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.
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 ¾%), leading to further tightening of labor markets and some gradual increase in the underlying inflation rate.
Growth of Real GDP

% Change, Annualized

Source: Bureau of Economic Analysis.

Note: Shading shows NBER recessions.
Economic Policy Uncertainty

Source: policyuncertainty.com
Manufacturing PMI

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

BAA Spread (Left Axis)
S&P 500 (Right Axis)

10Yr Treasury (Left Axis)

Source: Federal Reserve Board, Moody's, Standard & Poor's via Haver Analytics.
Real Consumer Spending and the Personal Saving Rate

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

Note: Shading shows NBER recessions.
Consumer Confidence

Series 3 (Left Axis)
Series 4 (Right Axis)
Series 5 (Left Axis)
Series 6 (Right Axis)

Index, 1985=100

Source: The Conference Board via Haver Analytics.
Bank Lending Standards

Net Percent Reporting Tightening on C&I loans (Left Axis)

Net Percent Reporting Increased Willingness to Make Consumer Installment Loans (Right Axis, Reversed)

Source: Federal Reserve Board via Haver Analytics. Note: Shading shows NBER recessions.
Transition into Serious Delinquency (90+) by Loan Type

Percent of Balance

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

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

4 Quarter % Change

Source: Bureau of Economic Analysis

Note: Shading shows NBER recessions.
Nondefense Capital Goods ex. Aircraft

Source: Census Bureau via Haver Analytics.
Real Government Consumption and Gross Investment

4 Quarter % Change

Source: Bureau of Economic Analysis via Haver Analytics.

Note: Shading shows NBER recessions.
Labor Market Indicators

Unemployment Rate (Left Axis)

Employment to Population Ratio (Right Axis)

Labor Force Participation Rate (Right Axis)


Note: Shading shows NBER recessions.
Unemployment Rate

Source: BLS via Haver Analytics.

Note: Shading shows NBER recessions.
Employment Cost Index and Unemployment Rate

4 Quarter % Change

Source: BLS via Haver Analytics.

Note: Shading shows NBER recessions.
Measure of Underlying PCE Price Inflation

12 Month % Change

Source: BEA via Haver Analytics.

Note: Shading shows NBER recessions.