

# THE SOUTH CAROLINA ECONOMIC OUTLOOK

*Joseph Von Nessen, Ph.D.*

*Research Economist*

*October 21, 2026*

[joey.vonnessen@moore.sc.edu](mailto:joey.vonnessen@moore.sc.edu)



Darla Moore School of Business

# **AN ECONOMIC THEME OF AFFORDABILITY**

---



**Darla Moore**  
**School of Business**  
UNIVERSITY OF SOUTH CAROLINA

# **WHAT IS “REAL WAGE GROWTH?”**

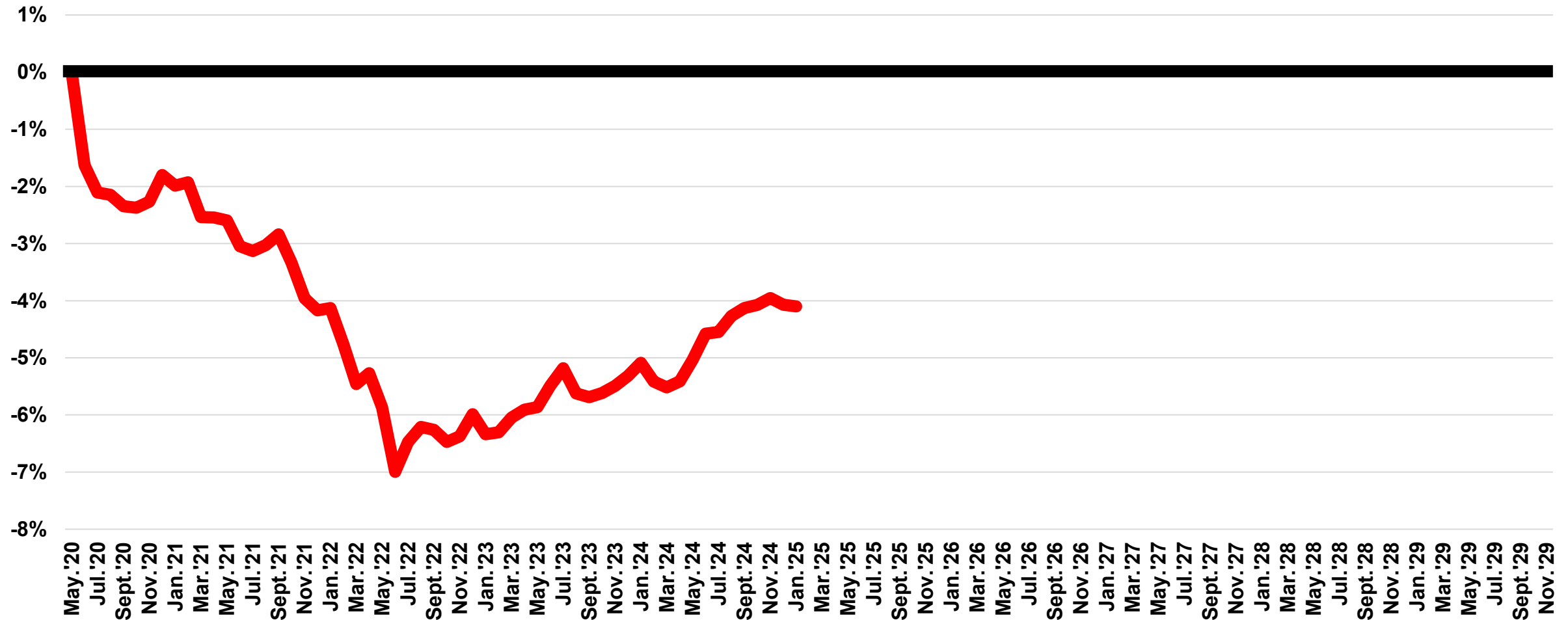
**GROWTH IN WAGES MINUS  
GROWTH IN PRICES**

**→ IF YOU GET A 3% RAISE, BUT EVERYTHING IS ALSO 3% MORE  
EXPENSIVE, YOUR PURCHASING POWER HASN'T IMPROVED**



**Darla Moore**  
**School of Business**  
UNIVERSITY OF SOUTH CAROLINA

# U.S. CUMULATIVE REAL WAGE GROWTH SINCE MAY 2020



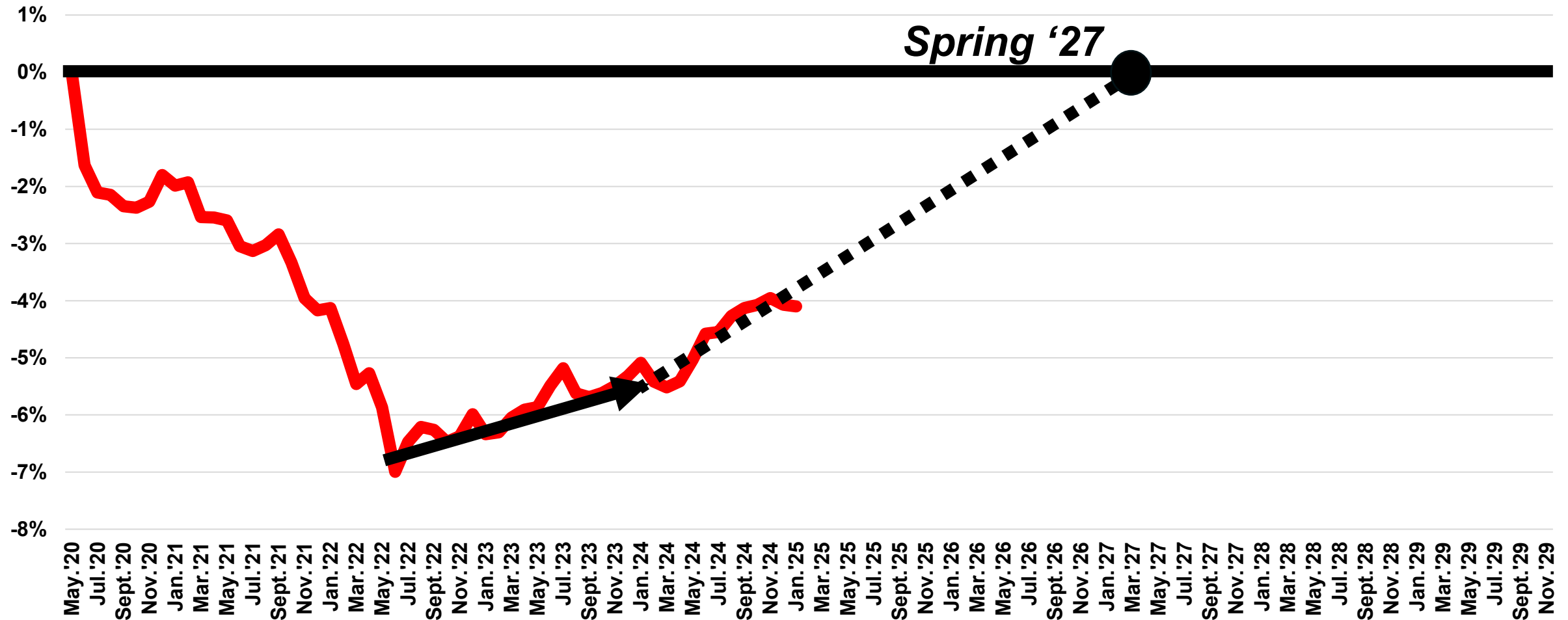
Source: U.S. Bureau of Labor Statistics



**Darla Moore**  
**School of Business**

UNIVERSITY OF SOUTH CAROLINA

# U.S. CUMULATIVE REAL WAGE GROWTH SINCE MAY 2020

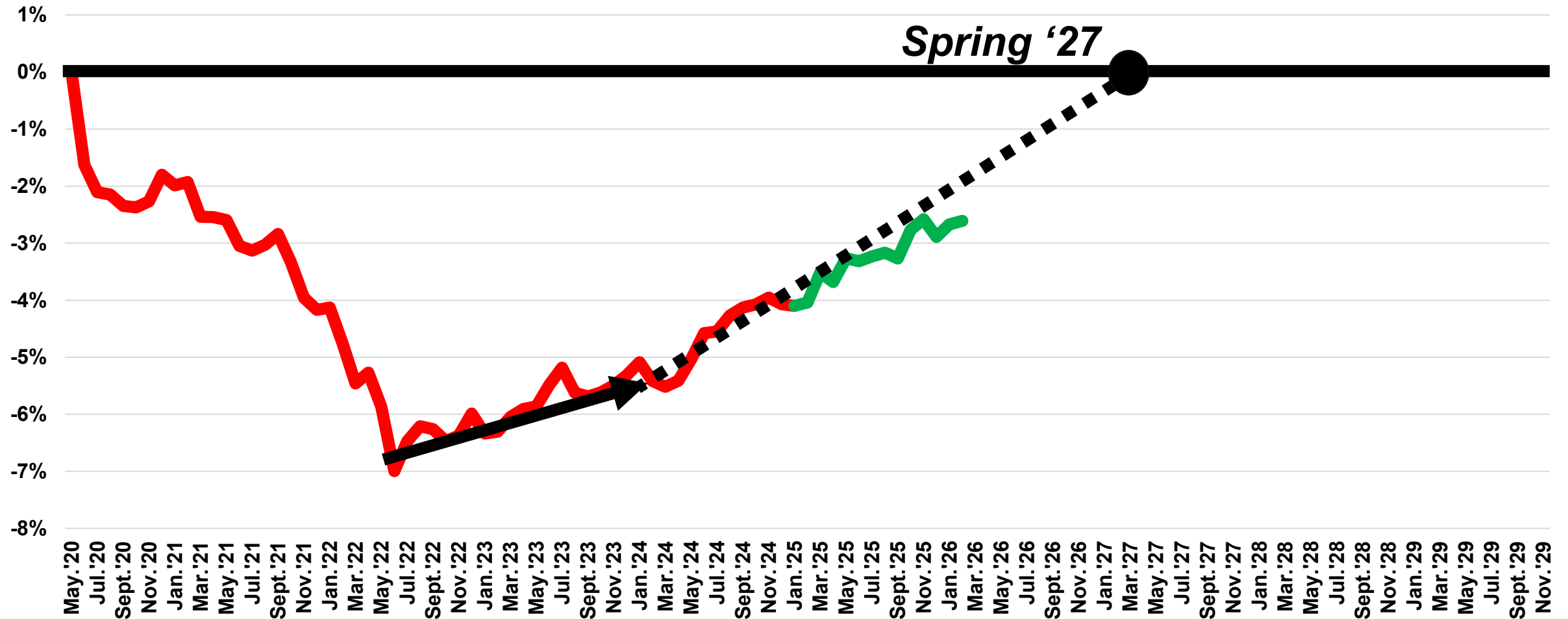


Source: U.S. Bureau of Labor Statistics



**Darla Moore**  
**School of Business**  
UNIVERSITY OF SOUTH CAROLINA

# U.S. CUMULATIVE REAL WAGE GROWTH SINCE MAY 2020

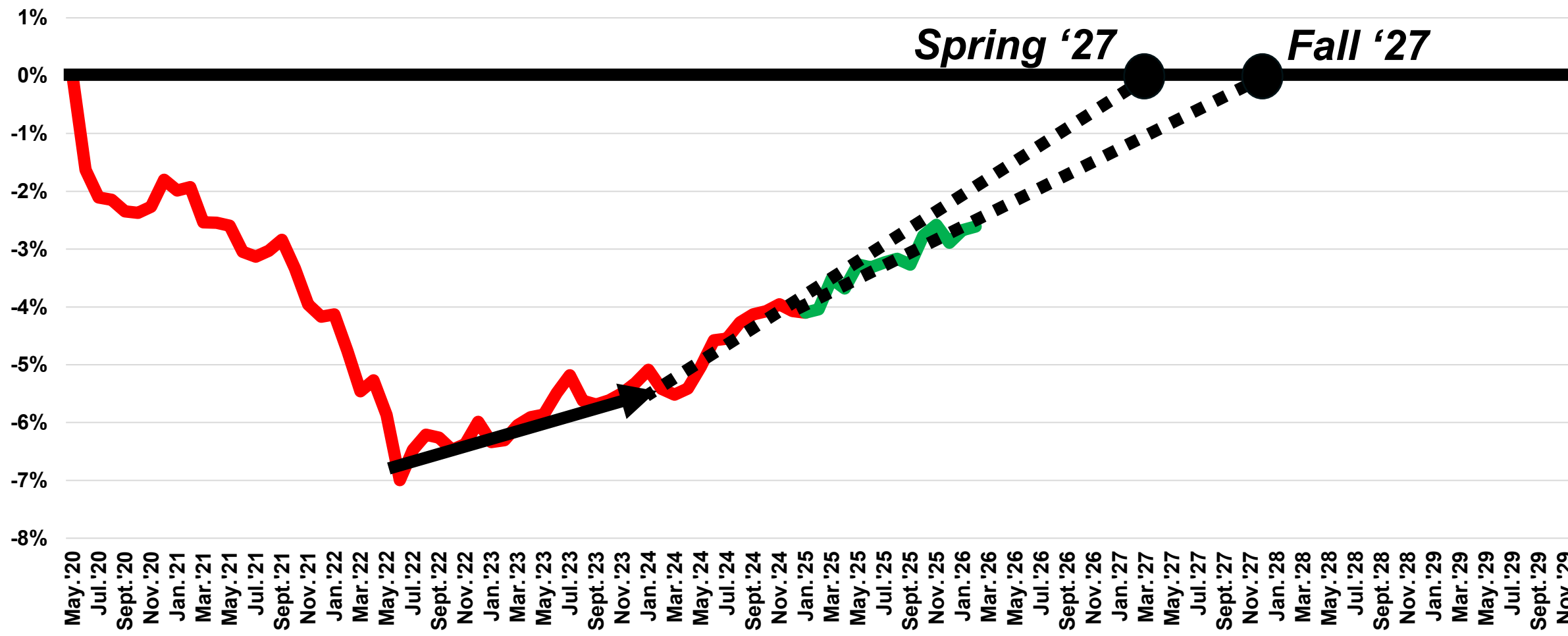


Source: U.S. Bureau of Labor Statistics



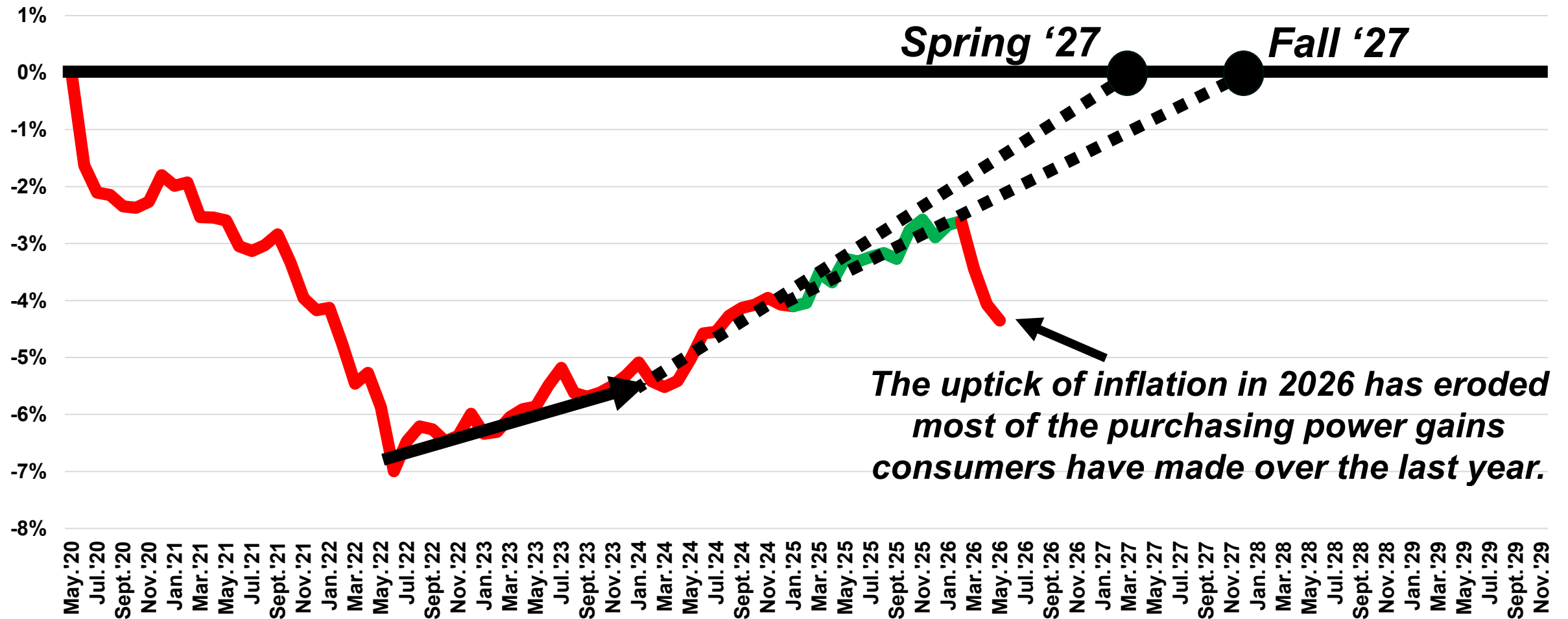
**Darla Moore**  
**School of Business**  
UNIVERSITY OF SOUTH CAROLINA

# U.S. CUMULATIVE REAL WAGE GROWTH SINCE MAY 2020



Source: U.S. Bureau of Labor Statistics

# U.S. CUMULATIVE REAL WAGE GROWTH SINCE MAY 2020



Source: U.S. Bureau of Labor Statistics



**Darla Moore**  
**School of Business**  
UNIVERSITY OF SOUTH CAROLINA

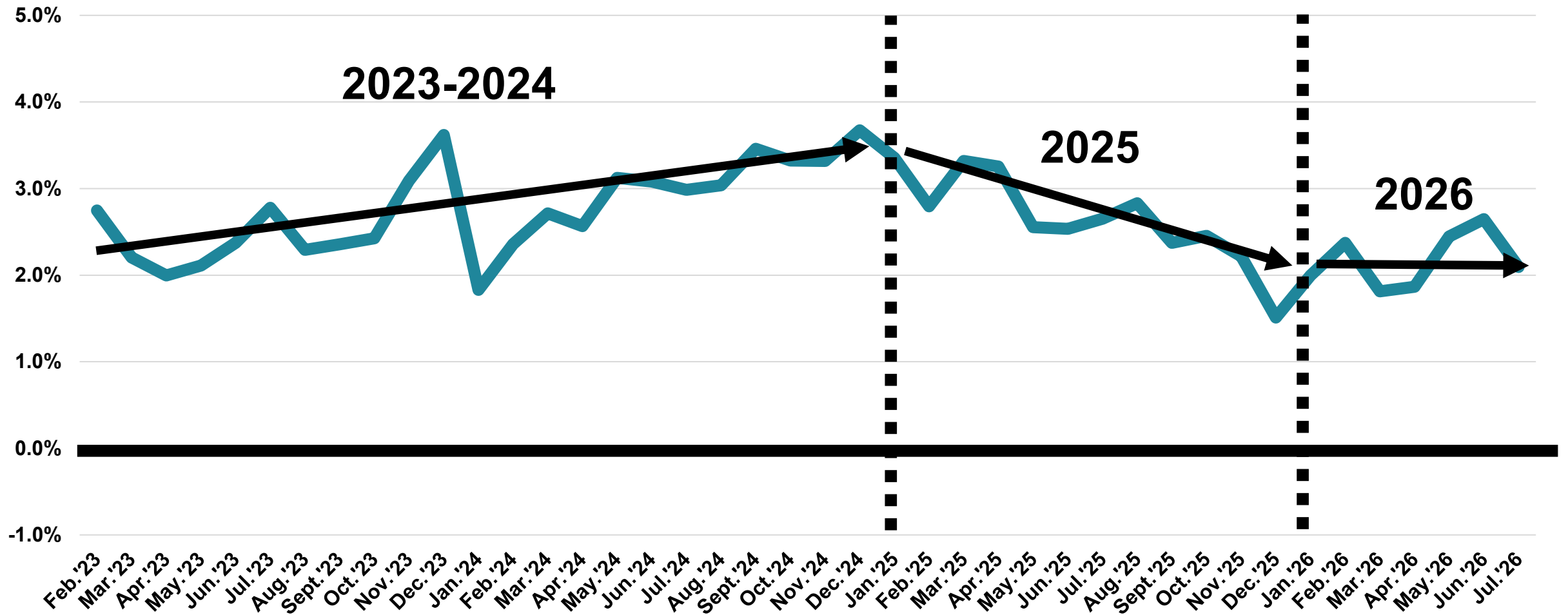
**AFFORDABILITY CONSTRAINTS HAVE  
CAUSED A MILD DECELERATION...**

**...BUT THE ECONOMY CONTINUES TO SEE  
POSITIVE, STEADY GROWTH OVERALL**



**Darla Moore**  
**School of Business**  
UNIVERSITY OF SOUTH CAROLINA

# REAL U.S. CONSUMER SPENDING GROWTH

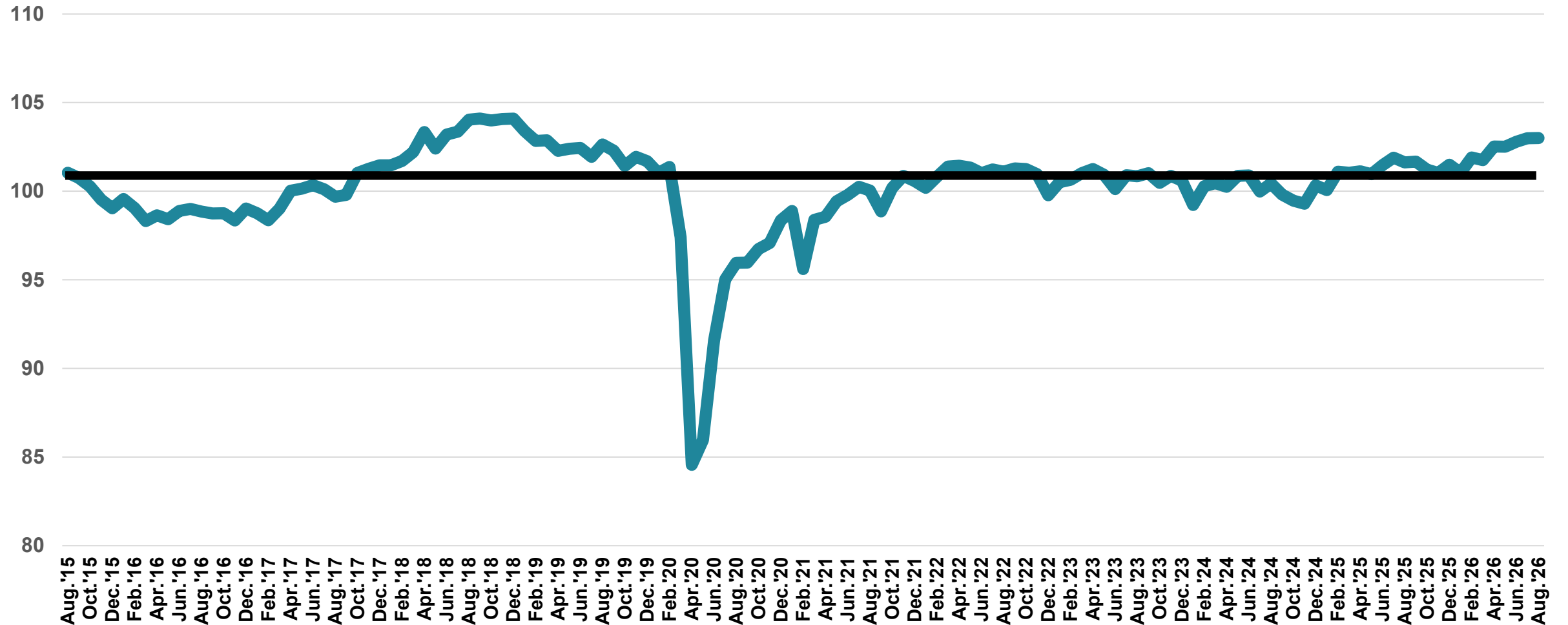


Source: U.S. Bureau of Economic Analysis, annualized growth rate



**Darla Moore**  
**School of Business**  
UNIVERSITY OF SOUTH CAROLINA

# U.S. INDUSTRIAL PRODUCTION INDEX

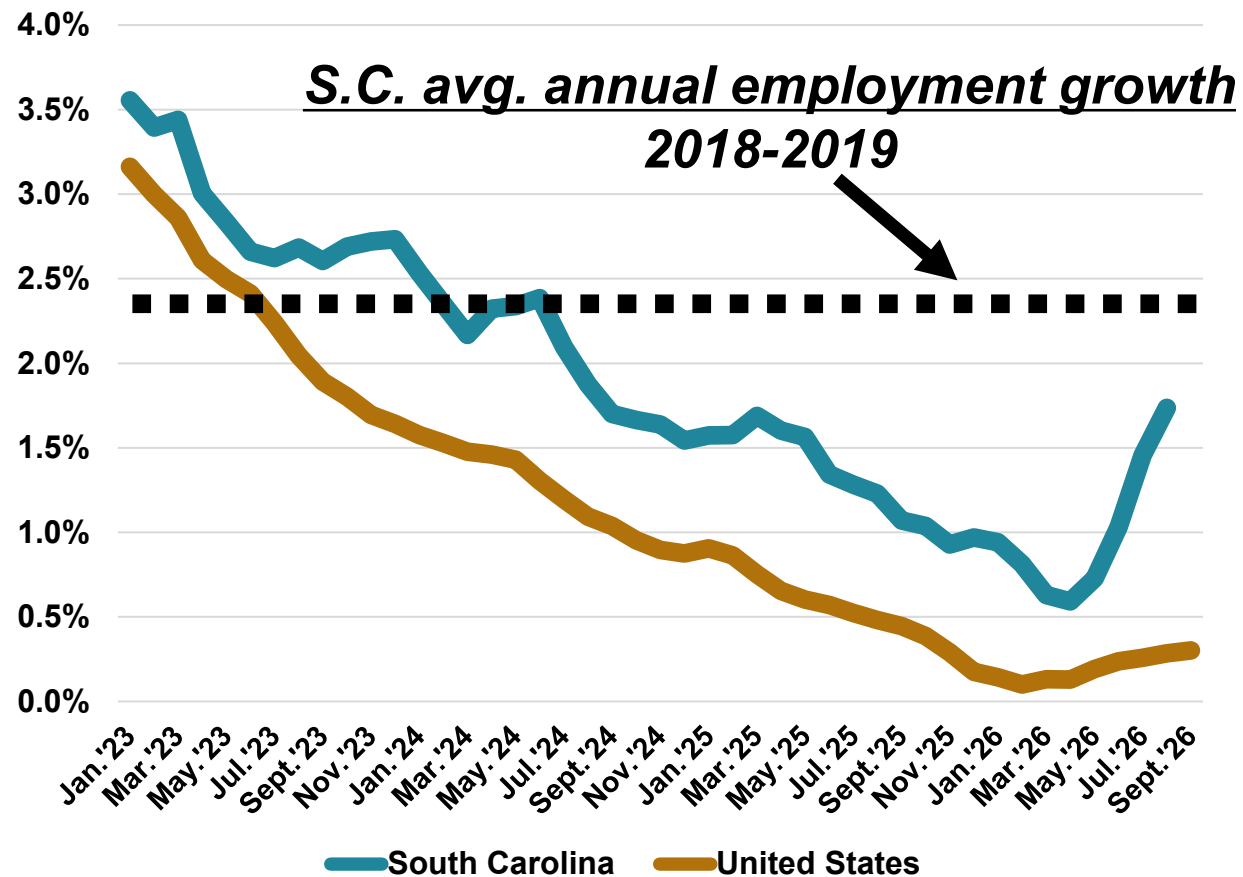


Source: Board of Governors of the Federal Reserve System

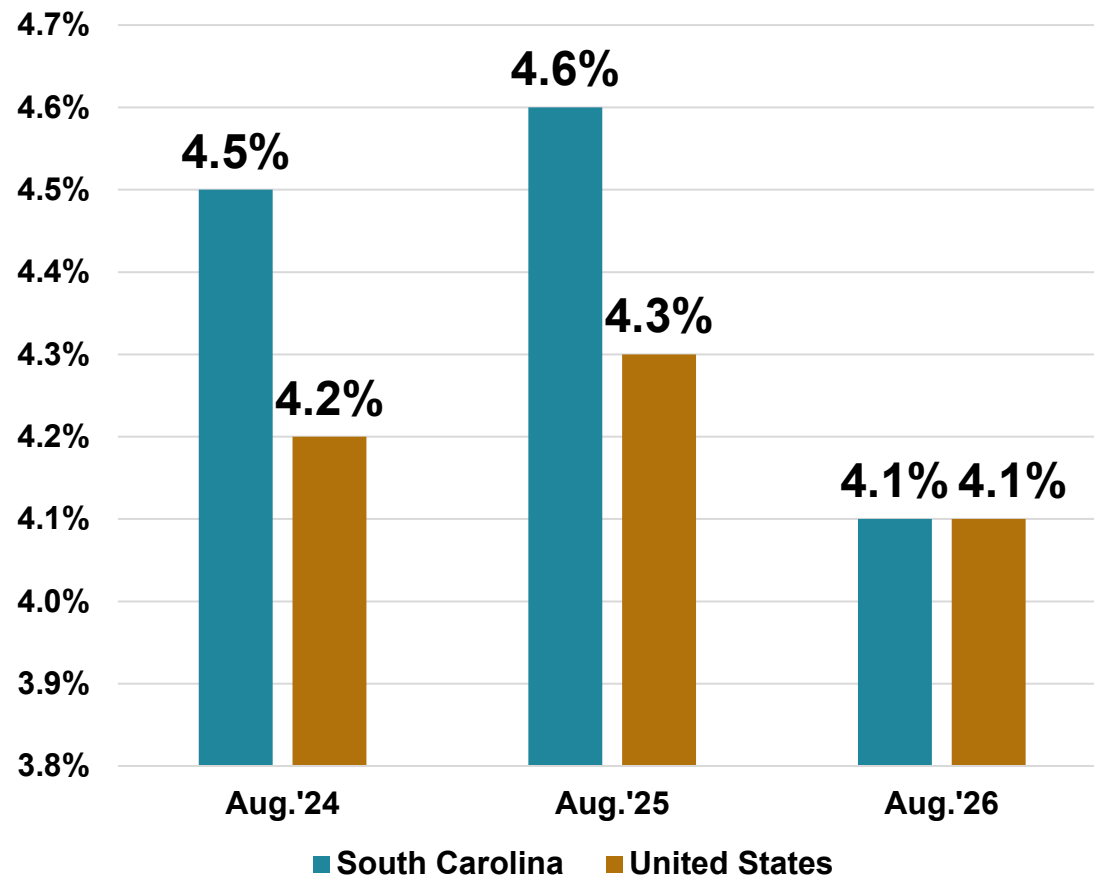


**Darla Moore**  
**School of Business**  
UNIVERSITY OF SOUTH CAROLINA

# ANNUAL EMPLOYMENT GROWTH



# UNEMPLOYMENT RATES



Source: U.S. Bureau of Labor Statistics

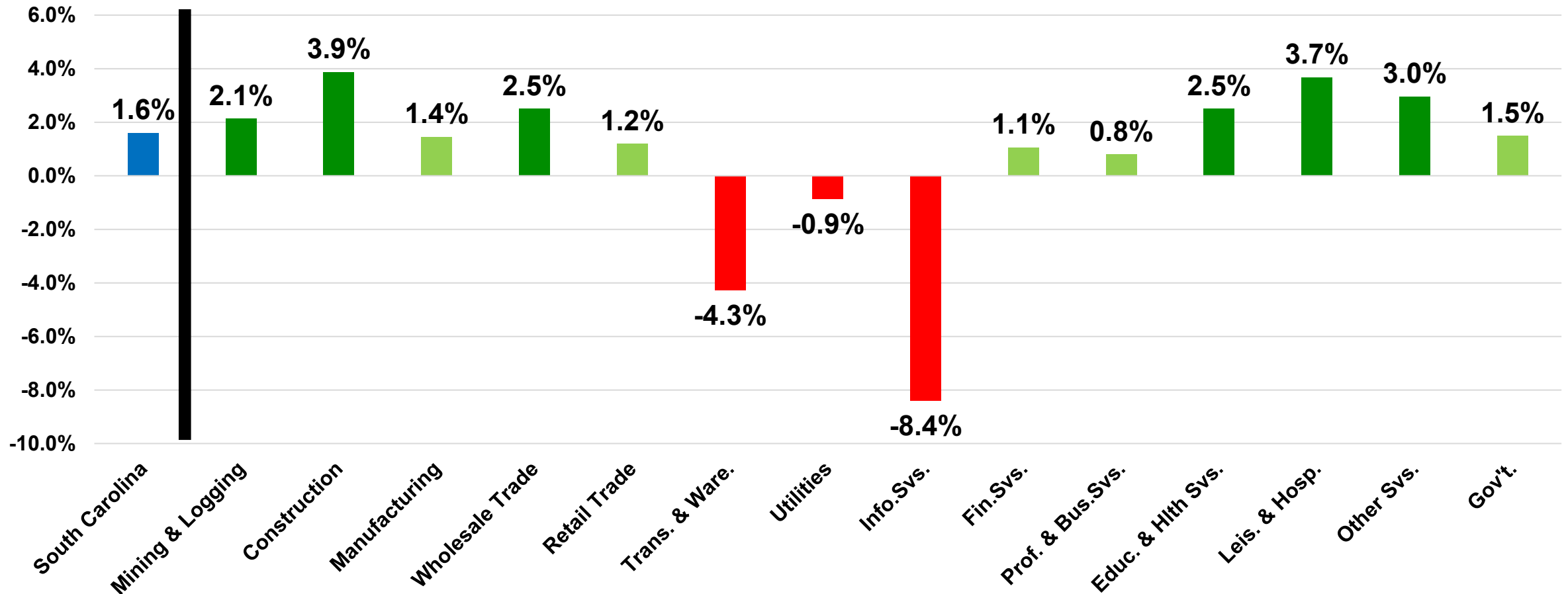


**Darla Moore  
School of Business**

UNIVERSITY OF SOUTH CAROLINA

# SOUTH CAROLINA EMPLOYMENT GROWTH

*August 2026 vs. August 2025*



Source: U.S. Bureau of Labor Statistics, CES, SA

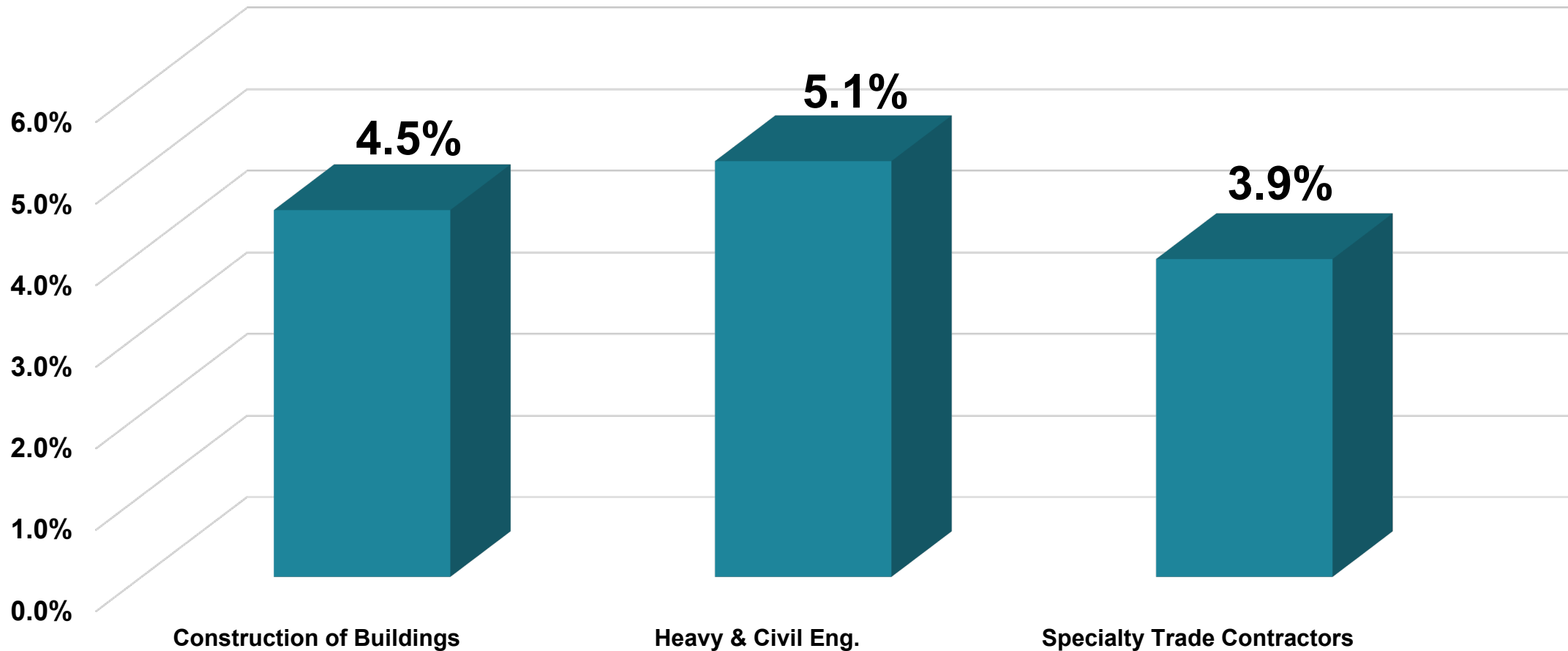


**Darla Moore  
School of Business**

UNIVERSITY OF SOUTH CAROLINA

# SOUTH CAROLINA EMPLOYMENT GROWTH

*August 2026 vs. August 2025*



*Source: U.S. Bureau of Labor Statistics, CES, NSA*



**Darla Moore**  
**School of Business**  
UNIVERSITY OF SOUTH CAROLINA

# TOP 10 STATES BY POPULATION GROWTH RATE

***2025 VS. 2024***

| Rank | State          | Pct. Growth |
|------|----------------|-------------|
| 1    | South Carolina | +1.5%       |
| 2    | Idaho          | +1.4%       |
| 3    | North Carolina | +1.3%       |
| 4    | Texas          | +1.2%       |
| 5    | Utah           | +1.0%       |
| 6    | Delaware       | +0.9%       |
| 7    | Washington     | +0.9%       |
| 8    | Arizona        | +0.9%       |
| 9    | Nevada         | +0.9%       |
| 10   | Tennessee      | +0.9%       |

Source: U.S. Census Bureau



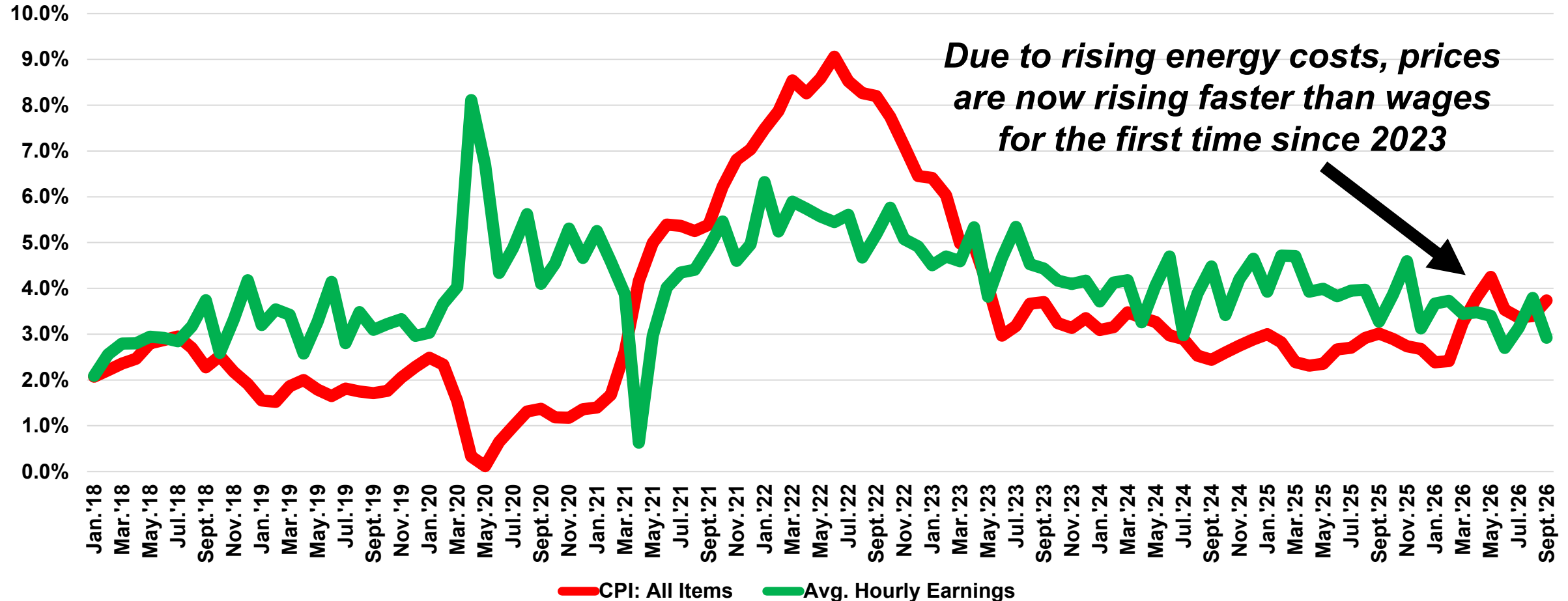
**Darla Moore**  
**School of Business**  
UNIVERSITY OF SOUTH CAROLINA

**INFLATION IS OUR  
PRIMARY HEADWIND!**



**Darla Moore**  
**School of Business**  
UNIVERSITY OF SOUTH CAROLINA

# U.S. INFLATION VS. WAGE GROWTH



Source: U.S. Bureau of Labor Statistics



**Darla Moore**  
**School of Business**  
UNIVERSITY OF SOUTH CAROLINA

# **SO WHAT DOES THIS IMPLY FOR INTEREST RATES?**

**RECALL THE FEDERAL RESERVE'S TWIN MANDATE!**

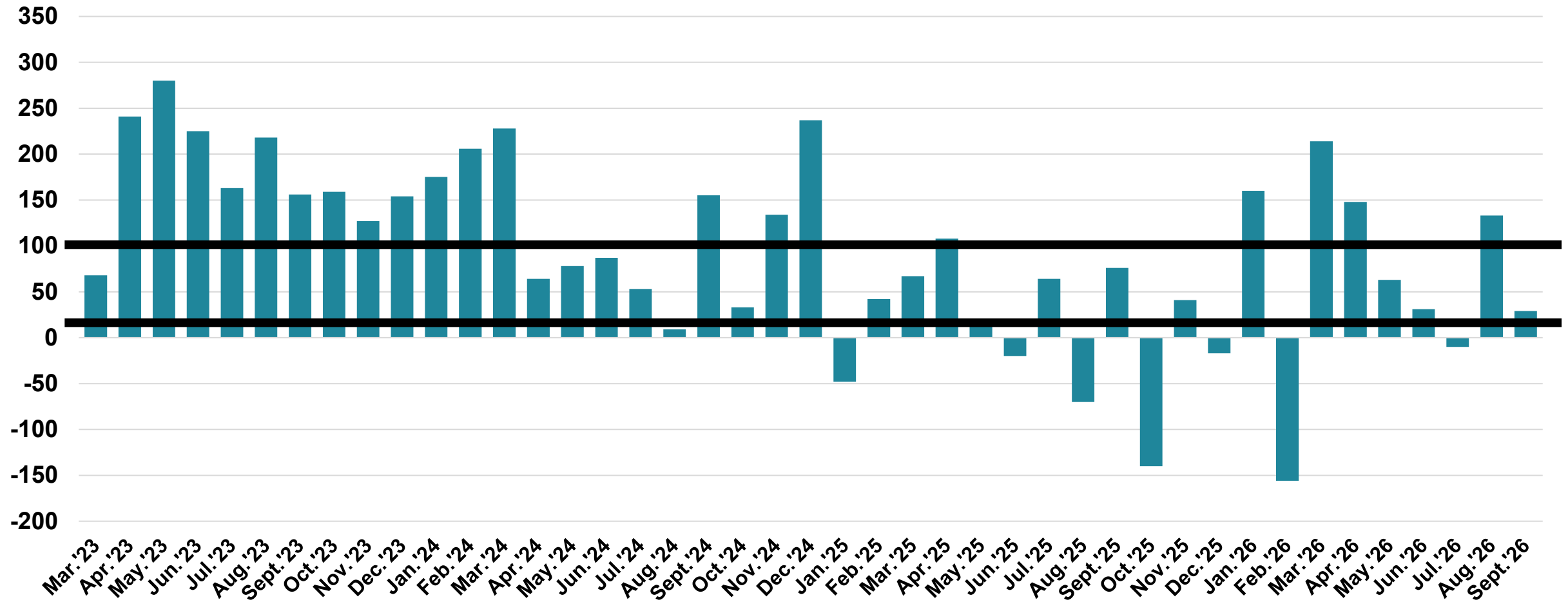
**➔ MAXIMIZE EMPLOYMENT**

**➔ MINIMIZE INFLATION**



**Darla Moore**  
**School of Business**  
UNIVERSITY OF SOUTH CAROLINA

# U.S. MONTHLY JOB GAINS

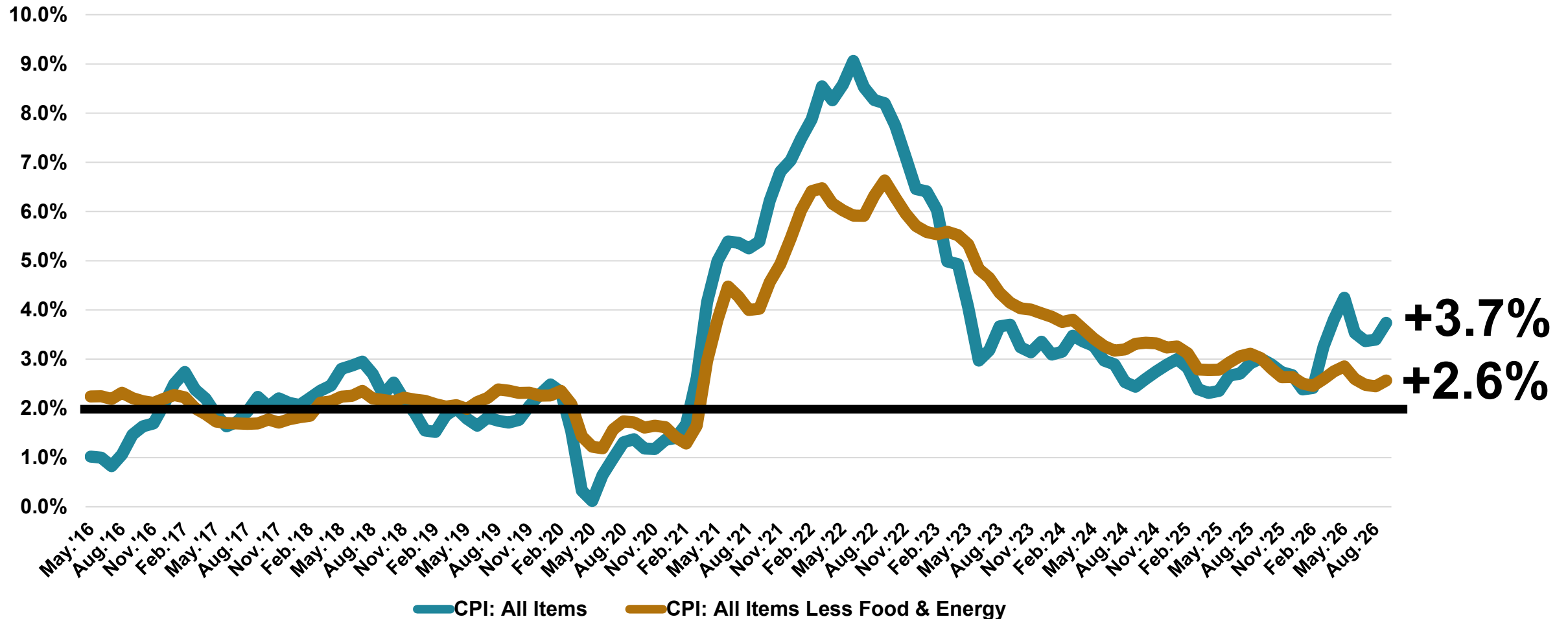


Source: U.S. Bureau of Labor Statistics, in thousands



**Darla Moore**  
**School of Business**  
UNIVERSITY OF SOUTH CAROLINA

# U.S. INFLATION RATE



Source: U.S. Bureau of Labor Statistics, CPI, annual rate



**Darla Moore**  
**School of Business**  
UNIVERSITY OF SOUTH CAROLINA

# THE BOTTOM LINE

- *Despite increases in energy costs, the U.S. and South Carolina economies have remained stable throughout 2026 and have experienced relatively slow, but stable growth.*
- *Strong population growth has been South Carolina's "secret sauce" and is why the state has experienced consistently higher rates of economic growth relative to the national average. This is a long-run trend that will likely continue.*
- *High inflation is the primary short-run risk to the economic outlook. If inflation remains elevated (~3.0% or higher), it will likely continue to erode purchasing power and could cause consumers to pull back on spending – further slowing economic growth.*
- *Thus, the Federal Reserve will likely consider additional interest rate hikes before the end of 2026 if inflation does not begin showing a sustained downward trend.*
- *This combination of higher inflation and the possibility of additional interest rate hikes makes it unlikely that we will see a meaningful decline in borrowing costs before 2027.*



# THANK YOU!



**Darla Moore**  
**School of Business**  
UNIVERSITY OF SOUTH CAROLINA