

Economic Update, February 27, 2026  
Submitted by Michael Mount

**Summary:**

The economic news was solid this week. National economic activity indicated above-average growth, and consumer confidence improved, though producer prices came in higher than expected, and ADP estimated that private employers added just 22,000 jobs in January. There was little home price growth in 2025, and mortgage interest rates continued to decrease. New orders for manufactured goods continued to decrease nationally, while in Tennessee, three new manufacturing projects and one plant closure were announced.

**Tennessee Reports**

Bureau of Labor Statistics

Tuesday, [Job Openings and Labor Turnover](#): “The ratio of unemployed persons per job opening in Tennessee was 0.9 in December.” The national measure was 1.1.

Tennessee Department of Economic and Community Development

Tuesday, [Manufacturing](#): “Recticel Group plans to create 78 new jobs and invest \$49.6 million in Mt. Pleasant, Tennessee.”

Wednesday, [Manufacturing](#): “Durable Products will create 134 jobs and invest \$27.3 million in Crossville, Tennessee.”

Thursday, [Manufacturing](#): “Documotion Research will create 48 new jobs and invest \$9.1 million in Columbia.”

Tennessee Department of Labor and Workforce Development

Thursday, [Manufacturing](#): Pace Industries announced the permanent closure of a plant in Jackson, Tennessee, affecting 59 workers.

**Federal Government Indicators and Reports:**

U.S. Census

Monday, [Factory Orders](#): “New orders for manufactured goods in December, down two of the last three months, decreased \$4.3 billion or 0.7 percent to \$617.5 billion.”

Thursday, [Wholesale Inventories](#): “December 2025 sales of merchant wholesalers . . . were \$722.1 billion, up 1.0 percent from the revised November level and were up 5.2 percent from the revised December 2024 level.”

Department of Labor

Thursday, [Initial Claims](#): “In the week ending February 21, the advance figure for seasonally adjusted initial claims was 212,000, an increase of 4,000 from the previous week’s revised level.”

Friday, [Producer Price Index](#): “The Producer Price Index for final demand increased 0.5 percent in January, seasonally adjusted. . . . On an unadjusted basis, the index for final demand rose 2.9 percent for the 12 months ended January 2026.”

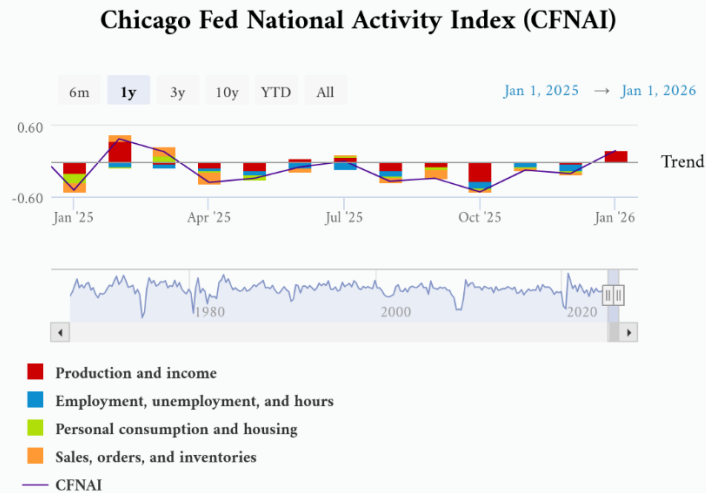
Friday, [Construction Spending](#): “Construction spending during December 2025 was estimated at a seasonally adjusted annual rate of \$2,168.8 billion, 0.3 percent above the November estimate of \$2,163.1 billion. The December figure is 0.4 percent below the December 2024 estimate of \$2,176.6 billion.”

## **Economic Indicators and Confidence:**

### Federal Reserve

Monday, [Minutes](#): “Overall, Federal Reserve Bank directors reported stable economic conditions and were generally positive about the outlook.”

Monday, [National Economic Activity](#): The index “increased to +0.18 in January from –0.21 in December.” [Note: Positive values are associated with above-average growth of the national economy.]



Monday, [Speech by Governor Waller](#): “According to newly updated payroll numbers for the past year, the initial estimate is that the U.S. economy created more jobs in January than in the previous *nine months* combined. . . . Other data showed that underlying inflation is running close to 2 percent.”

Tuesday, [Speech by Governor Cook](#): “If AI continues to raise productivity, economic growth could remain strong, even as churn in the labor market leads to an increase in unemployment.”

Tuesday, [GDPNow](#): “The GDPNow model estimate for real GDP growth (seasonally adjusted annual rate) in the first quarter of 2026 is 3.1 percent on February 24, unchanged from February 20 after rounding.”

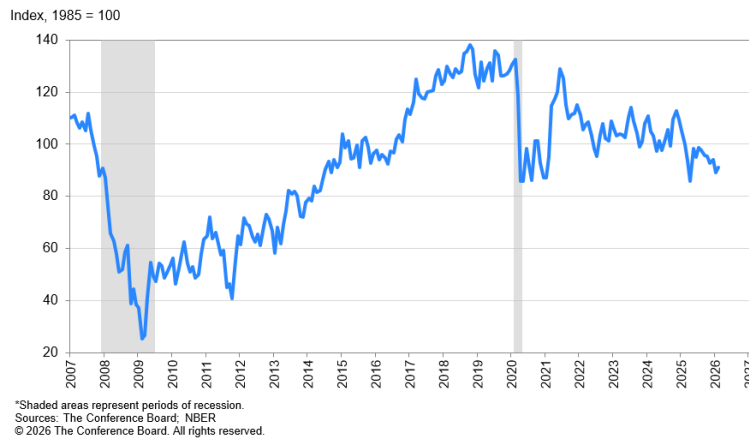
### ADP

Tuesday, [Private Employment](#): “Private employers added 22,000 jobs in January. . . . In a lackluster month for hiring, health care was a standout, adding 74,000 jobs. Leading the slowdown was manufacturing, which has lost jobs every month since March 2024, professional and business services, and large employers.”

### The Conference Board

Tuesday, [Consumer Confidence](#): The index “increased by 2.2 points in February to 91.2 (1985=100), from an upwardly revised 89.0 in January.” Dana Peterson, chief economist for The Conference Board, noted that “consumers’ pessimistic expectations for the future eased somewhat.”

## Consumer Confidence Index®



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

#### S&P Global

Tuesday, [Home Price Index](#): The index “posted a 1.3 percent annual gain for December 2025, down from a 1.4 percent rise in the previous month.” Nicholas Godec, head of fixed income tradables and commodities at S&P Dow Jones Indices, said: “Decomposing 2025 price returns reveals a year of two halves. . . . The first six months saw prices rise 2.6 percent, while the back half delivered nominal declines of 1.3 percent.”

#### Mortgage Bankers Association

Wednesday, [Mortgage Applications](#): “Mortgage applications increased 0.4 percent from one week earlier. . . . The average contract interest rate for 30-year fixed-rate mortgages with conforming loan balances (\$832,750 or less) decreased to 6.09 percent from 6.17 percent. . . . The average contract interest rate for 15-year fixed-rate mortgages decreased to 5.48 percent from 5.50 percent.”