Economic Update, August 7, 2026

Submitted by Madison Thorn


**Summary:**

In June, job openings held little changed at 7.4 million, and hires were unchanged at 5.3 million. Then in July, the unemployment rate was little changed at 4.1 percent while nonfarm payroll employment fell 23,000; private employers added 44,000 jobs, per ADP, and announced job cuts fell 27 percent from June to 33,429—the lowest monthly total in two years. In the second quarter of this year, nonfarm business sector labor productivity increased 1.4 percent (seasonally adjusted annual rate) and unit labor costs increased 1.3 percent. For the week ending August 1, initial unemployment claims rose 1,000 to 199,000 nationally, with Tennessee's advance figure at 2,617.

Also in July, the average price for regular gasoline was $3.93 per gallon, up 25.8 percent year-over-year. The Weekly Economic Index from the Federal Reserve Bank of Dallas was at 2.68 percent (scaled to four-quarter GDP growth at an annual rate). And as of August 6, 30-year fixed-rate mortgages averaged 6.69 percent, up from 6.66 percent the prior week.


## Federal Government Indicators and Reports:

Bureau of Economic Analysis

Tuesday, U.S. International Trade in Goods and Services: "The goods and services deficit was $73.3 billion in June, down $4.4 billion from $77.6 billion in May, revised. . . . Year-to-date, the goods and services deficit decreased $189.3 billion, or 33.8 percent, from the same period in 2025. Exports increased $198.3 billion or 11.7 percent. Imports increased $9.0 billion or 0.4 percent."

Bureau of Labor Statistics

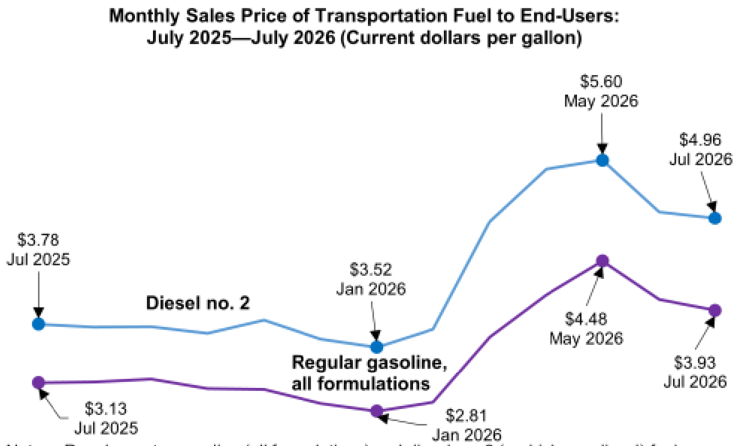
Tuesday, Job Openings and Labor Turnover: "The number of job openings was little changed at 7.4 million in June. . . . Hires were unchanged at 5.3 million, while total separations changed little at 5.4 million. Within separations, quits (3.2 million) and layoffs and discharges (1.8 million) were unchanged."

Thursday, Productivity and Costs: "Nonfarm business sector labor productivity increased 1.4 percent in the second quarter of 2026. . . . as output increased 1.7 percent and hours worked increased 0.3 percent. (All quarterly percent changes in this release are seasonally adjusted annualized rates.). . . . Unit labor costs in the nonfarm business sector increased 1.3 percent in the second quarter of 2026, reflecting a 2.7-percent increase in hourly compensation and a 1.4-percent increase in productivity. Unit labor costs increased 1.4 percent over the last four quarters."

Friday, Employment Situation: "Both the unemployment rate, at 4.1 percent, and the number of unemployed people, at 6.9 million, changed little in July. These measures also changed little over the year. . . . Among the unemployed, the number of people on temporary layoff increased by 153,000 to 921,000 in July. The number of permanent job losers changed little at 1.7 million. . . . Total nonfarm payroll employment changed little in July (-23,000), following an average monthly gain of 34,000 over the prior 12 months. In July, employment declined in local government education and retail trade. Employment continued to trend up in health care."

Bureau of Transportation

Tuesday, Motor Fuel Prices: "In July 2026, the average price for regular motor gasoline was $3.93 per gallon; down 2.9 percent from June 2026 and up 25.8 percent from July 2025. . . . The average price for diesel no. 2 was $4.96 in July 2026, down 1.4 percent from June 2026, and up 31.1 percent from July 2025."




Notes: Regular motor gasoline (all formulations) and diesel no. 2 (on-highway diesel) fuel prices are retail prices and include taxes paid by the end-user. On-highway diesel does not include bio-diesel or other alternative fuels.

Source: U.S. Department of Energy, Energy Information Administration, available at https://www.eia.gov/opendata/qb.php (series id =EMM_EPMR_PTE_NUS_DPG, EMD_EPD2D_PTE_NUS_DPG, EMA_EPJK_PTG_NUS_DPG, EMA_EPPV_PTG_NUS_DPG) as of 08/04/2026.

Census Bureau

Monday, Construction Spending: "Construction spending during June 2026 was estimated at a seasonally adjusted annual rate of $2,166.5 billion, 0.1 percent below the revised May estimate of $2,168.5 billion. The June figure is 3.2 percent below the June 2025 estimate of $2,237.7 billion. During the first six months of this year, construction spending amounted to $1,046.9 billion, 3.5 percent below the $1,084.5 billion for the same period in 2025."

Wednesday, Manufacturers' Shipments, Inventories, & Orders: "New orders for manufactured goods in June, down two consecutive months, decreased $2.3 billion or 0.3 percent to $656.5 billion."

Thursday, Wholesale Trade: "June 2026 sales of merchant wholesalers . . . were $794.1 billion, down 3.0 percent from the revised May level, but were up 14.1 percent from the revised June 2025 level. The April 2026 to May 2026 percent change was revised from the preliminary estimate of up 3.4 percent to up 3.5 percent."

Department of Labor

Thursday, Weekly Claims: "In the week ending August 1, the advance figure for seasonally adjusted initial claims was 199,000, an increase of 1,000 from the previous week's revised level. . . . The advance seasonally adjusted insured unemployment rate was 1.2 percent for the week ending July 25, unchanged from the previous week's unrevised rate. The advance number for seasonally adjusted insured unemployment during the week ending July 25 was 1,801,000, an increase of 24,000 from the previous week's revised level." In Tennessee, as of the week ending August 1, the advance figure for seasonally adjusted initial claims was 2,617, down from the previous week's revised level of 2,625.

## **Economic Indicators and Confidence:**

The Conference Board

Thursday, Quarterly CEO Confidence: "The Conference Board Measure of CEO Confidence in collaboration with The Business Council rose to 52 in Q3 2026, up from 47 in Q2. Despite a partial rebound from last quarter's sharp drop, confidence among leaders of large firms remained well below the level of 59 recorded in Q1 2026. (A reading above 50 reflects more positive than negative responses). A total of 136 CEOs participated in the Q3 survey, which was fielded from July 13 through 27."

Federal Reserve Bank of Dallas

Thursday, Weekly Economic Index: "The WEI is currently 2.68 percent, scaled to four-quarter GDP growth, for the week ended Aug. 1 and 2.42 percent for July 25. The 13-week moving average is 2.83 percent. This is compared with 2.1 percent four-quarter GDP growth through second quarter 2026."

Federal Reserve Bank of New York

Wednesday, Labor Market Tightness Index: The index "rose slightly to 0.15 in June from a revised value of 0.09 in May, driven by a modest increase in the quits rate from 2.19 percent to 2.25 percent." The index is "an indicator of labor market tightness based on the quits rate and job vacancies per job seeker to summarize current wage pressures and to forecast wage inflation."

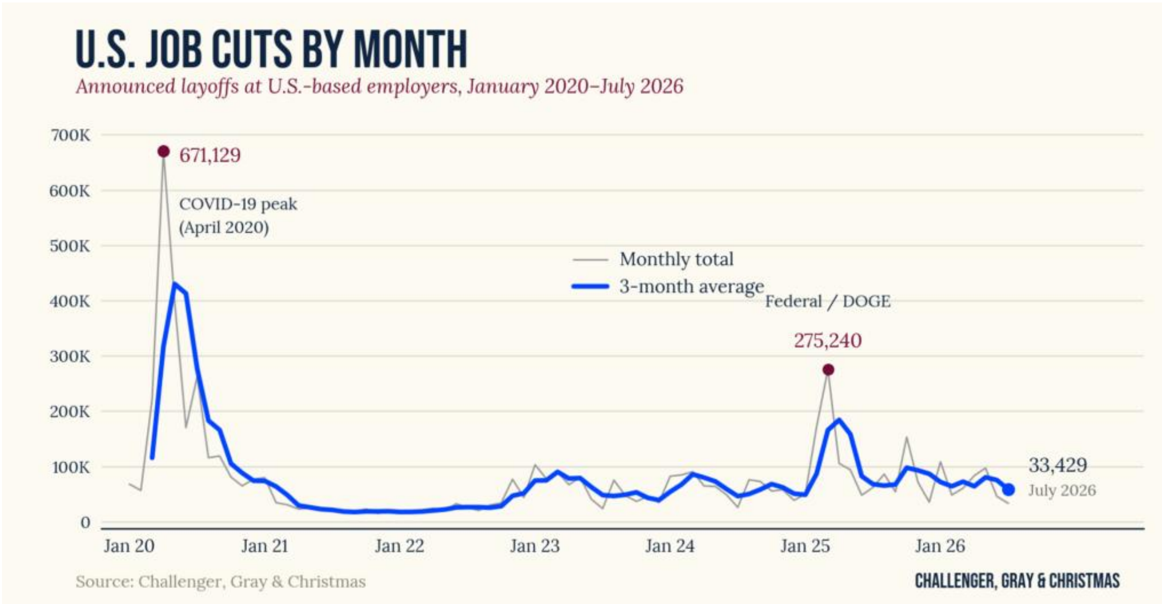
## **Employment:**

ADP

Wednesday, National Employment Report: "Private employers added 44,000 jobs in July. . . . Sector-level hiring was choppy last month, but pay sent a clear signal. Year-over-year pay for job-changers accelerated to its fastest pace of growth in nearly a year. . . . 'Job-changers are highly sensitive to real-time economic conditions, and their rapid pay growth implies supply constraints in parts of the labor market. Typical hiring patterns, meanwhile, are changing as employers react to shifting macro-economic conditions,'" said Dr. Nela Richardson, chief economist for ADP.

Challenger, Gray, & Christmas

Thursday, Job Cuts Report: "U.S.-based employers announced 33,429 job cuts in July, down 27 percent from the 45,849 cuts announced in June. It is down 46 percent from the 62,075 layoff plans announced in the same month last year, and marks the lowest monthly total in two years. . . . Through July, employers have announced 477,033 job cuts, down 41 percent from the 806,383 cuts announced in the first seven months of 2025. It is the fifth time this year cuts are lower than the corresponding month one year earlier. . . . 'The pace of layoffs fell dramatically this summer. Layoff plans continue to be announced primarily in Tech, and artificial intelligence is still the story, as investments in the technology reshape organizations. Hiring has also increased over last year by 25 percent, so while AI is shifting the labor market, it is not dismantling it,' said Andy Challenger, workplace expert and chief revenue officer for Challenger, Gray & Christmas."

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Tuesday, Small Business Employment Watch: "The pace of U.S. small business job growth (99.23) in July remained steady and was slightly above average jobs index (99.20) for the first half of the year, signaling a steady employment environment among businesses with fewer than 50 employees. Although hourly earnings growth for small business workers remained below three percent at 2.86 percent in July, growth in weekly hours worked reached 0.40 percent—its highest level in more than five years. As a result, weekly earnings growth rose to 3.14 percent, its strongest level since December 2023."

## **Mortgages and Housing Markets:**

Freddie Mac

Thursday, Mortgage Rates: "The 30-year FRM [fixed-rate mortgage] averaged 6.69 percent as of August 6, 2026, up from last week when it averaged 6.66 percent. A year ago at this time, the 30-year FRM averaged 6.63 percent. . . . The 15-year FRM averaged 6.01 percent, down from last week when it averaged 6.04 percent. A year ago at this time, the 15-year FRM averaged 5.75 percent."

Mortgage Bankers Association

Wednesday, Mortgage Applications: "The Market Composite Index, a measure of mortgage loan application volume, decreased 2.9 percent on a seasonally adjusted basis from one week earlier. On an unadjusted basis, the Index decreased 3 percent compared with the previous week. The Refinance Index decreased 2 percent from the previous week and was 9 percent lower than the same week one year ago. The seasonally adjusted Purchase Index decreased 4 percent from one week earlier. The unadjusted Purchase Index decreased 4 percent compared with the previous week and was 3 percent lower than the same week one year ago."