THE SOUTH CAROLINA ECONOMIC OUTLOOK

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October 14, 2025
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THE THEME OF 2025 IS...

...PERVASIVE UNCERTAINTY!

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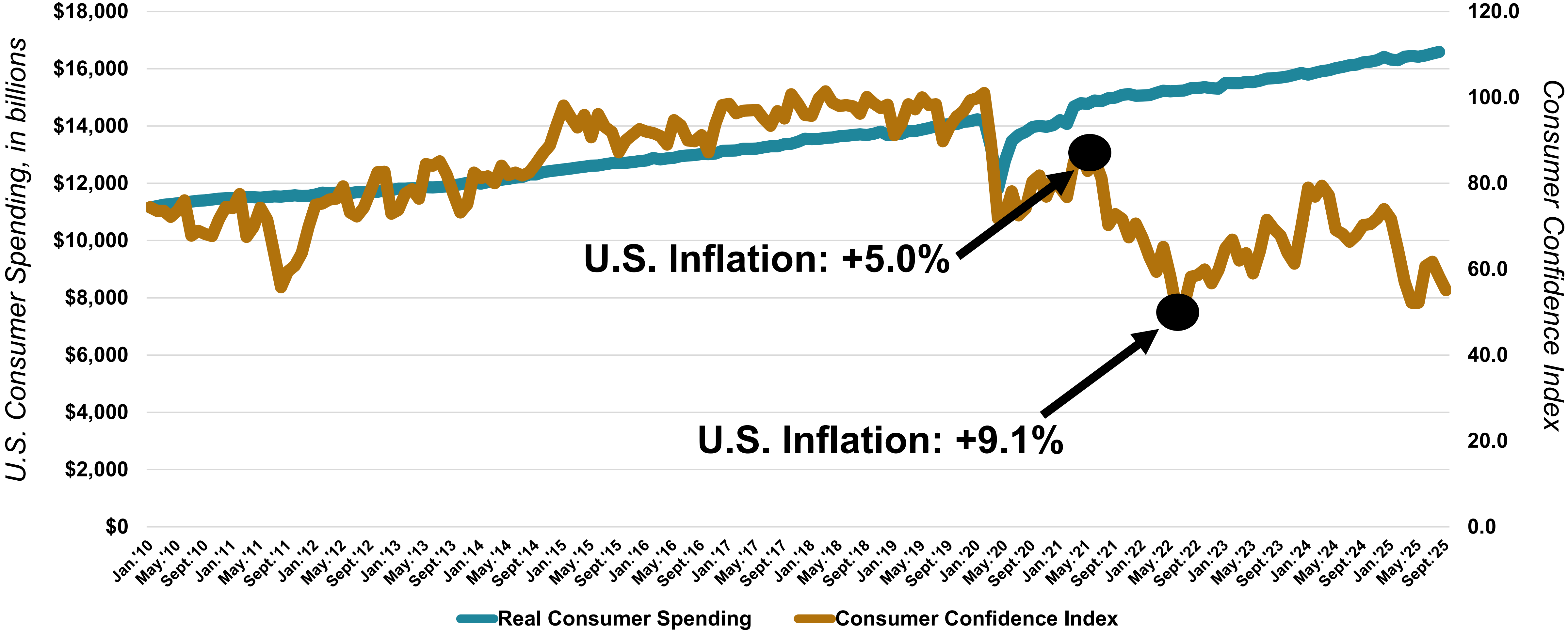
U.S. CONSUMER SPENDING VS. CONSUMER CONFIDENCE



Source: University of Michigan & U.S. Bureau of Economic Analysis

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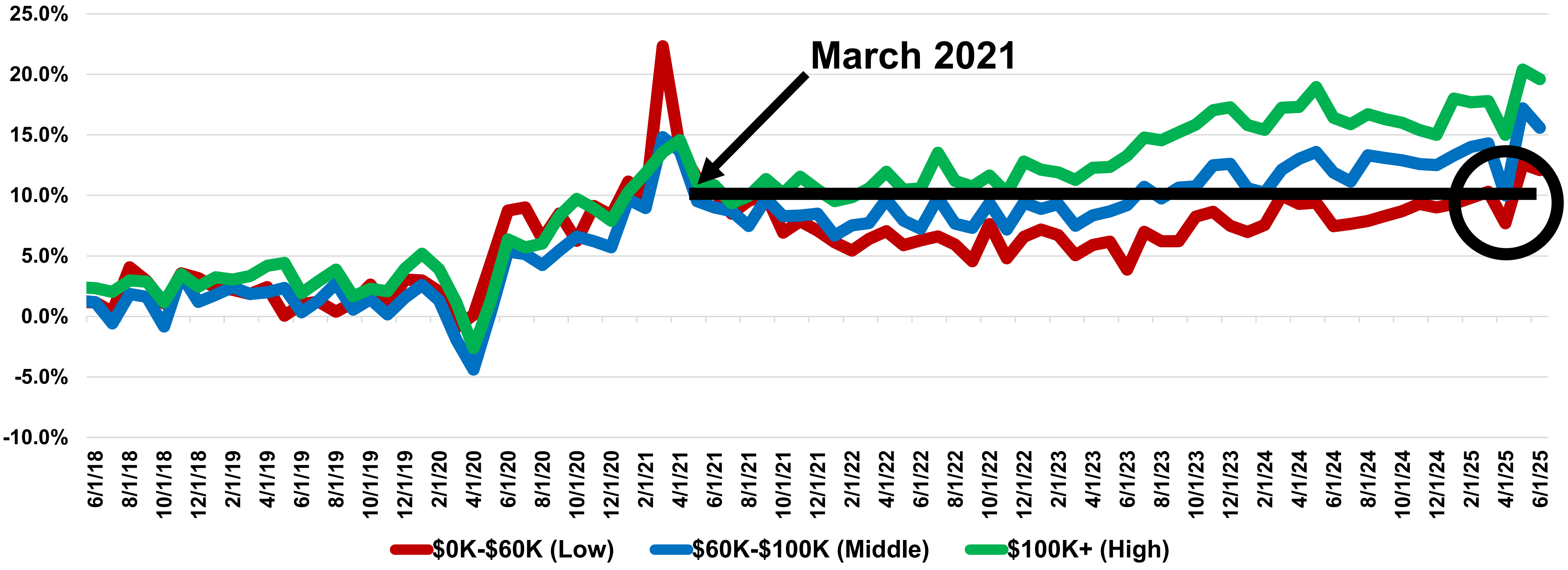
CUMULATIVE GROWTH IN RETAIL SPENDING BY HOUSEHOLD INCOME GROUP



Source: Board of Governors of the Federal Reserve System

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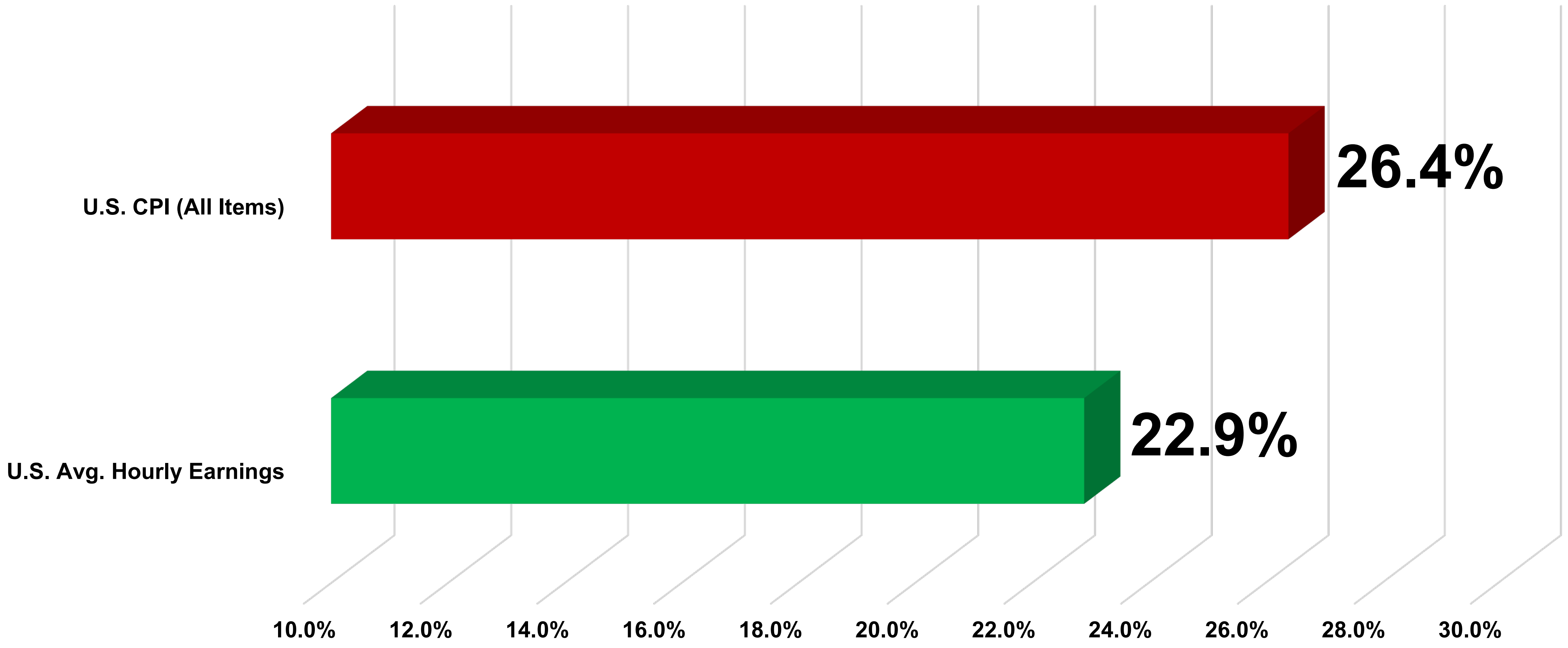
CUMULATIVE GROWTH SINCE MAY 2020



Source: U.S. Bureau of Labor Statistics

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WHAT ABOUT ECONOMIC PERFORMANCE IN 2025?

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GROWTH HAS DECELERATED…

…BUT REMAINS POSITIVE

PCT. CONTRIBUTION TO GDP GROWTH

	q124	q224	q324	q424	1st Half 2025
Total GDP	**+1.6%**	**+3.0%**	**+3.1%**	**+2.4%**	**+1.4%**
Personal consumption expenditures	+1.3%	+1.9%	+2.5%	+2.7%	+0.7%
Gross private domestic investment	+0.6%	+1.5%	+0.2%	-1.0%	+0.6%
Net exports of goods and services	-0.6%	-0.9%	-0.4%	+0.3%	+0.2%
Government	+0.3%	+0.5%	+0.8%	+0.4%	-0.1%

Source: U.S. Bureau of Economic Analysis

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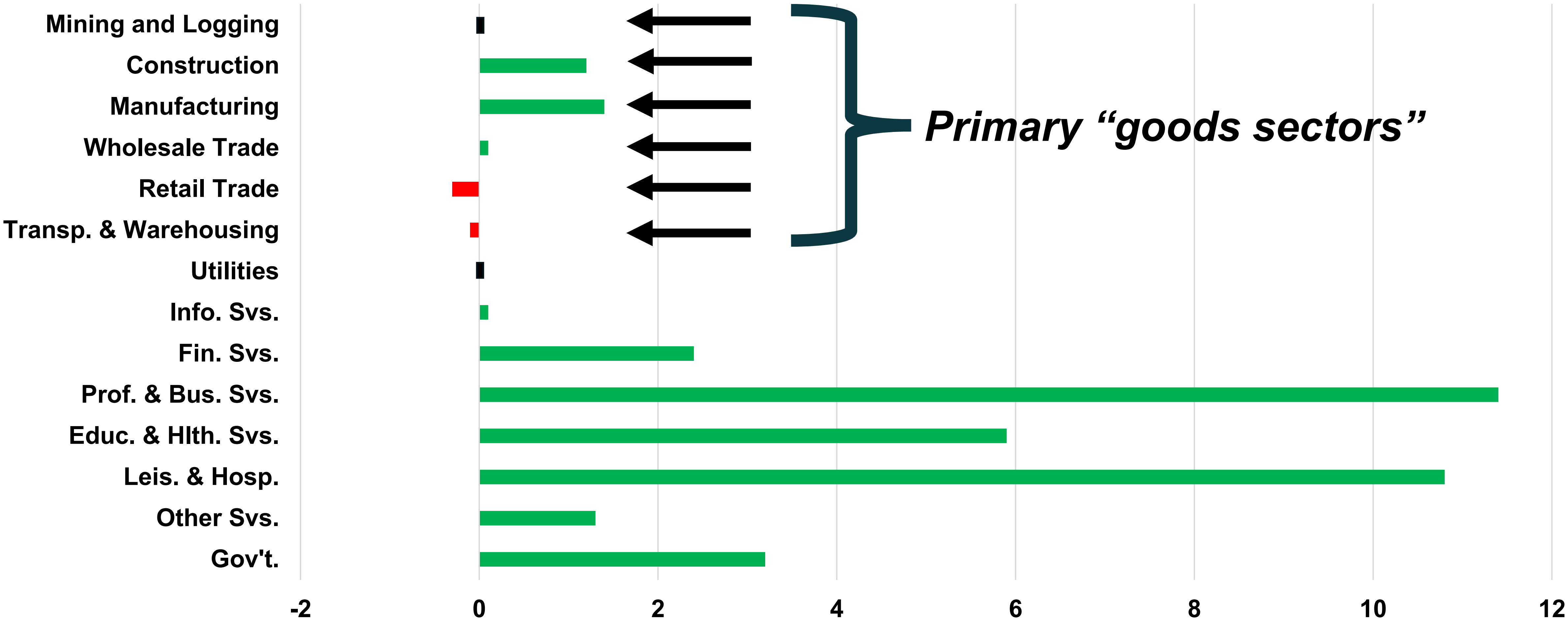
S.C. EMPLOYMENT CHANGE BY INDUSTRY



Source: U.S. Bureau of Labor Statistics, 6-Month Net Change (2/25-8/25), in thousands

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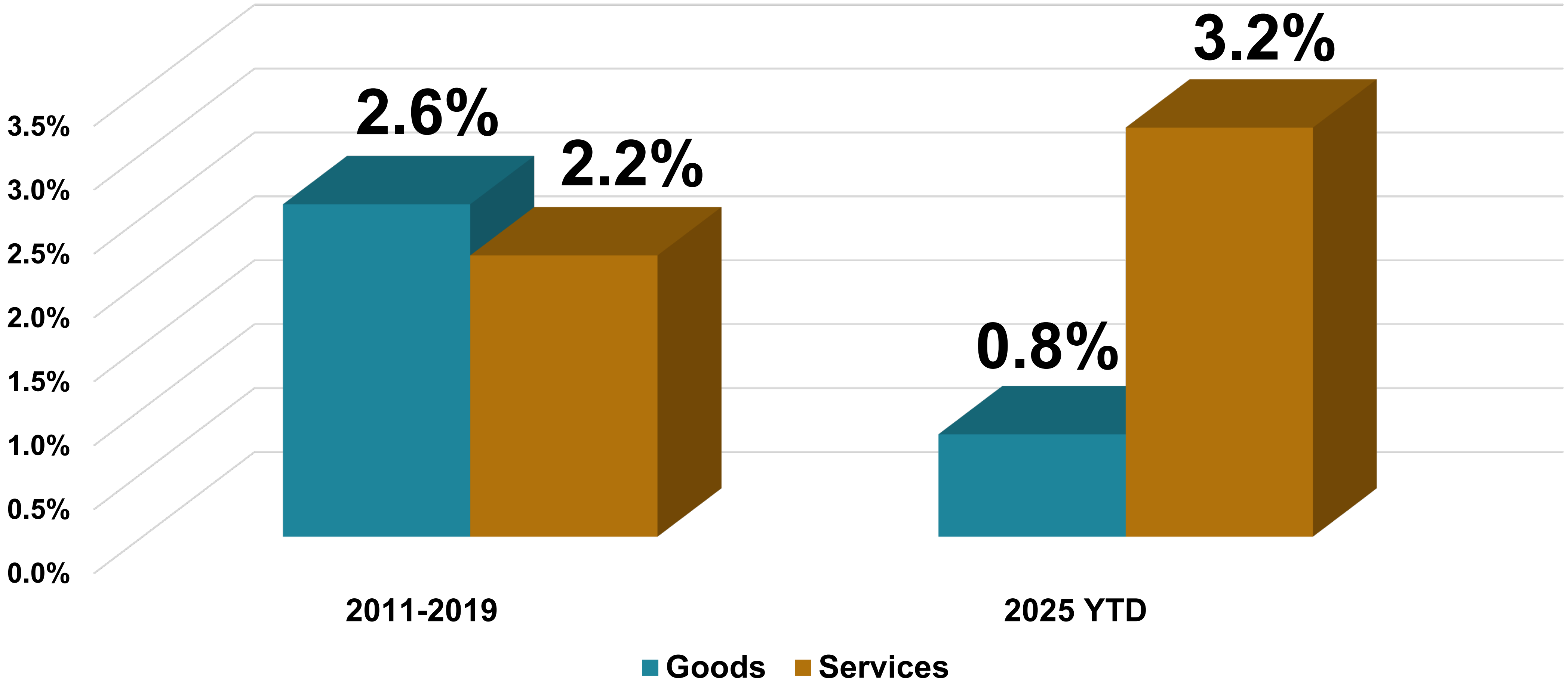
S.C. ANNUALIZED EMPLOYMENT GROWTH: GOODS VS. SERVICES



Source: U.S. Bureau of Labor Statistics

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WE’RE IN A “NO HIRE, NO FIRE” ECONOMY!

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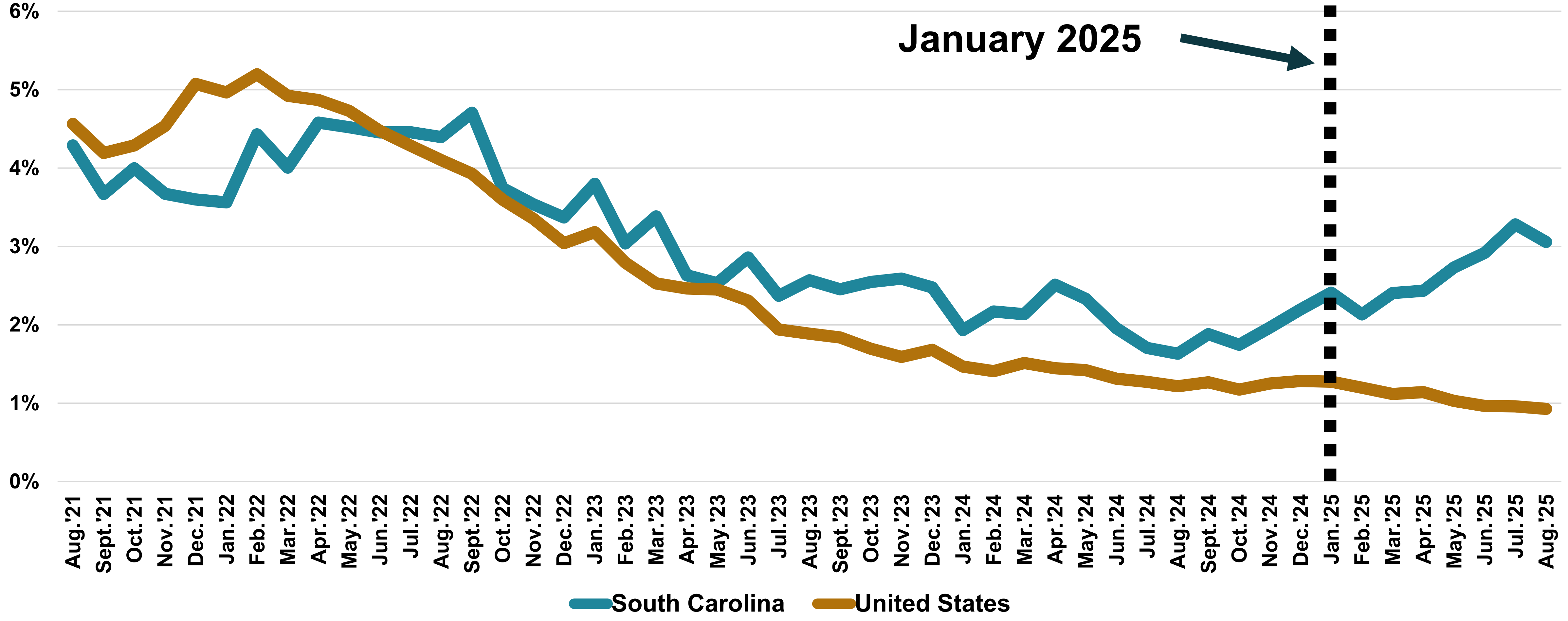
S.C. VS. U.S. ANNUAL EMPLOYMENT GROWTH



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

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Table E. States with statistically significant employment changes from August 2024 to August 2025, seasonally adjusted

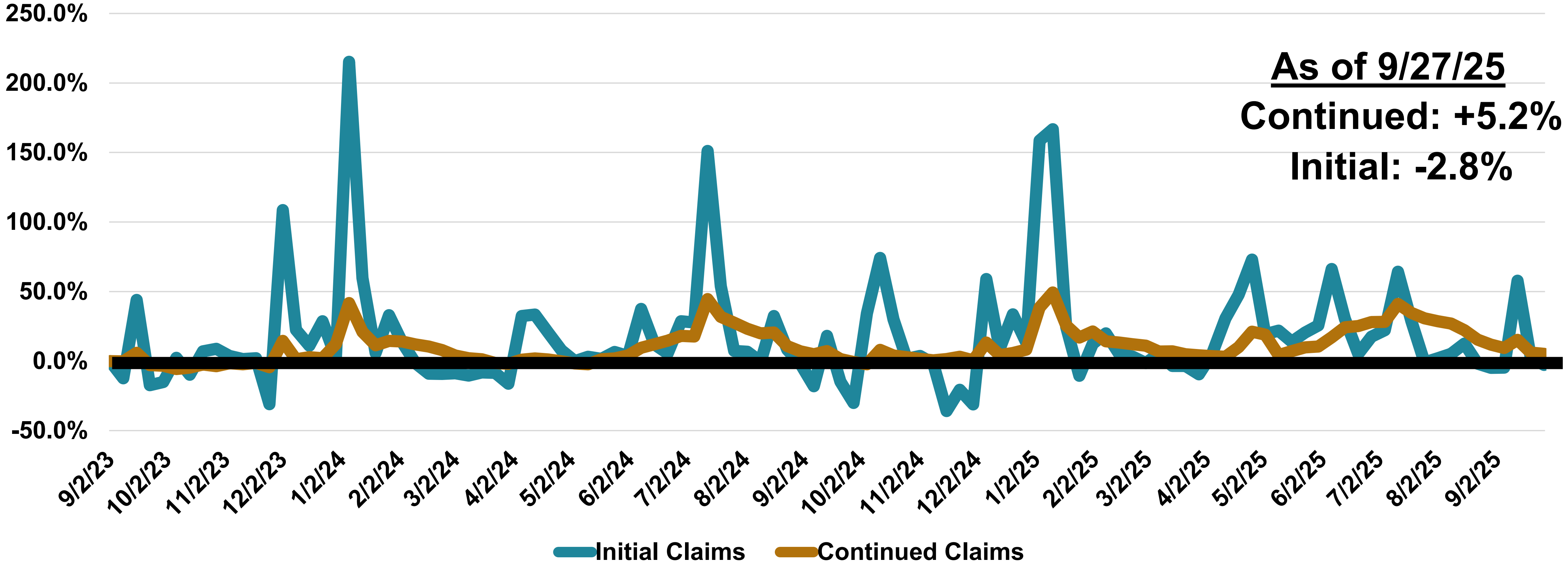
State	August 2024	August 2025 p	Over-the-year change p	
			Level	Percent
Arizona	3,212,300	3,253,700	41,400	1.3
Arkansas	1,367,500	1,385,800	18,300	1.3
Florida	9,950,200	10,048,400	98,200	1.0
Hawaii	639,500	651,400	11,900	1.9
Idaho	869,000	881,900	12,900	1.5
Michigan	4,489,500	4,533,600	44,100	1.0
Minnesota	3,010,600	3,053,100	42,500	1.4
Mississippi	1,189,300	1,205,500	16,200	1.4
Missouri	2,987,900	3,021,800	33,900	1.1
New Mexico	888,000	904,800	16,800	1.9
New York	9,883,500	10,008,600	125,100	1.3
North Carolina	5,014,600	5,095,400	80,800	1.6
Ohio	5,653,400	5,730,200	76,800	1.4
Oklahoma	1,778,900	1,802,300	23,400	1.3
Pennsylvania	6,147,900	6,249,100	101,200	1.6
South Carolina	2,355,200	2,427,200	72,000	3.1
Tennessee	3,373,900	3,408,300	34,400	1.0
Texas	14,152,100	14,347,700	195,600	1.4
Utah	1,744,700	1,775,100	30,400	1.7
Virginia	4,237,200	4,281,600	44,400	1.0

p = preliminary.

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

CUMULATIVE GROWTH IN S.C. UNEMP. INS. CLAIMS

September 2023 – September 2025



Source: U.S. Department of Labor

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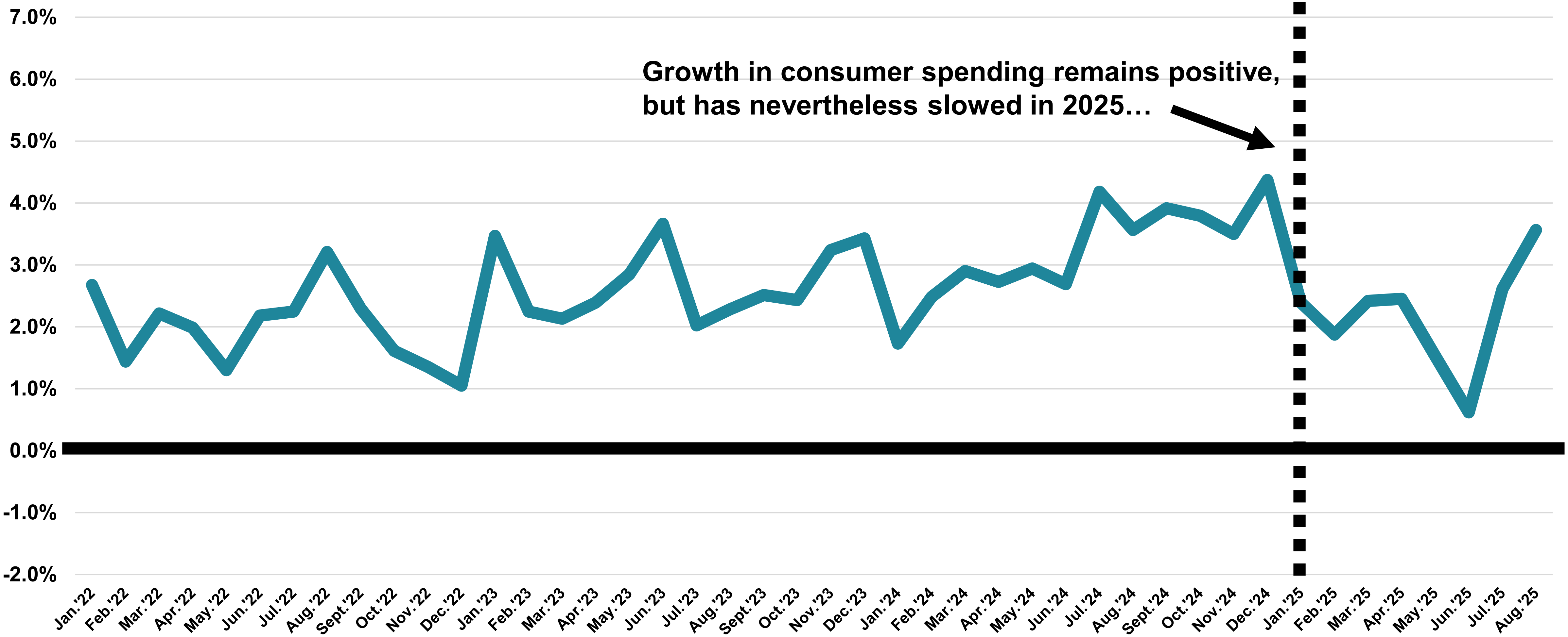
ECONOMIC EXPECTATIONS

REAL U.S. CONSUMER SPENDING GROWTH



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

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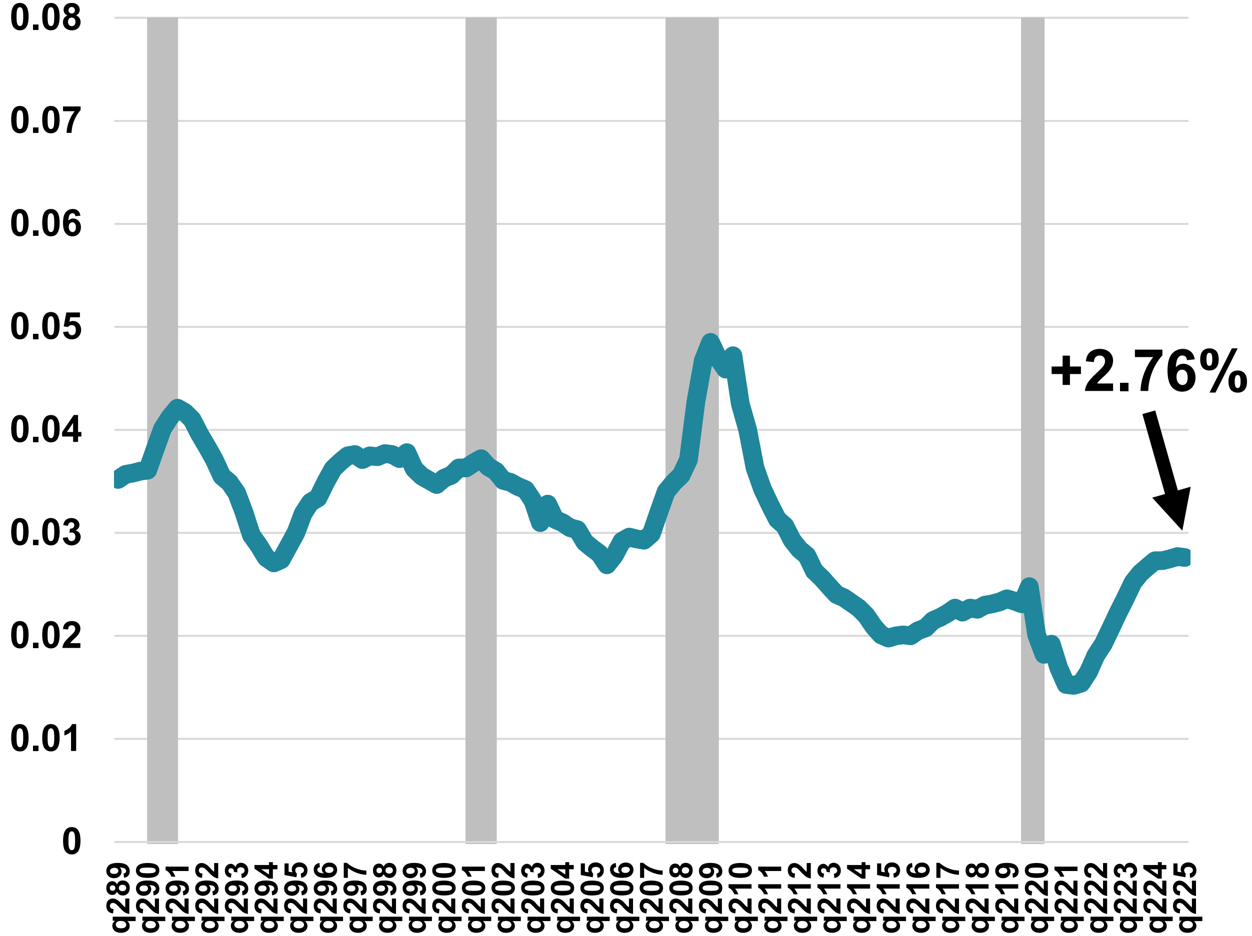
U.S. DELINQUENCY RATE: ALL CONSUMER LOANS



U.S. REAL PERSONAL INCOME LESS TRANSFERS

Source: Board of Governors of the Federal Reserve; U.S. Bureau of Economic Analysis

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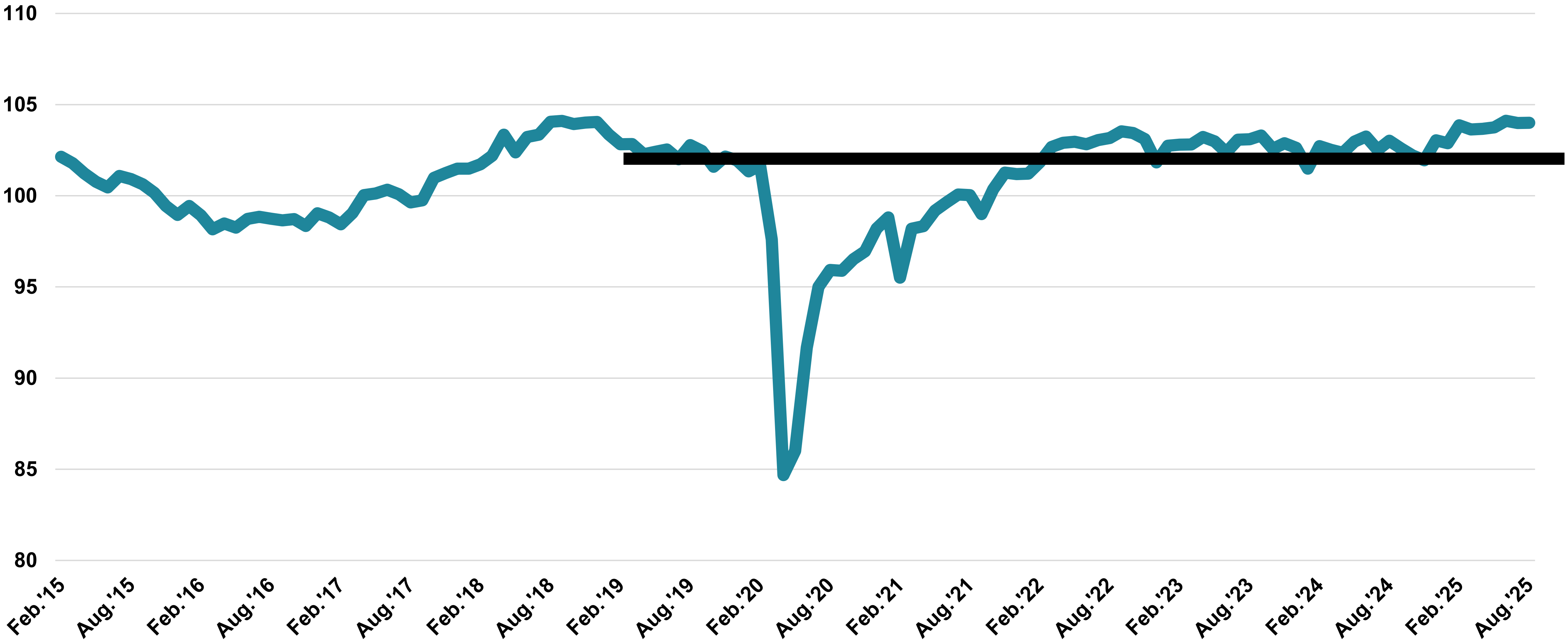
U.S. INDUSTRIAL PRODUCTION INDEX



Source: Board of Governors of the Federal Reserve System

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U.S. CONSUMER AND BUSINESS ACTIVITY BOTH REMAIN STABLE…

…BUT THERE ISN'T MUCH WIGGLE ROOM FOR FURTHER COOLING…

THE SHORT-RUN IMPACT OF TARIFFS

TARIFFS CAN PUT UPWARD PRESSURE ON PRICES…

…MAKING IT HARDER FOR CONSUMERS TO CONTINUE SPENDING AT CURRENT LEVELS

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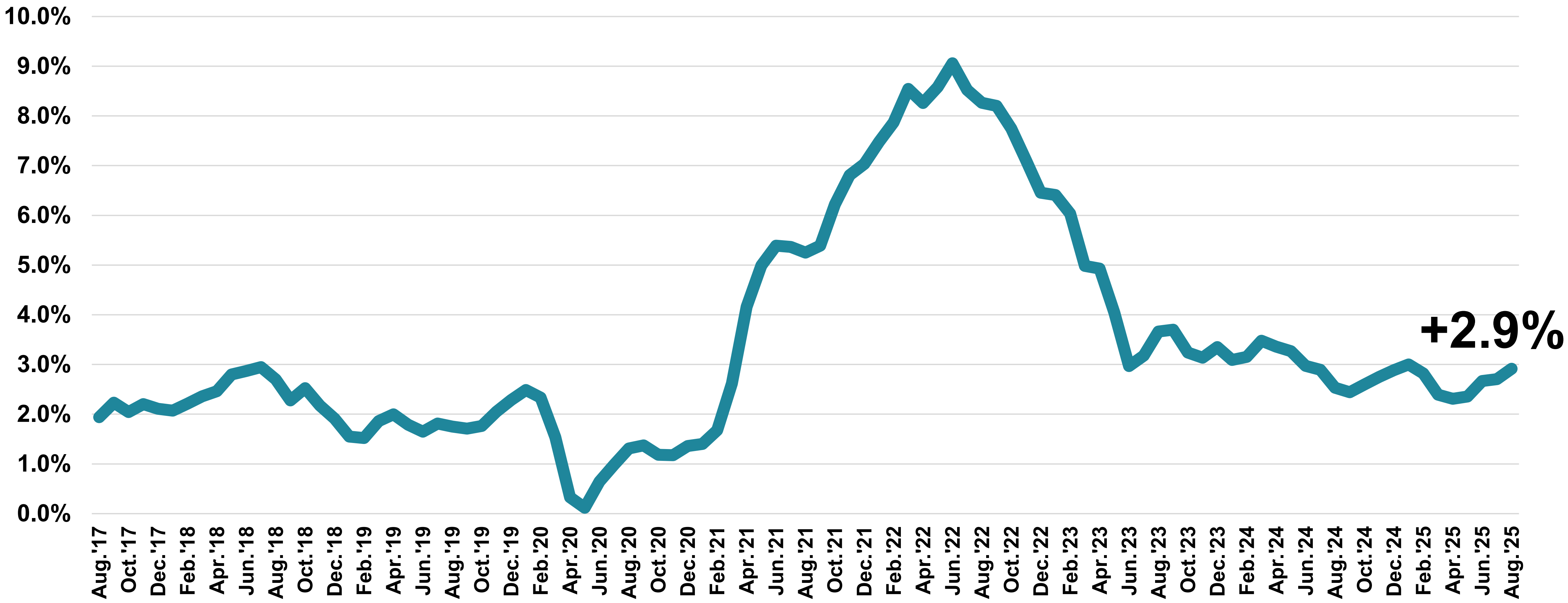
U.S. INFLATION RATE



Source: U.S. Bureau of Labor Statistics, annual rates

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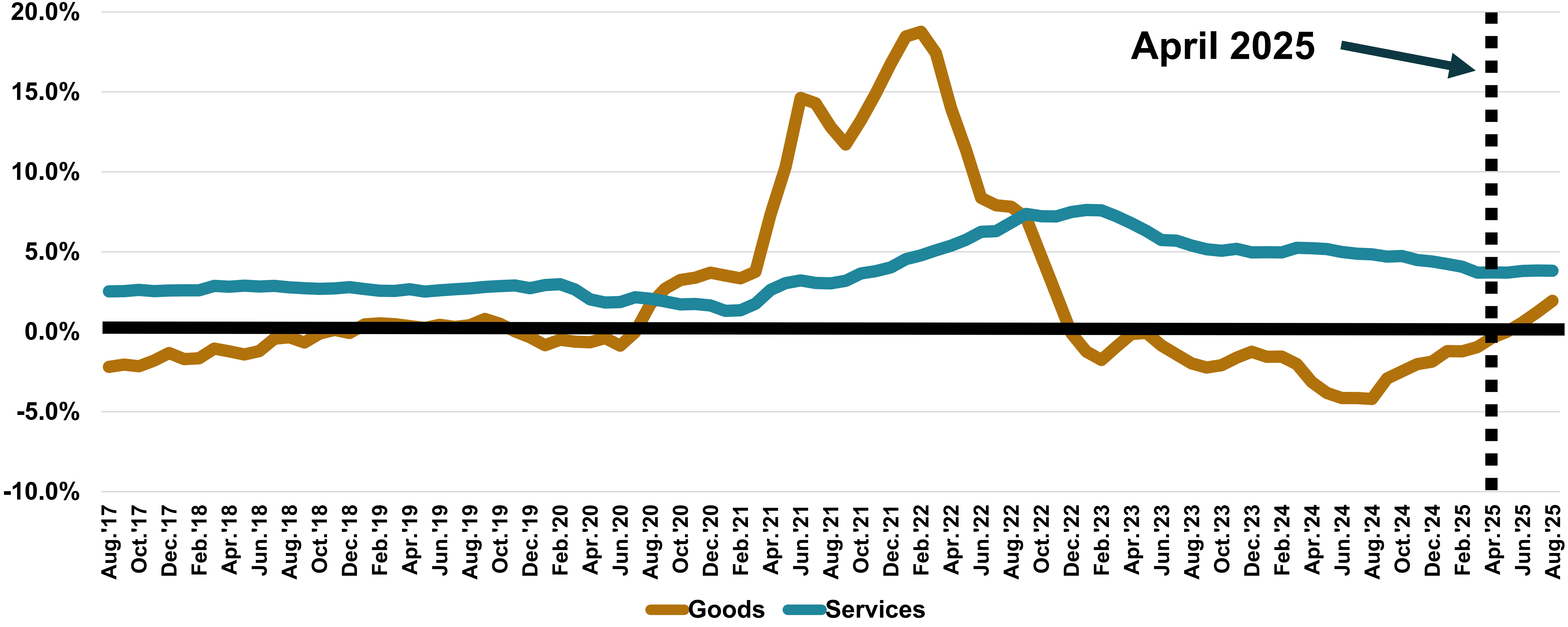
U.S. INFLATION RATE: GOODS VS. SERVICES



Source: *U.S. Bureau of Labor Statistics, annual rates*

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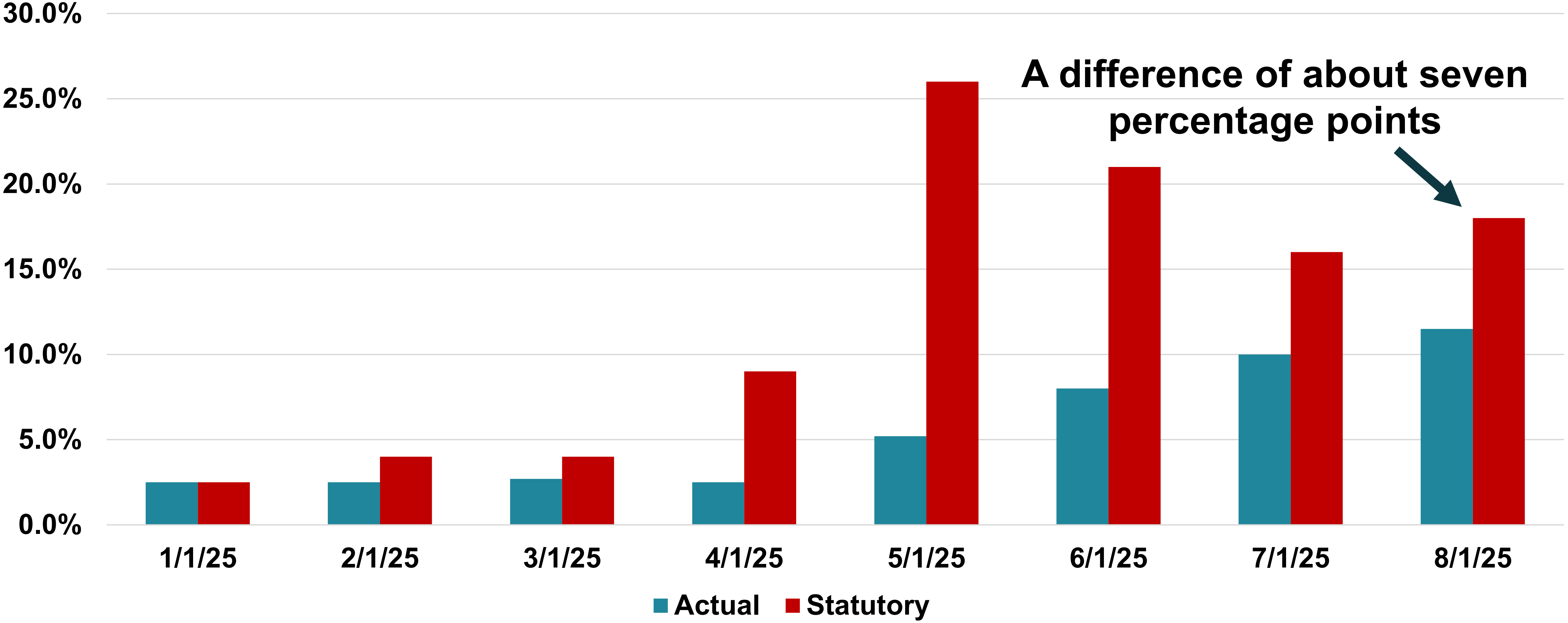
U.S. AVG. EFFECTIVE TARIFF RATE



Source: The Yale Budget Lab

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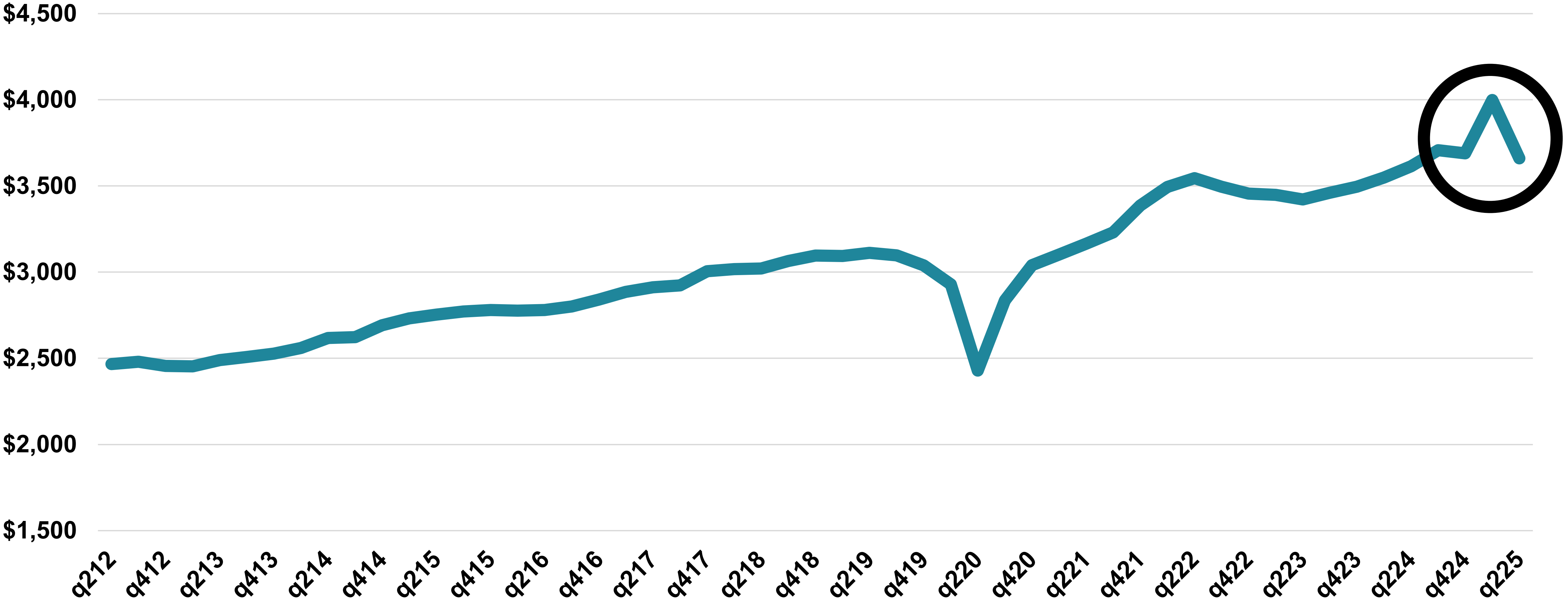
TOTAL REAL U.S. IMPORTS OF GOODS & SERVICES



Source: U.S. Bureau of Economic Analysis, SA annualized rate, in billions

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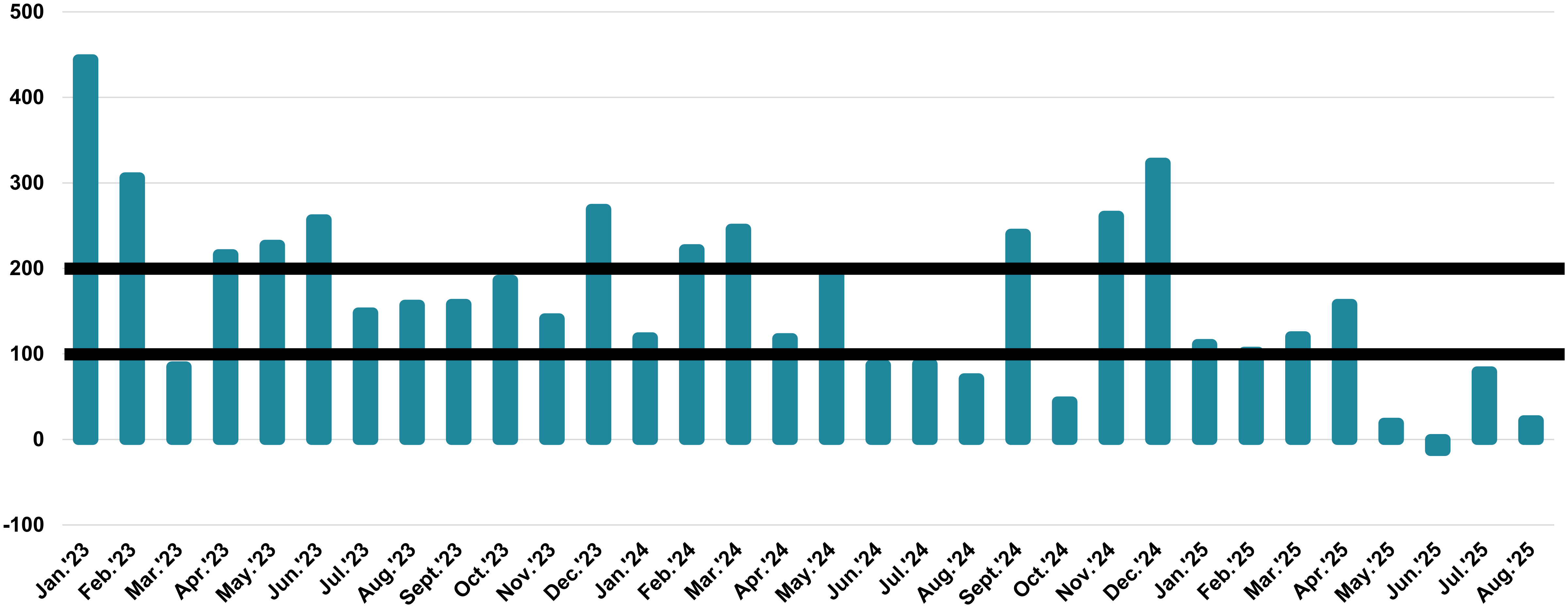
U.S. MONTHLY JOB GAINS



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

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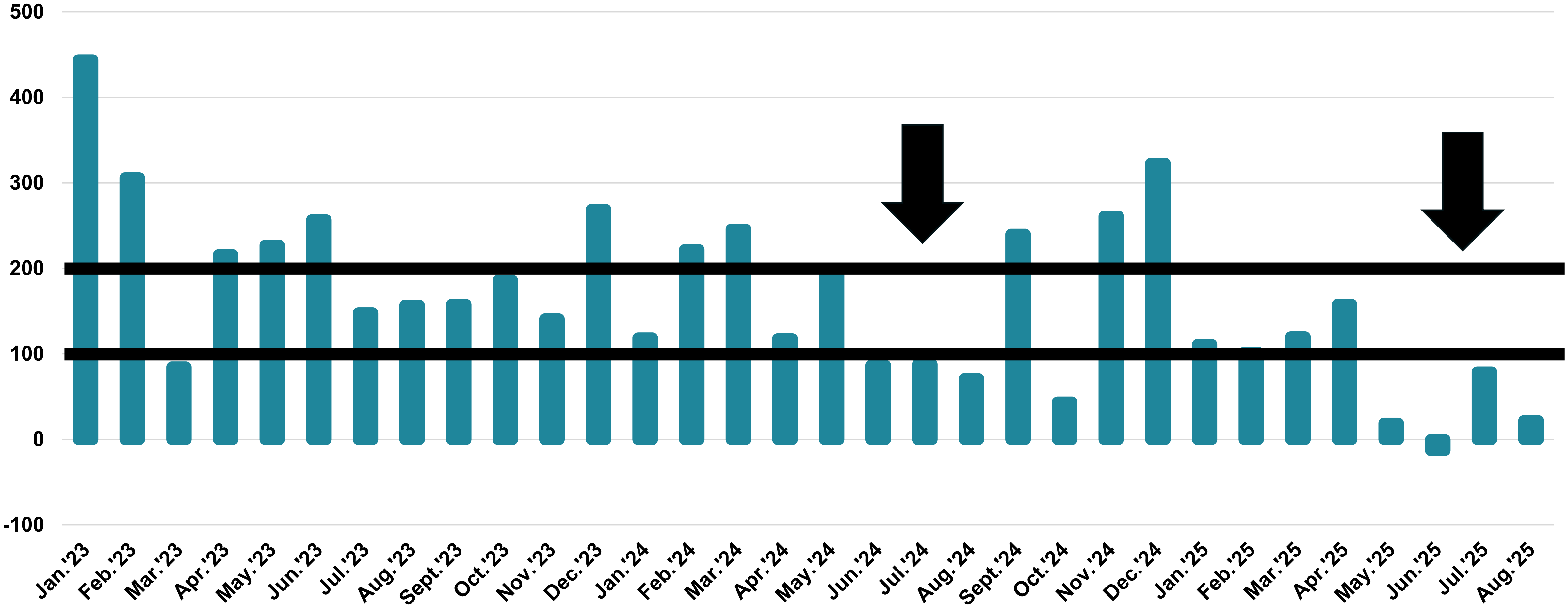
U.S. MONTHLY JOB GAINS



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

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THE BOTTOM LINE

- *The South Carolina economy remains stable, having readjusted to more sustainable growth patterns following the end of the pandemic bubble.*
- *Nevertheless, we are seeing a bifurcated economy in 2025 in which the services sector has been the primary driver of growth. The goods sector has slowed due to the uncertainty of ongoing trade negotiations and cost increases from newly imposed tariffs.*
- *The rebounding inflation that has resulted from these new tariffs has likely not yet peaked.*
- *The loss in purchasing power among consumers combined with rebounding inflation makes it unlikely that the rate of South Carolina's economic growth will accelerate in 2026. This also implies potentially slower employment and personal income growth for the state next year.*
- *If inflation remains stable (at or below approximately 3.0%), the Federal Reserve will likely pursue additional rate cuts in q425, helping to reduce the slowdown of the labor market.*

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THANK YOU!

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