

Economic Update, December 19, 2025  
Submitted by Michael Mount

**Summary:**

Employers added 64,000 jobs in November, and the unemployment rate stayed at 4.6 percent. Initial claims for unemployment insurance decreased from their recent peak. Retail sales were flat overall, with decreases in auto sales offset by increases in other sales. Homebuyer affordability improved, according to the Mortgage Bankers Association, and increases in new tenant rents have been extremely low, according to Federal Reserve Governor Miran. Sentiment of low-income consumers improved slightly, according to the University of Michigan.

**Federal Government Indicators and Reports:**

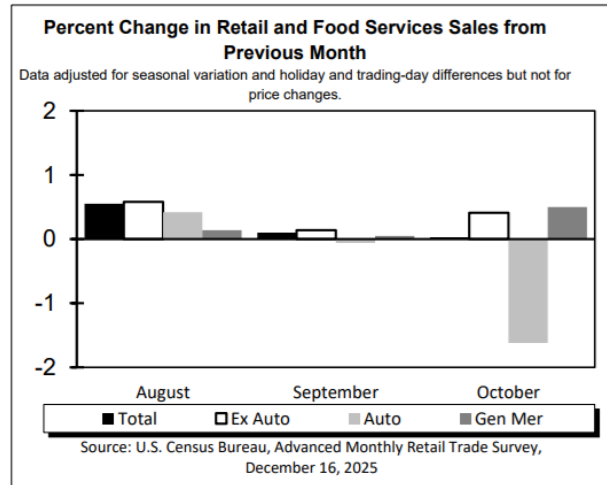
U.S. Census

Monday, [Manufacturing Profits](#): “U.S. manufacturing corporations' seasonally adjusted after-tax profits in the third quarter of 2025 totaled \$249.2 billion, up \$28.0 billion from the after-tax profits of \$221.2 billion recorded in the second quarter of 2025, and up \$73.1 billion from the after-tax profits of \$176.1 billion recorded in the third quarter of 2024.”

Monday, [Retail Profits](#): “Seasonally adjusted after-tax profits of U.S. retail corporations with assets of \$50 million and over totaled \$53.5 billion, down \$8.2 billion from the \$61.7 billion recorded in the second quarter of 2025, but up \$9.1 billion from the \$44.5 billion recorded in the third quarter of 2024.”

Tuesday, [Retail Sales](#): “Advance estimates of U.S. retail and food services sales for October 2025 . . . were \$732.6 billion, virtually unchanged from the previous month, and up 3.5 percent from October 2024.”

ADVANCE MONTHLY SALES		
October 2025	\$732.6 billion	+0.0%*
September 2025 (revised)	\$732.4 billion	+0.1%*
Next release: To be determined. Report delayed due to recent lapse in federal funding.		
* The 90 percent confidence interval includes zero. There is insufficient statistical evidence to conclude that the actual change is different from zero. Data adjusted for seasonal variation and holiday and trading-day differences but not for price changes. Source: U.S. Census Bureau, Advanced Monthly Retail Trade Survey, December 16, 2025		



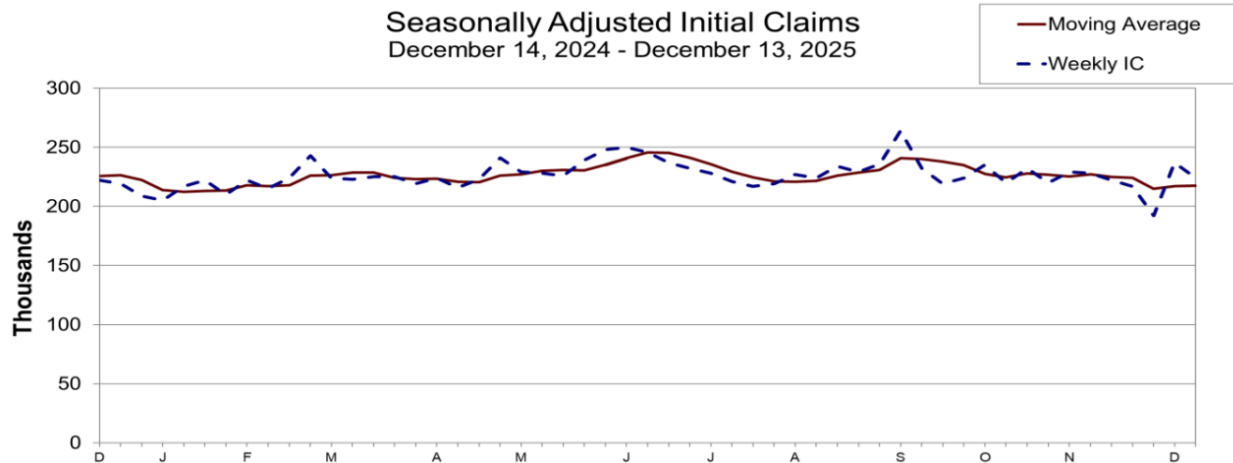
Tuesday, [Manufacturing and Trade](#): “The combined value of distributive trade sales and manufacturers’ shipments for September . . . was estimated at \$1,947.5 billion, virtually unchanged from August 2025, but were up 3.7 percent from September 2024.”

Bureau of Labor Statistics

Tuesday, [Employment](#): “Total nonfarm payroll employment changed little in November (+64,000) and has shown little net change since April. . . . In November, the unemployment rate, at 4.6 percent, was little changed from September.”

Department of Labor

Thursday, [Initial Claims](#): “In the week ending December 13, the advance figure for seasonally adjusted initial claims was 224,000, a decrease of 13,000 from the previous week's revised level.”



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

Federal Reserve

Monday, [Inflation Outlook](#): “For the past two years, we've seen extremely low increases in new-tenant rents. . . . When looking at market-based services, inflation in this category has come down dramatically from its peak and moved sideways since mid-2024, at around 3 percent. . . . Although I do not yet see meaningful tariff-driven inflation, it may materialize.”

Tuesday, [Bostic Speech](#): “The employment market is, at best, moving sideways, and there is good reason to believe that conditions are softening. . . . I see little to suggest that price pressures will dissipate before mid to late 2026, at the earliest, and expect inflation to remain above 2.5 percent even at the end of 2026.”

University of Michigan

Friday, [Consumer Sentiment](#): “Consumer sentiment confirmed its early month reading, inching up less than two index points from November, within the margin of error. While lower-income consumers posted gains, sentiment for higher-income consumers was little changed.”

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

National Association of Home Builders

Monday, [Housing Market Index](#): “Builder confidence in the market for newly built single-family homes rose one point to 39 in December. . . . ‘However, builders continue to face supply-side headwinds, as regulatory costs and material prices remain stubbornly high.’”

Mortgage Bankers Association

Thursday, [Mortgage Payments](#): “Homebuyer affordability improved slightly in November, with the national median payment applied for by purchase applicants decreasing to \$2,034 from \$2,039 in October.”

Friday, [Existing Home Sales](#): “Existing-home sales increased by 0.5 percent in November . . . ‘Wage growth is outpacing home price gains, which improves housing affordability. Still, future affordability could be hampered if housing supply fails to keep pace with demand.’”