FURNITURE INSIGHTS®

Smith Leonard PLLC's Industry Newsletter

January 2026

HIGHLIGHTS – EXECUTIVE SUMMARY

New orders were up 2% compared to the prior month of October 2025. However, new orders were down 2% in November 2025 compared to November 2024 and now year to date through November, new orders are now down 1% compared to 2024.

Shipments were down 10% compared to the prior month of October 2025 and down 6% compared to November 2024. Year to date through November 2025, shipments are now down 1% compared to 2024.

November 2025 backlogs were down 1% compared to November 2024, but up 3% from October 2025.

Receivable levels were up 1% from October 2025, but down 5% from November 2024.

Inventories were up 1% from October 2025 and up 4% from November 2024.

Payrolls were down 9% compared to October 2025, and down 3% compared to November 2024, which are materially in line with shipments.

Employee levels are again materially in line with recent months and the prior year.

EXECUTIVE SUMMARY, CONT.

National

Consumer Confidence

The Conference Board ***Consumer Confidence Index®*** fell by 9.7 points in January to 84.5 (1985=100), from an upwardly revised 94.2 in December. A 5.1-point upward revision to December's reading of the Index resulted in a slight increase last month, reversing the initially reported decline. However, January's preliminary results showed confidence resumed declining after a one-month uptick.

The ***Present Situation Index***—based on consumers' assessment of current business and labor market conditions— dropped by 9.9 points to 113.7 in January.

The ***Expectations Index***—based on consumers' short-term outlook for income, business, and labor market conditions— fell by 9.5 points to 65.1, well below the threshold of 80 that usually signals a recession ahead.

"Confidence collapsed in January, as consumer concerns about both the present situation and expectations for the future deepened," said Dana M Peterson, Chief Economist, The Conference Board. "All five components of the Index deteriorated, driving the overall Index to its lowest level since May 2014 (82.2)—surpassing its COVID-19 pandemic depths."

Peterson added: "Consumers' write-in responses on factors affecting the economy continued to skew towards pessimism. References to prices and inflation, oil and gas prices, and food and grocery prices remained elevated. Mentions of tariffs and trade, politics, and the labor market also rose in January, and references to health/insurance and war edged higher."

Consumers appeared more cautious about plans for buying big-ticket items over the next six months. Consumers who said "yes" to buying big-ticket items ahead declined in January, those who said "maybe" rose, and those who responded "no" edged higher. Homebuying expectations continued to retreat. Plans to purchase refrigerators, dishwashers, furniture, and TVs decreased. Plans to buy electronics dipped in all categories besides smartphones, which continued to trend upward on a six-month moving average basis. Used cars, furniture, TVs, and smartphones remained the most popular within their categories for future purchases.

Housing

Existing-home sales increased by 5.1% in December, 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.

"2025 was another tough year for homebuyers, marked by record-high home prices and historically low home sales," said NAR Chief Economist Lawrence Yun. "However, in the fourth quarter, conditions began improving, with lower mortgage rates and slower home price growth.

December home sales, after adjusting for seasonal factors, were the strongest in nearly three years. The gains were broad-based, with all four major regions improving from the prior month."

"Inventory levels remain tight," Yun added. "With fewer sellers feeling eager to move, homeowners are taking their time deciding when to list or delist their homes. Similar to past years, more inventory is expected to come to market beginning in February."

EXECUTIVE SUMMARY, CONT.

Thoughts

New orders dipped again in November 2025 compared to 2024, which drops the 2025 year to date back to below 2024 levels (-1%).

Consumer confidence and housing continue to seemingly be the main culprits, with the latter yet to fully realize the expected impact of the recent Federal Reserve cuts, which could take a while to work through the system. It will certainly be interesting to see what comes out of today's (February 6th) meeting as well as the coming year given recent developments.

Tariffs on certain Indian goods were cut this week, while most within the industry wait to see how the Supreme Court ultimately rules on the overall situation. However, it seems most of the hard work is behind us as tariffs have become accepted and more integrated into operations.

So while 2025 is shaping up to end on a bit of a sluggish note for our participants with back-to-back down months (though December reporting still to come), hopefully the industry will continue to see a return to normalcy in 2026 allowing companies to capitalize on pent up demand and other opportunities for growth and prosperity.

EXECUTIVE SUMMARY, CONT.

National, Cont.

Housing, Cont.

Total Existing-Home Sales for December

- 5.1% increase in existing-home sales month-over-month to a seasonally adjusted annual rate of 4.35 million.
- 1.4% decrease in sales year over year.

Single-Family-Homes Sales in December

- 5.1% increase in sales month over month to a seasonally adjusted annual rate of 3.95 million, up 1.8% from December 2024.
- $409,500: Median home price in December, up 1.5% from December 2024.

Condominiums and Co-ops Sales in November

- 5.3% increase in sales month over month and year over year to a seasonally adjusted annual rate of 400,000, down 2.4% from last year.
- $364,400: Median price, up 0.1% from November 2024.

Mortgage Rates

- 6.19%: The average 30-year fixed-rate mortgage in November, according to Freddie Mac, down from 6.24% in November and 6.72% one year ago.

Sales of new single-family houses in October 2025 were at a seasonally-adjusted annual rate of 737,000, according to estimates released jointly by the U.S. Census Bureau and the Department of Housing and Urban Development. This is 0.1 percent below the September 2025 rate of 738,000, and is 18.7 percent above the October 2024 rate of 621,000.

Compared to October 2024 on a seasonally-adjusted basis, sales were up 18.7% overall with sales also up 42.1% in the South, , up 21.3% in the Midwest, but down 40.0$ in the Northeast and down 24.8% in the West.

Other

Real gross domestic product (GDP) increased at an annual rate of 4.4 percent in the third quarter of 2025 (July, August, and September), according to the updated estimate released by the U.S. Bureau of Economic Analysis. In the second quarter, real GDP increased 3.8 percent.

The increase in real GDP in the third quarter reflected increases in consumer spending, exports, government spending, and investment. Imports, which are a subtraction in the calculation of GDP, decreased.

Compared to the second quarter, the acceleration in real GDP in the third quarter reflected upturns in investment, exports, and government spending, as well as an acceleration in consumer spending. Imports decreased less in the third quarter than in the second.

The price index for gross domestic purchases increased 3.4 percent in the third quarter, the same as previously estimated. The personal consumption expenditures (PCE) price index increased 2.8 percent, and the PCE price index excluding food and energy increased 2.9 percent, both the same as previously estimated.

HIGHLIGHTS – MONTHLY RESULTS

New Orders

According to our latest survey of residential furniture manufacturers and distributors, new orders were down 2% in November 2025 compared to November 2024. Approximately one-half of participants reported increases versus decreases in November compared to a year ago.

However, new orders were up 2% compared to the prior month of October 2025.

Year to date through November 2025, new orders are back to being down 1% compared to 2024 (flat last month).

Shipments and Backlogs

November 2025 shipments were down 6% compared to November 2024, and down 10% compared to October 2025, the latter likely a function of the Thanksgiving holiday. Shipments in November 2025 were up for approximately one-half of the participants compared to November 2024. Year to date through November, shipments are also back to being down 1% compared to 2024 (flat last month).

November 2025 backlogs were down 1% compared to November 2024, but up 3% from October 2025 as new orders outpaced shipments.

Receivables and Inventories

Receivable levels were up 1% from October 2025, but down 5% from November 2024.

Inventories were up 1% from October 2025, and up 4% from November 2024.

Factory and Warehouse Employees and Payroll

The number of factory and warehouse employees were down 3% from November a year ago (down 2% last month), but again even with the prior month.

Payroll expense was down 9% in November 2025 compared to October 2025, and down 3% compared to November 2024.

Year to date through November 2025, payroll expense was again up 2%.

ESTIMATED BUSINESS ACTIVITY (MILLIONS)

	2025		
	NOV	OCT	11 MOS
New Orders	2,351	2,295	23,958
Shipments	2,057	2,314	24,107
Backlog	2,464	2,389	

	2024		
	NOV	OCT	11 MOS
New Orders	2,399	2,318	24,178
Shipments	2,177	2,209	24,337
Backlog	2,489	2,438	

MONTHLY RESULTS – JANUARY 2025

KEY MONTHLY INDICATORS (PERCENT CHANGE)	Nov 2025 from Oct 2025	Nov 2025 from Nov 2024	11 Mos 2025 vs 11 Mos 2024
New Orders	+2	-2	-1
Shipments	-10	-6	-1
Backlog	+3	-1	
Payrolls	-9	-3	+2
Employees	-	-3	
Receivables	+1	-5	
Inventories	+1	+4	

PERCENT INCREASE/DECREASE COMPARED TO PRIOR YEAR	New Orders	Shipments	Backlog	Employment
2024				
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
September	+7	+6	+2	-2
October	-1	+4	-2	-2
November	-2	-6	-1	-3

A DEEPER DIVE – NATIONAL

Consumer Confidence

The Conference Board ***Consumer Confidence Index***® fell by 9.7 points in January to 84.5 (1985=100), from an upwardly revised 94.2 in December. A 5.1-point upward revision to December's reading of the Index resulted in a slight increase last month, reversing the initially reported decline. However, January's preliminary results showed confidence resumed declining after a one-month uptick.

The ***Present Situation Index***—based on consumers' assessment of current business and labor market conditions— dropped by 9.9 points to 113.7 in January.

The ***Expectations Index***—based on consumers' short-term outlook for income, business, and labor market conditions— fell by 9.5 points to 65.1, well below the threshold of 80 that usually signals a recession ahead.

"Confidence collapsed in January, as consumer concerns about both the present situation and expectations for the future deepened," said Dana M Peterson, Chief Economist, The Conference Board. "All five components of the Index deteriorated, driving the overall Index to its lowest level since May 2014 (82.2)—surpassing its COVID-19 pandemic depths."

The Present Situation Index fell, as net views on current business conditions dwindled to just barely positive, at +0.1%. Perceptions of employment conditions also edged lower, with the labor market differential—the share of consumers saying jobs are "plentiful" minus the share saying jobs are "hard to get"—continuing to flag.

All three Expectations Index components also weakened in January. Expectations for business and labor market conditions six months from now fell further into negative territory. The outlook for household incomes became less positive.

Among demographic groups, confidence on a six-month moving average basis dipped for all age groups in January, although consumers under 35 continued to be more confident than consumers age 35 and older. Confidence among all generations trended downward in the month, but Gen Z remained the most optimistic of all generations surveyed. By income, confidence on a six-month moving average basis ticked downward for all brackets, and consumers earning less than $15K remained the least optimistic among all income groups. Consumer confidence continued to fade in January among all political affiliations, with the sharpest decline among Independents.

Peterson added: "Consumers' write-in responses on factors affecting the economy continued to skew towards pessimism. References to prices and inflation, oil and gas prices, and food and grocery prices remained elevated. Mentions of tariffs and trade, politics, and the labor market also rose in January, and references to health/insurance and war edged higher."

Several weeks after the Federal Reserve cut monetary policy rates in December, the share of consumers expecting interest rates 12 months from now to be on net higher dipped in January. Consumers' average 12-month inflation expectations bounced up, but the median fell further.

NATIONAL UPDATE

Leading Economic Indicators

The Conference Board Leading Economic Index® (LEI) for the US declined by 0.3% in November 2025 to 97.9 (2016=100), after declining by 0.1% in October to 98.2, down from 98.3 in September. Overall, the LEI fell by 1.2% over the six months between May and November 2025, a much more moderate rate of decline than its 2.6% contraction over the previous six-month period (November 2024 to May 2025).

"The US LEI fell again in both October and November," said Justyna Zabinska-La Monica, Senior Manager, Business Cycle Indicators, at The Conference Board. "Throughout 2025, weak consumers expectations led the decline in the LEI, followed by new orders. The remaining components of the leading index were relatively muted in November, with the strongest positive contributions coming from labor market data, like initial claims for unemployment insurance and weekly hours worked in manufacturing. Despite real GDP growth hitting 4.4% in Q3 2025, the LEI continues to suggest that the US economy will slow in 2026."

The Conference Board Coincident Economic Index® (CEI) for the US rose by 0.3% in November 2026 to 115.0 (2016=100), regaining ground after 0.1% declines in August, September, and October. The CEI rose by 0.3% between May and November 2025, down from its 0.9% increase over the previous six months (November 2024 to May 2025). 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. They all improved in November after a softer October reading. (November's rise in manufacturing and trade sales was estimated by The Conference Board.)

The Conference Board Lagging Economic Index® (LAG) for the US inched up by 0.1% to 119.7 (2016=100) in November 2025, reversing a 0.1% decline in October. The LAG fell by 0.1% in the six months between May and November 2025, a partial reversal from the 0.9% increase over the previous six months.

A DEEPER DIVE – NATIONAL, CONT.

Consumer Confidence, Cont.

The balance of consumers' expectations for stock prices twelve months from now—higher minus lower—retreated after a pop.

On net, consumers' views of their Family's Current Financial Situation improved slightly in January, after a plunge into negative territory in December was revised upward to reveal a small net positive. However, expectations for their Family's Future Financial Situation were again less positive in January after an improvement in December. Meanwhile, the share of consumers believing a US recession over the next 12 months is "somewhat likely"—edged downward, as did the share who said "not likely." The share who said recession is "very likely" ticked back up and the small percentage who said the US is "already in one" crept higher. (These measures are not included in calculating the Consumer Confidence Index®).

Consumers appeared more cautious about plans for buying big-ticket items over the next six months. Consumers who said "yes" to buying big-ticket items ahead declined in January, those who said "maybe" rose, and those who responded "no" edged higher. Overall buying plans for autos were flat in January: On a six-month moving average basis, expectations for purchasing new cars continued to falter, but plans to buy used cars climbed higher. Homebuying expectations continued to retreat. Plans to purchase refrigerators, dishwashers, furniture, and TVs decreased. Plans to buy electronics dipped in all categories besides smartphones, which continued to trend upward on a six-month moving average basis. Used cars, furniture, TVs, and smartphones remained the most popular within their categories for future purchases.

Consumers' planned spending on services over the next six months was weaker in January. The share who said "yes" fell, those who said "maybe" increased, and those who responded "no" was roughly unchanged. Consumer spending trends in 2025 moved towards cheap thrills and necessary services, and away from expensive and highly discretionary activities. These behaviors spilled over into the new year.

In January, restaurants, bars, and take-out remained the top planned services spending category and continued to rise. Consumers also intended to spend more on hotels/motels for personal travel; motor vehicle services; household maintenance; and airfare/trains for personal travel. The increased intentions to spend more on travel-related services in the first half of 2026 was surprising, given the plunge in vacation plans, especially for domestic travel, also recorded in the survey.

Top categories for services still included restaurants, bars, take-out; streaming, internet, mobile services; healthcare; and beauty and personal care. Hotel/motel displaced utilities, and healthcare moved up.

Present Situation

Consumers' assessments of **current business conditions** worsened in January.

- 17.9% of consumers said business conditions were "good," down from 19.8% in December.
- 17.8% said business conditions were "bad," up slightly from 17.6%.

Consumers' views of the **labor market** were also weaker in January.

- 23.9% of consumers said jobs were "plentiful," down from 27.5% in December.
- 20.8% of consumers said jobs were "hard to get," up from 19.1%.

Expectations Six Months Hence

Consumers were more pessimistic about future **business conditions** in January.

- 15.6% of consumers expected business conditions to improve, down from 18.7% in December.
- 22.9% expected business conditions to worsen, up from 21.3%.

Consumers were also more concerned about the **labor market** outlook in January.

- 13.9% of consumers expected more jobs to be available, down from 17.4% in December.
- 28.5% anticipated fewer jobs, up from 26.0%.

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

- 15.7% of consumers expected their incomes to increase, down from 18.8% in December.
- Meanwhile, 12.6% expected their incomes to decline, down from 13.0%.

A DEEPER DIVE – NATIONAL, CONT.

Gross Domestic Product

Real gross domestic product (GDP) increased at an annual rate of 4.4 percent in the third quarter of 2025 (July, August, and September), according to the updated estimate released by the U.S. Bureau of Economic Analysis. In the second quarter, real GDP increased 3.8 percent.

The increase in real GDP in the third quarter reflected increases in consumer spending, exports, government spending, and investment. Imports, which are a subtraction in the calculation of GDP, decreased.

Real GDP was revised up 0.1 percentage point from the initial estimate, primarily reflecting upward revisions to exports and investment that were partly offset by a downward revision to consumer spending. Imports were revised up.

Compared to the second quarter, the acceleration in real GDP in the third quarter reflected upturns in investment, exports, and government spending, as well as an acceleration in consumer spending. Imports decreased less in the third quarter than in the second.

Real final sales to private domestic purchasers, the sum of consumer spending and gross private fixed investment, increased 2.9 percent in the third quarter, revised down 0.1 percentage point from the previous estimate.

From an industry perspective, the increase in real GDP in the third quarter reflected increases of 5.3 percent in real value added for private services-producing industries and 3.6 percent for private goods-producing industries that were partly offset by a decrease of 0.3 percent in real value added for government.

Real gross output increased 3.2 percent in the third quarter, reflecting increases of 4.4 percent for private services-producing industries and 2.1 percent for government that were partly offset by a decrease of 0.1 percent for private goods-producing industries.

The price index for gross domestic purchases increased 3.4 percent in the third quarter, the same as previously estimated. The personal consumption expenditures (PCE) price index increased 2.8 percent, and the PCE price index excluding food and energy increased 2.9 percent, both the same as previously estimated.

Real gross domestic income (GDI) increased 2.4 percent in the third quarter, the same as previously estimated. The average of real GDP and real GDI increased 3.4 percent, the same as previously estimated.

Profits from current production (corporate profits with inventory valuation and capital consumption adjustments) increased $175.6 billion in the third quarter, an upward revision of $9.5 billion.

A DEEPER DIVE – HOUSING

Existing-Home Sales

Existing-home sales increased by 5.1% in December, 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 all regions. Year-over-year sales increased in the South, remained flat in the Midwest and West, and decreased in the Northeast.

"2025 was another tough year for homebuyers, marked by record-high home prices and historically low home sales," said NAR Chief Economist Lawrence Yun. "However, in the fourth quarter, conditions began improving, with lower mortgage rates and slower home price growth. December home sales, after adjusting for seasonal factors, were the strongest in nearly three years. The gains were broad-based, with all four major regions improving from the prior month."

"Inventory levels remain tight," Yun added. "With fewer sellers feeling eager to move, homeowners are taking their time deciding when to list or delist their homes. Similar to past years, more inventory is expected to come to market beginning in February."

A DEEPER DIVE – HOUSING, CONT.

National Snapshot

Total Existing-Home Sales for December

- 5.1% increase in existing-home sales month over month to a seasonally adjusted annual rate of 4.35 million.
- 1.4% increase in sales year over year.

Inventory in December

- 1.18 million units: Total housing inventory, down 18.1% from November and up 3.5% from December 2024 (1.14 million).
- 3.3-month supply of unsold inventory, down from 4.2 months in November and up from 3.2 months in December 2024.

Median Sales Price in December

- $405,400: Median existing-home price for all housing types, up 0.4% from one year ago ($403,700) – the 30th consecutive month of year-over-year price increases.

Single-Family-Homes Sales in December

- 5.1% increase in sales month over month to a seasonally adjusted annual rate of 3.95 million, up 1.8% from December 2024.
- $409,500: Median home price in December, up 0.2% from last year.

Condominiums and Co-ops Sales in December

- 5.3% increase in sales month over month and year over year to a seasonally adjusted annual rate of 400,000.
- $364,400: Median price, up 1.5% from December 2024.

Regional Snapshot for Existing-Home Sales in December

Northeast

- 2.0% increase in sales month over month to an annual rate of 520,000, down 1.9% year over year.
- $496,700: Median price, up 3.7% from December 2024.

Midwest

- 2.0% increase in sales month over month to an annual rate of 1 million, unchanged year over year.
- $306,000: Median price, up 3.1% from December 2024.

South

- 6.9% increase in sales month over month to an annual rate of 2.02 million, up 3.6% year over year.
- $360,200: Median price, down 0.3% from December 2024.

West

- 6.6% increase in sales month over month for an annual rate of 810,000, unchanged year over year.
- $605,600: Median price, down 1.4% from December 2024.

Mortgage Rates

- 6.19%: The average 30-year fixed-rate mortgage in December, according to Freddie Mac, down from 6.24% in November and 6.% one year ago.

A DEEPER DIVE – HOUSING, CONT.

New Residential Sales

Sales of new single-family houses in October 2025 were at a seasonally-adjusted annual rate of 737,000, according to estimates released jointly by the U.S. Census Bureau and the Department of Housing and Urban Development. This is 0.1 percent below the September 2025 rate of 738,000, and is 18.7 percent above the October 2024 rate of 621,000.

The median sales price of new houses sold in October 2025 was $392,300. This is 3.3 percent below the September 2025 price of $405,800, and is 8.0 percent below the October 2024 price of $426,300. The average sales price of new houses sold in October 2025 was $498,000. This is 3.0 percent above the September 2025 price of $483,500, and is 4.6 percent below the October 2024 price of $521,900.

The seasonally-adjusted estimate of new houses for sale at the end of October 2025 was 488,000. This is virtually unchanged from the September 2025 estimate of 488,000, and is 1.7 percent above the October 2024 estimate of 480,000.

This represents a supply of 7.9 months at the current sales rate. The months' supply is virtually unchanged from the September 2025 estimate of 7.9 months, and is 15.1 percent below the October 2024 estimate of 9.3 months.

Compared to October 2024 on a seasonally-adjusted basis, sales were up 18.7% overall with sales also up 42.1% in the South, , up 21.3% in the Midwest, but down 40.0$ in the Northeast and down 24.8% in the West.

Housing Starts

Privately-owned housing starts in October were at a seasonally adjusted annual rate of 1,246,000. This is 4.6 percent below the revised September estimate of 1,306,000 and is 7.8 percent below the October 2024 rate of 1,352,000.

Single-family housing starts in October were at a rate of 874,000; this is 5.4 percent above the revised September figure of 829,000.

The October rate for units in buildings with five units or more was 347,000.

Single-family starts compared to October 2024, on a seasonally-adjusted basis, were down 7.8% in total, as well as down 2.9% in the South, down 31.6% in the West, but up 17.2% in the Northeast 8.1% and up 0.7% in the Midwest.

Housing Completions

Privately-owned housing completions in October were at a seasonally adjusted annual rate of 1,386,000. This is 1.1 percent above the revised September estimate of 1,371,000, but is 15.3 percent below the October 2024 rate of 1,636,000.

Single-family housing completions in October were at a rate of 1,009,000; this is 6.0 percent above the revised September rate of 952,000.

The October rate for units in buildings with five units or more was 367,000.

Single-family completions compared to October 2024, on a seasonally-adjusted basis, were up 2.0% in total, as well as up 11.6% in the South, but down 41.9% in the Northeast, down 2.6% in the West, and down 5.3% in the Midwest.

A DEEPER DIVE – OTHER NATIONAL

Retail Sales

Advance estimates of U.S. retail and food services sales for November 2025, adjusted for seasonal variation and holiday and trading-day differences, but not for price changes, were $735.9 billion, up 0.6 percent from the previous month, and up 3.3 percent from November 2024. Total sales for the September 2025 through November 2025 period were up 3.6 percent from the same period a year ago. The September 2025 to October 2025 percent change was revised from virtually unchanged to down 0.1 percent.

Retail trade sales were up 0.6 percent from October 2025, and up 3.1 percent from last year. Nonstore retailers were up 7.2 percent from last year, while food service and drinking places were up 4.9 percent from November 2024.

Sales at furniture and home furnishings stores in November 2025 were down 0.1% compared to October 2025 on a seasonally-adjusted basis, and down 1.4% from October 2024. Year to date on a non-adjusted basis, sales were up 3.0% (3.8% last month).

A DEEPER DIVE – OTHER NATIONAL, CONT.

Consumer Prices

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

The index for shelter rose 0.4 percent in December and was the largest factor in the all-items monthly increase. The food index increased 0.7 percent over the month as did the food at home index and the food away from home index. The index for energy rose 0.3 percent in December.

The index for all-items less food and energy rose 0.2 percent in December. Indexes that increased over the month include recreation, airline fares, medical care, apparel, personal care, and education. The indexes for communication, used cars and trucks, and household furnishings and operations were among the major indexes that decreased in December.

The all-items index rose 2.7 percent for the 12 months ending December, the same increase as over the 12 months ending November. The all-items less food and energy index rose 2.6 percent over the last 12 months. The energy index increased 2.3 percent for the 12 months ending December. The food index increased 3.1 percent over the last year.

Employment

Both total nonfarm payroll employment (+50,000) and the unemployment rate (4.4 percent) changed little in December, the U.S. Bureau of Labor Statistics reported. Employment continued to trend up in food services and drinking places, health care, and social assistance. Retail trade lost jobs. The number of unemployed people, at 7.5 million, changed little in December.

Durable Goods Orders and Factory Shipments

New orders for manufactured durable goods in November, up three of the last four months, increased $16.4 billion or 5.3 percent to $323.8 billion, the U.S. Census Bureau announced. This followed a 2.1 percent October decrease. Excluding transportation, new orders increased 0.5 percent. Excluding defense, new orders increased 6.6 percent. Transportation equipment, also up three of the last four months, led the increase, $15.3 billion or 14.7 percent to $119.3 billion.

On a seasonally-adjusted basis, October shipments for furniture and related products were up 0.3% compared to the prior month, while new orders were up 1.0%. On a non-adjusted basis, October 2025 year to date shipments for furniture and related products were up 1.0% compared to the prior year (0.8% last month), while year to date new orders were up 1.1% (up 0.9% last month).