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Institute Insights

07 December 2025

As winter weather sets in, gather around the fire for what's driving economic trends: labor market shifts, who's moving where, Midwest spending sparks, small businesses' role in the K-shape recovery, and the emergence of surgical robots.

This week's Institute Employment Report finds the labor market feels like an ember – steady, but far from a roaring fire. Payroll growth cooled to just a 0.2% year-over-year (YoY) increase in November, down from the 0.5% increase in September and October, signaling a "low-hire, low-fire" rhythm. The number of households receiving unemployment payments increased around 10% YoY, which is largely unchanged from prior months, suggesting no surge in job losses despite slower hiring. Meanwhile, wage growth showed a moderate spark, but remains uneven across income groups, with higher-income households seeing after-tax pay jump 4% YoY, while lower-income growth stabilized at 1.4%, leaving a 2.6 percentage point gap glowing in the data. Read publication: The Institute Employment Report: November 2025.

An increasing number of households seem to be hunkering down: the number of movers fell for the third straight year – down 24% from 2022 – with interstate relocations dropping faster than local moves. Notably, eight major Sunbelt cities (including Miami and Houston) flipped from population gains to declines, while Midwest cities like Indianapolis and Columbus kept the hearth warm. Plus, Bank of America data shows that renters across the country are seeing some relief, with median rent payments flat YoY in October, even as consumer price index rent inflation held at 3.4%. Rising vacancy rates in the South and West have given tenants more bargaining power as well as freeing up wallets and boosting renter spending on more "nice-to-have" items. Read publication: On the move: Renters catch a break.

As snow blankets some parts of the country, Midwestern wallets are warming up. Card spending in the Midwest surged 2.2% YoY in October – more than triple its summer pace – closing in on the West's lead. With rents up to 14% below the national median for lower-income households and home-buying costs topping the US affordability charts, there's more room for discretionary splurges. After-tax income growth in the Midwest has climbed steadily, hitting roughly 2.5% YoY in October, giving consumers an extra boost for the spending flame. But watch for cooling embers: while mega-project construction is booming – up 75% since 2021 – manufacturing jobs slipped 0.5% YoY, and small business hiring fell 6.1%, hinting at a mixed outlook ahead. Read publication: Regional Roundup: Midwestern pop.

While big players blaze ahead, small firms are feeling a bit of a chill. Large firms have fueled payroll growth – up 12% from 2019 averages – while small businesses lag at just 6%, signaling a K-shaped recovery in the business landscape. Profitability for businesses under $500K in revenue slipped negative, while those of higher revenue tiers remained positive. Although tariff-related costs remain a pain point for small firms, consumer holiday spending jumped 5.7% YoY, signaling possibly increased revenue growth for small firms during peak shopping season. Still, seasonal hiring remains 6% below last year. Read publication: Small Business Checkpoint: In OK-shape.

Finally, technology is lighting its own fire. Surgical robots have shifted from niche tools to mainstream assistants, with the global market projected to more than double – from $23B in 2025 to $52B by 2030. Robotic platforms reduce surgical trauma, filter hand tremors, and cut recovery times, while offering surgeons 3D views and intuitive controls that shorten learning curves. From personalized planning and real-time computer vision to remote telesurgery, next-gen tech promises a world where robots expand access and redefine the standard of care globally. Read publication: Paging Dr. Robot: The rise of surgical assistants.

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Disclosures