

Economic Update, May 29, 2026
Submitted by Michael Mount

Summary:

Real GDP growth accelerated from 0.5 percent to 1.4 percent between the fourth quarter of 2025 and the first quarter of 2026. At least one Federal Reserve official expects a more modest pace of growth this year, though the Atlanta Fed estimates current real GDP growth at 3.8 percent. According to another Federal Reserve official, inflation “is moving in the wrong direction,” and personal consumption expenditures (PCE) increased 3.8 percent over the past year. New orders for nondefense capital goods, excluding aircraft, gave up some of their gains from the previous month. And although home prices have increased less than inflation over the last 10 months, new home sales decreased from March to April.

MTSU’s Business and Economic Research Center updated its interactive [Tracking Tennessee’s Economy](#) dashboard.

Tennessee

Thursday, [Unemployment](#): “Eighty-nine of Tennessee’s 95 counties reported unemployment rates below 5 percent in April. . . . Cheatham and Dickson counties reported the state’s lowest unemployment rates for April at 2.6 percent. . . . Maury County recorded the highest unemployment rate in the state. At 6.1 percent, Maury’s rate was 1 percentage point above its March rate.”

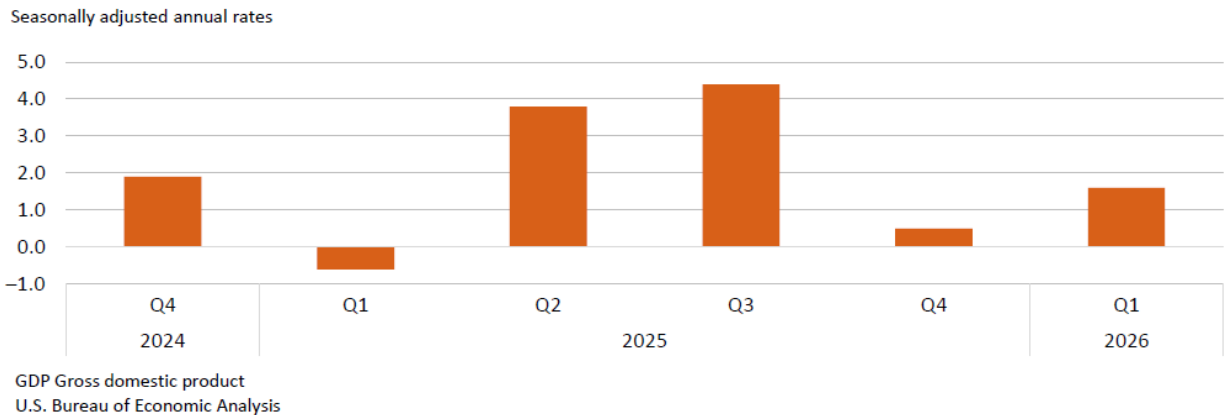
Federal Government Indicators and Reports:

Bureau of Economic Analysis

Thursday, [Personal Income and Outlays](#): “Personal income decreased less than \$0.1 billion (less than 0.1 percent at a monthly rate) in April. . . . From the preceding month, the PCE price index for April increased 0.4 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 April increased 3.8 percent.”

Thursday, [Gross Domestic Product](#): “Real gross domestic product (GDP) increased at an annual rate of 1.6 percent in the first quarter of 2026. . . . In the fourth quarter of 2025, real GDP increased 0.5 percent. . . . Profits from current production increased \$40.4 billion in the first quarter, compared with an increase of \$246.9 billion in the fourth quarter of 2025.”

Real GDP, Percent Change From Preceding Quarter



U.S. Census

Thursday, [Durable Goods](#): “New orders for manufactured durable goods in April, up two consecutive months, increased \$25.5 billion or 7.9 percent to \$346.0 billion.” New orders for nondefense capital goods, excluding aircraft, decreased by 1.1 percent from March to April, having increased 3.9 percent the previous month.

Friday, [Economic Indicators](#): “The international trade deficit was \$82.4 billion in April, down \$2.9 billion from \$85.3 billion in March.”

Department of Labor

Thursday, [Initial Claims](#): “In the week ending May 23, the advance figure for seasonally adjusted initial claims was 215,000, an increase of 5,000 from the previous week's revised level.” In Tennessee, initial claims increased 463, from 3,127 to 3,590.

Economic Indicators and Confidence:

Federal Reserve

Tuesday, [National Activity](#): The index “increased to +0.14 in April from –0.15 in March,” suggesting “economic growth increased in April.”

Wednesday, [Cook Speech](#): “Inflation is clearly moving in the wrong direction. . . . The path of energy prices is tied to the ongoing conflict, the results of which are highly uncertain. . . . To date, companies have announced more than \$1.5 trillion in data-center plans, only a small portion of which have been realized.”

Wednesday, [Jefferson Speech](#): “Recent economic growth in the U.S. has been solid, though I expect a more modest pace of growth this year as households face high energy costs. The U.S. labor market is broadly stable, with both hiring and firing at relatively low levels.”

Thursday, [GDPNow](#): Current GDP growth is estimated at 3.8 percent.

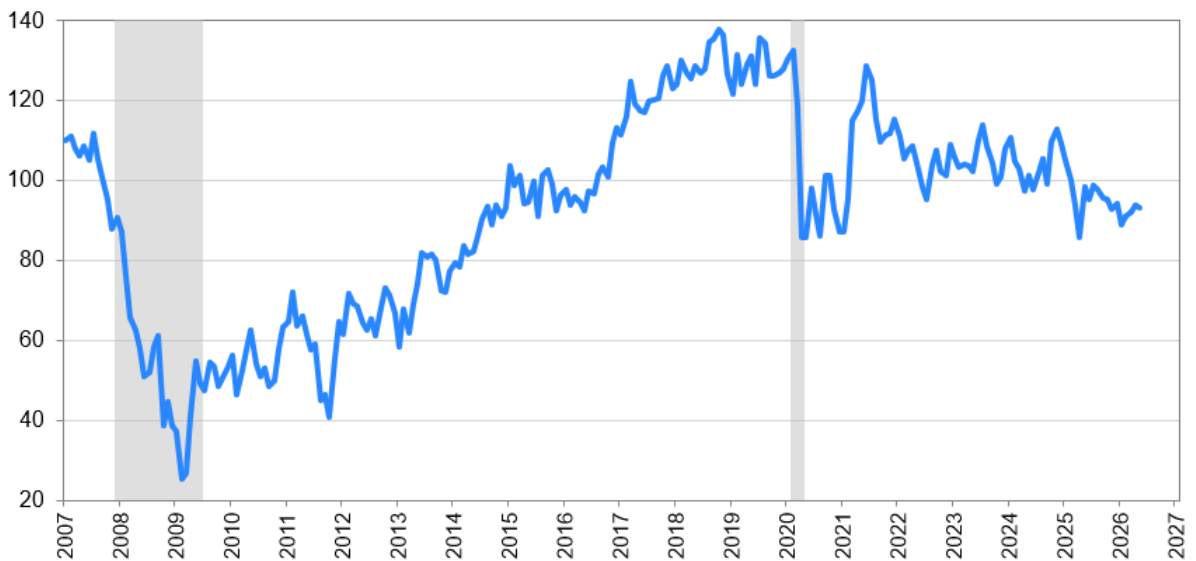
Friday, [Bowman Speech](#): “The U.S. economy has been resilient, but the labor market remains vulnerable to adverse shocks and PCE inflation has moved up, due largely to higher energy prices.”

The Conference Board

Tuesday, [Consumer Confidence](#): U.S. consumer confidence edged downward. The index “dipped 0.7 points to 93.1 in May.”

Consumer Confidence Index®

Index, 1985 = 100



*Shaded areas represent periods of recession.
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ADP

Wednesday, [Private Employment](#): “Private employers added 109,000 jobs in April. . . . It was the fastest pace of job growth since January 2025.”

Mortgages and Housing Markets:

S&P Global

Tuesday, [Home Prices](#): The index “posted a 0.7 percent annual gain for March 2026, down from a 0.8 percent rise in the previous month. . . . For the 10th consecutive month, inflation outpaced national home price appreciation.”

Mortgage Bankers Association:

Wednesday, [Mortgage Applications](#): “Mortgage applications decreased 8.5 percent from one week earlier. . . . The average contract interest rate for 30-year fixed-rate mortgages with conforming loan balances (\$832,750 or less) increased to 6.65 percent from 6.56 percent. . . . The average contract interest rate for 15-year fixed-rate mortgages increased to 5.97 percent from 5.93 percent.”

U.S. Census

Thursday, [Building Permits](#): “Privately-owned housing units authorized by building permits in April were at a seasonally adjusted annual rate of 1,442,000. This is 5.8 percent above the revised March rate of 1,363,000, but is 0.2 percent below the April 2025 rate of 1,445,000.”

Thursday, [New Home Sales](#): “Sales of new single-family houses in April 2026 were at a seasonally-adjusted annual rate of 622,000. . . . This is 6.2 percent below the March 2026 rate of 663,000, and is 11.3 percent below the April 2025 rate of 701,000.”