

Economic Update, September 12, 2025  
Submitted by Michael Mount

Summary: Consumer inflation accelerated in August, though producer prices edged down, according to the Bureau of Labor Statistics (BLS). Nonfarm payrolls were more than 900,000 less than what was earlier reported. On the bright side, the Atlanta Fed's GDPNow estimate of real GDP is about 3 percent, and small business optimism improved. Mortgage interest rates dropped sharply from last week. Also, don't miss the BLS's report on county employment and wages, which includes data on Tennessee's six most populous counties.

**Federal Government Indicators and Reports**

Bureau of Labor Statistics

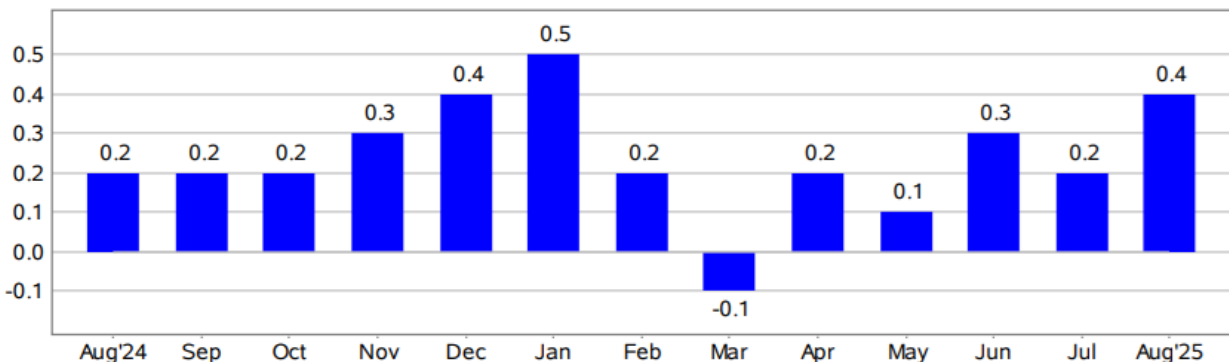
Tuesday, [County Employment and Wages](#): "In March 2025, national employment increased to 154.5 million, a 0.4-percent increase over the year. . . ." For Tennessee's six most populous counties, the percentage changes ranged from -2.2 percent (Shelby) to +1.0 percent (Knox).

Tuesday, [Nonfarm Payrolls Annual Revision](#): "The preliminary estimate of the Current Employment Statistics (CES) national benchmark revision to total nonfarm employment for March 2025 is -911,000 (-0.6 percent) . . ."

Wednesday, [Producer Price Index](#): "The Producer Price Index for final demand edged down 0.1 percent in August . . . On an unadjusted basis, the index for final demand rose 2.6 percent for the 12 months ended in August.

Thursday, [Consumer Price Index](#): "The Consumer Price Index for All Urban Consumers (CPI-U) increased 0.4 percent on a seasonally adjusted basis in August, after rising 0.2 percent in July, the U.S. Bureau of Labor Statistics reported today. Over the last 12 months, the all items index increased 2.9 percent before seasonal adjustment."

**Chart 1. One-month percent change in CPI for All Urban Consumers (CPI-U), seasonally adjusted, Aug. 2024 - Aug. 2025**  
Percent change



Department of Labor

Thursday, [Initial Claims](#): "In the week ending September 6, the advance figure for seasonally adjusted initial claims was 263,000, an increase of 27,000 from the previous week's revised level. This is the highest level for initial claims since October 23, 2021 when it was 268,000."

Department of the Treasury

Thursday, [Budget Statement](#): The federal budget deficit reached \$1.97 trillion with one month left in the federal fiscal year.

## Economic Indicators and Confidence

### Federal Reserve

Monday, [Consumer Expectations](#): “Median inflation expectations ticked up by 0.1 percentage point to 3.2 percent at the one-year-ahead horizon in August. They were unchanged at the three-year- (3.0 percent) and five-year-ahead (2.9 percent) horizons.”

Monday, [Consumer Credit](#): “In July, consumer credit increased at a seasonally adjusted annual rate of 3.8 percent. Revolving credit increased at an annual rate of 9.7 percent, while nonrevolving credit increased at an annual rate of 1.8 percent.”

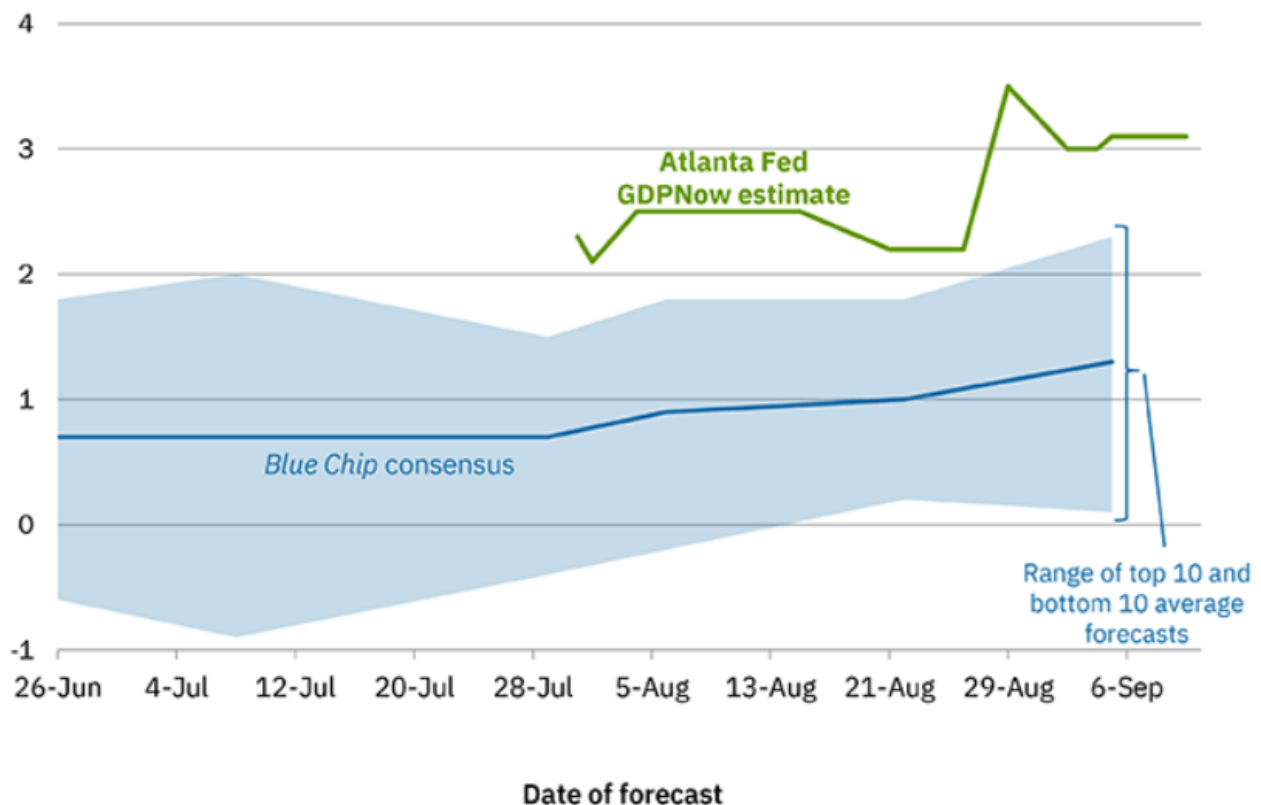
### National Federation of Independent Business

Tuesday, [Small Business Optimism](#): “The Small Business Optimism Index rose 0.5 points in August to 100.8. . . . The increase in those expecting real sales to be higher contributed the most to the rise . . .”

Wednesday, [GDPNow](#): “The GDPNow model estimate for real GDP growth (seasonally adjusted annual rate) in the third quarter of 2025 is 3.1 percent on September 10, up from 3.0 percent on September 4.”

### Evolution of Atlanta Fed GDPNow real GDP estimate for 2025: Q3

Quarterly percent change (SAAR)



Sources: Blue Chip Economic Indicators and Blue Chip Financial Forecasts

Note: The top (bottom) 10 average forecast is an average of the highest (lowest) 10 forecasts in the Blue Chip survey.

## Mortgages and Housing Markets

## Mortgage Bankers Association

Wednesday, [Mortgage Applications](#): “Mortgage applications increased 9.2 percent from one week earlier. . . . The average contract interest rate for 30-year fixed-rate mortgages with conforming loan balances (\$806,500 or less) decreased to 6.49 percent from 6.64 percent. . . . The average contract interest rate for 15-year fixed-rate mortgages decreased to 5.70 percent from 5.84 percent. . . .”