

Economic Update, March 6, 2026
Submitted by Bob Moreo

Summary:

The February jobs reports are out this week. According to [CNBC.com](#) and the latest report from ADP, “companies added a seasonally adjusted 63,000 workers during the month . . . better than the Dow Jones consensus estimate for 48,000,” with gains in some sectors of the job market, particularly healthcare, offset by losses in others. But ADP also revised January’s figure down from 22,000 to 11,000. According to Challenger, Gray & Christmas, fewer than 50,000 job cuts were announced in February, and the two-month total is the fewest to start a year since 2022. Unfortunately, Challenger also said hiring announcements for January and February are down 56 percent compared to the same two-month period in 2025. And to end the week, the government’s employment report painted a gloomier picture. Not only did it post a loss of 92,000 jobs for February, but January and December’s gains were also revised downward by a combined 69,000, in a report that [NBC News said](#) “will raise alarms about the state of the economy.” February’s PMI reports from S&P Global showed weakening growth in both US manufacturing and service sector business activity. The price of oil surged this week, “amid growing concerns that the Iran war will disrupt global crude supplies,” [CBS News reported](#). “As of Friday, the national average gas price has jumped 32 cents a gallon over the last seven days, to roughly \$3.31 a gallon.”

TACIR has an ongoing partnership with the Business and Economic Research Center at Middle Tennessee State University to provide an interactive [Tracking Tennessee’s Economy](#) dashboard. Please visit the website to learn more about Tennessee’s economic and labor market trends at the state, county, and metropolitan statistical area levels.

Federal Government Indicators and Reports:

Bureau of Labor Statistics

Thursday, [US Import and Export Price Indexes](#): “US import prices increased 0.2 percent in January following an advance of 0.2 percent in December. Prices for US imports declined 0.1 percent from January 2025 to January 2026. . . . Import prices for nonfuel industrial supplies and materials advanced 0.9 percent in January, after rising 1.6 percent in December. . . . Prices for US exports rose 0.6 percent in January following a 0.6-percent advance in December. Higher prices for both non-agricultural and agricultural exports drove the increase. US export prices advanced 2.6 percent over the 12-month period ended in January.”

Thursday, [Productivity and Costs](#): “Nonfarm business sector labor productivity increased 2.8 percent in the fourth quarter of 2025 . . . as output increased 2.6 percent and hours worked decreased 0.2 percent. From fourth quarter 2024 to fourth quarter 2025, nonfarm business sector labor productivity increased 2.8 percent. . . . Unit labor costs in the nonfarm business sector increased 2.8 percent in the fourth quarter of 2025, reflecting a 5.7-percent increase in hourly compensation and a 2.8-percent increase in productivity. Unit labor costs increased 1.3 percent over the last four quarters. . . . The labor share, which is the percentage of output that accrues to workers in the form of compensation, was 53.8 percent in the fourth quarter of 2025, the lowest level in the series which begins in the first quarter of 1947.”

Friday, [The Employment Situation](#): “Total nonfarm payroll employment edged down by 92,000 in February, and the unemployment rate changed little at 4.4 percent. . . . The number of long-term

unemployed (those jobless for 27 weeks or more) changed little at 1.9 million in February but is up from 1.5 million a year earlier. . . . The change in total nonfarm payroll employment for December was revised down by 65,000, from +48,000 to -17,000, and the change for January was revised down by 4,000, from +130,000 to +126,000.”

Census Bureau

Friday, [Advance Monthly Sales for Retail and Food Services](#): “Advance estimates of US retail and food services sales for January 2026 . . . were \$733.5 billion, down 0.2 percent from the previous month, and up 3.2 percent from January 2025.”

Friday, [Manufacturing and Trade Inventories and Sales](#): “The combined value of distributive trade sales and manufacturers’ shipments for December . . . was estimated at \$1,965.9 billion, up 0.5 percent from November 2025 and was up 3.2 percent from December 2024. . . . [Inventories] were estimated at an end-of-month level of \$2,680.7 billion, up 0.1 percent from November 2025 and were up 1.6 percent from December 2024.”

Department of Labor

Thursday, [Unemployment Insurance Weekly Claims](#): “In the week ending February 28, the advance figure for seasonally adjusted initial claims was 213,000, unchanged from the previous week’s revised level. . . . The 4-week moving average was 215,750, a decrease of 4,750 from the previous week’s revised average.” In Tennessee, initial claims for the week ending February 28 were 2,611, a decrease of 921 from the week prior.

Federal Reserve

Wednesday, [The Beige Book](#): “Overall economic activity increased at a slight to moderate pace in seven of the twelve Federal Reserve Districts, while the number of Districts reporting flat or declining activity increased from four in the prior period to five in the current period. . . . Employment levels were generally stable in recent weeks as seven of the twelve Districts reported no change in hiring. . . . Prices increased moderately in recent weeks, with eight Districts reporting moderate price growth and four seeing slight or modest increases.”

- In the Sixth District, which includes Middle and East Tennessee, economic activity “grew at a modest to moderate pace over the reporting period. Employment levels remained flat to slightly down, with most businesses keeping head counts level. Wages grew modestly. Prices and input costs were flat to up somewhat. However, elevated prices for groceries, energy, and health care continued to put pressure on household finances for lower- to moderate-income consumers, and nonprofit agencies saw increased requests for food and rental assistance.”
- In the Eighth District, which includes West Tennessee, “economic activity has remained unchanged . . . but is expected to increase over the next few months. Employment levels were unchanged and wage growth was moderate. Prices continued to increase moderately. Consumer spending has been mixed. . . . The outlook among contacts has improved to be cautiously optimistic.”

Other Indicators and Employment:

ADP

Wednesday, [National Employment Report](#): “Private sector employment increased by 63,000 jobs in February and pay was up 4.5 percent year-over-year.” Construction (+19,000) and education and health services (+58,000) led the growth. Those gains were offset somewhat by decreases in

manufacturing (-5,000) and professional and business services (-30,000). “The January total number of jobs added was revised from 22,000 to 11,000.”

Challenger, Gray, & Christmas

Thursday, [Job Cuts Report](#): “US-based employers announced 48,307 job cuts in February, down 55 percent from the 108,435 job cuts in January. It is down 72 percent from the 172,017 cuts announced during the same month last year. . . . Through February, employers announced 156,742 job cuts, the lowest January-to-February total since 2022. . . . Hiring plans rose 140 percent in February to 12,755 from 5,306 in January. They are down 63 percent from the 34,580 hiring plans in February 2025. So far this year, employers have announced plans to hire 18,061, down 56 percent from 40,669 new hires during the same period in 2025.”

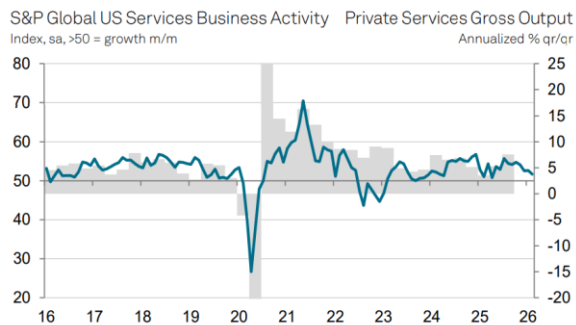
Paychex

Tuesday, [Small Business Employment Watch](#): “The Small Business Jobs Index registered 98.77 in February. Meanwhile, hourly earnings growth among small business workers was 2.78 percent in February, remaining below three percent for the 16th consecutive month.” The [Jobs Index](#) was down 0.53 points from January, and is down 1.27 points from last February. “Seven of the 20 states analyzed slowed by more than one percentage point in February, with Tennessee decreasing the most (2.16 percentage points).”

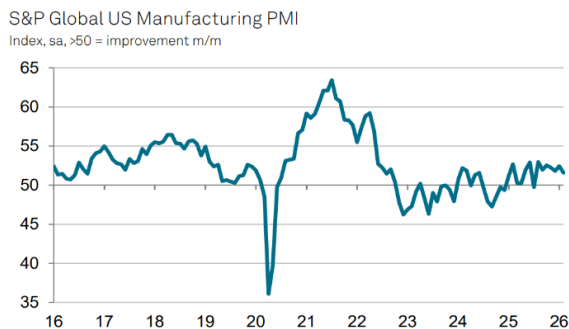
S&P Global

Monday, [US Manufacturing PMI](#): “The seasonally adjusted S&P Global US Manufacturing Purchasing Managers’ Index (PMI), recorded 51.6 in February, compared to 52.4 in January. That signaled a seventh successive month that the PMI has posted above the crucial 50.0 threshold but was indicative of only a modest improvement in operating conditions that was the slowest in this sequence. The PMI was supported in February by concurrent gains in both output and new orders. That said, the pace of growth moderated for both indices, with production rising at the softest rate since last September amid only a marginal increase in the volume of new work. . . . Despite the muted start to 2026, firms’ assessment of future output trends was positive, with the overall degree of business optimism strengthening.”

Wednesday, [US Services PMI](#): “The headline S&P Global US Services PMI Business Activity Index fell in February, decreasing to 51.7 from 52.7 at the start of the year. While indicative of growth for the thirty-seventh month in a row, the index was consistent with only a modest increase in activity that was the weakest for ten months. New order growth extended into a twenty-second successive month but also cooled from January. . . . Additional employment numbers somewhat constrained backlog growth, with February data signaling a second successive monthly increase in headcounts.”



Data were collected 10-25 February 2026.
Sources: S&P Global PMI, Bureau of Economic Analysis via S&P Global Market Intelligence. © 2026 S&P Global.



Data were collected 10-24 February 2026.
Source: S&P Global PMI. ©2026 S&P Global.

Wednesday, [US Sector PMI](#): “Five out of seven US sectors recorded an expansion of business activity in February, down from six in January, amid a renewed decline in the Consumer Services segment. . . . Healthcare was the fastest-growing area of the private sector economy. At 54.5 in February, up from 51.5 in January, the seasonally adjusted Output Index signaled that business activity expanded at a robust and accelerated pace that was much stronger than seen on average in 2025.”

Wednesday, [J.P. Morgan Global Manufacturing PMI](#): “February saw business conditions in the global manufacturing sector improve to the greatest extent since June 2022, as rates of expansion in output and new orders gathered pace. Business optimism also rose to a 21-month high. . . . Generally faster rates of expansion in Asia and Europe contrasted with weaker growth in North America. The rate of increase in output in the US slipped to a five-month low.”

Mortgages and Housing Markets:

Freddie Mac

Thursday, [Primary Mortgage Market Survey](#): “The 30-year FRM averaged 6.00 percent as of March 5, 2026, slightly up from last week when it averaged 5.98 percent. A year ago at this time, the 30-year FRM averaged 6.63 percent.”

Mortgage Bankers Association

Wednesday, [Weekly Mortgage Applications](#): “Mortgage applications increased 11.0 percent from one week earlier. . . . ‘Mortgage applications increased last week, driven by continued strength in refinance activity, as mortgage rates stayed near their lowest level since 2022,’ said Joel Kan, MBA’s Vice President and Deputy Chief Economist. . . . The average contract interest rate for 30-year fixed-rate mortgages with conforming loan balances (\$832,750 or less) was unchanged from last week at 6.09 percent.”