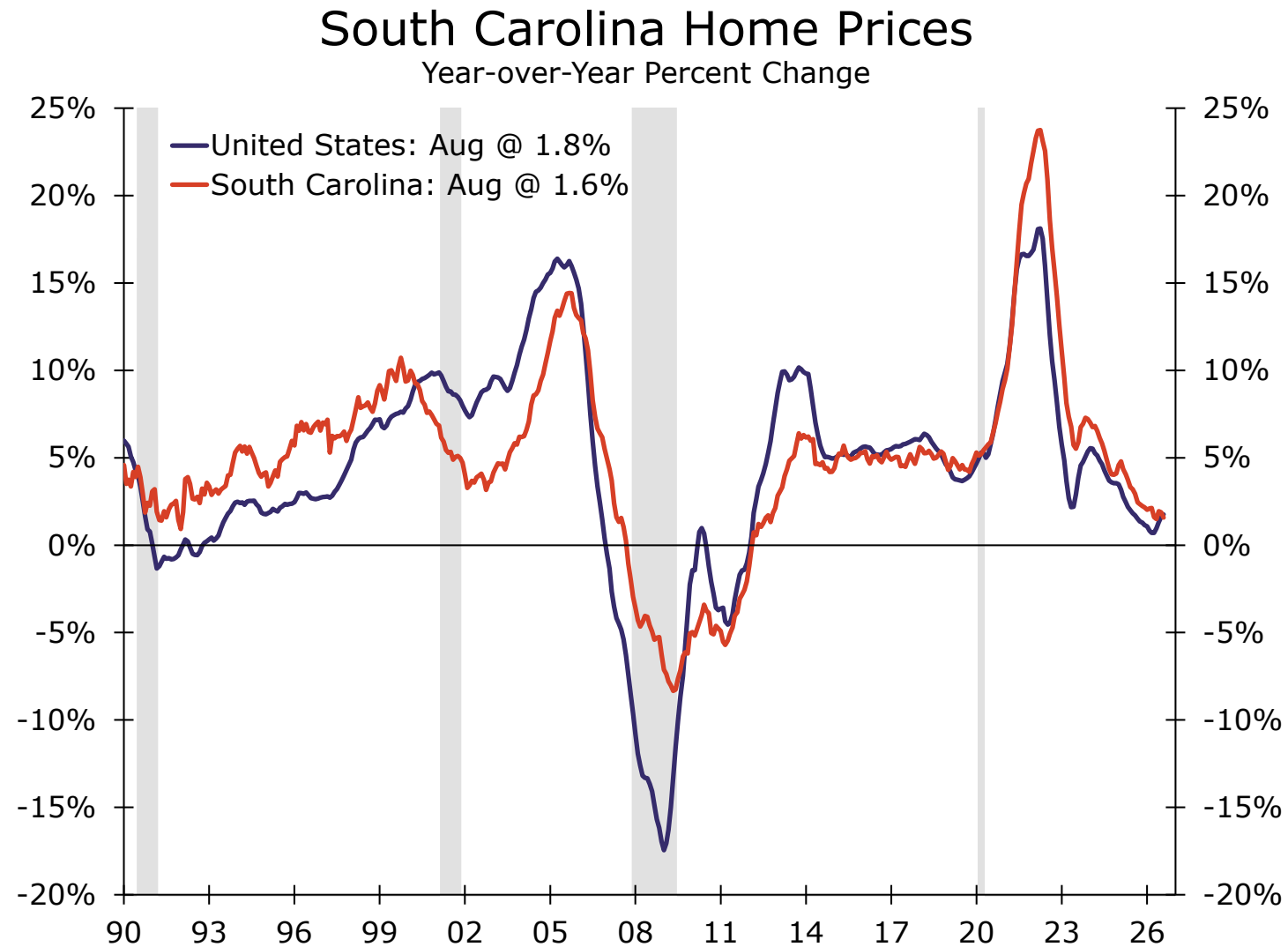


Source: U.S. Department of Labor and Wells Fargo Economics

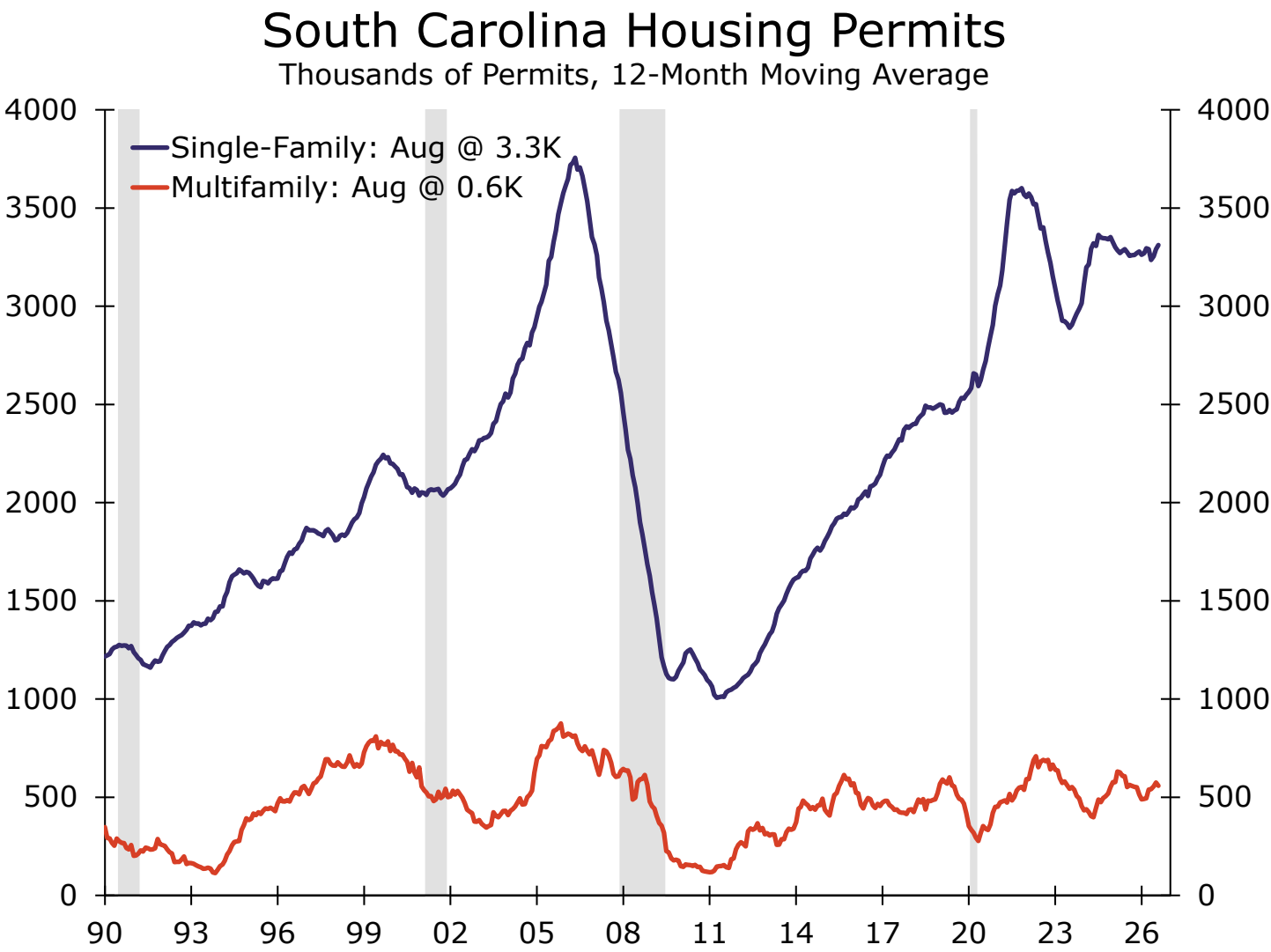
Personal income growth remains healthy.



Home prices are still rising faster in South Carolina than the U.S. average.

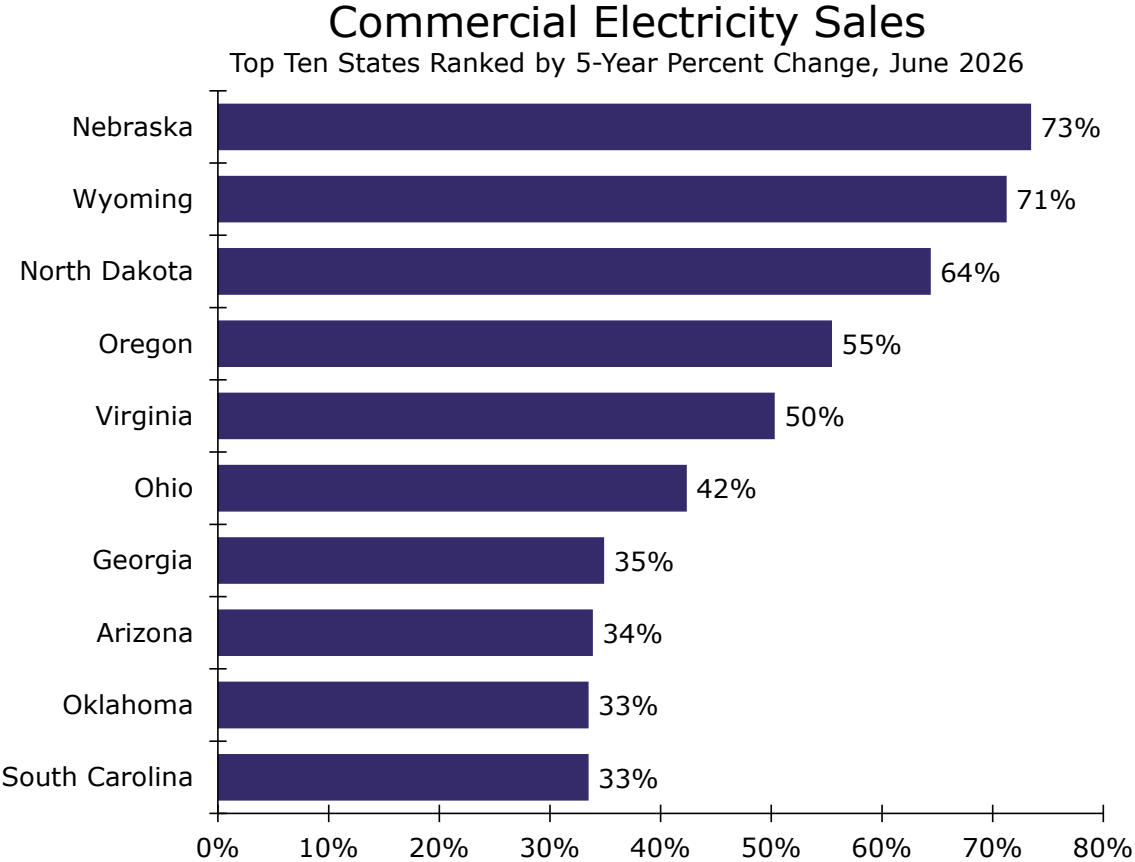
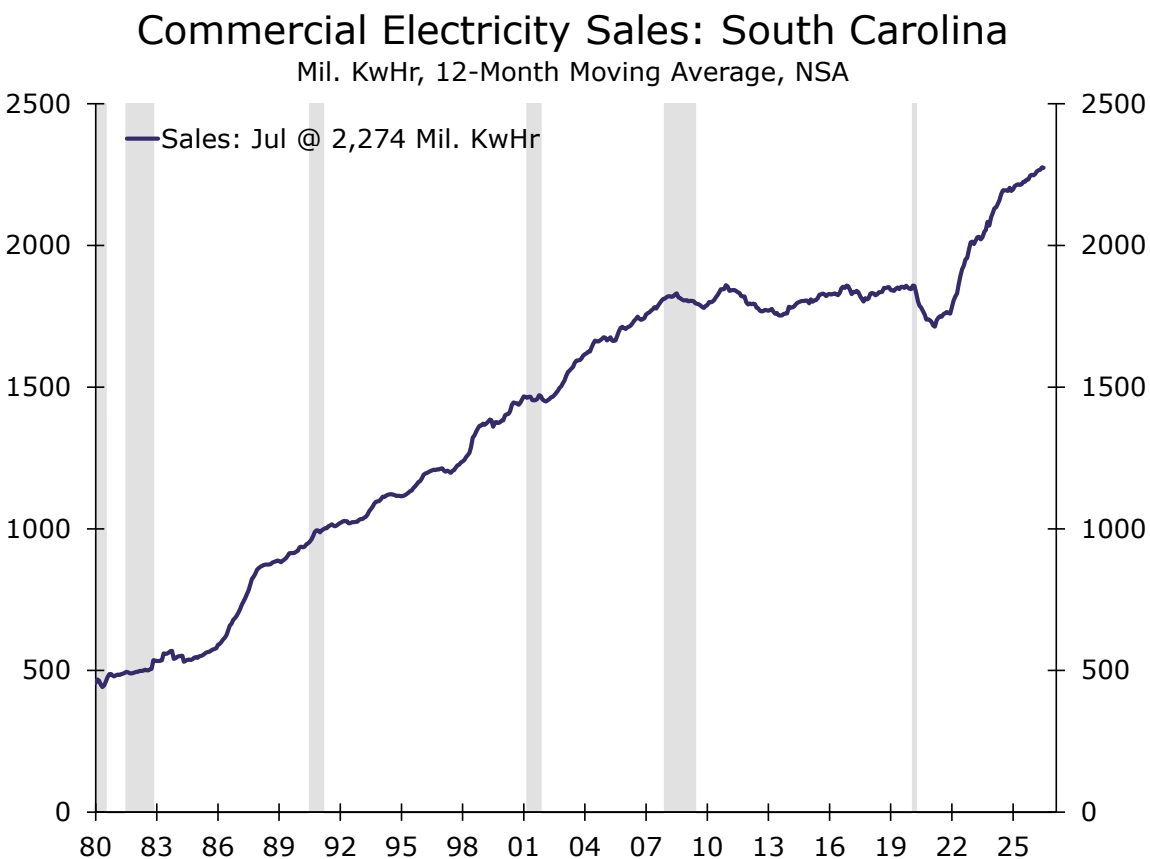


Residential construction has been relatively resilient to macro headwinds.



Source: U.S. Department of Commerce and Wells Fargo Economics

Low costs and strong population growth have attracted robust business investment.



Source: U.S. Department of Commerce and Wells Fargo Economics

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