U.S. Economic Conditions and Macro Outlook

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The views herein are those of the presenter and do not necessarily reflect those of the Federal Reserve Bank of Kansas City or the Federal Reserve System.
Elevated growth persisted despite monetary policy tightening

Source: BEA, BLS, Haver Analytics
Inflation pressures have slowed in several areas of the economy.
Although inflation pressures have lessened, they still show signs of being elevated persistently above the Fed’s 2 percent target.
Increasing supply chain pressures and inflation expectations pose upside risks to inflation

A GSCPI index above zero indicates the number of standard deviations above the historical average value of the index.
Wage growth slowed significantly over the past year but remains elevated.
Job gains have been robust, with government employment playing an outsized role in overall job growth in recent quarters.

![Chart showing job growth from March 2021 to June 2023. The chart includes data for private employment, government employment, and total employment. The y-axis represents the year-over-year percentage change. The data points show a significant increase in government employment in March 2021, followed by more moderate growth in subsequent months. The chart is sourced from BLS and Haver Analytics.]
Improvements in labor supply helped to ease some pressure in labor markets, however, further supply increases are unlikely.
Business contacts are expressing lots of disagreement about the outlook, a circumstance that often precedes periods of softening employment.

Source: KC Fed Beige Book Surveys, BLS, staff calculations, Haver
The participants of the FOMC updated their projections for the path of the Federal Funds Rate at their meeting in March.
Commercial real estate activity is subdued across the region, but contacts report highly mixed conditions across markets and property types.

Source: KC Fed Beige Book Surveys, staff calculations
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