

Submitted by Chris Belden

Summary: This week's data releases highlighted a labor market that is still strong amid an otherwise weakening economy. The jobs report published this week by the Bureau of Labor Statistics detailed that 315,000 jobs were added in August, while the unemployment rate edged slightly higher to 3.7 percent, up from 3.5 percent in July. The Job Openings and Labor Turnover Summary showed that there were 11.2 million job openings in July, nearly two open jobs for every unemployed person. Jobless claims also fell by 5,000 to a two-month low of 232,000. In the housing market, home prices were up 18.6 percent from last July, signaling that home prices are increasing at a slower pace than in recent months.

Federal Government Indicators and Reports

U.S. Census

Thursday, [Construction Spending](#): "Construction spending during July 2022 was estimated at a seasonally adjusted annual rate of \$1,777.3 billion, 0.4 percent below the revised June estimate of \$1,784.3 billion. The July figure is 8.5 percent above the July 2021 estimate of \$1,637.3 billion."

Friday, [Factory Orders](#): "New orders for manufactured goods in July, down following nine consecutive monthly increases, decreased \$5.7 billion or 1.0 percent to \$548.5 billion. . . . This followed a 1.8 percent June increase."

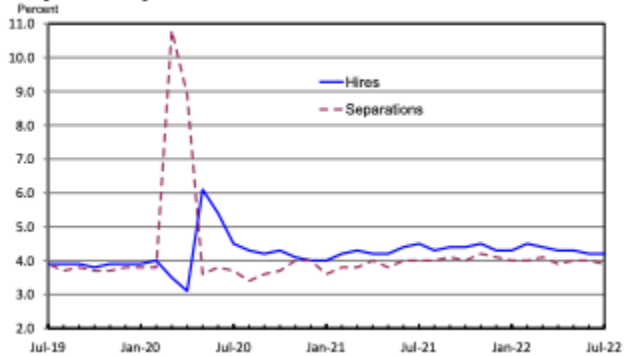
Bureau of Labor Statistics

Tuesday, [Job Openings and Labor Turnover Summary](#): "The number of job openings was little changed at 11.2 million on the last business day of July. . . . Hires and total separations were little changed at 6.4 million and 5.9 million, respectively."

Chart 1. Job openings rate, seasonally adjusted, July 2019 - July 2022



Chart 2. Hires and total separations rates, seasonally adjusted, July 2019 - July 2022



Wednesday, [Metropolitan Area Employment and Unemployment](#): "Unemployment rates were lower in July than a year earlier in 383 of the 389 metropolitan areas, higher in 5 areas, and unchanged in 1 area." Unemployment rates in Tennessee's metropolitan areas ranged from 3.1 percent in Nashville-Davidson-Murfreesboro-Franklin to 5.4 percent in Memphis.

Thursday, [Productivity and Costs](#): "Nonfarm business sector labor productivity decreased 4.1 percent in the second quarter of 2022 . . . as output decreased 1.4 percent and hours worked increased

2.7 percent. . . . The 4.1-percent decrease in labor productivity reported today for the second quarter of 2022 is a 0.5- percentage point upward revision from the preliminary estimate of a 4.6-percent decrease, primarily driven by a 0.7-percentage point upward revision to output. . . . This is the largest decline in the series, which begins in the first quarter of 1948.”

Friday, [Employment Situation](#): “Total nonfarm payroll employment increased by 315,000 in August, and the unemployment rate rose to 3.7 percent. . . . Notable job gains occurred in professional and business services, health care, and retail trade.”

Chart 1. Unemployment rate, seasonally adjusted, August 2019 – August 2022

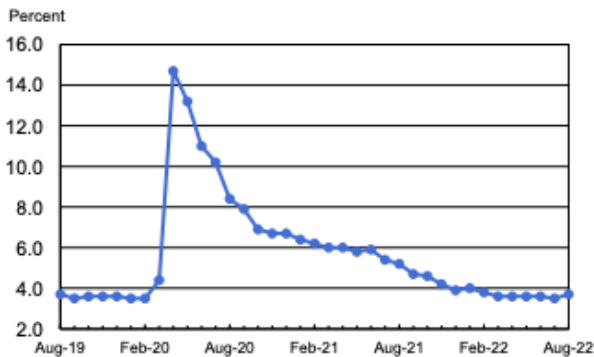
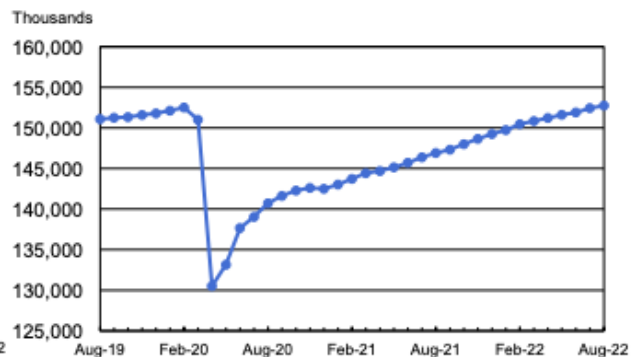
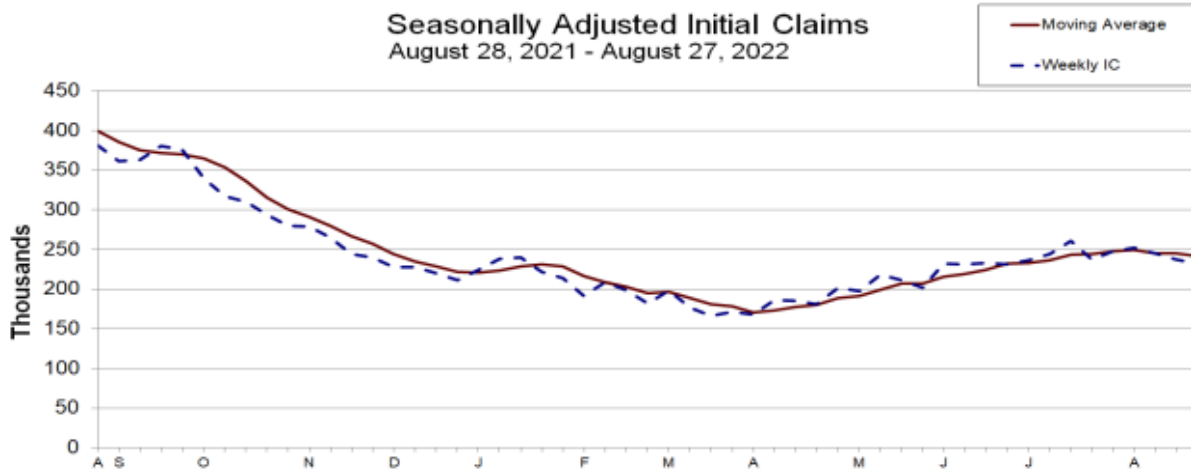


Chart 2. Nonfarm payroll employment, seasonally adjusted, August 2019 – August 2022



Department of Labor

Thursday, [Initial Jobless Claims](#): “In the week ending August 27, the advance figure for seasonally adjusted initial claims was 232,000, a decrease of 5,000 from the previous week’s revised level. The previous week’s level was revised down by 6,000 from 243,000 to 237,000. The 4-week moving average was 241,500, a decrease of 4,000 from the previous week’s revised average.”



Economic Indicators and Confidence

The Conference Board

Tuesday, [Consumer Confidence](#): The index “increased in August, following three consecutive monthly declines. The Index now stands at 103.2, up from 95.3 in July.” Lynn Franco, senior director of

economic indicators at The Conference Board, explained that “concerns about inflation continued their retreat but remained elevated.”

S&P Global

Thursday, [Global Manufacturing Purchasing Managers’ Index \(PMI\)](#): The index “posted 51.5 in August, broadly in line with the earlier released 'flash' estimate of 51.3, but down from 52.2 in July. The headline index reading was the lowest since July 2020, with latest data indicating subdued overall health conditions across the U.S. manufacturing sector.”

Institute for Supply Management

Thursday, [Manufacturing PMI](#): “The August Manufacturing PMI registered 52.8 percent, the same reading as recorded in July. This figure indicates expansion in the overall economy for the 27th month in a row after contraction in April and May 2020. For a second straight month, the Manufacturing PMI figure is the lowest since June 2020, when it registered 52.4 percent.”

Mortgages and Housing Markets

S&P

Tuesday, [Case-Shiller Home Price Index](#): The Home Price Index “reported a 18.0 percent annual gain in June, down from 19.9 percent in the previous month.”

Mortgage Bankers Association

Wednesday, [Mortgage Applications](#): “Mortgage applications decreased 3.7 percent from one week earlier. . . for the week ending August 26, 2022.” Joel Kan, associate vice president of economic and industry forecasting at MBA, said, “Application volume dropped and remained at a multi-decade low last week, led by an 8 percent decline in refinance applications. . . . Purchase applications have declined in eight of the last nine weeks, as demand continues to shrink due to higher rates and a weaker economic outlook. However, rising inventories and slower home-price growth could potentially bring some buyers back into the market later this year.”