ECONOMIC OUTLOOK

REGIONS

June 2025

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Q1 GDP – The Sequel: Not Really Different, Just Not The Same

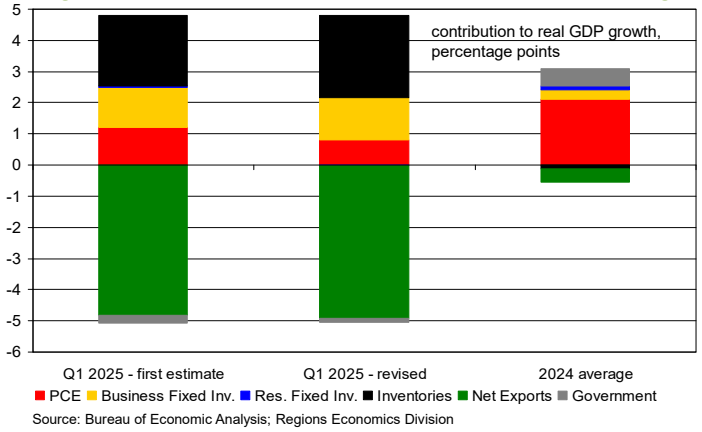
Recall that the first estimate from the Bureau of Economic Analysis (BEA) showed real GDP contracted at an annual rate of 0.3 percent in Q1 2025 while at the same time real private domestic demand, or, combined business and household spending adjusted for inflation, grew at an annual rate of 3.0 percent. Though the two metrics can, and often do, diverge in any given quarter, seldom do we see a divergence as pronounced as in the BEA's initial pass at the Q1 data. We devoted a good portion of last month's *Outlook* to explaining that divergence and how, to a large extent, both the contraction in real GDP and the growth in real private domestic demand were driven by businesses and consumers acting ahead of anticipated increases in tariffs later in 2025. We also flagged what we saw as an inconsistency in the Q1 data, which was that the reported build in nonfarm business inventories, though sizable, nonetheless seemed smaller than was consistent with the reported surge in inventories of goods.

The BEA has since released their second estimate of the Q1 GDP data, based on revised and more complete source data than that which they had at their disposal when producing the first estimate. The revised data show real GDP contracted at an annual rate of 0.2 percent in Q1 while growth in real private domestic demand was marked down to an annual rate of 2.5 percent. In one sense, the broad theme of the Q1 data did not change, i.e., the data were largely driven by businesses and consumers acting to avoid anticipated increases in tariffs later in 2025, and as we went into this in detail in last month's edition, we won't revisit that ground here. That said, there are some elements of the revisions that we think merit attention, particularly to the extent that larger (smaller) swings in the components of the Q1 data will yield larger (smaller) swings in the opposite direction in coming quarters.

One thing that stands out to us is that the revision top-line Q1 real GDP growth between the first and second estimates was just one-tenth of one percentage point, much smaller than the typical first-to-second estimate revision. On an absolute value basis, the typical revision to the initial estimate of real GDP growth in any given quarter is 0.5 percentage points. What makes the pint-sized revision to Q1 real GDP growth even more noteworthy is the magnitude of the changes in several of the underlying components that enter into GDP, such as consumer spending, imports, business investment, and inventory accumulation. That there were sizable revisions in these and other components but such a small revision to the estimate of top-line real GDP growth simply means these revisions largely cancelled each other out. What will be interesting to watch is the magnitude of the revision to the BEA's second estimate of Q1 real GDP growth; historically, the second-to-third revision, without regard to sign, is well smaller than the first-to-second revision. We won't, however, be surprised to see a larger than normal second-to-third revision to the estimate of Q1 real GDP growth given what remain sizable swings, and revisions, to some of the Q1 data points still in play.

REGIONS

Big Revisions Leave The Headline Number Little Changed



Source: Bureau of Economic Analysis; Regions Economics Division

The chart above summarizes the revisions to the initial estimate of Q1 real GDP growth and illustrates our point about how sizable revisions amongst the individual components largely cancelled each other out. For instance, the first estimate showed real personal consumption expenditures (PCE) grew at an annual rate of 1.8 percent, adding 1.21 percentage points to real GDP growth, but the revised estimate shows real PCE grew at a 1.2 percent rate, adding 0.80 percentage points to real GDP growth. Growth in both spending on goods and spending on services was revised down between the first and second estimates. At the same time, imports of goods are now reported to have grown at an annual rate of 52.3 percent rather than the 50.9 percent rate initially reported, meaning that growth in goods imports knocked 4.98 percentage points off real GDP growth.

While the revisions to PCE and goods imports would have yielded a larger contraction in real GDP than first reported, the offsets came from business fixed investment, inventory accumulation, and government spending. Real business spending on equipment and machinery was originally reported to have grown at an annual rate of 22.5 percent in Q1, but the revised data put the growth rate at 24.8 percent, which added 1.16 percentage points to real GDP growth. Additionally, the build in business inventories was revised meaningfully higher, which added 2.64 percentage points to real GDP growth rather than initial estimate of a boost of 2.25 percentage points.

Again, the revisions amongst the individual components largely offset each other, yielding the much smaller than normal revision

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to the initial estimate of Q1 real GDP growth. What is more relevant is how the revised Q1 data shapes the path of real GDP growth over coming quarters, particularly the second and third quarters of 2025. We'll caution you right here and now, though, that if you were looking for a nice, simple, and straightforward answer to that question, you'll want to look elsewhere for such an answer, but that's more about quarterly averaging and the magic of GDP accounting than it is about us. At least that's our story.

Motor vehicle sales, a significant portion of spending on consumer durable goods, can help illustrate our point. Recall that unit sales of new motor vehicles spiked in March and, though slipping a bit from March, remained elevated in April, to the point that these were the strongest two months of sales in four years. To a large extent, this reflected consumers pulling purchases forward to avoid tariff-related price hikes later this year. Most manufacturers have been slow to raise prices due to higher tariffs but have also indicated prices will at some point go up to reflect higher costs. We know from the BEA, however, that sales fell from an annual rate of 17.259 million units in April to a rate of 15.646 million units in May, and our baseline forecast anticipates a further decline in June as the front-loading of purchases has largely run its course. But, given that April's sales rate was so elevated, and so far above the Q1 average, the quarterly average of sales in Q2 will not come close to fully reflecting the sequential declines in sales in May and, we expect, June. As such, on a quarterly average basis, it won't be until the Q3 data that cooling vehicle sales are fully reflected in the GDP data, which is one reason our baseline forecast anticipates a sharp slowdown in growth of real consumer spending in Q3 (see our forecast summary table on Page 6). Note that it isn't just vehicle sales that fit this pattern, as sales of other types of consumer durable goods such as appliances, electronics, and to a lesser extent furniture, have largely followed suit.

The payback in business investment in equipment and machinery will be felt most acutely in Q2 but will likely persist in subsequent quarters. Recall that Q1 growth in this category was heavily concentrated amongst communications equipment and computer equipment, which logged annual growth rates of 106.2 percent and 72.9 percent respectively, and in non-defense aircraft, which saw annualized growth of 68.7 percent. At least in the first two of these categories, the Q2 data are likely to show sharp declines, which goes a long way toward the double-digit decline in business investment in equipment and machinery our baseline forecast anticipates in Q2. At the same time, after having put up the strongest quarterly growth since 2021 in this year's first quarter, orders for core capital goods, which foreshadow the GDP data on business investment, fell sharply in April and will almost surely contract on a quarterly average basis in Q2. While it is shipments, not orders, that enter into the GDP data, that orders are at present declining means declines in shipments down the road, which helps account for why our baseline forecast also anticipates declines in business investment in equipment and machinery in the third and fourth quarters of this year, albeit much more moderate than the decline we anticipate in the Q2 data.

Though we also anticipate payback for the surges in imports of goods and in business inventory accumulation seen in Q1, any such payback is more difficult to time out given that the pauses in implementing the most punitive tariffs announced on April 2 afford firms a wider window through which to pull import orders ahead and add to inventories. For instance, many retailers are taking advantage of the U.S. and China agreeing to pause implementing what would be prohibitive tariffs on each other's imports to pull holiday season ordering forward. As such, while the ultimate magnitude of the decline in imports of goods may not turn out to be much different than our forecast anticipates after the surge seen in Q1, that decline may be a bit more spread out over time than we anticipate. Note, however, that given what will likely be significant disruptions in typical seasonal patterns, the monthly data on trade flows and inventories will, in turn, be unusually volatile over coming months.

What we do know at this point is that imports of goods fell by 19.9 percent in April (the most recent data point available), easily the largest monthly decline on record. We also know that in the wake of the semi-truce on tariffs there was a bounce in the volume of cargo shipments from China to the U.S., but that bounce fizzled out over the second half of May. Even if the rebound seen in early-June is sustained, total Q2 volume will likely fall far short of Q1 volume even allowing for holiday season ordering being pulled forward. That is consistent with the significant decline in imports of goods our baseline forecast anticipates in Q2, but keep in mind that under GDP accounting conventions, this will act as a powerful boost to Q2 real GDP growth, which we now anticipate will come in at an annual rate of over two percent.

While a steep decline in imports of goods will act as a boost to Q2 real GDP growth, a significantly slower pace of business inventory accumulation will act as a drag – a reversal of what we saw from these components in the Q1 data. Keep in mind that in the calculation of real GDP growth, it is not the change in inventories from one quarter to the next that matters, but rather the change in the change in inventories. In other words, even though we do look for another increase in business inventories in Q2, that increase will be significantly smaller than the increase seen in Q1, meaning that inventories will be a drag on Q2 real GDP growth.

One way to think of the dynamic between imports and inventories is that, to the extent goods imported during Q1 went straight into inventories, businesses will begin to pare down those inventories as import volumes wane. As with imports of goods, however, we think capturing the directional change in inventories to be much easier than correctly pegging the timing. In other words, we're fairly sure where we'll end up, we're just not so sure when we'll actually get there. We'll obviously monitor the higher frequency data and adjust our baseline forecast accordingly, but our June forecast reflects our interpretation of the currently available data.

There is, of course, still much to be determined when it comes to trade policy, not to mention other policy fronts. While markets will be headline-driven, businesses and consumers will be left to map out how to respond while likely bracing for continued uncertainty. This will likely make for a period of heightened volatility in much of the economic data, which will take much care to interpret, and which could lead to larger than normal month-to-month swings in our baseline forecasts and those of others. Our analysis of the initial estimate of Q1 GDP led us to conclude that the economy was neither as troubled as implied by the contraction in real GDP nor as robust as implied by the growth in real private domestic demand. Nothing in the revised data led us to alter that conclusion. By that same token, if the Q2 data turn out as we anticipate, our conclusion will be that the economy is neither as robust as implied

by the growth in real GDP nor as troubled as implied by the anemic growth in real private domestic demand.

Elevated Profit Margins A Buffer Against Higher Tariffs?

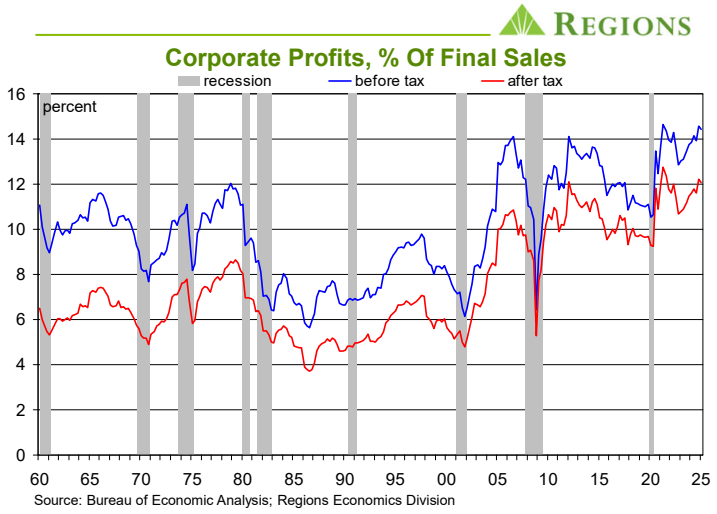
Just as there remains considerable uncertainty around where tariffs will ultimately settle, assuming they actually do settle at some point, there is also considerable uncertainty around who will ultimately bear the cost of higher tariffs. While that is an obvious and straightforward question, there is not an obvious and straightforward answer. Okay, fine, it could be that there just isn't an answer obvious and straightforward enough for us to see it. Be that as it may, we've been consistent from the start of all of this in arguing that there is no one-size-fits-all answer, nor is there even a one-size-fits-all answer within a given industry group. For instance, within retail, the answer will be different for Wal Mart than it will be for the small, independent retailer who relies solely on China as a source of the merchandise they sell, the difference being that Wal Mart will have far more pull with suppliers and far more push with customers than will the small independent retailer. Moreover, how a given company/industry responds to higher tariffs today may or may not be how they respond tomorrow.

We think the simplest way to tackle this question is to think of a three-way split of tariff burdens between suppliers, retailers or manufacturers, and customers. While it is conceivable that in some cases a given party's share could be zero and in other cases a given party's share could be one hundred percent, we think that in the vast majority of cases neither extreme is likely. That puts us at odds with those who argue firms will simply pass higher tariffs along to their customers in the form of higher prices and, at least in the case of retailers, point to the experiences of the pandemic to support their argument. To be sure, the years leading up to the pandemic were characterized by persistent core goods price deflation, yet by late-2020 core goods prices were rising rapidly with accelerating core goods price inflation sustained well into 2022, which was the case even excluding used vehicle prices.

While many attempt to draw a parallel between the effects of higher tariffs and the severe and prolonged disruptions in global supply chains that triggered accelerating core goods price inflation after the onset of the pandemic, one significant difference is that the policy response to the pandemic included multiple rounds of significant financial transfers to the household sector which left households flush with cash. We argued at the time that these transfers made consumers more willing to accept price increases than would otherwise have been the case. One way to think of it is that a positive, and substantial, income shock left households better able, and more willing, to contend with a negative, and substantial, supply shock. That is clearly not the case at present. The absence of financial transfers and more than three years of steadily rising prices, even if now at a slower rate, have left consumers less able, and less willing, to accept further price hikes.

As of the data for April, the latest available at this writing, neither the Consumer Price Index (CPI) nor the PCE Deflator show higher tariffs have had a meaningful and broadly based effect on goods prices, which has led some to argue that higher tariffs will not lead to higher inflation. That's a leap way too far. It is, after all, still early in the process, and there is still considerable uncertainty around where tariffs will go and even whether, or through what channels, the Administration will be able to impose higher tariffs. We've argued that firms are likely waiting for more clarity before making decisions on price. We've also argued that the sizable build in inventories we saw during the first quarter of the year is acting as somewhat of a buffer against higher tariffs in that there are not yet physical shortages of goods that would trigger jumps in prices, such as what we saw during the pandemic.

We'd further argue that elevated profit margins can act as a buffer against the impact of higher tariffs, in that elevated margins give firms greater capacity to absorb higher tariffs rather than trying to pass those costs along to consumers in the form of higher prices. Here too there is not a one-size-fits all answer that applies to all firms in all industries. More broadly, though, profit margins as of Q1 2025 are only modestly below the all-time highs registered back in 2021, as seen in the following chart.



Note that we use the measure of corporate profits reported in the data from the National Income and Product Accounts (NIPA), the source of the GDP data, and this measure is much broader than the more commonly cited S&P 500 measure of corporate profits. As seen in the chart, even if off all-time highs, profit margins are easily above historical norms and are also meaningfully higher than was the case during the first go-around with tariffs prior to the pandemic. Unfortunately, the industry cuts on profits in the NIPA data lag the overall measure of profits, so we do not yet have the industry cuts for Q1 2025. We do, however, know that as of Q4 2024 margins in some of the industry groups most exposed to higher tariffs – manufacturing, transportation and warehousing, wholesale trade, retail trade – were easily above longer-term norms. To be sure, we can point to segments such as construction materials, consumer staples, and apparel, in which margins are much thinner, leaving little capacity for absorbing the costs of higher tariffs, but in general elevated margins could help account for why thus far many firms in industry groups already impacted by higher tariffs have shown restraint on pricing.

But, to our earlier point that how a firm reacts to higher tariffs today may not necessarily be how they'll react tomorrow, it could be that as more time goes by, more firms in more industry groups

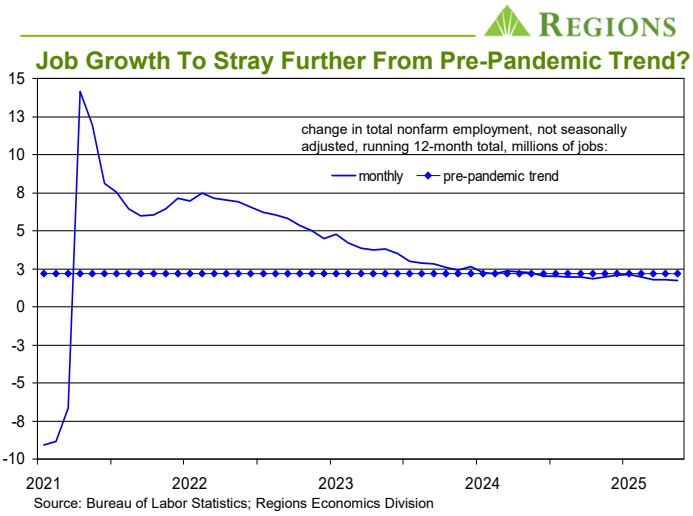
will at least test their ability to pass the costs of higher tariffs along to their customers in the form of higher prices. One trigger may be clarity around where tariffs will ultimately settle. Additionally, as inventories of finished goods that were built up prior to higher tariffs being imposed are pared down, wholesalers/retailers will likely be more inclined to raise prices. Prices of new and used motor vehicles were notably tame through April and, at least going by anecdotal evidence, that carried into May. But, manufacturers of new vehicles have signaled higher prices will come as we move through the summer months. Also, rising demand has already pushed used vehicle prices higher on the wholesale level, which will begin to filter into prices on the retail level such that we could see meaningful increases in the June data on consumer prices. While some firms with the financial wherewithal to do so may continue to hold the line on pricing in order to take market share from competitors opting to raise prices, we're not sure how long firms will be willing to absorb the costs of higher tariffs by accepting narrower profit margins. Finally, should the depreciation of the U.S. dollar seen over the past several weeks be sustained, that will magnify the inflationary impulse of higher tariffs, contrary to historical patterns in which the currency of tariff-imposing nations appreciated and, as such, blunted the inflationary effects. In short, while thus far there is no strong evidence of tariffs pushing goods prices higher, we think the link will become stronger as more time goes by.

Labor Market Cracks Emerging?

While "better than expected, even better than feared" may not quite be a ringing endorsement, that was apparently good enough for the May employment report, at least in the eyes of financial market participants who had been on edge prior to the release of the report. A string of weak data releases in the days leading up to the release of the May employment report, including the ISM Manufacturing Index, the ISM Non-Manufacturing Index, the ADP National Employment Report, and weekly jobless claims, raised concerns over the growth outlook and even led to some going on, or in most of these cases back on, recession watch. So, while the bar for the May employment report was set fairly low – the consensus forecast anticipated nonfarm payrolls rising by 125,000 jobs – the "whisper number" immediately ahead of the release was closer to 100,000 jobs and the "fear number" was, well, let's just say much lower. As such, the release of May employment report, which showed nonfarm payrolls rose by 139,000 jobs and the unemployment rate held at 4.2 percent, was greeted most enthusiastically by market participants. And while that more likely reflected relief rather than joy, the result was sharply higher equity prices and a jump in yields on long-dated U.S. Treasury securities.

While we like a good relief rally just as much as anyone else, it is our task to go beyond the headline numbers and put the numbers in the various economic data releases into context, and the May employment report is no exception. And, honestly, one didn't have to look all that hard to see that beneath the better than expected and better than feared headline job growth number, the May employment report contained numerous signs of softening labor market conditions. Right off the bat, prior estimates of job growth in March and April were revised down by a net 95,000 jobs for the two-month period, making this the second straight month in which a better than expected headline job growth number was weakened by substantial downward revisions to estimates of job growth over the prior two months. More broadly, for some time now the revisions to the initial estimates of monthly job growth have been downward in the vast majority of months, a pattern typically seen during times of decelerating job growth or declines in the level of employment. Our forecasts of job growth in April and May were each below the consensus forecasts, and while headline job growth in each month came in ahead of our forecast, accounting for the downward revisions meant the level of nonfarm payrolls was right where we expected it would be.

That the trend rate of job growth is slowing should come as no surprise, particularly since coming into this year we and most others were forecasting a markedly slower pace of overall economic growth than seen in 2023 and 2024. Moreover, with what we expected would also be a markedly slower pace of labor supply growth this year than seen in 2023 and 2024, the monthly job gains consistent with the unemployment rate holding steady would be meaningfully smaller than has been the case. Indeed, coming into the year we thought that by the end of 2025 those increases would be in the range of 60,000 to 70,000 jobs a month. Still, though not surprising, slowing job growth may be concerning given that it is not yet clear whether we are simply settling into a slower trend rate of job growth or whether what is now a slowing trend rate of job growth will give way to declining nonfarm payrolls should the economy take a tariff-related turn for the worse.



It is common to take the six-month moving average as a proxy for the trend rate of job growth, and on that basis May's increase in private sector payrolls – up by 140,000 jobs – is not too far off the six-month average of 146,000 jobs. In light of what we see as ongoing issues with seasonal adjustment across many different data series, we prefer to look at the trends in the not seasonally adjusted data. The chart above shows the running twelve-month change in not seasonally adjusted nonfarm employment measured against the average of that twelve-month change over the three years prior to the pandemic. On this basis, job growth remains notably aligned with that pre-pandemic trend though, admittedly, focusing on a twelve-month change, as opposed to a three-month or six-month change, raises the risk of one missing out on cyclical turning points. We do, of course, monitor the shorter-horizon changes but thus far do not see anything suggesting we are at

such a cyclical turning point. The question top of many minds at present, however, is whether that is about to change.

To that point, one concerning element of the data is that private sector job growth has become increasingly concentrated amongst a smaller range of industry groups. In May, the one-month hiring diffusion index, a measure of the breadth of hiring across private sector industry groups, slipped to 50.0 percent which, barring July 2024 (a month of questionable employment data), is the lowest reading since the onset of the pandemic. We attach a good deal of significance to the hiring diffusion index, our premise being that the more narrowly based private sector job growth is, the more susceptible the labor market is to an adverse shock. In May, private sector job growth was almost fully accounted for by health care/social assistance and leisure and hospitality services but, again, the one-month hiring diffusion index has been trending downward for some time now. Note that a slowing trend rate of job growth need not be associated with a falling hiring diffusion index, as the index measures the breadth, not the intensity, of hiring. What we've seen over the past several months, however, is both the intensity and the breadth of private sector hiring diminishing, which is a concerning sign.

Largely overlooked in the reaction to the May employment report were sizable declines in both the size of the labor force and the level of household employment, both of which fell by more than 600,000 persons. In other words, the unemployment rate would have risen had it not been for the decline in labor force participation. To be sure, the household survey data are inherently volatile from month-to-month, largely reflecting a small sample size and steadily eroding response rates. As such, large level-swings in the metrics are not unusual, but swings as large as those in the May data stand out. Moreover, the data on labor force flows, which track movements of individuals into and out of the labor force and between employment and unemployment, show what, outside of the onset of the pandemic, was the largest one-month flow of people from employment to out of the labor force on record. Over 5.4 million people transitioned from being employed in April to being out of the labor force in May, 971,000 more than made the same transition in April. Even given the inherent volatility in the household survey data, it is hard to look past this number, and this is something to monitor in the months ahead.

As we've discussed, while we came into the year anticipating a marked slowdown in job growth, we also anticipated a pronounced slowdown in the rate of labor supply growth would keep there from being a significant increase in the unemployment rate. Our premise was that immigration reform, or even the anticipation of immigration reform, would lead to a significant slowdown in the inflow of foreign born labor. We even cited an adverse labor supply shock stemming from immigration reform as a key downside risk to our baseline 2025 outlook, as this was something we thought could significantly impair growth in nonfarm employment. Though difficult to quantify in the establishment survey data, we can point to the household survey data which show a pronounced decline in foreign born labor force participation and employment thus far in 2025. Through May, the decline in foreign born employment from January was larger than the decline in the foreign born population in the U.S. over this same span. Indeed, the year-to-date change in the foreign born labor force is not only substantially weaker than those seen over the 2022-2024 period but is also substantially weaker than pre-pandemic norms. We'd argue that the household survey estimates of the foreign born labor force and the level of foreign born employment are overstated, perhaps significantly, given that the population controls that govern the 2025 household survey do not incorporate the significant slowdown in international in-migration seen this year. Either way, it could be that the slowing trend rate of growth in nonfarm employment is, at least in part, a reflection of labor supply constraints, particularly in industry groups such as construction, transportation services, household services, and leisure and hospitality services, though we cannot quantify any such effects from the establishment survey data.

It is also worth noting that over the past four months federal government payrolls have fallen by 59,000 jobs as cutbacks in federal government employment are becoming more visible in the establishment survey data. We continue to argue, however, that the bulk of these cutbacks will not be captured in the data until October, as many displaced workers will remain "on the books" through the end of the fiscal year on September 30. Still, these cutbacks will be a modest but persistent drag on monthly job growth between now and then before the October employment report shows, legal challenges notwithstanding, a very sizable decline in federal government payrolls.

Clearly, there are meaningful signs that labor market conditions are softening. That said, demand for labor has, at least thus far, been cooling in an orderly manner. As we've frequently noted, thus far the slowing trend rate of job growth has been a function of a slowing rate of hiring as opposed to an accelerating rate of layoffs. Though many are pointing to the recent increases in initial claims for unemployment insurance as evidence of accelerating layoffs, we see these increases as little more than faulty seasonal adjustment as the unadjusted data show no meaningful and broadly based increases in initial claims. This is not to say that coming weeks/months will not bring rising layoffs, but rather that thus far there no signs of such, as the raw data show no meaningful deviations from typical seasonal patterns in claims.

We'll also note that while we would not have been surprised to see cutbacks in hours worked as a means of firms managing total labor input, thus far that has not been the case. Around cyclical turning points, firms will tend to vary hours worked as they assess whether rising/falling demand will be sustained, and it is only after they've made those assessments that they become more aggressive in adding/reducing the number of workers they employ. Given signs of softening demand and concern around the potential impacts of trade disputes, it would not have been surprising had firms begun cutting back on hours worked as a means of reducing total labor input without having to resort to layoffs. That has not yet been the case but were we to see cuts in average weekly hours across a wide swath of industry groups, we'd take that as a sign that layoffs could be on the verge of increasing. Again, though, thus far there are no signs of that.

So, while there are causes for concern in the labor market data, there is no evidence that the labor market is on the verge of rolling over. What we've laid out here are what we think to be some of the key metrics to watch in the months ahead for signs that things are changing. Thus far, however, the body of the data suggests to us that trend job growth continues to slow, but in an orderly manner. We expect more of the same in the months ahead even if we cannot rule out more sudden and dramatic shifts.

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Q4 '24 (a)	Q1 '25 (p)	Q2 '25 (f)	Q3 '25 (f)	Q4 '25 (f)	Q1 '26 (f)	Q2 '26 (f)	Q3 '26 (f)		2022 (a)	2023 (a)	2024 (a)	2025 (f)	2026 (f)
2.5	-0.2	2.4	0.1	1.2	1.4	2.3	1.8	Real GDP[1]	2.5	2.9	2.8	1.5	1.5
4.0	1.2	1.5	0.1	1.6	1.9	2.0	2.0	Real Personal Consumption[1]	3.0	2.5	2.8	2.1	1.6
-2.9	10.3	-4.1	-1.6	-0.2	1.5	3.2	3.8	Real Business Fixed Investment[1]	7.0	6.0	3.6	1.6	1.2
-8.7	24.8	-11.4	-6.1	-3.0	1.5	4.5	5.7	Equipment[1]	4.4	3.5	3.4	2.5	0.2
-0.5	4.6	3.4	3.6	3.6	3.5	4.2	4.5	Intellectual Property and Software[1]	11.2	5.8	3.9	2.8	3.9
2.9	-1.4	-4.9	-4.1	-3.3	-3.0	-1.9	-1.6	Structures[1]	3.6	10.8	3.5	-2.1	-2.8
5.5	-0.6	-1.5	-4.5	-2.3	-0.7	-0.4	1.4	Real Residential Fixed Investment[1]	-8.6	-8.3	4.2	-0.9	-1.1
3.1	-0.7	-0.1	0.2	0.5	-0.3	-0.2	-0.1	Real Government Expenditures[1]	-1.1	3.9	3.4	1.2	0.0
-1,052.7	-1,379.0	-1,148.7	-1,074.2	-1,061.9	-1,066.1	-1,082.0	-1,101.2	Real Net Exports[2]	-1,041.7	-932.8	-1,033.6	-1,166.0	-1,090.4
1,013	1,015	932	927	926	925	924	927	Single Family Housing Starts, ths. of units[3]	1,005	947	1,016	950	927
374	381	401	390	397	404	409	412	Multi-Family Housing Starts, ths. of units[3]	547	473	355	392	410
3.2	2.4	1.4	-0.2	-1.9	-2.8	-2.7	-1.5	CoreLogic House Price Index[5]	12.9	4.1	4.2	0.4	-1.7
16.5	16.4	16.0	15.1	15.2	15.3	15.4	15.6	Vehicle Sales, millions of units[3]	13.8	15.5	15.8	15.7	15.5
4.1	4.1	4.2	4.4	4.5	4.5	4.4	4.3	Unemployment Rate, %[4]	3.6	3.6	4.0	4.3	4.3
1.2	1.2	1.1	1.0	0.7	0.5	0.4	0.6	Non-Farm Employment[5]	4.3	2.2	1.3	1.0	0.6
2.5	2.9	3.4	-1.9	0.2	2.7	1.0	1.7	Real Disposable Personal Income[1]	-5.6	5.1	2.7	1.7	1.2
2.4	2.6	2.5	3.1	3.4	3.0	3.1	2.6	GDP Price Deflator[5]	7.1	3.6	2.4	2.9	2.8
2.5	2.5	2.5	3.3	3.6	3.5	3.6	3.0	PCE Deflator[5]	6.6	3.8	2.5	3.0	3.2
2.7	2.7	2.6	3.5	3.9	3.8	4.1	3.6	Consumer Price Index[5]	8.0	4.1	3.0	3.2	3.6
2.8	2.8	2.8	3.3	3.5	3.3	3.3	2.7	Core PCE Deflator[5]	5.4	4.1	2.8	3.1	2.9
3.3	3.1	3.0	3.7	3.8	3.8	3.8	3.2	Core Consumer Price Index[5]	6.2	4.8	3.4	3.4	3.4
4.69	4.38	4.38	4.34	4.07	3.70	3.63	3.63	Fed Funds Target Rate Range Mid-Point, %[4]	1.73	5.07	5.19	4.29	3.64
4.28	4.45	4.36	4.40	4.44	4.51	4.57	4.61	10-Year Treasury Note Yield, %[4]	2.95	3.96	4.21	4.41	4.59
6.63	6.83	6.81	6.80	6.78	6.81	6.80	6.77	30-Year Fixed Mortgage, %[4]	5.34	6.81	6.72	6.80	6.79
-3.8	-4.2	-3.3	-3.3	-3.3	-3.2	-3.1	-3.1	Current Account, % of GDP	-3.9	-3.3	-3.4	-3.2	-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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