

**From:** [CoStar News](#)  
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**Subject:** CoStar Economy: Dearth of official economic data during the shutdown leads to alternative sources  
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October 8, 2025

INSIGHTS ON DATA POINTS AND ECONOMIC POLICY



## Dearth of official economic data during the shutdown leads to alternative sources

The federal government shutdown has delayed the release of key data reports on the labor market. That has left analysts, economists and,

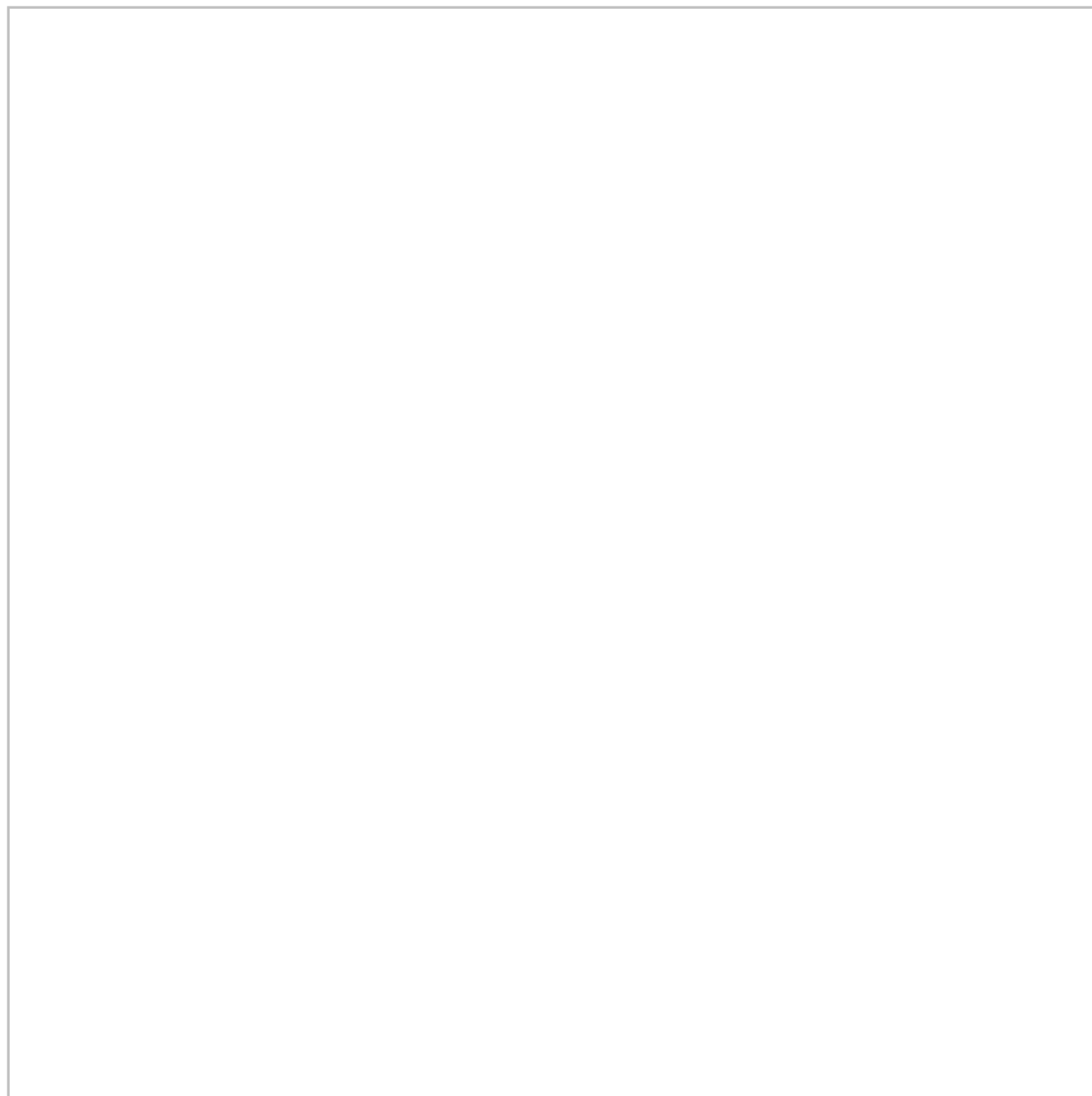
perhaps most important, the Federal Reserve more reliant on private-sector releases to gauge the health of hiring and its relative balance with inflation.

Though private-sector sources vary, they converge on a picture of a slowing labor market and a tight hiring environment for new workers, confirming the last official government releases.

For example, the Bureau of Labor Statistics' Job Openings and Labor Turnover Survey for August, released a few days before the shutdown began on Oct. 1, reported a hiring rate of 3.2%. That's the slowest hiring rate seen since 2011, aside from a blip at the onset of the coronavirus pandemic in April 2020.

The BLS monthly employment report, typically released on the first Friday of the month, was delayed for September. That left ADP's monthly payroll report as the next best option.

ADP, which processes payrolls for companies employing about 26 million private-sector workers, estimated that private-sector employment fell by about 32,000 jobs in September, marking the third month of the past four in which private-sector payroll growth was negative.

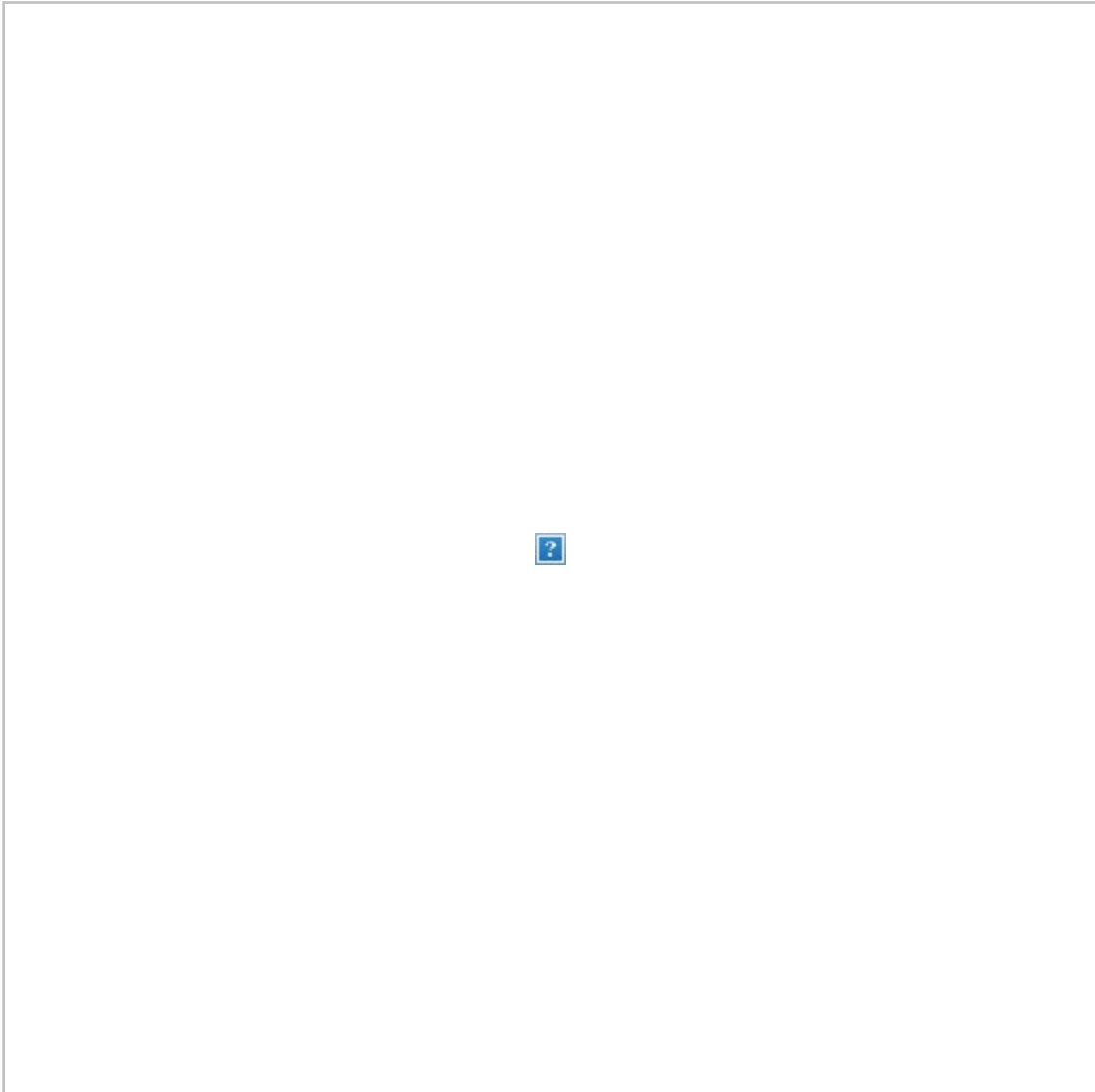


A lesser-known, private-sector provider, Revelio Labs, painted a less dire picture, estimating 60,100 new jobs added in the month. However, economists and the Federal Reserve give more weight to the ADP report, which has existed longer and includes payroll data. Revelio, by contrast, uses job profiles from LinkedIn and other sites, which may be changed on a delayed basis.

The correlation between the BLS and ADP data has been about 78% since 2022, while with Revelio Labs, it was only about 62% through the same time period.

The Institute for Supply Management's monthly Purchasing Managers Index also provides a read on hiring by employers in the

manufacturing and services industry. Though the PMI surveys do not attempt to estimate payroll numbers, they do provide an index of the share of companies adding, maintaining and shedding jobs.



Both manufacturing and services PMIs reported contracting employment, though the pace of that contraction slowed somewhat in September.

Employment contracted for the eighth consecutive month. The manufacturing index rose to 45.3. Though that was still below the 50.3 reading that signals employment growth, it improved from 43.8 in August.

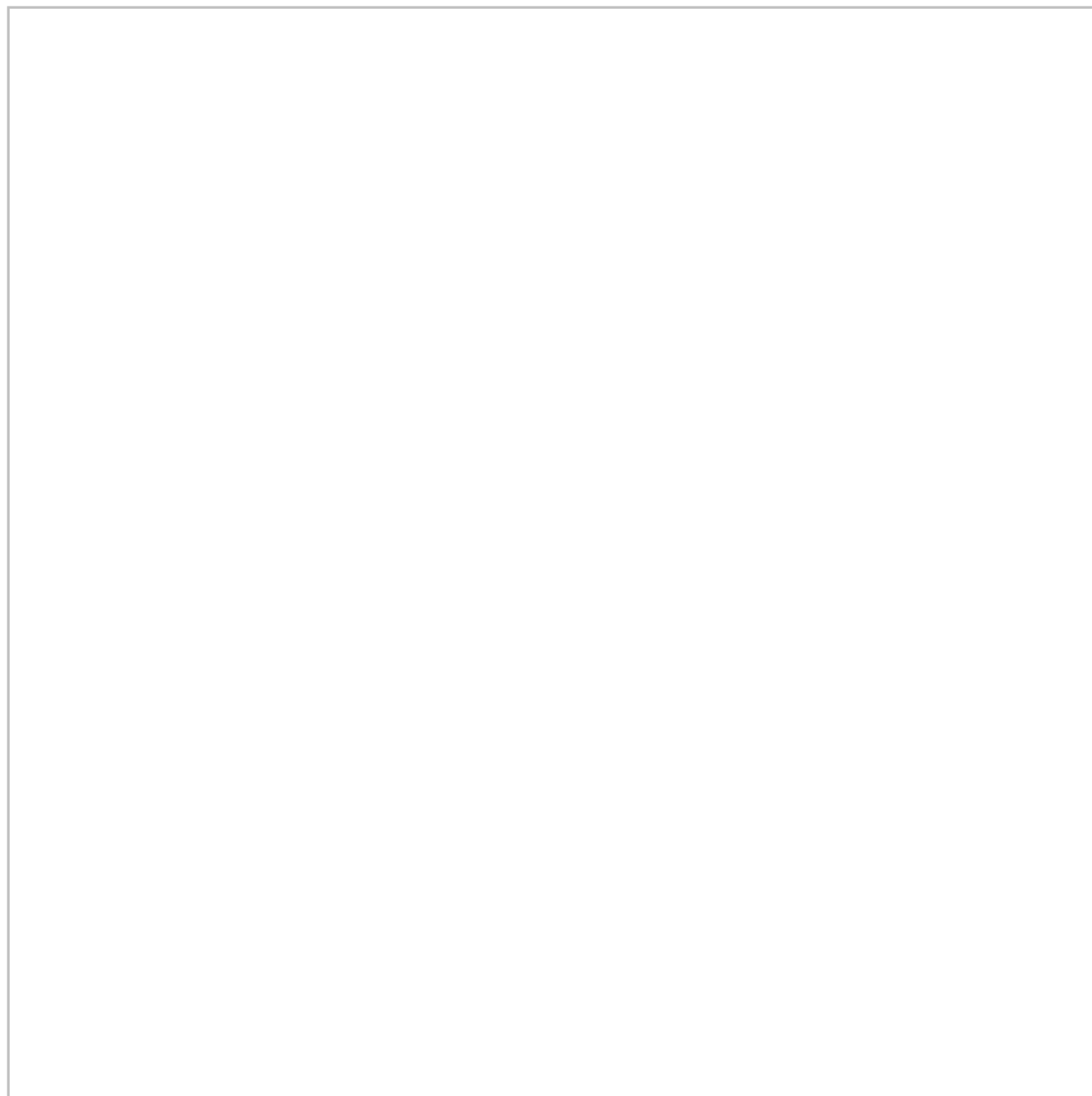
The growth was largely because the share of responding businesses

that reported higher employment in September rose to 11.1% from 9.4% in August. Still, 24.4% of manufacturers reported shedding jobs in September, up from 22.4% in August. About 64.5% reported maintaining the same level of payroll.

Job losses were less severe in the services sector, with only about 16% of responding businesses reporting declines in staffing and 12.1% reporting increased hiring, up from 10.3% in August. Still, the headline index of 47.2, though an improvement from the 46.5 August reading, marked the fourth consecutive month of contraction in the services sector.

The PMI reports offered a few glimmers of hope. For example, new orders in the services sector continued to grow in September, though more slowly than in August. And in the manufacturing sector, production moved into expansion territory after contracting in August.

However, both sectors reported continued rising prices for supplies, raising the specter that stagflation, during which employment cools while prices increase, remains a possibility.



The furlough of 750,000 federal government workers and the voluntary retirement of 150,000 more will appear in jobs reports in the coming months. However, large private-sector companies have so far been reluctant to enact large-scale workforce reductions. This lack of sweeping layoffs has been one factor in stabilizing the job market and keeping consumer spending steady.

Though ADP reported an overall loss of jobs, organizations with more than 500 employees increased their payroll by 33,000, or 0.13%, in September, while businesses in all other size classes shed workers.

### What we're watching ...

Without the release of government data, the Federal Reserve will

depend on these and other private-sector data providers to weigh the risks to the labor market versus the threat of higher inflation.

Data on the inflation front was released a few days before the government shut down, showing that prices rose by 2.7% in August compared to a year ago, with core prices rising 2.9%.

With inflation still sticky at rates substantially higher than the Federal Reserve's target of 2%, it will be left with little certainty on its best approach to managing its conflicting mandates.

*CoStar Economy is produced this week by [Christine Cooper](#), CoStar's managing director and chief U.S. economist, and [Chuck McShane](#), senior director of market analytics.*

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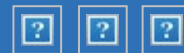
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