LEAD
Labor & Economic Analysis Division

NC DEPARTMENT of COMMERCE

Welcome to LMI Tuesday!

TODAY'S TOPIC

NC Economy Watch: Inflation's Bumpy Road

DATE

September 22, 2026

PRESENTER

Jonathan Guarine

HOST(S)

Andrew Berger-Gross

August 2026 employment release

3.5%	+0.2%	+1.3%	+6.3%
Unemployment rate	**Job growth (month)**	**Job growth (year)**	**Construction job growth (year)**
Declined 0.1 point over the month; relatively few layoffs	10,000 net new jobs over the month	65,600 net new jobs since Aug. 2025	Led all other sectors in terms of over-the-year job gains

TAKEAWAY

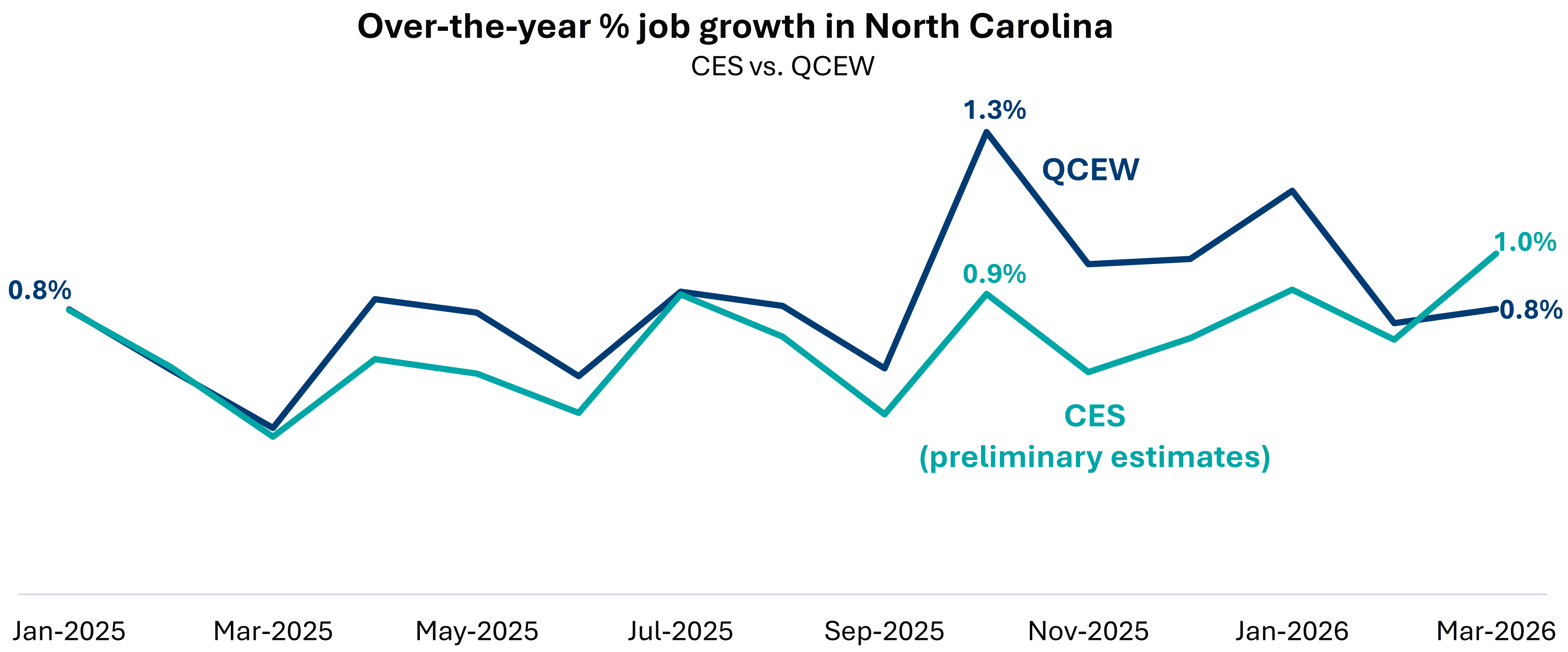
The labor market remains in “low-hire, low-fire” mode, but job growth is broadening out from Health Care & Social Assistance to other sectors, including Construction.

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

Estimates are subject to monthly and annual revisions

Source: LEAD (Quarterly Census of Employment and Wages) and BLS (Current Employment Statistics)
Note: data are not seasonally adjusted

QCEW data suggests NC has been adding jobs at a slightly faster pace than initially estimated



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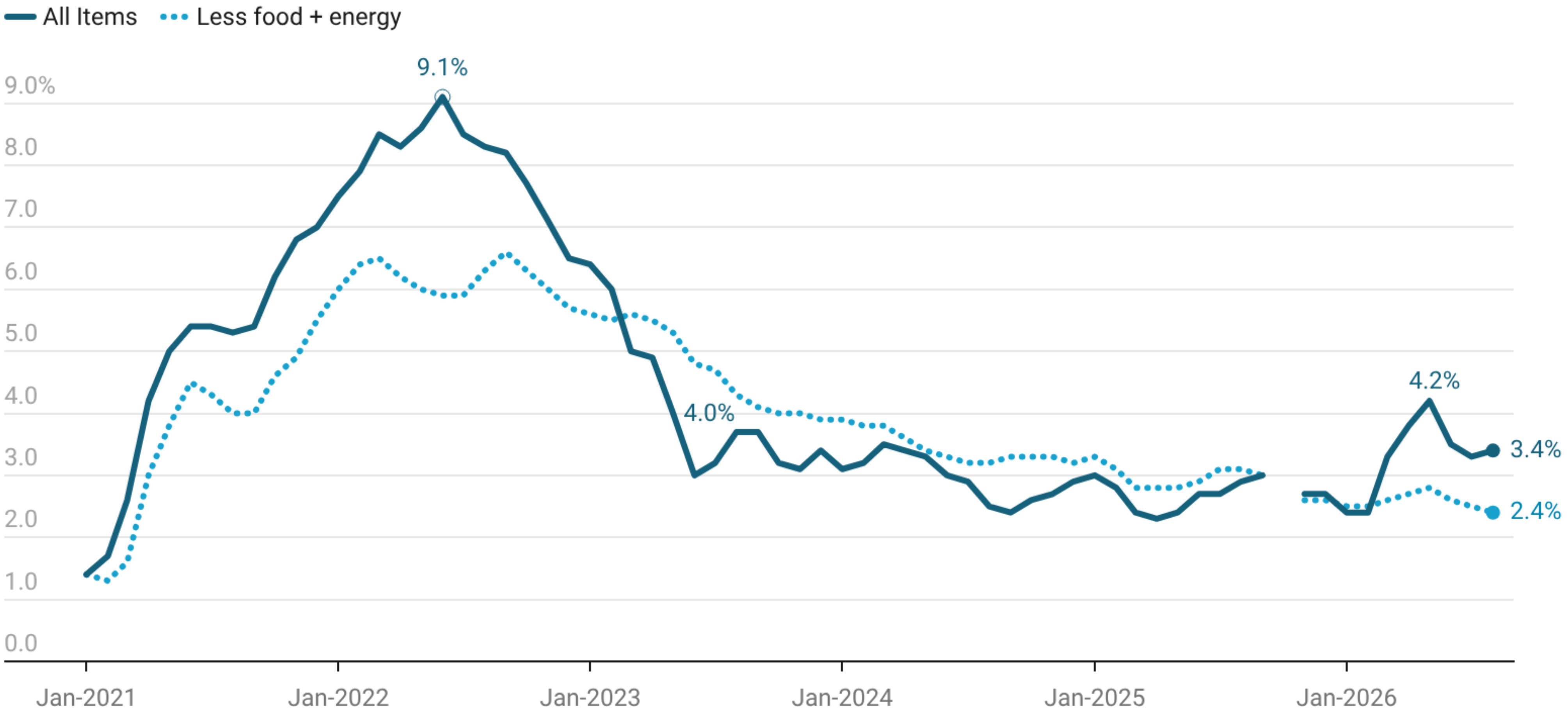
Inflation’s Bumpy Road

Unpacking what’s behind price inflation in 2026

Headline inflation rose in 2026 to the highest level in over three years

Over-the-year % change in U.S. consumer prices, by series (Jan. 2021 - Aug. 2026)



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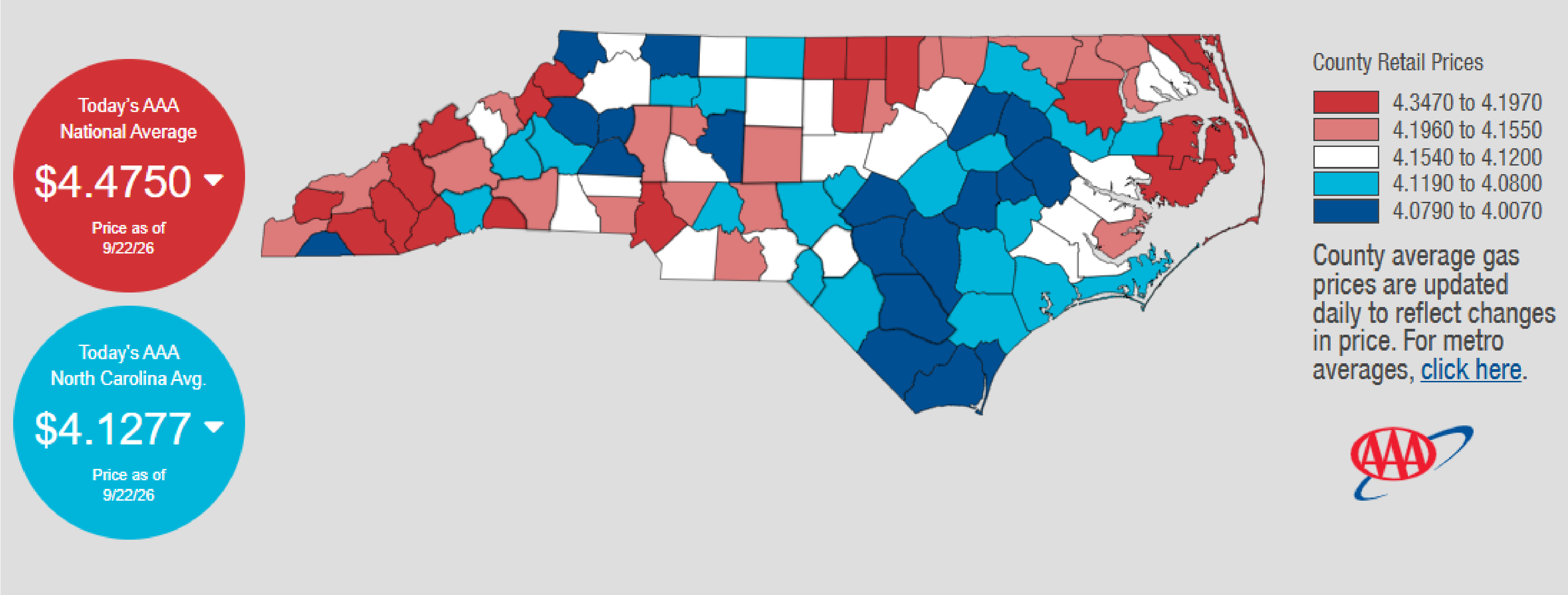
Source: US Bureau of Labor Statistics (Consumer Price Index). Note: Data unavailable for Oct. 2025 due to the federal government shutdown • Created with Datawrapper



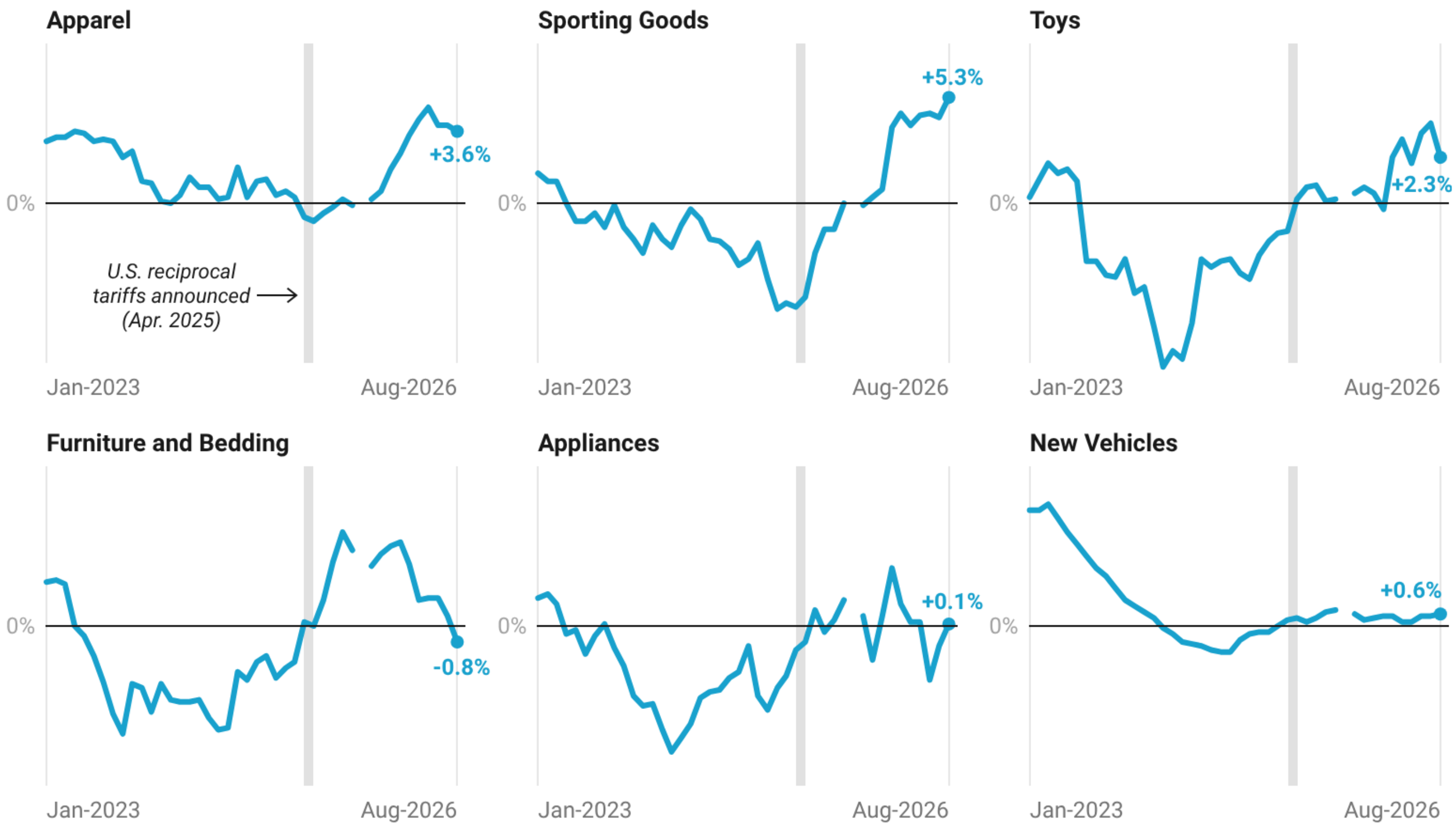
NORTH CAROLINA AVERAGE GAS PRICES

	Regular	Mid-Grade	Premium	Diesel
Current Avg.	$4.1277	$4.5734	$4.9765	$6.2338
Yesterday Avg.	$4.1389	$4.5762	$4.9783	$6.2458
Week Ago Avg.	$4.0336	$4.5049	$4.8999	$6.0518
Month Ago Avg.	$3.7681	$4.2381	$4.6372	$5.4980
Year Ago Avg.	$2.8559	$3.3035	$3.6954	$3.4500

Source: AAA, North Carolina Average Gas Prices
Updated on September 22, 2026.

Consumer prices increased for some goods following U.S. tariffs

Over-the-year % change in U.S. consumer prices, by select categories (Jan. 2023 - Aug. 2026)



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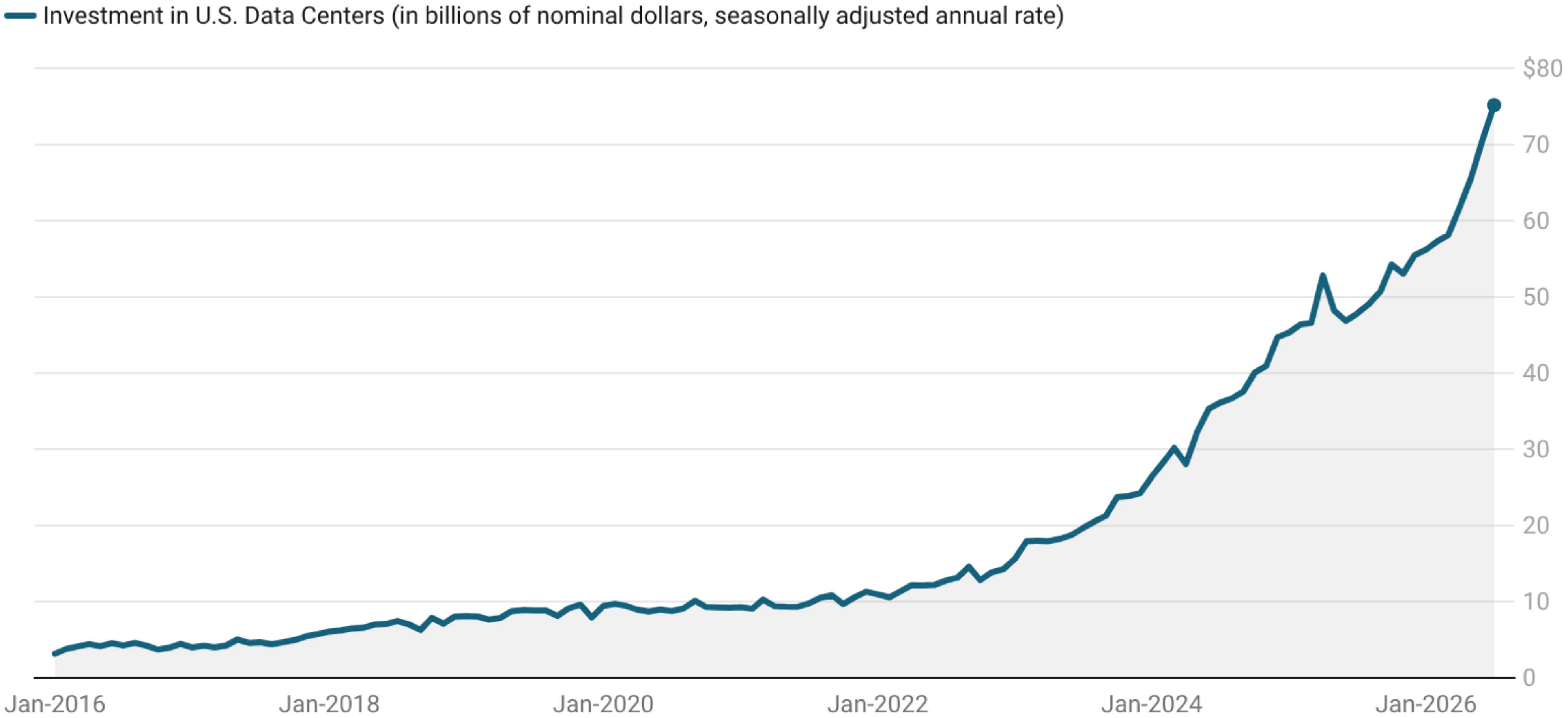
Source: US Bureau of Labor Statistics (Consumer Price Index). Note: Data unavailable for Oct. 2025 due to the federal government shutdown • Created with Datawrapper

Artificial intelligence is driving a historic boom in U.S. data center construction spending



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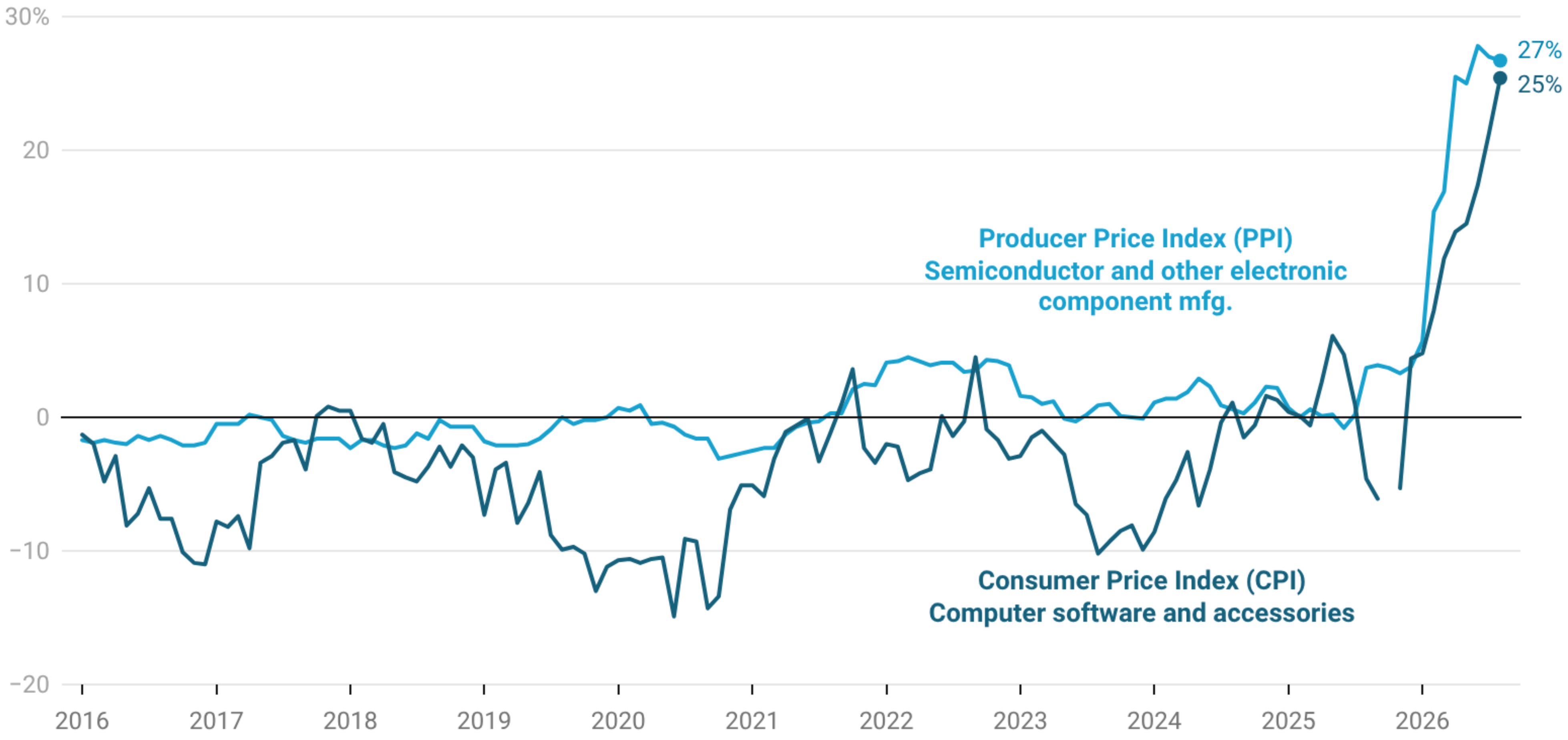
Source: U.S. Census Bureau, Value of Construction Put in Place Survey (VIP). Note: The figure shows the monthly value put in place of private construction of data centers. • Created with Datawrapper

Component shortages are driving up technology prices

Over-the-year % change in U.S. consumer prices and selling prices received by domestic producers (Jan. 2016 - Aug. 2026)



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Source: US Bureau of Labor Statistics (Consumer Price Index and Producer Price Index). Note: CPI data unavailable for Oct. 2025 due to the federal government shutdown • Created with Datawrapper

Inflation’s Bumpy Road

What’s this mean for households + businesses?

Households: Higher prices can squeeze household budgets, especially at a time when wage growth has been cooling

Businesses: Rising input costs can complicate hiring and investment decisions

Borrowing Costs: The Federal Reserve may continue raising interest rates, which would make it more expensive to borrow money (e.g., mortgages and business loans)

The Outlook: Expect inflationary pressures to continue for the foreseeable future

- Persistently high energy prices may force companies to pass on costs to customers
- Tariff policy remains uncertain, and the A.I. buildout has shown little signs of slowing down

Resources of interest

September 2026 NC Economy Watch: Inflation’s Bumpy Road

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

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“Thank you!”

Andrew Berger-Gross

Senior Economist

andrewbg@commerce.nc.gov

Jonathan Guarine

Economist

jonathan.guarine@commerce.nc.gov