cooperative news
CFC solutions
Economic & Market Watch

Economic & Market Watch Intelligence Brief

August 31, 2026

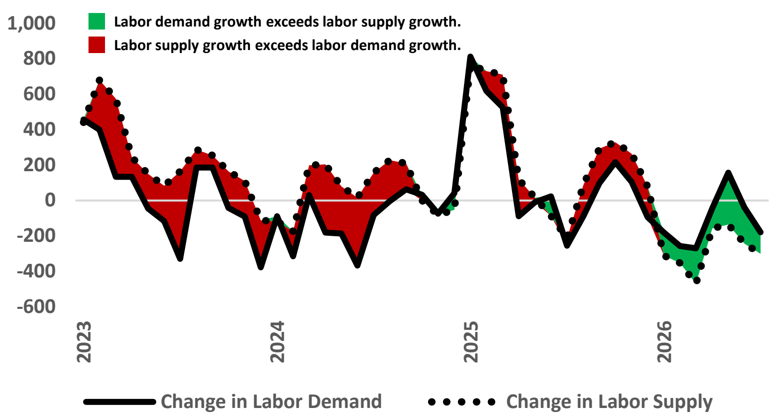
Briefing

- The labor force participation rate (the fraction of working-age adults who are either employed or actively looking for work) has fallen from a high of more than 67% in 1999 to around 62% today (**Figure 1**). If today's participation rate were at the 1999 high, today's workforce would be almost 10% larger. While overall participation has fallen, participation among Americans in their prime working years (25 through 54) has held relatively steady at 83.4% today versus the 1999 peak of 84.6%.
- Labor market churn measures the rate at which people move among the labor classifications. Higher participation churn indicates more instability in labor supply. Higher employment churn can indicate more instability in labor demand. From 2023 through 2025, changes in labor markets were dominated by people moving into and out of the work force. Starting in 2026, movements into and out of jobs have become the dominant force in labor market churn (**Figure 2**).
- The fraction of workers who are working part time has been rising since 2023. Among part-time workers, the fraction who are working part time because they can't find full-time work has been rising (**Figure 3**). This points to a growing reticence among employers to hire.

Chart of the Week

Change in Labor Markets

(Three-Month Trailing Average, Thousands of Workers)



Commentary

An increase in the unemployment rate is usually considered bad news as it often indicates a decline in the demand for workers. But sometimes it reflects good news. Some states are experiencing increases in unemployment because their economies are so strong that they are attracting job seekers into the state. For example, Wisconsin's unemployment rate rose from 3.0% to 3.3% this year even though the number of jobs increased by more than 26,000. The reason was an almost 35,000 increase in the supply of labor, partly due to people migrating into the state. While this does put downward pressure on wages, the increase in the labor force sets the stage for increased growth.

When the supply of labor increases faster than the demand for labor (**Chart of the Week, red areas**), unemployment rises and competition among workers slows real wage growth. When the demand for labor increases faster than the supply (**Chart of the Week, green areas**), competition among employers puts upward pressure on real wage growth. From 2023 through 2025, labor supply was largely growing faster than labor demand, and real wages grew an average of 1.3% annualized. By Q2 of 2026, real wage growth had accelerated to 2.1% annualized.

Snapshots

Figure 1. Labor Force Participation Rates

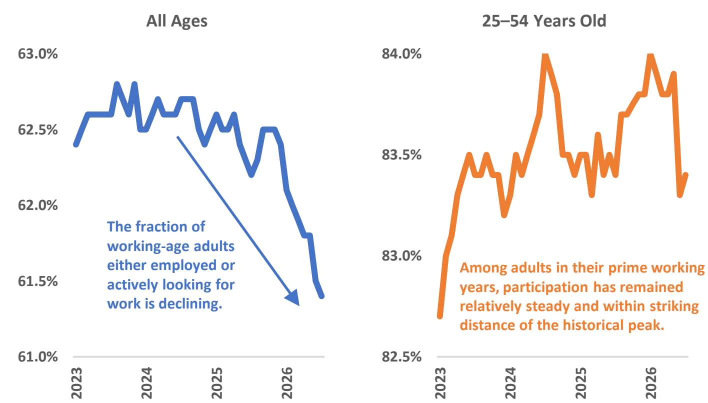


Figure 2. Labor Market Churn

(Three-Month Trailing Average, Share of Working-Age Population)

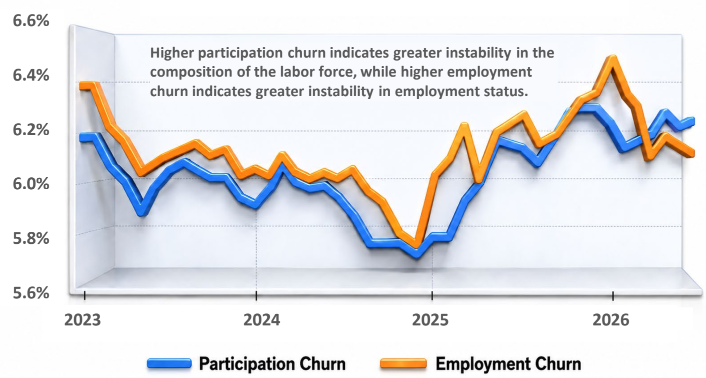
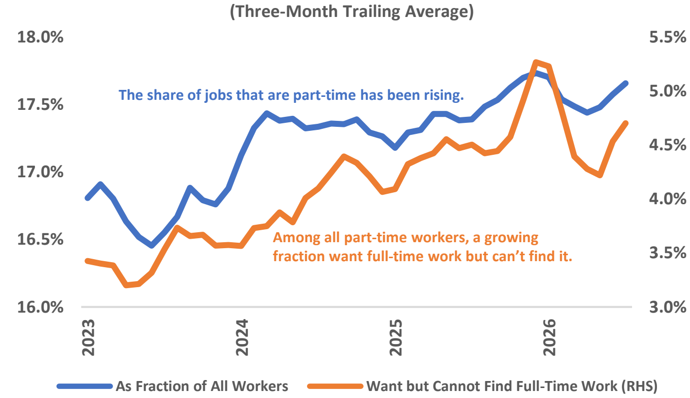


Figure 3. Part-Time Workers

(Three-Month Trailing Average)



The Economic & Financial Research Team


John Suter, VP


Antony Davies, Director


Sam Kem, Sr. Analyst

Email: EconomicResearch@nrucfc.coop

Economic & Market Watch Dashboard

August 31, 2026

CFC solutions cooperative news
Economic & Market Watch

Key Indicators

INTEREST RATES[1]

	2026			2027		
	Current	Q3	Q4	Q1	Q2	Q3
Fed Funds Target[2] (%)	3.75	4.00	4.00	4.25	4.25	4.25
SOFR (%)	3.65	3.64	3.64	3.59	3.50	3.42
2Y UST (%)	4.34	3.98	3.89	3.80	3.74	3.68
5Y UST (%)	4.50	4.08	4.02	3.97	3.93	3.90
10Y UST (%)	4.76	4.44	4.39	4.35	4.33	4.32
30Y UST (%)	5.25	4.94	4.86	4.87	4.86	4.85

ECONOMY

	2026			2027		
	Current	Q3	Q4	Q1	Q2	Q3
PCE Inflation (YoY %)	3.7	2.8	2.5	2.5	2.3	2.1
CPI Inflation (YoY %)	3.4	2.9	2.5	2.4	2.3	2.2
Real GDP (QoQ %)	1.5	1.9	1.9	2.0	2.1	2.1
Unemployment (%)	4.1	4.3	4.3	4.3	4.3	4.3
Consumer Spending (QoQ %)	3.2	1.7	1.9	1.9	2.0	2.0
Industrial Production (YoY %)	1.1	1.2	2.1	2.3	1.8	2.0

Equities & Currency

	Current	Year ago	YoY Δ
DJIA	53,200	45,296	17.5%
Nasdaq	26,320	21,280	23.7%
S&P 500	7,680	6,416	19.7%
US Dollar Index	$1,197.40	$1,200.63	(0.3%)

Commodities

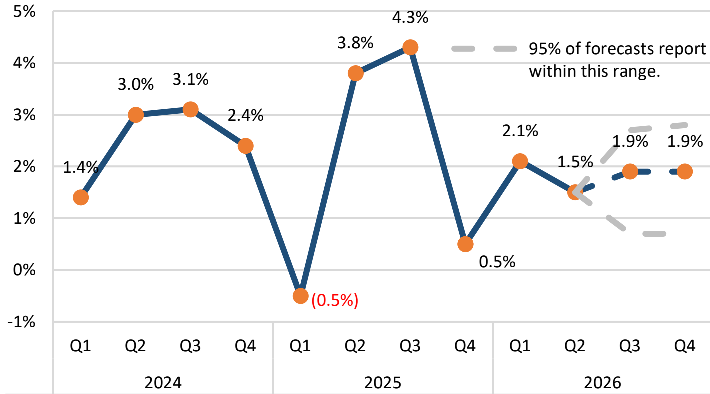
	Current	Year ago	YoY Δ
Crude Oil (Per Barrel)	$85.75	$64.63	32.9%
Natural Gas (Per MMBtu)	$2.88	$2.98	(3.0%)
Coal (Per Short Ton)	$13.98	$11.00	27.5%
Gold (Per Ounce)	$4,425.50	$3,476.70	27.3%
Corn (Per Bushel)	$5.15	$3.98	29.3%
Soybean (Per Bushel)	$12.73	$10.35	23.0%

Industry

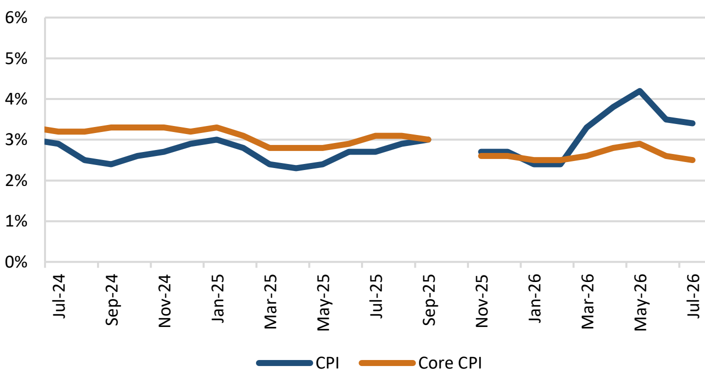
	Current	Year ago	YoY Δ
Natural Gas Storage (Billion Cubic Feet)	3,184	3,214	(0.9%)
U.S. Daily Power Consumption (MWh)	13,311,795	11,197,115	18.9%
World Container Index (Per 40ft)	$4,473	$2,104	102.6%

Forecasts

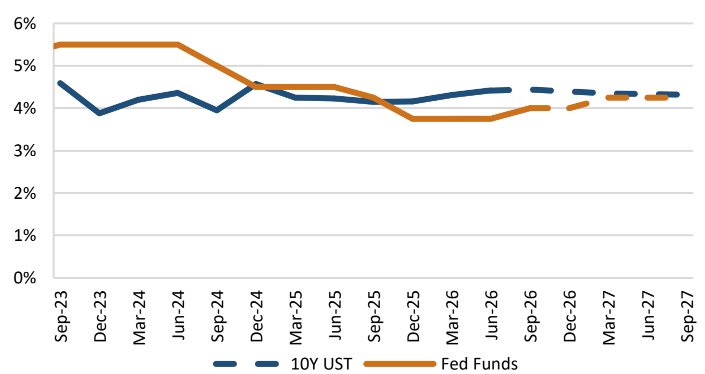
Real GDP Growth Trend



Headline vs. Core Inflation



10-Year US Treasury vs. Fed Funds Trend



[1] Unless otherwise indicated, forecasts are from the Blue Chip Professional Forecasters.
[2] Target rate forecast is based on futures market contracts.

Sources: © Oxford Economics, Blue Chip Financial Forecasts, Trading Economics, Moody's Analytics, Statista, Oxford Economics, U.S. Bureau of Economic Analysis, U.S. Bureau of Labor Statistics, U.S. Energy Information Administration, U.S. Treasury Department, Federal Reserve Bank of Atlanta, Federal Reserve Bank of New York, Federal Reserve Bank of St. Louis, International Monetary Fund, World Bank, University of Michigan, The Conference Board.