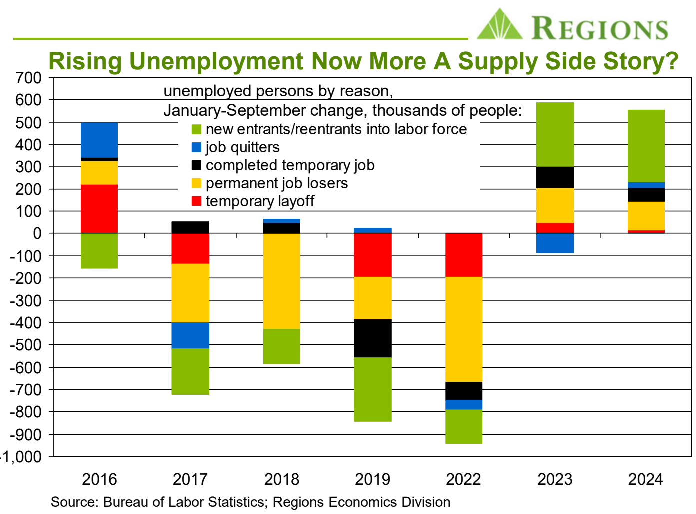
ECONOMIC OUTLOOK
REGIONS
October 2024

Both Things Can Be True . . . At Least For Now

Over the past several months, the unemployment rate has moved higher while the rate at which workers are being laid off has not only remained fairly stable but remains a bit below the rate that prevailed prior to the onset of the pandemic. While those two observations from the data may seem hard to reconcile, they are nonetheless an apt reflection of patterns seen in the labor market over the past several months. Clearly, the demand for labor has cooled, as we for some time had been expecting, while at the same time inflows into the labor force have remained, at least to us, surprisingly strong. This combination has, even absent a pickup in layoffs, generated upward pressure on the unemployment rate. While the increase in the unemployment rate has been the topic of considerable discussion, both amongst analysts and in media coverage of the data, that rapid inflows into the labor force have been a primary driver of that increase has gotten less notice.

While that may seem a distinction without a difference, we think that there is a difference and that it does matter, at least in terms of the potential impacts on the broader economy. For instance, were it the result of greater numbers of people being laid off, the rising unemployment rate would be accompanied by the loss of incomes which, in turn, would act as a drag on household spending and pose downside risks to lenders with credit exposure – mortgage loans, credit card debt, auto loans – to those who have lost a job. A rising unemployment rate being driven by inflows, either new entrants or reentrants, into the labor force is not accompanied by any such loss in income. While not to diminish the plight of those unable to find a job, the reality is that the impacts through the broader economy are not the same. Fed Chair Powell is amongst those making a similar argument, as he did most recently in his September 30 remarks to the *National Association for Business Economics*, when he noted that it is important to think about why the unemployment rate is rising.

To that point, the details of the labor force data presented in the monthly employment reports include a detailed breakdown of unemployment by reason. A person can be unemployed for a host of reasons – they have come into the labor force but have yet to find a job, they have voluntarily quit a job and have not yet found a new one, they have lost a job permanently, have been laid off temporarily, or have completed a temporary job assignment. Note that entrants into the labor force can be first-time entrants or can be re-entrants, i.e., people returning to the labor force after having dropped out for a period of time. We've compared how the composition of unemployment has changed between January and September over the past several years, leaving out 2020 and 2021 given the extent to which labor force flows in those years were dominated by pandemic-related factors, and the following chart summarizes the results. As a side note, we use the January data as the starting point for comparison for each year, as opposed to December of the prior year, to reflect the fact that the levels of the labor force and household employment reported in the BLS's household survey are not comparable between years due to annual changes in the population controls used to weight the sample results. That does not alter the broader point, which is that strong inflows into the labor force have been a significant source of upward pressure on the unemployment rate in both 2023 and 2024, in stark contrast to the prior several years.



That is seen in the green portion of the bars in the chart above. New entrants and reentrants into the labor force combined to account for fifty-six percent of the increase in the number of unemployed persons between January and September 2023; in 2024, that share climbed to fifty-eight percent. In contrast, in the years prior to the pandemic, declining numbers of people going from not in the labor force to unemployed acted as a drag on the unemployment rate. To be sure, during periods of rapid job growth entrants into the labor force will be more readily absorbed than will be the case during periods of slower job growth, and that can help explain part of what we had seen over prior years. That said, the trend rate of job growth is at present in line with the trend rate seen prior to the pandemic. Moreover, in absolute value terms, the January-September change in total entrants into the labor force who are unemployed was larger in 2024 than in any year since 2015, and the January-September changes in the size of the labor force in 2023 and 2024 were above the average changes seen over the pre-pandemic years.

Many point to immigration as being the main driver of the stronger inflows into the labor force since last year, though it is difficult to pin that down in the various data series. The household survey data show foreign born workers have accounted for rising shares

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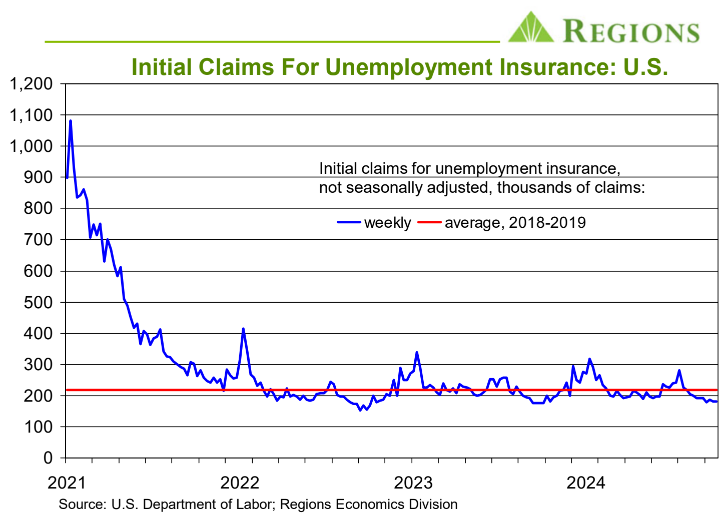
of the total labor force and the total unemployment, with those shares ahead of pre-pandemic norms. Still, the data also show that in any given month the number of reentrants into the labor force vastly exceeds the number of new entrants, and if it is reasonable to assume foreign born entrants would more likely be new entrants than reentrants, it seems unlikely that immigration is the sole factor behind the patterns illustrated in the above chart.

Either way, the question is whether, or to what extent, strong flows of entrants into the labor force will persist, which obviously will be a key determinant of the path of the unemployment rate going forward. That we and most others expect further increases in the unemployment rate to be fairly modest in part reflects the expectations that the intensity of these inflows will eventually ease. One reason to think so is that cooling labor market conditions are likely to deter some from entering/returning to the labor force, while inflows of foreign born labor could become meaningfully less intense should there be some type of immigration reform. To the extent labor market inflows abate, that would mitigate the upward pressure on the unemployment rate stemming from any further slowing in the pace of hiring.



To our earlier point about the pace of layoffs remaining below pre-pandemic norms, the chart above shows the weekly data on initial claims for unemployment insurance benefits on a not seasonally adjusted basis. The red line in the chart is the weekly average over the two years prior to the pandemic. There are obvious seasonal patterns in the data, but we nonetheless prefer the unadjusted data to get around the seasonal adjustment noise this series is prone to. The broader point is that initial claims continue to run below pre-pandemic norms. An alternative way to make the same point, as a counter to those who dismiss the weekly claims data on the basis that they miss large numbers of job losers, is to look at the layoff rate as measured in the data from the Job Openings and Labor Turnover Survey (JOLTS). The bottom line is the same, as the JOLTS data show the layoff rate remaining below pre-pandemic norms.

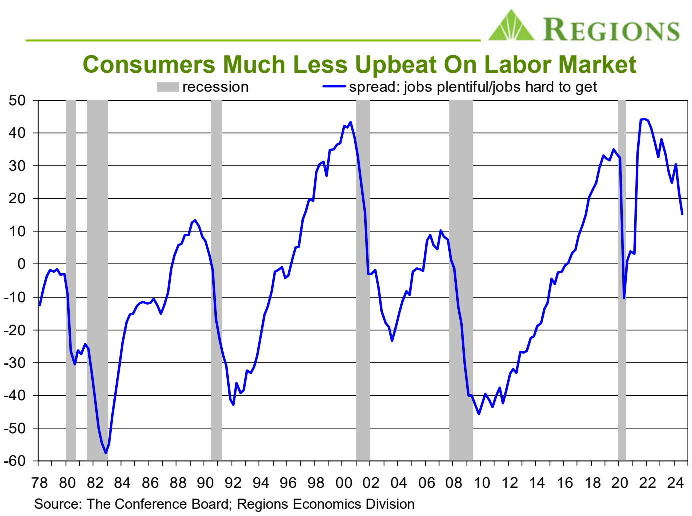
That the higher unemployment rate over the past several months has been more a function of rapid growth in the labor force rather than a faster pace of layoffs goes to our argument that the labor market is cooling, not collapsing. That said, that we have not yet seen an accelerating pace of layoffs may be a source of comfort but by no means should be a cause for complacency. While it seems clear that firms have, at least to some extent, engaged in labor hoarding motivated by how difficult and costly it has been to find, and retain, qualified labor, firms will not continue to do so should they become sufficiently downbeat on prospects for future demand. Moreover, with overall demand for labor easing and the ranks of the unemployed having expanded, it could be that firms' perceptions about the availability of labor lead them to see letting workers go as being less risky should they eventually see the need to add back labor. In other words, that we haven't yet seen a pick-up in the pace of layoffs doesn't mean it can't happen.

When we first began, back in 2022, laying out what we thought normalization in the economy might look like, we described the sequence in which we expected adjustments in the labor market would play out as the demand for labor cooled. The first, and most obvious adjustment, would be a slowing rate of hiring in tandem with a steady decline in job vacancies as employment closed in on/moved past pre-pandemic peaks, an adjustment which would occur at different times and cadences across individual industry groups. We thought the next step would be firms using changes in hours worked to recalibrate total labor input as the pace of economic growth settled back toward the pre-pandemic trend rate of growth. We saw layoffs as a possibility in those instances in which firms realized they had overestimated longer-term demand or if the economy undershot what we thought to be the trend rate of growth once the pandemic-related distortions had run their course. To that point, while our forecasts made at the time did anticipate the unemployment rate rising, we noted that would primarily be a function of a slowing pace of hiring rather than a rising pace of layoffs.

In that sense, the labor market has evolved in a manner broadly consistent with our expectations. Again, though, that is by no means cause for complacency. The path of the broader economy remains somewhat uncertain, and in the near term labor strikes, the after-effects of natural disasters, and looming geopolitical tensions make that path even more tenuous. In terms of the labor market, we continue to see the weekly data, not seasonally adjusted, on initial claims for unemployment insurance benefits, to be the most timely and reliable guide down wherever that path may take us.

Labor Market Perceptions Can Drive Consumers' Realities

In the discussion above, we noted that a rising unemployment rate triggered by rising job losses would be accompanied by the loss of incomes that would, in turn, weigh on consumer spending. It is, however, important to note that a rising unemployment rate not triggered by rising job losses can still act as a weight on consumer spending, and there is evidence to suggest we are seeing just that scenario play out. Measures such as the University of Michigan's *Surveys of Consumers* and the Conference Board's *Consumer Confidence Survey* show consumers continue to feel somewhat downbeat. This has been even more noteworthy of late, given that retail gasoline prices had, as of the end of September, fallen 12.9 percent from their late-April peak and that interest rates have begun to move lower, one effect of which was a surge in mortgage refinancing over the back half of September. Of the two gauges of consumer moods, the Conference Board's survey is more focused on labor market conditions, and the results of that survey suggest the rising unemployment rate has consumers feeling less confident in their own job and income prospects, even absent rising layoffs. That consumers are feeling less confident in their own job and income prospects is very likely one factor contributing to a slowing pace of growth in consumer spending, particularly discretionary spending on goods and services.



Each month, the Conference Board asks consumers for their take on labor market conditions, specifically, whether they see jobs as plentiful, not so plentiful, or hard to get. The spread between the percentages replying "plentiful" and "hard to get" has proven to be a reliable indicator of changes in the unemployment rate and turns in the business cycle, the latter as reflected in the chart above. Indeed, we've referred to this spread as one of our most trusted economic indicators. As the chart shows, consumers' assessments of labor market conditions have dimmed considerably since the jobs plentiful/hard to get spread was the widest on record in March 2022. As of the September survey, however, the spread was narrower than at any point since March 2021.

While the chart above may seem somewhat ominous, given that in past cycles peaks in jobs plentiful/jobs hard to get spread have been soon followed by recessions, there is one key difference at present. In past cycles, the narrowing spread has reflected sharp declines in the share of respondents characterizing jobs as plentiful and sharp increases in the share characterizing jobs as hard to get. In the current cycle, while there has been a sharp decline in the share characterizing jobs as plentiful, the share characterizing jobs as hard to get as risen only modestly, the offset being a jump in the share characterizing jobs as "not so plentiful." Moreover, almost one-third of respondents still see jobs as being plentiful, a share unprecedented during prior periods of narrowing spreads.

Still, the decline in the share seeing jobs as being plentiful is in line with a slowing pace of job growth and the steep decline in job vacancies seen in the JOLTS data, even if, at just over eight million as of August, the number of job vacancies would have easily been an all-time high prior to the pandemic. The JOLTS data also show that the rate at which workers are voluntarily quitting jobs has fallen below pre-pandemic norms. So, whether based on their own take on job availability or on the increase in the unemployment rate, it seems clear that consumers feel less upbeat about overall labor market conditions. It would follow that, to the extent this is the case, there would be an impact on discretionary spending. Someone seeing jobs as being less plentiful or hard to get will have greater doubts as to their ability to land a new job if they lose their current job, which could easily weigh on discretionary spending.

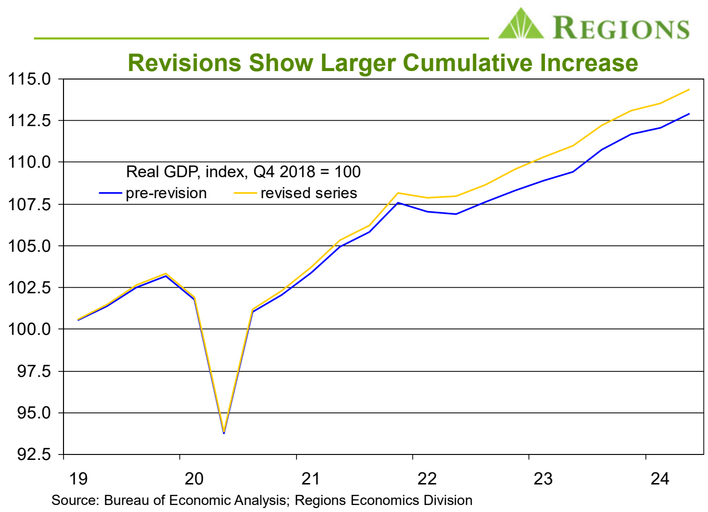
We devoted much of last month's edition to a discussion of the state of U.S. consumers, including our premise that growth in real consumer spending is settling back toward the pre-pandemic trend rate. We noted several supports for consumer spending, while also making the point that aggregate measures such as household net worth mask sizable splits across income buckets. While increased financial stress has weighed on spending amongst lower-to-middle income households, it could be that growing concerns over labor market conditions are weighing on spending decisions amongst rising numbers of those in some of the higher income brackets.

We will repeat a point we made last month, which is that we attribute at least some of the slowdown seen in discretionary spending to there simply being less pent-up demand, particularly for discretionary services such as travel, tourism, entertainment, recreation, and dining out, as had been the case previously. In other words, despite the inclination to attribute slower growth in consumer spending solely to financial stress, we do not think that to be the only factor, particularly given what remain, at least in the aggregate, solid household financial conditions. That said, it could be that less upbeat assessments of labor market conditions, including one's ability to replace a job if necessary, are increasingly weighing on consumers as they make decisions on discretionary spending. Barring a wave of layoffs, we do not think this effect to be powerful enough to trigger an outright decline in real consumer spending, but we do think it can easily act as, and likely is acting as, a meaningful drag on growth in spending.

GDP Revisions Tell A More Supportive Story

One point we've consistently made in our discussions of the state of U.S. consumers is that aggregate labor earnings have outpaced inflation over this entire episode of elevated inflation, which we believe has acted as a floor under consumer spending. Recent revisions to the data from the National Income and Product Accounts (NIPA) suggest that support has been stronger than had previously been reported. The NIPA data are the source of estimates of a host of data series, including Gross Domestic Product (GDP) and Gross Domestic Income (GDI), generally seen as key series in assessing the state of the U.S. economy. In the latest annual revisions to recent historical data, the Bureau of Economic Analysis (BEA) issued revised data for the period from Q1 2019 through Q2 2024. Before circling back to the upward revision to personal income growth over this period, we'll make some more general comments about the revisions to the GDP data.

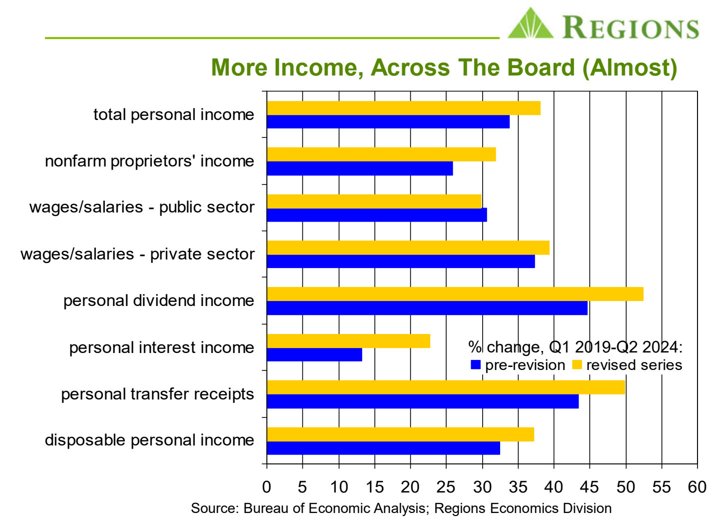
The revised data show stronger real GDP growth from Q1 2019 through Q2 2024 than had previously been reported, with a cumulative increase of 14.4 percent over this period rather than the 12.9 percent increase previously reported. The gap between the two estimates mainly reflects faster growth in 2022 and 2023 than had been reported; real GDP is now reported to have grown by 2.5 percent in 2022 and by 2.9 percent in 2023, compared to prior estimates of 1.9 percent and 2.5 percent, respectively.



Growth in inflation-adjusted consumer spending and private fixed investment – residential and business – is now shown to have been faster over this period than previously reported, while growth in real government spending is shown to have been slower over this period. On a related point, the combination of faster real GDP growth and less growth in private sector nonfarm employment, as indicated by the BLS's advance estimate of the annual benchmark revisions to prior estimates of nonfarm employment, hours, and earnings, suggests faster growth in labor productivity in 2023 than has previously been reported.

The revision to real Gross Domestic Income (GDI) was even more pronounced; the revised data show a cumulative increase in real GDI of 13.9 percent from Q1 2019 through Q2 2024, compared to the 9.8 percent increase previously reported. Recall that GDI is a comprehensive measure of total income received from all sources and, in principle, GDP and GDI are measuring the same thing but from different angles; GDP is an expenditures-based measure (including the change in inventories) of output produced in a given period while GDI measures the income earned in that production. Prior to the BEA's annual revisions, however, the data showed a considerable gap between the two, with growth in real GDP easily outpacing growth in real GDI. In the past, such gaps have tended to be resolved by real GDP being revised toward real GDI, which is something that had analysts a bit worried as to what this round of revisions would mean for real GDP growth. Instead, this year's revisions show meaningfully faster growth in real GDI, including growth in both corporate profits and personal income.

The following chart breaks down the revision to personal income into the major components (the figures are in nominal terms). With the exception of a modest downward revision to growth in public sector wage and salary earnings, the revisions show faster growth in each of the main components of total personal income over the Q1 2019 through Q2 2024 period than had previously been reported. Total personal income is now reported to have increased by 37.2 percent over this period, up from the prior estimate of 32.3 percent. Private sector wage and salary earnings, which account for roughly forty-three percent of total personal income, are now reported to have increased by 39.3 percent over this period, compared to the prior estimate of 37.2 percent growth.



On a related point, recall that the BLS's initial estimate of its annual benchmark revisions to the data on nonfarm employment, hours, and earnings, showed a sizable downward revision to the level of nonfarm employment as of March 2024. In their revision process, the BLS benchmarks their sample of firms to the Quarterly Census of Employment and Wages (QCEW), which covers the universe of firms required to pay payroll taxes. That the BEA's estimates of wage and salary earnings are anchored to the QCEW data rather than to the data on employment, hours, and earnings from the monthly employment reports means the BLS's final benchmark revision, to be released in February 2025, will not result in a commensurate downward revision to the BEA's estimate of wage and salary earnings in the data on personal income.

Circling back to our earlier point about the supports for consumer spending, the revised data show the upward revision to disposable (or, after-tax) personal income was easily larger than the upward revision to personal consumption expenditures. This, in turn, meant that the personal saving rate was revised meaningfully higher. Recall that prior to the recent revisions, the personal saving rate for Q2 2024 was reported to be 3.3 percent and had, as of July, slipped to 2.9 percent, a figure cited by many as evidence of the degree of financial stress in the household sector. The revised data show a personal saving rate of 5.2 percent for Q2 2024, with the rate drifting down to 4.8 percent as of August.

Obviously, that there is now shown to be more income, and more saving, than had previously been reported says nothing about the distribution of that income or saving across households in the various income buckets. But, that estimates of growth in personal income amongst the various components, including private sector wage and salary earnings, were revised higher suggests a broader dispersion across household income brackets. To reiterate a point made above, prior to the recent upward revisions the data showed growth in aggregate wage and salary earnings outpacing inflation, even at inflation's highest point. The revised data show a larger gap between the two which, again, we believe has acted as somewhat of a floor under consumer spending, at least in the aggregate, even though many lower-to-middle income households are feeling financial stress. Still, to the extent that households across a broader range of income brackets are feeling increasingly uneasy about labor market conditions, that can and likely will act as a stronger drag on discretionary consumer spending. This could leave the personal saving rate higher than would otherwise be the case, suggesting that, for many households, any pullbacks in discretionary spending could reflect lack of confidence rather than lack of capacity.

September Employment Report

At first glance, the September employment report might suggest consumers' concerns over labor market conditions are unfounded and, for that matter, so too are concerns amongst analysts. Total nonfarm payrolls rose by 254,000 jobs in September, with private sector payrolls up by 223,000 jobs and public sector payrolls up by 31,000 jobs. Prior estimates of job growth in July and August were revised up by a net 72,000 jobs for the two-month period, and September job growth was more broadly based across private sector industry groups than in any month since January. At the same time, the unemployment rate fell to 4.1 percent. So, what's not to like about that set of numbers? Well, if one goes no further than these headline metrics, the answer to that question is "nothing." And, judging by the reaction to the September employment report, many analysts and many market participants did exactly that, i.e., went no further than the headline metrics.

We reacted to the September employment report as we react to each and every data release, which is to go to the details of the data to try and put the headline numbers into proper context. Doing so reveals plenty not to like, and that's without even having to look all that hard. For openers, continuing a pattern that has plagued the employment reports since the onset of the pandemic, the initial collection to the BLS's September establishment survey was 62.2 percent, the lowest rate for the month of September since 2002. As we have been noting for far too long, these low collection rates lay a path for sizable revisions, either in subsequent months or in the annual benchmark revision process. Additionally, the upward revisions to prior estimates of job growth in July and August mainly reflect upward revisions in the education segments of state and local governments, reflecting the difficulty in adjusting the data to account for changes in the timing of the school year from one calendar year to the next. The net result is that growth in private sector payrolls over these two months was, even after revision, still somewhat middling.

To us, however, the much bigger issue is that the September data are riddled with seasonal adjustment noise, which flattered the headline job growth number. In our preview of the September employment report, we noted that we thought there would be strong seasonal adjustment effects stemming from what we expected would be a smaller than normal September decline in private sector payrolls. We pointed to construction, retail trade, and leisure and hospitality services as potential sources of seasonal adjustment noise. That proved to be the case, with leisure and hospitality services the most obvious instance. The unadjusted data show payrolls in leisure and hospitality services fell by 471,000 jobs, a hefty decline to be sure but in percentage change terms this was smaller than the typical September decline. As such, the seasonally adjusted data show payrolls in this industry group rose by 78,000 jobs. We can point to similar, albeit smaller, effects in both construction and retail trade. At the same time, we'll caution that starting with the October employment report, seasonal adjustment effects could, and we think will, make job growth look weaker than will actually be the case.

The reported decline in the unemployment rate is also a gift from seasonal adjustment. The entire increase in the labor force and nearly all of the increase in household employment in September are accounted for by those in the 16-to-24 year-old age cohort. This reflects no more than the not seasonally adjusted data showing much smaller than normal September outflows, which in turn are the flip side of much larger than normal August outflows, amongst this age cohort. This is merely another illustration of how changes in the timing of the school year from one year to the next can confound the seasonal adjustment process.

The one-month hiring diffusion index, a gauge of the breadth of hiring across private sector industry groups, rose to 57.6 percent which, as noted above, is the highest reading since January. That said, the diffusion index measures the breadth of hiring, not the intensity of hiring. In other words, though most industry groups continue to add jobs, they are doing so at a slower rate, and job growth remains highly concentrated amongst three industry groups – leisure and hospitality services, government, and health care. Through September, these three industry groups accounted for just over seventy percent of all nonfarm job growth in 2024. At some point, the pace of hiring in these industry groups will slow, which will have an outsized impact on overall job growth.

We find it somewhat mind boggling that what to us are obvious flaws in the September employment report have gone so widely overlooked. Then again, it was only two months ago that, in the wake of a surprisingly weak July employment, many took to the airwaves to call for "emergency" Fed funds rate cuts on the order of fifty or seventy-five basis points. Though perhaps not as intense, the September employment report inspired similar, albeit opposite, reactions, with some declaring the FOMC made a mistake in cutting the funds rate in September and others arguing that there should be no further cuts. And, based on market pricing, market participants are, at least as we write this, expecting far less in the way of additional Fed funds rates than was the case at 8:29 AM on the morning of October 4.

Just as we argued that job growth was not as weak as implied by the July employment report, neither do we think job growth was as strong as implied by the September employment report. And, between the Boeing strike, the effects of Hurricane Helene, and what we expect will be unflattering seasonal adjustment, the October employment report could look notably weak. If so, that all of this is knowable in advance likely won't fend off an outsized reaction amongst many analysts and market participants.

We have for some time been pointing to what we saw as a high volume of noise in the monthly employment reports, and even before the BLS announced the preliminary estimate of their annual benchmark revisions warned that job growth was very likely being overstated. That said, that the trend rate of job growth is slowing is not the same as the labor market collapsing, and the data have yet to show any signs of that. Should this begin to change, the very first place it will be apparent is in the weekly data (not seasonally adjusted) on initial claims for unemployment insurance.

ECONOMIC OUTLOOK

REGIONS

October 2024

Q1 '24 (a)	Q2 '24 (a)	Q3 '24 (f)	Q4 '24 (f)	Q1 '25 (f)	Q2 '25 (f)	Q3 '25 (f)	Q4 '25 (f)		2021 (a)	2022 (a)	2023 (a)	2024 (f)	2025 (f)
1.6	3.0	2.3	1.6	2.0	1.8	2.0	1.9	Real GDP[1]	6.1	2.5	2.9	2.7	2.0
1.9	2.8	3.1	1.5	2.0	2.1	2.0	2.1	Real Personal Consumption[1]	8.8	3.0	2.5	2.5	2.1
4.5	3.9	1.7	2.5	2.6	2.9	3.1	3.1	Real Business Fixed Investment[1]	6.0	7.0	6.0	3.7	2.7
0.3	9.8	0.1	1.2	1.5	2.2	2.6	2.7	Equipment[1]	6.7	4.4	3.5	2.7	2.1
7.5	0.7	5.2	5.2	5.0	4.7	4.6	4.6	Intellectual Property and Software[1]	10.2	11.2	5.8	4.5	4.7
6.3	0.2	-2.7	-1.0	-0.8	0.4	0.6	0.5	Structures[1]	-2.6	3.6	10.8	3.5	-0.5
13.7	-2.8	-6.7	-3.0	5.2	1.1	1.7	1.3	Real Residential Fixed Investment[1]	10.9	-8.6	-8.3	3.3	0.1
1.8	3.1	1.1	1.3	1.4	1.5	1.0	0.8	Real Government Expenditures[1]	-0.3	-1.1	3.9	2.8	1.4
-977.0	-1,035.7	-1,030.3	-1,025.6	-1,036.9	-1,047.1	-1,049.6	-1,056.5	Real Net Exports[2]	-936.6	-1,041.7	-932.8	-1,017.1	-1,047.5
1,062	1,004	949	983	986	991	996	1,002	Single Family Housing Starts, ths. of units[3]	1,131	1,006	949	1,000	994
345	336	365	343	337	331	328	324	Multi-Family Housing Starts, ths. of units[3]	474	546	473	348	330
5.4	4.7	3.8	3.2	3.0	3.1	2.8	2.6	CoreLogic House Price Index[5]	15.3	13.1	4.0	4.3	2.9
15.5	15.7	15.6	15.7	15.7	15.8	15.8	15.9	Vehicle Sales, millions of units[3]	14.9	13.8	15.5	15.6	15.8
3.8	4.0	4.2	4.1	4.2	4.3	4.4	4.4	Unemployment Rate, %[4]	5.4	3.6	3.6	4.0	4.3
1.8	1.7	1.6	1.5	1.2	1.1	0.9	0.8	Non-Farm Employment[5]	2.9	4.3	2.3	1.6	1.0
5.6	2.4	1.5	2.1	3.2	2.0	2.1	2.4	Real Disposable Personal Income[1]	3.5	-5.6	5.1	3.1	2.3
2.4	2.6	2.2	2.2	2.0	1.9	2.0	2.1	GDP Price Deflator[5]	4.6	7.1	3.6	2.3	2.0
2.7	2.6	2.2	2.2	1.9	1.8	2.1	2.2	PCE Deflator[5]	4.1	6.6	3.8	2.4	2.0
3.2	3.2	2.6	2.4	2.1	2.0	2.3	2.4	Consumer Price Index[5]	4.7	8.0	4.1	2.9	2.2
3.0	2.7	2.6	2.6	2.2	2.1	2.2	2.3	Core PCE Deflator[5]	3.6	5.4	4.1	2.7	2.2
3.8	3.4	3.2	3.1	2.6	2.5	2.6	2.5	Core Consumer Price Index[5]	3.6	6.2	4.8	3.4	2.6
5.38	5.38	5.31	4.60	4.17	3.69	3.38	3.38	Fed Funds Target Rate Range Mid-Point, %[4]	0.13	1.73	5.07	5.17	3.65
4.16	4.44	3.95	3.91	3.89	3.89	3.93	3.99	10-Year Treasury Note Yield, %[4]	1.44	2.95	3.96	4.12	3.92
6.75	7.00	6.51	6.36	6.25	6.17	6.14	6.15	30-Year Fixed Mortgage, %[4]	2.96	5.34	6.81	6.65	6.18
-3.4	-3.7	-3.5	-3.3	-3.3	-3.3	-3.2	-3.1	Current Account, % of GDP	-3.7	-3.9	-3.3	-3.4	-3.2

a = actual; f = forecast; p = preliminary

Notes: 1 - annualized percentage change 2 - chained 2017 $ billions 3 - annualized rate 4 - quarterly average 5 - year-over-year percentage change

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