

Economic Update, December 5, 2025
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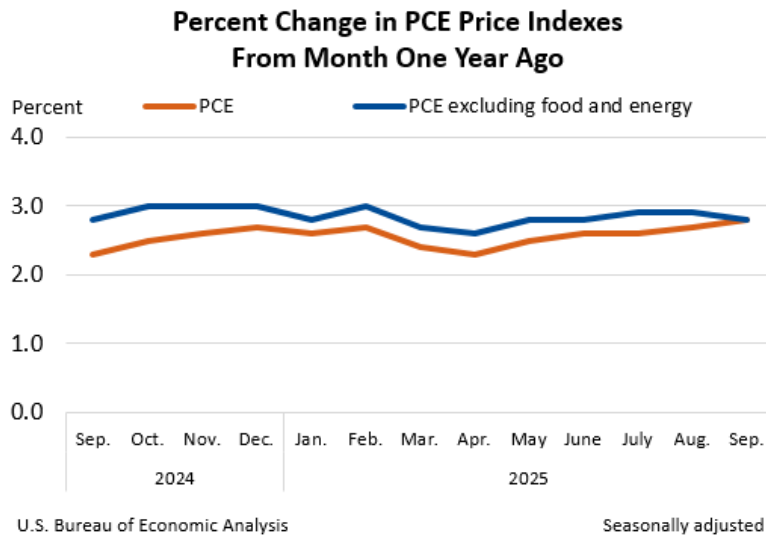
Summary:

US consumers grew increasingly pessimistic about the economy in November, with job market optimism [at its lowest since the pandemic](#). Payroll processing firm ADP reported private companies cut 32,000 workers in November. “The payrolls decline marked a sharp step down from October,” [according to CNBC](#), “and was well below the Dow Jones consensus estimate from economists for an increase of 40,000.” Global outplacement firm [Challenger, Gray & Christmas reported](#) fewer job cuts were announced in November than in October, but it was still “the eighth time this year job cuts were higher than the corresponding month one year earlier.” Challenger notes that employers have announced nearly 1.2 million job cuts through November, “an increase of 54 percent from the 761,358 announced in the first 11 months of last year,” and says that hiring plans are also down 35 percent compared to last year and are at their “lowest year-to-date total since 2010.” Despite these reports of cuts, “applications for unemployment benefits fell to their lowest level in more than three years last week,” [according to ABC News, which said](#) “the US job market appears stuck in a ‘low-hire, low-fire’ state that has kept the unemployment rate historically low but has left those out of work struggling to find a new job.” Service-sector business activity is showing signs of modest growth, but manufacturing signals were mixed in November. Mortgage rates continued moving lower.

Federal Government Indicators and Reports:

Bureau of Economic Analysis

Friday, [Personal Income and Outlays](#): “Personal income increased \$94.5 billion (0.4 percent at a monthly rate) in September. . . . Personal consumption expenditures (PCE) increased \$65.1 billion (0.3 percent). Personal outlays—the sum of PCE, personal interest payments, and personal current transfer payments—increased \$70.7 billion in September. . . . From the preceding month, the PCE price index for September increased 0.3 percent. Excluding food and energy, the PCE price index increased 0.2 percent. From the same month one year ago, the PCE price index for September increased 2.8 percent. Excluding food and energy, the PCE price index increased 2.8 percent from one year ago.”



Bureau of Labor Statistics

Tuesday, [State Job Openings and Labor Turnover](#): “Job openings rates increased in two states in August. . . . Hires rates decreased in one state. Total separations rates decreased in six states and increased in two states. Nationally, the job openings, hires, and total separations rates showed little or no change in August.”

Wednesday, [US Import and Export Price Indexes](#): “Import prices recorded no change in September . . . following a 0.1-percent advance in August. Higher prices for nonfuel imports offset lower prices for fuel imports in September. Prices for US exports were unchanged in September, after rising 0.1 percent the previous month. . . . Prices for nonfuel imports advanced 0.2 percent in September following a 0.1-percent increase in August. Higher prices in September for nonfuel industrial supplies and materials and consumer goods more than offset lower prices for capital goods and foods, feeds, and beverages.”

Thursday, [Usual Weekly Earnings](#): “Median weekly earnings of the nation’s 122.6 million full-time wage and salary workers were \$1,214 in the third quarter of 2025 (not seasonally adjusted). . . . This was 4.2 percent higher than a year earlier, compared with a gain of 2.9 percent in the Consumer Price Index for All Urban Consumers (CPI-U) over the same period.”

Census Bureau

Thursday, [Manufacturers’ Shipments, Inventories, and Orders](#): “New orders for manufactured goods in September, up two consecutive months, increased \$1.2 billion or 0.2 percent to \$612.6 billion. . . . Shipments, down two consecutive months, decreased \$0.2 billion or virtually unchanged to \$606.7 billion. . . . Inventories, down two consecutive months, decreased \$0.8 billion or 0.1 percent to \$946.8 billion.”

Department of Labor

Thursday, [Unemployment Insurance Weekly Claims](#): “In the week ending November 29, the advance figure for seasonally adjusted initial claims was 191,000, a decrease of 27,000 from the previous week’s revised level. This is the lowest level for initial claims since September 24, 2022 when it was 189,000.” In Tennessee, initial claims for the week ending November 29 were 2,891, a decrease of 49 from the week prior.

Economic Indicators and Confidence:

Gallup

Thursday, [Economic Confidence Index](#): “US consumers expressed increased concern about the economy and jobs in November . . . [and] reported a sharply lower holiday spending estimate than they had forecast in October. Gallup’s Economic Confidence Index fell seven points to -30 in November, the lowest since a -35 reading in July 2024. . . . Twenty-one percent of US adults in November, down slightly from 24 percent in October and the lowest percentage since March, described current economic conditions as excellent or good. By contrast, 40 percent now rate current conditions as poor . . . [and] 68 percent said the economy is getting worse.”

S&P Global

Monday, [US Manufacturing PMI](#): “Operating conditions in the US manufacturing sector improved for a fourth successive month in November. A solid rise in production and a further increase in employment was reported as confidence in the outlook strengthened. However, current sector performance was limited by a considerable slowdown in demand growth, in part due to weak sales,

which in turn contributed to an unprecedented rise in stock of finished goods for a second month in a row. . . . The seasonally adjusted S&P Global US Manufacturing Purchasing Managers' Index recorded 52.2 in November. That was down from 52.5 in the previous month and consistent with another solid, albeit slower, improvement in operating conditions. The index has now posted above the critical 50.0 no-change mark for four successive months." But according to Chris Williamson, chief business economist at S&P Global, "Although the headline PMI signaled a further expansion of factory activity in November, the health of the US manufacturing sector gets more worrying the more you scratch under the surface. . . . For two successive months now, warehouses have filled with unsold stock to a degree not previously seen since comparable data were available in 2007. This unplanned accumulation of stock is usually a precursor to reduced production in the coming months."

Wednesday, [US Services PMI](#): "The US private sector services economy continued to expand at a solid pace in November, despite growth softening to a five-month low. . . . The headline S&P Global US Services PMI Business Activity Index recorded 54.1 in November, down from October's 54.8 and lower than the earlier 'flash' estimate of 55.0. Overall, it was the lowest index reading since June but nonetheless consistent with a solid expansion in activity that was broadly in line with the survey trend."

Wednesday, [US Sector PMI](#): "Higher levels of business activity were again recorded in all seven US Sectors monitored by the survey in November. The majority indicated a slower rate of expansion than in October, but Financials, Consumer Goods and Industrials achieved stronger upturns in activity."

Wednesday, [Global Composite PMI](#): "November saw the global economy sustain a solid rate of expansion in output, as companies benefited from growth of new business and a stabilization in new export orders. Business optimism also picked up from October's six-month low. The Global Composite PMI Output Index . . . posted 52.7 in November, down from October's 17-month high of 53.0 but still above the average for the current period of expansion that began in February 2023 (52.1)."

Employment:

ADP

Wednesday, [National Employment Report](#): "Private sector employment shed 32,000 jobs in November and pay was up 4.4 percent year-over-year according to the November ADP National Employment Report." Businesses with fewer than 50 employees reported a monthly loss of 120,000 jobs, while medium and large firms added jobs.

Challenger, Gray, & Christmas

Thursday, [Job Cuts Report](#): "US-based employers announced 71,321 job cuts in November, up 24 percent from the 57,727 job cuts announced in the same month last year. It is down 53 percent from the 153,074 cuts announced one month prior. . . . November's total is the highest for the month since 2022 . . . [and] the eighth time this year job cuts were higher than the corresponding month one year earlier. . . . Through November, employers have announced 1,170,821 job cuts, an increase of 54 percent from the 761,358 announced in the first eleven months of last year. Year-to-date job cuts are at the highest level since 2020 when 2,227,725 cuts were announced through November. . . . Through November, US employers have announced 497,151 planned hires, down 35 percent from the 761,954 announced at this point in 2024. It is the lowest year-to-date total since 2010."

National Federation of Independent Business

Thursday, [Jobs Report](#): "Thirty-three percent of small business owners reported job openings they could not fill in November, up 1 point from October and the first increase since June. Unfilled job openings remain above the historical average of 24 percent. . . . A seasonally adjusted net 19 percent of

owners plan to create new jobs in the next three months, up 4 points from October and the highest reading of the year.”

Paychex | IHS Markit

Tuesday, [Small Business Employment Watch](#): “The national Small Business Jobs Index for November was 99.38, up 0.11 percentage points from October and down slightly 0.53 percentage points from last November. National hourly earnings growth rose to 2.66 percent in November, remaining below three percent since August 2024.”

Mortgages and Housing Markets:

Freddie Mac

Thursday, [Primary Mortgage Market Survey](#): “Mortgage rates decreased for the second straight week. . . . The 30-year FRM averaged 6.19 percent as of December 4, 2025, down from last week when it averaged 6.23 percent. A year ago at this time, the 30-year FRM averaged 6.69 percent.”

Mortgage Bankers Association

Wednesday, [Weekly Mortgage Applications](#): “Mortgage applications decreased 1.4 percent from one week earlier . . . for the week ending November 28, 2025. . . . The 30-year fixed mortgage rate declined to 6.32 percent after steadily increasing over the past month.”