

NC Economy Watch

July 2026

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This month's data release

June 2026

North Carolina's **unemployment rate decreased to 3.6%**

- The “low-fire” labor market: relatively few mass layoffs

Net job growth was +1.2% over the year and little changed over the month

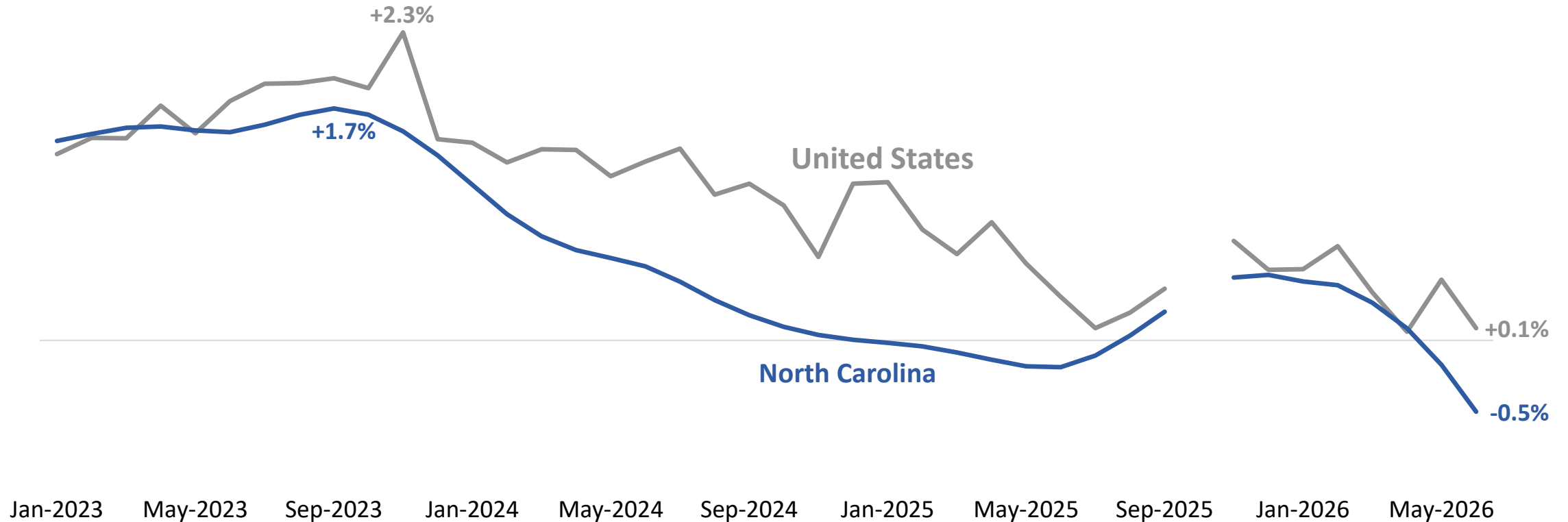
- The “low-hire” labor market? Job growth was slow last year, but has accelerated somewhat in recent months
- Healthcare and construction led over-the-year job gains, while manufacturing led over-the-year job losses

Estimates are subject to monthly and annual revisions

Slowing population growth + lower participation rates = a shrinking labor force

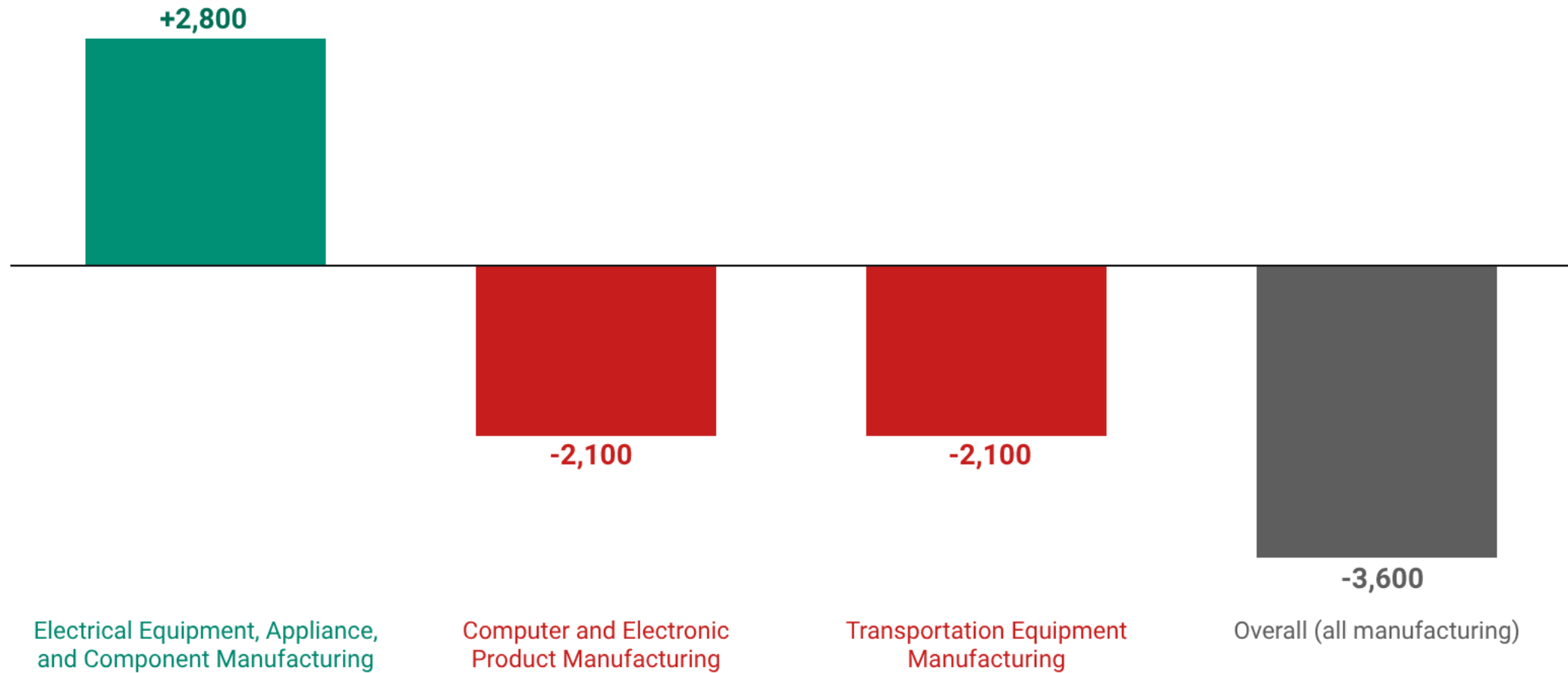
Over-the-year % labor force growth in North Carolina and United States

Jan 2022 – Jun 2026



Some areas of manufacturing are growing, but most of the sector is declining

Over-the-year employment growth in North Carolina by selected manufacturing subsector (Dec 2025)

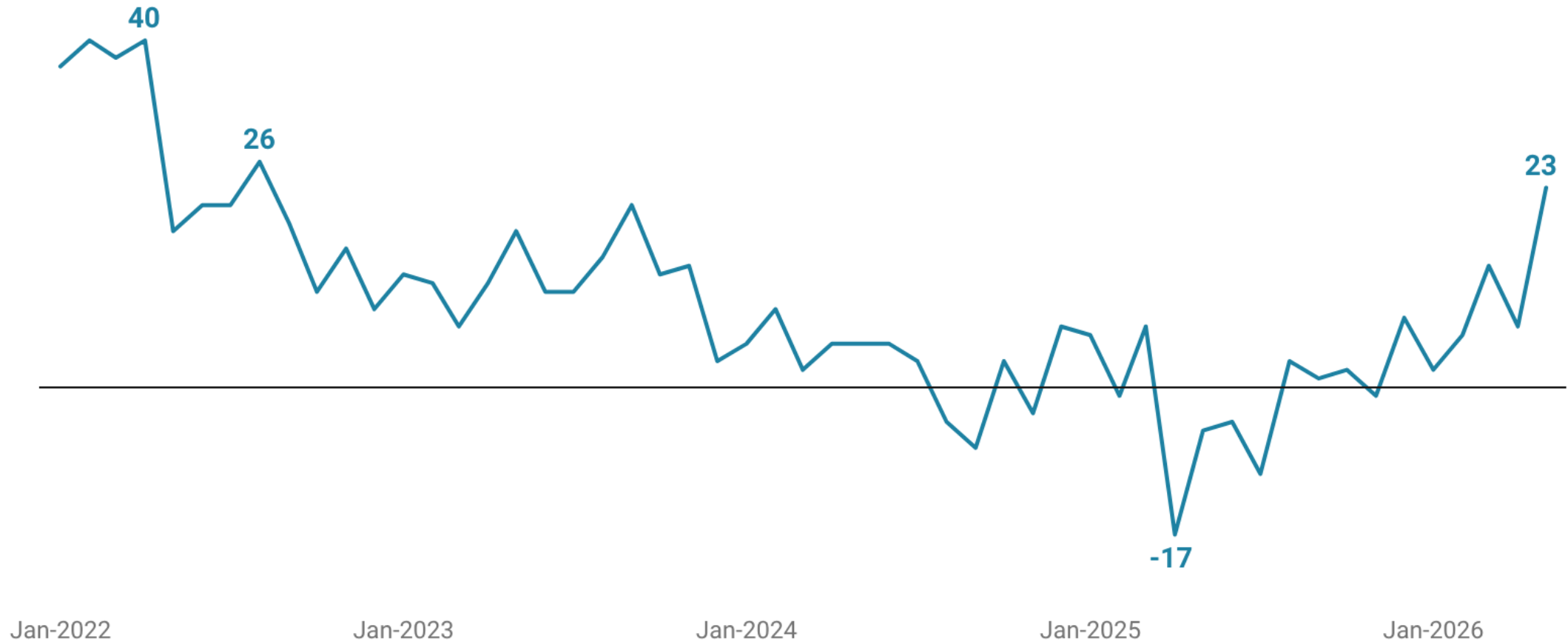


NC Department of Commerce, Labor & Economic Analysis Division (LEAD)

Source: LEAD (Quarterly Census of Employment and Wages) Note: data are rounded to the nearest hundred • Created with Datawrapper

Firms in our region are increasingly optimistic about factory hiring

Expectations index for manufacturing employment (Jan 2022 - May 2026)



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Source: Federal Reserve Bank of Richmond (Manufacturing Survey) Note: the expectations index is calculated as the percentage of firms expecting to add jobs over the next six months minus the percentage of firms expecting to cut jobs • Created with Datawrapper

Manufacturing employment

Brighter days ahead?

There are reasons to temper our optimism about manufacturing's growth prospects:

- Ongoing **geopolitical tensions in the Middle East** are contributing to higher energy costs and supply-chain disruptions, creating challenges for some domestic manufacturers
- Our office projects that North Carolina's manufacturing sector will experience **almost zero net job growth between 2024 and 2034**

At the same time, despite the likelihood of flat employment growth, there will still be plenty of employment opportunities in manufacturing

- Our office projects that Production Occupations, which are found primarily in manufacturing, will generate **nearly 360,000 job openings over the next decade** as existing workers leave the field and new workers are needed to take their place

Resources of interest

June 2026 NC Economy Watch: Manufacturers Signal Optimism Despite a Downturn in Factory Employment

<https://www.commerce.nc.gov/news/the-lead-feed/june-2026-nc-economy-watch>

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“Thank you!”

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