



FEDERAL RESERVE BANK *of* NEW YORK

U.S. and Regional Economic Conditions
Greater Valley Chamber of Commerce, Shelton, CT
March 5, 2024

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The views expressed here are those of the presenter and do not necessarily represent those of the Federal Reserve Bank of New York or the Federal Reserve System.

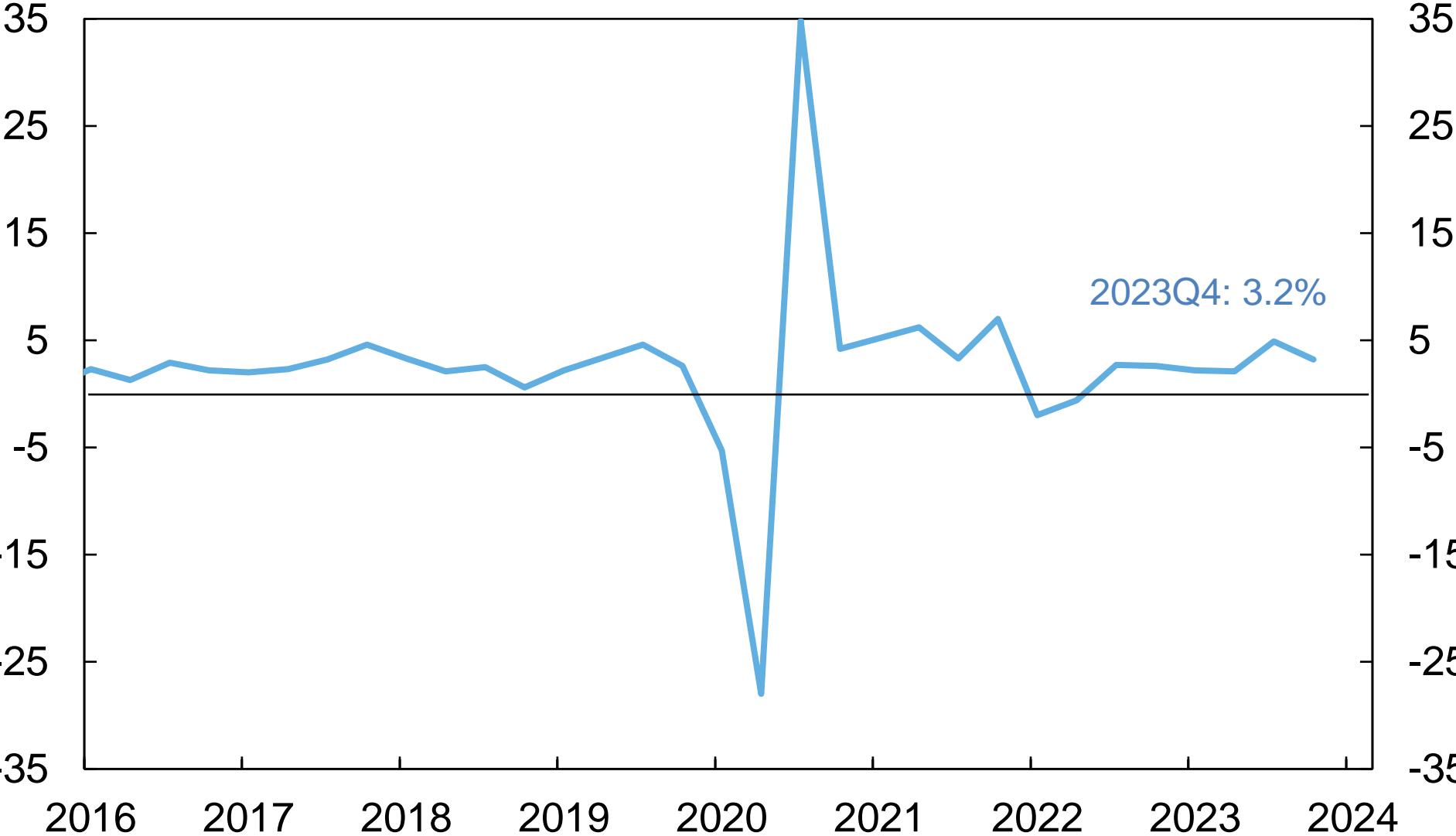
Today's Agenda

1. National and international economy
2. Household Finance
3. Regional Economy
4. Q&A

National Conditions

GDP Growth

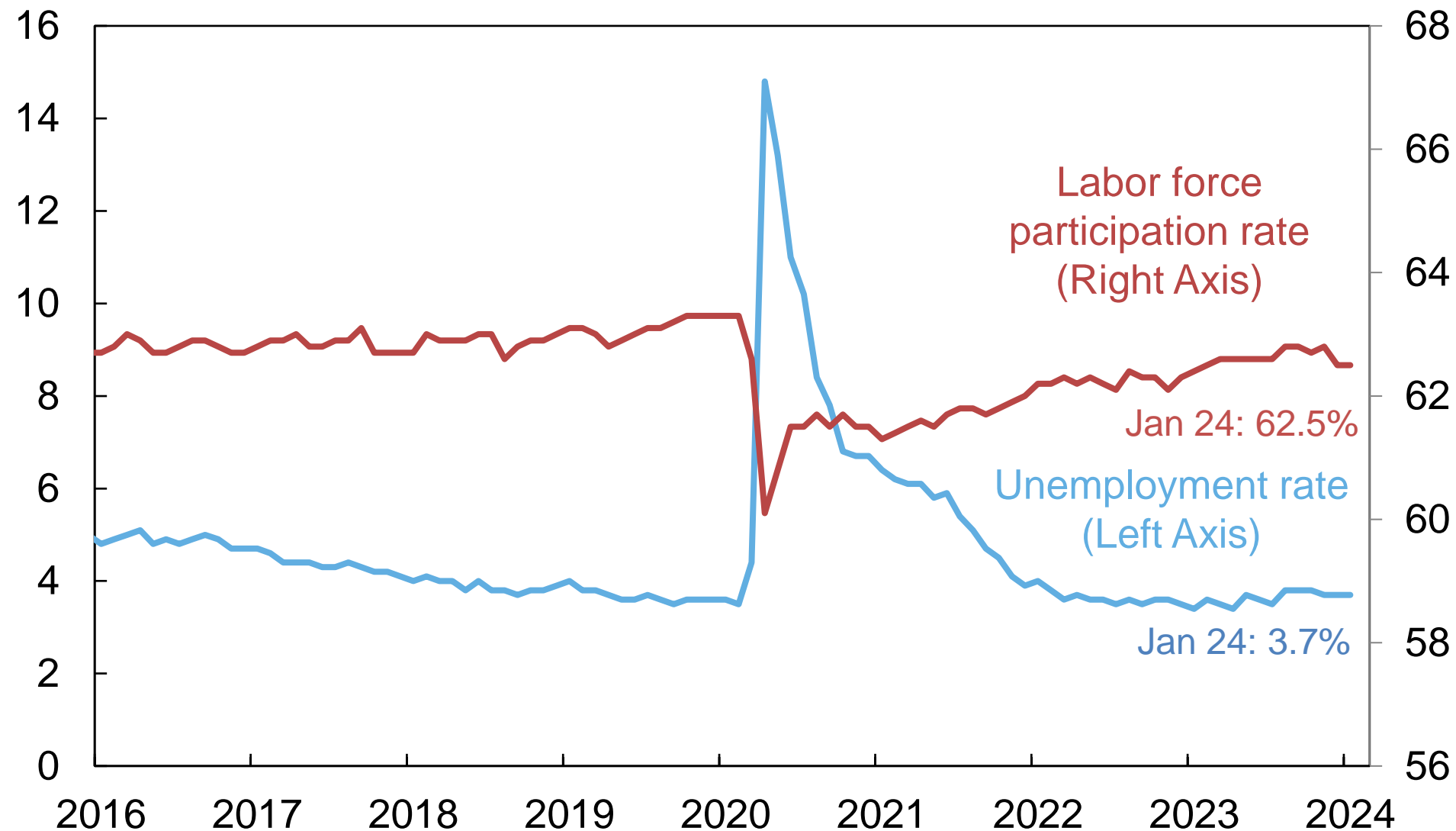
Quarterly % change, annualized



Source: Bureau of Economic Analysis via Haver Analytics

Labor Market Indicators

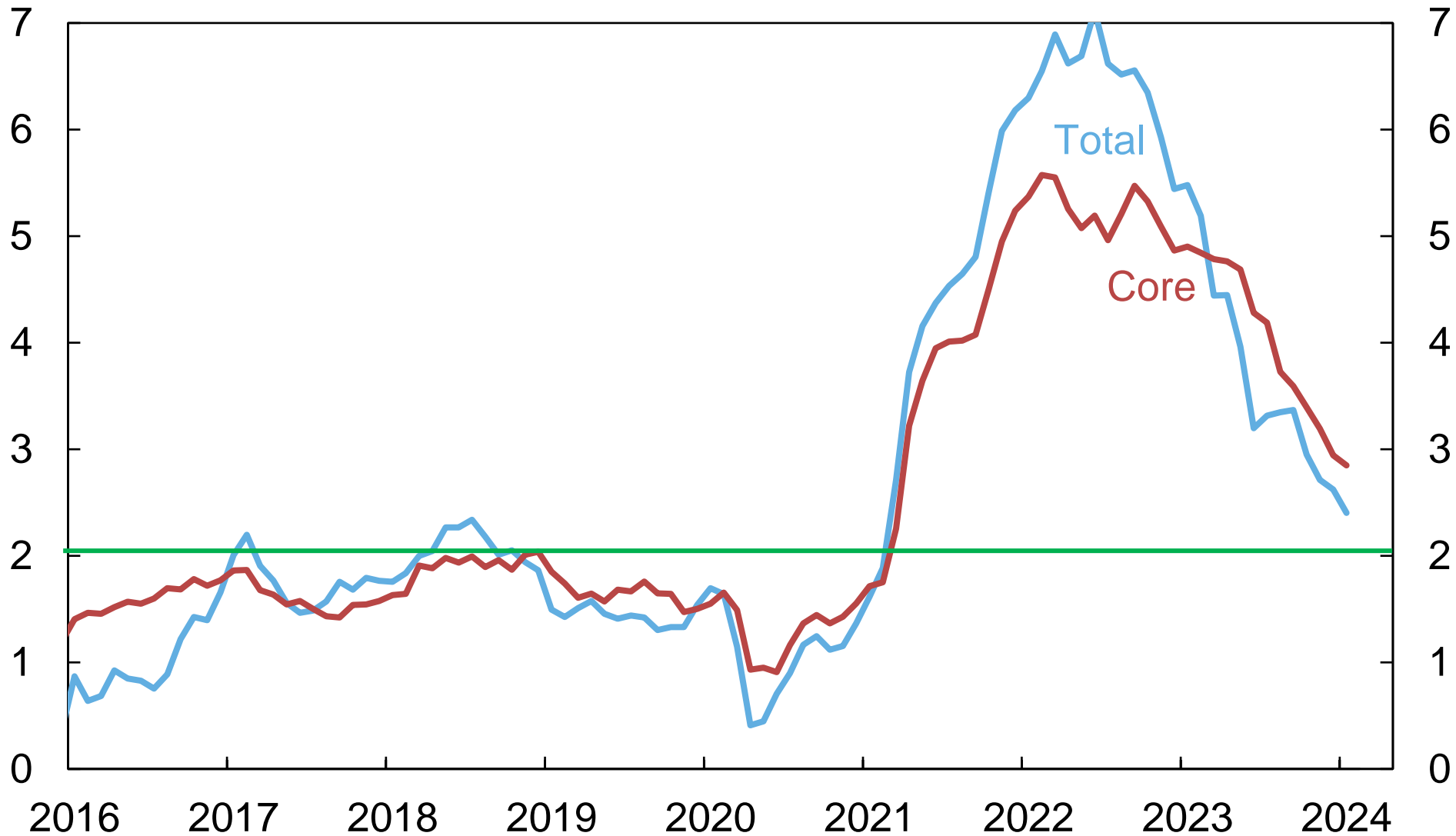
Percent



Source: Bureau of Labor Statistics via Haver Analytics

PCE Deflator

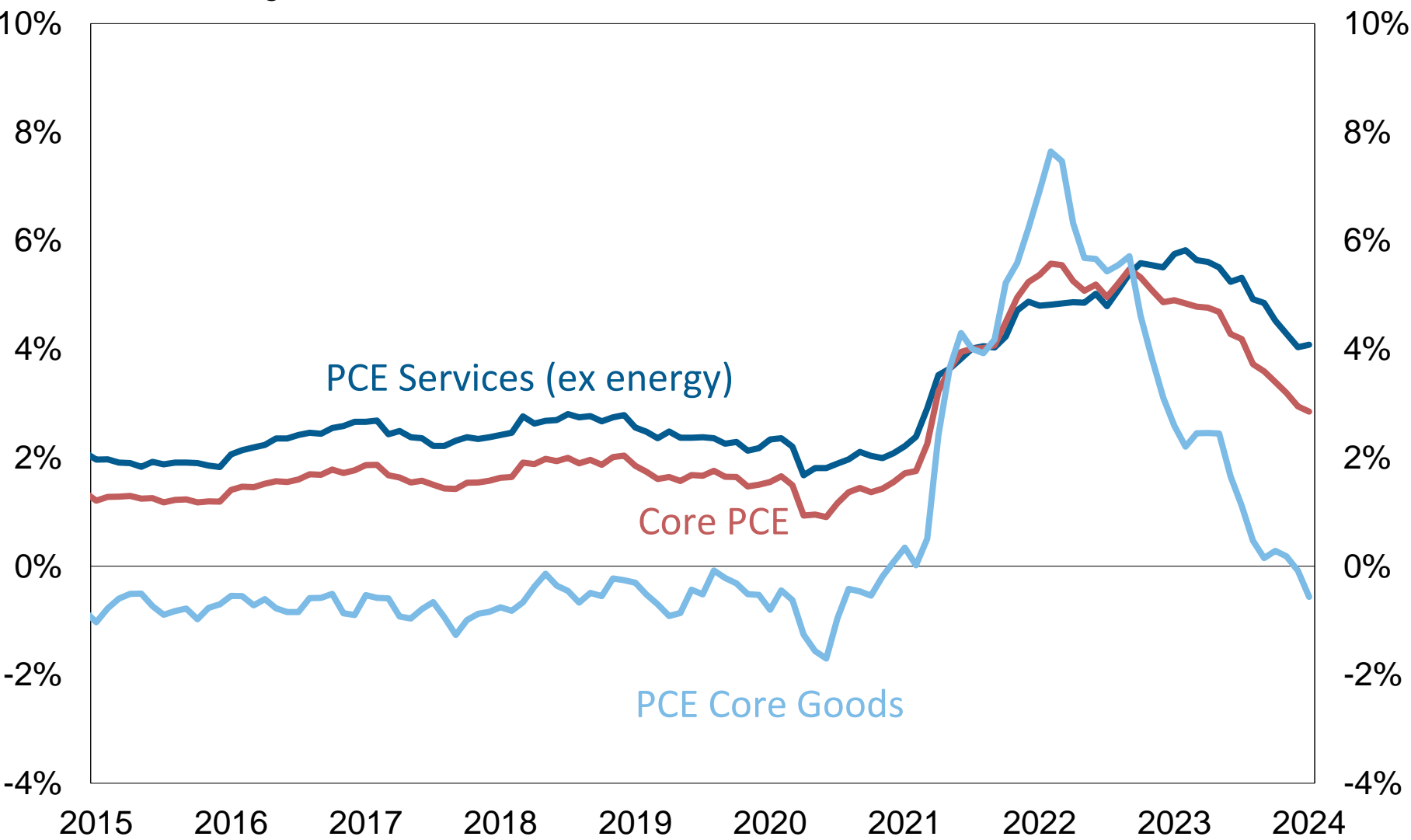
12-month % change



Source: Bureau of Economic Analysis via Haver Analytics

Core PCE goods and services inflation

12 month % change



Source: Bureau of Economic Analysis via Haver

Projections of FOMC Members

December 2023

Percent

Variable	Median ¹					Central Tendency ²				
	2023	2024	2025	2026	Longer run	2023	2024	2025	2026	Longer run
Change in real GDP	2.6	1.4	1.8	1.9	1.8	2.5–2.7	1.2–1.7	1.5–2.0	1.8–2.0	1.7–2.0
September projection	2.1	1.5	1.8	1.8	1.8	1.9–2.2	1.2–1.8	1.6–2.0	1.7–2.0	1.7–2.0
Unemployment rate	3.8	4.1	4.1	4.1	4.1	3.8	4.0–4.2	4.0–4.2	3.9–4.3	3.8–4.3
September projection	3.8	4.1	4.1	4.0	4.0	3.7–3.9	3.9–4.4	3.9–4.3	3.8–4.3	3.8–4.3
PCE inflation	2.8	2.4	2.1	2.0	2.0	2.7–2.9	2.2–2.5	2.0–2.2	2.0	2.0
September projection	3.3	2.5	2.2	2.0	2.0	3.2–3.4	2.3–2.7	2.0–2.3	2.0–2.2	2.0
Core PCE inflation ⁴	3.2	2.4	2.2	2.0		3.2–3.3	2.4–2.7	2.0–2.2	2.0–2.1	
September projection	3.7	2.6	2.3	2.0		3.6–3.9	2.5–2.8	2.0–2.4	2.0–2.3	
Memo: Projected appropriate policy path										
Federal funds rate	5.4	4.6	3.6	2.9	2.5	5.4	4.4–4.9	3.1–3.9	2.5–3.1	2.5–3.0
September projection	5.6	5.1	3.9	2.9	2.5	5.4–5.6	4.6–5.4	3.4–4.9	2.5–4.1	2.5–3.3

Source: Board of Governors of the Federal Reserve System

Major Economy GDP Growth

Percent change Q4/Q4

	2021	2022	2023
EA	5.2	1.9	0.1
Japan	1.4	0.7	1.1
UK	9.7	0.6	-0.2
China	4.3	2.9	5.1
Mexico	2	4.6	2.5
Canada	4.4	2.2	NA
Brazil	1.5	3.3	NA
Total	4.5	2.3	NA

Source: Country sources via Haver

Total is GDP-weighted average of listed countries

Major Economy CPI Inflation

Percent change Q4/Q4

	2021	2022	2023
EA	4.6	10	2.7
Japan	0.5	3.9	2.9
UK	4.9	10.8	4.2
China	1.7	1.8	-0.3
Mexico	7	8	4.4
Canada	4.7	6.7	3.2
Brazil	10.5	6.1	4.8
Total	3.3	5.8	NA

Source: Country sources via Haver

Total is GDP-weighted average of listed countries

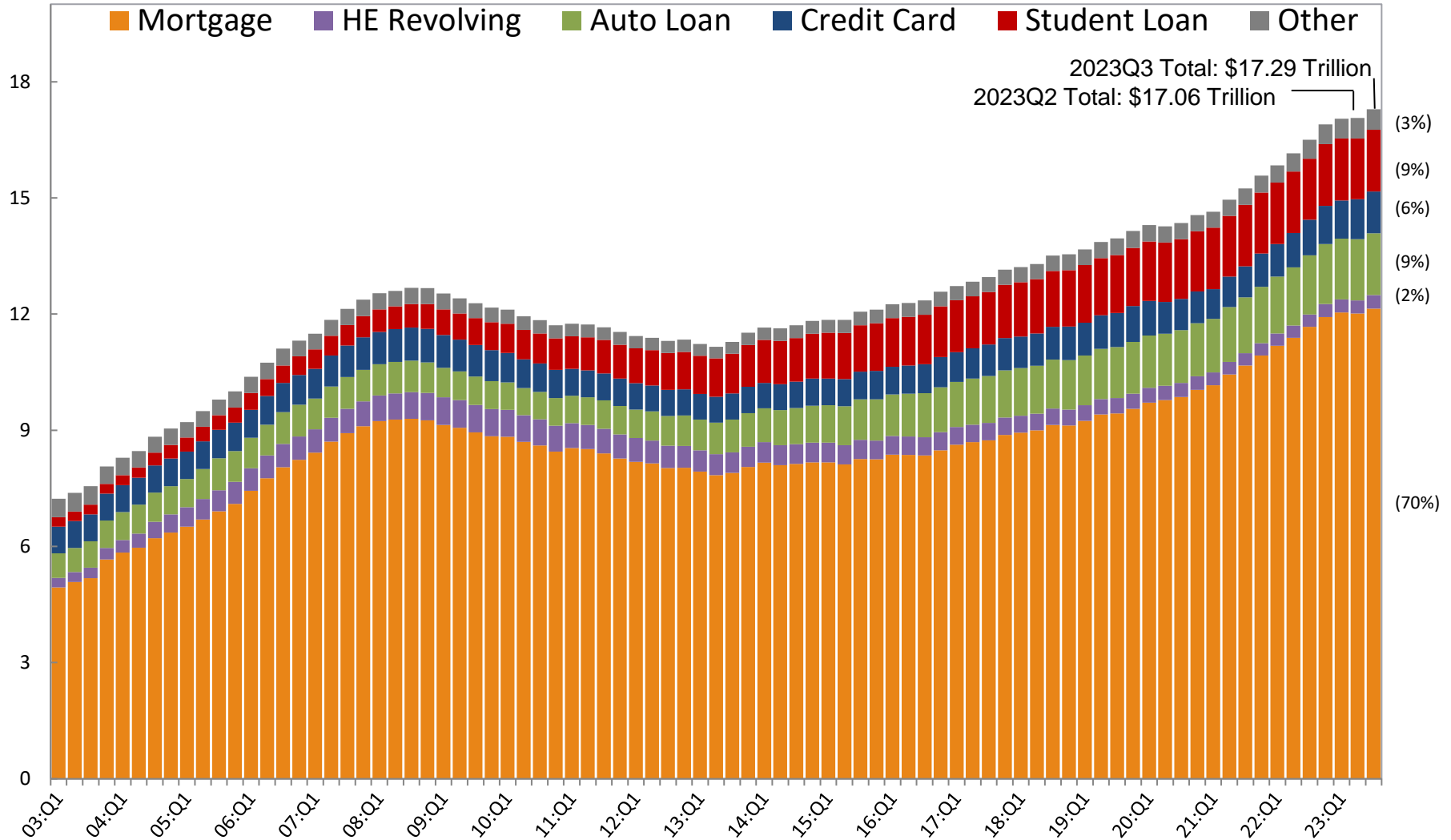
National/International Summary

- Real GDP growth slowing in Q4 and into 2024
- Labor market strong and continues to rebalance
- Inflation returning to mandate-consistent levels
- Major economies similar path, possibly bumpier road

Household Financial Conditions

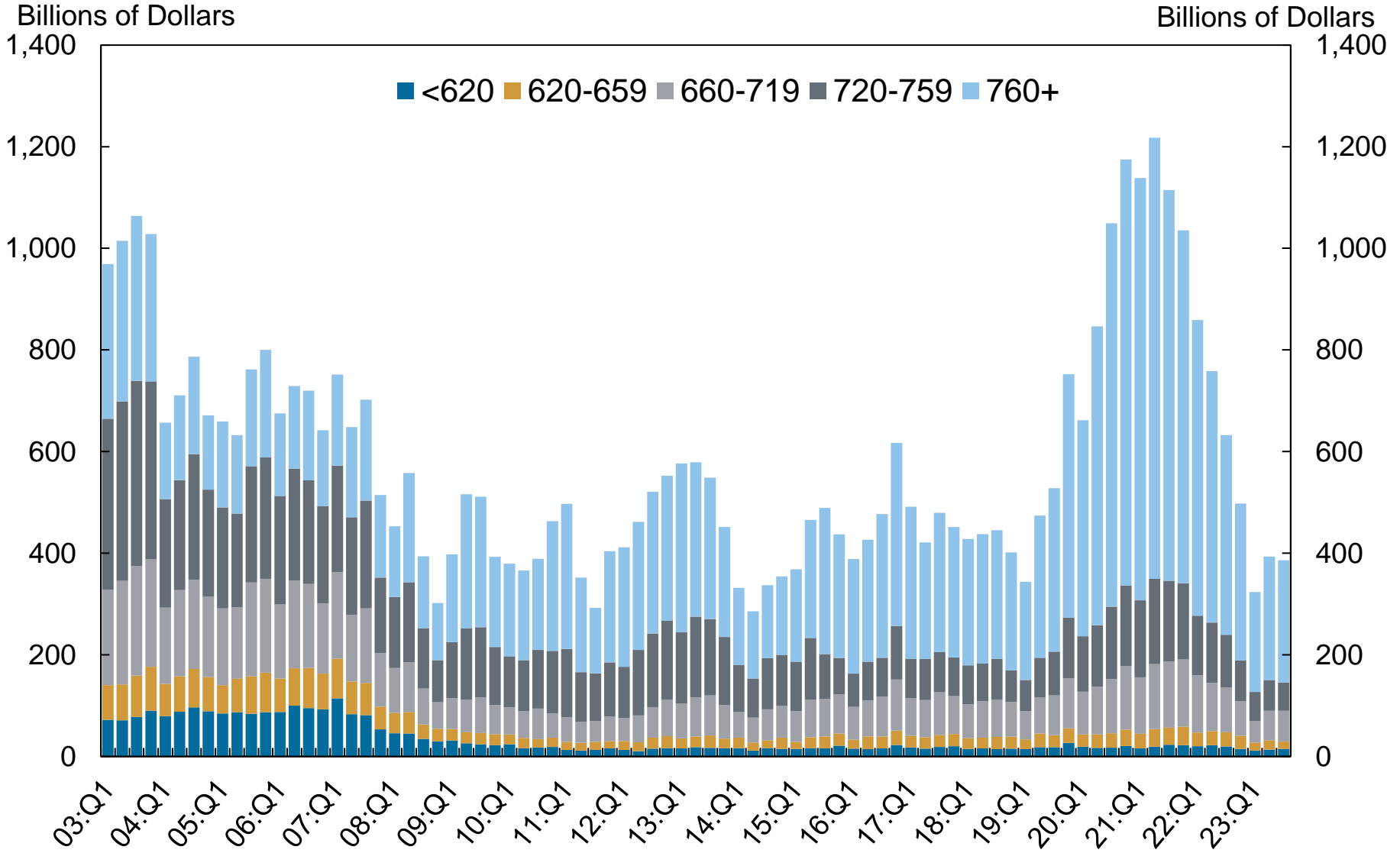
Total Debt Balance and its Composition

Trillions of Dollars



Source: New York Fed Consumer Credit Panel/Equifax

Mortgage Originations by Credit Score*



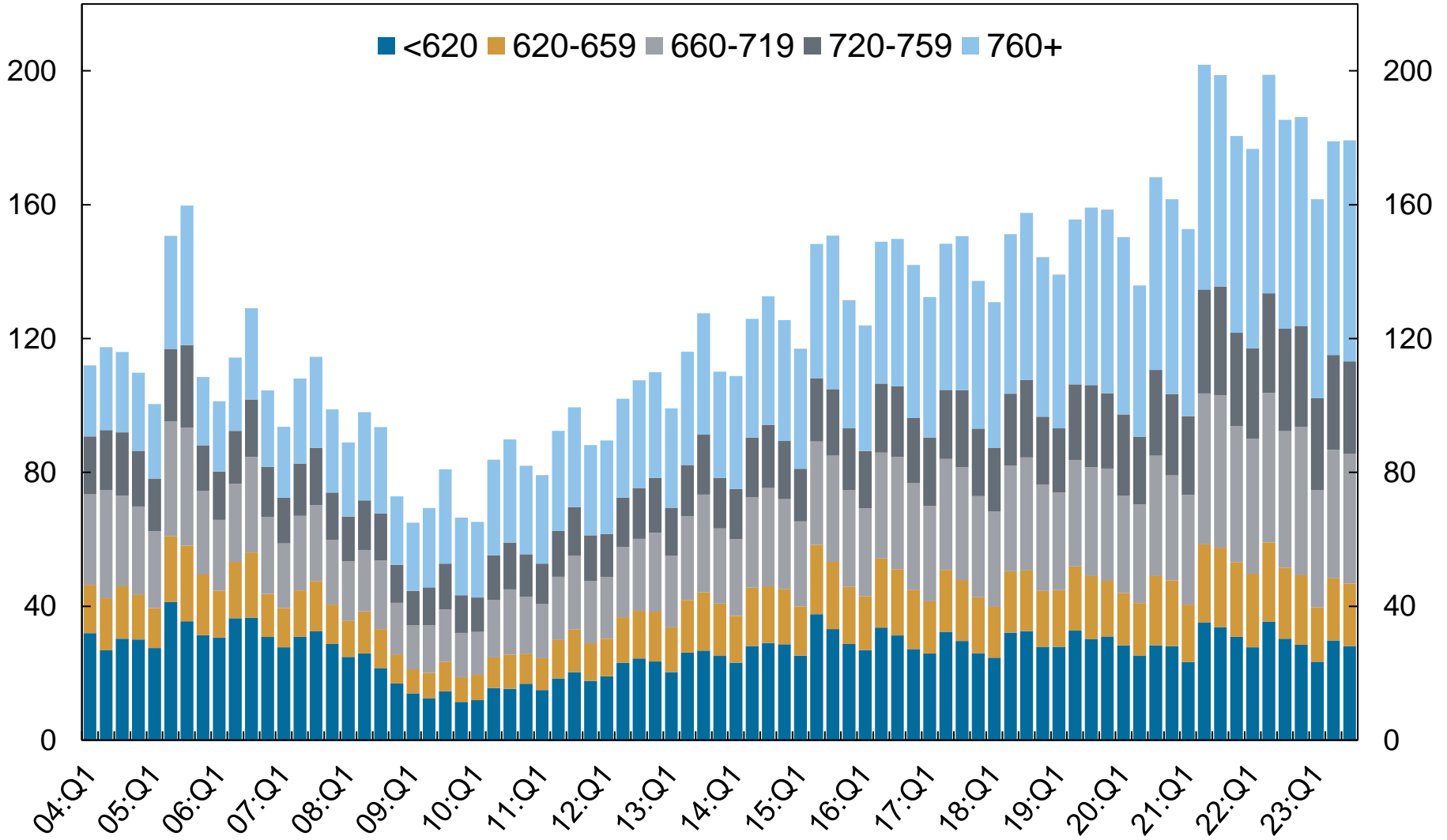
Source: New York Fed Consumer Credit Panel/Equifax

* Credit Score is Equifax Riskscore 3.0

Auto Loan Originations by Credit Score*

Billions of Dollars

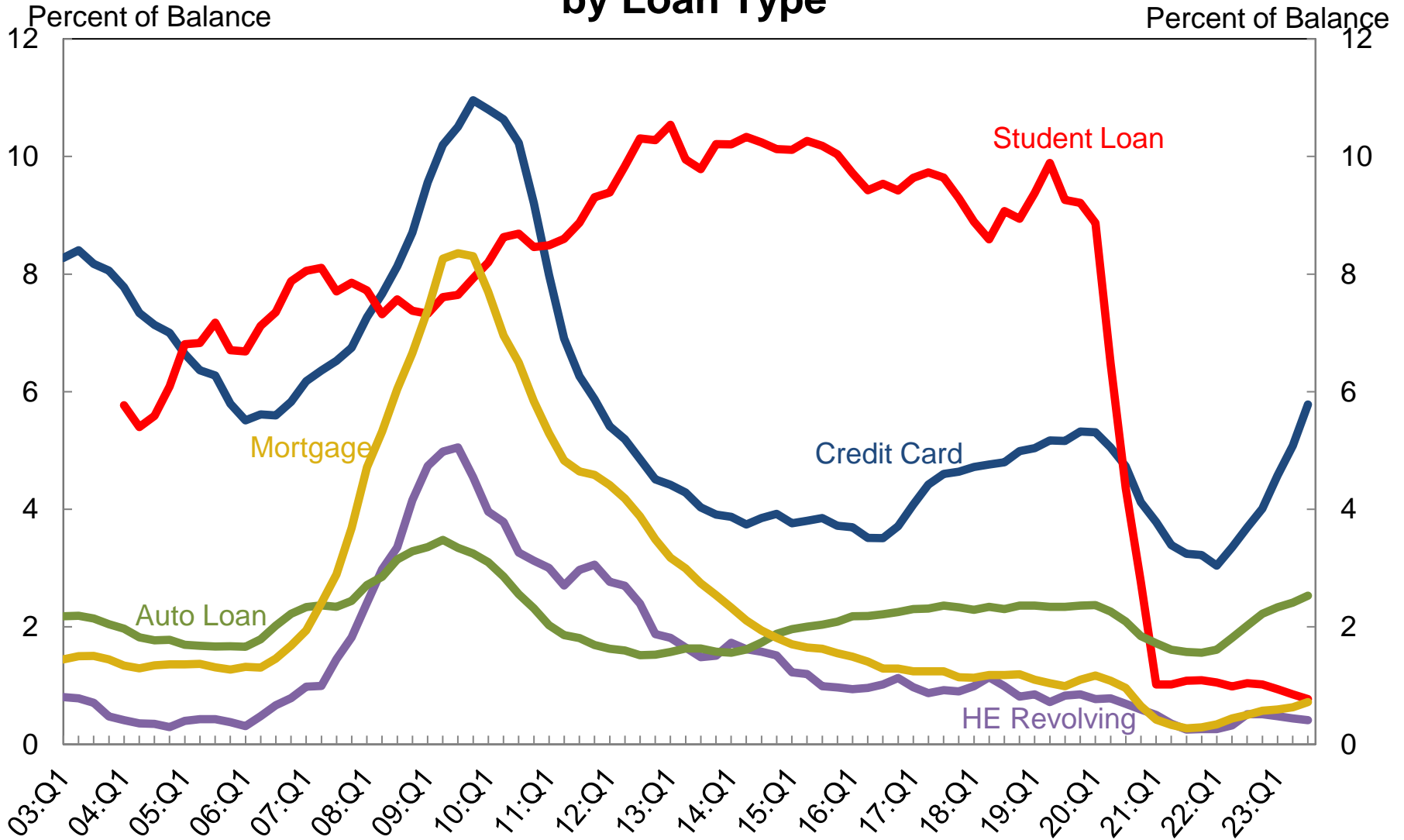
Billions of Dollars



Source: New York Fed Consumer Credit Panel/Equifax

* Credit Score is Equifax Riskscore 3.0

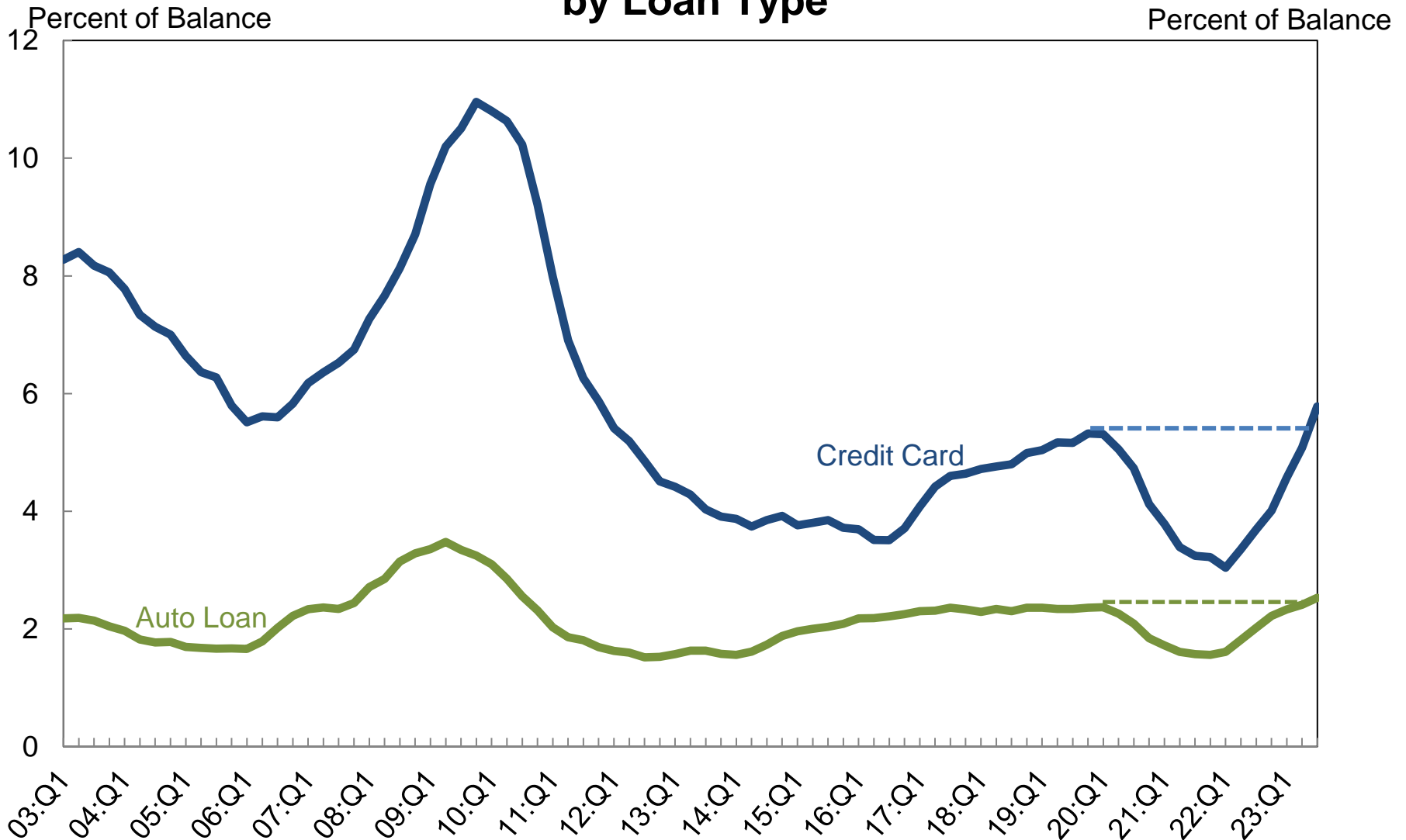
Transition into Serious Delinquency (90+) by Loan Type



Source: New York Fed Consumer Credit Panel/Equifax

Note: 4 Quarter Moving Sum
 Student loan data are not reported prior to 2004 due to uneven reporting

Transition into Serious Delinquency (90+) by Loan Type



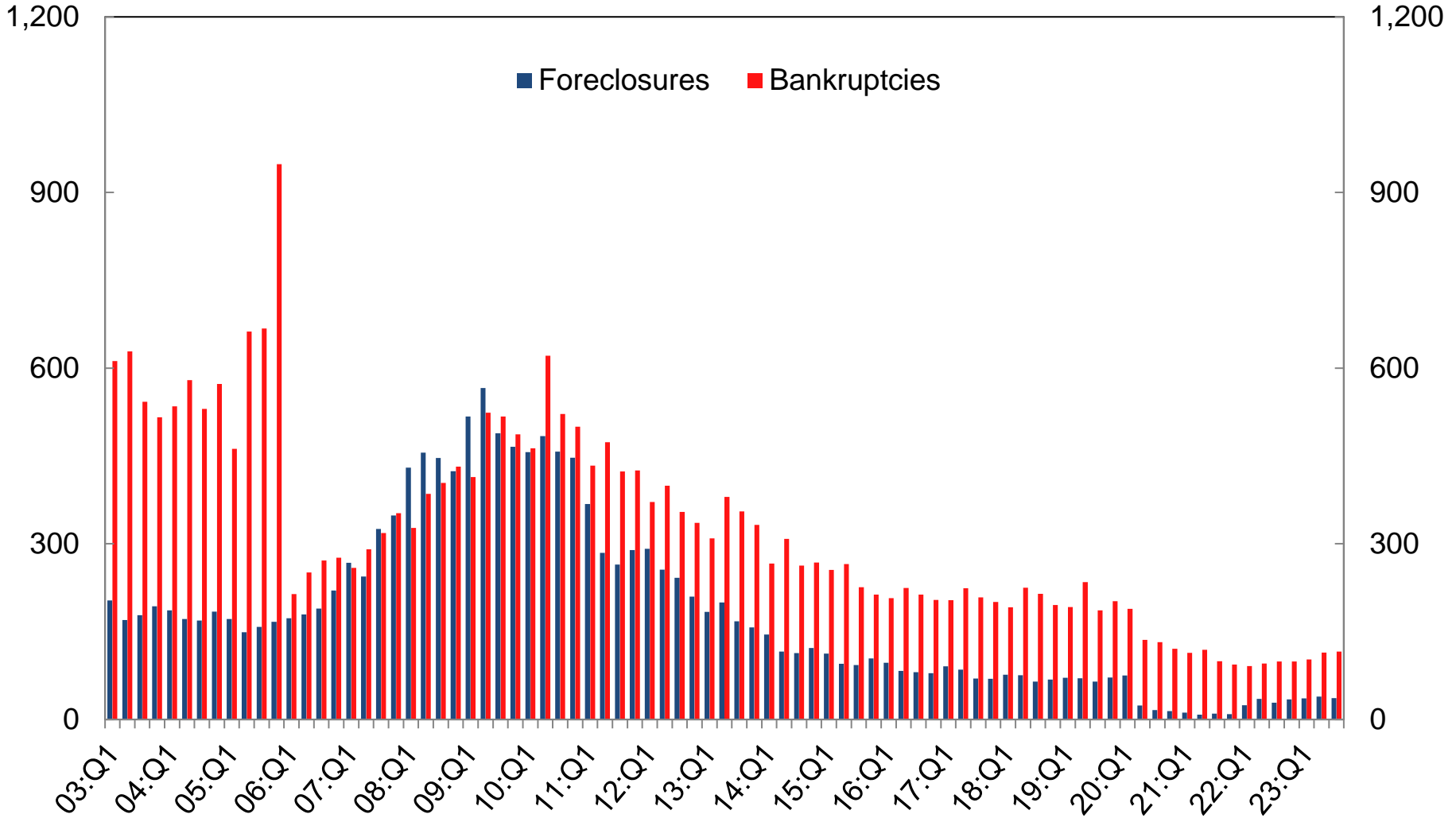
Source: New York Fed Consumer Credit Panel/Equifax

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 Student loan data are not reported prior to 2004 due to uneven reporting

Number of Consumers with New Foreclosures and Bankruptcies

Thousands

Thousands



Source: New York Fed Consumer Credit Panel/Equifax

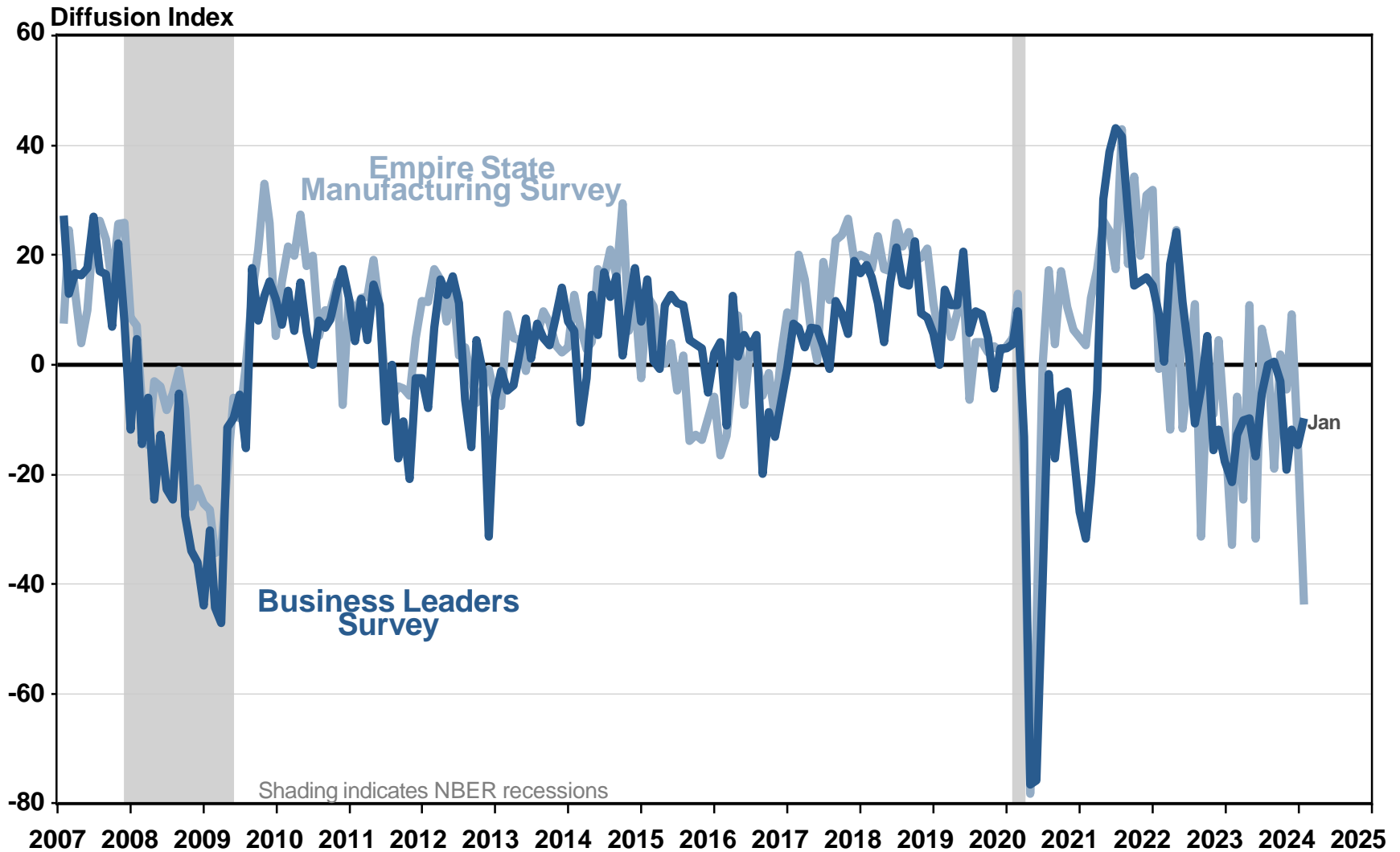
Households Summary

- Borrowing supported household spending 2022-23
- Originations slowing, especially for mortgage
- Delinquency increases signal distress for some households
 - Something to watch

Regional Conditions

Current Economic Conditions

FRBNY Business Surveys, Current Conditions

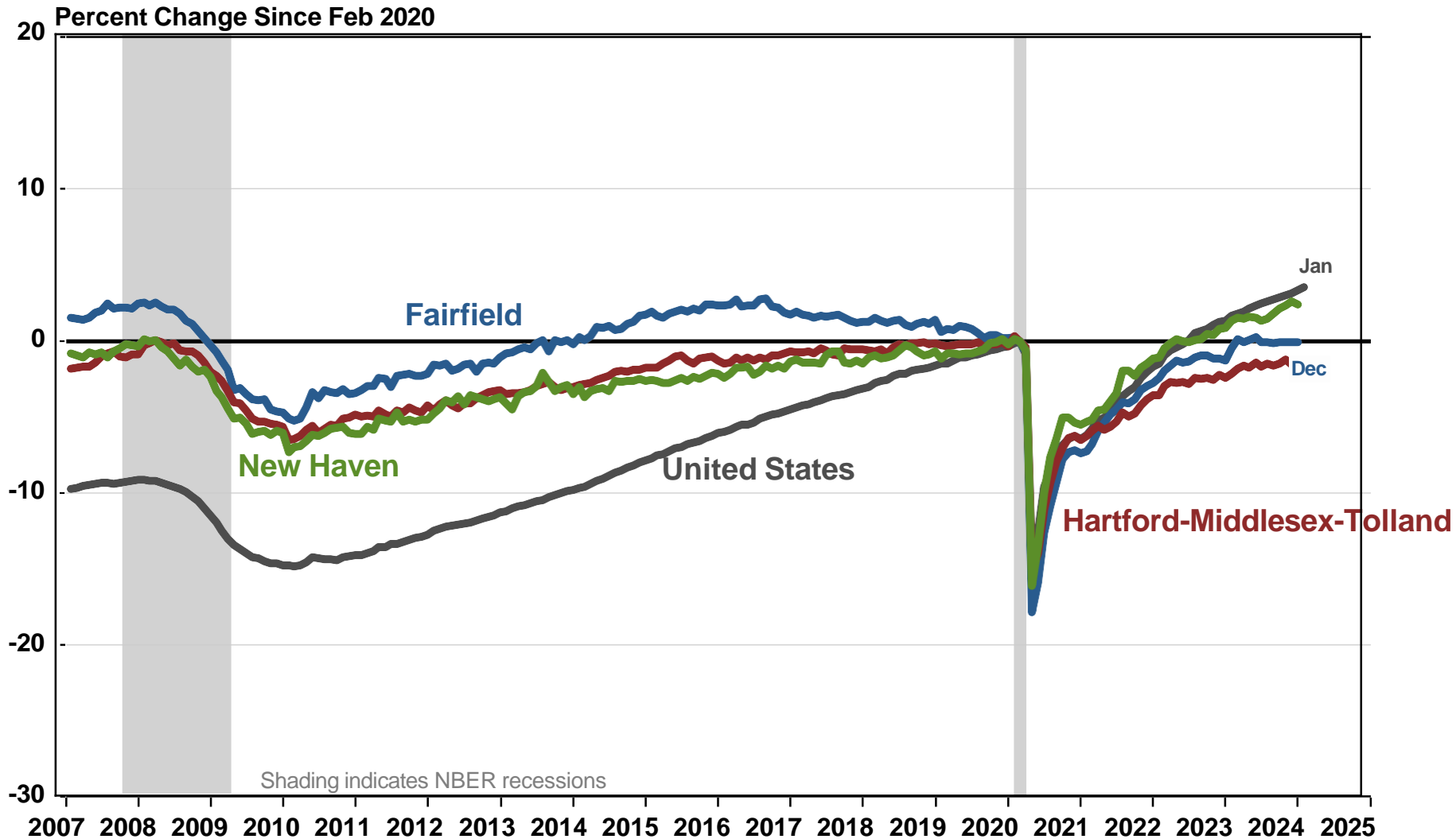


Shading indicates NBER recessions

Jan

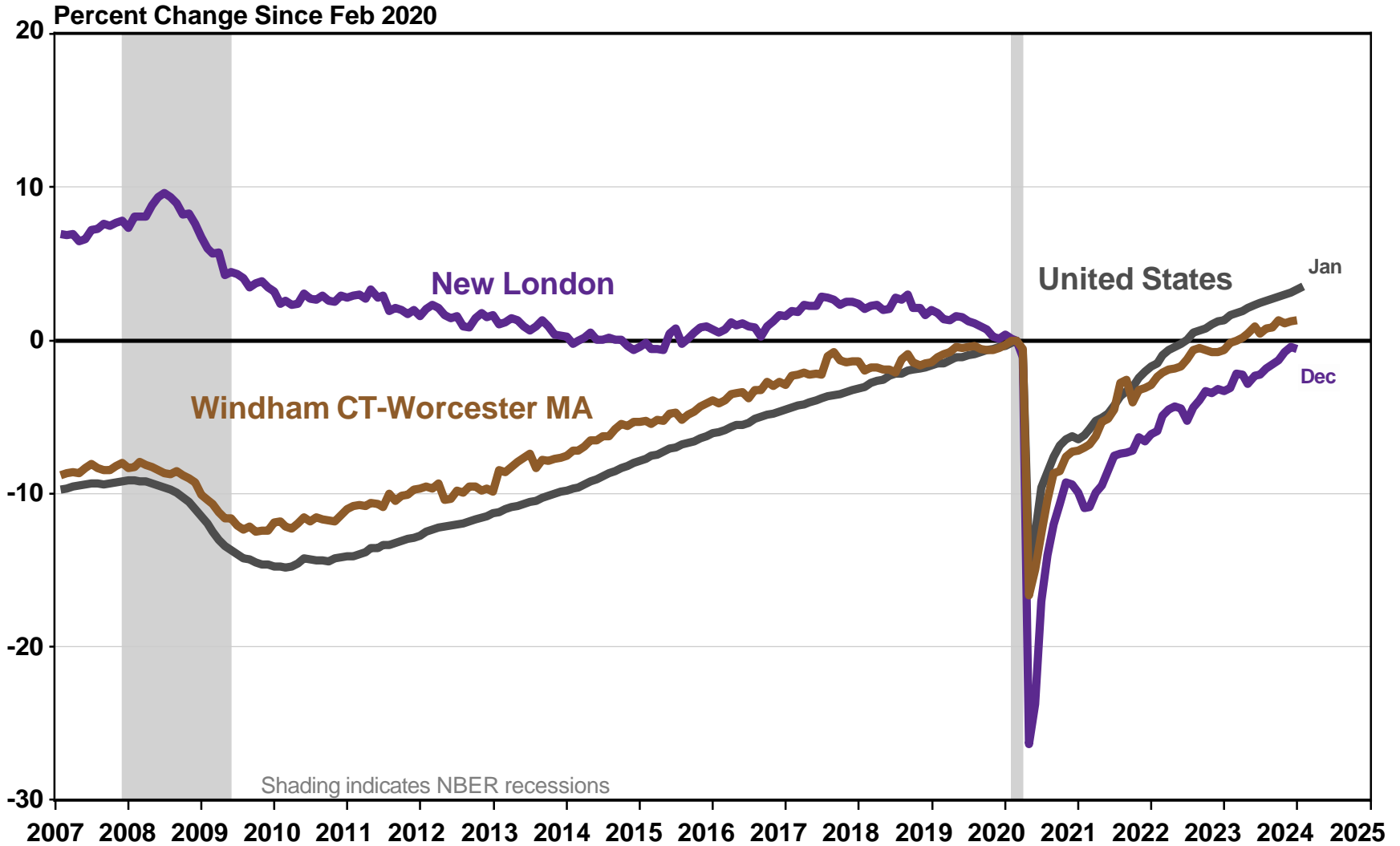
Total Employment

Seasonally Adjusted Index



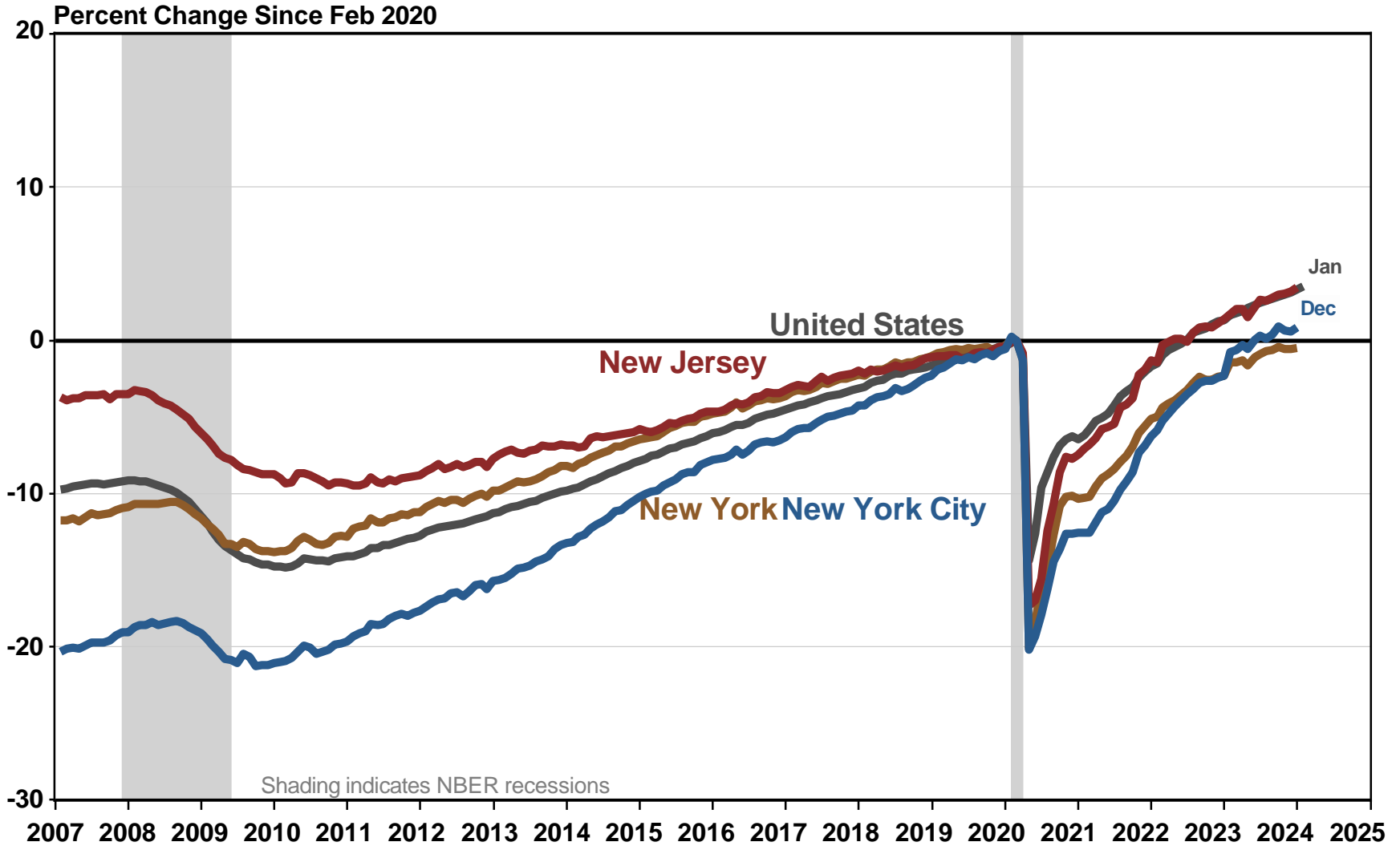
Total Employment

Seasonally Adjusted Index



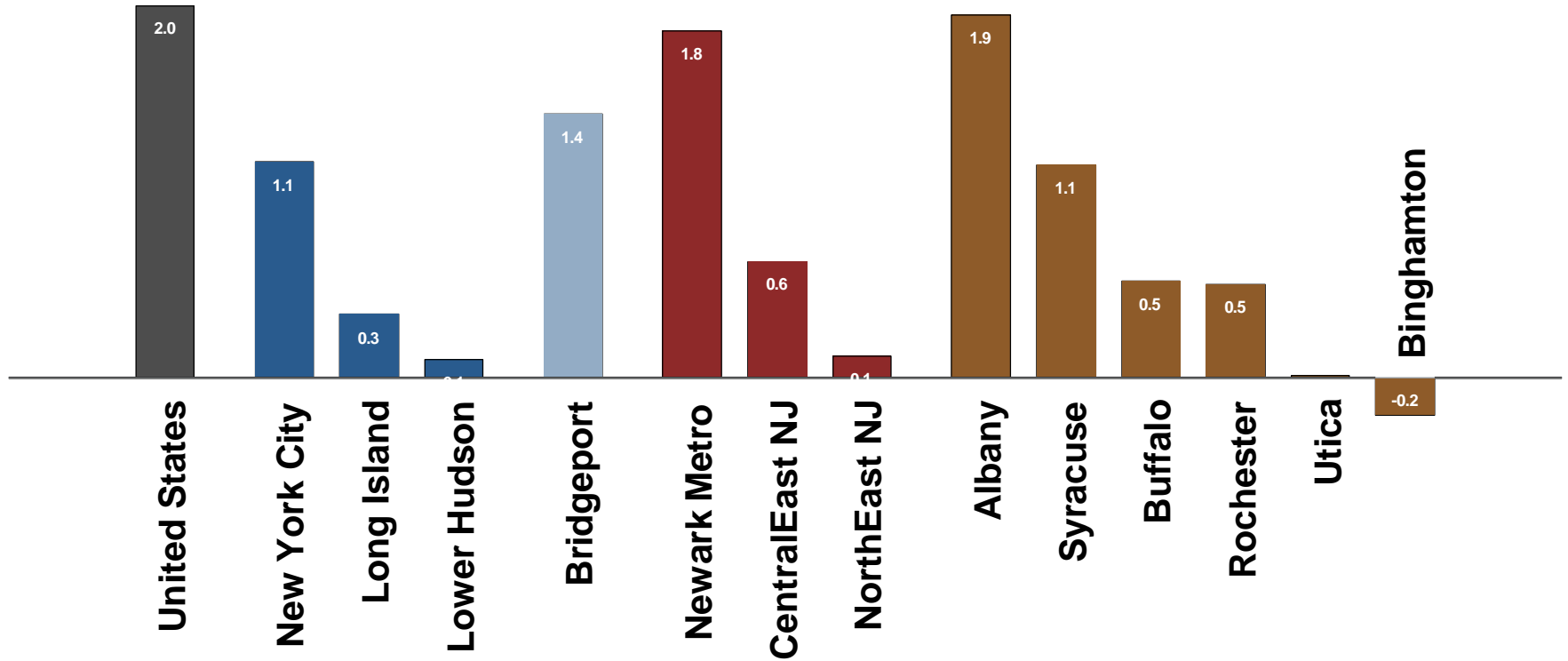
Total Employment

Seasonally Adjusted Index



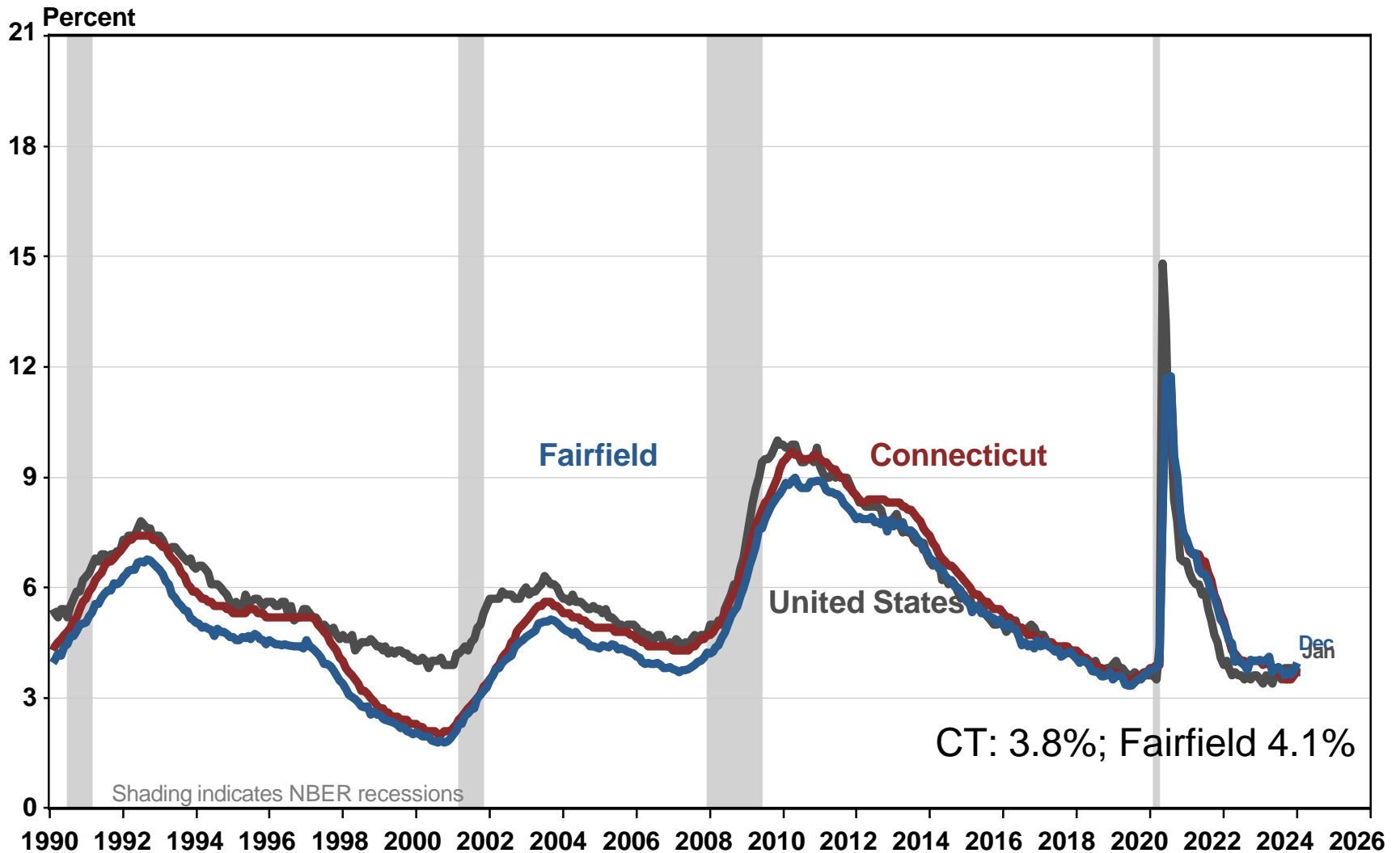
Total Employment by Region

Year-Over-Year Percent Change, December 2023



Unemployment Rates

Seasonally Adjusted

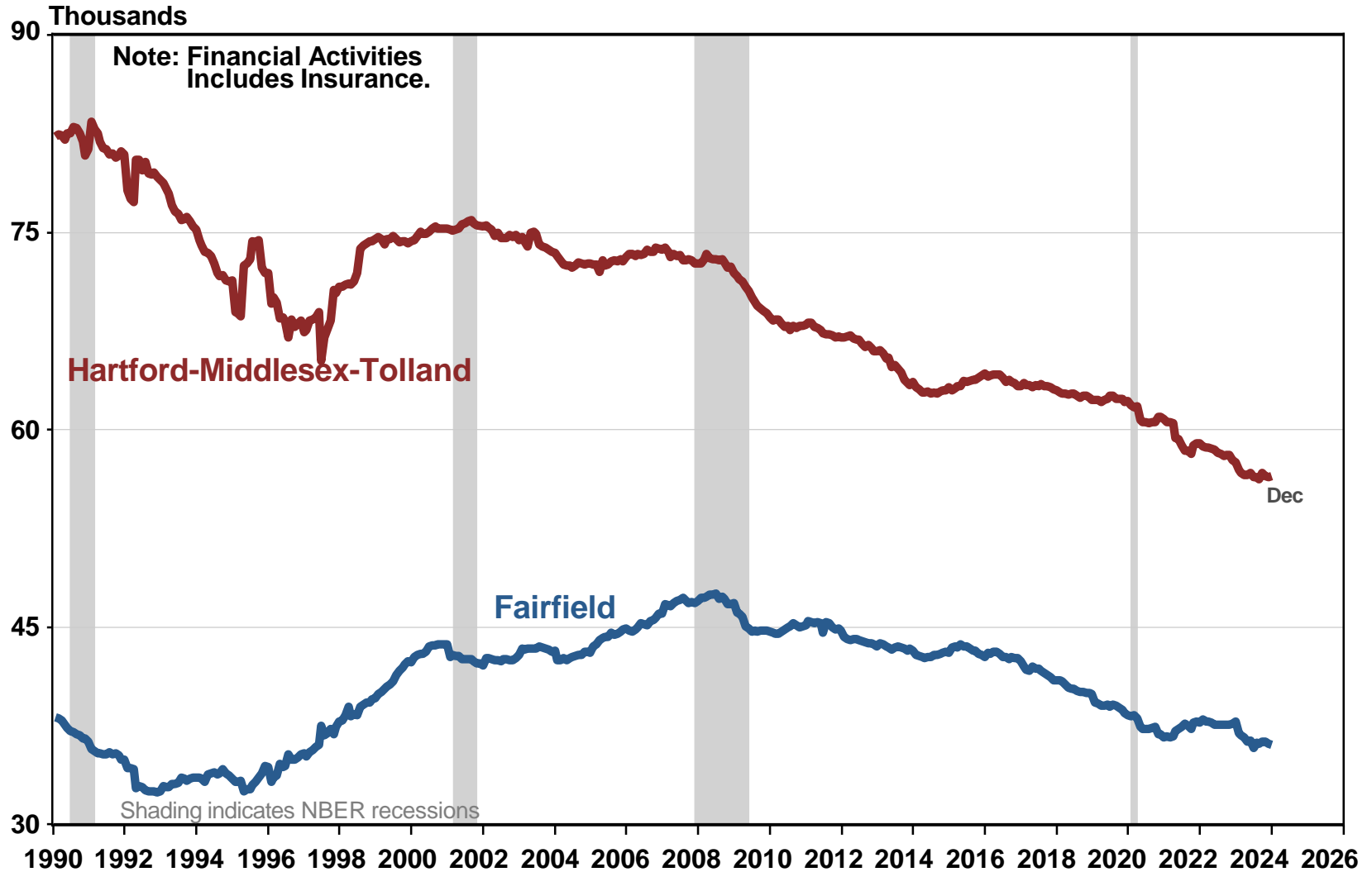


Shading indicates NBER recessions

CT: 3.8%; Fairfield 4.1%

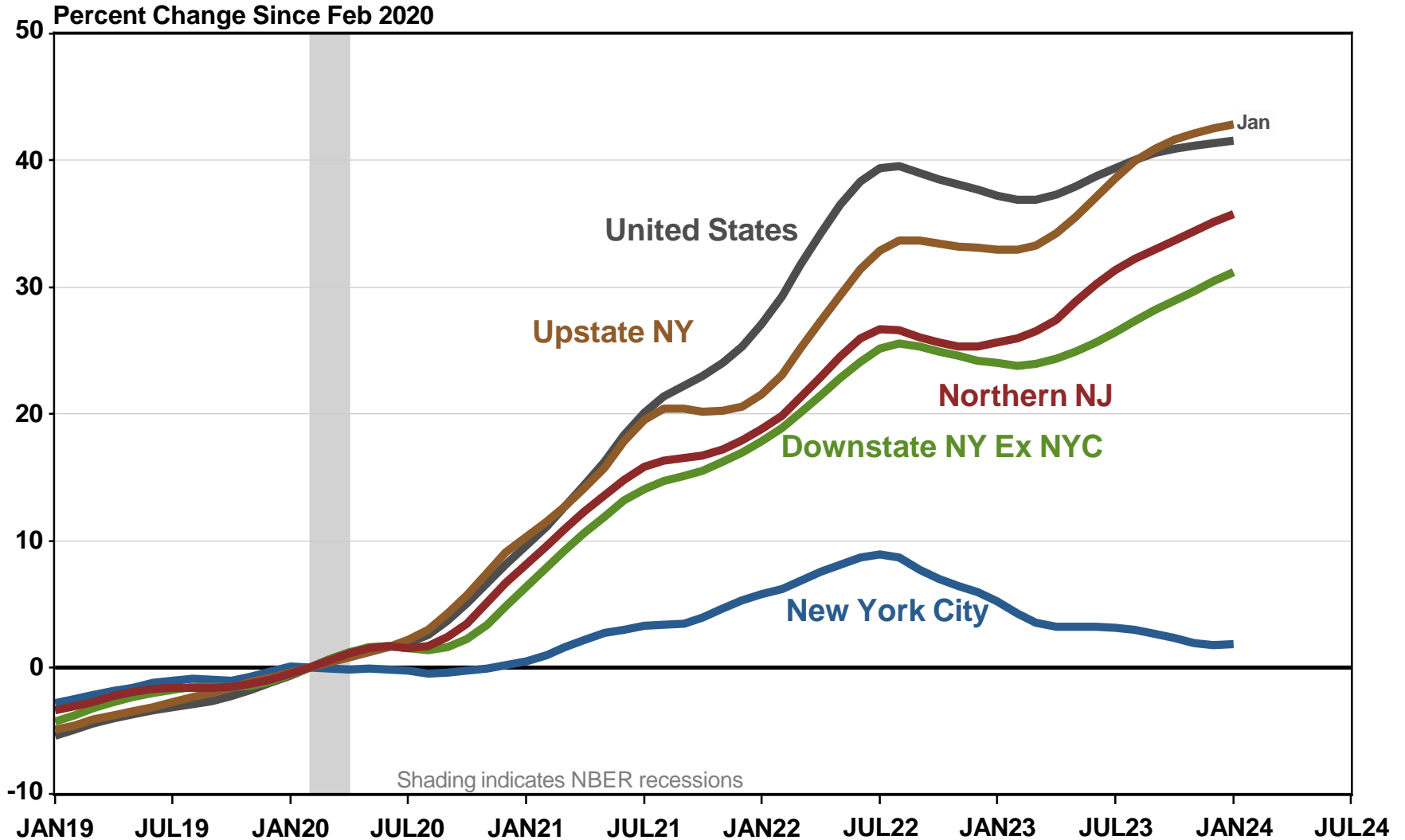
Financial Activities Employment

Seasonally Adjusted



Zillow Home Value Index (ZHVI)

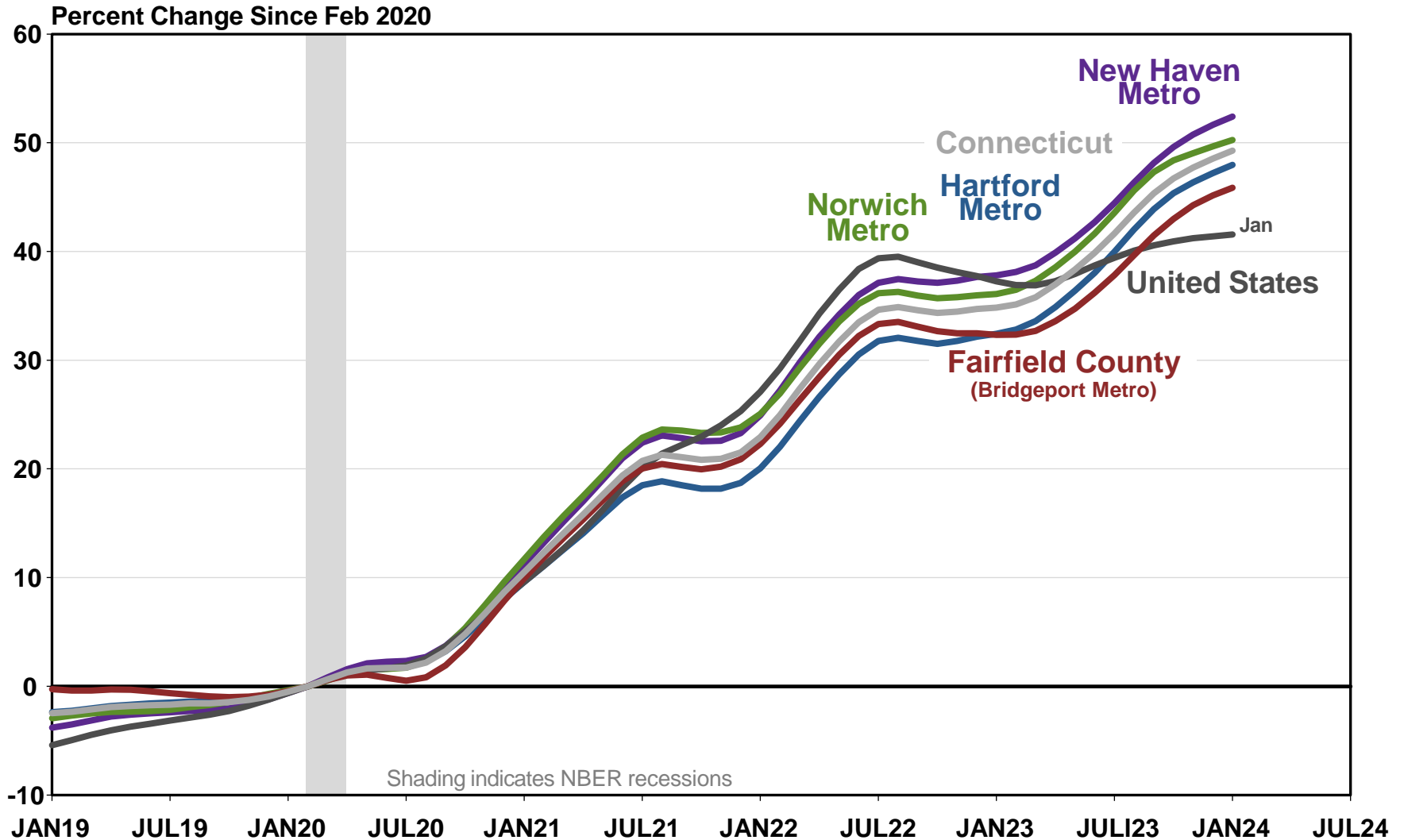
Percent Change in Home Prices Since Feb 2020



Shading indicates NBER recessions

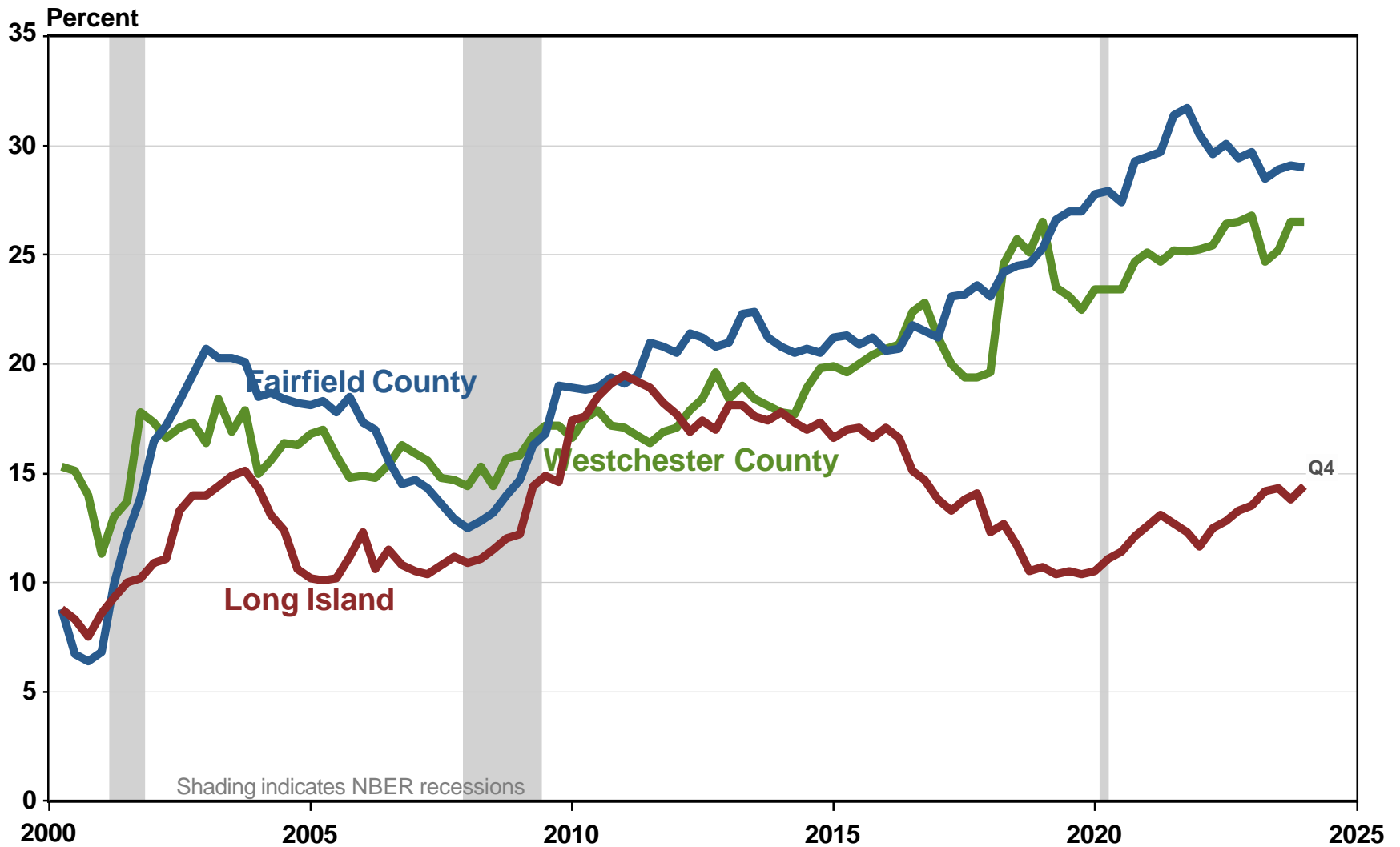
Zillow Home Value Index (ZHVI)

Percent Change in Home Prices Since Feb 2020



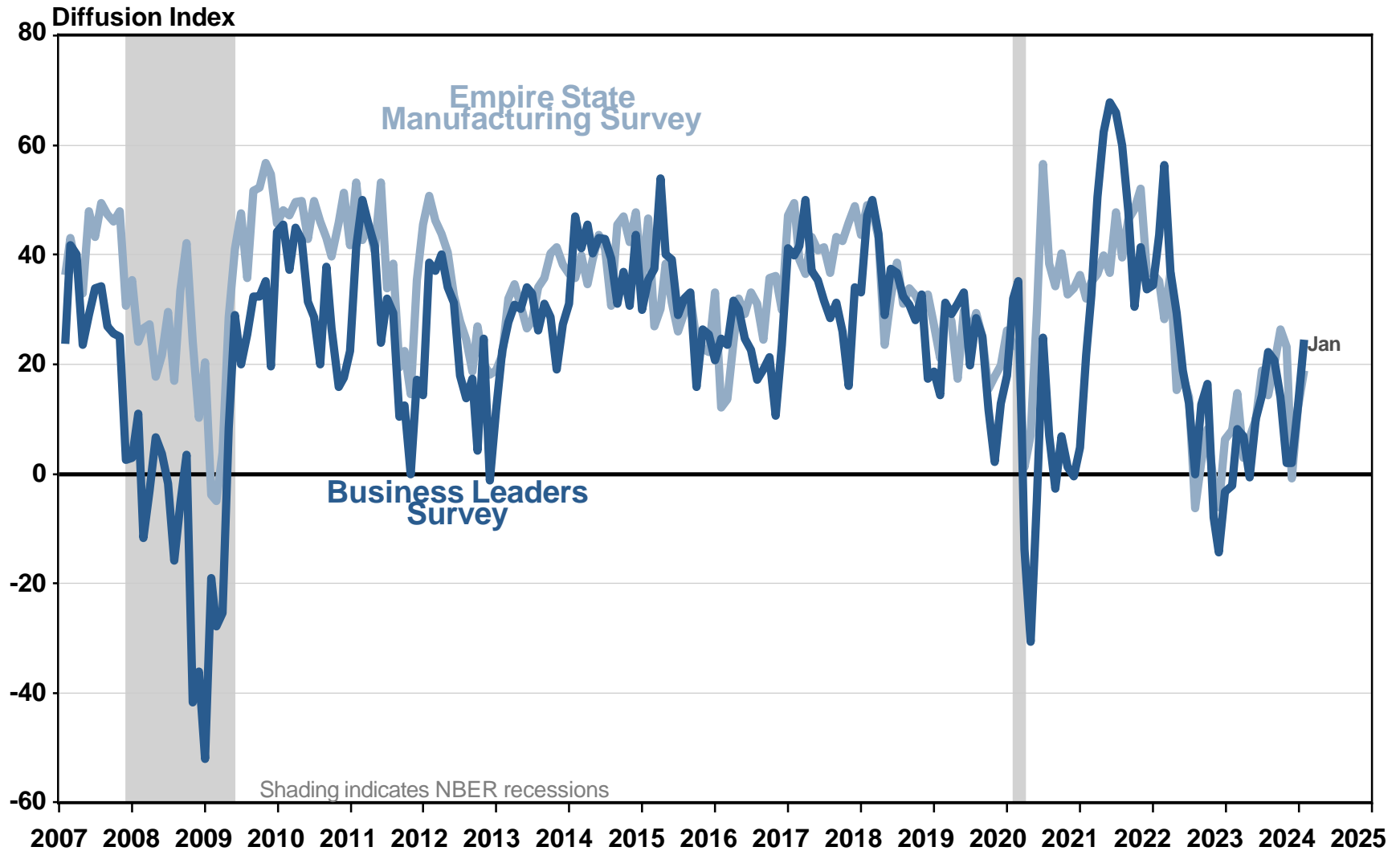
Office Vacancy Rates

Overall Vacancy Rates



Future Economic Conditions

FRBNY Business Surveys, Conditions Six Months Ahead



Shading indicates NBER recessions

Regional Summary

- Region has slowed over last 18 months
- CT recovery has lagged nation; back to pre-pandemic levels in most areas
- Housing prices very strong, office not so much
- Outlook brighter

Thank you!

QUESTIONS?

For more information, visit

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[Regional Economy - FEDERAL RESERVE BANK of NEW YORK \(newyorkfed.org\)](https://www.newyorkfed.org/regional-economy)

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