ECONOMIC OUTLOOK

REGIONS

May 2025

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Somewhere Between Not Really That Bad And Not Really That Good

While you never feel good about a bad real GDP growth print, there are times when you don't feel all that bad about it, like when a bad real GDP growth print isn't really as bad as it seems and the details beneath the bad real GDP growth print are good, even if those details are not as good as they may seem. Wait, what? If you're confused after reading that, then we've done our job. After all, when it comes to assessing where the U.S. economy is today, let alone where it may go tomorrow, confusion is the order of the day. Between conflicting signals in much of the economic data and the thick fog of uncertainty that looms over the landscape, getting a clear read on the course of the economy has gotten increasingly difficult and may not get much easier any time soon. About as precise as we can be at this point is to say that there is an unusually wide range of potential economic outcomes.

Sure, the economic data never move in nice straight lines – what fun would that be – and the various data series seldom, if ever, all move in the same direction at the same time. And, really, the next day of total certainty any of us have will be the first day of total certainty any of us has ever had. What is different at present, however, is that there is such a seemingly wide range of outcomes on the policy front, primarily but not limited to trade, along with a sense that significant changes in policy can come at any moment, while the changes in the economic data have in many cases been more pronounced, within and across the various data series, than has typically been the case. This helps account for what has been, and will likely remain, heightened volatility in the financial markets.

The first estimate of Q1 GDP from the Bureau of Economic Analysis (BEA) is all of these things rolled into one. The BEA shows real GDP contracted at an annual rate of 0.3 percent in Q1 2025, the first quarterly contraction in real GDP in three years. At the same time, however, real private domestic demand – combined business and household spending adjusted for price changes – grew at an annual rate of 3.0 percent in Q1. Before continuing, we'll make the following two points. First, in any given quarter the BEA's initial estimate of GDP is based on highly incomplete source data, with the BEA making estimates to fill in the gaps. As more complete, and revised, source data are subsequently incorporated, the first estimate of GDP will be revised, and those revisions to the initial estimate can be significant. We won't be surprised if that turns out to be the case with the initial estimate of Q1 2025 real GDP. Also, we've been on record for years with our view that private domestic demand is a more reliable guide to the underlying health of the U.S. economy than is GDP, and we've made that point regardless of the relative growth rates between the two. Inventories and net exports are inherently volatile from one quarter to the next, and sharp enough swings in one, or both, of these components can, and often do, drive top-line real GDP growth. We see the changes in consumer spending, residential fixed investment, and business fixed investment as being the more relevant guides to underlying economic conditions.

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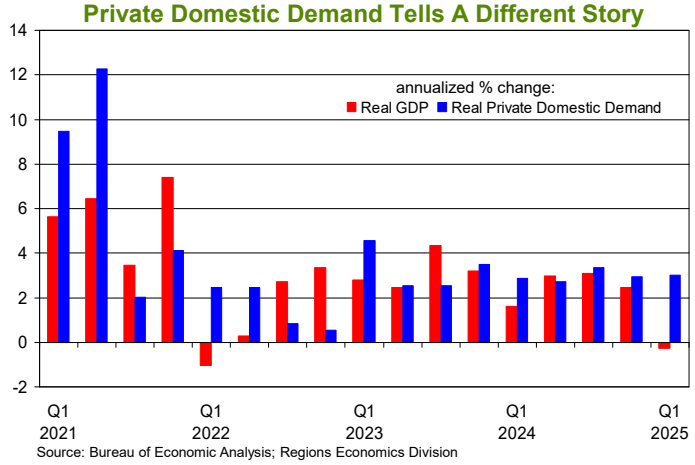
Private Domestic Demand Tells A Different Story



Source: Bureau of Economic Analysis; Regions Economics Division

Still, as for Q1 2025 we'd argue that the economy is neither as troubled as implied by the contraction in real GDP nor as robust as implied by the growth in real private domestic demand. The drop in real GDP is more than accounted for by a surge of imports – imports of goods grew at an annual rate of 50.9 percent in Q1 – which swamped modest growth in U.S. exports. The net result was a significant widening of the U.S. trade deficit which knocked 4.83 percentage points off top-line real GDP growth, the largest deduction from net exports in the life of the GDP data.

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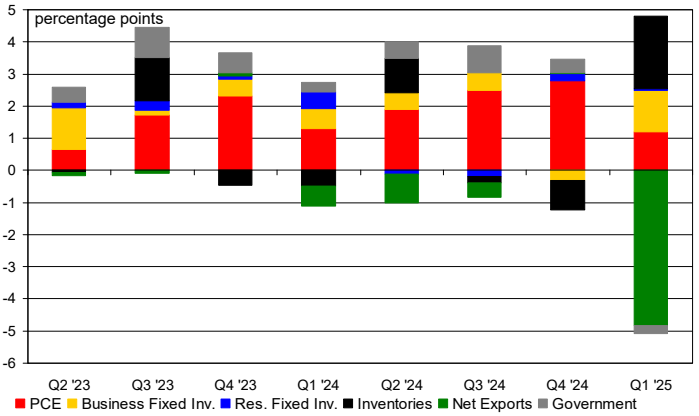
Contribution To Real GDP Growth



Source: Bureau of Economic Analysis; Regions Economics Division

To some extent, the surge in imports of goods was offset by adds to inventories, reflecting manufacturers and retailers pulling orders

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forward over the past several months in anticipation of higher tariffs later in 2025. To that point, the faster pace of inventory accumulation in Q1 added 2.25 percentage points to top-line real GDP growth, which by historical, i.e., pre-pandemic, standards would have been a notably large contribution. As a side point, we would have expected an even larger build in inventories given the magnitude of the increase in imports, even allowing for higher current consumption out of those imports, so this is one potential source of upward revision to the initial estimate of Q1 real GDP.

Either way, that the surge in imports more than accounted for the contraction in real GDP in Q1 led some to dismiss that contraction out of hand, particularly in light of the growth in real private domestic demand. We do not agree with that assessment, and a look into the details of the data helps explain why. Just as much of the growth in business inventories in Q1 reflected pre-emptive builds ahead of higher tariffs, we see that same sort of behavior in the data on consumer and business spending. For instance, real business spending on equipment and machinery grew at an annual rate of 22.5 percent in Q1, which added 1.06 percentage points to top-line real GDP growth. Within this broad category, there was a surge in spending on computer and communications equipment, reflected in annualized growth rates of 69.3 percent and 97.3 percent, respectively. These are two areas in which businesses pulled purchases forward ahead of anticipated increases in tariffs.

Real consumer spending grew at an annual rate of 1.8 percent in Q1, considerably slower than the 4.0 percent pace seen in Q4 2024. It is worth noting that consumer spending was disrupted in both January and February by atypically harsh winter weather, and to some extent strong growth in March reflected payback. There is, however, evidence of consumers pulling purchases, primarily purchases of consumer durable goods, forward to avoid any tariff-related price hikes later this year. Unit sales of new motor vehicles jumped to an annual rate of 17.8 million units in March, the fastest monthly sales rate since April 2021 (this includes both business and consumer purchases, but the GDP data suggest consumer purchases held up better in Q1 than did business purchases), and sales of appliances and electronics also jumped in March.

Though we cannot segregate pre-emptive business and consumer purchases in the Q1 GDP/March consumer spending data, the specific categories in which there have been spikes in purchases and the magnitude of those spikes strongly suggest efforts to avoid tariff-related price increases. To the extent that was the case, it follows that there will be significant declines in spending in these areas over coming months, suggesting meaningfully slower growth in real private domestic demand than we saw in Q1.

That does not, however, necessarily mean we'll see even bigger contractions in real GDP in the quarters ahead than we saw in Q1. Data show a significant decline in traffic of cargo bound for the U.S., particularly from China, reflecting the higher tariffs put in place, and that will turn up in the monthly data beginning in May. Indeed, the magnitude of the spike in imports of goods in Q1 and the magnitude of the decline likely to be seen in Q2, and perhaps to a lesser degree in Q3, will provide a meaningful boost to real GDP under GDP accounting conventions. That inventories of both consumer goods and manufacturing inputs have been built up over recent months will, at least for a time, facilitate consumer spending and manufacturing production despite sharply lower imports. In theory, consumption out of inventories would be neutral in terms of the effects on GDP, but we cannot expect the data to perfectly align. The broader point is that these two effects should largely offset, meaning that the decline in imports of goods in Q2 may be large enough to push measured real GDP higher even as growth in real domestic demand slows markedly from the pace set in Q1.

Clearly, the anticipation of higher tariffs had a significant impact on the Q1 GDP data, both to the upside and the downside. To our earlier point, however, this makes it more difficult to get a clear read on the underlying health of the economy. The monthly data on consumer spending, industrial production, core capital goods orders, nonfarm employment, business inventories, trade flows, and changes in prices on the wholesale and retail levels will be closely scrutinized over the next several months for any potential effects of higher tariffs. We think April will be somewhat of a transition month, particularly given some of the buffers in place, but as we get into the data for the months of May and June any such effects figure to become more visible. One caveat, however, is that the pause in the implementation of the most punitive tariffs announced on April 2 gives consumers and businesses a longer window in which to front-run higher tariffs, meaning that larger drop-offs in imports, inventories, purchases of consumer durable goods, and outlays on certain types of business equipment may not come until the Q3 GDP data.

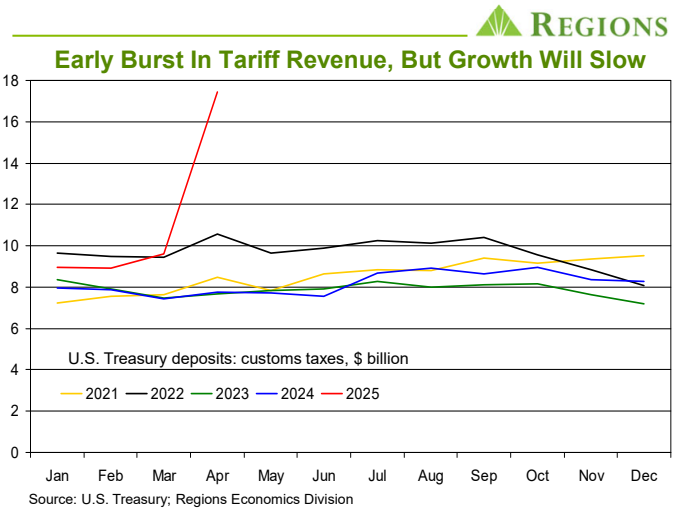
Between now and then, however, there will likely be developments on the policy front, such as trade deals negotiated with foreign nations, that will further alter trade patterns and also impact consumer and business behavior. With no ability to predict when any such changes will be made and what they will look like, making forecasts of consumer and business behavior – including capital spending and hiring activity – is more difficult and there will be a higher-than-normal degree of uncertainty around any forecasts until there is greater clarity on the policy front. More importantly, those who own and manage businesses will face the frustration of not knowing what to plan for and when to plan for it. That goes a long way in explaining for why so many corporations that reported healthy Q1 earnings have simply opted to withdraw guidance on earnings going forward.

Moreover, though this discussion has been dominated by trade policy, as have most discussions for that matter, don't overlook the potential effects on the broader economy of immigration reform and cuts in federal government employment (the bulk of which we expect to show up in the establishment survey data in Q4) and spending. For instance, we came into this year worried about the potential for immigration reform to trigger an adverse labor supply shock which would meaningfully impair nonfarm job growth, signs of which we can detect in the labor market data. That there is at present such an unusually wide range of potential economic outcomes largely reflects there still being an unusually wide range of outcomes on several policy fronts. As such, the data will likely continue sending mixed messages and the financial markets will likely remain notably volatile in the months ahead.

Tariff Revenue Surges, But For How Long?

There are many places in the economic data where we can point to evidence of higher tariffs/anticipated increases in tariffs, such as the report on Q1 GDP. In such cases, however, we're left to

make inferences about the magnitude of any such tariff-related effects, as they are not broken out and highlighted. While some of these inferences are probably closer to the mark than others, we simply have no way of knowing definitively which are which, and there are no clear consensus estimates of the magnitude of any such tariff-related effects as there are with forecasts of the various economic indicators. As such, interpretations of the movements in the various economic data series and assessments of what the data are telling us can, and of late have, varied widely. This is also one source of what has of late been greater than typical variance in forecasts of the path of the U.S. economy.



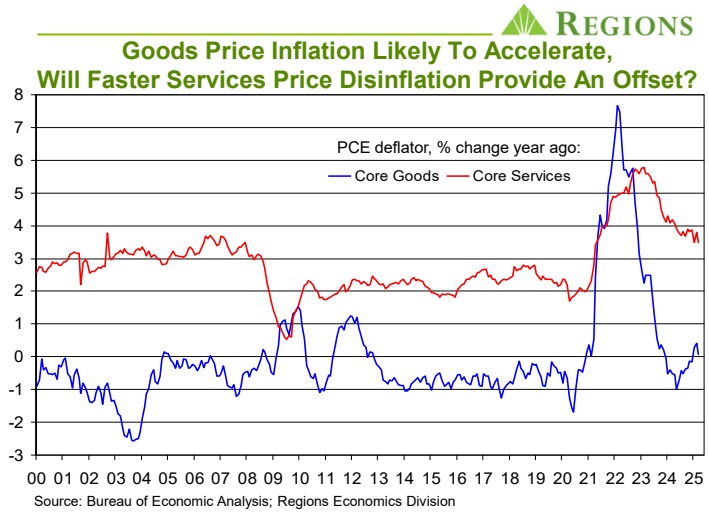
One place where we do not have to guess, umm, make inferences that is, is revenue from tariff collections, which comes on daily basis courtesy of the Treasury Department. The chart above shows the early burst in tariff revenue, reflecting higher tariffs imposed on imports from Canada and Mexico, the higher baseline tariff on imports from China, and higher tariffs on specific goods, such as those levied on imported metals, in conjunction with what, at least through April, remained high volumes of imports into the U.S. At almost $18 billion in April, tariff revenues were easily higher than in any month on record.

There has been considerable discussion of whether, or to what extent, higher tariff revenues will act as a support for cuts in personal and/or corporate tax rates, but the reality is that tariff revenues remaining at, or even slightly above, the level seen in April is no sure thing. After all, if tariffs achieve one intended outcome, i.e., reducing imports of goods into the U.S., tariff revenues will fall from the levels seen in the immediate aftermath of higher tariffs being put in place.

The early data suggest significant slowdowns in import volumes by the end of this month, which will weigh on tariff revenues. A potential leakage in tariff revenue streams is what could be a lengthy list of exemptions for specific categories of imports as already-submitted applications are processed. Additionally, to the extent that higher tariff rates persist and vary across individual trading partners, that will support at least some degree of shifting of production centers toward countries with lower tariff rates. It is also the case that, to the extent higher tariff rates are left in place, that will lead to shifts in consumption patterns, such as diverting more spending toward services and away from goods, that would also weigh on tariff revenue collections. The broader point is that, while the ultimate run rate of tariff revenue collections will be higher than has historically been the case, one should not count on early-month levels of tariff revenues being sustained over time, as production, trade, and consumption patterns will inevitably adjust. Thus, assuming early-month levels will persist over time and, as such, can be counted on to "finance" other fiscal policy shifts would almost surely lead to unanticipated revenue shortfalls.

We See It In Revenue, When Will We See It In Prices?

Given the surge in tariff revenue collections seen in April, it may seem to follow that we should see the effect of higher tariffs in the April data on consumer prices in measures such as the Consumer Price Index and the PCE Deflator when the data are published. While there could be some such effects in the April data, that is not a given. Keep in mind that revenue collections do not capture who ultimately absorbs the higher tariffs, such as a supplier, a retailer, or a customer. So, even aside from how long it would take to adjust retail level prices, it is not a given that there will be a one-to-one passthrough of higher tariff rates into consumer goods prices. Moreover, as we frequently note, roughly one-half of all imports into the U.S. are not consumer goods but rather raw materials or intermediate goods used in the production of final goods. As such, it will take some time before any tariff-related increases in input costs are reflected in higher prices of final goods and captured in the monthly data on consumer prices.



Though we do not yet have the April data, it is interesting that the data show prices for core (non-food, non-energy) consumer goods actually declined in March, which is noteworthy given how strong consumer spending was in March, particularly in categories of goods most vulnerable to tariff-related price increases in coming months. In many such cases, however, retailers, including motor vehicle dealers, were offering incentives to facilitate sales rather than using stepped-up demand to push prices higher which, given elevated frustrations and concerns over inflation amongst a wide swath of consumers, was probably the better strategy to follow. Either way, the decline in core goods prices in March will almost

surely be the last we'll see for some time, and the questions now seem to be how rapidly and to what extent core goods prices will rise, and how long the coming increases will be sustained.

At least for the first of those questions, we do not believe there to be a one-size-fits-all answer. For instance, the largest retailers will have more power to negotiate how the burden of higher tariffs will be shared with suppliers and will also have the wherewithal to make shifts in supply chains to work around the worst of the tariff increases. In contrast, smaller, independent sellers, particularly those heavily tied to China as the source of the goods they sell, will be in a much tougher spot, with less negotiating power, less ability to shift supply networks, and likely less power to pass the cost of higher tariffs along in the form of higher selling prices.

We can point to two factors that could, at least for a time, act as brakes on the pace at which core goods prices rise and the extent to which they will do so. Going back to the prior discussion of the surge in imports in Q1, to the extent retailers built up inventories ahead of higher tariffs, it will take some time for inventories to be pared down to the point that shortages would lead to rapid spikes in prices, particularly in those categories of goods in which consumers pulled purchases forward to avoid tariff-related price increases. It is interesting that, despite facing an array of higher tariffs on imports of parts used in assemblies at their U.S. plant and imports on finished vehicles, motor vehicle dealers have thus far been somewhat restrained in pricing decisions. Sufficiently high inventories buy them some time on pricing decisions, but if higher tariffs remain in place for an extended period, it seems inevitable that prices for new motor vehicles will rise significantly. The prospect of that seems to already be having an impact on prices for used vehicles, which have turned higher on the wholesale level on the anticipation of higher demand for used vehicles in response to higher prices for new vehicles. This is a recent turnabout from what had been softening prices for used vehicles on the wholesale level that only in March turned up in the retail-level inflation data.

It could also be the case that many retailers are waiting out the ninety-day pause on the most punitive tariffs announced on April 2 being implemented while monitoring developments on the trade deal front to get a better sense of where tariffs will ultimately settle. At that point they will be better able to make appropriate longer-run decisions on supply chains and pricing. To be sure, there will be some sellers of goods who will, or who will at least try to, be aggressive with pricing right of the bat, but it isn't clear all retailers will do so. We'd argue that the decline in core goods prices in March shows a level of awareness amongst retailers that even with higher tariffs looming there are limits on their pricing power given the extent to which consumers are already fatigued by the cumulative increases in prices over the past few years.

That said, even if the most punitive tariffs announced on April 2 are avoided, it seems likely that we will at the least end up with a baseline tariff rate of ten percent, with the possibility of higher rates being applied to certain categories of goods and to certain countries. As such, core goods prices can be expected to begin rising, perhaps sharply, over coming months, and a return to the prolonged period of core goods price deflation seen from 2013 through the start of the pandemic seems most unlikely. To the extent that we do begin to see core goods price inflation, that will in turn put upward pressure on measures of overall prices at a time when overall inflation is still above the FOMC's 2.0 percent target rate. Again, given the still-uncertain outlook around where tariffs will ultimately settle and how suppliers and retailers will respond, just how high inflation will push as a result of higher tariffs remains most uncertain.

It helps to keep in mind, however, that goods account for roughly one-third of all consumer spending, with services accounting for the much larger share. As such, services prices carry a much heavier weight in the composition of indexes of prices on the retail, or, consumer, level. Though not completely immune to higher tariffs, services prices on the whole will be much less sensitive to higher tariffs. As seen in the chart on the prior page, core services price inflation continues to decelerate, particularly measures of core services prices excluding shelter costs. To the extent this continues in the months ahead, as we expect will be the case, this will act as a check on the extent to which rising core goods price inflation will push overall inflation higher as the effects of higher tariffs work their way through the economy. To be sure, the net result will still be that inflation gets further away from the FOMC's 2.0 percent target rate, but the distance between the two may not be as great as implied by only considering the effects of higher tariffs on goods prices.

We began pointing to softening demand for discretionary services spending – such as travel, tourism, recreation, entertainment, and dining out – over the latter months of 2024. That softening has been seen in the data on discretionary services prices thus far in 2025 and was apparent in Q1 earnings calls by providers of such services. This is one factor behind the deceleration in measures of core services price inflation, and we expect that will remain the case in the months ahead. Still, whatever offset further slowing in core services price inflation provides for accelerating core goods price inflation will not be felt evenly across the household sector. For instance, lower-to-middle income households who devote little of their budgets to discretionary services prices will, in terms of their overall cost of living, feel the sting of higher goods prices far more acutely than will higher-income households, particularly to the extent the latter group shifts spending away from discretionary goods to discretionary services.

To be sure, there is just as much uncertainty around the path of inflation in the months ahead as there is around seemingly every aspect of the economy, and that will remain the case until there is much greater clarity on the policy front. The point here, however, is that while a period of goods price inflation, perhaps substantial, seems inevitable, continued deceleration in core services price inflation could prove to be a buffer against the ultimate increase in overall inflation. That will, in turn will influence, how the FOMC interprets, and reacts to, accelerating goods price inflation.

April Employment Report

Ahead of its release, there was a certain sense of doom around the April employment report, as many expected it would bear the marks of tariff-related disruptions and the effects of cuts in the federal government workforce. Though there was considerable variance on either side of it, the consensus forecast anticipated nonfarm payrolls would rise by only 130,000 jobs in April. Our forecast was even lower, as we looked for an increae of 111,000 jobs. Though we, correctly, expected to see little impact from cuts

in federal government employment, the bulk of which we expect to see in the October employment report, we did expect to see signs of diminished demand for labor stemming from a highly uncertain outlook around trade policy amid an already slowing pace of economic activity. Moreover, we expected unfavorable seasonal adjustment to depress the headline job growth number, reflecting smaller increases in not seasonally adjusted employment than is typical for the month of April in a host of industry groups.

At least on the surface, the April employment report outperformed expectations. Total nonfarm payrolls rose by 177,000 jobs, with private sector payrolls up by 167,000 jobs and public sector payrolls up by 10,000 jobs. Despite a sizable increase in the size of the labor force, the unemployment rate held steady at 4.2 percent, and the broader U6 measure ticked down to 7.8 percent from 7.9 percent in March. Not surprisingly, that set of headline numbers was greeted with a deep sigh of relief in the financial markets, which had been bracing for something worse.

The details of the April employment report, however, were a bit less constructive. For instance, prior estimates of job growth in February and March were revised down by a net 58,000 jobs for the two-month period so, in that sense, the level of nonfarm payrolls as of April was almost right where we expected it would have been had our forecast for April job growth been on the mark. At the same time, the increase in not seasonally adjusted payrolls was smaller than is typical for the month of April, and while we anticipated that, seasonal adjustment was not as harsh as we expected would be the case, which flattered the headline job growth number. And, as has been the case far too many times over the past few years, we can point to a notably low collection rate for the BLS's establishment survey – 55.7 percent in April – as casting doubt over the reliability of the initial estimates of employment, hours, and earnings in April.

Those caveats aside, it is a fair assessment to say that, while clearly cooling, the labor market is nonetheless proving to be somewhat resilient. While the trend rate of job growth has for months been slowing, thus far that remains a function of a slowing rate of hiring as opposed to a rising rate of layoffs. Clearly, to the extent disruptions stemming from higher tariffs become more pronounced in the months ahead, a sharp and sudden increase in layoffs remains a troubling downside risk. This is why we continue to stress the importance of the weekly data – not seasonally adjusted – on initial claims for unemployment insurance, which we see as the most important labor market indicator at present.

We can point to a few other metrics beneath the headline job growth number that are worth monitoring for shifts in labor market conditions and conditions in the broader economy. For instance, changes in aggregate hours worked have historically been a better indicator of turns in the business cycle than changes in either the level of nonfarm employment or the unemployment rate. As such, it is notable that the revised data show the average length of the workweek rose by one-tenth of an hour in March, to 34.3 hours, a level that held in April. We had expected average weekly hours to fall in April, as uncertainty over the course of trade policy amid a slowing pace of economic activity weighed on the demand for labor, but with firms not yet at the point where they'd start letting workers go, they would reduce hours worked as a means of paring down total labor input. That average weekly hours have ticked higher could reflect pretty much the opposite story, i.e., firms not yet confident enough to take on additional workers instead have upped hours worked as a means of increasing total labor input. Even if tariff-related disruptions become more pervasive over coming months, the initial response from many firms will likely be to alter hours worked rather than make significant changes to head counts. As such, average weekly hours will bear watching.

Two metrics that can give us a sense of deteriorating conditions in the broader economy are the number of people working part-time due to slack business conditions and the number of people who report permanent job losses. As with most metrics that are pulled from the household survey, these two can be volatile on a month-to-month basis, but it is worth noting that the number of those reporting permanent job losses has been trending higher and in April rose to the highest level since October 2021. One thing to note here is that while the bulk of displaced federal government workers will remain "on the books" until the end of the fiscal year on September 30, and as such will be counted as employed in the establishment survey, it could be that they are reporting their job losses when responding to the household survey. If so, this would account for at least some of the recent upturn in permanent job losers. The number of people working part-time due to slack business conditions was flat in April, and while the number or people in this category turned higher in mid-2024, it has remained in a fairly narrow range since then. Going forward, both of these metrics can be useful guides to overall economic conditions.

It is a long-standing quirk in the data that in months when the establishment survey period ends before the middle of the month, the average hourly earnings metric is biased lower. That was behind our below-consensus but on the mark forecast of a 0.2 percent increase in April. We have routinely noted that the more relevant metric, in terms of growth in personal income, is aggregate wage and salary earnings, the product of the number of people working, how many hours they work, and how much they earn each hour. In April, aggregate wage and salary earnings of private sector workers rose by just 0.3 percent, but this yielded a year-on-year increase of 5.3 percent, the largest such increase in over a year. Through this entire bout of elevated inflation, growth in aggregate private sector labor earnings has outpaced inflation, which has been a critical support for consumer spending.

One of the most noteworthy developments in the labor market in 2023 and 2024 was the extent to which inflows of foreign born labor fueled robust growth in the supply of labor. By late-2024, however, we were pointing to a slowing flow of foreign born labor and expected that slowdown to become much more pronounced in 2025, in large part reflecting the effects of immigration reform. That has been the case thus far, as the number of foreign born persons in the labor force was lower in April than it was in January. While we had worried that outflows of foreign born labor could trigger an adverse labor supply shock in 2025 that would add to inflation and be a drag on growth, it could be that dimming labor demand could be negating much of the impact of the marked slowdown in the inflow of foreign born labor.

We'll end by circling back to a point we made at the outset, which is that there is, at present, an unusually wide range of potential economic outcomes, reflecting an unusually wide range of policy outcomes. In terms of how the labor market will fare, the metrics we've pointed to here will likely be better guides than the monthly headline job growth numbers will be.

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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	-0.3	2.1	0.1	0.9	1.1	2.4	2.2	Real GDP[1]	2.5	2.9	2.8	1.4	1.4
4.0	1.8	1.7	-0.6	1.0	1.5	1.9	2.4	Real Personal Consumption[1]	3.0	2.5	2.8	2.1	1.4
-2.9	9.8	-3.8	-1.7	-1.1	0.8	2.6	3.5	Real Business Fixed Investment[1]	7.0	6.0	3.6	1.5	0.7
-8.7	22.5	-11.6	-6.1	-4.5	0.4	3.5	5.3	Equipment[1]	4.4	3.5	3.4	1.9	-0.7
-0.5	4.1	3.5	3.4	3.1	3.2	4.0	4.4	Intellectual Property and Software[1]	11.2	5.8	3.9	2.6	3.6
2.9	0.4	-3.0	-3.9	-3.5	-4.0	-2.7	-2.2	Structures[1]	3.6	10.8	3.5	-1.3	-3.2
5.5	1.3	-1.0	-3.5	-3.8	-3.1	-0.9	1.4	Real Residential Fixed Investment[1]	-8.6	-8.3	4.2	-0.3	-1.9
3.1	-1.4	-0.8	0.1	0.7	0.3	0.3	-0.1	Real Government Expenditures[1]	-1.1	3.9	3.4	0.9	0.2
-1,052.7	-1,374.3	-1,110.5	-1,037.2	-1,028.6	-1,034.4	-1,055.1	-1,085.9	Real Net Exports[2]	-1,041.7	-932.8	-1,033.6	-1,137.6	-1,070.7
1,018	1,012	952	936	926	923	926	931	Single Family Housing Starts, ths. of units[3]	1,006	948	1,014	956	929
374	381	380	384	388	392	395	397	Multi-Family Housing Starts, ths. of units[3]	546	473	354	383	396
3.3	2.5	1.4	-0.2	-2.4	-3.4	-2.8	-1.3	CoreLogic House Price Index[5]	13.0	4.1	4.3	0.3	-1.6
16.5	16.5	16.4	15.3	15.4	15.5	15.6	15.8	Vehicle Sales, millions of units[3]	13.8	15.5	15.8	15.9	15.7
4.1	4.1	4.2	4.4	4.7	4.7	4.6	4.5	Unemployment Rate, %[4]	3.6	3.6	4.0	4.4	4.6
1.2	1.2	1.1	1.0	0.5	0.2	0.1	0.3	Non-Farm Employment[5]	4.3	2.2	1.3	1.0	0.3
1.9	2.7	2.0	-1.0	-0.3	3.6	1.8	2.6	Real Disposable Personal Income[1]	-5.6	5.1	2.7	1.4	1.7
2.4	2.6	2.5	3.0	3.3	2.9	3.0	2.5	GDP Price Deflator[5]	7.1	3.6	2.4	2.9	2.6
2.5	2.5	2.4	3.2	3.5	3.2	3.3	2.7	PCE Deflator[5]	6.6	3.8	2.5	2.9	2.9
2.7	2.7	2.9	3.8	4.1	3.8	3.6	2.9	Consumer Price Index[5]	8.0	4.1	3.0	3.4	3.2
2.8	2.8	2.8	3.4	3.6	3.3	3.2	2.7	Core PCE Deflator[5]	5.4	4.1	2.8	3.1	2.9
3.3	3.1	3.2	3.8	4.0	3.8	3.5	2.9	Core Consumer Price Index[5]	6.2	4.8	3.4	3.5	3.2
4.69	4.38	4.38	4.16	3.70	3.45	3.38	3.38	Fed Funds Target Rate Range Mid-Point, %[4]	1.73	5.07	5.19	4.15	3.39
4.28	4.45	4.33	4.23	4.25	4.29	4.39	4.47	10-Year Treasury Note Yield, %[4]	2.95	3.96	4.21	4.32	4.42
6.63	6.83	6.75	6.63	6.62	6.62	6.64	6.64	30-Year Fixed Mortgage, %[4]	5.34	6.81	6.72	6.71	6.64
-3.8	-4.2	-3.7	-3.6	-3.4	-3.4	3.3	-3.5	Current Account, % of GDP	-3.9	-3.3	-3.4	-3.7	-3.5

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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