

Welcome to LMI Tuesday!

TODAY'S TOPIC

NC Economy Watch: The Slow Road to Recovery in Western North Carolina

DATE

October 20, 2026

PRESENTER

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HOST(S)

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STATEWIDE SNAPSHOT

September 2026 employment data release

3.4%**Unemployment rate**

Declined 0.1 point OTM;
near record low (3.2%)

-1.4%**Labor force growth
(annual)**

Population aging and
slowing population growth

+1.3%**Job growth (annual)**

67,000 net new jobs added,
a relatively slow pace

+5.7%**Construction job
growth (annual)**

Led all other sectors in over-
the-year job gains

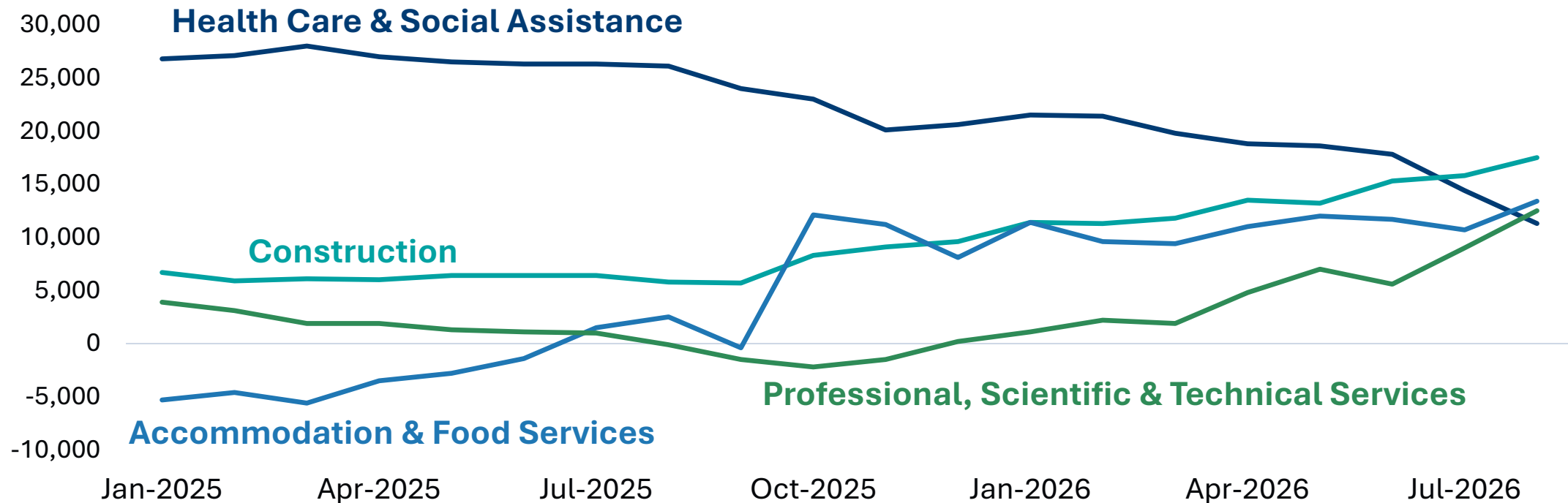
TAKEAWAY

The labor market remains in “low-hire, low-fire” mode, but job growth is broadening out from Health Care & Social Assistance to other sectors, including Construction.

Source: US Bureau of Labor Statistics (Current Employment Statistics and Local Area Unemployment Statistics)

Healthcare job growth has slowed, while other sectors are picking up the slack

Job growth in North Carolina, by selected sector
Over-the-year # change (Jan 2022 – Aug 2026)



The Slow Road to Recovery in Western North Carolina

An (incomplete) recovery from Hurricane Helene

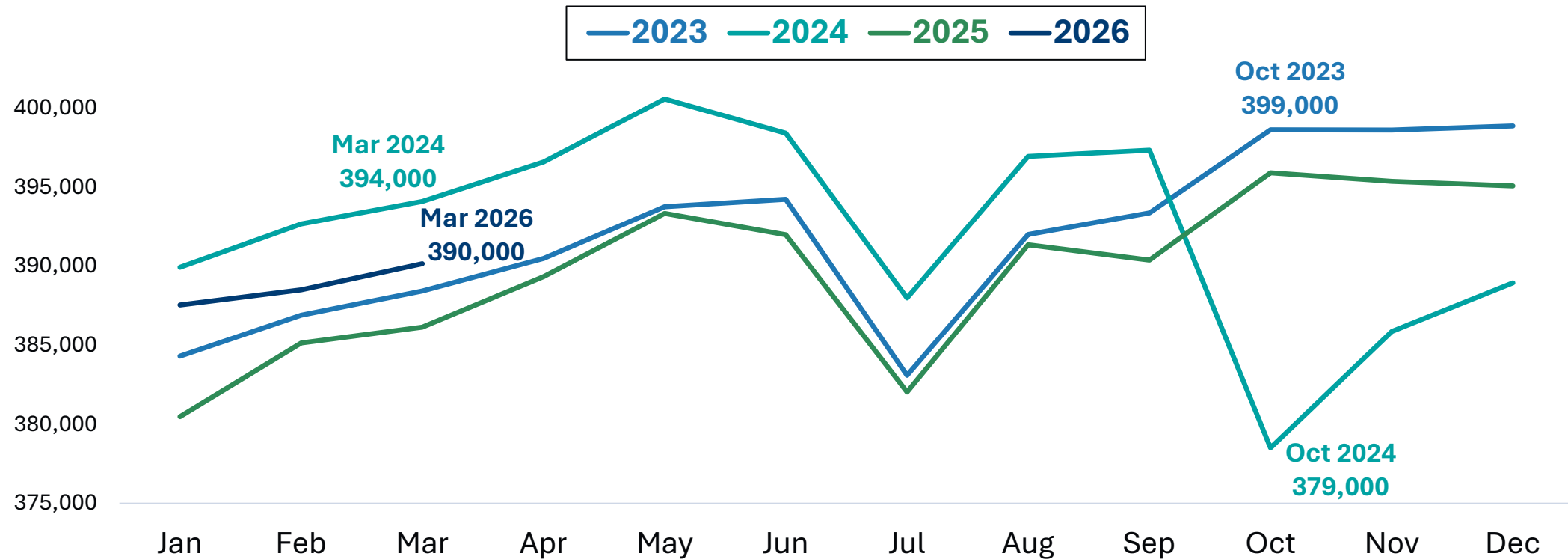
Broad measures of business activity in Western NC recovered soon after the impact of Hurricane Helene:

- **Electricity consumption** returned to year-ago levels in weather-adjusted terms by December 2024, just two months after the storm's initial impact
- **Taxable sales** bounced back and continued to rise (up 14% as of June 2026)
- **Real gross domestic product** increased 2.3% between 2023 and 2024 in Helene-impacted counties.

However, **employment** in the region has been much slower to recover.

Employment is recovering slowly and remains 1% below pre-Helene levels

Total employment in Hurricane Helene HUD MID counties



Why is employment taking so long to recover?

Labor supply (availability of workers):

- Population growth slowed and the labor force level declined in Helene-impacted counties
- Employers might have trouble filling open positions due to a lack of applicants

Labor demand (availability of jobs):

- 80% of the remaining employment shortfall is concentrated in Buncombe County
- Over half the county's job losses are in the Accommodation and Food Services sector
- Lodging sales in the county are down 10% from pre-hurricane levels as of Jul 2026

Attracting new residents, engaging displaced workers, and nurturing a recovery in the tourism industry remain key challenges as the region works to achieve a complete economic recovery.

Resources of interest

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

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“Thank you!”

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