

## Economic Update, November 7, 2025

Submitted by Bob Moreo

Summary: U.S. employers have announced more than a million job cuts year-to-date through October, according to global outplacement firm Challenger, Gray & Christmas, after posting “the highest monthly total for October since 2003,” with 153,074 jobs cut, [FOX Business reported](#). “Year-to-date job cuts in 2025 are at the highest level since 2020,” and “44 percent higher than the 761,358 cuts announced in all of 2024.” ADP reported private employers added 42,000 jobs in October, “a swing into positive territory after back-to-back months of job losses,” [according to CNN Business](#). While the rebound was expected, gains were concentrated among the largest companies. The National Federation of Independent Business reported fewer small businesses were hiring in October, and the percentage of firms planning to hire in the next three months also decreased. According to analysts at Paychex, Tennessee’s small business jobs index for October ranked last among the 20 most populous states it tracks. In new surveys from the New York Fed and University of Michigan, consumers reported worsening household financial situations, lower sentiment about current personal finances, and deteriorating expectations for the year ahead.

Two independent reports on U.S. manufacturing activity in October were seemingly at odds with each other. S&P Global reported slight improvements in October for U.S. manufacturers and service sector businesses alike. Increased activity was seen across all business sectors, but S&P’s chief business economist warned that rising factory inventories are a sign that “weaker than anticipated sales . . . could trigger a downshifting of production in the coming months.” The Institute for Supply Management, on the other hand, reported a decrease in its manufacturing index, “the eighth consecutive month” of contraction, and reported lower inventories overall. [Economists polled by Reuters](#) were expecting an increase.

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 Transportation Statistics

Tuesday, [Motor Fuel Prices](#): “In October 2025, the average price for regular motor gasoline was \$3.06 per gallon; down 3.3 percent from September 2025 and down 2.5 percent from October 2024. . . . The average price for diesel no. 2 rose to \$3.68 in October 2025, down 1.8 percent from September 2025, and up 2.6 percent from October 2024.”

### **Other Economic Indicators and Confidence:**

Federal Reserve Bank of Dallas

Thursday, [Weekly Economic Index](#): “The WEI is currently 2.22 percent, scaled to four-quarter Gross Domestic Product (GDP) growth, for the week ended Nov. 1 and 1.99 percent for Oct. 25. The 13-week moving average is 2.33 percent. This is compared with 2.08 percent four-quarter GDP growth through second quarter 2025.”

Federal Reserve Bank of New York

Wednesday, [Household Debt and Credit](#): “Total household debt increased by \$197 billion (1 percent) in Q3 2025, to \$18.59 trillion. . . . Credit card balances rose by \$24 billion from the previous quarter and stood at \$1.23 trillion. . . . Aggregate delinquency rates remained elevated in Q3 2025, with 4.5 percent of outstanding debt in some stage of delinquency.”

Institute for Supply Management

Monday, [Manufacturing Purchasing Managers’ Index \(PMI\)](#): “Economic activity in the manufacturing sector contracted in October for the eighth consecutive month, following a two-month expansion. . . . The Manufacturing PMI registered 48.7 percent in October, a 0.4-percentage point decrease compared to the reading of 49.1 percent recorded in September. The overall economy continued in expansion for the 66th month. . . . All of the four demand indicators (New Orders, New Export Orders, Backlog of Orders, and Customers’ Inventories indexes) improved, although they are still in contraction territory. . . . Production deteriorated and employment contracted at a slower pace.”

Wednesday, [Services PMI](#): “Economic activity in the services sector returned to expansion in October. . . . The Services PMI registered at 52.4 percent and is in expansion territory for the eighth time in 2025. . . . The Business Activity Index also returned to expansion territory in October, registering 54.3 percent, 4.4 percentage points higher than the reading of 49.9 percent recorded in September. The New Orders Index remained in expansion in October, with a reading of 56.2 percent, up 5.8 percent from September’s figure of 50.4 percent. . . . Employment activity in the services sector contracted in October for the fifth month in a row.”

S&P Global

Monday, [U.S. Manufacturing PMI](#): “The performance of the U.S. manufacturing economy improved again in October, with both output and new orders rising at stronger rates. . . . Employment growth meanwhile remained modest amid evidence of spare plant capacity. Moreover, firms added to their warehouse inventories at an unprecedented pace as production volumes remained more than sufficient to satisfy workloads. The headline index from the report . . . recorded 52.5 in October, compared to 52.0 in September. That signaled a third successive month that the PMI has posted above the critical 50.0 no-change mark and indicative of a solid improvement in operating conditions that was in line with the survey’s trend pace.”

Monday, [Global Manufacturing PMI](#): “The upturn in the global manufacturing sector continued in October, with growth of both production and new orders registered for the third successive month. . . . [Global Manufacturing PMI] rose to 50.8 in October, up a pip from 50.7 in September and just shy of August’s 14-month high of 50.9. . . . Although global manufacturers still expect output to rise over the coming year, the overall degree of business optimism dipped to a six-month low in October.”

Wednesday, [U.S. Sector PMI](#): “All seven US sectors posted a rise in output volumes in October. . . . Financials was the best-performing sector. . . . Technology sector activity also expanded at a sharp rate. . . . October data illustrated improving household spending patterns, as both Consumer Goods and Consumer Services recorded steeper rates of output growth.”

Wednesday, [U.S. Services PMI](#): “The US service sector registered a solid and accelerated pace of activity growth during October. . . . [The] Business Activity Index edged higher in October, rising to 54.8 from September’s 54.2. . . . Although steep, input costs rose to the slowest degree in six months. . . . Looking ahead, service providers remained positive about future activity levels during October, albeit to a reduced degree compared to September. . . . The S&P Global US Composite PMI [a weighted average

of the Manufacturing Output Index and the Services Business Activity Index] edged up to 54.6 in October, from 53.9 in September.”

Wednesday, [Global Composite PMI](#): “The start of the final quarter of 2025 saw the rate of expansion in global economic activity accelerate, as growth of new work intakes picked up to a 17-month high. Trends in business sentiment and international trade were less positive in comparison. . . . [The Global Composite Index] posted 52.9 in October, up slightly from 52.5 in September, to remain above its neutral 50.0 mark for the thirty-third month in a row.”

Federal Reserve Bank of New York

Friday, [Survey of Consumer Expectations](#): “Median inflation expectations decreased by 0.2 percentage point to 3.2 percent at the one-year-ahead horizon in October. They were unchanged at the three-year- (3.0 percent) and five-year-ahead (3.0 percent) horizons. . . . The mean perceived probability of losing one’s job in the next 12 months retreated by 0.9 percentage point to 14.0 percent. . . . The mean perceived probability of finding a job if one’s current job was lost fell by 0.6 percentage point to 46.8 percent. . . . Perceptions about households’ current financial situations compared to a year ago worsened with a larger share of households reporting a worse financial situation. Year-ahead expectations about households’ financial situations also deteriorated.”

University of Michigan

Friday, [Consumer Sentiment](#): According to preliminary survey data, “Consumer sentiment fell back about 6 percent this November, led by a 17 percent drop in current personal finances and a 11 percent decline in year-ahead expected business conditions.” The preliminary Index of Consumer Sentiment for November is 50.3, down from a final reading of 53.6 for October and nearly 30 percent lower than November of last year.

### **Employment:**

ADP

Wednesday, [National Employment Report](#): “Private sector employment increased by 42,000 jobs in October and pay was up 4.5 percent year-over-year. . . . ‘Employers added jobs in October for the first time since July, but hiring was modest relative to what we reported earlier this year,’ said Dr. Nela Richardson, chief economist.”

## Change by Establishment Size

### Small



### Mid-sized



### Large



#### Challenger, Gray, & Christmas

Thursday, [Job Cuts Report](#): “U.S.-based employers announced 153,074 job cuts in October, up 175 percent from the 55,597 cuts announced in October 2024. . . . Through October, employers have announced 1,099,500 job cuts, an increase of 65 percent from the 664,839 announced in the first ten months of last year. . . . Year-to-date job cuts are at the highest level since 2020 when 2,304,755 cuts were announced through October. . . . [This was] the highest total for October in over 20 years, and the highest total for a single month in the fourth quarter since 2008. . . . Through October, U.S. employers have announced 488,077 planned hires, down 35 percent from the 750,333 announced at this point in 2024. It is the lowest year-to-date total since 2011.”

#### National Federation of Independent Business

Thursday, [Jobs Report](#): “32 percent (seasonally adjusted) of small business owners reported job openings they could not fill in October, unchanged for the second consecutive month. Before August, the last time unfilled job openings hit 32 percent was in December 2020. . . . A seasonally adjusted net 15 percent of owners plan to create new jobs in the next three months, down one point from September. . . . Overall, 56 percent of small business owners reported hiring or trying to hire in October, down two points from September.”

#### Paychex | IHS Markit

Tuesday, [Small Business Employment Watch](#): “Small business employment levels remained consistent in October. The report’s Small Business Jobs Index has moved less than one percentage point over the last year, indicating continued moderation in small business hiring. While hourly earnings growth for U.S. small business workers slowed marginally to 2.58 percent, remaining below three percent for the last 15 months, small business employees experienced an increase in their weekly earnings due to greater hours worked during the month.”

[Jobs Index](#): “The national jobs index in October (99.27) slowed 0.25 percentage points to its lowest level since March 2021. . . . Tennessee (97.68) ranked last among states in October and is down more than three percent from a year ago (101.09).”

### **Mortgages and Housing Markets:**

Freddie Mac

Thursday, [Primary Mortgage Market Survey](#): “The 30-year Fixed Rate Mortgage (FRM) averaged 6.22 percent as of November 6, 2025, up from last week when it averaged 6.17 percent. A year ago at this time, the 30-year FRM averaged 6.79 percent.”

Mortgage Bankers Association

Wednesday, [Weekly Mortgage Applications](#): “The Market Composite Index, a measure of mortgage loan application volume, decreased 1.9 percent on a seasonally adjusted basis from one week earlier. On an unadjusted basis, the Index decreased 3 percent compared with the previous week. . . . The average contract interest rate for 30-year fixed-rate mortgages with conforming loan balances (\$806,500 or less) increased to 6.31 percent from 6.30 percent.”

Thursday, [Commercial/Multifamily Borrowing](#): “Commercial and multifamily mortgage loan originations were 36 percent higher in the third quarter of 2025 compared to a year earlier, and increased 18 percent from the second quarter of 2025. . . . ‘Commercial and multifamily borrowing has now increased for five straight quarters on both a quarterly and annual basis,’ said Reggie Booker, MBA’s Associate Vice President of Commercial/Multifamily Research.”

National Association of Home Builders

Thursday, [Multifamily Market Survey](#): “Confidence in the market for new multifamily housing increased year-over-year in the third quarter. . . . The Multifamily Production Index (MPI) had a reading of 46, up six points year-over-year, while the Multifamily Occupancy Index (MOI) had a reading of 74, down one point year-over-year. . . . A number below 50 indicates that more respondents report conditions are poor than report conditions are good.”