



FURNITURE INSIGHTS®

Smith Leonard PLLC's Industry Newsletter

October 2025



HIGHLIGHTS – EXECUTIVE SUMMARY

New orders were down 3% compared to the prior month of July 2025 (following the 13% increase from June 2025). New orders were also down 3% in August 2025 compared to August 2024. However, year to date through August 2025, new orders remain down 1% compared to 2024.

Shipments were up 5% compared to the prior month of July 2025. However, shipments were down 6% in August 2025 compared to August 2024. Year to date through August 2025, shipments remain down 1% compared to 2024.

August 2025 backlogs were flat compared to August 2024, and down 1% from July 2025.

Receivable levels were up 1% from July 2025, but down 2% from August 2024.

Inventories were up 3% in August 2025 from both the prior month and year, which may be indicative of tariffs impacting costs and ordering patterns.

Inventories and employee/payroll levels are again materially in line with recent months and the prior year.

Due to the ongoing US Government shutdown, much of the monthly economic data normally presented in this report has not been updated. For reference, we have left last month's data in the report, but the text is highlighted in light blue.



Mark Laferriere and Patrick Willis, Tax Partner

EXECUTIVE SUMMARY, CONT.

National

Consumer Confidence

The Conference Board **Consumer Confidence Index**® inched down by 1.0 point in October to 94.6 (1985=100) from an upwardly revised 95.6 in September.

The **Present Situation Index**—based on consumers' assessment of current business and labor market conditions—gained 1.8 points to 129.3.

The **Expectations Index**—based on consumers' short-term outlook for income, business, and labor market conditions—declined by 2.9 points to 71.5. Expectations have been below the threshold of 80 that typically signals a recession ahead since February 2025.

"Consumer confidence moved sideways in October, only declining slightly from its upwardly revised September level," said Stephanie Guichard, Senior Economist, Global Indicators at The Conference Board. "Changes to the individual subcomponents were also limited and largely cancelled each other out. The Present Situation Index regained some strength after September's drop. Consumers' view of current business conditions inched upward, while their appraisal of current job availability improved for the first time since December 2024. On the other hand, all three components of the Expectations Index weakened somewhat. Consumers were a bit more pessimistic about future job availability and future business conditions while optimism about future income retreated slightly."

Guichard added: "Consumers' write-in responses were led by references to prices and inflation, which continued to be the main topic influencing consumers' views of the economy. References to tariffs declined further this month but remained elevated. Mentions of jobs and employment eased somewhat after picking up in September. The write-in comments remained mostly negative overall, but less so than in previous months. References to US politics were up notably, with the ongoing government shutdown mentioned multiple times as a key concern."

Purchasing plans for cars increased in October, driven by plans to buy used cars. Meanwhile, purchasing plans for homes weakened for the month, but the overall six-month trend is rising. Consumers' plans to buy big-ticket items were little changed overall, with a lot of variation across different types of appliances and electronic goods. Still, overall, plans to buy big-ticket items have started to pick after weakening earlier in the year.

Housing

Existing-home sales increased by 1.5% month-over-month in September, 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 Northeast, Midwest and South, and remained flat in the West.

"As anticipated, falling mortgage rates are lifting home sales," said NAR Chief Economist Dr. Lawrence Yun. "Improving housing affordability is also contributing to the increase in sales."

"Inventory is matching a five-year high, though it remains below pre-COVID levels," Yun added. "Many homeowners are financially comfortable, resulting in very few distressed properties and forced sales. Home prices continue to rise in most parts of the country, further contributing to overall household wealth."

Total Existing-Home Sales for September

- 1.5% increase in existing-home sales month-over-month to a seasonally adjusted annual rate of 4.06 million.
- 4.1% increase in sales year-over-year.

Single-Family-Homes Sales in September

- 1.7% increase in sales to a seasonally adjusted annual rate of 3.69 million, up 4.5% from September 2024.
- \$420,700: Median home price in September, up 2.3% from last year.

EXECUTIVE SUMMARY, CONT.

Thoughts

It was certainly great to see many of you in High Point last month for Market.

It was again a Market dominated by discussions of tariffs and the economy as whole. While opinions of individual exhibitors varied, conditions for companies working with designers and less cost-conscious customers were generally favorable. On the flip-side, many companies serving the lower end of the market were getting opportunities and at-bats with customers they may not have otherwise seen. Most buyers also seem to understand that tariffs in some form or fashion are here to stay, and they are ready to move forward.

But regardless of what end of the market you're in, there was one overriding consensus, and that is that retail is slow. This is really no surprise given the consumer confidence reports from the last few months, coupled with the current government shutdown, as well as the year to date results of our survey participants.

The recently announced deal with China will hopefully bring some clarity to the industry, and along with continued interest rate cuts, and business in Washington eventually getting back to "normal," some stability to the overall economy that will encourage consumers to spend at retail.

EXECUTIVE SUMMARY, CONT.

National, Cont.

Housing, Cont.

Condominiums and Co-ops Sales in September

- No change month-over-month or year-over-year; sales remain at a seasonally adjusted annual rate of 370,000 units.
- \$360,300: Median price, down 0.6% from September 2024.

Mortgage Rates

- 6.35%: The average 30-year fixed-rate mortgage in September, according to Freddie Mac, down from 6.59% in August and up from 6.18% one year ago.

Sales of new single-family houses in August 2025 were at a seasonally-adjusted annual rate of 800,000, according to estimates released jointly by the U.S. Census Bureau and the Department of Housing and Urban Development. This is 20.5% above the July 2025 rate of 664,000, and is 15.4% above the August 2024 rate of 693,000.

Compared to August 2024 on a seasonally-adjusted basis, sales were up 15.4% overall with sales also up 21.0% in the South, up 40.9% in the Northeast, up 20.3% in the Midwest, but down 5.7% in the West.

Other

Real gross domestic product (GDP) increased at an annual rate of 3.8% in the second quarter of 2025 (April, May, and June), according to the third estimate released by the U.S. Bureau of Economic Analysis. In the first quarter, real GDP decreased 0.6% (revised).

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.

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 2.9% in the second quarter, revised up 1.0 percentage point from the previous estimate.

HIGHLIGHTS – MONTHLY RESULTS

New Orders

According to our latest survey of residential furniture manufacturers and distributors, new orders were down 3% in August 2025 compared to August 2024. Approximately one-half of participants reported increases versus decreases in August 2025 compared to a year ago.

New orders were also down 3% compared to the prior month of July 2025.

Year to date through August 2025, new orders remain down 1% compared to 2024 (same as last month).

Shipments and Backlogs

August 2025 shipments were down 6% compared to August 2024, but up 5% compared to July 2025. Shipments in August 2025 were up for approximately one-third of the participants compared to August 2024. Year to date through August 2025, shipments remain down 1% compared to 2024 (same as last month).

August 2025 backlogs were flat compared to August 2024, and down 1% from July 2025 as shipments outpaced new orders.

Receivables and Inventories

Receivable levels were up 1% from July 2025, and down 2% from August 2024, both materially in line with related shipment trends.

Inventories were actually up 3% compared to both July 2025 and August 2024, which is likely caused by the impact of tariffs.

Factory and Warehouse Employees and Payroll

The number of factory and warehouse employees were again down 3% from August a year ago, but again relatively even with the prior month (flat).

Payroll expense was up 4% in August 2025 compared to July 2025, while flat compared to August 2024. However, year to date through August 2025, payroll expense was again up 1%.

ESTIMATED BUSINESS ACTIVITY (MILLIONS)			
	2025		
	AUG	JUL	8 MOS
New Orders	2,122	2,170	16,843
Shipments	2,231	2,107	17,434
Backlog	2,416	2,450	
	2024		
	AUG	JUL	8 MOS
New Orders	2,188	1,920	17,137
Shipments	2,373	2,056	17,779
Backlog	2,416	2,552	

MONTHLY RESULTS – OCTOBER 2025

KEY MONTHLY INDICATORS (PERCENT CHANGE)			
	Aug 2025 from Jul 2025	Aug 2025 from Aug 2024	8 Mos 2025 vs 8 Mos 2024
New Orders	-3	-3	-1
Shipments	+5	-6	-1
Backlog	-1	-	
Payrolls	+4	-	+1
Employees	-	-3	
Receivables	+1	-2	
Inventories	+3	+3	

PERCENT INCREASE/DECREASE COMPARED TO PRIOR YEAR				
	New Orders	Shipments	Backlog	Employment
2024				
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
July	+13	+3	-4	-3
August	-3	-6	-	-3

A DEEPER DIVE – NATIONAL

Consumer Confidence

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“Consumer confidence moved sideways in October, only declining slightly from its upwardly revised September level,” said Stephanie Guichard, Senior Economist, Global Indicators at The Conference Board. “Changes to the individual subcomponents were also limited and largely cancelled each other out. The Present Situation Index regained some strength after September's drop. Consumers' view of current business conditions inched upward, while their appraisal of current job availability improved for the first time since December 2024. On the other hand, all three components of the Expectations Index weakened somewhat. Consumers were a bit more pessimistic about future job availability and future business conditions while optimism about future income retreated slightly.”

Among demographic groups, confidence declined for consumers under 35 years old and, to a lesser extent, among consumers over 55. Confidence improved for consumers aged 35 to 54. By income, confidence fell for consumers making less than \$75K a year, but improved for most of the income groups making more than \$75K, with the largest increase among those earning over \$200K. Younger consumers and consumers earning over \$75K have been the most optimistic overall. By partisan affiliation, confidence improved among Independents, declined among Democrats, and was also slightly down among Republicans.

Guichard added: “Consumers' write-in responses were led by references to prices and inflation, which continued to be the main topic influencing consumers' views of the economy. References to tariffs declined further this month but remained elevated. Mentions of jobs and employment eased somewhat after picking up in September. The write-in comments remained mostly negative overall, but less so than in previous months. References to US politics were up notably, with the ongoing government shutdown mentioned multiple times as a key concern.”

Consumers' average 12-month inflation expectations remained somewhat elevated, inching up to 5.9% in October from 5.8% in September. The share of consumers expecting interest rates to rise ticked up to 52.8% from 51.1% in September; meanwhile, 26.2% of consumers expected interest rates to decline, down from 26.9%. Consumers' outlook for stock prices remained strong. Nearly half of consumers (49.9%, unchanged from September) expected stock prices to increase over the next 12 months, while just 28.5% of consumers expected stock prices to decline (up from 27.4% in September).

NATIONAL UPDATE

Leading Economic Indicators

The Conference Board **Leading Economic Index® (LEI)** for the US declined by 0.5% in August 2025 to 98.4 (2016=100), after a small 0.1% increase in July (upwardly revised from an originally reported 0.1% decline). The LEI fell by 2.8% over the six months between February and August 2025, a faster rate of decline than its 0.9% contraction over the previous six-month period (August 2024 to February 2025).

“In August, the US LEI registered its largest monthly decline since April 2025, signaling more headwinds ahead,” said Justyna Zabinska-La Monica, Senior Manager, Business Cycle Indicators, at The Conference Board. “Among its components, only stock prices and the Leading Credit Index supported the LEI in August and over the past six months. Meanwhile, the contribution of the yield spread turned slightly negative for the first time since April.”

“Besides persistently weak manufacturing new orders and consumer expectation indicators, labor market developments also weighed on the Index with an increase in unemployment claims and a decline in average weekly hours in manufacturing. Overall, the LEI suggests that economic activity will continue to slow. A major driver of this slowdown has been higher tariffs, which already trimmed growth in H1 2025 and will continue to be a drag on GDP growth in the second half of this year and in H1 2026. The Conference Board, while not forecasting recession currently, expects GDP to grow by only 1.6% in 2025, a substantial slowdown from 2.8% in 2024.”

The Conference Board **Coincident Economic Index® (CEI)** for the US rose by 0.2% in August 2025 to 115.0 (2016=100), following an increase of 0.1% in both June and July. Overall, the CEI rose by 0.6% between February and August 2025, down from 0.9% 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 improved only slightly in August, with payroll employment making a neutral contribution to the CEI.

The Conference Board **Lagging Economic Index® (LAG)** for the US inched up by 0.1% to 120.0 (2016=100) in August 2025, after being unchanged in both June and July 2025. The LAG grew by 0.7% in the six months between February and August 2025, over twice as high as the 0.3% increase over the previous six months.

A DEEPER DIVE – NATIONAL, CONT.

Consumer Confidence, Cont.

Consumers' views of their Family's Current and Future Financial Situation both improved in October. Despite October's gains, consumers' views of their current financial situation remained below their average level in 2025. The share of consumers who think a recession is very likely over the next 12 months declined in October, but the share of consumers thinking that the economy was already in recession increased for a third straight month. (These measures are not included in calculating the Consumer Confidence Index®).

Purchasing plans for cars increased in October, driven by plans to buy used cars. Meanwhile, purchasing plans for homes weakened for the month, but the overall six-month trend is rising. Consumers' plans to buy big-ticket items were little changed overall, with a lot of variation across different types of appliances and electronic goods. Still, overall, plans to buy big-ticket items have started to pick up after weakening earlier in the year. Meanwhile, consumers' intentions to purchase more services ahead rose after September's pullback, driven by pet care, streaming & internet, and motor vehicle services. Travel plans were also up, matching an increase in vacation intentions, which may be poised for recovery.

Preliminary data suggest that consumers' holiday spending will be down this season compared to last year. Notably consumers expect to spend 3.9% less on gifts and 12% less on non-gifts (all in nominal terms). When asked what will be driving their spending decisions over the upcoming holidays, consumers most frequently cited promotions and getting the most out of every dollar. In addition to promotions, consumers also indicated that they will likely buy fewer goods if the price of imported items is inflated by tariffs. While some consumers started their holiday shopping as early as the first quarter of 2025, there was little evidence of advance purchasing ahead of tariffs. Most purchases are expected to take place between October and the end of the year, with November seeing the largest share of planned spending.

Present Situation

Consumers' assessments of **current business conditions** improved in October.

- 20.2% of consumers said business conditions were "good," up from 19.9% in September.
- 14.7% said business conditions were "bad," down from 15.3%.

Consumers' views of the **labor market** also improved in October.

- 27.8% of consumers said jobs were "plentiful," up from 26.9% in September.
- Still, 18.4% of consumers said jobs were "hard to get," up from 18.2%.

Expectations Six Months Hence

Consumers were a bit more pessimistic about future **business conditions** in October.

- 19.0% of consumers expected business conditions to improve, down from 19.3% in September.
- 22.6% expected business conditions to worsen, unchanged from last month's revised reading.

Consumers were more worried about the **labor market** outlook in October.

- 15.8% of consumers expected more jobs to be available, down from 16.6% in September.
- 27.8% anticipated fewer jobs, up from 25.7%.

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

- 17.9% of consumers expected their incomes to increase, down from 18.2% in September.
- 12.5% expected their incomes to decrease, up from 11.7%.

Assessment of Family Finances and Recession Risk

- Consumer assessments of their Family's Current Financial Situation improved in October after dropping in September.
- Consumer assessments of their Family's Expected Financial Situation also improved.
- Consumers' Perceived Likelihood of a US Recession over the Next 12 Months declined in October, but more consumers thought a recession had already started.

Gross Domestic Product

Real gross domestic product (GDP) increased at an annual rate of 3.8% in the second quarter of 2025 (April, May, and June), according to the third estimate released by the U.S. Bureau of Economic Analysis. In the first quarter, real GDP decreased 0.6% (revised).

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.

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 2.9% in the second quarter, revised up 1.0 percentage point from the previous estimate.

A DEEPER DIVE – NATIONAL, CONT.

Gross Domestic Product, Cont.

From an industry perspective, the increase in real GDP reflected increases of 10.2% in real value added for private goods-producing industries and 3.5% for private services-producing industries that were partly offset by a decrease of 3.2% in real value added for government.

Real gross output increased 1.2% in the second quarter, reflecting increases of 0.6% for private goods-producing industries and 1.7% for private services-producing industries that were partly offset by a decrease of 0.7% for government.

The price index for gross domestic purchases increased 2.0% in the second quarter, revised up 0.2 percentage point from the previous estimate. The personal consumption expenditures (PCE) price index increased 2.1%, revised up 0.1 percentage point. Excluding food and energy prices, the PCE price index increased 2.6%, also revised up 0.1 percentage point.

Profits from current production (corporate profits with inventory valuation and capital consumption adjustments) increased \$6.8 billion in the second quarter, a downward revision of \$58.7 billion.

A DEEPER DIVE – HOUSING

Existing-Home Sales

Existing-home sales increased by 1.5% month-over-month in September, 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 Northeast, Midwest and South, and remained flat in the West.

"As anticipated, falling mortgage rates are lifting home sales," said NAR Chief Economist Dr. Lawrence Yun.

"Improving housing affordability is also contributing to the increase in sales."

"Inventory is matching a five-year high, though it remains below pre-COVID levels," Yun added. "Many homeowners are financially comfortable, resulting in very few distressed properties and forced sales. Home prices continue to rise in most parts of the country, further contributing to overall household wealth."

"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 September

- 1.5% increase in existing-home sales month-over-month to a seasonally adjusted annual rate of 4.06 million.
- 4.1% increase in sales year-over-year.

Inventory in September

- 1.55 million units: Total housing inventory, up 1.3% from August and up 14.0% from September 2024 (1.36 million).
- 4.6-month supply of unsold inventory, no change from August and up from 4.2 months in September 2024.

Median Sales Price in September

- \$415,200: Median existing-home price for all housing types, up 2.1% from one year ago (\$406,700) – the 27th consecutive month of year-over-year price increases.

Single-Family-Homes Sales in September

- 1.7% increase in sales to a seasonally adjusted annual rate of 3.69 million, up 4.5% from September 2024.
- \$420,700: Median home price in September, up 2.3% from last year.

Condominiums and Co-ops Sales in September

- No change month-over-month or year-over-year; sales remain at a seasonally adjusted annual rate of 370,000 units.
- \$360,300: Median price, down 0.6% from September 2024.



A DEEPER DIVE – HOUSING, CONT.

Regional Snapshot for Existing-Home Sales in September

Northeast

- 2.1% increase in sales month-over-month to an annual rate of 490,000, up 4.3% year-over-year.
- \$500,300: Median price, up 4.1% from September 2024.

Midwest

- 2.1% decrease in sales month-over-month to an annual rate of 940,000, up 2.2% year-over-year.
- \$320,800: Median price, up 4.7% from September 2024.

South

- 1.6% increase in sales month-over-month to an annual rate of 1.86 million, up 6.9% year-over-year.
- \$364,500: Median price, up 1.2% from September 2024.

West

- 5.5% increase in sales month-over-month to an annual rate of 770,000, with no change year-over-year.
- \$619,100: Median price, up 0.4% from September 2024.

REALTORS® Confidence Index for September

- 33 days: Median time on market for properties, up from 31 days last month and 28 days in September 2024.
- 30% of sales were first-time homebuyers, up from 28% in July and 26% in September 2024.
- 30% of transactions were cash sales, up from 28% a month ago and unchanged from September 2024.
- 15% of transactions were individual investors or second-home buyers, down from 21% last month and 16% in September 2024.
- 2% of sales were distressed sales (foreclosures and short sales), unchanged from August and September 2024.

Mortgage Rates

- 6.35%: The average 30-year fixed-rate mortgage in September, according to Freddie Mac, down from 6.59% in August and up from 6.18% one year ago.

New Residential Sales

Sales of new single-family houses in August 2025 were at a seasonally-adjusted annual rate of 800,000, according to estimates released jointly by the U.S. Census Bureau and the Department of Housing and Urban Development. This is 20.5% above the July 2025 rate of 664,000, and is 15.4% above the August 2024 rate of 693,000.

The median sales price of new houses sold in August 2025 was \$413,500. This is 4.7% above the July 2025 price of \$395,100, and is 1.9% above the August 2024 price of \$405,800. The average sales price of new houses sold in August 2025 was \$534,100. This is 11.7% above the July 2025 price of \$478,200, and is 12.3% above the August 2024 price of \$475,600.

The seasonally-adjusted estimate of new houses for sale at the end of August 2025 was 490,000. This is 1.4% below the July 2025 estimate of 497,000, and is 4.0% above the August 2024 estimate of 471,000.

This represents a supply of 7.4 months at the current sales rate. The months' supply is 17.8% below the July 2025 estimate of 9.0 months, and is 9.8% below the August 2024 estimate of 8.2 months.

Compared to August 2024 on a seasonally-adjusted basis, sales were up 15.4% overall with sales also up 21.0% in the South, up 40.9% in the Northeast, up 20.3% in the Midwest, but down 5.7% in the West.



A DEEPER DIVE – HOUSING, CONT.

Housing Starts

Privately-owned housing starts in August were at a seasonally adjusted annual rate of 1,307,000. This is 8.5% below the revised July estimate of 1,429,000 and is 6.0% below the August 2024 rate of 1,391,000.

Single-family housing starts in August were at a rate of 890,000; this is 7.0% below the revised July figure of 957,000.

The August rate for units in buildings with five units or more was 403,000 (470,000 in July).

Single-family starts compared to August 2024, on a seasonally-adjusted basis, were down 11.7% in total, as well as down 11.7% in the South, down 4.3% in the Northeast, down 15.8% in the West, and down 12.9% in the Northeast.

Housing Completions

Privately-owned housing completions in August were at a seasonally adjusted annual rate of 1,608,000. This is 8.4% above the revised July estimate of 1,483,000, but is 8.4% below the August 2024 rate of 1,755,000.

Single-family housing completions in August were at a rate of 1,090,000; this is 6.7% above the revised July rate of 1,022,000.

The August rate for units in buildings with five units or more was 503,000 (385,000 in July).

Single-family completions compared to August 2024, on a seasonally-adjusted basis, were up 5.6% in total, as well as up 4.1% in the South, up 9.8% in the Northeast, up 9.7% in the West, and up 3.1% in the Midwest.

A DEEPER DIVE – OTHER NATIONAL

Retail Sales

Advance estimates of U.S. retail and food services sales for August 2025, adjusted for seasonal variation and holiday and trading-day differences, but not for price changes, were \$732.0 billion, up 0.6% from the previous month, and up 5.0% from August 2024. Total sales for the June 2025 through August 2025 period were up 4.5% from the same period a year ago. The June 2025 to July 2025 percent change was revised from up 0.5% to up 0.6%.

Retail trade sales were up 0.6% from July 2025, and up 4.8% from last year. Nonstore retailers were up 10.1% from last year, while food service and drinking places were up 6.5% from August 2024.

Sales at furniture and home furnishings stores in August 2025 were down 0.3% compared to July 2025 on a seasonally-adjusted basis, but up 5.4% from August 2024. Year to date on a non-adjusted basis, sales were up 5.4% (5.7% last month).

Consumer Prices

The Consumer Price Index for All Urban Consumers (CPI-U) increased 0.3% on a seasonally adjusted basis in September, after rising 0.4% in August, the U.S. Bureau of Labor Statistics reported. Over the last 12 months, the all-items index increased 3.0% before seasonal adjustment. Note that September CPI data collection was completed before the lapse in appropriations.

The index for gasoline rose 4.1% in September and was the largest factor in the all-items monthly increase, as the index for energy rose 1.5% over the month. The food index increased 0.2% over the month as the food at home index rose 0.3% and the food away from home index increased 0.1%.

The index for all-items less food and energy rose 0.2% in September, after rising 0.3% in each of the 2 preceding months. Indexes that increased over the month include shelter, airline fares, recreation, household furnishings and operations, and apparel. The indexes for motor vehicle insurance, used cars and trucks, and communication were among the few major indexes that decreased in September.

The all-items index rose 3.0% for the 12 months ending September, after rising 2.9% over the 12 months ending August. The all-items less food and energy index also rose 3.0% over the last 12 months. The energy index increased 2.8% for the 12 months ending September. The food index increased 3.1% over the last year.

Employment

Total nonfarm payroll employment changed little in August and has shown little change since April, the U.S. Bureau of Labor Statistics (BLS) reported. The unemployment rate, at 4.3%, also changed little in August. A job gain in health care was partially offset by losses in federal government and in mining, quarrying, and oil and gas extraction.

Both the unemployment rate, at 4.3%, and the number of unemployed people, at 7.4 million, changed little in August. These measures also changed little over the year.

A DEEPER DIVE – OTHER NATIONAL, CONT.

Durable Goods Orders and Factory Shipments

New orders for manufactured durable goods in August, up following two consecutive monthly decreases, increased \$8.9 billion or 2.9% to \$312.1 billion, the U.S. Census Bureau announced. This followed a 2.7% July decrease. Excluding transportation, new orders increased 0.4%. Excluding defense, new orders increased 1.9%. Transportation equipment, also up following two consecutive monthly decreases, led the increase, \$8.1 billion or 7.9% to \$110.2 billion.

Shipments of manufactured durable goods in August, down following eight consecutive monthly increases, decreased \$0.5 billion or 0.2% to \$307.5 billion. This followed a 1.6% July increase. Transportation equipment, down following four consecutive monthly increases, led the decrease, \$0.3 billion or 0.3% to \$102.0 billion.

On a seasonally-adjusted basis, July shipments for furniture and related products were down 0.5% compared to the prior month, while new orders were down 0.3%. On a non-adjusted basis, year to date shipments for furniture and related products were up 0.7% compared to the prior year (same as last month), while year to date new orders were up 0.4% (up 0.6% last month).