SOUTHEAST ECONOMIC ADVISORS

The Week Across the South

Audi lands in Middle Georgia, the South holds its inflation advantage over the nation and a quiet college football weekend turns wild

Mark Vitner, Chief Economist | Monday, October 26, 2026 | southeasteconomy.com

Georgia Has the Week, and Audi Has the Headline

Georgia landed the week's biggest deals, and the biggest by a wide margin came on Saturday, when Audi announced that it will build its first U.S. assembly plant at the Middle Georgia Megasite in Peach County. The headline number is $4.2 billion, the figure used by President Trump and in press reports, though the Governor's release says approximately $4 billion. Either way the plant will employ about 4,500 people and build up to 200,000 premium SUVs a year. Audi expects to begin grading in 2027, with plant construction in 2028, and full production beginning in 2031. The President announced the plant at a rally in Perry, and Gov. Brian Kemp and Audi CEO Gernot Döllner announced it jointly. Audi cited speed to market, workforce, access to consumers and the established auto supply chain.

The capital intensity is what you would expect from an assembly plant. At $4.2 billion and 4,500 jobs, Audi works out to roughly $930,000 of capital per job, which is a fraction of the $33 million per job at SpaceX's Starbase in Louisiana in August. This is a plant that creates both employment and capital stock, and Middle Georgia needed both.

Georgia stacked two more announcements on top of Audi this past week. Mitsubishi Power Americas will spend $490 million to add 450,000 square feet to its Savannah Machinery Works in Pooler, roughly doubling a plant that makes gas turbines and power equipment for a grid the AI buildout is straining, and will add more than 220 jobs. Blue Bird will invest $300 million and add 375 jobs in a former motorhome plant in Fort Valley, which sits in the same county as the Audi megasite. Together the three come to about $5.0 billion and more than 5,000 jobs. The one recent setback was small: Cardinal Glass filed a WARN notice on October 6 to close its Statesboro plant and lay off 115 workers.

Two details deserve a closer look. The President said construction could start next month, while Audi's own schedule has grading starting in 2027, so any early groundbreaking would be symbolic, or the President may have meant to say 'next year' instead of 'next month'. No incentive package has been disclosed. We would not be surprised to see one, and we will be watching for it.

Seven Key Themes for the South

Audi was the week's largest commitment among the seven themes we track each week, with the fight over data center construction close behind.

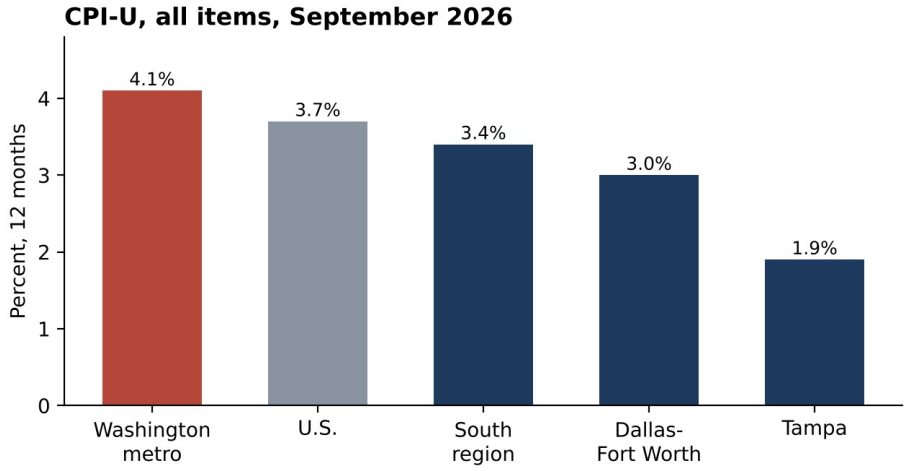
Theme	This week's evidence
AI buildout	**Stack's** Project Crossroads permit application in **Pittsylvania County, Va.**, describes up to 21 data centers, about 3,000 MW and up to $100B. **Corning** will invest $585M and add 414 optical fiber jobs in **Wilmington, N.C.** **US Conec** adds $149.7M and 224 jobs in **Hickory, N.C.** Memphis passed permanent data center rules and a 135-day pause; Loudoun deferred its pause vote to Nov. 17.
Energy infrastructure	**Mitsubishi Power** will spend $490M and add more than 220 jobs to roughly double its

Theme	This week's evidence
	Savannah Machinery Works in Pooler, Ga. **Westinghouse** plans a $1B LEU+ fuel factory in **Hopkins, S.C.** **Nucor** adds $60M and 60 jobs for utility poles in **Trinity, Ala.** Louisiana regulators vote Dec. 16 on **Entergy's $12.9B plan to power Meta**.
Defense replenishment	The Pentagon and **Lockheed Martin** announced a 10-year framework on Oct. 22 for at least 850 F-35s, with production of 156 a year; jets are assembled in **Fort Worth, Tex.**, with center wings built in **Marietta, Ga.** **L3Harris** opened its solid rocket motor plant in **Camden, Ark.** **ASTRO America, Northrop Grumman, Florida State** and the Air Force Research Laboratory are building a munitions production lab near **Eglin AFB, Fla.** (reported Oct. 8).
Civilian aerospace / next-gen defense	**Bombardier** announced $270M of first-phase investment and about 800 hires nationwide on Oct. 23, with 150 of the **300 expansion jobs** going to a new project in **Dallas**.
Reshoring of critical industries	**Audi**: about **$4.2B and 4,500 jobs** for its first U.S. plant in **Middle Georgia**. **Carrier**: more than **$600M and 1,500 jobs** for a chiller plant at AllianceTexas in **Fort Worth**. **Blue Bird**: $300M and 375 jobs in **Fort Valley, Ga.**
New-era pharma investment	**Lilly** broke ground Oct. 22 on a **$5B antibody-drug conjugate and active ingredient plant** in **Goochland County, Va.**, west of Richmond. The company expects about 650 permanent and 1,800 construction jobs and has committed $40M to a state pharmaceutical workforce network.
Peak 65 labor drain and spending	A thin week. Earlier this month Galerie Living broke ground on a roughly $300M, 110-unit second phase of Corso Atlanta, a luxury senior community in Buckhead (Oct. 1).

Examples drawn from this issue.

Inflation in the South

The South continues to run cooler than the nation. September CPI rose 3.7% over the year nationally and 3.4% in the South, and the gap widens under the hood. Southern core inflation stands at 2.1% versus 2.6% nationally, and Southern shelter costs are up just 2.3% against 3.2% for the country as a whole, with rents rising 1.8% in the South versus 2.8% nationwide. Gasoline is the one place the South runs hotter, up 37.5% over the year against 34.2% nationally, which is why the regional gap is not wider still.



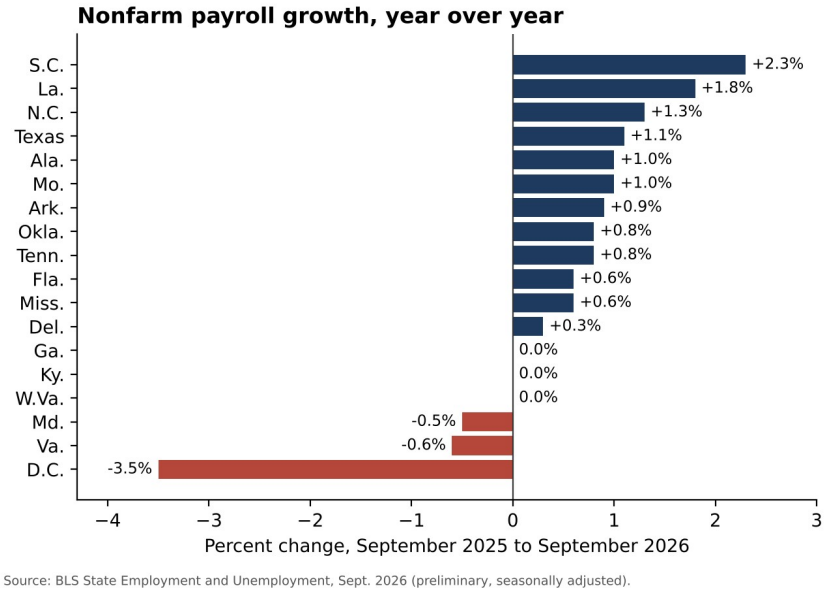
CPI-U, all items, 12-month % change, September 2026. Source: U.S. Bureau of Labor Statistics.

The metro detail shows how wide the range has become. Washington is the region's hot spot at 4.1%, the one large southern metro running above the national rate. Dallas-Fort Worth came in at 3.0%, seven tenths below the nation, and Tampa at 1.9%, the lowest reading among the metros we track and 1.8

percentage points below the U.S. The gap between the hottest and coolest southern metro is now 2.2 percentage points. We look for the South's inflation gap to persist as shelter disinflation runs ahead of the nation, a call that fails if gasoline moves sharply higher again.

Labor Markets

The September state data showed a labor market divided between a handful of states outperforming the U.S., most matching the nation's pace and a couple of notable underperformers. The Bureau of Labor Statistics reported that nonfarm payrolls posted statistically significant gains in only two states in September, New Jersey and South Carolina, and fell in one, Wisconsin. **South Carolina added 12,500 jobs, up 0.5% on the month and 2.3% over the year, the fastest annual growth in the nation**. Texas added the most jobs over the year, 154,300, followed by North Carolina at 67,000. Louisiana (up 1.8%) was second only to South Carolina in percentage terms. The District of Columbia was the only jurisdiction in the country with a significant annual loss, down 25,800 jobs or 3.5%. Nationally, payrolls rose just 29,000 in September.



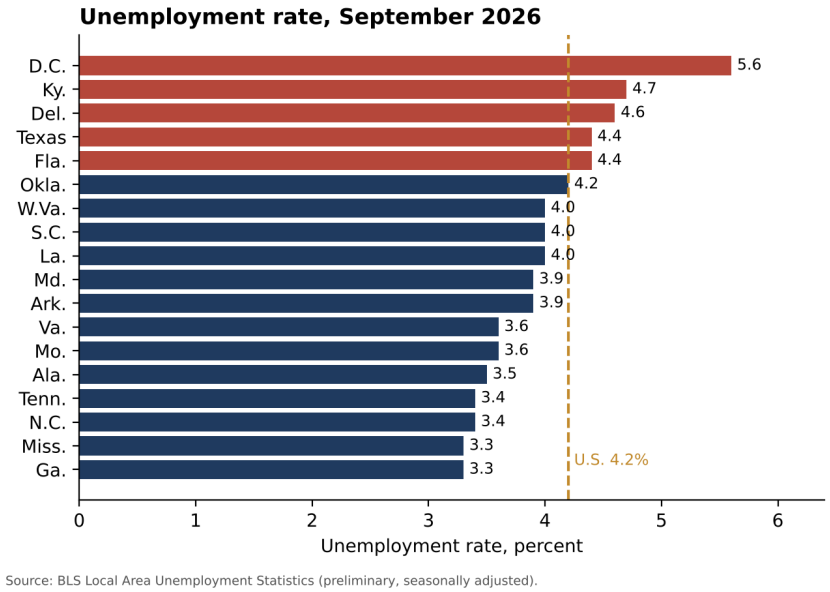
Nonfarm payroll employment, 12-month % change, September 2026 (preliminary, seasonally adjusted). Source: U.S. Bureau of Labor Statistics.

The national unemployment rate was 4.2% in September. Within our footprint, the lowest rates were in Georgia and Mississippi (3.3%), and the highest were in the District (5.6%), Kentucky (4.7%) and Delaware (4.6%). Only Georgia, Mississippi, North Carolina, Tennessee and Virginia were significantly below the national rate, along with the District above it. Maryland (down 0.2 point) and Florida (down 0.1 point) were the only footprint states with significant monthly declines. Over the year, Alabama (up 0.7 point) and Oklahoma (up 0.6 point) moved the wrong way, while South Carolina (down 0.7), North Carolina (down 0.5), West Virginia (down 0.5) and Maryland (down 0.4) improved.

Alabama's rise likely reflects an influx of job seekers, as employment growth has strengthened this past year. Even with the 0.7 point increase, the unemployment rate remains low at just 3.5%. Oklahoma is also adding jobs at a faster pace than the nation, and its 0.6 point increase over the past year merely brought its jobless rate back to the national rate. We look for Washington to remain the region's clearest contraction story, with the District's unemployment rate of 5.6% still the highest in the country.

Take a look at this past week's preview of the Howard-Morgan State football game, which featured teams from Washington, D.C., and Baltimore. The report includes a discussion of the regional economy and challenges that the Capital region is facing.

We will see September metro area employment data on Wednesday at 10 a.m. Eastern.



Unemployment rate, seasonally adjusted, September 2026 (preliminary). Red bars sit above the U.S. rate of 4.2%. Source: U.S. Bureau of Labor Statistics.

Payroll employment (thousands) and unemployment rate, September 2026 (preliminary)

State	Payrolls, Sept. (000s)	Month	Year	Year %	Unemp. rate (Sept.)
Alabama	2,219.0	-1.2	+21.6	+1.0	3.5%
Arkansas	1,350.8	+2.9	+11.7	+0.9	3.9%
Delaware	495.8	-0.8	+1.3	+0.3	4.6%
District of Columbia	719.9	+0.1	-25.8	-3.5	5.6%
Florida	10,045.4	+5.3	+59.8	+0.6	4.4%
Georgia	4,983.0	-0.5	-0.2	0.0	3.3%
Kentucky	2,031.7	-0.8	-0.4	0.0	4.7%
Louisiana	2,024.2	+0.3	+36.0	+1.8	4.0%
Maryland	2,794.3	-8.8	-13.9	-0.5	3.9%
Mississippi	1,198.2	-0.9	+6.7	+0.6	3.3%
Missouri	3,007.3	-10.6	+28.4	+1.0	3.6%
North Carolina	5,128.0	+0.6	+67.0	+1.3	3.4%
Oklahoma	1,799.8	+0.1	+14.4	+0.8	4.2%
South Carolina	2,441.3	+12.5	+55.2	+2.3	4.0%
Tennessee	3,388.2	+2.5	+28.4	+0.8	3.4%
Texas	14,461.3	-11.1	+154.3	+1.1	4.4%
Virginia	4,250.6	+7.8	-25.6	-0.6	3.6%
West Virginia	717.4	0.0	0.0	0.0	4.0%

State	Payrolls, Sept. (000s)	Month	Year	Year %	Unemp. rate (Sept.)
United States		+29 (000s)			4.2%

Source: U.S. Bureau of Labor Statistics, State Employment and Unemployment, released October 20, 2026; seasonally adjusted. The Month and Year columns are changes in thousands; U.S. payrolls rose 29,000 in September (Employment Situation, October 2). Only the changes noted in the text are statistically significant. Next release: November 20.

Good News, Bad News

Good news	Bad news
South core CPI is 2.1%, 50 basis points below the nation.	Washington-area CPI is 4.1%, the hottest large metro we track.
South Carolina payrolls are up 2.3% over the year, the fastest in the country.	The District has lost 25,800 jobs over the year, down 3.5%.
Audi, Mitsubishi Power and Blue Bird put about $5.0B and more than 5,000 jobs into Georgia in four days.	Cardinal Glass will close its Statesboro, Ga. plant, with 115 layoffs.
Maryland and Florida unemployment rates fell in September.	Virginia and Maryland payrolls are both down on the year; Georgia, Kentucky and West Virginia are flat.
Carrier's $600M-plus Fort Worth plant and the Westinghouse fuel factory are large, long-lived commitments.	Alabama and Oklahoma jobless rates are up 0.7 and 0.6 point from a year ago.

Deals Beyond Georgia

The week's biggest defense news was the Pentagon's announcement with Lockheed Martin on October 22 of a 10-year framework for at least 850 F-35s for the U.S. military, within production of 156 jets a year for U.S. and international customers across Lots 21 through 30. The jets are assembled in Fort Worth, where the wings are attached to center wing assemblies built at Lockheed's Marietta, Georgia plant, so the work lands in two of our largest states. Georgia's Department of Economic Development says Lockheed's Cobb County plant supports more than 5,600 Georgia jobs, and Gov. Brian Kemp cited 1,200 Marietta jobs added since 2019 at the company's 75th-anniversary event in June. The state puts the C-130J and F-35 programs at more than 20,000 direct and indirect Georgia jobs. Those are existing figures, not new hires tied to this framework. Lockheed will self-fund at least $7 billion of F-35 initiatives, and the multiyear horizon lets it sign long-term contracts with suppliers for raw materials and critical parts. This is a framework, not a contract. It depends on Congress granting multiyear procurement authority in the 2027 defense policy bill and on appropriations, the current stopgap funding law runs through December 11 and generally bars new multiyear buys, and Congress funded only 47 F-35s in fiscal 2026 against 85 requested for fiscal 2027. Pricing and schedules are still to be negotiated.

Carrier announced on October 22 that it will invest more than $600 million over three years in a manufacturing and engineering center of more than 1 million square feet at AllianceTexas in Fort Worth. The plant will create 1,500 jobs and is expected to begin operations in 2027, building commercial chillers for data centers, healthcare and industry. That is well above the $433.8 million and 495-plus jobs in Fort Worth's August terms, and it ties reshoring directly to the AI buildout. Trade press reports that data center demand has driven a surge in orders for chillers, controls and parts. Westinghouse announced an approximately $1 billion expansion of its Columbia Fuel Fabrication Facility in Hopkins, South Carolina, for a new factory making LEU+ nuclear fuel. Construction is underway, operations are expected in 2030 and no job count was given.

In Wilmington, North Carolina, Corning announced on October 21 that it will invest $585 million and add 414 jobs over five years, with an average salary above $85,000, expanding one of the world's largest optical fiber plants for next-generation networks. New Hanover County and the city approved incentives of $3 million and $2 million earlier in the week. Bombardier announced on October 23 about $270 million in first-phase infrastructure investment and 800 hires nationwide, about 500 open now and 300 from expansion projects. Texas gets 150 of those 300 jobs, with a new project in Dallas for which the company gave no dollar figure or date. Bombardier says its U.S. activities, supply chain included, supported 27,200 jobs in 2025, and it expects to pass 33,000. The announcement follows the President's September threat to bar Bombardier aircraft sales, which he later withdrew.

Data Center Politics

The buildout and the backlash are both moving, and this week they moved in the same states. Stack's Project Crossroads filings for the Berry Hill megasite in Pittsylvania County, Virginia, describe up to 21 data centers on 1,733 acres, about 3,000 MW supplied mostly by on-site natural gas generation, and up to $100 billion of investment and 2,500 permanent jobs. The local industrial facility authority has already approved the land purchase and a performance agreement with minimum commitments of $73.5 billion and 2,050 jobs, and the permit application is now before the state and the Army Corps of Engineers, with a decision expected by mid-March.

In Memphis, the City Council voted 6-6 on October 20 against a proposed 12-month data center moratorium, then passed a substitute ordinance that sets permanent rules, including closed-loop cooling and a ban on major local water withdrawals, and halts new data center construction for 135 days. Shelby County is weighing a pause of its own. In Loudoun County, Virginia, a majority of supervisors backed a pause of up to a year on new data center applications, but Chair Phyllis Randall delayed the vote to November 17 so staff could review its legality. Separately, Amazon withdrew its data center application for the 122-acre former George Washington University campus in Ashburn. It is shifting to a different plan, which it calls Project Potomac Promise, that puts $5 million into the county housing trust fund and donates 25 acres for an arts center and indoor sports facility.

The power decision is next. Louisiana regulators vote December 16 on Entergy's plan to certify new resources for Meta's Hyperion campus in Richland Parish, a roughly $12.9 billion buildout of gas generation, batteries and more than 250 miles of transmission to serve about 4,500 MW of load. Critics warn that ratepayers could be left with several billion dollars of costs if Meta leaves after its 20-year contract, and Meta says the deal saves Entergy customers more than $2 billion. The commission has approved Entergy's earlier Meta requests.

College Football: Any Team, Any Saturday

After the number 1 and number 2 teams both fell the previous week, this was supposed to be a quiet weekend, and it was anything but. Three of the nation's unbeaten teams fell in the space of three days. James Madison lost 34-31 in overtime at Appalachian State on Thursday night, ending a seven-game winning streak and dropping the Dukes to 7-1. On Saturday BYU, which had climbed to the top three in the polls, lost 39-31 in double overtime to UCF after blowing a late lead, and eighth-ranked Texas Tech lost 37-24 to Cincinnati, with three turnovers and just 3 of 15 on third down.

The SEC supplied more upsets. Unranked South Carolina beat 11th-ranked Tennessee 27-24 on a 48-yard field goal as time expired, a week after Tennessee beat Alabama. Texas, which had lost two straight, beat seventh-ranked Ole Miss 34-27. Kentucky beat Vanderbilt 34-17 and is 7-1 in its first year

under Will Stein. Elsewhere, Wisconsin beat USC 24-7, Illinois beat Oregon 21-10 (the Ducks' third loss before November, which ESPN says has not happened since 2018), Iowa lost 13-10 to Minnesota on a last-second field goal, Kansas beat Baylor 25-24, Virginia Tech beat Clemson 20-16 and UTSA beat Tulane 42-19. Indiana needed overtime to beat Michigan 13-6. Only Miami, which defeated Pittsburgh 52-23, UCLA, which defeated Michigan State 28-10, and Utah, which edged 14th-ranked Houston 21-13, remain undefeated in the FBS.

Last week we previewed the Howard-Morgan State game, which brought together two HBCU programs from Washington and Baltimore. Our football reports cover one of the South's favorite pastimes and the economies around the schools, a good way to learn the history of the region and how its local economies are performing. This is our seventh season writing on college football.

Our featured game of the week once again proved to be a thriller. Howard (3-4) upset Morgan State (5-2) 26-20 in overtime, the second straight year the Bison have beaten the Bears in overtime. Morgan State led 20-6 early in the fourth quarter, and Howard tied it at 20 with just over three minutes left. In overtime Morgan State's pass on fourth-and-long was intercepted by Ben Chandler IV, who returned it 87 yards for the winning touchdown. Howard has now won eight of the last nine meetings. Elsewhere in HBCU football, Bethune-Cookman scored with 40 seconds left to beat Jackson State, and Texas Southern beat Southern on a 46-yard field goal as time expired.

College football is looking more like the NFL, with Name Image and Likeness (NIL) resembling free agency, and more parity than we have seen in decades. Nearly every NFL game is within a score or a bounce of the ball, depth and quarterback play matter more than the logo, and a team that is a double-digit favorite on Friday is a coin flip by Saturday night. For the Southern economies that live on game weekends, parity is good for television ratings and for every fan base that still thinks the season is alive in late October.

What We Are Watching

- **Oct. 28.** The Federal Open Market Committee meets, and BLS releases metro area employment and unemployment for September at 10 a.m. Eastern.
- **Nov. 3.** Midterm elections.
- **Nov. 6.** The October Employment Situation report.
- **Nov. 9.** The Section 301 port-fee pause on China-built and China-operated vessels lapses absent formal USTR action, a direct exposure for Savannah, Charleston, Houston and the Gulf.
- **Nov. 17.** Loudoun County's vote on a data center pause.

Sources: U.S. Bureau of Labor Statistics (State Employment and Unemployment, Oct. 20; Employment Situation, Oct. 2; CPI and metro CPI, September); Governor of Georgia and Atlanta Business Chronicle; Air & Space Forces Magazine and Military Times (F-35); Cobb Chamber (Marietta); Georgia Dept. of Economic Development (June 17, 2026); Virginia Business and Richmond BizSense (Lilly); ACHR News (HVAC); Georgia Dept. of Economic Development (June 17, 2026); Bombardier; Fox Business, Gulf News and the AJC (Audi); WECT, Cardinal News, Virginia Business, Data Center Dynamics, WSMV, CBS News, Fox 5 DC, WJLA; Texas Scorecard, louisianai.com and the Rapides Parish Journal; AvWeb; ESPN, CBS Sports, Yahoo Sports, WMAR and HBCU Sports.

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