FURNITURE INSIGHTS®

Smith Leonard PLLC's Industry Newsletter

June 2026

HIGHLIGHTS – EXECUTIVE SUMMARY

Mark Laferriere and Patrick Willis, Tax Partners

New orders were down 4% compared to the prior month of March 2026, but up 3% compared to April 2025. Year to date, new orders remain even with 2025.

April 2026 shipments were down 6% compared to March 2026 and flat with April 2025. Year to date, shipments are down 1% with 2025.

April 2026 backlogs were down 1% compared to March 2026 and flat with April 2025.

Receivable levels were down 5% from March 2026, and down 8% compared to April 2025.

Inventories were flat with March 2026, but up 4% from April 2025.

Payrolls were down 2% compared to March 2026, but up 1% compared to April 2025.

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

EXECUTIVE SUMMARY, CONT.

National

Consumer Confidence

The Conference Board Consumer Confidence Index® inched up by 0.6 points to 91.2 (1985=100) in June, up from a downwardly revised 90.6 in May.

The Present Situation Index—based on consumers' assessment of current business and labor market conditions—fell by 3.0 points to 116.4.

The Expectations Index—based on consumers' short-term outlook for income, business, and labor market conditions—rose by 3.0 points to 74.4.

"Consumer confidence inched up in June as falling oil prices in recent weeks provided some relief to consumer inflation fears," said Dana M Peterson, Chief Economist, The Conference Board. "Consumer appraisals of current business conditions were slightly more positive compared to last month. However, perceptions of the current labor market softened measurably as the percentage of consumers saying jobs were 'hard to get' rose to 22.5%, the highest level since January 2021 (22.8%). Moreover, consumers anticipate little change in the labor market six months from now. This was offset by improving expectations for business conditions and incomes."

Consumers' plans to buy big-ticket items over the next six months improved slightly, shifting from "no" to "maybe", and the proportion saying "yes" picked up modestly. Buying plans for autos continued rising on a six-month moving average basis in June. Homebuying expectations also rose on a six-month rolling basis. Consumers planning purchases six months ahead continued to rank furniture followed by smartphones as the most desired items, but expectations for both categories moderated further in June.

Housing

Existing-home sales increased by 3.2% month-over-month and year-over-year, according to the National Association of REALTORS® Existing-Home Sales report.

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

"More Americans are on the move, with home sales rising to the highest level since December. This is great news for the housing market and the economy," said NAR Chief Economist Dr. Lawrence Yun. "Improving affordability is helping drive this momentum. Even with mortgage rates ticking up compared to earlier in the year, they remain lower than a year ago and are essentially at the long-term historical average. Income gains are also outpacing home price growth by a small margin in most parts of the country."

"Increased home sales mean more economic activity — lawn care, furniture purchases, moving services, mortgage originations and other related business activities all get a boost," Yun added.

Total Existing-Home Sales for May

- 3.2% increase in existing-home sales month-over-month.
- 3.2% increase in existing-home sales year-over-year to a seasonally adjusted annual rate of 4.17 million.

Single-Family-Homes Sales in May

- 3.5% increase in sales month-over-month to a seasonally adjusted annual rate of 3.8 million, up 3.3% from May 2025.
- $434,300: Median home price, up 1.3% from last year.

Condominiums and Co-ops Sales in May

- No change in sales month-over-month with a seasonally adjusted annual rate of 370,000
  - 2.8% increase from last year.
- $378,200: Median price, up 1.7% from May 2025.

EXECUTIVE SUMMARY

Thoughts

Continuing the trend from 2025, new orders continue to alternate between monthly gains and losses in 2026 compared to 2025 so far for the participants in our stats program, which does little to provide the consistency or momentum the industry has been craving as a whole for some time.

Consumer confidence, housing, and other economic indicators also remain mixed as uncertainty driven in part by current world events continues.

During its June meeting, the Fed opted to keep rates steady under new leadership based upon their assessment of prevailing economic trends.

Tarriff refunds under IEEPA have continued to slowly flow, while the industry anxiously awaits what will happen next, with initial reports of 10-12.5% on over 50 countries.

So this seems to be shaping up to be another challenging year, but nothing the industry hasn't experienced and overcome many times before.

A DEEPER DIVE – NATIONAL, CONT.

Mortgage Rates

- 6.44%: The average 30-year fixed-rate mortgage in May, according to Freddie Mac, up from 6.33% in April and down from 6.82% one year ago.

Sales of new single-family houses in May 2026 were at a seasonally-adjusted annual rate of 580,000, according to estimates released jointly by the U.S. Census Bureau and the Department of Housing and Urban Development. This is 7.3 percent below the April 2026 rate of 626,000, and is 6.8 percent below the May 2025 rate of 622,000.

Compared to May 2025 on a seasonally-adjusted basis, sales were down 6.8% overall with sales also down 15.4% in the South, down 17.0% in the West, and down 3.7% in the Midwest, but up 17.2% in the Northeast.

Gross Domestic Product

Real gross domestic product (GDP) increased at an annual rate of 2.1 percent in the first quarter of 2026 (January, February, and March), according to the third estimate released by the U.S. Bureau of Economic Analysis. In the fourth quarter of 2025, real GDP increased 0.5 percent.

The contributors to the increase in real GDP in the first quarter were investment, exports, government spending, and consumer spending. Imports, which are a subtraction in the calculation of GDP, increased.

The price index for gross domestic purchases increased 3.6 percent in the first quarter, revised up 0.1 percentage point from the previous estimate. The personal consumption expenditures (PCE) price index increased 4.6 percent, also revised up 0.1 percentage point, and the PCE price index excluding food and energy increased 4.4 percent, the same as previously estimated.

HIGHLIGHTS – MONTHLY RESULTS

New Orders

According to our latest survey of residential furniture manufacturers and distributors, new orders were up 3% in April 2026 compared to April 2025. Approximately two-thirds of participants reported increases versus decreases in April compared to a year ago.

New orders were down 4% compared to the prior month of March 2026.

Year to date, new orders remain flat (0%) compared to the same period last year (same as last month).

Shipments and Backlogs

April 2026 shipments were flat (0%) compared to April 2025. Accordingly, shipments in April were up for approximately one-half of the participants compared to the prior year.

Shipments were down 6% from March 2026.

Year to date, shipments remain down 1% compared to the same period last year (same as last month).

April 2026 backlogs were flat (0%) compared to April 2025 and down 1% from March 2026.

ESTIMATED BUSINESS ACTIVITY (MILLIONS)

	2026		
	APR	MAR	4 MO
New Orders	2,052	2,108	8,311
Shipments	2,168	2,305	8,718
Backlog	2,359	2,386	

	2025		
	APR	MAR	4 MO
New Orders	2,012	2,151	8,296
Shipments	2,168	2,260	8,802
Backlog	2,359	2,374	

Receivables and Inventories

Receivable levels were down 5% from March 2026 and down 8% from April 2025.

Inventories were flat (0%) with March 2026, but up 4% from April 2025 continuing the trends from recent months.

Factory and Warehouse Employees and Payroll

The number of factory and warehouse employees were again down 5% from April a year ago, and down 1% with the prior month.

Payroll expense was down 2% in April 2026 compared to March 2026, but up 1% compared to April 2025. Year to date, payroll expense remains up 1% compared to the same period last year.

MONTHLY RESULTS – JUNE 2026

KEY MONTHLY INDICATORS (PERCENT CHANGE)	Apr 2026 from Mar 2026	Apr 2026 from Apr 2025	4 Mos 2026 vs 4 Mos 2025
New Orders	-4	+3	-
Shipments	-6	-	-1
Backlog	-1	-	
Payrolls	-2	+1	+1
Employees	-1	-5	
Receivables	-5	-8	
Inventories	+4	-	

PERCENT INCREASE/DECREASE COMPARED TO PRIOR YEAR	New Orders	Shipments	Backlog	Employment
2025				
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
December	+1	-	-2	-3
2026				
January	-	-7	-	-4
February	+1	+2	-	-5
March	-2	+2	+1	-5
April	+3	-	-	-5

A DEEPER DIVE – NATIONAL

Consumer Confidence

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The Expectations Index—based on consumers' short-term outlook for income, business, and labor market conditions—rose by 3.0 points to 74.4.

"Consumer confidence inched up in June as falling oil prices in recent weeks provided some relief to consumer inflation fears," said Dana M Peterson, Chief Economist, The Conference Board. "Consumer appraisals of current business conditions were slightly more positive compared to last month. However, perceptions of the current labor market softened measurably as the percentage of consumers saying jobs were 'hard to get' rose to 22.5%, the highest level since January 2021 (22.8%). Moreover, consumers anticipate little change in the labor market six months from now. This was offset by improving expectations for business conditions and incomes."

The Present Situation Index declined in June. Net views of current business conditions—the share saying conditions are "good" versus "bad"—improved by 1 ppt to +3.5%. However, perceptions of current employment conditions declined, with the labor market differential—the share of consumers saying jobs are "plentiful" minus the share saying jobs are "hard to get"—declining by 2.6 ppts to just +2.4%. Notably, the percentage of consumers saying jobs are "hard to get" rose to 22.5%, a five-and-a-half-year high (January 2021, 22.8%).

The Expectations Index improved in June, with two of its three components—net expectations for business and expected household income six months from now both improving. Net expectations for labor market conditions were unchanged.

Among age groups, confidence for consumers under age 35 remained the highest, but confidence for all age groups trended downward on a six-month moving average basis. By income, on a six-month moving average basis, confidence was mixed or little changed across all categories. By generation, confidence fell the most for the Silent Generation but was stable or lower for others on a six-month moving average basis. By political affiliation, confidence among Independents and Democrats rose while Republicans were somewhat less positive on a month-over-month basis.

Consumers' write-in responses on factors affecting the economy continued to skew towards pessimism in June. References to prices and oil and gas eased in frequency but remain elevated. Mentions of war, geopolitics, and conflict eased, reflecting some easing of consumer concerns about the inflationary impacts of the war in the Middle East.

Consumers' average and median 12-month inflation expectations were less elevated. While down somewhat from May (62.4%), most

NATIONAL UPDATE

Leading Economic Indicators

The Conference Board Leading Economic Index® (LEI) for the US increased slightly by 0.1% in May 2026 to 99.3 (2016=100), following a 0.2% increase in April. After these two consecutive increases, the LEI is down just 0.3% over the six months between November 2025 and May 2026, a much smaller rate of decline than its 1.3% contraction over the previous six months (May to November 2025).

"The Leading Index for the US increased slightly in May, fueled entirely by positive contributions from financial components, especially stock prices and the interest rate spread," said Justyna Zabinska-La Monica, Senior Manager, Business Cycle Indicators, at The Conference Board. "On the non-financial side of the LEI, only ISM® New Orders Index showed some strength, with consumer expectations remaining a major drag. Despite two consecutive monthly increases, the LEI's six- and twelve-month growth rates were still negative, suggesting slower economic expansion ahead. Consumers are feeling squeezed because everyday costs—especially gas and energy—are rising faster than their incomes, leaving many households with less money available for things like travel, restaurants, entertainment, and shopping. The good news is that businesses are spending heavily on AI, data centers, and new technology, helping to keep the economy growing, while consumers pull back spending. The overall job market is expected to stay fairly healthy in 2026, but economic growth will be weaker than in recent years. The Conference Board is currently projecting 1.8% y/y GDP growth in 2026, down from 2.1% in 2025."

The Conference Board Coincident Economic Index® (CEI) for the US increased by 0.2% in May 2026 to 114.6 (2016=100), after a marginal increase of 0.1% in April. Overall, the CEI expanded by 0.6% over the six months between November 2025 and May 2026, an improvement from its growth of 0.2% 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 CEI made positive contributions in May.

The Conference Board Lagging Economic Index® (LAG) for the US dipped by 0.1% to 120.5 (2016=100) in May 2026, after a 0.5% increase in April. However, the LAG's six-month change was firmly in positive territory at 0.9% growth between November 2025 and May 2026, up from being flat over the previous six months (May to November 2025).

A DEEPER DIVE – NATIONAL, CONT.

consumers (61.5%) in June still expected higher interest rates over the next 12 months. Equity market volatility, notwithstanding, the second half of the June survey period included an extension of the US-Iran ceasefire and likely influenced consumer expectations of even higher stock prices a year from now.

Consumers' net views of their Family's Current Financial Situation deteriorated for a third month, with virtually the same portion saying conditions are "Good" versus "Bad." However, consumer's views of their Family's Future Financial Situation were more optimistic, reviving the levels since the beginning of the year. Meanwhile, the share of consumers who said a US recession over the next 12 months is "somewhat likely" rose, but overall recession expectations remain low, with those saying recession is "not likely" declining. (These measures are not included in calculating the Consumer Confidence Index®).

Consumers' plans to buy big-ticket items over the next six months improved slightly, shifting from "no" to "maybe", and the proportion saying "yes" picked up modestly. Buying plans for autos continued rising on a six-month moving average basis in June. Homebuying expectations also rose on a six-month rolling basis. Consumers planning purchases six months ahead continued to rank furniture followed by smartphones as the most desired items, but expectations for both categories moderated further in June. Spending plans for white goods and electronics eased a tad or were relatively unchanged on a six-month moving average basis.

Consumers planning more spending on services over the next six months shifted from "no" to "maybe" in June, but future spending plans on individual services were mixed. Among all service categories, restaurants/bars/take-out, streaming/internet/mobile services, and beauty and personal care, remained among the top three spending targets.

Overall travel intentions within six months receded in June but predominately fell for domestic travel plans, while plans for international travel rose. Nonetheless, expected spending on hotel/motel and airfare/trains for personal travel were moderately higher in the month.

Present Situation

Consumers' views of current business conditions improved in June.

- 20.0% of consumers said business conditions were "good," up from 19.2% in May.
- 16.5% said business conditions were "bad," down from 16.7%.

On net, consumers' views of the labor market worsened in June.

- 24.9% of consumers said jobs were "plentiful," up slightly from 24.8% in May.
- Conversely, 22.5% of consumers said jobs were "hard to get," up from 19.8%.

Expectations Six Months Hence

Consumers were more optimistic about future business conditions in June.

- 19.0% of consumers expected business conditions to improve, up from 18.8% in May.
- 20.3% expected business conditions to worsen, down from 23.2%.

On net, consumers' negative stance about the labor market outlook was largely unchanged in June.

- 15.2% of consumers expected more jobs to be available, down from 16.6% in May.
- However, 25.6% anticipated fewer jobs, down from 27.0%.

Consumers' outlook for their income prospects was more optimistic in June.

- 20.8% of consumers expected their incomes to increase, up from 19.2% in May.
- 13.2% expected their incomes to decline, down from 14.5%.

Gross Domestic Product

Real gross domestic product (GDP) increased at an annual rate of 2.1 percent in the first quarter of 2026 (January, February, and March), according to the third estimate released by the U.S. Bureau of Economic Analysis. In the fourth quarter of 2025, real GDP increased 0.5 percent.

Real GDP was revised up 0.5 percentage point from the second estimate, primarily reflecting a downward revision to imports, which are a subtraction in the calculation of GDP, that was partly offset by a downward revision to consumer spending.
The contributors to the increase in real GDP in the first quarter were investment, exports, government spending, and consumer spending. Imports, which are a subtraction in the calculation of GDP, increased.

From an industry perspective, the increase in real GDP reflected increases in real value added of 7.5 percent for government, 4.5 percent for private goods-producing industries, and 0.8 percent for private services-producing industries. The leading industry contributors to the increase in real GDP were information; federal government; professional, scientific, and technical services; and

A DEEPER DIVE – NATIONAL, CONT.

durable goods manufacturing. The leading offsets were decreases in retail trade, wholesale trade, and finance and insurance. The price index for gross domestic purchases increased 3.6 percent in the first quarter, revised up 0.1 percentage point from the previous estimate. The personal consumption expenditures (PCE) price index increased 4.6 percent, also revised up 0.1 percentage point, and the PCE price index excluding food and energy increased 4.4 percent, the same as previously estimated.

A DEEPER DIVE – HOUSING

Existing-Home Sales

Existing-home sales increased by 3.2% month-over-month and year-over-year, according to the National Association of REALTORS® Existing-Home Sales report. The report provides the real estate ecosystem—including agents, homebuyers and sellers—with data on the level of home sales, price, and inventory.

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

"More Americans are on the move, with home sales rising to the highest level since December. This is great news for the housing market and the economy," said NAR Chief Economist Dr. Lawrence Yun. "Improving affordability is helping drive this momentum. Even with mortgage rates ticking up compared to earlier in the year, they remain lower than a year ago and are essentially at the long-term historical average. Income gains are also outpacing home price growth by a small margin in most parts of the country."

"The new record-high May home price reflects solid fundamentals for homeowners and ongoing supply constraints," Yun said. "Only 1% of all home sales involved a foreclosure or an underwater situation in which the sale price could not cover the outstanding mortgage balance. This shows that homeowners are on solid financial footing."
"Increased home sales mean more economic activity — lawn care, furniture purchases, moving services, mortgage originations and other related business activities all get a boost," Yun added.

National Snapshot

Total Existing-Home Sales for May

- 3.2% increase in existing-home sales month-over-month.
- 3.2% increase in existing-home sales year-over-year to a seasonally adjusted annual rate of 4.17 million.

Inventory in May

- 1.55 million units: Total housing inventory, up 3.3% from April and up 0.6% from May 2025.
- 4.5-month supply of unsold inventory, no change from last month and down slightly from 4.6 months one year ago.

Median Sales Price in May

- $429,300: Median existing-home price for all housing types
- 1.3% increase from one year ago ($423,700)—the 35th consecutive month of year-over-year price increases.

Housing Affordability in May

- The Housing Affordability Index registered at 105.6, up from 97.5 a year ago.
- Year-over-year, affordability improved across all regions.
    - Northeast +5.1%
    - Midwest +6.6%
    - South +8.4%
    - West +11.0%

A DEEPER DIVE – HOUSING, CONT.

Single-Family-Homes Sales in May

- 3.5% increase in sales month-over-month to a seasonally adjusted annual rate of 3.8 million, up 3.3% from May 2025.
- $434,300: Median home price, up 1.3% from last year.

Condominiums and Co-ops Sales in May

- No change in sales month-over-month with a seasonally adjusted annual rate of 370,000
- 2.8% increase from last year.
- $378,200: Median price, up 1.7% from May 2025.

Regional Snapshot for Existing-Home Sales in May

Northeast

- 2.2% increase in sales month-over-month to an annual rate of 460,000
  - Down 8.0% year-over-year
- $534,900: Median price, up 4.2% from May 2025

Midwest

- 6.4% increase in sales month-over-month to an annual rate of 1.0 million
  - Up 2.0% year-over-year
- $336,300: Median price, up 2.8% from May 2025.

South

- 3.2% increase in sales month-over-month to an annual rate of 1.96 million
  - Up 5.9% year-over-year
- $373,100: Median price, up 1.1% from May 2025

West

- No change in sales month-over-month with an annual rate of 750,000
  - Up 5.6% from last year
- $625,900: Median price, down 0.7% from May 2025

REALTORS® Confidence Index for May

- 29 days: Median time on market for properties, down from 32 days last month
  - Up from 27 days in May 2025
- 35% of sales were first-time homebuyers, up from 33% in April
  - Up from 30% one year ago
- 25% of transactions were cash sales, unchanged from last month
  - Down from 27% in May 2025
- 14% of transactions were individual investors or second-home buyers, down from 16% last month
  - Down from 17% one year ago
- 1% of sales were distressed sales4 (foreclosures and short sales), down from 2% last month
  - Down from 3% one year ago

Mortgage Rates

- 6.44%: The average 30-year fixed-rate mortgage in May, according to Freddie Mac, up from 6.33% in April and down from 6.82% one year ago.

New Residential Sales

Sales of new single-family houses in May 2026 were at a seasonally-adjusted annual rate of 580,000, according to estimates released jointly by the U.S. Census Bureau and the Department of Housing and Urban Development. This is 7.3 percent below the April 2026 rate of 626,000, and is 6.8 percent below the May 2025 rate of 622,000.

A DEEPER DIVE – HOUSING, CONT.

The median sales price of new houses sold in May 2026 was $424,900. This is 2.0 percent above the April 2026 price of $416,500, and is virtually unchanged from the May 2025 price of $424,800. The average sales price of new houses sold in May 2026 was $540,600. This is 7.8 percent above the April 2026 price of $501,400, and is 5.0 percent above the May 2025 price of $514,800.

The seasonally-adjusted estimate of new houses for sale at the end of May 2026 was 496,000. This is 2.3 percent above the April 2026 estimate of 485,000, and is 1.4 percent below the May 2025 estimate of 503,000.

This represents a supply of 10.3 months at the current sales rate. The months' supply is 10.8 percent above the April 2026 estimate of 9.3 months, and is 6.2 percent above the May 2025 estimate of 9.7 months

Compared to May 2025 on a seasonally-adjusted basis, sales were down 6.8% overall with sales also down 15.4% in the South, down 17.0% in the West, and down 3.7% in the Midwest, but up 17.2% in the Northeast.

Housing Starts

Privately-owned housing starts in May were at a seasonally adjusted annual rate of 1,177,000. This is 15.4 percent below the revised April estimate of 1,392,000 and is 8.7 percent below the May 2025 rate of 1,289,000.

Single-family housing starts in May were at a rate of 882,000; this is 1.9 percent below the revised April figure of 899,000. The May rate for units in buildings with five units or more was 284,000 (529,000 last month).

Single-family starts compared to May 2025, on a seasonally-adjusted basis, were down 6.7% in total, as well as down 3.0% in the Northeast, down 2.2% in the Midwest, down 3.8% in the South and down 18.0% in the West.

Housing Completions

Privately-owned housing completions in May were at a seasonally adjusted annual rate of 1,313,000. This is 8.1 percent below the revised April estimate of 1,429,000 and is 14.2 percent below the May 2025 rate of 1,530,000.

Single-family housing completions in May were at a rate of 872,000; this is 1.6 percent below the revised April rate of 886,000.

The May rate for units in buildings with five units or more was 426,000 (529,000 last month).

Single-family completions compared to May 2025, on a seasonally-adjusted basis, were down 16.8% in total, as well as down 15.6% in the South, down 26.8% in the West, down 24.3% in the Northeast, but up 0.7% in the Midwest.

A DEEPER DIVE – OTHER NATIONAL

Retail Sales

Advance estimates of U.S. retail and food services sales for May 2026, adjusted for seasonal variation and holiday and trading-day differences, but not for price changes, were $763.7 billion, up 0.9 percent from the previous month, and up 6.9 percent from May.

2025. Total sales for the March 2026 through May 2026 period were up 5.3 percent from the same period a year ago. The March 2026 to April 2026 percent change was revised from up 0.5 percent to up 0.4 percent.

Retail trade sales were up 1.0 percent from April 2026, and up 7.5 percent from last year. Nonstore retailers were up 12.2 percent from last year, while food services and drinking places were up 2.7 percent from May 2025.

Sales at furniture and home furnishings stores in May 2026 were up 1.0% compared to April 2026 on a seasonally-adjusted basis, but down 1.2% from May 2025. Year to date on a non-adjusted basis, sales were down 3.1% (down 3.0% last month).

A DEEPER DIVE – OTHER NATIONAL, CONT.

Consumer Prices

The Consumer Price Index for All Urban Consumers (CPI-U) increased 0.5 percent on a seasonally adjusted basis in May, after rising 0.6 percent in April, the U.S. Bureau of Labor Statistics reported. Over the last 12 months, the all-items index increased 4.2 percent before seasonal adjustment.

The index for energy rose 3.9 percent in May, after rising 3.8 percent in April and 10.9 percent in March. The energy index accounted for over sixty percent of the monthly all-items increase. The index for shelter also increased in May, rising 0.3 percent.
The food index increased 0.2 percent over the month as the food at home index rose 0.1 percent and the food away from home index increased 0.3 percent.

The index for all-items less food and energy rose 0.2 percent in May. Indexes that increased over the month include communication, airline fares, medical care, personal care, and recreation. Conversely, the indexes for motor vehicle insurance, household furnishings and operations, and new vehicles were among the major indexes that decreased in May.

The all-items index rose 4.2 percent for the 12 months ending May, after rising 3.8 percent for the 12 months ending April. The all-items less food and energy index rose 2.9 percent over the year, following a 2.8-percent increase over the 12 months ending April. The energy index increased 23.5 percent for the 12 months ending May. The food index increased 3.1 percent over the last year.

Employment

Both total nonfarm payroll employment (+57,000) and the unemployment rate (4.2 percent)
changed little in June, the U.S. Bureau of Labor Statistics reported. Employment continued to trend up in professional and business services, social assistance, and healthcare. Leisure and hospitality lost jobs.

The average workweek for all employees on private nonfarm payrolls was unchanged at 34.3 hours in June. In manufacturing, the average workweek edged down to 40.3 hours, and overtime edged up to 3.2 hours. The average workweek for production and nonsupervisory employees on private nonfarm payrolls declined by 0.1 hour to 33.7 hours.

Durable Goods Orders and Factory Shipments

New orders for manufactured durable goods in May, down following two consecutive monthly increases, decreased $15.6 billion or 4.5 percent to $332.1 billion, the U.S. Census Bureau announced. This followed an 8.5 percent April increase. Excluding transportation, new orders increased 1.3 percent. Excluding defense, new orders decreased 4.6 percent. Transportation equipment, also down following two consecutive monthly increases, drove the decrease, $18.5 billion or 14.0 percent to $113.5 billion.

On a seasonally-adjusted basis, May shipments for furniture and related products were up 0.9% compared to the prior month, while new orders were up 2.6%. On a non-adjusted basis, May 2026 year to date shipments for furniture and related products were up 1.8% compared to the prior year, while year to date new orders were up 0.4%.