



FEDERAL RESERVE BANK *of* NEW YORK

## US Economic Conditions

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Community Advisory Group Meeting – April 3, 2019

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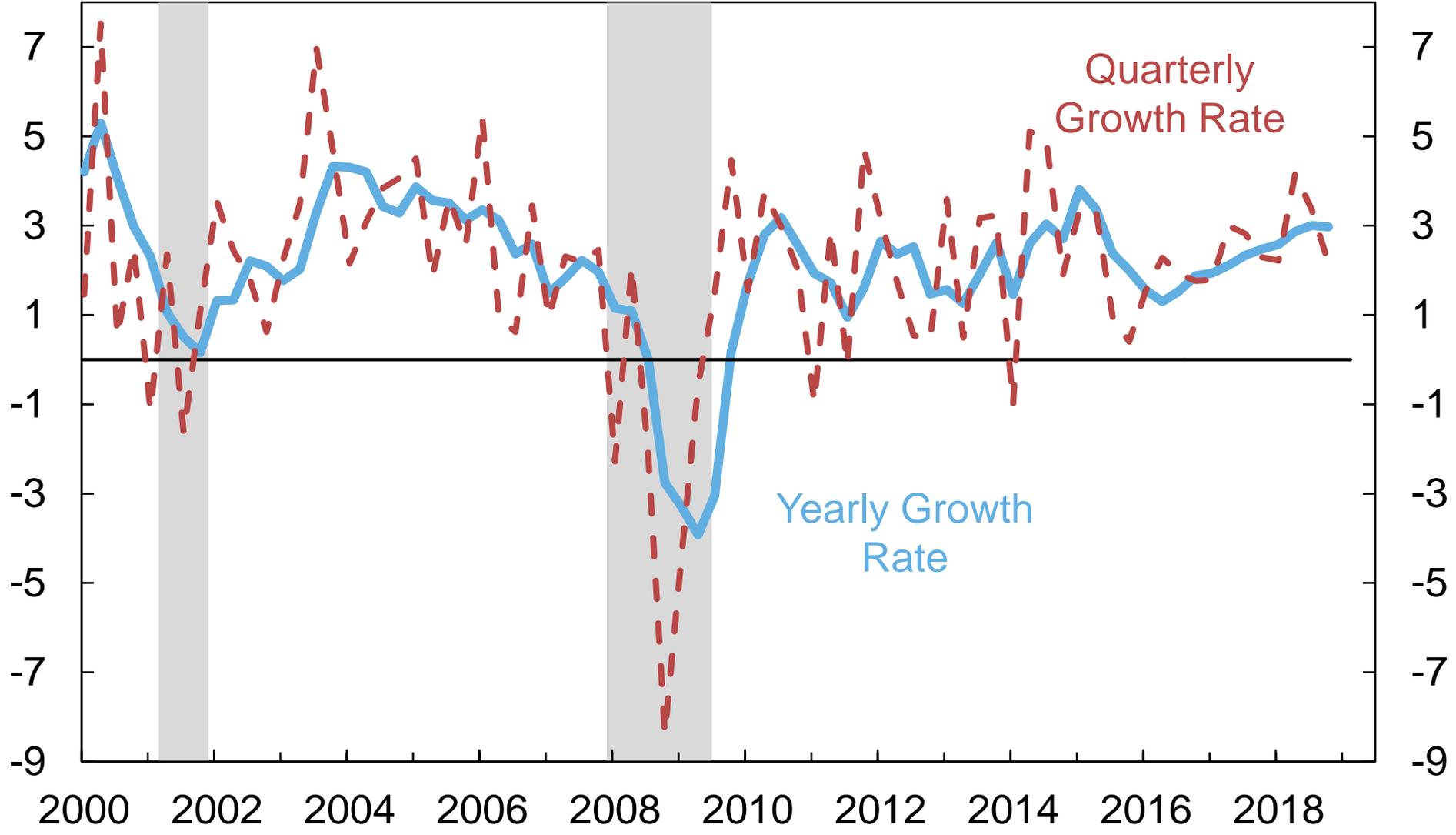
# Overview

- Real GDP grew at 3.0% in 2018, labor markets continued to tighten while the rate of increase of wages and trend inflation moved higher.
- Growth of real GDP expected to slow in 2019, but there are a wide range of opinions about how much slowing will occur.
- We expect growth to slow from the 3.0% (Q4/Q4) but to remain above the economy's potential growth rate (around 1  $\frac{3}{4}$ %), leading to further tightening of labor markets and some gradual increase in the underlying inflation rate.

# Growth of Real GDP

% Change, Annualized

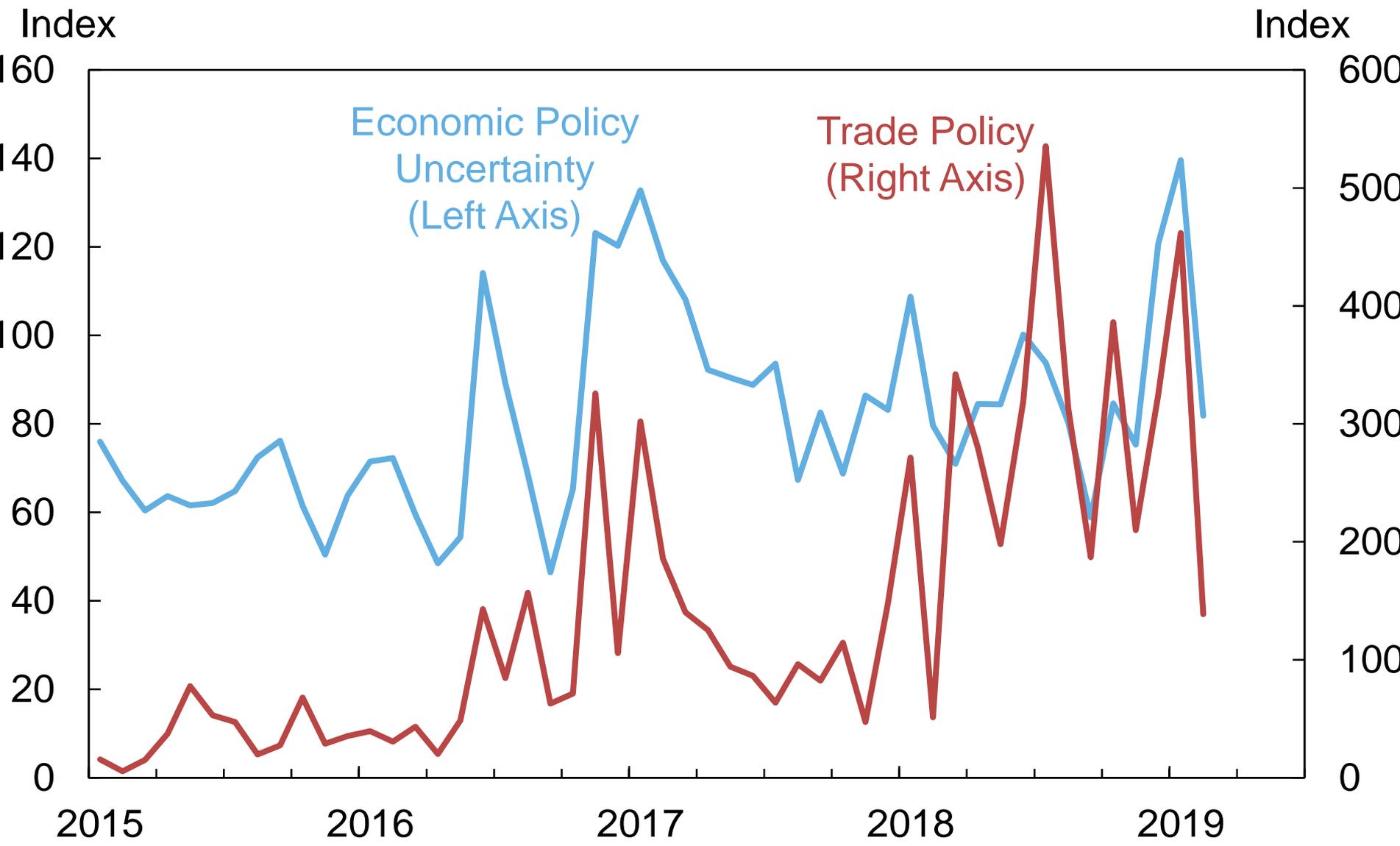
% Change, Annualized



Source: Bureau of Economic Analysis.

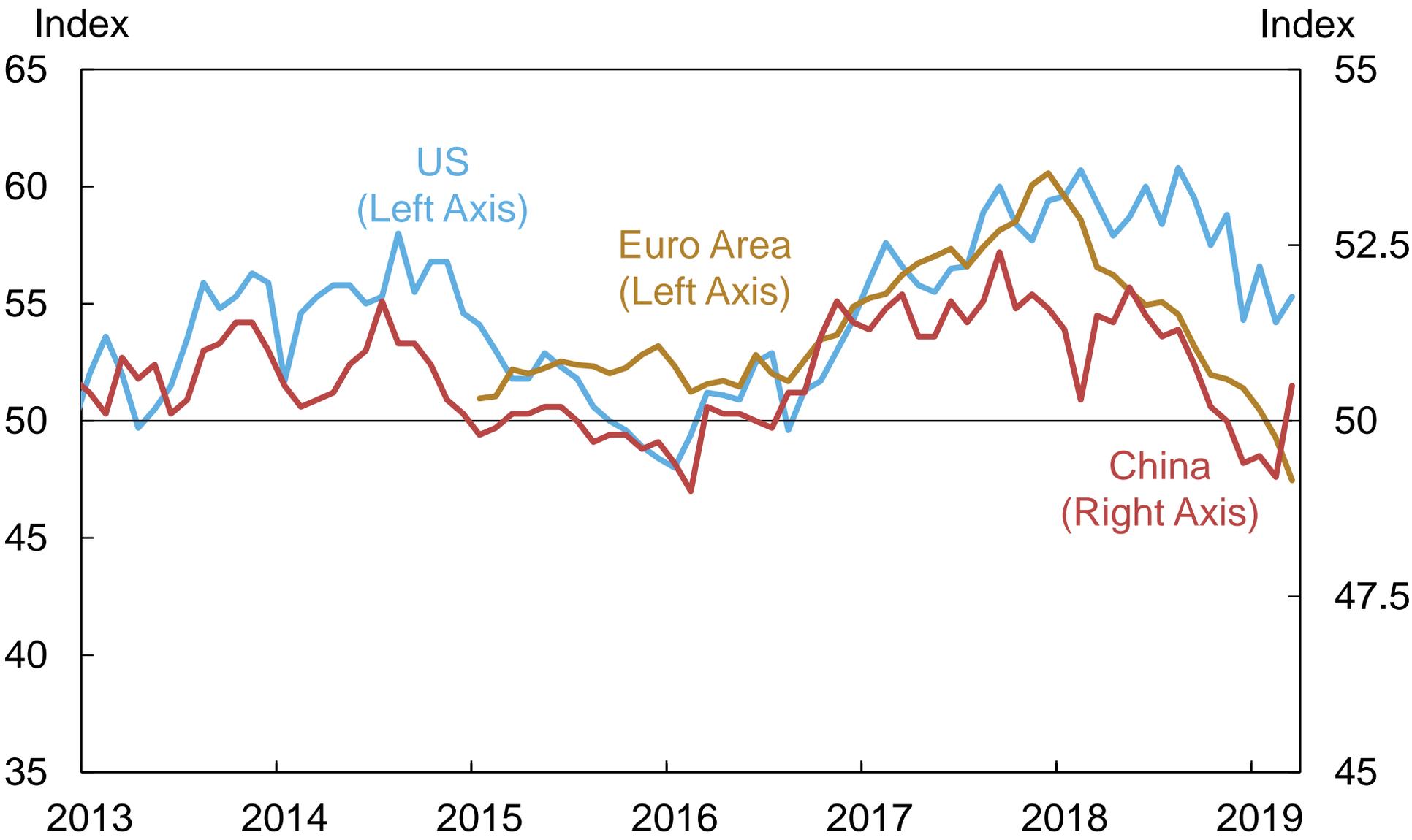
Note: Shading shows NBER recessions.

# Economic Policy Uncertainty



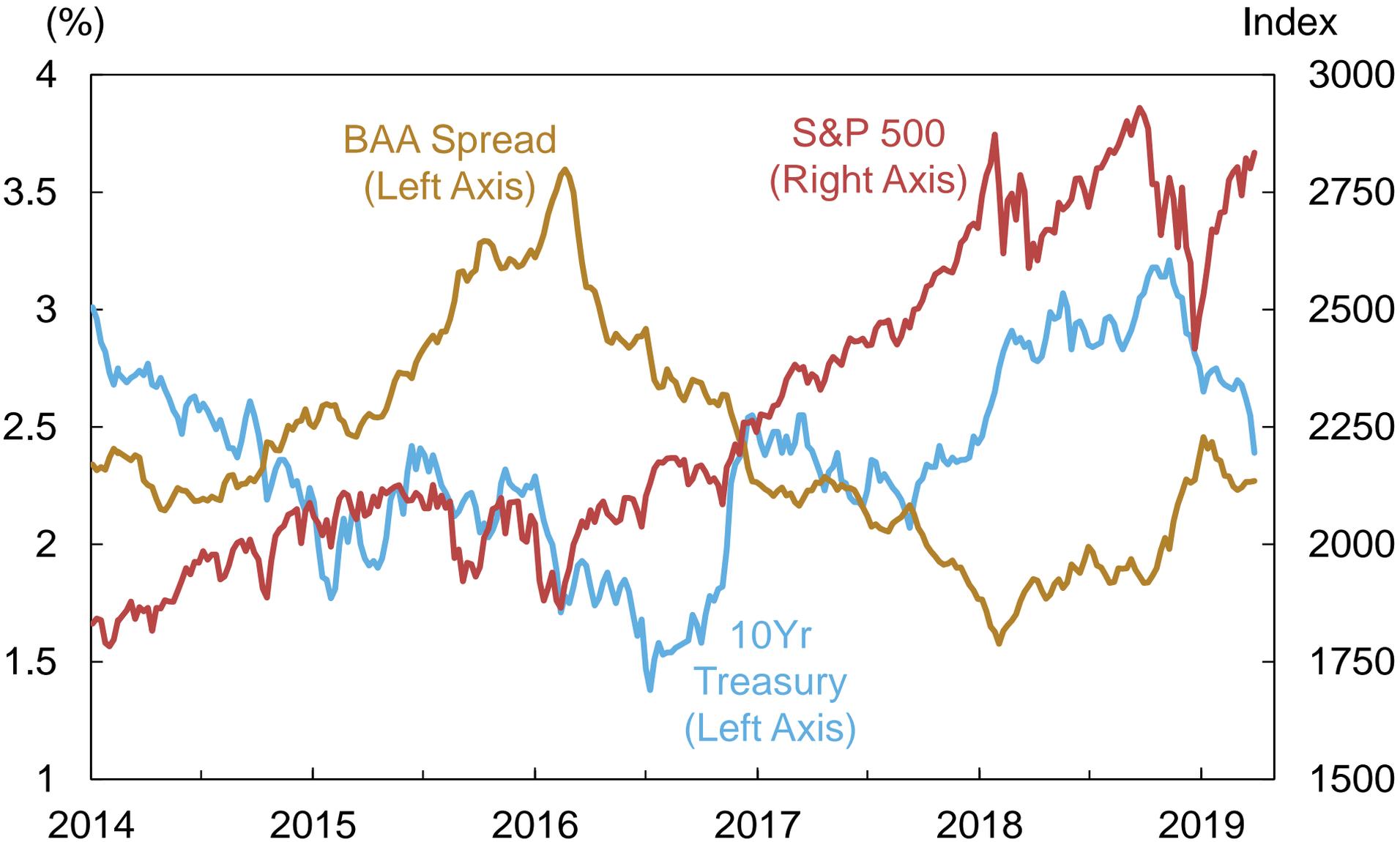
Source: [policyuncertainty.com](http://policyuncertainty.com)

# Manufacturing PMI



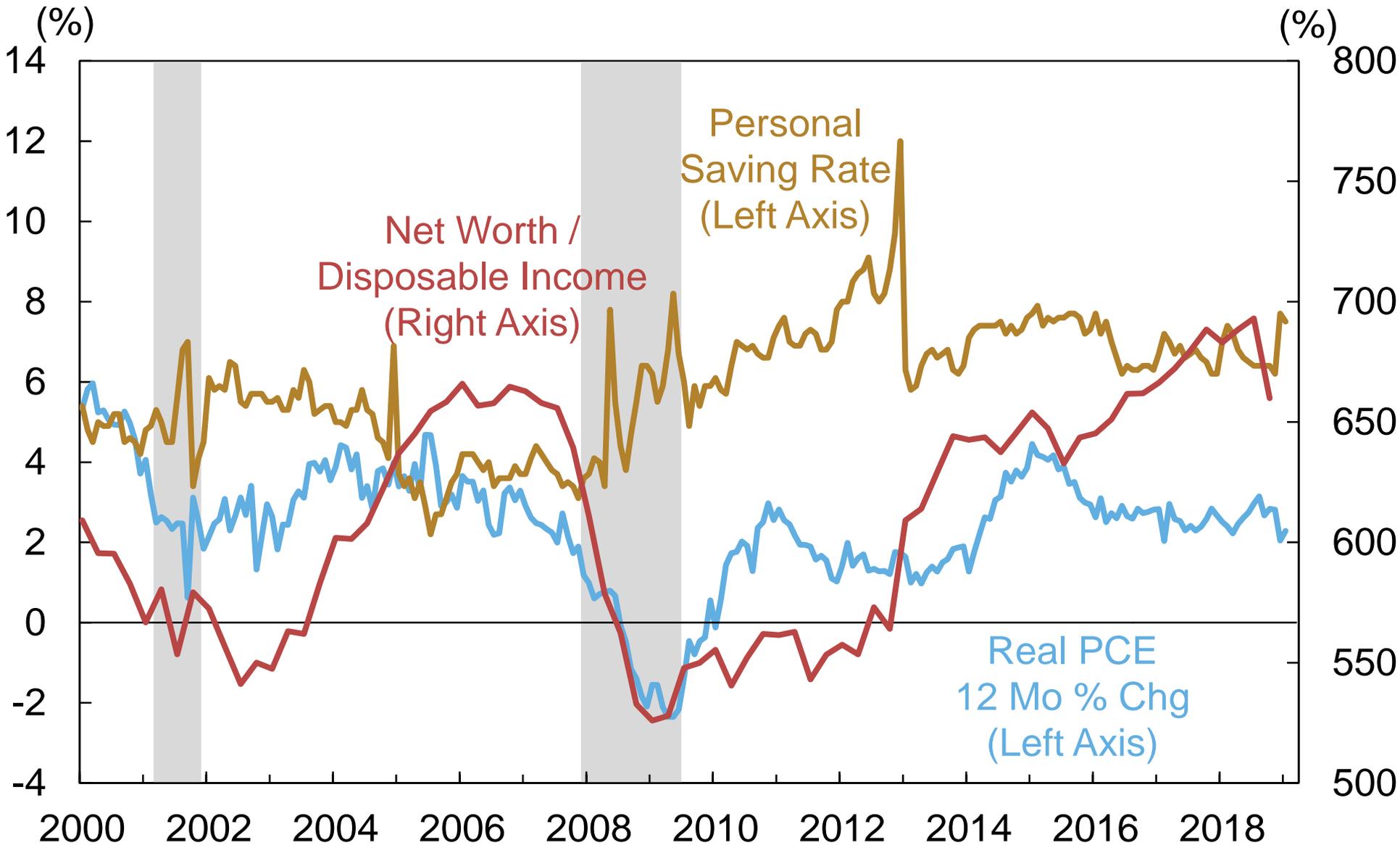
Source: ISM, CNBS, and IHS Markit via Haver Analytics.

# Financial Conditions



Source: Federal Reserve Board, Moody's, Standard & Poor's via Haver Analytics.

# Real Consumer Spending and the Personal Saving Rate <sup>6</sup>



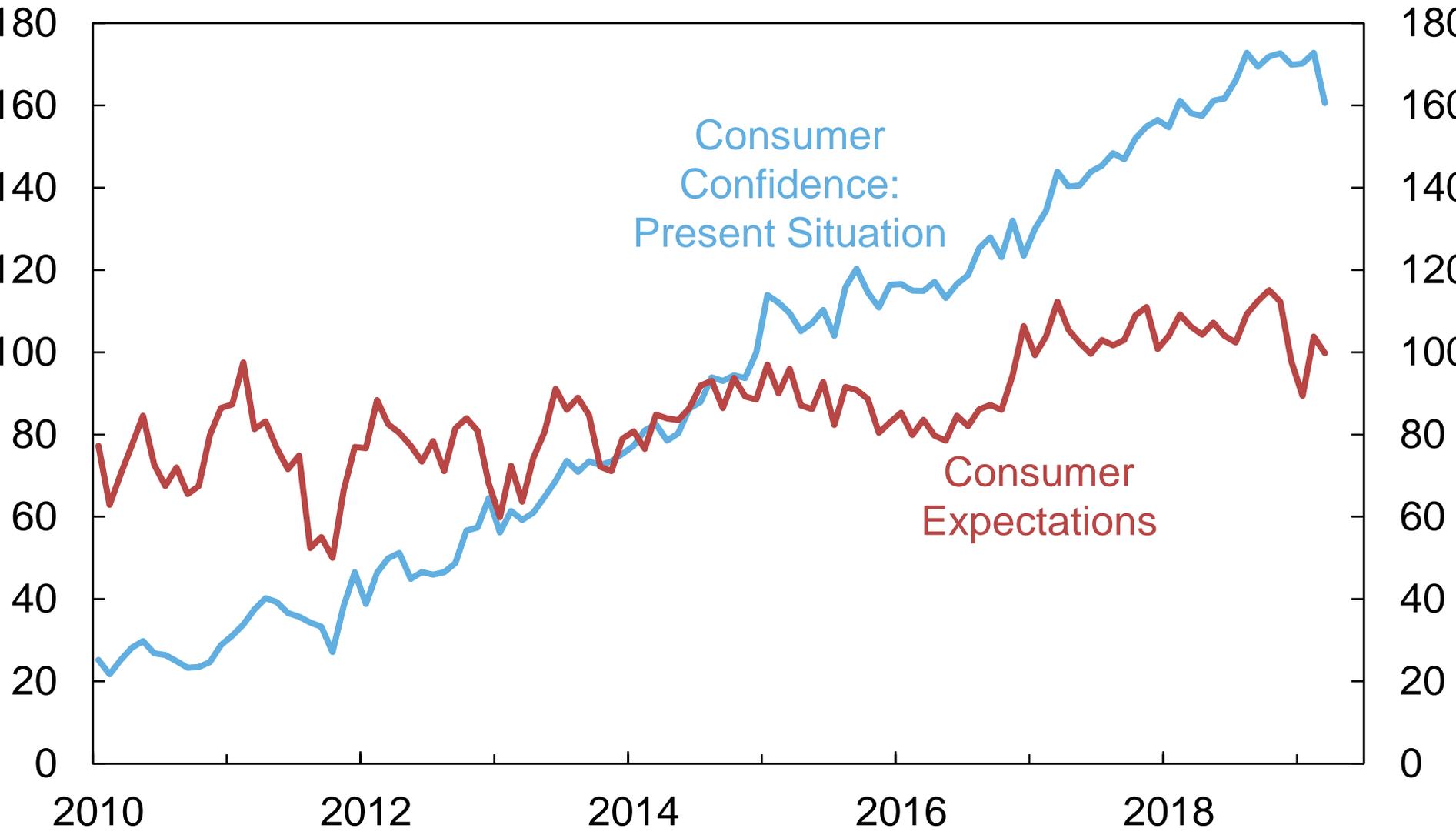
Source: Bureau of Economic Analysis, Federal Reserve Board via Haver Analytics.

Note: Shading shows NBER recessions.

# Consumer Confidence

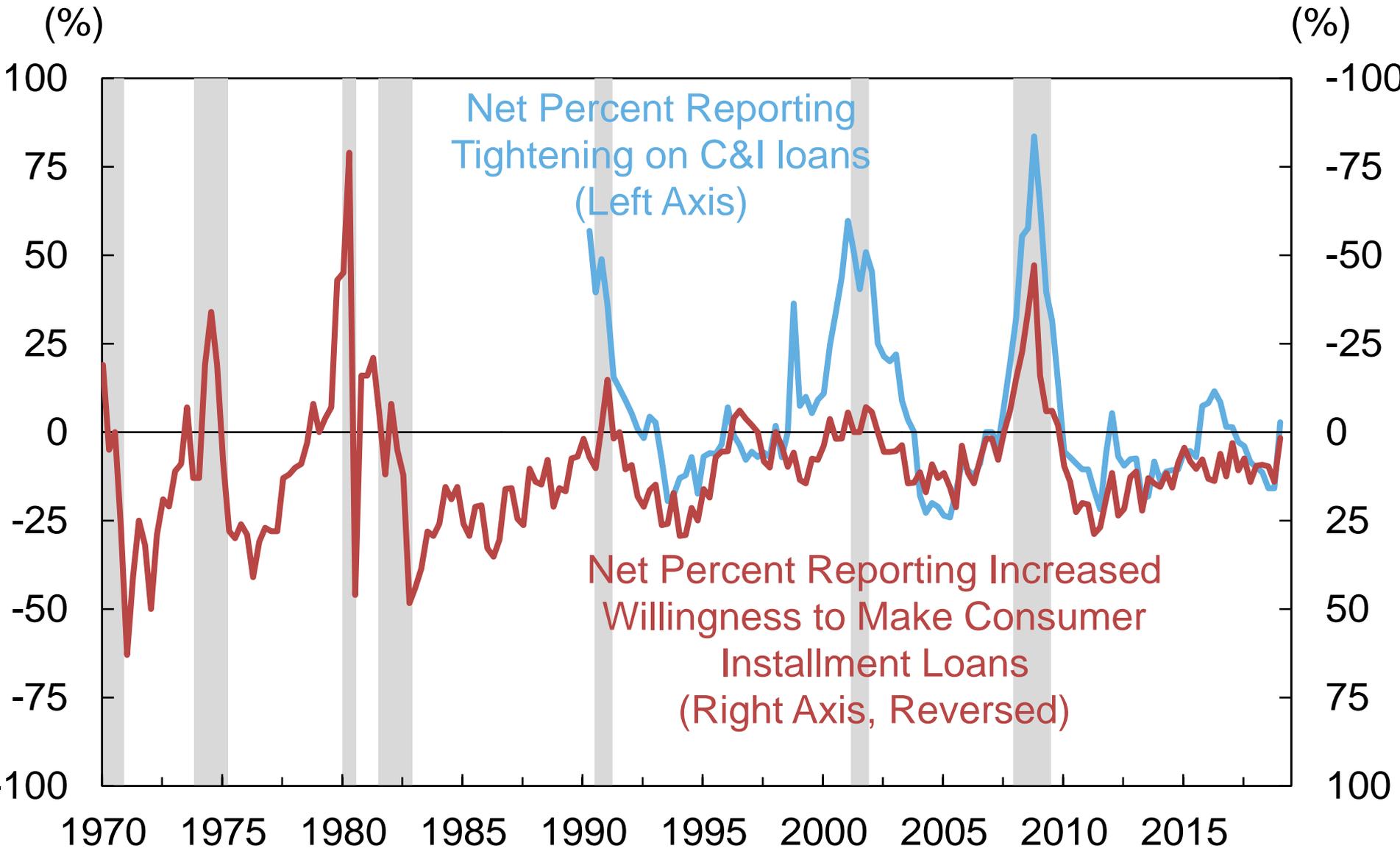
Index, 1985=100

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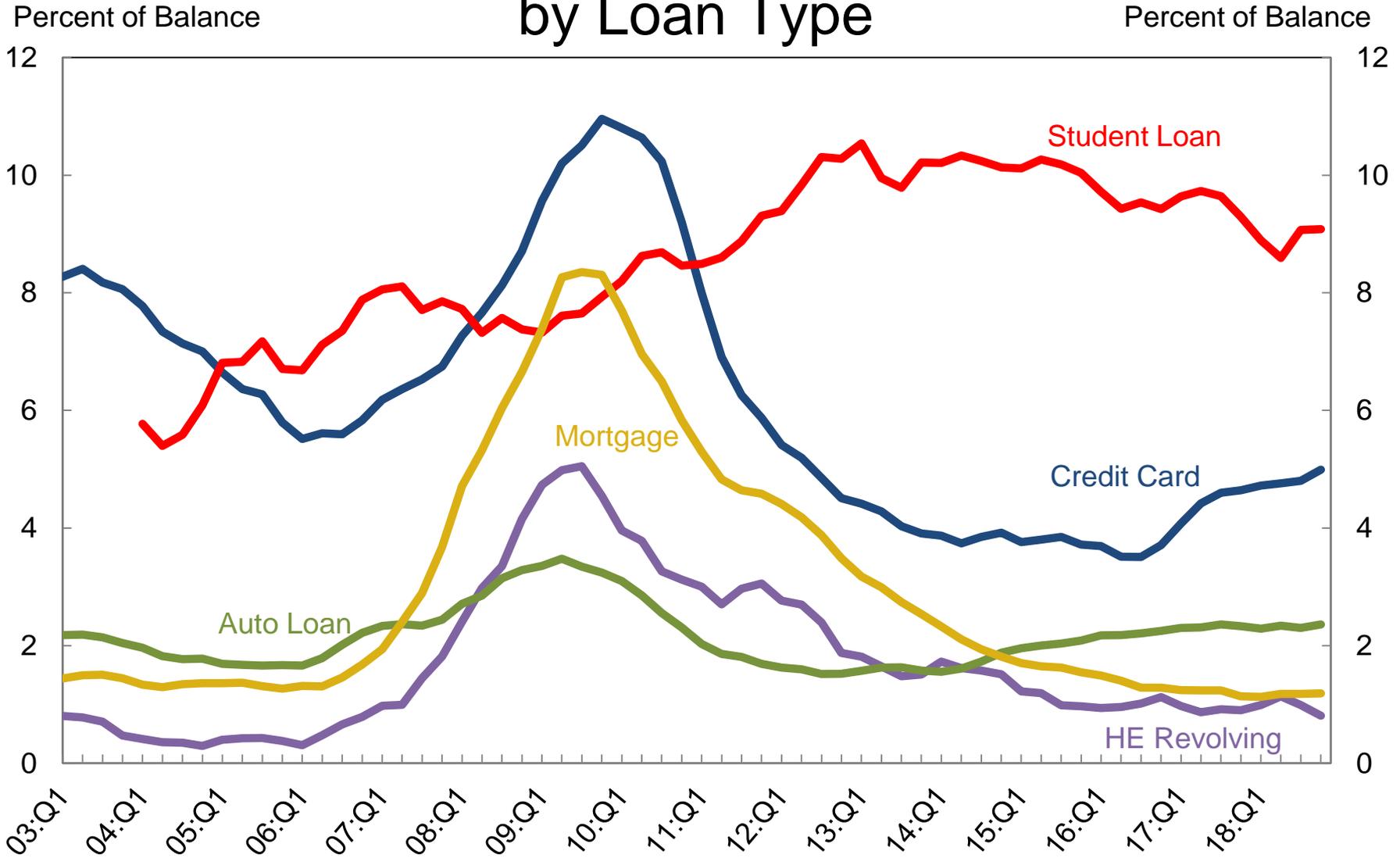
Source: The Conference Board via Haver Analytics.

# Bank Lending Standards



Source: Federal Reserve Board via Haver Analytics. Note: Shading shows NBER recessions.

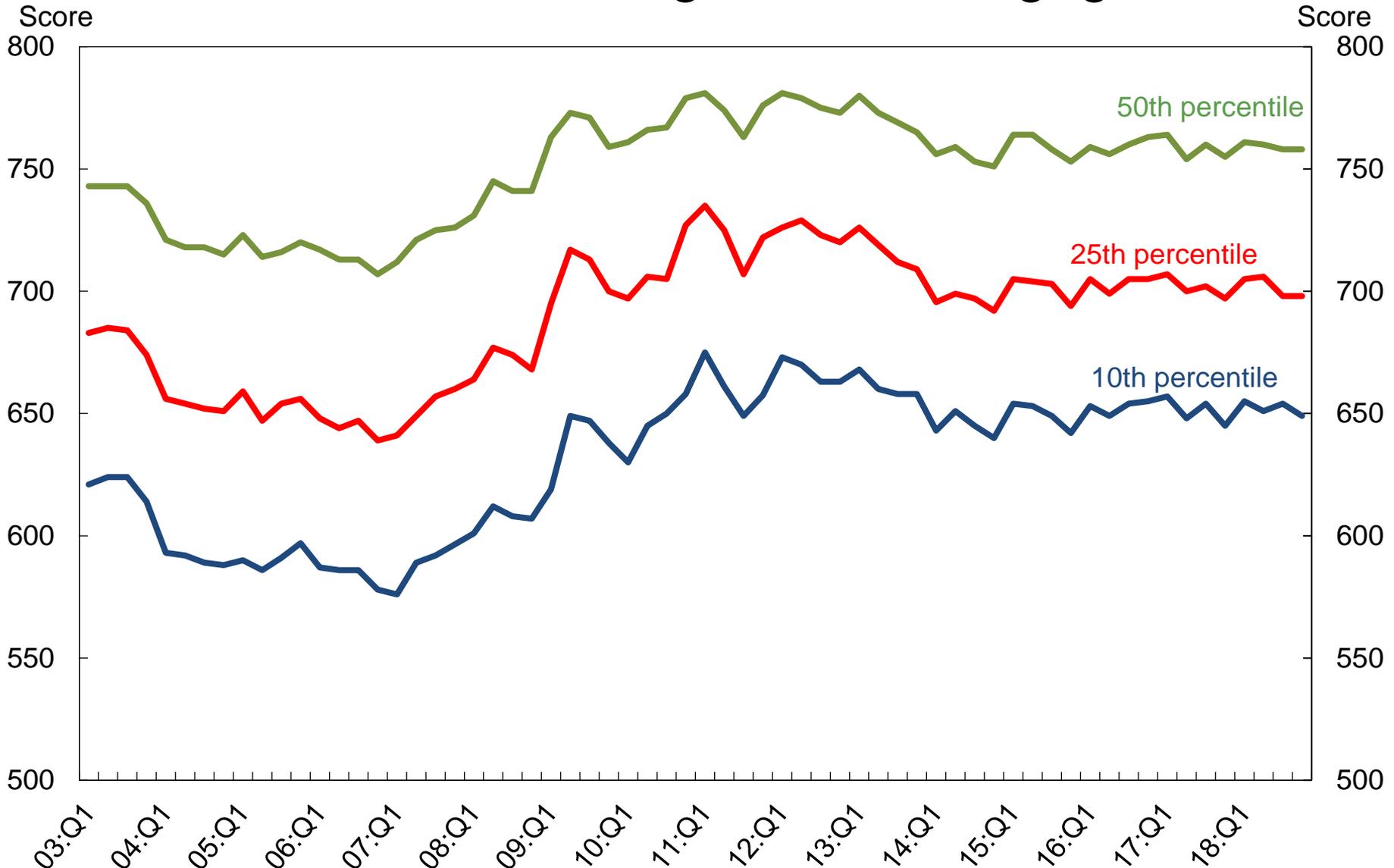
# Transition into Serious Delinquency (90+) by Loan Type



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

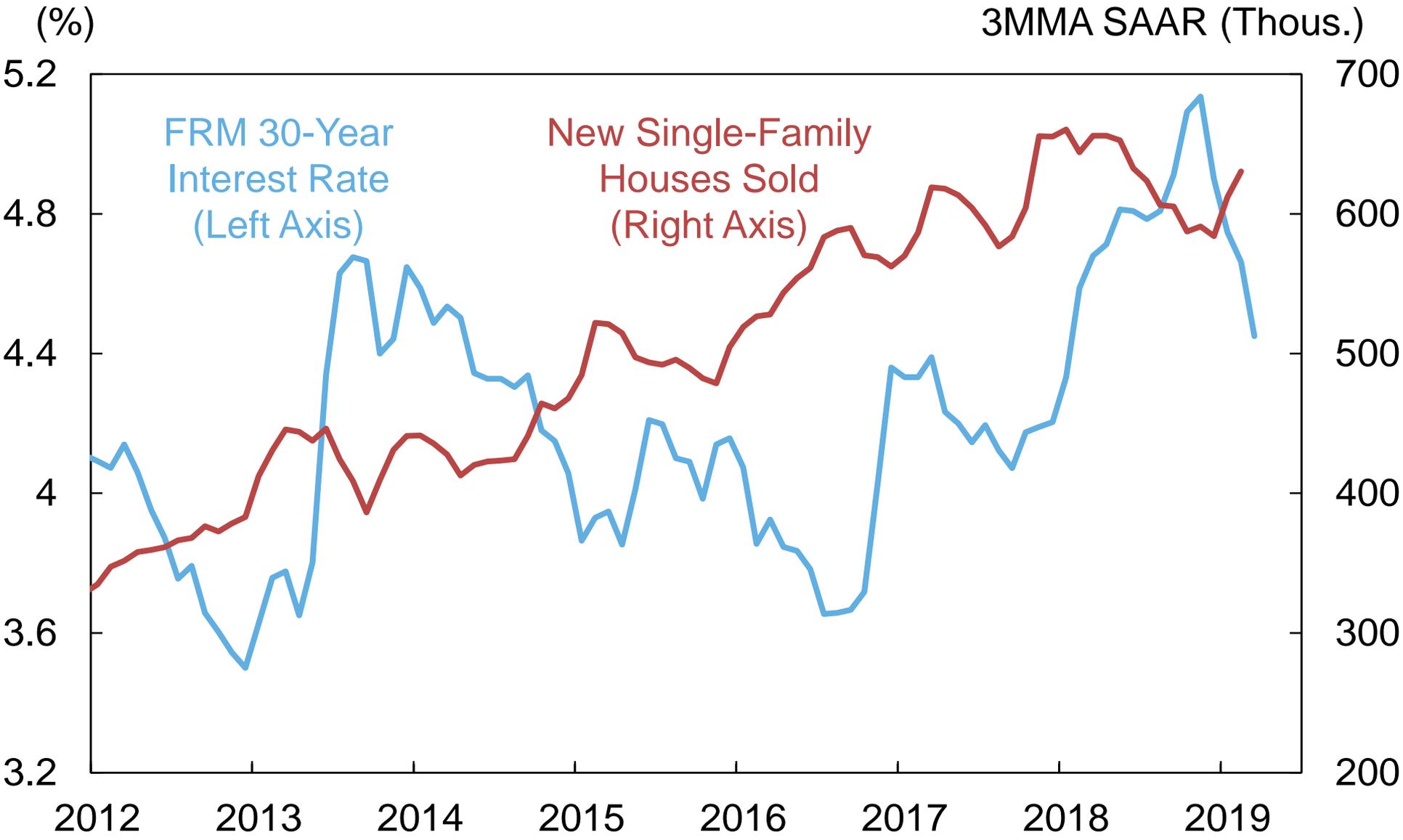
# Credit Score at Origination: Mortgages\*



Source: New York Fed Consumer Credit Panel/Equifax

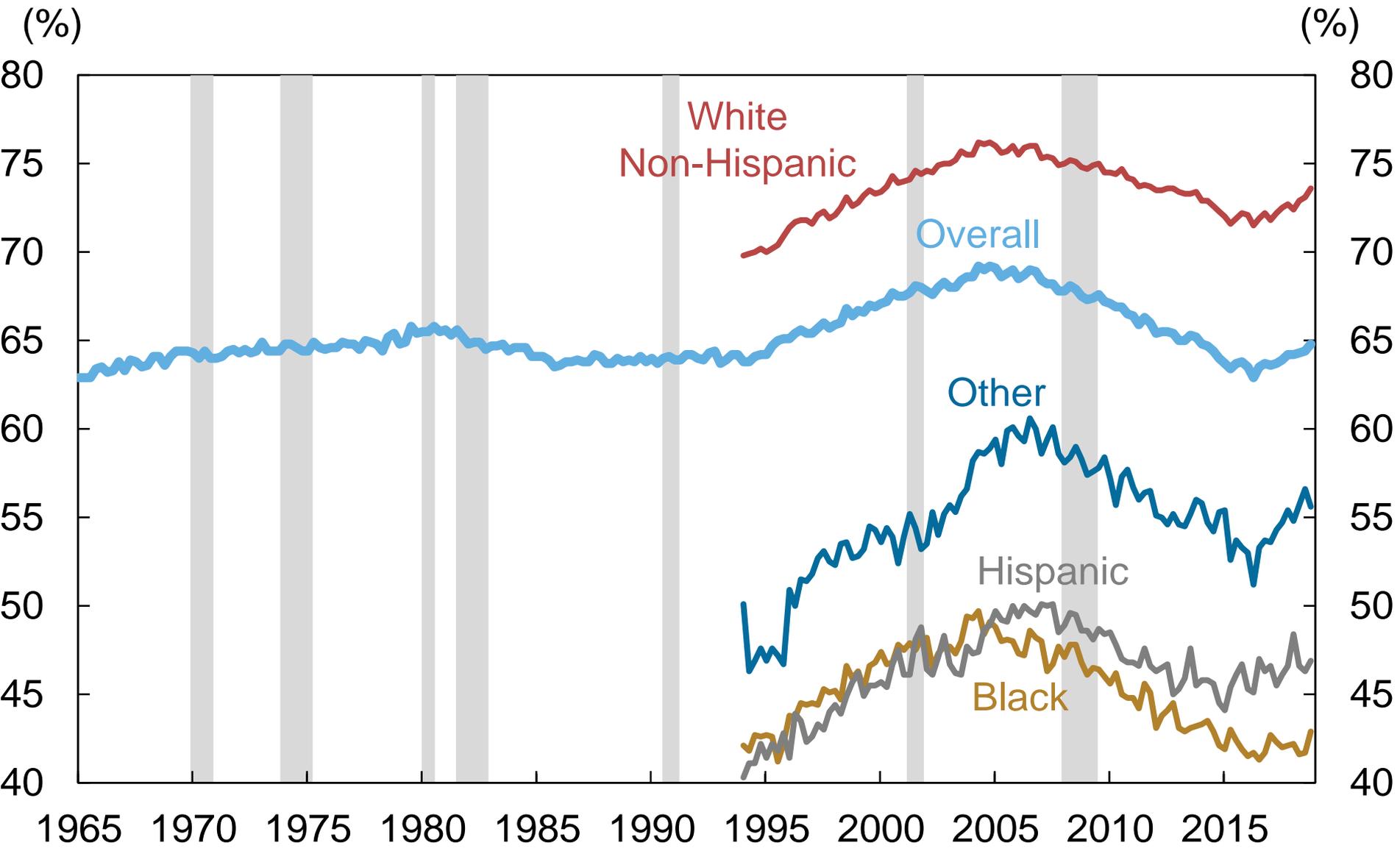
\* Credit Score is Equifax Riskscore 3.0; mortgages include first-liens only.

# Mortgage Rates and New Single-Family Home Sales 11



Source: Freddie Mac, US Census Bureau via Haver Analytics.

# U.S. Homeownership Rate



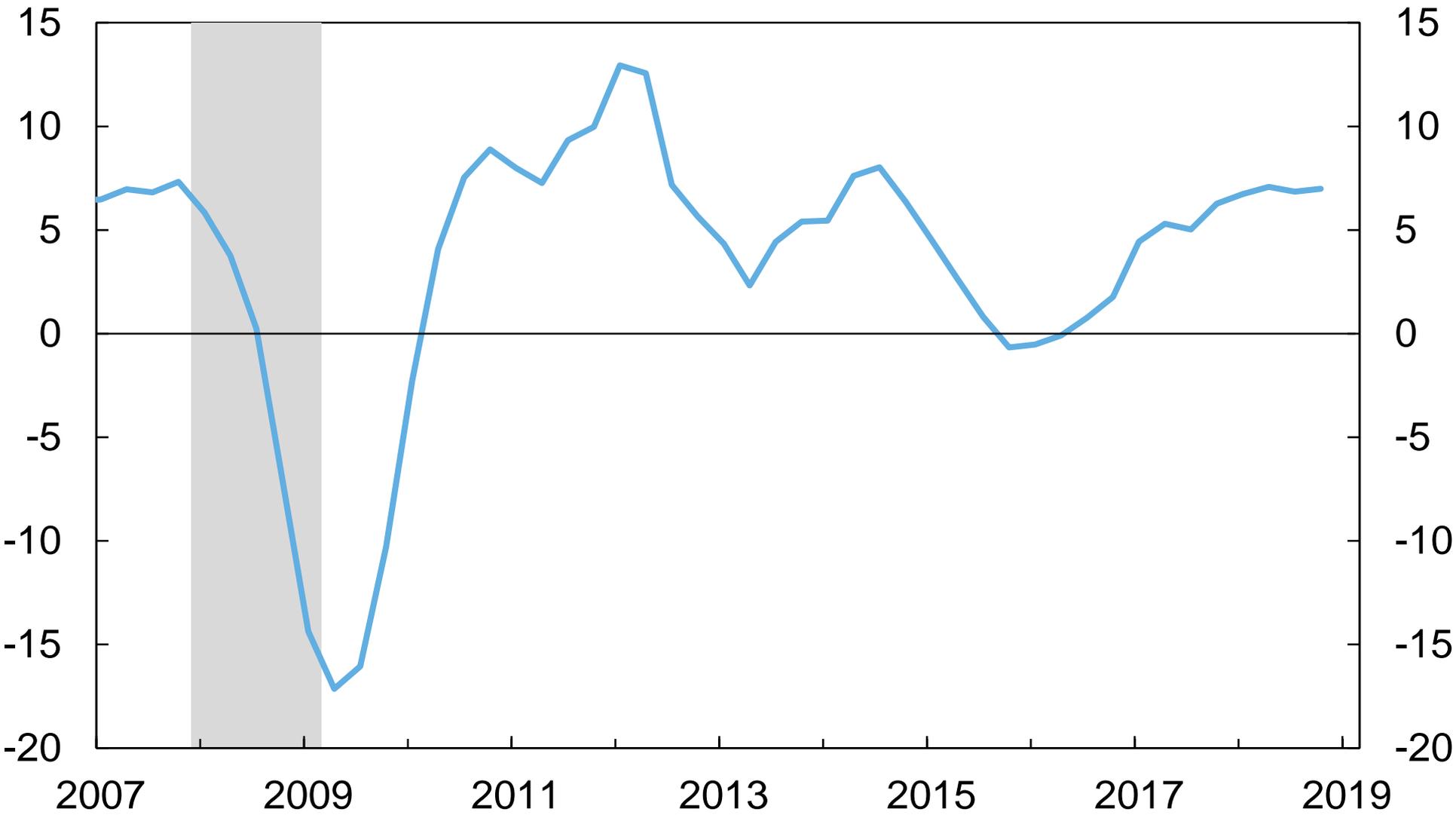
Source: Census Bureau via Haver Analytics

Note: Shading shows NBER recessions.

# Business Fixed Investment

4 Quarter % Change

4 Quarter % Change



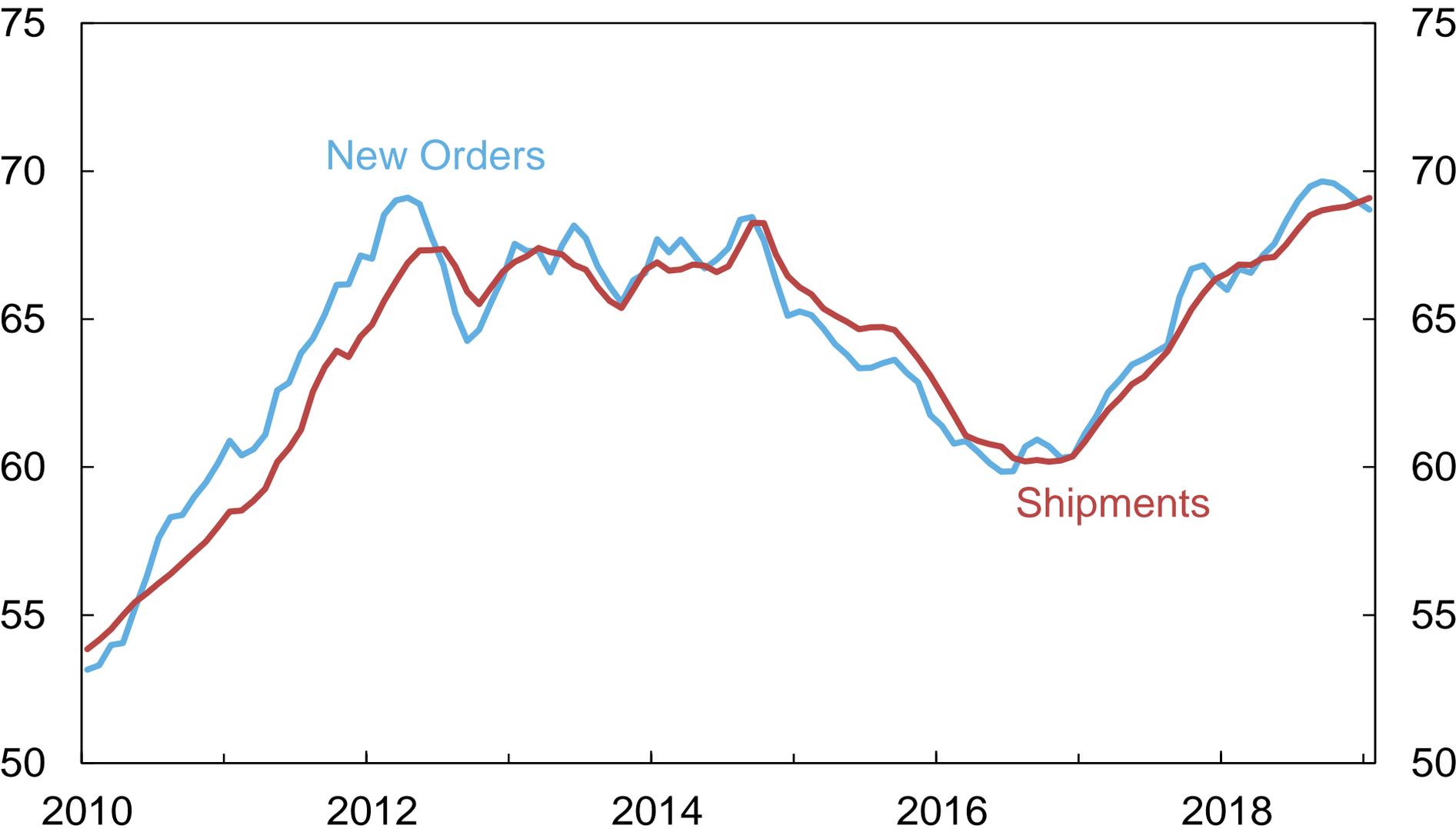
Source: Bureau of Economic Analysis

Note: Shading shows NBER recessions.

# Nondefense Capital Goods ex. Aircraft

SA Bil.\$ (3MMA)

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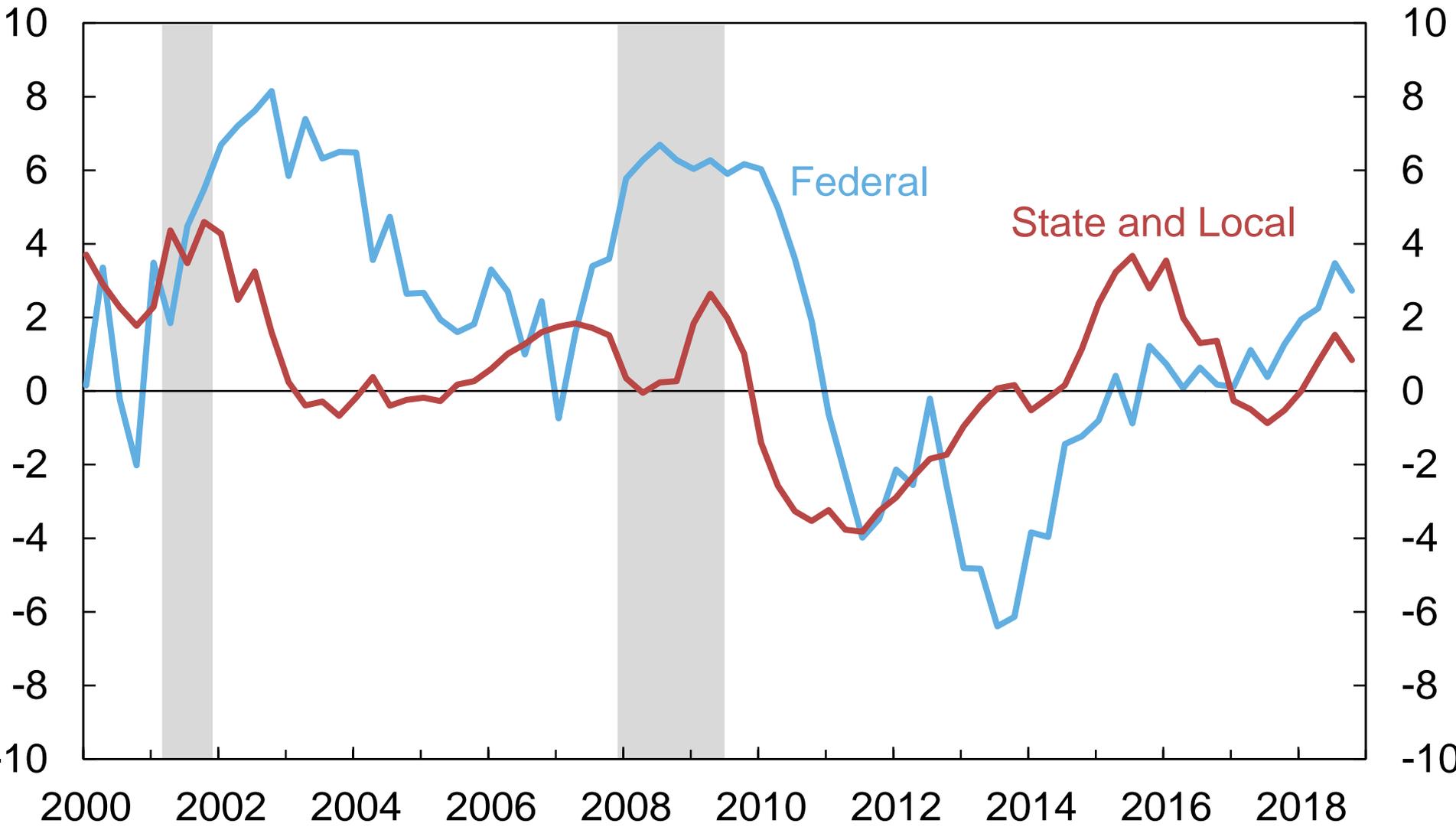


Source: Census Bureau via Haver Analytics.

# Real Government Consumption and Gross Investment <sup>15</sup>

4 Quarter % Change

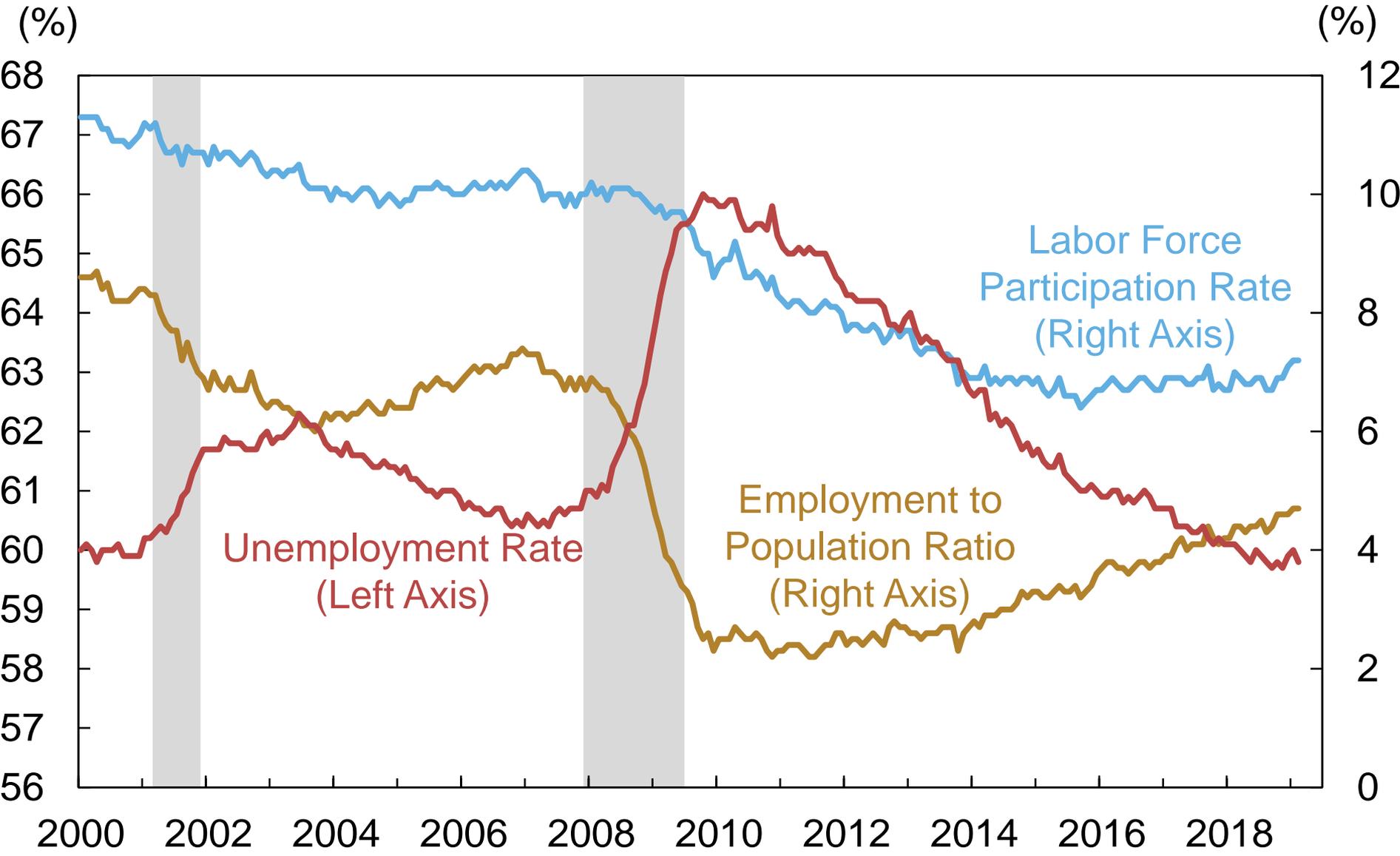
4 Quarter % Change



Source: Bureau of Economic Analysis via Haver Analytics.

Note: Shading shows NBER recessions.

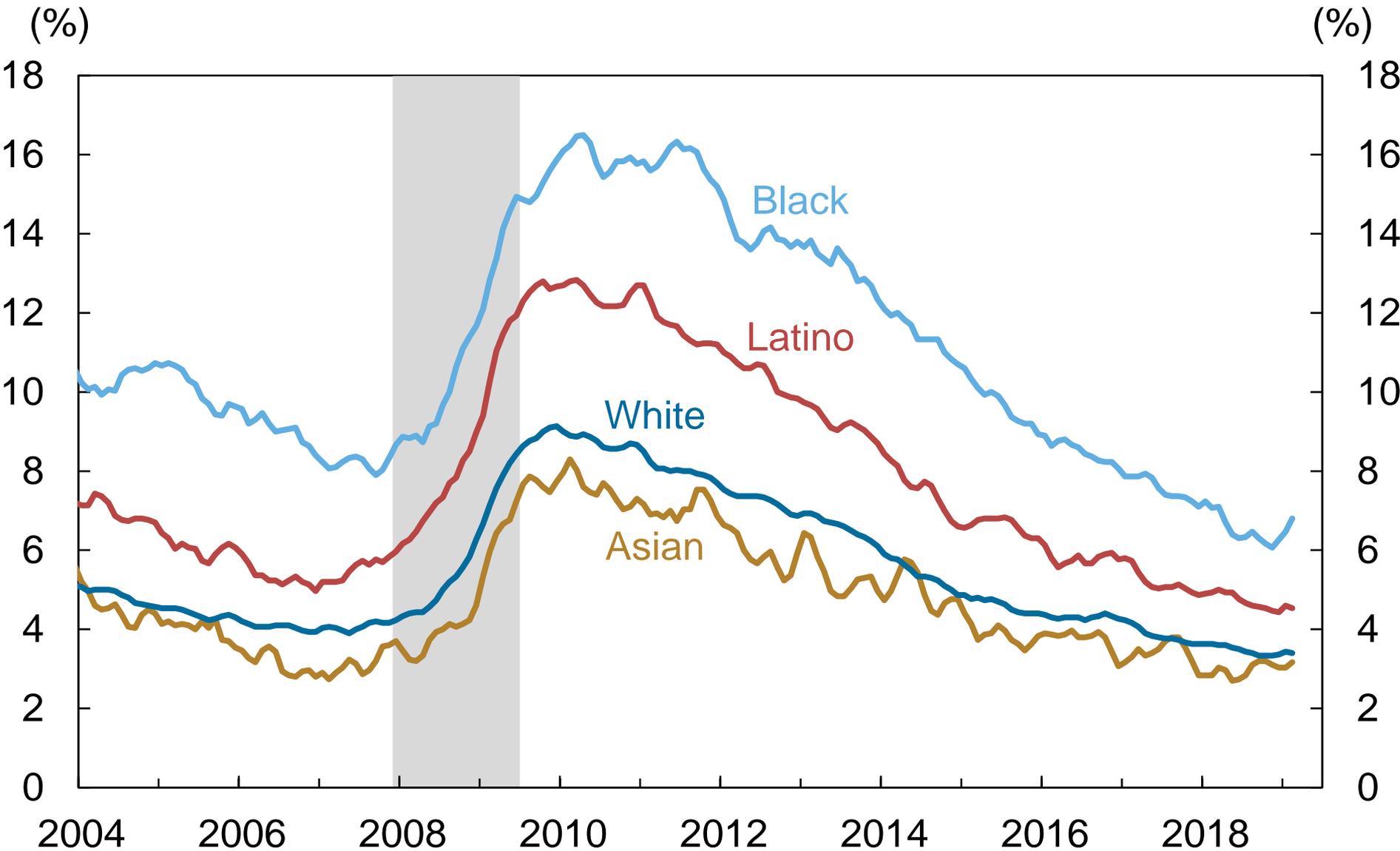
# Labor Market Indicators



Source: Bureau of Labor Statistics.

Note: Shading shows NBER recessions.

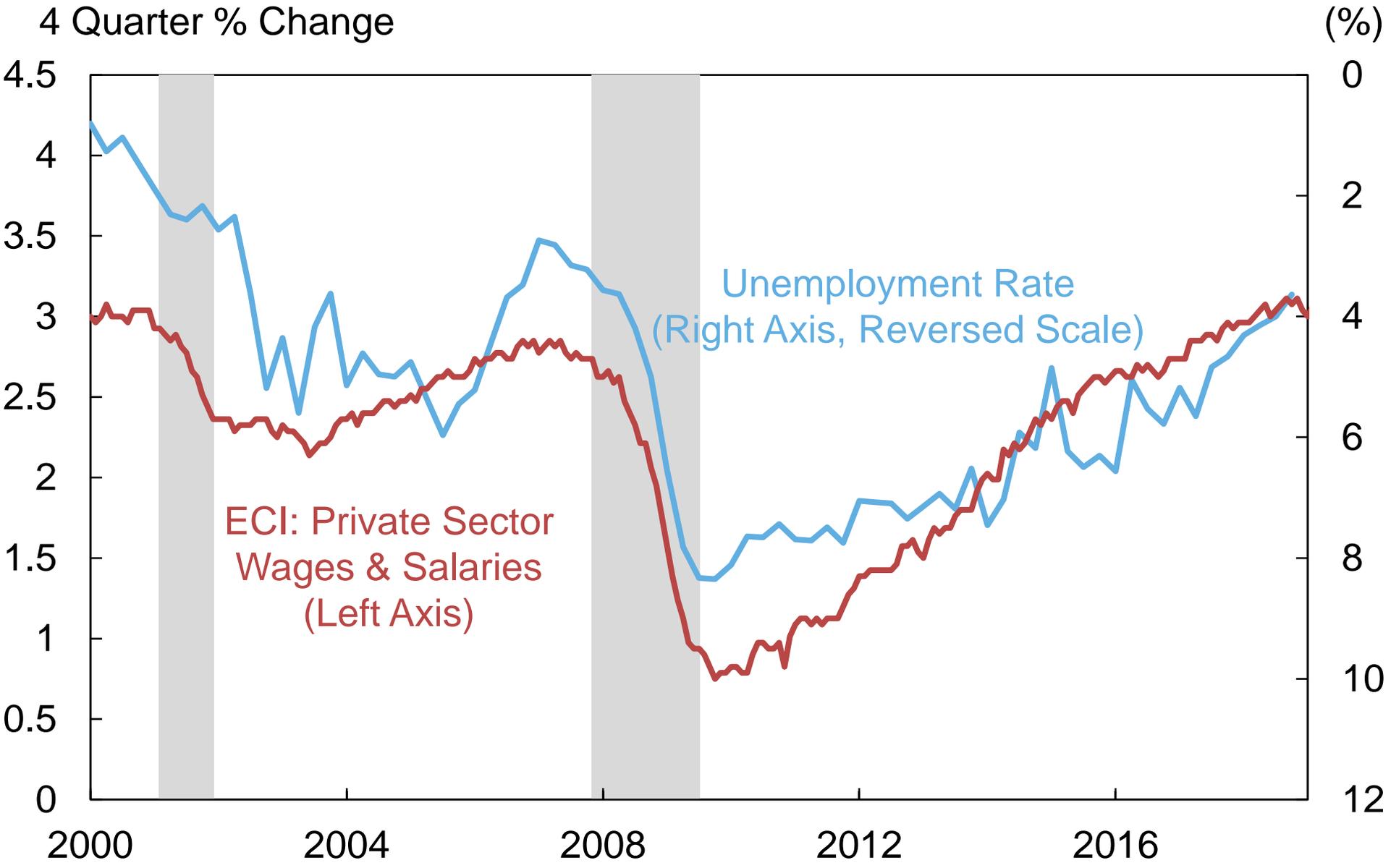
# Unemployment Rate



Source: BLS via Haver Analytics.

Note: Shading shows NBER recessions.

# Employment Cost Index and Unemployment Rate



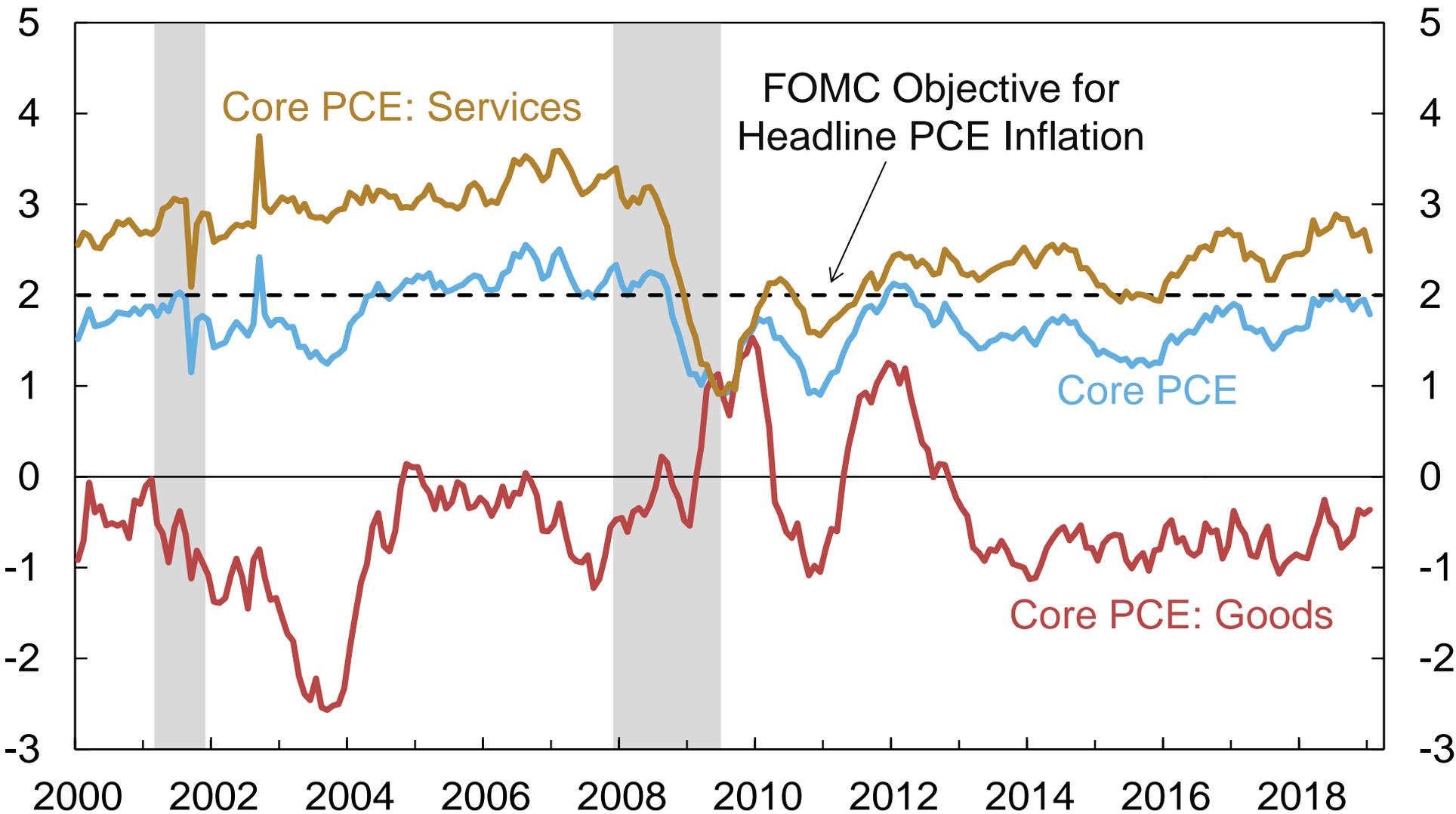
Source: BLS via Haver Analytics.

Note: Shading shows NBER recessions.

# Measure of Underlying PCE Price Inflation

12 Month % Change

12 Month % Change



Source: BEA via Haver Analytics.

Note: Shading shows NBER recessions.