U.S. Economic Conditions

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Community Advisory Group: April 5, 2023

Overview

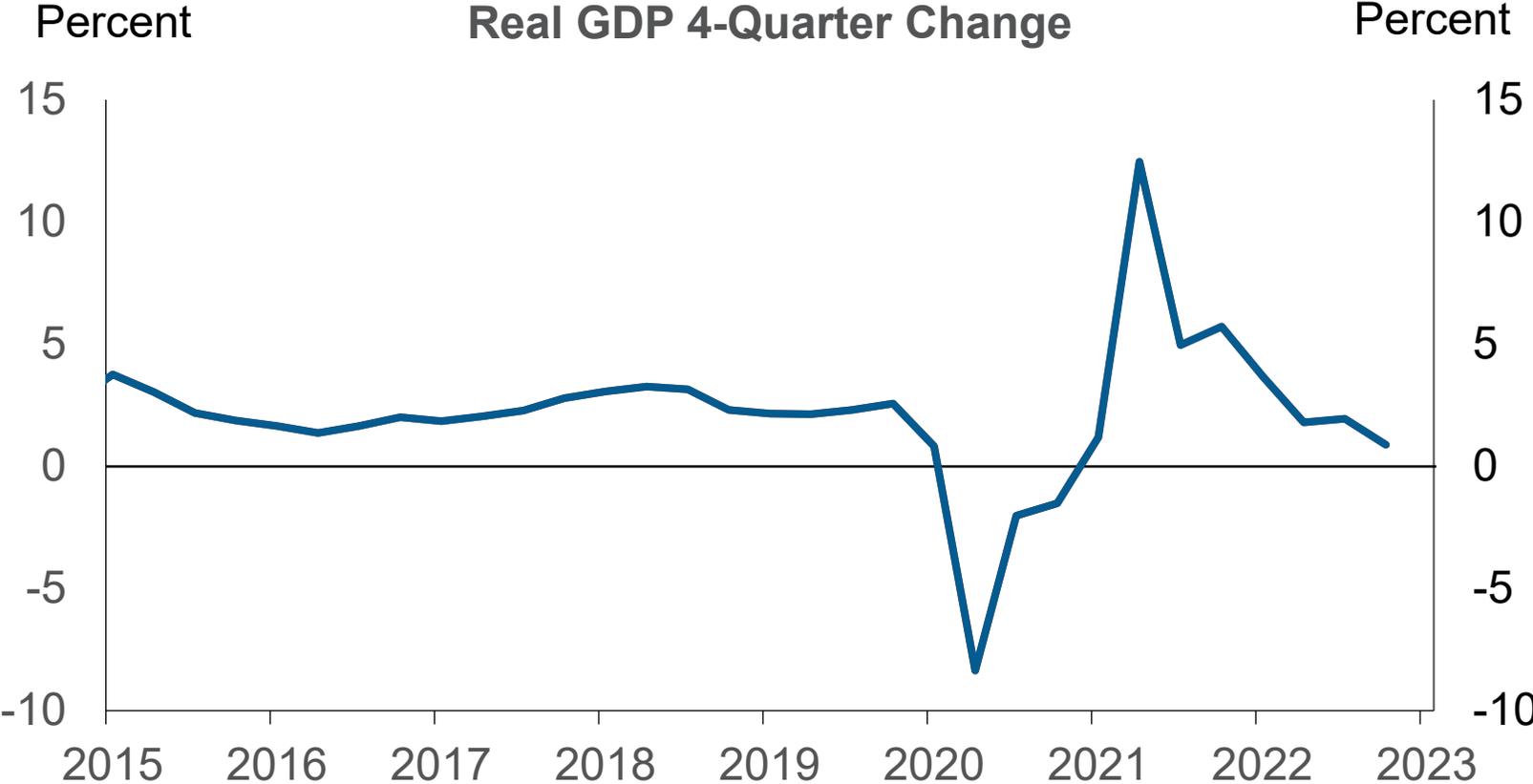- Macroeconomic conditions

  - GDP: modest growth over 2022

  - Labor market: tight conditions continue to prevail

  - Inflation: remains high with only gradual slowing

- Some inflation disparities are closing.

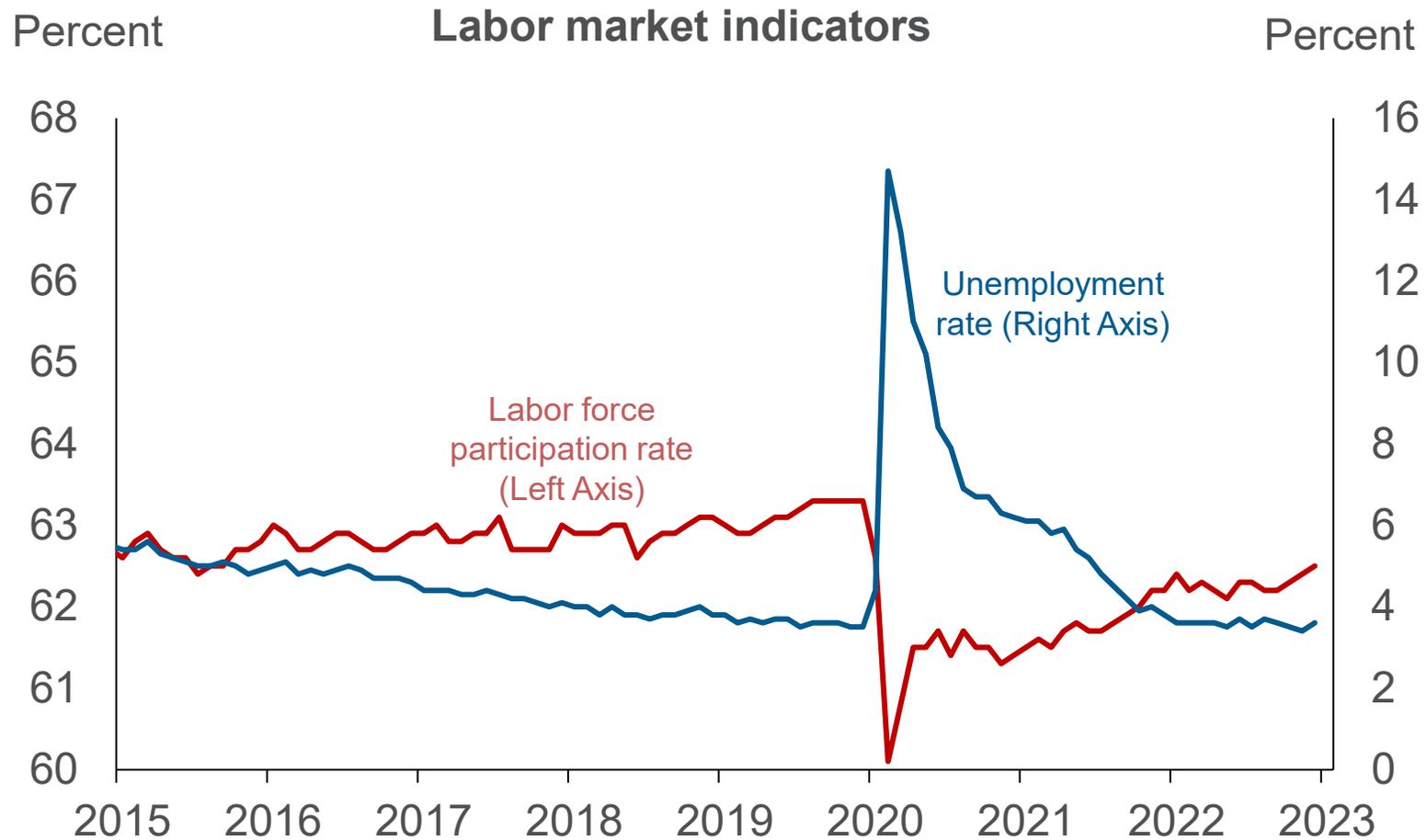- Overall household debt conditions are good, with some caveats.
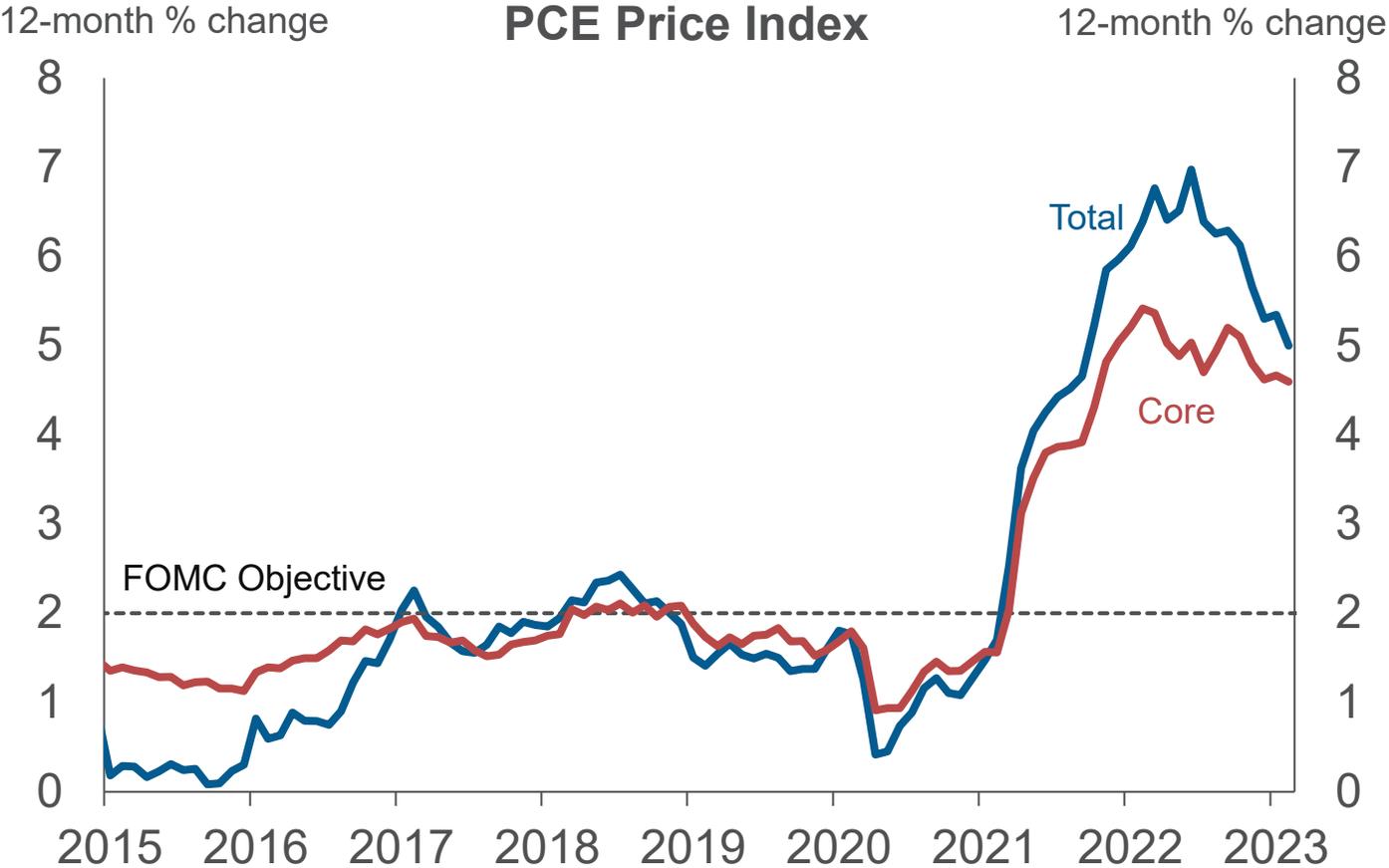
GDP grew modestly in 2022

Real GDP 4-Quarter Change

Percent

Percent

Labor market continues to be tight

Labor market indicators

Source: BLS.

Inflation remains high

PCE Price Index

12-month % change (left axis), 12-month % change (right axis)

FOMC Objective

Total

Core

Source: BEA

Inflation gaps by income have opened . . .

Percent Share of Expenses, by income

Bottom 40%   40-80%   Top 20%

Demographic Inflation Rates Relative to Average, by income

Bottom 40%   40% - 80%   Top 20%
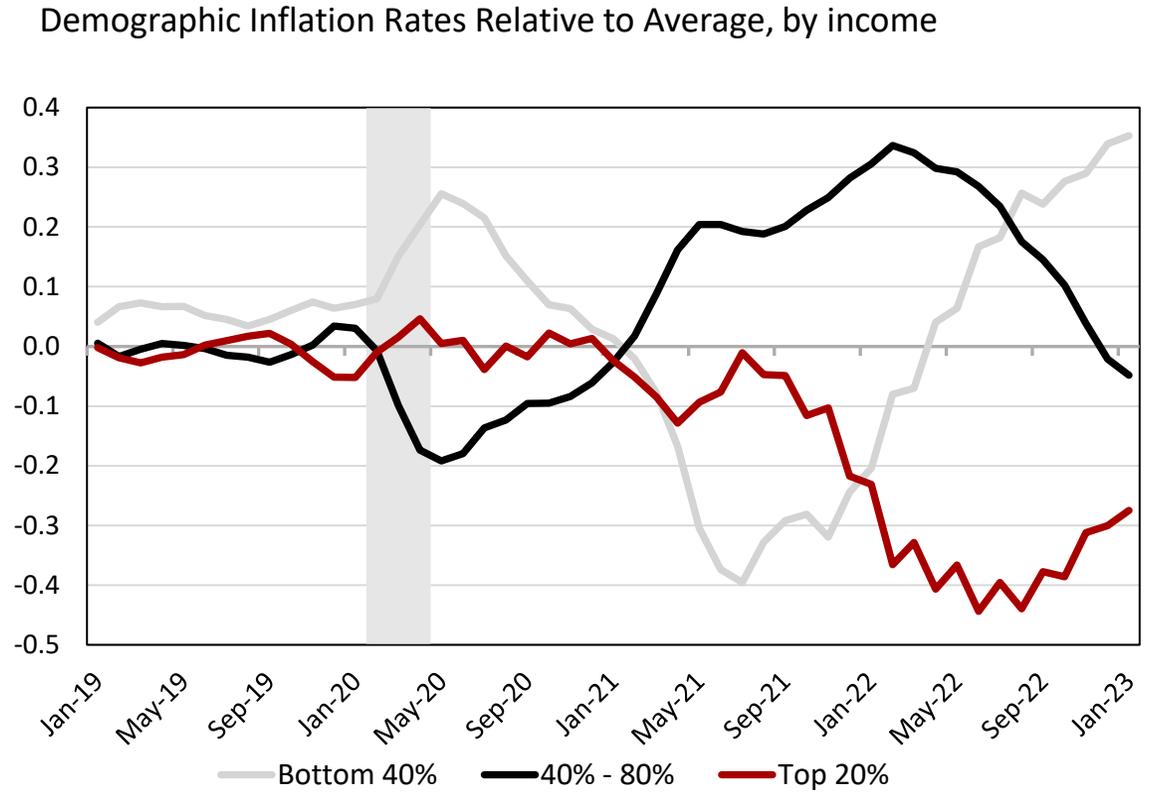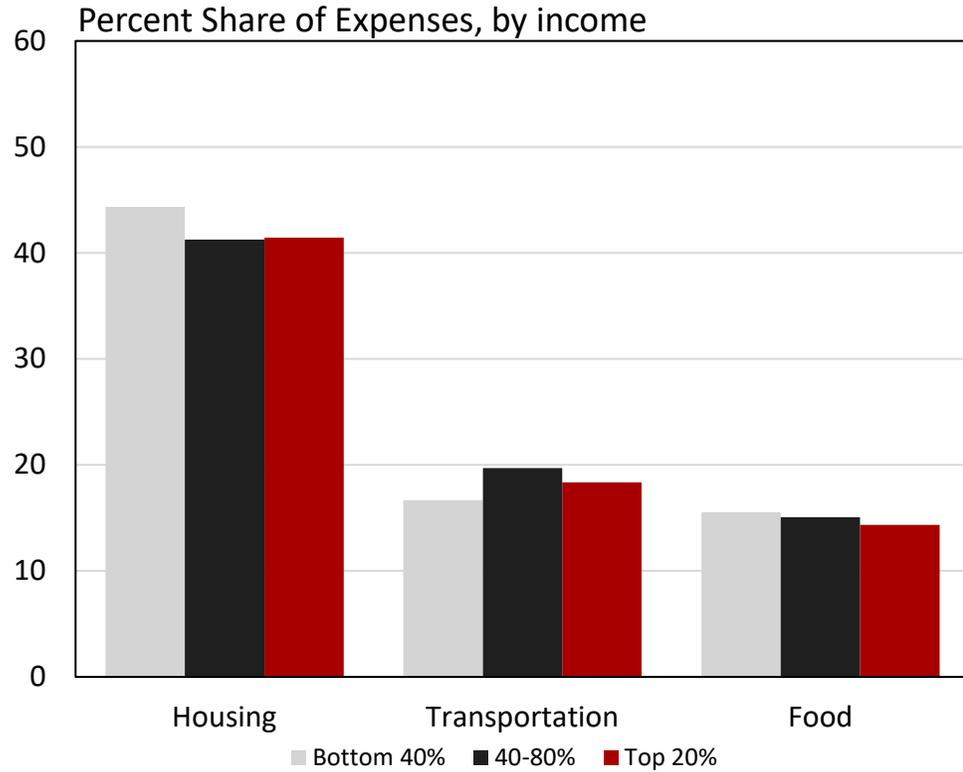
Source: Bureau of Labor Statistics via Haver Analytics.

. . . while Race/Ethnicity inflation gaps have largely closed

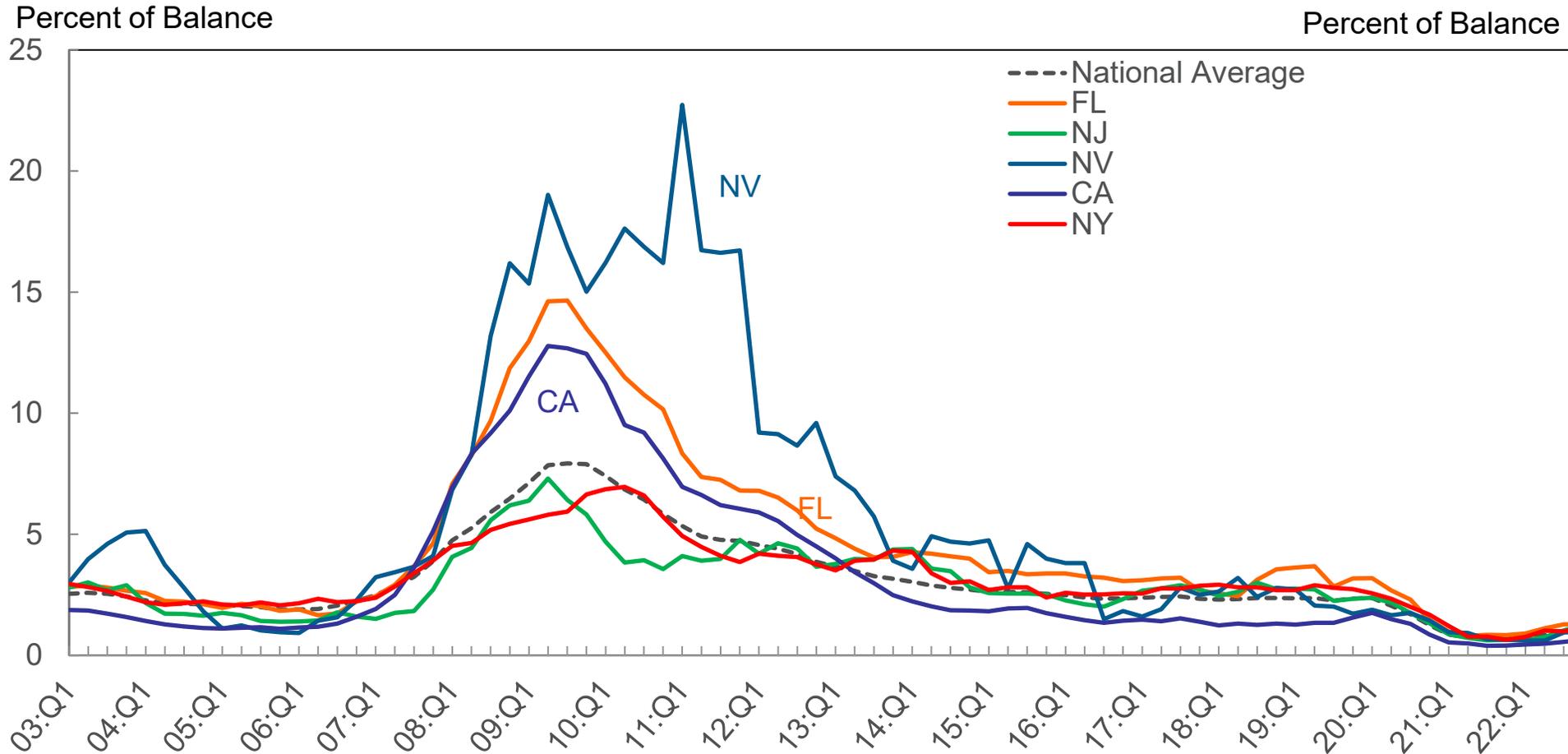Percent Share of Expenses, by race

Demographic Inflation Rates Relative to average, by race
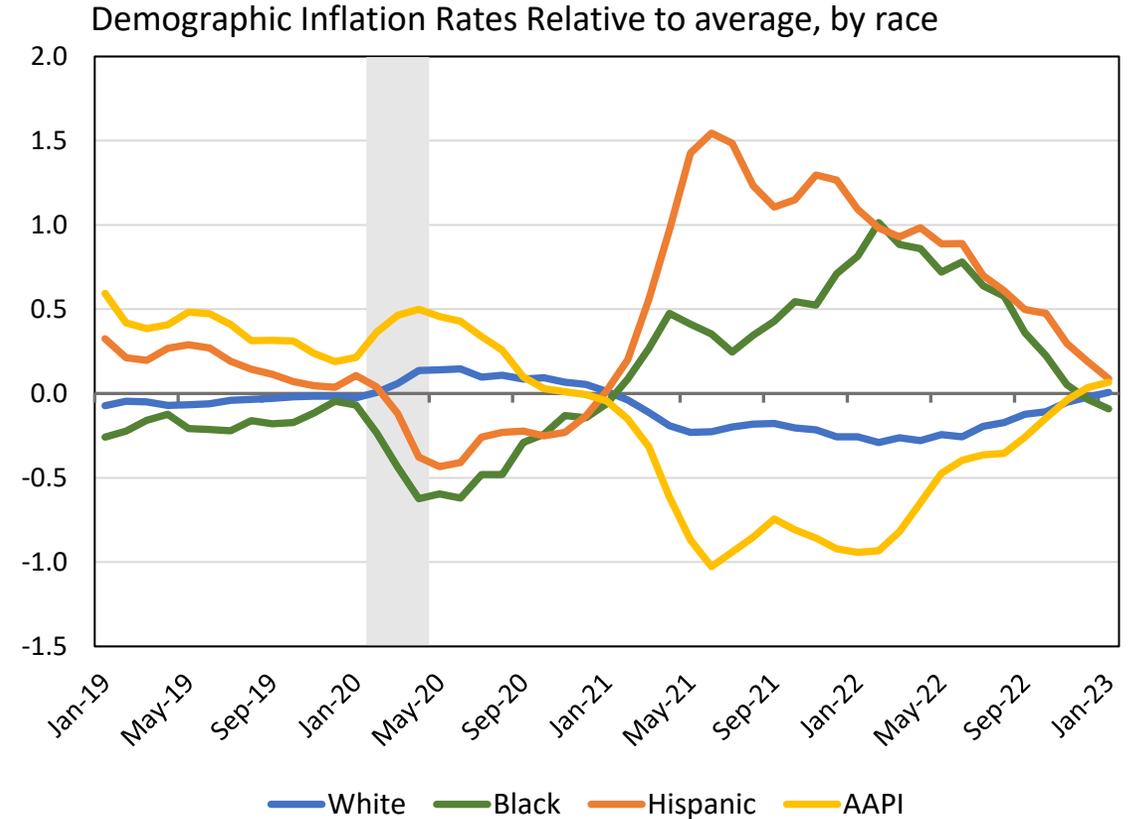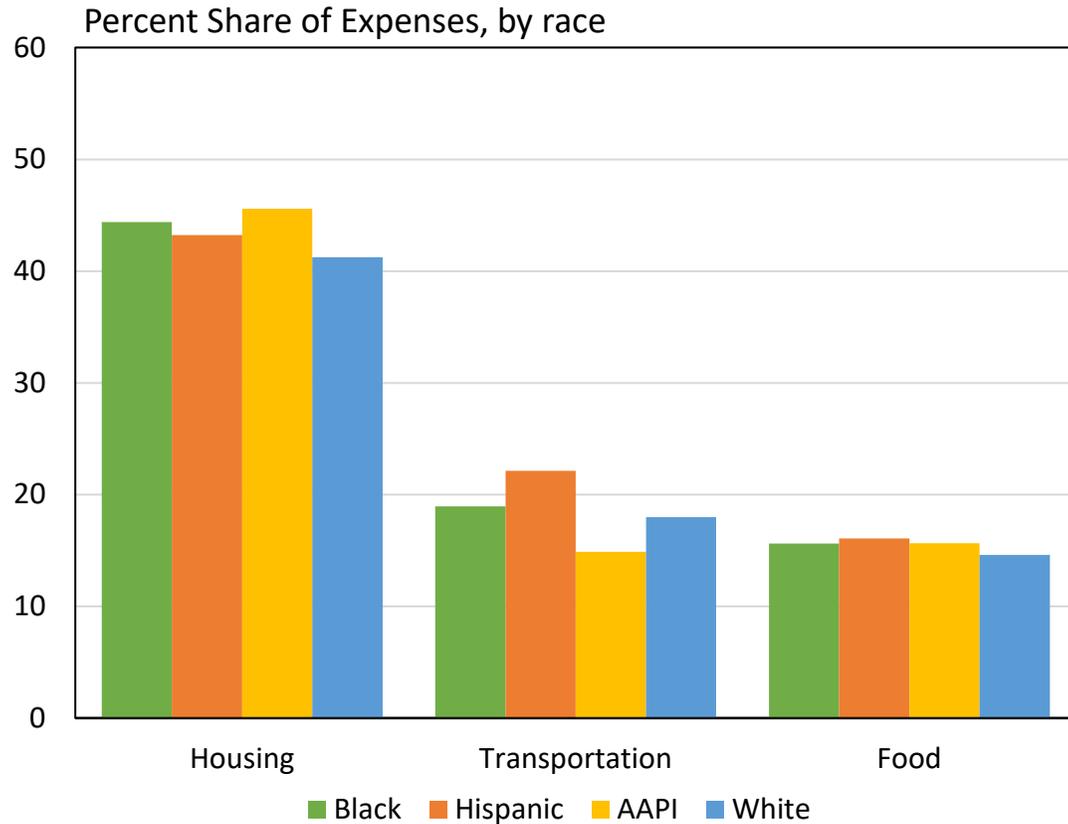
- BLS Consumer Expenditure Survey Microdata, BLS Consumer Price Indices

Serious DQ transitions now ticking back up

Percent of Balance

Percent of Balance

Student Loan

Mortgage

Credit Card

Auto Loan

HE Revolving

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
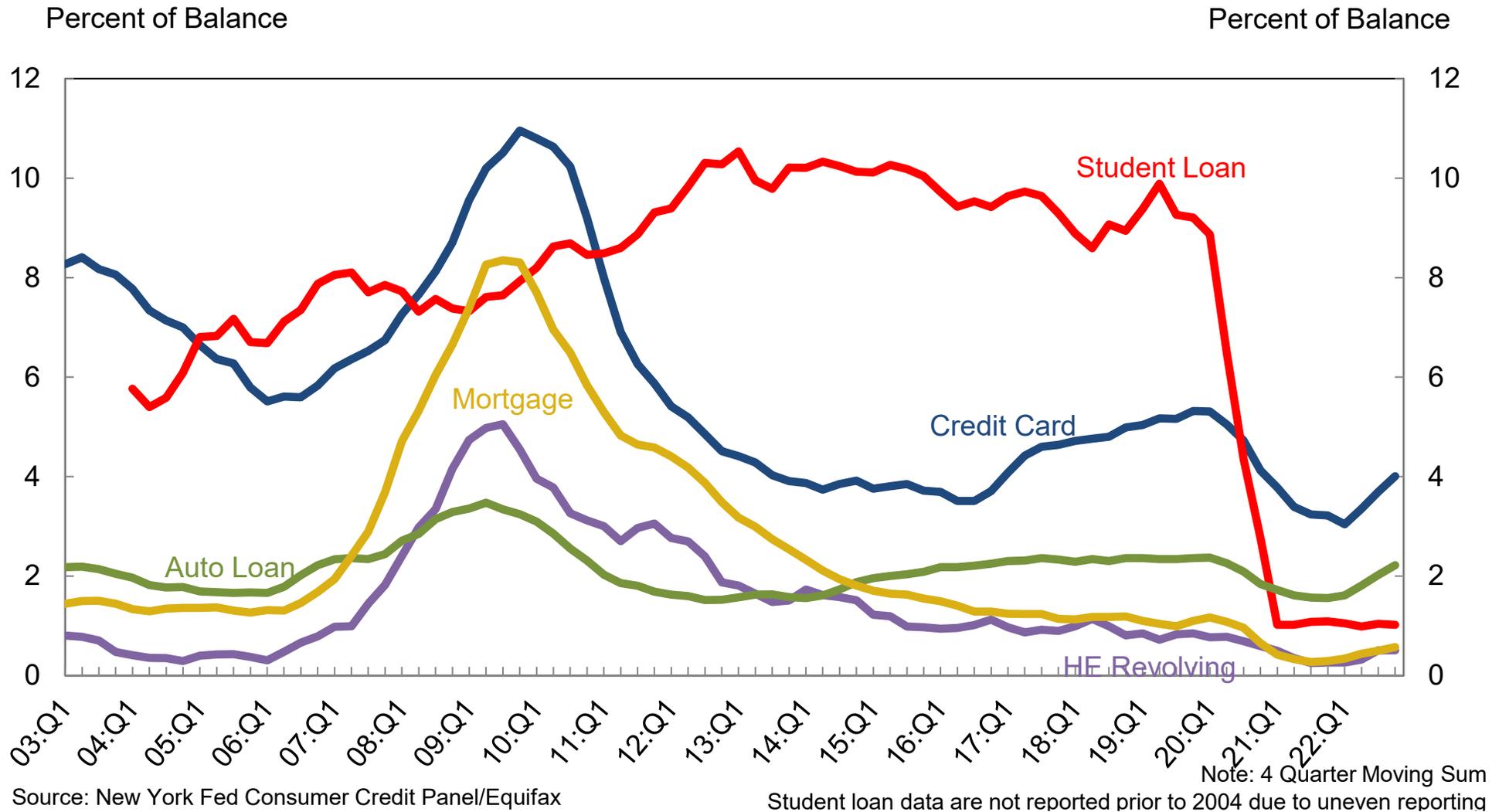
Serious DQ transitions in NY, NJ close to national average

Percent of Balance

Percent of Balance

Legend:
- National Average (dashed)
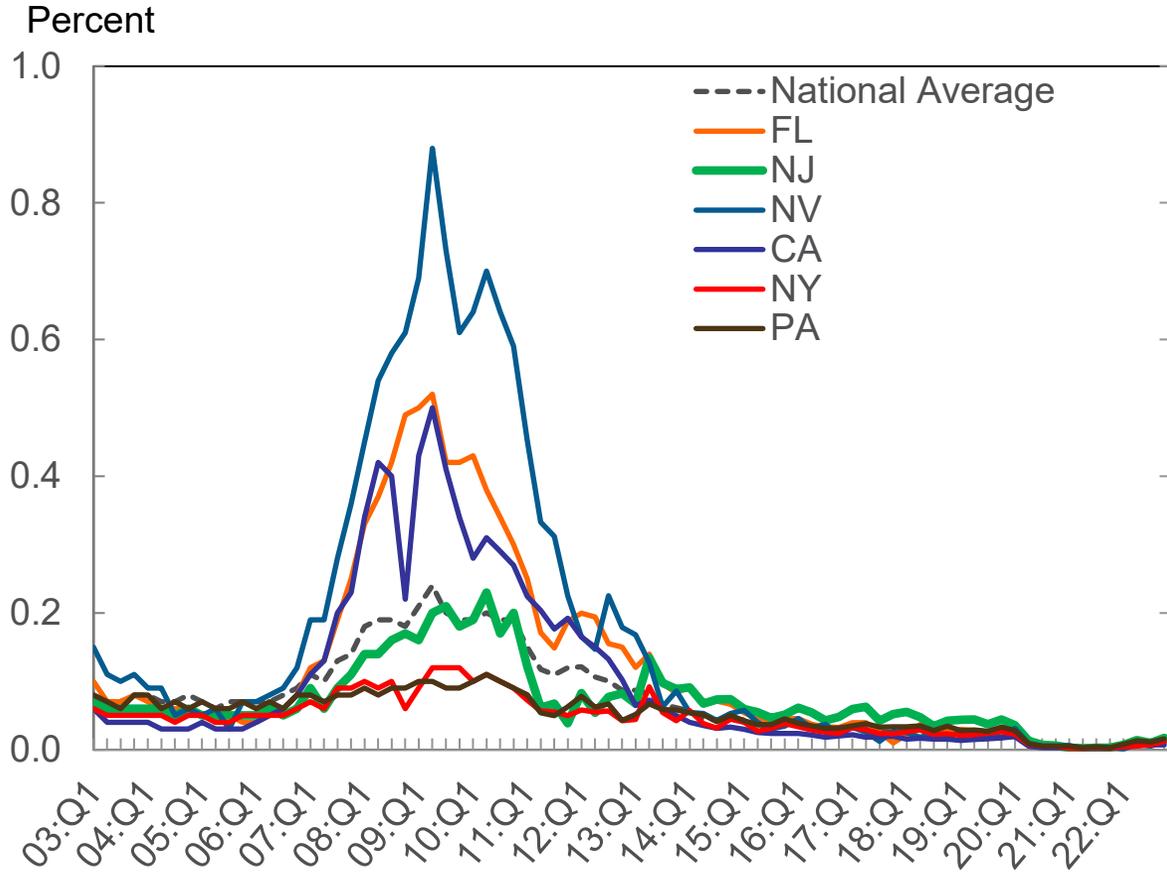- FL
- NJ
- NV
- CA
- NY

NV

CA

FL

Source: New York Fed Consumer Credit Panel/Equifax

Note: *Four Quarter Moving Sum, Rates from Current and up to 60 Days Delinquent to 90+ Days Delinquent. All Accounts. Revised May 2017.
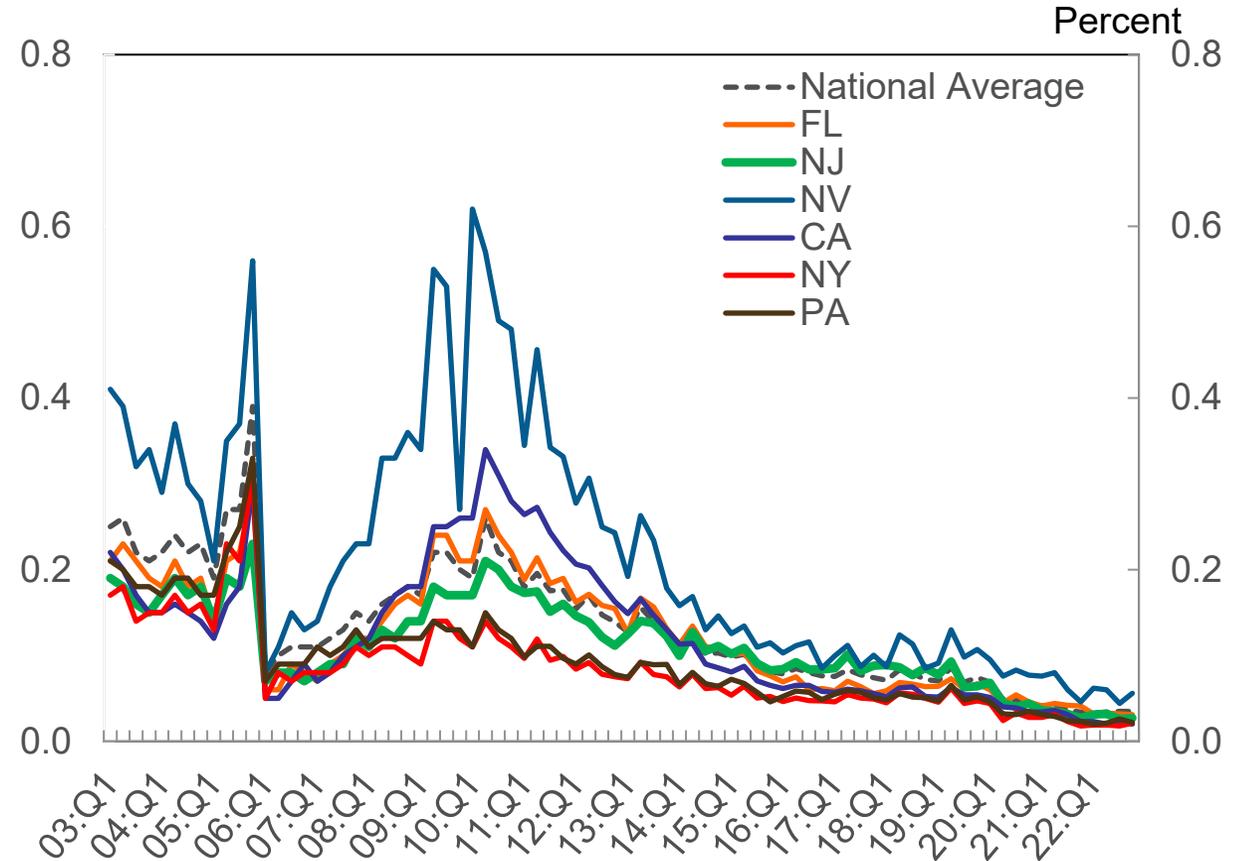
Percent with New Foreclosures

Percent with New Bankruptcies

Source: New York Fed Consumer Credit Panel/Equifax

Note: * Based on the population with a credit report

Summary

- Macroeconomic conditions
    - Economic growth has been modest, while the labor market continues to be tight
    - Inflation remains a serious issue for monetary policy

- Inflation is affecting all households, with impacts varying over time

- Household debt delinquencies creeping up, although generally still at low levels