THE ECONOMIC OUTLOOK FOR SOUTH CAROLINA AND THE U.S.

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THE DOMINANT ECONOMIC THEME HAS BEEN…

…PERVASIVE UNCERTAINTY!

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UNCERTAINTY COMES IN TWO FORMS…

BUSINESSES → UNCERTAINTY ABOUT INTERNATIONAL TRADE & TARIFFS

CONSUMERS → UNCERTAINTY ABOUT RISING PRICES/AFFORDABILITY

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WHAT DO CONSUMERS CARE ABOUT?

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WHAT DO CONSUMERS CARE ABOUT?

JOB SECURITY
WAGES
PRICES

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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

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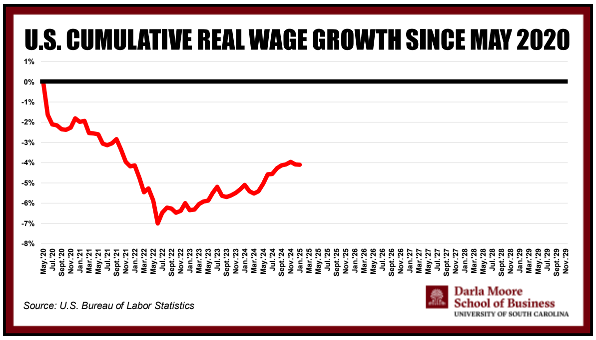
U.S. CUMULATIVE REAL WAGE GROWTH SINCE MAY 2020
1%
0%
-1%
-2%
-3%
-4%
-5%
-6%
-7%
-8%
Source: U.S. Bureau of Labor Statistics
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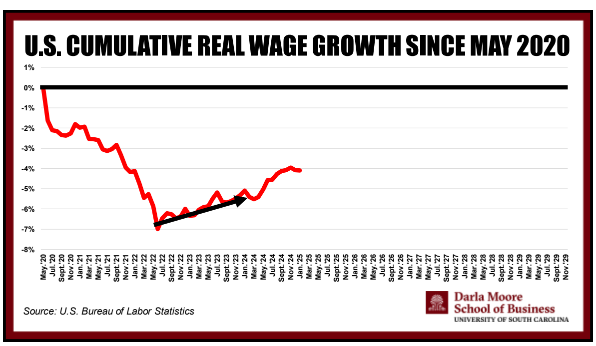
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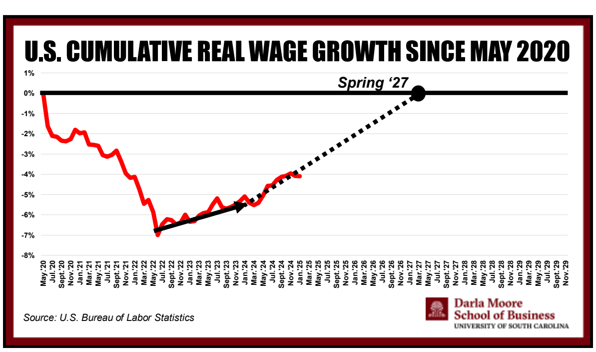
U.S. CUMULATIVE REAL WAGE GROWTH SINCE MAY 2020
Spring '27
1%
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-2%
-3%
-4%
-5%
-6%
-7%
-8%
Source: U.S. Bureau of Labor Statistics
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-1%
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-3%
-4%
-5%
-6%
-7%
-8%
Spring '27
Source: U.S. Bureau of Labor Statistics
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1%
0%
-1%
-2%
-3%
-4%
-5%
-6%
-7%
-8%
Spring '27
Fall '27
Source: U.S. Bureau of Labor Statistics
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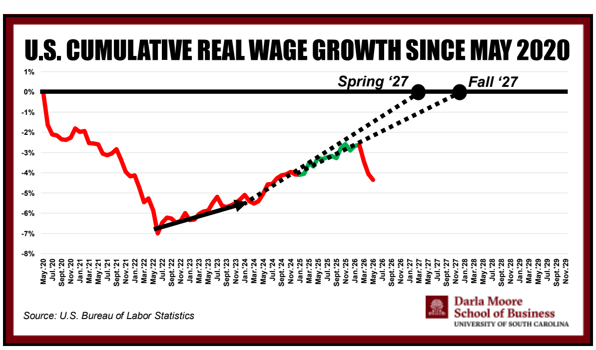
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-6%
-7%
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Fall '27
Source: U.S. Bureau of Labor Statistics
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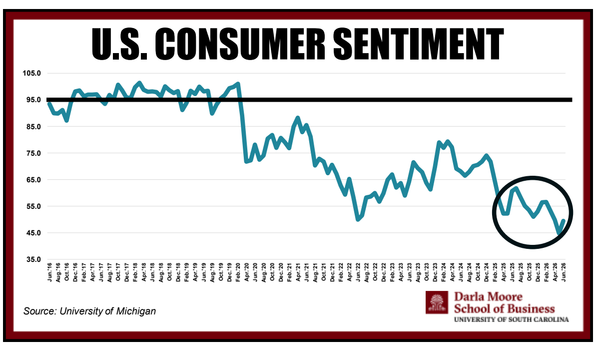

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HOW HAS UNCERTAINTY AFFECTED ECONOMIC GROWTH?

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GROWTH HAS DECELERATED…

…BUT ONLY MARGINALLY

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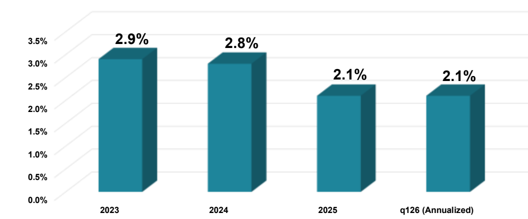
U.S. GDP GROWTH



Source: U.S. Bureau of Economic Analysis

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WE'RE IN A "LOW HIRE, LOW FIRE" ECONOMY!

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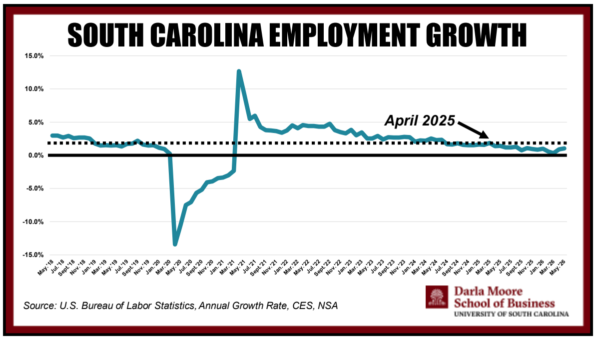
SOUTH CAROLINA EMPLOYMENT GROWTH
15.0%
10.0%
5.0%
0.0%
-5.0%
-10.0%
-15.0%
April 2025
Source: U.S. Bureau of Labor Statistics, Annual Growth Rate, CES, NSA
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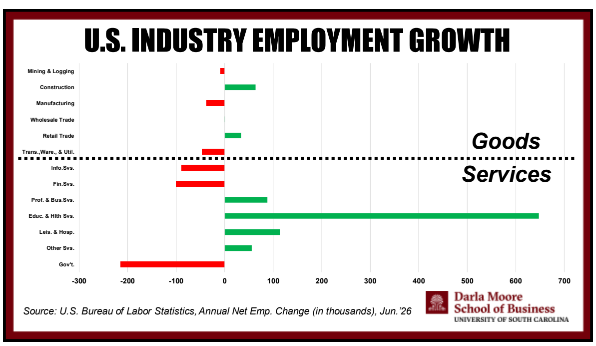
U.S. INDUSTRY EMPLOYMENT GROWTH
Mining & Logging
Construction
Manufacturing
Wholesale Trade
Retail Trade
Trans.,Ware., & Util.
Info.Svs.
Fin.Svs.
Prof. & Bus.Svs.
Educ. & Hlth Svs.
Leis. & Hosp.
Other Svs.
Gov't.
Goods
Services
-300
-200
-100
0
100
200
300
400
500
600
700
Source: U.S. Bureau of Labor Statistics, Annual Net Emp. Change (in thousands), Jun.'26
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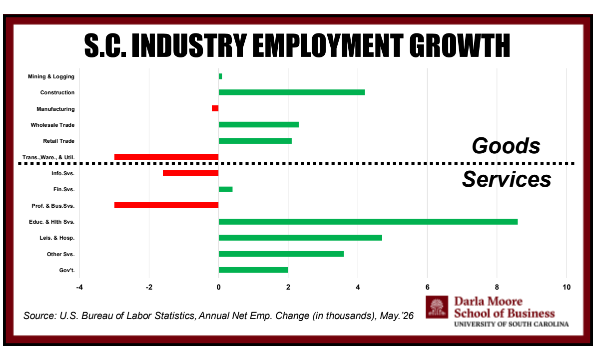
S.C. INDUSTRY EMPLOYMENT GROWTH
Mining & Logging
Construction
Manufacturing
Wholesale Trade
Retail Trade
Trans.,Ware., & Util.
Info.Svs.
Fin.Svs.
Prof. & Bus.Svs.
Educ. & Hlth Svs.
Leis. & Hosp.
Other Svs.
Gov't.
Goods
Services
-4
-2
0
2
4
6
8
10
Source: U.S. Bureau of Labor Statistics, Annual Net Emp. Change (in thousands), May.'26
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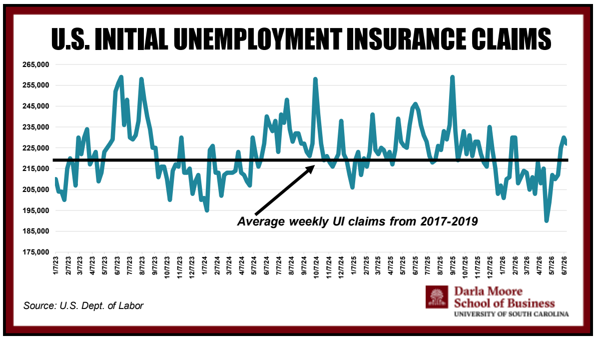

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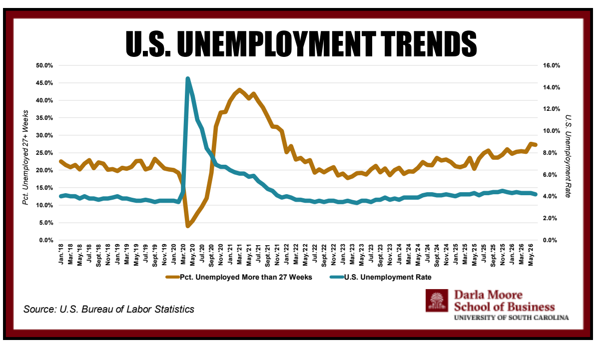

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LOOKING AHEAD!

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EMPLOYMENT GROWTH AND POPULATION GROWTH ARE THE PRIMARY DRIVERS OF DEMAND…

…AND BOTH METRICS REMAIN STABLE!

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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

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PROJECTED POPULATION GROWTH BY REGION: 2025-2050

Source: U.S. Census Bureau

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DRIVE TIMES FROM POPULATION CENTROIDS

Source: U.S. Census Bureau

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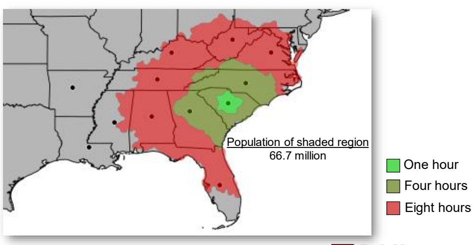
DRIVE TIMES FROM POPULATION CENTROIDS



Source: U.S. Census Bureau

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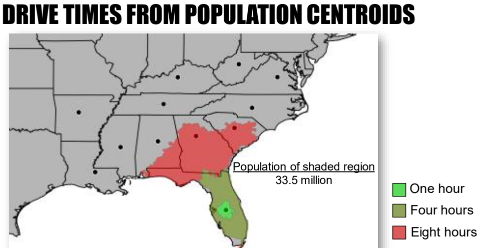
DRIVE TIMES FROM POPULATION CENTROIDS



Source: U.S. Census Bureau

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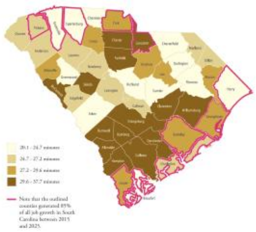
AVERAGE COMMUTE TIME TO WORK BY S.C. COUNTY



Between 2015 and 2025, 85 percent of the total job growth in South Carolina took place within just 12 of the state's 46 counties.

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

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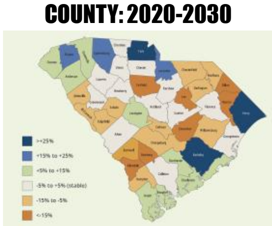
PROJECTED POPULATION GROWTH RATES BY COUNTY: 2020-2030



Source: S.C. Office of Revenue and Fiscal Affairs

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S.C. COUNTIES PROJECTED TO HAVE SMALLEST POPULATIONS BY 2042

County	Projected Total Population by 2042	Current Avg. Commute Time (in minutes)	Current Pct. Commuting Outside of County for Work
Allendale	3,515	37.7	54.8%
Bamberg	7,806	27.4	44.5%
Barnwell	16,608	27.5	39.4%
Calhoun	11,868	26.9	64.2%
Clarendon	19,609	31.1	47.1%
Dillon	18,642	25.1	30.7%
Fairfield	12,331	30.2	58.0%
Hampton	12,835	36.6	46.3%
Lee	11,386	28.1	60.6%
Marion	18,569	28.6	39.9%
McCormick	10,323	36.4	42.8%
Saluda	13,953	29.6	52.0%

Source: U.S. Census Bureau & S.C. Office of Revenue and Fiscal Affairs

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WHAT ABOUT THE BROADER ECONOMY IN 2026?

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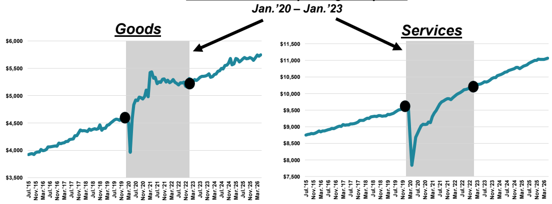
REAL U.S. CONSUMER SPENDING: GOODS VS. SERVICES

Note: Values Represent Real Annualized Totals, in billions

Pandemic-induced spending disruptions
Jan.'20 – Jan.'23



Source: U.S. Bureau of Economic Analysis

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REAL U.S. CONSUMER SPENDING: GOODS VS. SERVICES

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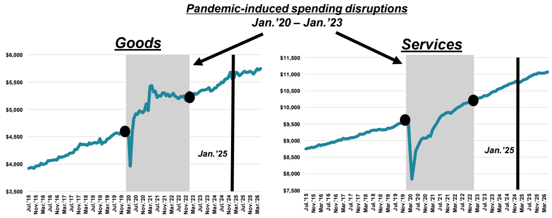

Source: U.S. Bureau of Economic Analysis

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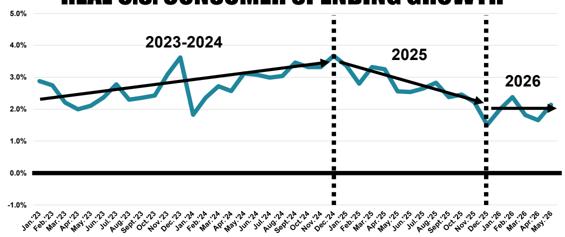
REAL U.S. CONSUMER SPENDING GROWTH



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

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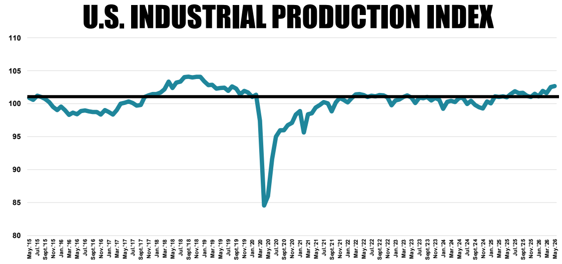
U.S. INDUSTRIAL PRODUCTION INDEX



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…

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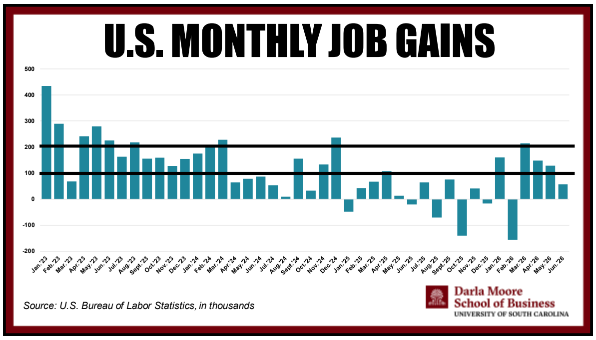
U.S. MONTHLY JOB GAINS
500
400
300
200
100
0
-100
-200
Source: U.S. Bureau of Labor Statistics, in thousands
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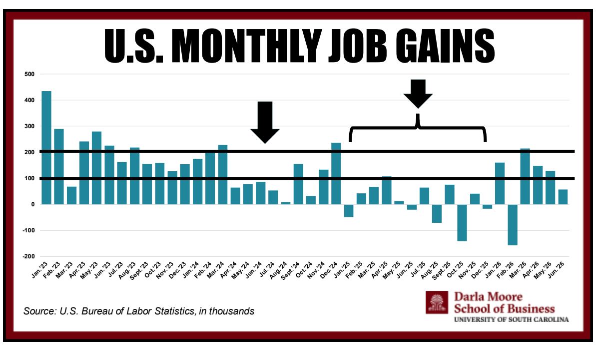
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Source: U.S. Bureau of Labor Statistics, in thousands
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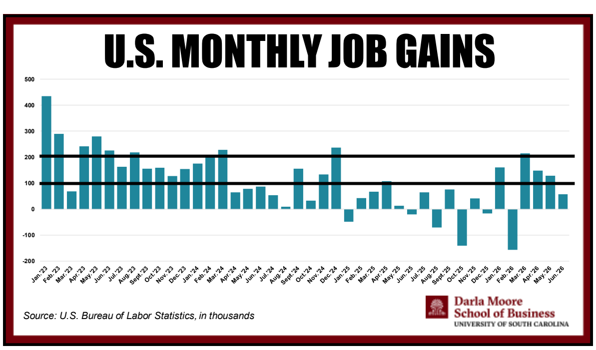
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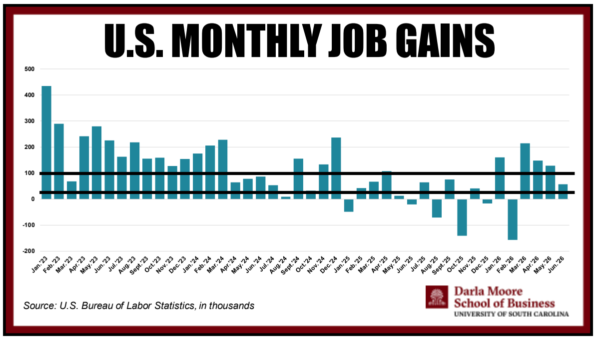

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THE REALITY OF SLOW JOB GROWTH IN 2026

- ***We may not need as much job growth to avoid a recession because immigration is low and productivity is high***
- ***But slow job growth also means that any significant uptick in layoff activity is more likely to lead to a downward spiral***

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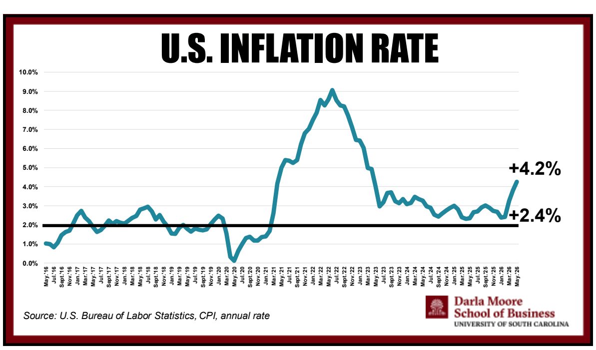

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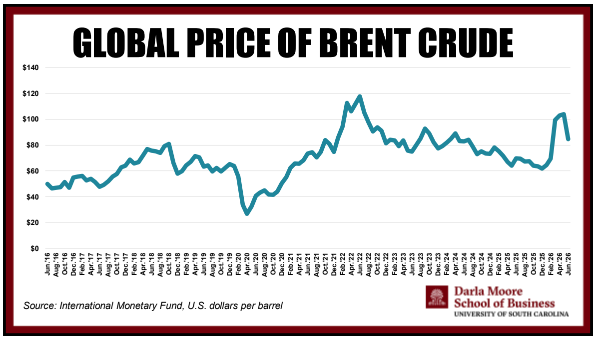
GLOBAL PRICE OF BRENT CRUDE
$140
$120
$100
$80
$60
$40
$20
$0
Source: International Monetary Fund, U.S. dollars per barrel
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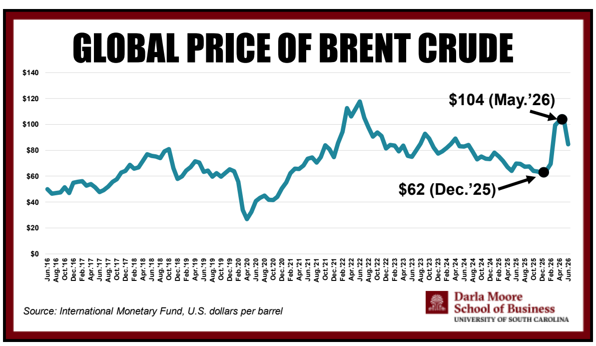
GLOBAL PRICE OF BRENT CRUDE
$140
$120
$100
$80
$60
$40
$20
$0
$104 (May.'26)
$62 (Dec.'25)
Source: International Monetary Fund, U.S. dollars per barrel
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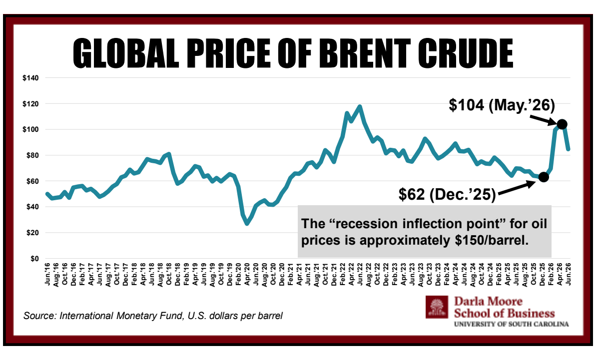
GLOBAL PRICE OF BRENT CRUDE
$140
$120
$100
$80
$60
$40
$20
$0
$104 (May.'26)
$62 (Dec.'25)
The "recession inflection point" for oil prices is approximately $150/barrel.
Source: International Monetary Fund, U.S. dollars per barrel
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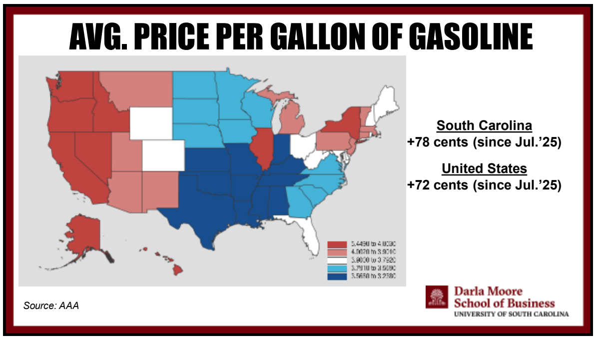
AVG. PRICE PER GALLON OF GASOLINE
South Carolina
+78 cents (since Jul.'25)
United States
+72 cents (since Jul.'25)
Source: AAA
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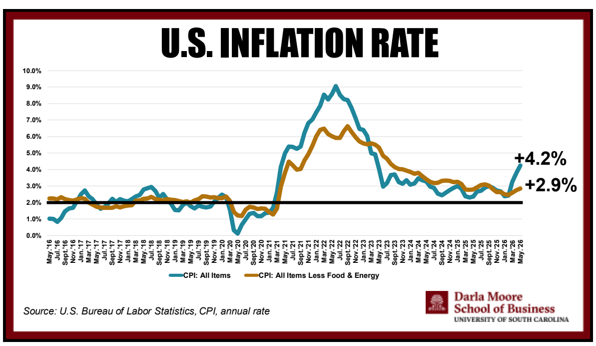
U.S. INFLATION RATE
+4.2%
+2.9%
CPI: All Items
CPI: All Items Less Food & Energy
Source: U.S. Bureau of Labor Statistics, CPI, annual rate
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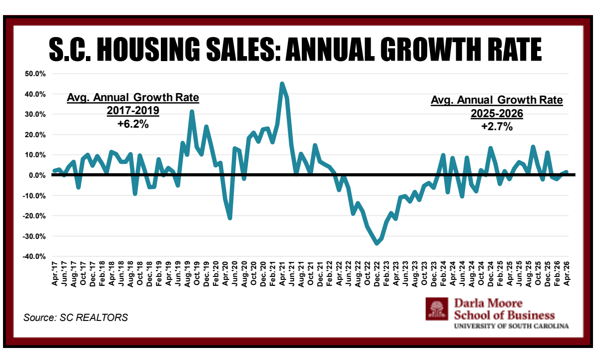
S.C. HOUSING SALES: ANNUAL GROWTH RATE
Avg. Annual Growth Rate
2017-2019
+6.2%
Avg. Annual Growth Rate
2025-2026
+2.7%
Source: SC REALTORS
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THE BOTTOM LINE

- *Despite a mild slowdown over the last year, South Carolina's economy remains stable with most industries continuing to experience positive gains.*
- *However, we are now seeing a bifurcated economy in which the service sectors are the primary drivers of growth.*
- *Strong population growth has been our "secret sauce" and is why the state has experienced consistently higher rates of economic growth compared to the U.S. as a whole. This is a long-run trend that will likely continue.*
- *The U.S. labor market is currently stable, with low unemployment and low layoff activity.*
- *Although headline inflation could begin trending downwards in the second half of the year, core inflation remains elevated and may prompt the Federal Reserve to pursue interest rate hikes before the end of 2026 – especially if the job market continues to remain stable.*

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THANK YOU!

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