



FURNITURE INSIGHTS®

Smith Leonard PLLC's Industry Newsletter

August 2025



HIGHLIGHTS – EXECUTIVE SUMMARY

New orders were down 9% compared to the prior month of May 2025 following the 11% increase over April 2025. However, new orders were up 3% in June 2025 compared to June 2024. Accordingly, year to date through June 2025, new orders are now down 2% compared to 2024 (down 3% last month).

Shipments were down 2% compared to the prior month of May 2025. Shipments were also down 2% in June 2025 compared to June 2024. Year to date through June 2025, shipments remain down 1% compared to 2024.

June 2025 backlogs were down 8% compared to June 2024, and down 2% from May 2025.

Receivable levels were down 2% from May 2025, and down 6% from June 2024. Inventories and employee/payroll levels are again materially in line with recent months and the prior year. However, with the gradual decline in employees over the last 5 months, it does appear companies are continuing to allow some normal attrition to occur without rushing to find replacements.



**Mark Laferriere (left) with Ben Duckett,
Tax Partner**

EXECUTIVE SUMMARY, CONT.

National

Consumer Confidence

The Conference Board **Consumer Confidence Index**® fell by 1.3 points in August to 97.4 (1985=100), down from 98.7 in July (revised up by 1.5 points).

The **Present Situation Index**—based on consumers' assessment of current business and labor market conditions—fell by 1.6 points to 131.2.

The **Expectations Index**—based on consumers' short-term outlook for income, business, and labor market conditions—decreased by 1.2 points to 74.8. Expectations remained below the threshold of 80 that typically signals a recession ahead.

"Consumer confidence dipped slightly in August but remained at a level similar to those of the past three months," said Stephanie Guichard, Senior Economist, Global Indicators at The Conference Board. "The present situation and the expectation components both weakened. Notably, consumers' appraisal of current job availability declined for the eighth consecutive month, but stronger views of current business conditions mitigated the retreat in the Present Situation Index. Meanwhile, pessimism about future job availability inched up and optimism about future income faded slightly. However, these were partly offset by stronger expectations for future business conditions."

Purchasing plans for cars increased in August, with buying intentions for both used and new cars rising. Meanwhile, purchasing plans for homes remained stable after July's decline. Consumers' plans to buy big-ticket items were slightly down overall, but with a lot of variation from one item to the next: the strongest increases in buying intentions were for washers and dryers, with the largest declines in TVs and tablets.

Housing

Existing-home sales increased by 2.0% in July, according to the National Association of REALTORS® Existing-Home Sales Report. The Report provides the real estate ecosystem, including agents and homebuyers and sellers, with data on the level of home sales, price, and inventory.

Month-over-month sales increased in the Northeast, South, and West, and fell in the Midwest. Year-over-year, sales rose in the South, Northeast, and Midwest, and fell in the West.

"The ever-so-slight improvement in housing affordability is inching up home sales," said NAR Chief Economist Lawrence Yun. "Wage growth is now comfortably outpacing home price growth, and buyers have more choices."

"Homebuyers are in the best position in more than five years to find the right home and negotiate for a better price. Current inventory is at its highest since May 2020, during the COVID lockdown."

Total Existing-Home Sales for July

- 2.0% increase in total existing-home sales month-over-month to a seasonally adjusted annual rate of 4.01 million.
- 0.8% increase in sales year-over-year.

Single-Family-Homes Sales in July

- 2.0% increase in sales to a seasonally adjusted annual rate of 3.64 million, up 1.1% from July 2024.
- \$428,500: Median home price in July, up 0.3% from last year.

Condominiums and Co-ops Sales in July

- 2.8% increase in sales month-over-month to a seasonally adjusted annual rate of 370,000 units, down 2.6% year-over-year.
- \$362,600: Median price, down 1.2% from July 2024.

EXECUTIVE SUMMARY, CONT.

Thoughts

Those of us who thought the industry had received some level of clarity on tariffs after months of uncertainty were dealt a surprise this month with the doubling of India tariffs to 50%, the elimination of the \$800 de minimis import exception, a delay in finalizing China rates, and most significantly the announcement of potential additional furniture-specific tariffs following a 50-day investigation into the industry. Taken together, this will clearly create a new round of disruption for an industry looking for certainty and normalcy.

As to what we do know, while consumer confidence slipped slightly again this month and housing bumped along, positive trends with employment, consumer spending, stock markets, and GDP continue to persist in spite of various challenges. And as the Fed continues to take a wait and see approach to inflation despite immense pressure to cut rates in its upcoming September meeting, it's difficult to determine how any nominal cuts would impact housing in the near-term before ultimately trickling down in the form of new orders and revenues.

As to our own stats program, it was disappointing to see June's 9% average decline in month-over-month new orders after May's 11% average increase. Hopefully this is a function of timing, as the year-to-date decreases in new orders (2%) and shipments (1%) for our participants through June 2025 seem materially in line with other industry and economic reporting.

With the two-month lag in our reporting period, we're now halfway through the year, which coupled with this month's news, may make it tough for the industry to make meaningful gains for 2025 as a whole. However, successful companies will prioritize their relationships with employees and customers and proactively control what they can control to take advantage of available opportunities.

EXECUTIVE SUMMARY, CONT.

National, Cont.

Housing, Cont.

Mortgage Rates

- 6.72%: The average 30-year fixed-rate mortgage in July, according to Freddie Mac, down from 6.82% in June and 6.85% one year ago.

Sales of new single-family houses in July 2025 were at a seasonally-adjusted annual rate of 652,000, according to estimates released jointly by the U.S. Census Bureau and the Department of Housing and Urban Development. This is 0.6% below the June 2025 rate of 656,000, and is 8.2% below the July 2024 rate of 710,000.

Compared to July 2024 on a seasonally-adjusted basis, sales were down 8.2% overall with sales also down 4.0% in the South, down 23.5% in the Northeast, and down 19.9% in the West, but up 4.9% in the Midwest.

Other

Real gross domestic product (GDP) increased at an annual rate of 3.3% in the second quarter of 2025 (April, May, and June), according to the second estimate released by the U.S. Bureau of Economic Analysis. In the first quarter, real GDP decreased 0.5%.

The increase in real GDP in the second quarter primarily reflected a decrease in imports, which are a subtraction in the calculation of GDP, and an increase in consumer spending. These movements were partly offset by decreases in investment and exports.

Real final sales to private domestic purchasers, the sum of consumer spending and gross private fixed investment, increased 1.9% in the second quarter, revised up 0.7 percentage point from the previous estimate. Sales at furniture and home furnishings stores in July 2025 were up 1.4% compared to June 2025 on a seasonally-adjusted basis, and up 5.1% from July 2024. Year to date on a non-adjusted basis, sales were up 5.7% (same as last month).

HIGHLIGHTS – MONTHLY RESULTS

New Orders

According to our latest survey of residential furniture manufacturers and distributors, new orders were up 3% in June 2025 compared to June 2024. Approximately 55% of participants reported increases versus decreases in June 2025 compared to a year ago. However, new orders were down 9% compared to the prior month of May 2025.

Year to date through June 2025, new orders are down 2% compared to 2024 (down 3% last month).

Shipments and Backlogs

June 2025 shipments were down 4% compared to June 2024, and down 2% compared to May 2025. Shipments in June 2025 were down for approximately 55% of the participants compared to June 2024. Year to date through June 2025, shipments are down 1% compared to 2024 (same as last month). June 2025 backlogs were down 8% compared to June 2024, and down 2% from May 2025.

Receivables and Inventories

Receivable levels were down 2% from May 2025, and down 6% with June 2024, both materially in line with related shipment trends. Inventories were down 2% compared to May 2025 and up 2% from June 2024, which are materially in line with prior periods and current operational levels.

Factory and Warehouse Employees and Payroll

The number of factory and warehouse employees were again down 4% from June a year ago, but again relatively even with the prior month (flat this month). Payroll expense was down 2% in June 2025 compared to May 2025, while up 2% compared to June 2024. However, year to date through June 2025, payroll expense was again up 1%.

ESTIMATED BUSINESS ACTIVITY (MILLIONS)			
	2025		
	JUN	MAY	6 MOS
New Orders	2,051	2,204	12,551
Shipments	2,122	2,172	13,096
Backlog	2,403	2,421	
	2024		
	JUN	MAY	6 MOS
New Orders	2,011(R)	2,226	13,029
Shipments	2,210	2,228	13,350
Backlog	2,626	2,682	

MONTHLY RESULTS – AUGUST 2025

KEY MONTHLY INDICATORS (PERCENT CHANGE)			
	Jun 2025 from May 2025	Jun 2025 from Jun 2024	6 Mos 2025 vs 6 Mos 2024
New Orders	-9	3	-2
Shipments	-2	-4	-1
Backlog	-2	-8	
Payrolls	-2	2	1
Employees	–	-4	
Receivables	-2	-6	
Inventories	-2	2	

PERCENT INCREASE/DECREASE COMPARED TO PRIOR YEAR				
	New Orders	Shipments	Backlog	Employment
2024				
June	-6	-8	-6	-6
July	-5	+6	-11	-4
August	-7	-10	-10	-5
September	-9	-7	-10	-5
October	–	-5	-8	-5
November	-9	-1	-10	-5
December	+1	-2	-8	-5
2025				
January	-3	+4	-5	-3
February	-5	-5	-6	-3
March	+1	+1	-6	-4
April	-9	-2	-10	-4
May	-1	-2	-10	-4
June	3	-4	-8	-4

A DEEPER DIVE – NATIONAL

Consumer Confidence

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"Consumer confidence dipped slightly in August but remained at a level similar to those of the past three months," said Stephanie Guichard, Senior Economist, Global Indicators at The Conference Board. "The present situation and the expectation components both weakened. Notably, consumers' appraisal of current job availability declined for the eighth consecutive month, but stronger views of current business conditions mitigated the retreat in the Present Situation Index. Meanwhile, pessimism about future job availability inched up and optimism about future income faded slightly. However, these were partly offset by stronger expectations for future business conditions."

Among demographic groups, confidence fell for consumers under 35 years old, was stable for consumers aged 35 to 55, and rose for consumers over 55. The evolution of confidence by income groups was mixed, with no clear pattern emerging. By partisan affiliation, confidence weakened in August among both Republicans and Democrats but was little changed for Independents.

Guichard added: "Consumers' write-in responses showed that references to tariffs increased somewhat and continued to be associated with concerns about higher prices. Meanwhile, references to high prices and inflation, including food and groceries, rose again in August. Consumers' average 12-month inflation expectations picked up after three consecutive months of easing and reached 6.2% in August—up from 5.7% in July but still below the April peak of 7.0%."

Among the write-in responses, there was also a rise in mentions of jobs and employment, even though these remained relatively low on the list of themes consumers are focused on. Most negative comments on the labor market referred to the current situation while positive comments conveyed hopes that things would get better.

In August, consumers' outlook on stock prices deteriorated slightly, with 47.4% of consumers expecting stock prices to increase over the next 12 months, down from 48.9% in July. Conversely, 30.3% of consumers expected stock prices to decrease over the next 12 months, up from 28.1% in July. The share of consumers expecting interest rates to rise increased to 54.0% from 53.1% in July and fewer consumers expected interest rates to fall (20.9% vs 21.4% in July).

Consumers' views of their Family's Current and Future Financial Situation both improved in August. The share of consumers expecting a recession over the next 12 months rose in August to the highest level since the April peak. (These measures are not included in calculating the Consumer Confidence Index®).

NATIONAL UPDATE

Leading Economic Indicators

The **Conference Board Leading Economic Index® (LEI)** for the US inched down by 0.1% in July 2025 to 98.7 (2016=100), after declining by 0.3% in June. The LEI fell by 2.7% over the six months between January and July 2025, a faster rate of decline than its –1.0% contraction over the previous six-month period (July 2024 to January 2025).

"The leading economic index for the US decreased just slightly in July," said Justyna Zabinska-La Monica, Senior Manager, Business Cycle Indicators, at The Conference Board. "Pessimistic consumer expectations for business conditions and weak new orders continued to weigh down the index. Meanwhile, stock prices remained a key positive support of the LEI. Initial claims for unemployment insurance were much lower in July than in June and were the second most positive component of the LEI, after contributing negatively to the index over the previous three months. While the LEI's six-month growth rate remains negative, it improved slightly in July—but not enough to avoid triggering the recession signal again. Despite that, The Conference Board does not currently project a recession, though we do expect the economy to weaken in the 2nd half of 2025, as the negative impacts from tariffs become more visible. Overall, real GDP is projected to grow by 1.6% year-over-year in 2025, before slowing in 2026 to 1.3%."

The **Conference Board Coincident Economic Index® (CEI)** for the US rose by 0.2% in July 2025 to 114.9 (2016=100), no change in June (a downward revision from an initially reported increase of 0.3%). The CEI rose by 0.9% between January and July 2025, up from 0.6% over the previous six months. The CEI's four component indicators—payroll employment, personal income less transfer payments, manufacturing and trade sales, and industrial production—are included among the data used to determine recessions in the US. All components of the coincident index except industrial production improved in July.

The **Conference Board Lagging Economic Index® (LAG)** for the US remained unchanged at 119.9 (2016=100) in both June and July 2025. The LAG grew by 0.9% in the six months between January and July 2025—more than reversing its –0.1% decline over the previous six months.

A DEEPER DIVE – NATIONAL, CONT.

Consumer Confidence, Cont.

Purchasing plans for cars increased in August, with buying intentions for both used and new cars rising. Meanwhile, purchasing plans for homes remained stable after July's decline. Consumers' plans to buy big-ticket items were slightly down overall, but with a lot of variation from one item to the next: the strongest increases in buying intentions were for washers and dryers, with the largest declines in TVs and tablets. Consumers' intentions to purchase more services ahead improved, but the increases were concentrated in a few, mostly non-discretionary categories such as financial services and car and home maintenance. Discretionary spending plans—including on dining out and outdoor and indoor entertainment—were down. Vacation intentions fell for a second straight month, with intentions to travel abroad and within the US both declining.

Present Situation

Consumers' assessments of **current business conditions** improved slightly in August.

- 22.0% of consumers said business conditions were "good," up from 20.5% in July.
- 14.2% said business conditions were "bad," also up from 13.6%.

Consumers' views of the **labor market** cooled further in August.

- 29.7% of consumers said jobs were "plentiful," down slightly from 29.9% in July.
- 20.0% of consumers said jobs were "hard to get," up from 18.9%.

Expectations Six Months Hence

Consumers were less pessimistic about future **business conditions** in August.

- 19.5% of consumers expected business conditions to improve, up from 19.0% in July.
- 21.9% expected business conditions to worsen, down from 22.7%.

Consumers were a bit more worried about the **labor market** outlook in August.

- 17.9% of consumers expected more jobs to be available, down from 18.0% in July.
- 26.8% anticipated fewer jobs, up from 25.1%.

Consumers' outlook for their **income prospects** was less positive in August.

- 18.3% of consumers expected their incomes to increase, down from 18.7% in July.
- 12.6% expected their income to decrease, up from 11.8%.

Assessment of Family Finances and Recession Risk

- Consumer assessments of their Family's Current Financial Situation were slightly more positive in August.
- Consumer assessments of their Family's Expected Financial Situation strengthened slightly.
- Consumers' Perceived Likelihood of a US Recession over the Next 12 Months rose in August.

Gross Domestic Product

Real gross domestic product (GDP) increased at an annual rate of 3.3% in the second quarter of 2025 (April, May, and June), according to the second estimate released by the U.S. Bureau of Economic Analysis. In the first quarter, real GDP decreased 0.5%.

The increase in real GDP in the second quarter primarily reflected a decrease in imports, which are a subtraction in the calculation of GDP, and an increase in consumer spending. These movements were partly offset by decreases in investment and exports.

Real GDP was revised up 0.3 percentage point from the advance estimate, primarily reflecting upward revisions to investment and consumer spending that were partly offset by a downward revision to government spending and an upward revision to imports.

Compared to the first quarter, the upturn in real GDP in the second quarter primarily reflected a downturn in imports and an acceleration in consumer spending that were partly offset by a downturn in investment.

Real final sales to private domestic purchasers, the sum of consumer spending and gross private fixed investment, increased 1.9% in the second quarter, revised up 0.7 percentage point from the previous estimate.

The price index for gross domestic purchases increased 1.8% in the second quarter, revised down 0.1 percentage point from the previous estimate. The personal consumption expenditures (PCE) price index increased 2.0%, revised down 0.1 percentage point from the previous estimate. Excluding food and energy prices, the PCE price index increased 2.5%, the same as previously estimated.

Real gross domestic income (GDI) increased 4.8% in the second quarter, compared with an increase of 0.2% in the first quarter. The average of real GDP and real GDI increased 4.0%, in contrast to a decrease of 0.1% in the first quarter.

Profits from current production (corporate profits with inventory valuation and capital consumption adjustments) increased \$65.5 billion in the second quarter, in contrast to a decrease of \$90.6 billion in the first quarter.

A DEEPER DIVE – HOUSING

Existing-Home Sales

Existing-home sales increased by 2.0% in July, according to the National Association of REALTORS® Existing-Home Sales Report. The Report provides the real estate ecosystem, including agents and homebuyers and sellers, with data on the level of home sales, price, and inventory.

Month-over-month sales increased in the Northeast, South, and West, and fell in the Midwest. Year-over-year, sales rose in the South, Northeast, and Midwest, and fell in the West.

"The ever-so-slight improvement in housing affordability is inching up home sales," said NAR Chief Economist Lawrence Yun. "Wage growth is now comfortably outpacing home price growth, and buyers have more choices. Condominium sales increased in the South region, where prices had been falling for the past year."

"Near-zero growth in home prices suggests that roughly half the country is experiencing price reductions. Overall, homeowners are doing well financially. Only 2% of sales were foreclosures or short sales – essentially a historic low. The market's health is supported by a cumulative 49% home price appreciation for a typical American homeowner from pre-COVID July 2019 to July this year," Dr. Yun continued.

"Homebuyers are in the best position in more than five years to find the right home and negotiate for a better price. Current inventory is at its highest since May 2020, during the COVID lockdown."

National Snapshot

Total Existing-Home Sales for July

- 2.0% increase in total existing-home sales month-over-month to a seasonally adjusted annual rate of 4.01 million.
- 0.8% increase in sales year-over-year.

Inventory in July

- 1.55 million units: Total housing inventory, up 0.6% from June and increased 15.7% from July 2024 (1.34 million).
- 4.6-month supply of unsold inventory, down from 4.7 months in June and up from 4 months in July 2024.

Median Sales Price in July

- \$422,400: Median existing-home price for all housing types, up 0.2% from one year ago (\$421,400) – the 25th consecutive month of year-over-year price increases.

Single-Family-Homes Sales in July

- 2.0% increase in sales to a seasonally adjusted annual rate of 3.64 million, up 1.1% from July 2024.
- \$428,500: Median home price in July, up 0.3% from last year.

Condominiums and Co-ops Sales in July

- 2.8% increase in sales month-over-month to a seasonally adjusted annual rate of 370,000 units, down 2.6% year-over-year.
- \$362,600: Median price, down 1.2% from July 2024.

Regional Snapshot for Existing-Home Sales in July

Northeast

- 8.7% increase in sales month-over-month to an annual rate of 500,000, up 2.0% year-over-year.
- \$509,300: Median price, up 0.8% from July 2024.

Midwest

- 1.1% decrease in sales month-over-month to an annual rate of 940,000, up 1.1% year-over-year.
- \$333,800: Median price, up 3.9% from July 2024.



A DEEPER DIVE – HOUSING, CONT.

Regional Snapshot for Existing-Home Sales in July, Cont.

South

- 2.2% increase in sales month-over-month to an annual rate of 1.85 million, up 2.2% year-over-year.
- \$367,400: Median price, down 0.6% from July 2024.

West

- 1.4% increase in sales month-over-month to an annual rate of 720,000, down 4.0% year-over-year.
- \$620,700: Median price, down 1.4% from July 2024.

REALTORS® Confidence Index for July

- 28 days: Median time on market for properties, up from 27 days last month and 24 days in July 2024.
- 28% of sales were first-time homebuyers, down from 30% in June and 29% in July 2024.
- 31% of transactions were cash sales, up from 29% a month ago and 27% in July 2024.
- 20% of transactions were individual investors or second-home buyers, up from 14% last month and 13% in July 2024.
- 2% of sales were distressed sales (foreclosures and short sales), down slightly from 3% in June and up slightly from 1% in July 2024.

Mortgage Rates

- 6.72%: The average 30-year fixed-rate mortgage in July, according to Freddie Mac, down from 6.82% in June and 6.85% one year ago.

New Residential Sales

Sales of new single-family houses in July 2025 were at a seasonally-adjusted annual rate of 652,000, according to estimates released jointly by the U.S. Census Bureau and the Department of Housing and Urban Development. This is 0.6% below the June 2025 rate of 656,000, and is 8.2% below the July 2024 rate of 710,000.

The median sales price of new houses sold in July 2025 was \$403,800. This is 0.8% below the June 2025 price of \$407,200, and is 5.9% below the July 2024 price of \$429,000. The average sales price of new houses sold in July 2025 was \$487,300. This is 3.6% below the June 2025 price of \$505,300, and is 5.0% below the July 2024 price of \$513,200.

The seasonally-adjusted estimate of new houses for sale at the end of July 2025 was 499,000. This is 0.6% below the June 2025 estimate of 502,000, and is 7.3% above the July 2024 estimate of 465,000.

This represents a supply of 9.2 months at the current sales rate. The months' supply is virtually unchanged from the June 2025 estimate of 9.2 months, and is 16.5% above the July 2024 estimate of 7.9 months.

Compared to July 2024 on a seasonally-adjusted basis, sales were down 8.2% overall with sales also down 4.0% in the South, down 23.5% in the Northeast, and down 19.9% in the West, but up 4.9% in the Midwest.

Housing Starts

Privately-owned housing starts in July were at a seasonally adjusted annual rate of 1,428,000. This is 5.2% above the revised June estimate of 1,358,000 and is 12.9% above the July 2024 rate of 1,265,000.

Single-family housing starts in July were at a rate of 939,000; this is 2.8% above the revised June figure of 913,000.

The July rate for units in buildings with five units or more was 470,000 (414,000 in June).

Single-family starts compared to July 2024, on a seasonally-adjusted basis, were up 7.8% in total, as well as up 21.8% in the South, but down 5.2% in the Northeast, down 13.7% in the West, and down 2.3% in the Midwest.



A DEEPER DIVE – HOUSING, CONT.

Housing Completions

Privately-owned housing completions in July were at a seasonally adjusted annual rate of 1,415,000. This is 6.0% above the revised June estimate of 1,335,000, but is 13.5% below the July 2024 rate of 1,635,000.

Single-family housing completions in July were at a rate of 1,022,000; this is 11.6% above the revised June rate of 916,000.

The July rate for units in buildings with five units or more was 385,000 (383,000 in June).

Single-family completions compared to July 2024, on a seasonally-adjusted basis, were down 6.1% in total, as well as down 3.8% in the South, down 3.2% in the Northeast, down 20.0% in the West, but up 8.5 in the Midwest.

A DEEPER DIVE – OTHER NATIONAL

Retail Sales

Advance estimates of U.S. retail and food services sales for July 2025, adjusted for seasonal variation and holiday and trading-day differences, but not for price changes, were \$726.3 billion, up 0.5% from the previous month, and up 3.9% from July 2024. Total sales for the May 2025 through July 2025 period were up 3.9% from the same period a year ago. The May 2025 to June 2025 percent change was revised from up 0.6% to up 0.9%.

Retail trade sales were up 0.7% from June 2025, and up 3.7% from last year. Nonstore retailers were up 8.0% from last year, while food service and drinking places were up 5.6% from July 2024.

Sales at furniture and home furnishings stores in July 2025 were up 1.4% compared to June 2025 on a seasonally-adjusted basis, and up 5.1% from July 2024. Year to date on a non-adjusted basis, sales were up 5.7% (same as last month).

Consumer Prices

The Consumer Price Index for All Urban Consumers (CPI-U) increased 0.2% on a seasonally adjusted basis in July, after rising 0.3% in June, the U.S. Bureau of Labor Statistics reported. Over the last 12 months, the all-items index increased 2.7% before seasonal adjustment.

The index for shelter rose 0.2% in July and was the primary factor in the all-items monthly increase. The food index was unchanged over the month as the food away from home index rose 0.3% while the food at home index fell 0.1%. In contrast, the index for energy fell 1.1% in July as the index for gasoline decreased 2.2% over the month.

The index for all-items less food and energy rose 0.3% in July, following a 0.2% increase in June. Indexes that increased over the month include medical care, airline fares, recreation, household furnishings and operations, and used cars and trucks. The indexes for lodging away from home and communication were among the few major indexes that decreased in July.

The all-items index rose 2.7% for the 12 months ending July, after rising 2.7% over the 12 months ending June. The all-items less food and energy index rose 3.1% over the last 12 months. The energy index decreased 1.6% for the 12 months ending July. The food index increased 2.9% over the last year.

Employment

Total nonfarm payroll employment changed little in July (+73,000) and has shown little change since April, the U.S. Bureau of Labor Statistics (BLS) reported. Employment continued to trend up in health care and in social assistance. Federal government continued to lose jobs.

Both the unemployment rate, at 4.2%, and the number of unemployed people, at 7.2 million, changed little in July. The unemployment rate has remained in a narrow range of 4.0% to 4.2% since May 2024.

Durable Goods Orders and Factory Shipments

New orders for manufactured durable goods in July, down three of the last four months, decreased \$8.8 billion or 2.8% to \$302.8 billion, the U.S. Census Bureau announced. This followed a 9.4% June decrease. Excluding transportation, new orders increased 1.1%. Excluding defense, new orders decreased 2.5%. Transportation equipment, also down three of the last four months, drove the decrease, \$10.9 billion or 9.7% to \$101.7 billion.

On a seasonally-adjusted basis, June shipments for furniture and related products were down 0.2% compared to the prior month, while new orders were up 0.1%. On a non-adjusted basis, year to date shipments for furniture and related products were up 0.7% compared to the prior year, while year to date new orders were up 0.6%.