

Economic Update, January 30, 2026
Submitted by Madison Thorn

Summary:

In November 2025, durable goods orders increased sharply, manufacturing orders and unfilled backlogs rose, and wholesale sales strengthened. The U.S. trade deficit widened as imports increased and exports declined, according to the U.S. Census Bureau. During this time, job openings and labor turnover showed little change nationwide. Staffing employment continued to rebound, and initial unemployment claims remained low. In December 2025, state employment levels remained mostly unchanged, and the national unemployment rate held at 4.4 percent. For the third quarter of 2025, the Bureau of Labor Statistics reported that nonfarm business labor productivity rose to a 4.9 percent seasonally adjusted annual rate, while unit labor costs declined by 1.9 percent. In January 2026, consumer confidence fell sharply to its lowest level since 2014. Recession indicators stayed below trigger thresholds, and mortgage rates rose slightly but remained below year-earlier levels.

Tennessee's economy showed mixed signals in September 2025, the Tracking Tennessee's Economy dashboard reported Thursday. Initial unemployment claims were down 10.47 percent, and the unemployment rate increased slightly (+0.13 percent), while nonfarm employment was flat (+0.03 percent). Job gains were concentrated in government, education, and health services; meanwhile, leisure and hospitality, as well as professional and business services, experienced declines. Average hourly earnings rose 3.11 percent, and nonfarm employment increased 1.00 percent, reflecting moderate growth. Over the past year, total building permits fell 10.07 percent, indicating weaker construction activity. Despite this, consumer spending remained steady, with sales tax collections up 3.21 percent. However, manufacturing (non-durable goods) and the information sector continued to contract. 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:

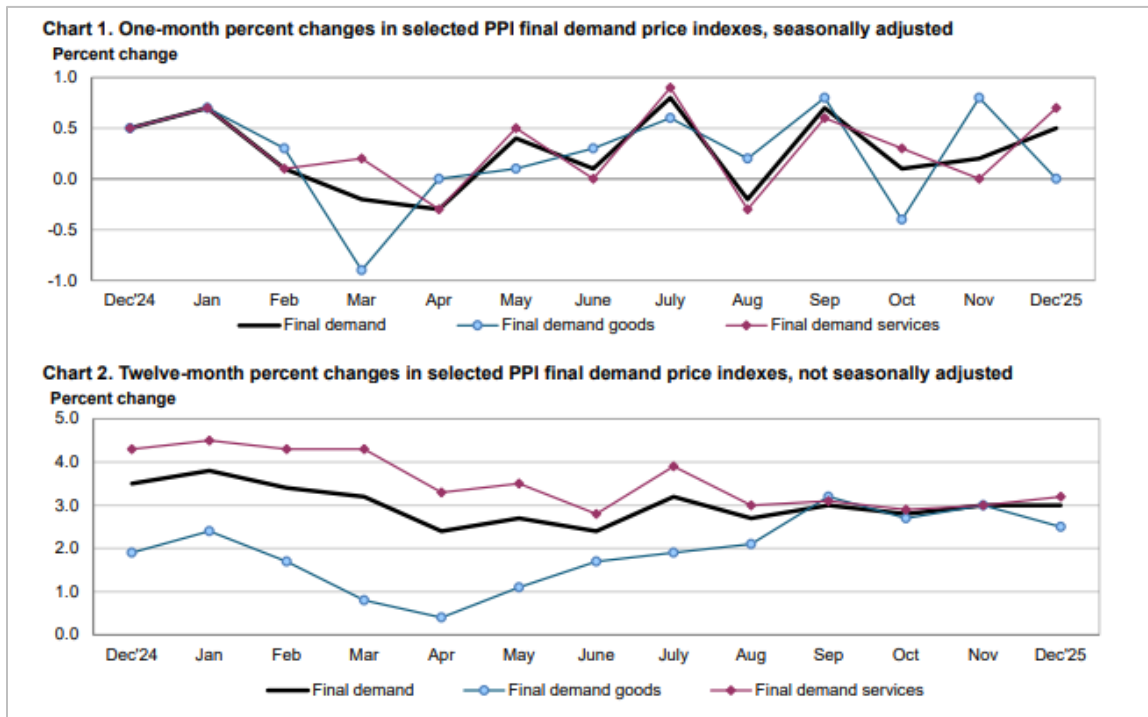
Bureau of Labor Statistics

Tuesday, [State Job Openings and Labor Turnover](#): "Job openings rates decreased in 7 states in November [2025]. . . . Over the month, hires rates decreased in 4 states and increased in 1 state. Total separations rates increased in 6 states and decreased in 2 states. Nationally, the job openings, hires, and total separations rates showed little or no change in November."

Tuesday, [State Employment and Unemployment](#): "Unemployment rates were higher in December in 6 states and stable in 44 states and the District of Columbia. . . . Twenty-one states and the District had jobless rate increases from a year earlier, 8 states had decreases, and 21 states had little change. The national unemployment rate, 4.4 percent, changed little over the month but was 0.3 percentage point higher than in December 2024. . . . In December 2025, nonfarm payroll employment was essentially unchanged in all 50 states and the District of Columbia. Over the year, nonfarm payroll employment increased in 8 states, decreased in the District, and was essentially unchanged in 42 states." Tennessee had an unemployment rate of 3.6 in December 2025, which was lower than that of the U.S.

Thursday, [Productivity and Costs](#): “Nonfarm business sector labor productivity increased 4.9 percent in the third quarter of 2025 . . . as output increased 5.4 percent and hours worked increased 0.5 percent. (All quarterly percent changes in this release are seasonally adjusted annualized rates.) From the same quarter a year ago, nonfarm business sector labor productivity increased 1.9 percent in the third quarter of 2025. These rates were unrevised from the preliminary estimates released on January 8, 2026. . . . Unit labor costs in the nonfarm business sector decreased 1.9 percent in the third quarter of 2025, reflecting a 2.9-percent increase in hourly compensation and a 4.9-percent increase in productivity. Unit labor costs increased 1.3 percent over the last four quarters.”

Friday, [Producer Price Index \(PPI\)](#): “The Producer Price Index for final demand increased 0.5 percent in December [2025]. . . . Final demand prices advanced 0.2 percent in November and 0.1 percent in October. On an unadjusted basis, the index for final demand rose 3.0 percent in 2025 after moving up 3.5 percent in 2024. . . . The December increase in prices for final demand can be traced to a 0.7-percent advance in the index for final demand services. Prices for final demand goods were unchanged. . . . The index for final demand less foods, energy, and trade services moved up 0.4 percent in December, the eighth consecutive increase. Prices for final demand less foods, energy, and trade services rose 3.5 percent in 2025 following a 3.6-percent advance in 2024.”



Census Bureau

Monday, [Advance Report on Durable Goods](#): “New orders for manufactured durable goods in November [2025], up three of the last four months, increased \$16.4 billion or 5.3 percent to \$323.8 billion. . . . This followed a 2.1 percent October decrease. Excluding transportation, new orders increased 0.5 percent. Excluding defense, new orders increased 6.6 percent. Transportation equipment, also up three of the last four months, led the increase, \$15.3 billion or 14.7 percent to \$119.3 billion.”

Thursday, [U.S. International Trade in Goods and Services](#): “The goods and services deficit was \$56.8 billion in November [2025], up \$27.6 billion from \$29.2 billion in October, revised. . . . November

exports were \$292.1 billion, \$10.9 billion less than October exports. November imports were \$348.9 billion, \$16.8 billion more than October imports. . . . The November increase in the goods and services deficit reflected an increase in the goods deficit of \$27.9 billion to \$86.9 billion and an increase in the services surplus of \$0.3 billion to \$30.1 billion. . . . Year-to-date, the goods and services deficit increased \$32.9 billion, or 4.1 percent, from the same period in 2024. Exports increased \$185.7 billion or 6.3 percent. Imports increased \$218.6 billion or 5.8 percent.”

Thursday, [Manufacturers’ Shipments, Inventories, & Orders](#): “New orders for manufactured goods in November [2025], up three of the last four months, increased \$16.2 billion or 2.7 percent to \$621.6 billion. . . . This followed a 1.2 percent October decrease. Shipments, down three of the last four months, decreased \$0.8 billion or 0.1 percent to \$606.3 billion. This followed a 0.1 percent October increase. Unfilled orders, up sixteen of the last seventeen months, increased \$20.2 billion or 1.4 percent to \$1,513.5 billion. This followed a 0.2 percent October increase. The unfilled orders-to-shipments ratio was 7.04, up from 6.93 in October. Inventories, up two consecutive months, increased \$1.4 billion or 0.1 percent to \$948.4 billion. This followed a virtually unchanged October increase. The inventories-to-shipments ratio was 1.56, unchanged from October.”

Thursday, [Monthly Wholesale Trade](#): “November 2025 sales of merchant wholesalers . . . were \$714.1 billion, up 1.3 percent from the revised October level and were up 5.2 percent from the revised November 2024 level. The September 2025 to October 2025 percent change was unrevised from the preliminary estimate of down 0.4 percent. . . . Total inventories of merchant wholesalers . . . were \$915.0 billion at the end of November, up 0.2 percent from the revised October level. Total inventories were up 1.8 percent from the revised November 2024 level. The November inventories/sales ratio for merchant wholesalers . . . was 1.28. The November 2024 ratio was 1.32.”

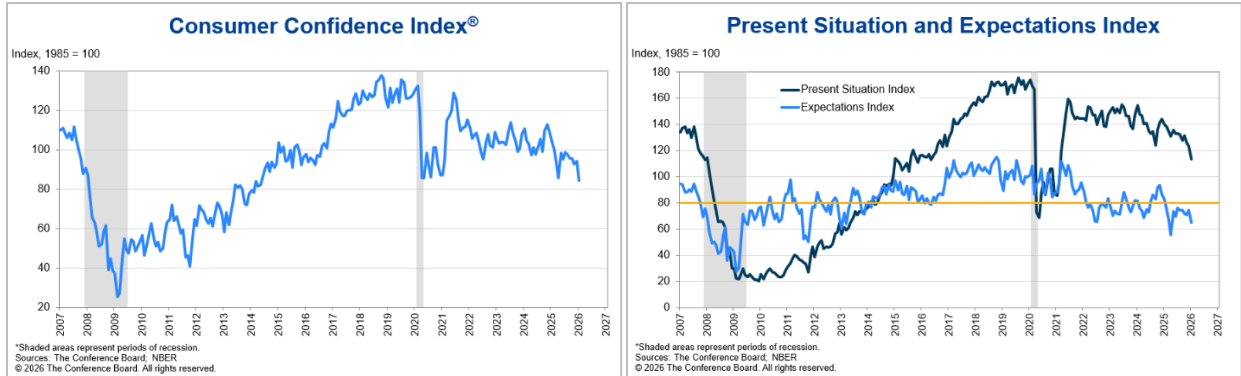
Department of Labor

Thursday, [Unemployment Insurance Weekly Claims](#): “In the week ending January 24, the advance figure for seasonally adjusted initial claims was 209,000, a decrease of 1,000 from the previous week's revised level. The previous week's level was revised up by 10,000 from 200,000 to 210,000. The 4-week moving average was 206,250, an increase of 2,250 from the previous week's revised average. The previous week's average was revised up by 2,500 from 201,500 to 204,000.”

Economic Indicators and Confidence:

The Conference Board

Tuesday, [Consumer Confidence Survey](#): “Confidence collapsed to lowest point since 2014, surpassing pandemic depths. . . . The Conference Board Consumer Confidence Index fell by 9.7 points in January to 84.5, from an upwardly revised 94.2 in December. A 5.1-point upward revision to December’s reading of the Index resulted in a slight increase last month, reversing the initially reported decline. However, January’s preliminary results showed confidence resumed declining after a one-month uptick. . . . The *Present Situation Index*—based on consumers’ assessment of current business and labor market conditions—dropped by 9.9 points to 113.7 in January. The *Expectations Index*—based on consumers’ short-term outlook for income, business, and labor market conditions—fell by 9.5 points to 65.1, well below the threshold of 80 that usually signals a recession ahead.”



Federal Reserve Bank of Dallas

Thursday, [Weekly Economic Index](#): “The WEI is currently 2.49 percent, scaled to four-quarter GDP growth, for the week ended Jan. 24 and 2.16 percent for Jan. 17. The 13-week moving average is 2.26 percent. This is compared with 2.33 percent four-quarter GDP growth through third quarter 2025.”

Employment:

American Staffing Association

Tuesday, [Staffing Index](#): “Staffing employment continued to rebound during the week of Jan. 12–18, with the ASA Staffing Index increasing by 2.6 percent to a rounded value of 84. Staffing companies cited no one primary factor that hindered growth. Staffing jobs were 2.0 percent higher compared with the same period last year, up from 1.2 percent recorded the previous week.”

Mortgages and Housing Markets:

Freddie Mac

Thursday, [Primary Mortgage Market Survey](#): “The 30-year FRM averaged 6.10 percent as of January 29, 2026, up slightly from last week when it averaged 6.09 percent. A year ago at this time, the 30-year FRM averaged 6.95 percent. . . . The 15-year FRM averaged 5.49 percent, up from last week when it averaged 5.44 percent. A year ago at this time, the 15-year FRM averaged 6.12 percent.”

Mortgage Bankers Association

Wednesday, [Mortgage Applications](#): “The Market Composite Index, a measure of mortgage loan application volume, decreased 8.5 percent on a seasonally adjusted basis [for the week ending January 23, 2026]. On an unadjusted basis, the Index decreased 16 percent compared with the previous week. The Refinance Index decreased 16 percent from the previous week and was 156 percent higher than the same week one year ago. The seasonally adjusted Purchase Index decreased 0.4 percent from one week earlier. The unadjusted Purchase Index decreased 4 percent compared with the previous week and was 18 percent higher than the same week one year ago.”