

Economic Update, August 22, 2025
Submitted by Michael Mount

Summary: The unemployment rate was less in Tennessee than for the U.S. overall in July 2025, 3.6 percent versus 4.2 percent, though Tennessee counties ranged from 3.3 percent (Sevier) to 8.5 percent (Weakley). The Conference Board's leading economic index continues to worsen, but the board projects slow growth rather than a recession. The Federal Reserve staff's economic outlook at the end of July was for tepid growth. And although it is happening too late for this week's economic update, Fed Chairman Powell is making an important speech today, likely about the economic outlook and future interest rate changes. Home builder confidence was down in August.

Federal Government Indicators and Reports

Bureau of Labor Statistics

Tuesday, [State Employment and Unemployment](#): "The national unemployment rate, 4.2 percent, changed little over the month and was the same as in July 2024." The unemployment rate for Tennessee was 3.6 percent, up from 3.5 percent in June 2025.

Department of Labor

Thursday, [Initial Claims](#): "In the week ending August 16, the advance figure for seasonally adjusted initial claims was 235,000, an increase of 11,000 from the previous week's unrevised level of 224,000."

Economic Indicators and Confidence

Federal Reserve

Wednesday, [Federal Open Market Committee Minutes](#): "The staff expected that the rise in the cost of imported goods inclusive of tariffs would be smaller and occur later than in their previous forecast; in addition, financial conditions were projected to be slightly more supportive of output growth. However, these positive influences on the outlook were offset by weaker than-expected spending data and a smaller assumed population boost from net immigration."

The Conference Board

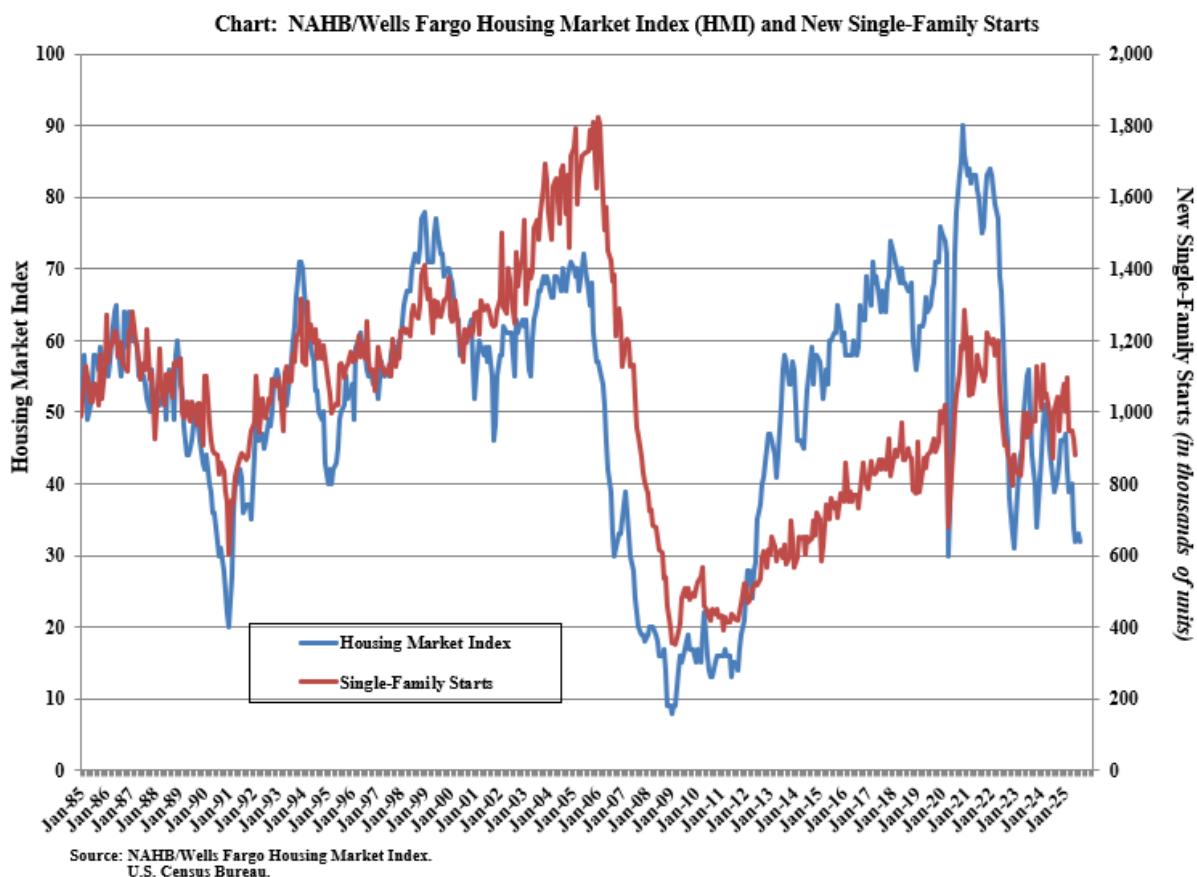
Thursday, [Leading Index](#): The index "for the U.S. inched down by 0.1 percent in July 2025 to 98.7, after declining by 0.3 percent in June. The LEI fell by 2.7 percent over the six months between January and July 2025, a faster rate of decline than its -1.0 percent contraction over the previous six-month period (July 2024 to January 2025). . . . The Conference Board does not currently project a recession . . . Overall, real GDP is projected to grow by 1.6 percent year-over-year in 2025, before slowing in 2026 to 1.3 percent."

Friday, [Consumer Sentiment](#): “Consumer sentiment fell back about 5 percent in August, declining for the first time in four months. This deterioration largely stems from rising worries about inflation.”

Mortgages and Housing Markets

National Association of Home Builders

Monday, [Housing Market Index](#): “Builder confidence in the market for newly built single-family homes was 32 in August, down one point from July.”



U.S. Census

Tuesday, [Housing Starts](#): “Privately-owned housing starts in July were at a seasonally adjusted annual rate of 1,428,000. This is 5.2 percent above the revised June estimate of 1,358,000 and is 12.9 percent above the July 2024 rate of 1,265,000.”

Mortgage Bankers Association

Wednesday, [Mortgage Applications](#): “Mortgage applications decreased 1.4 percent from one week earlier. . . . The average contract interest rate for 30-year fixed-rate mortgages with conforming loan balances (\$806,500 or less) increased to 6.68 percent from 6.67 percent. . . . The average contract interest rate for 15-year fixed-rate mortgages increased to 5.96 percent from 5.93 percent.”

National Association of Realtors

Thursday, [Existing Home Sales](#): “Existing-home sales increased by 2.0 percent in July. . . . ‘Wage growth is now comfortably outpacing home price growth.’” Sales increased by 2.2 percent in the South Region, and the median price was \$367,400, down 0.6 percent from July 2024.