

Economic Update, May 8, 2026
Submitted by Michael Mount

Summary:

The jobs report was up this month, with the U.S. adding 115,000 jobs in April and unemployment holding steady at 4.3 percent. Hiring increased while separations stayed about the same. Higher energy prices are emanating from the Middle East conflict, and inflation expectations are increasing. Middle Tennessee State University, in partnership with the Nashville Area Chamber of Commerce, released a new Business Confidence Index for Middle Tennessee, which was 60.1 in the first quarter, somewhat better than the national number of 59.0. Factory orders increased, while the services sector continued its expansion. The Federal Reserve Bank of Atlanta estimates current real GDP growth at 3.7 percent, though most economists have forecast growth to be much slower than that.

Tennessee

Tennessee Department of Labor and Workforce Development

Monday, [Layoffs](#): Fayette County Schools announced permanent layoffs affecting 75 workers.

Tuesday, [Closures](#): The Brand House Collective (formerly Kirkland’s) announced the closure of its Brentwood, Tennessee location, affecting 88 workers.

Middle Tennessee State University

Wednesday, [Middle Tennessee Business Confidence](#): “Middle Tennessee businesses are cautiously optimistic. Confidence registered 60.1—just above the Conference Board’s national benchmark of 59. Sentiment about current conditions (69.5) is notably stronger than expectations for the months ahead (60.7).”

▲ **STRONGEST SIGNAL 74.8**
Sales outlook for next quarter — the survey’s highest reading.

▲ **LOCAL PRESSURE 49.8**
Housing affordability — flagged as a workforce constraint.

▼ **BIGGEST WORRY 44.7**
Tax & regulatory policy — the only core component below neutral.

★ **TOP POLICY ASK 26%**
Lower taxes leads the wish list, followed by better roads & transit (23%).

Federal Government Indicators and Reports:

U.S. Census

Monday, [Factory Orders](#): “New orders for manufactured goods in March, up four of the last five months, increased \$9.1 billion or 1.5 percent to \$630.4 billion. . . . This followed a 0.3 percent February increase.”

Thursday, [Construction Spending](#): “Construction spending during March 2026 was estimated at a seasonally adjusted annual rate of \$2,185.5 billion, 0.6 percent above the February estimate of \$2,173.2 billion. The March figure is 1.6 percent above the March 2025 estimate of \$2,150.8 billion.”

Bureau of Economic Analysis

Tuesday, [International Trade](#): “The goods and services deficit was \$60.3 billion in March, up \$2.5 billion from \$57.8 billion in February.” Imports increased more than exports, by \$8.7 billion and \$6.2 billion, respectively.

Bureau of Labor Statistics

Tuesday, [Job Openings and Labor Turnover](#): “The number of job openings was unchanged at 6.9 million in March. . . . Over the month, hires increased to 5.6 million while total separations changed little at 5.4 million.”

Friday, [Employment](#): “Total nonfarm payroll employment edged up by 115,000 in April, and the unemployment rate was unchanged at 4.3 percent. . . . Job gains occurred in health care, transportation and warehousing, and retail trade. Federal government employment continued to decline.”

Chart 1. Unemployment rate, seasonally adjusted, April 2024 – April 2026

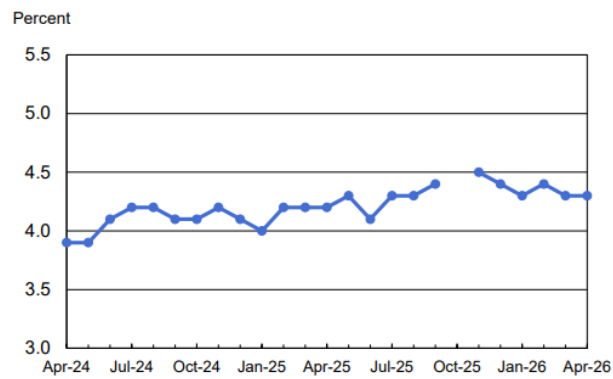
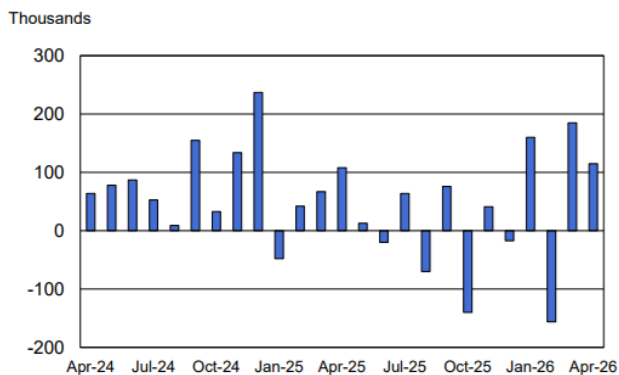


Chart 2. Nonfarm payroll employment over-the-month change, seasonally adjusted, April 2024 – April 2026



Department of Labor

Thursday, [Initial Claims](#): “In the week ending May 2, the advance figure for seasonally adjusted initial claims was 200,000, an increase of 10,000 from the previous week's revised level.” In Tennessee, initial claims increased by 26, from 2,817 to 2,843.

Economic Indicators and Confidence:

Federal Reserve

Monday, [Williams's Speech](#): “The extent and duration of the effects of supply disruptions and higher energy prices that are emanating from the Middle East conflict are key factors that will shape the global economic outlook. We simply can't know how this will play out.”

Thursday, [GDPNow](#): Real GDP growth in the second quarter of 2026 is estimated at 3.7 percent, which would be an increase from the Bureau of Economic Analysis estimate of 2.0 percent growth in the first quarter. But the Blue Chip consensus forecasts a slowdown to about 1.5 percent.

Thursday, [Consumer Expectations](#): “Median inflation expectations increased by 0.2 percentage point to 3.6 percent at the one-year-ahead horizon.” Households' perceptions about their current financial situations deteriorated, and unemployment expectations were the highest since April 2025.

Logistics Managers' Index

Tuesday, [Logistics Managers' Index](#): “The March Logistics Manager's Index reads in at 69.9, up (+4.2) from March's reading of 65.7. This is the fastest level of expansion since March 2022's reading of 76.2.”

Institute for Supply Management

Tuesday, [Services](#): The index “registered 53.6 percent, a decrease of 0.4 percentage point compared to March’s figure of 54 percent. . . . There were several comments from respondents stating that they have yet to see petroleum price increases impacting petroleum-related products, so we expect to see continued elevated readings for the Prices Index for several months—regardless of when the conflict in Iran ends—due to these costs working their ways through global supply chains.”

ADP

Wednesday, [Private Employment](#): “Private sector employment increased by 109,000 jobs in April and pay was up 4.4 percent year-over-year. . . . ‘Small and large employers are hiring, but we’re seeing softness in the middle.’”

Challenger, Gray & Christmas

Thursday, [Job Cuts](#): “U.S.-based employers announced 83,387 job cuts in April, up 38 percent from the 60,620 job cuts recorded in March. It is down 21 percent from the 105,441 cuts announced during the same month last year.”

University of Michigan

Friday, [Consumer Sentiment](#): “Consumer sentiment was essentially unchanged this month, coming in a scant 1.6 index points below April’s reading and comparable to the trough reached in June 2022. . . . Year-ahead inflation expectations softened a touch from 4.7% last month to 4.5% this month.”

Mortgages and Housing Markets:

U.S. Census

Tuesday, [New Home Sales](#): “Sales of new single-family houses in March 2026 were at a seasonally-adjusted annual rate of 682,000. . . . This is 7.4 percent above the February 2026 rate of 635,000, and is 3.3 percent above the March 2025 rate of 660,000.”

Mortgage Bankers Association

Wednesday, [Mortgage Applications](#): “Mortgage applications decreased 4.4 percent from one week earlier. . . . ‘The ongoing conflict in the Middle East continues to push rates higher. Mortgage rates last week increased to their highest level in a month, with the 30-year fixed rate rising to 6.45 percent,’ said Joel Kan, MBA’s vice president and deputy chief economist.