

# Economic Outlook

## April 2025

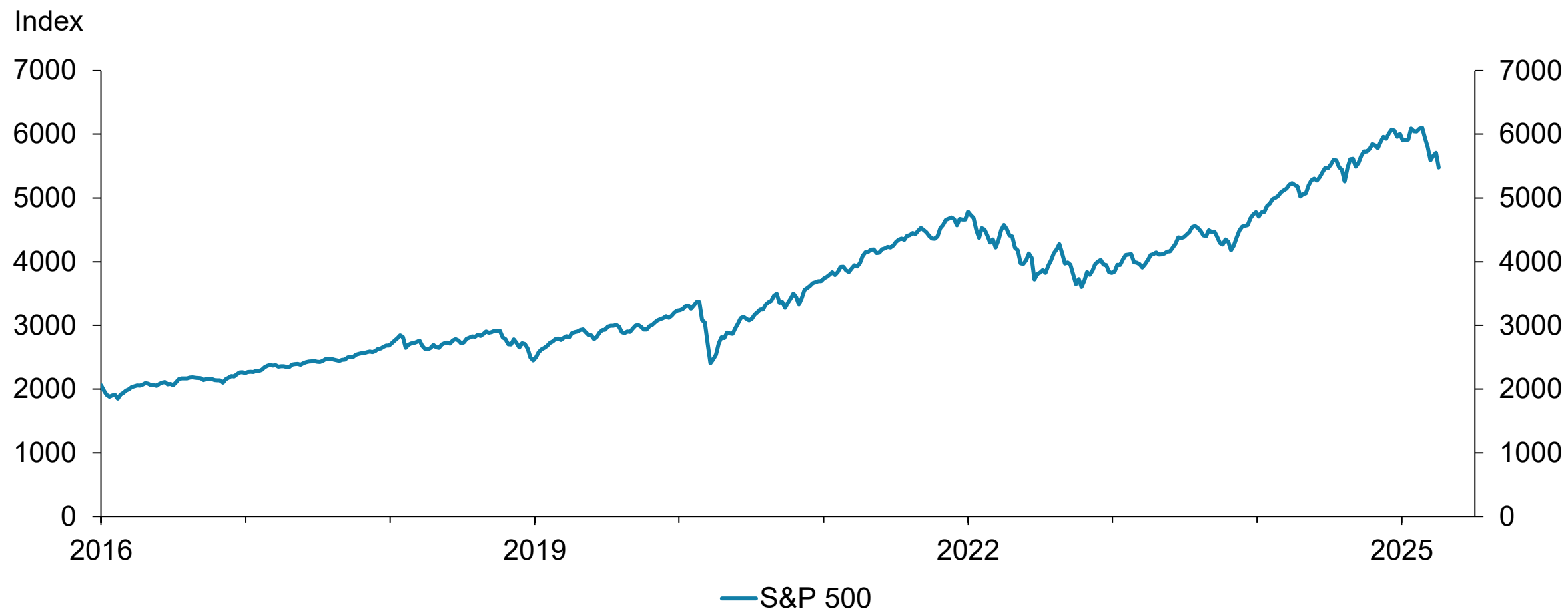
**Joe Gruber**

**Executive Vice President and Director of Research**

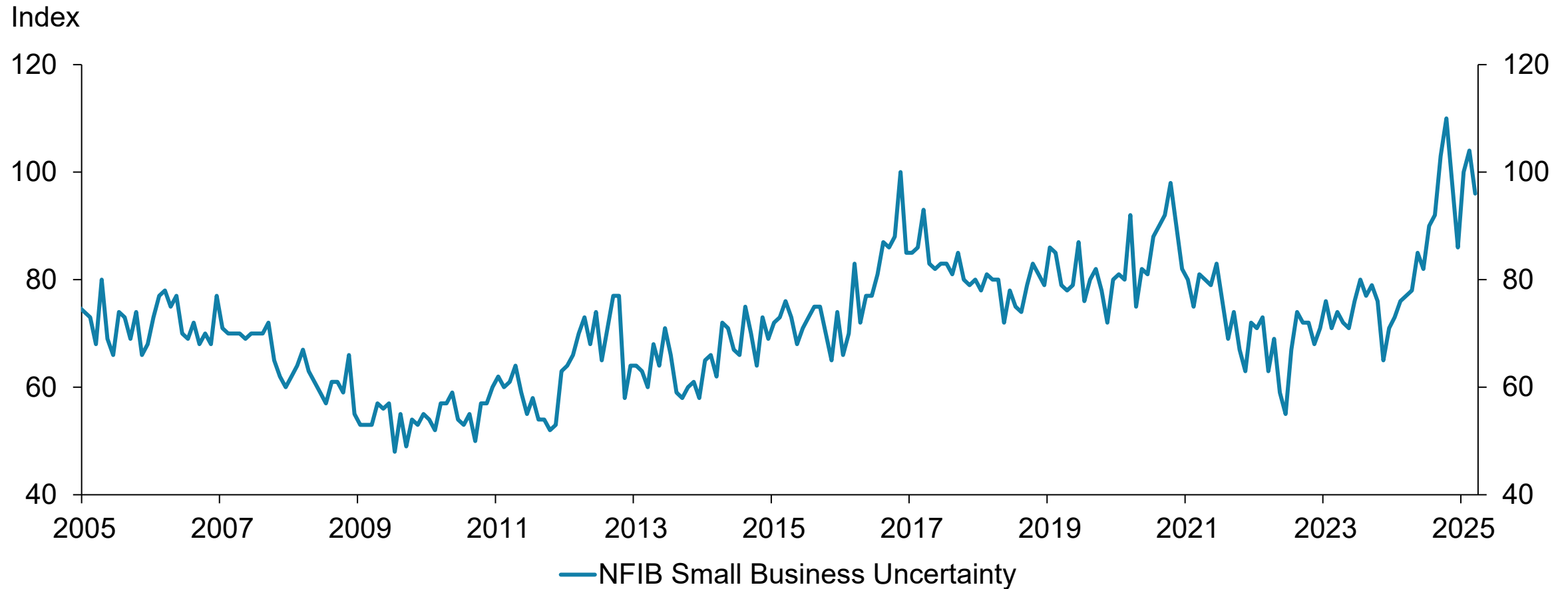


Denver / Oklahoma City / Omaha

# Financial Markets are Volatile

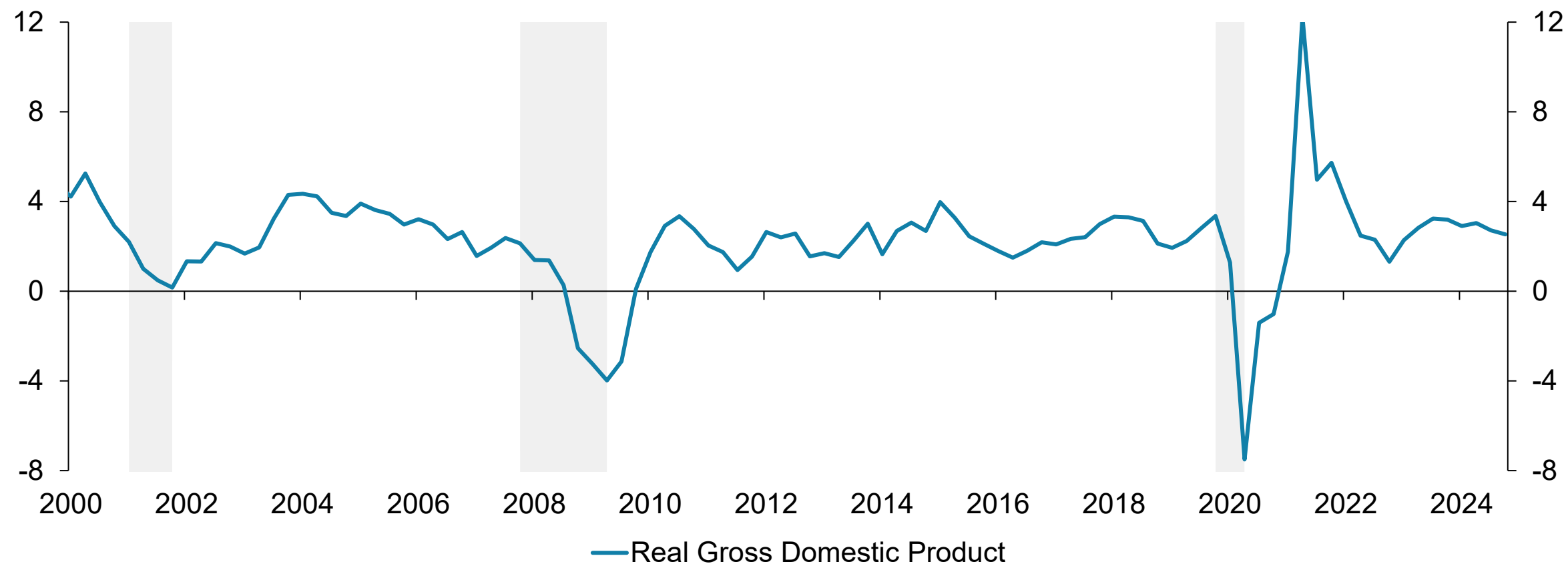


# As Uncertainty Increases



# Economy has momentum

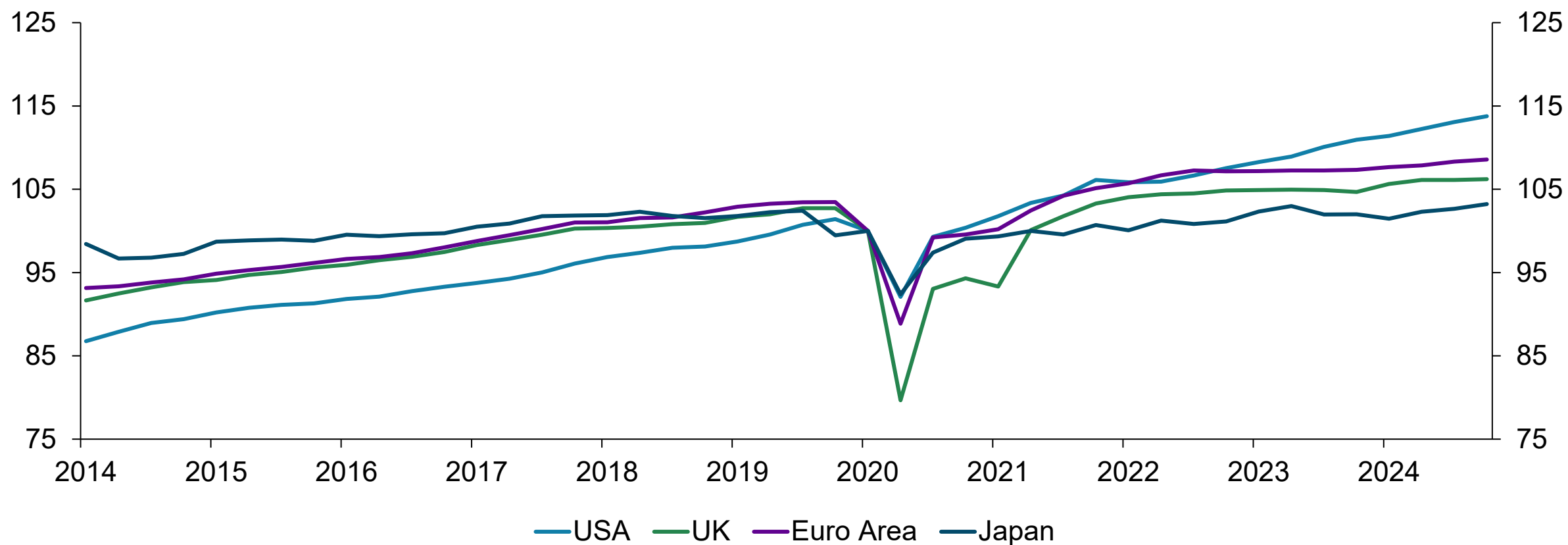
Year/Year % Change



Sources: BEA, Haver Analytics

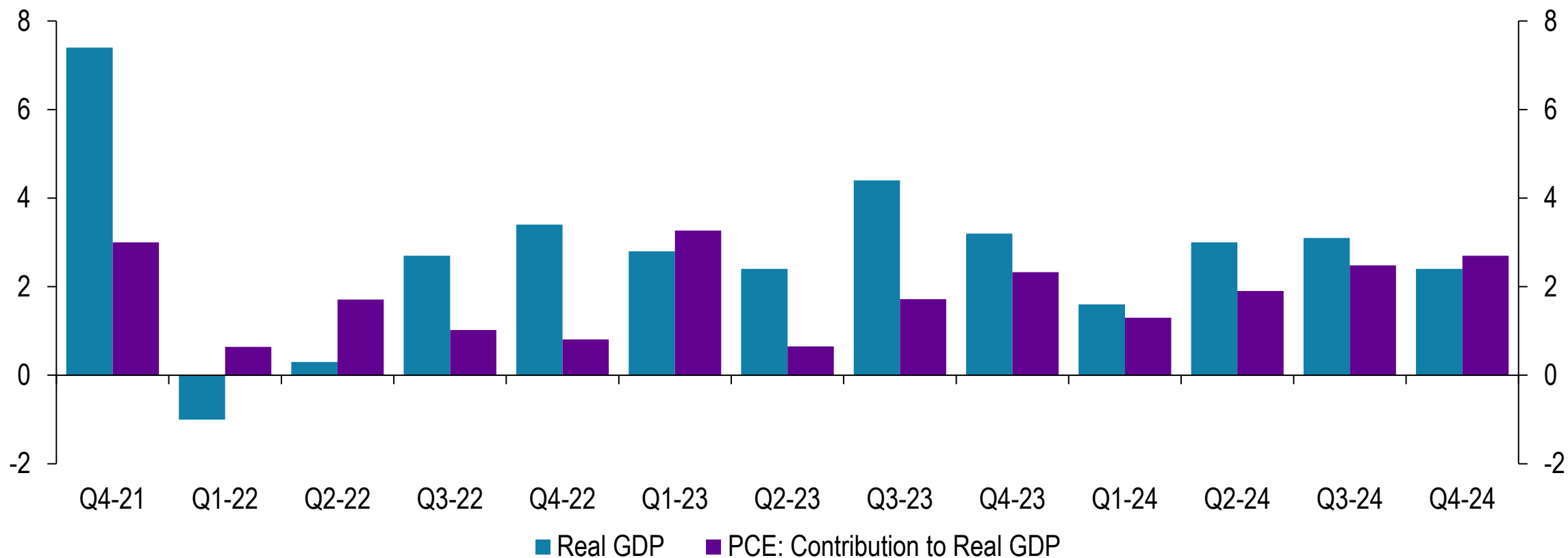
# Stands out among global peers

GDP Level Index, 2020Q1 = 100

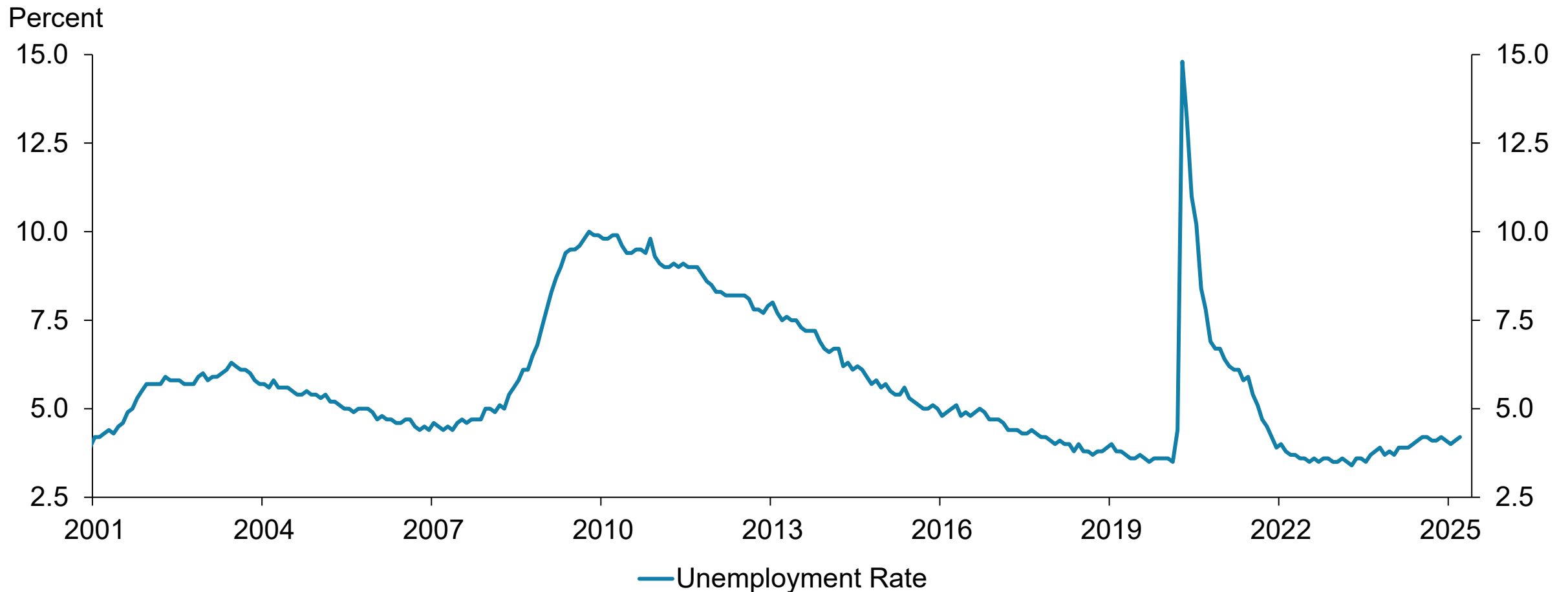


# Powered by strong consumer.

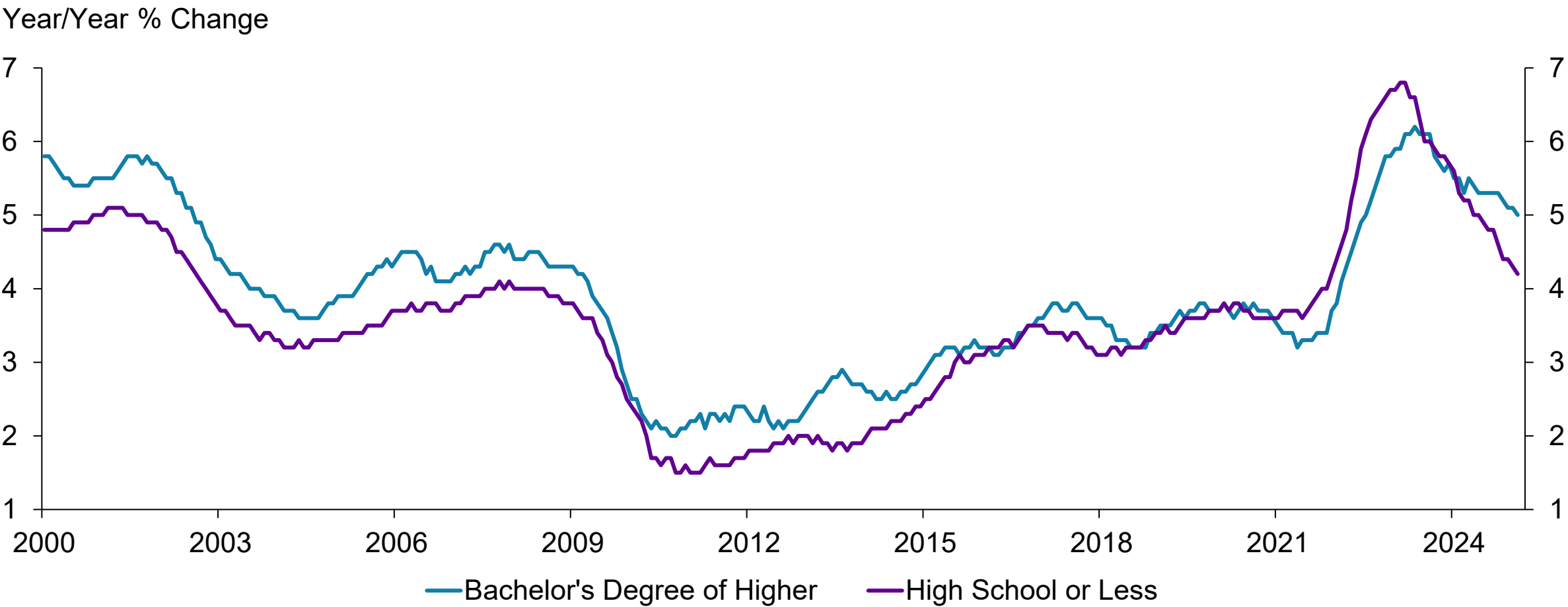
Quarter/Quarter % Change Annualized



# Labor market strong through beginning of the year



# Wage growth slowing but still high

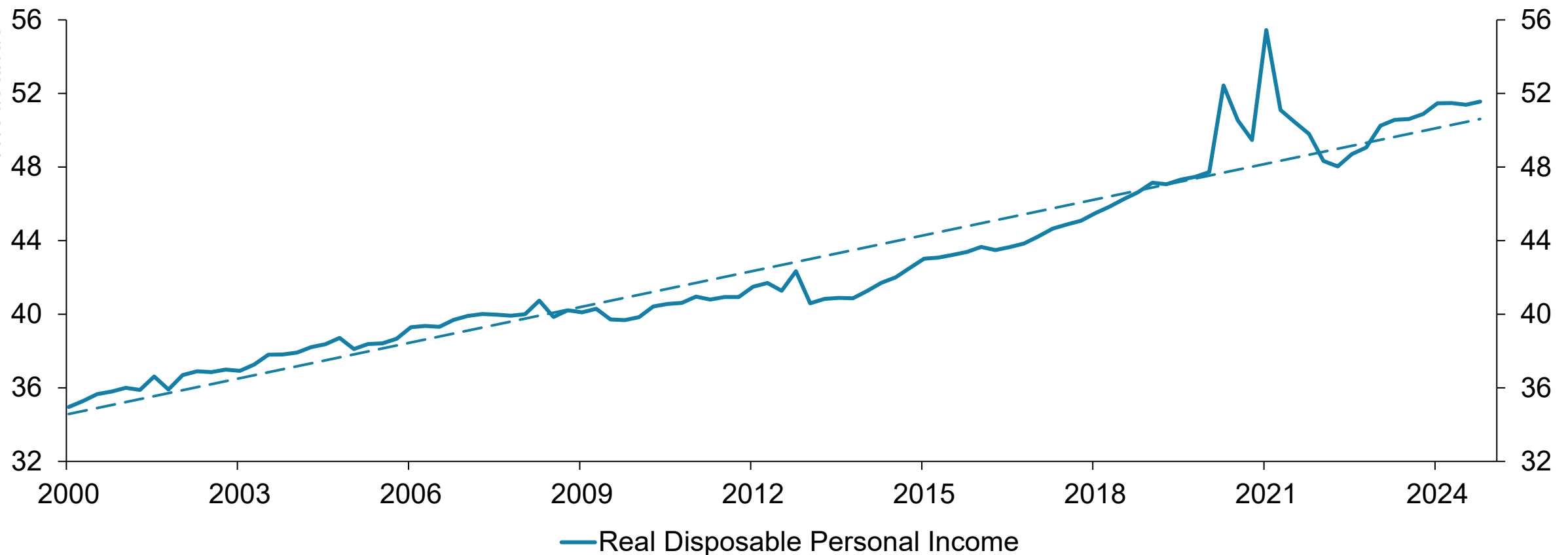


Sources: FRB Atlanta, Haver Analytics

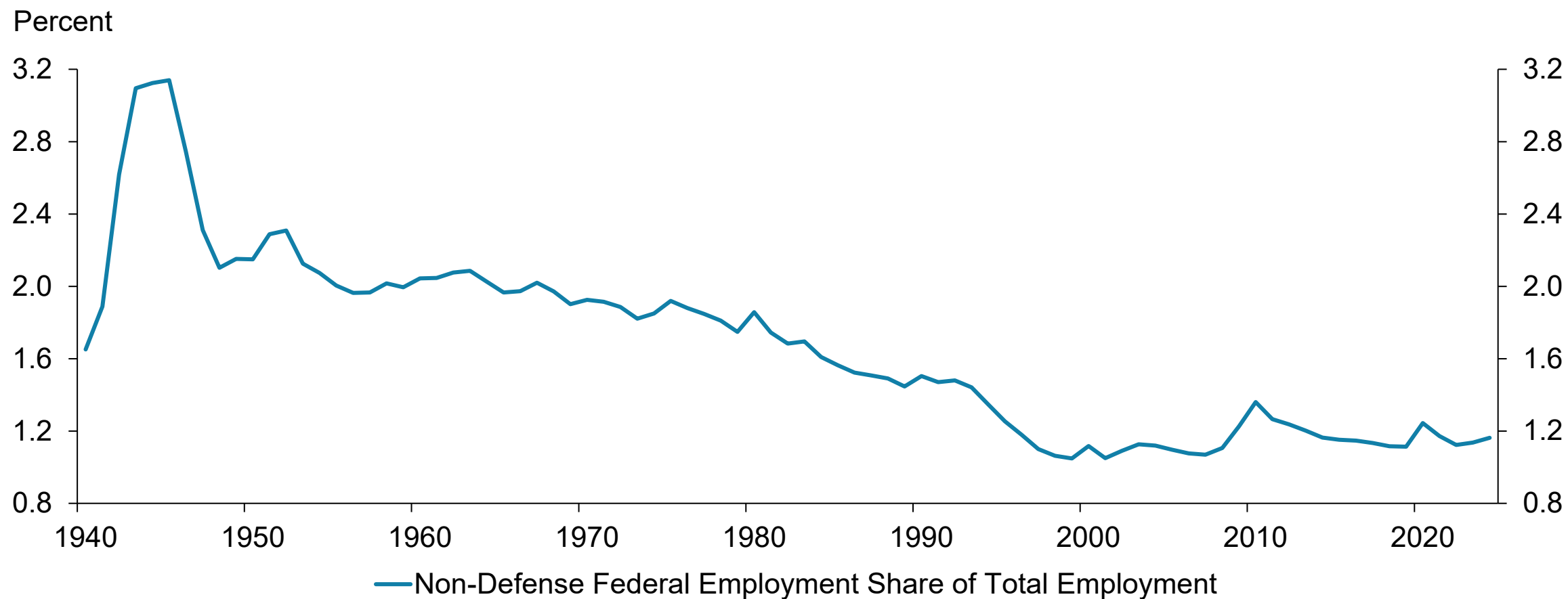


# Growth supported by solid income growth

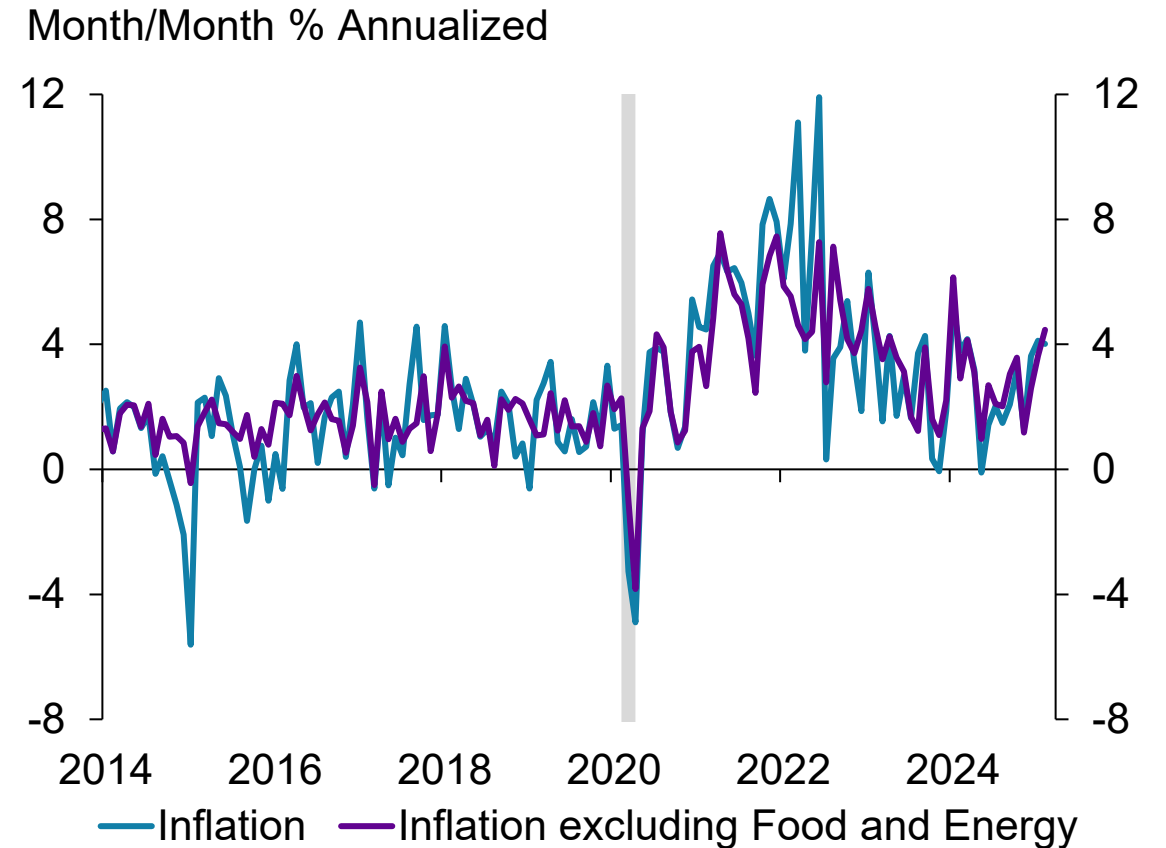
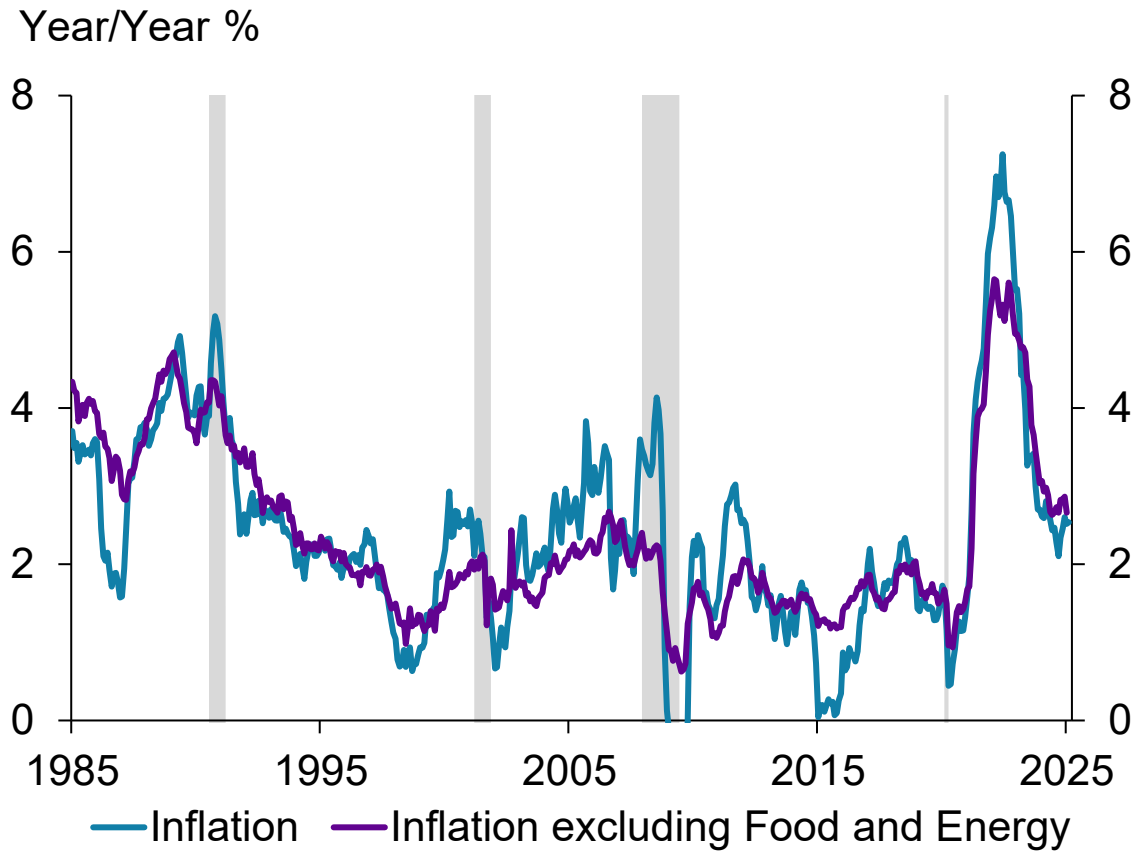
Thousands per Capita, \$



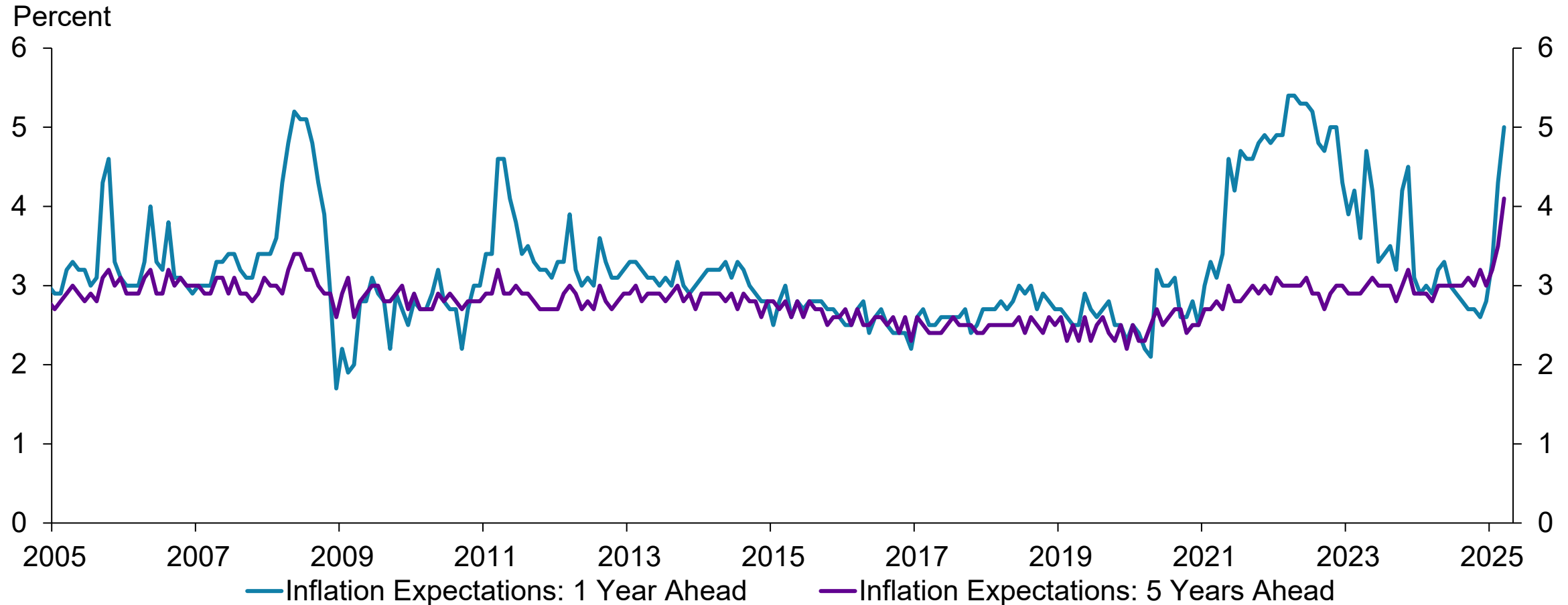
# Federal Workforce



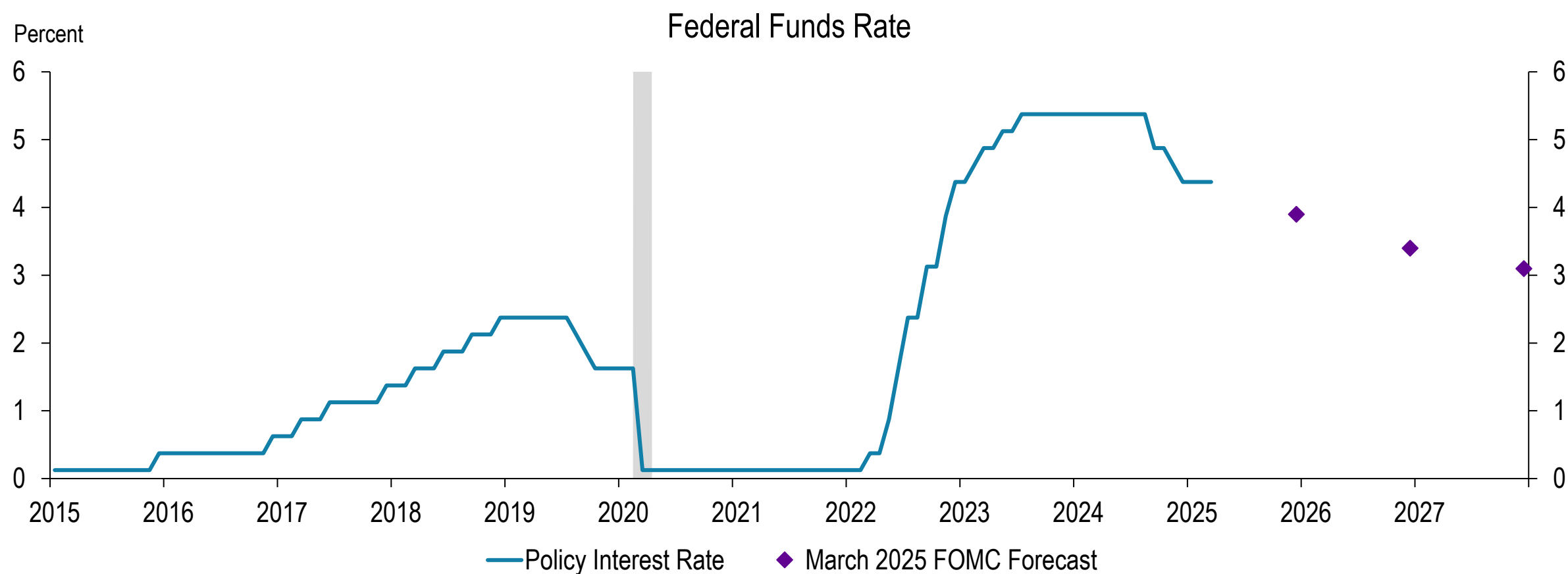
# Inflation has come down but still running a bit hot



# Rising concern about inflation expectations

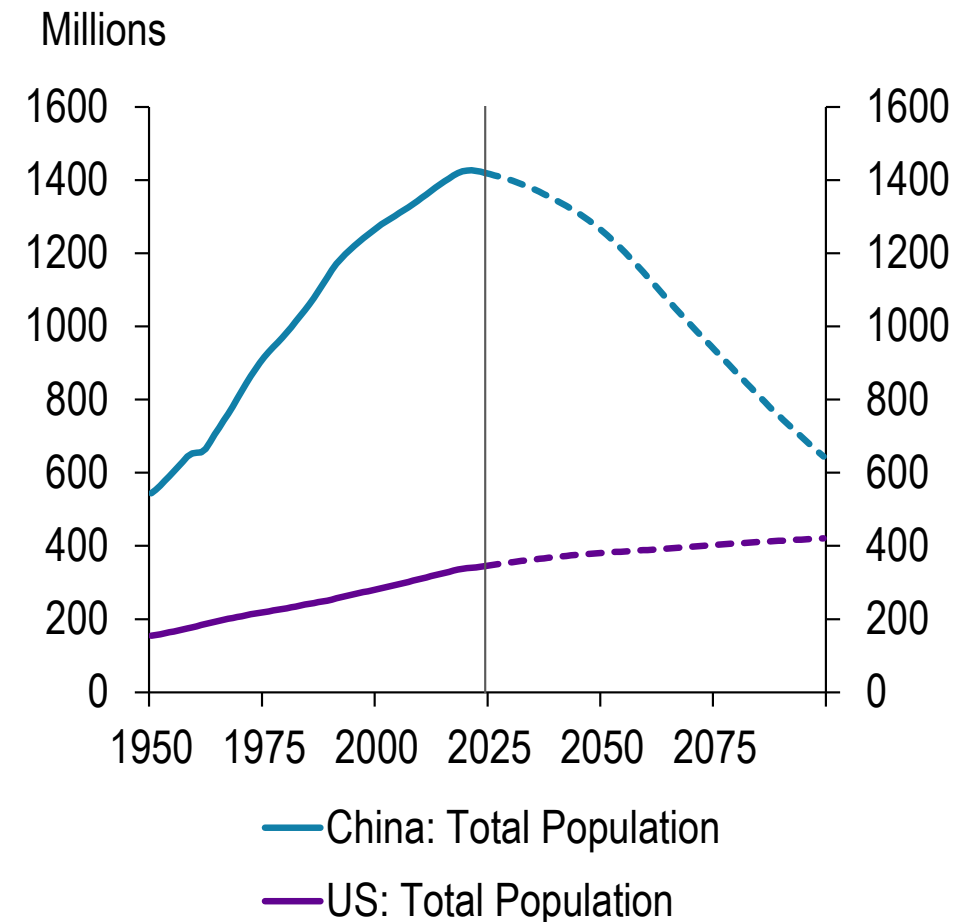
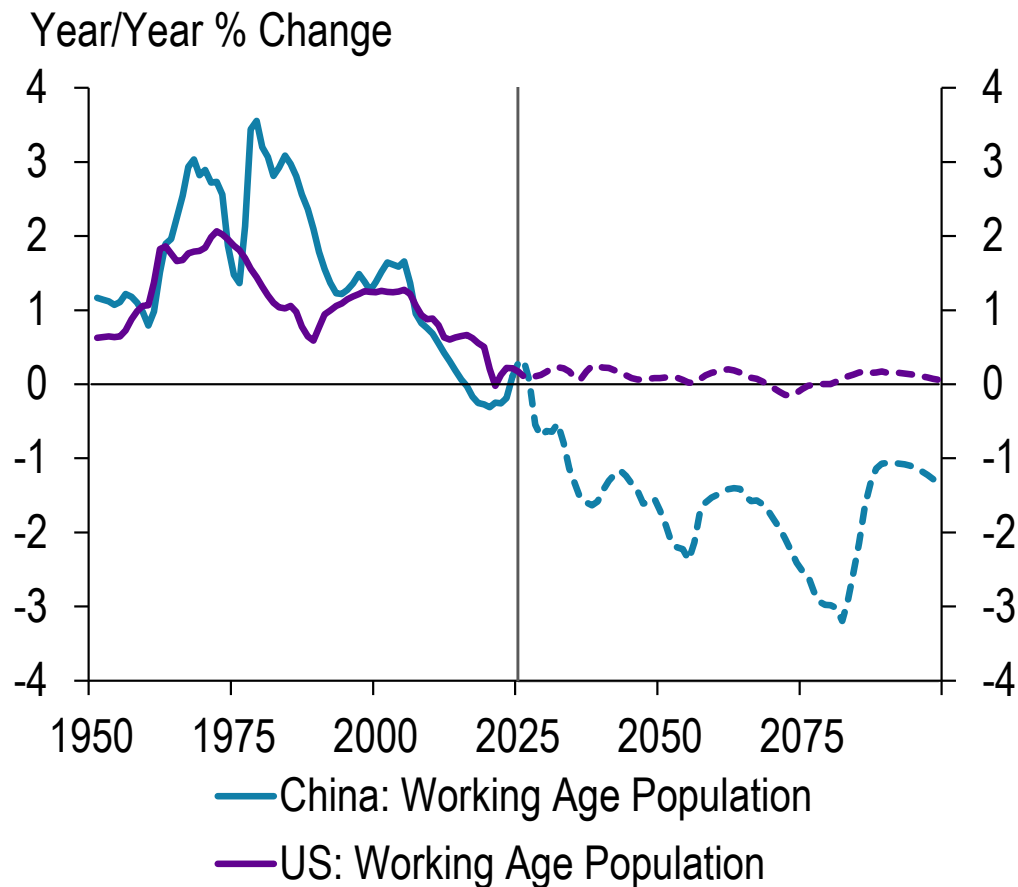


# How Restrictive is Policy?

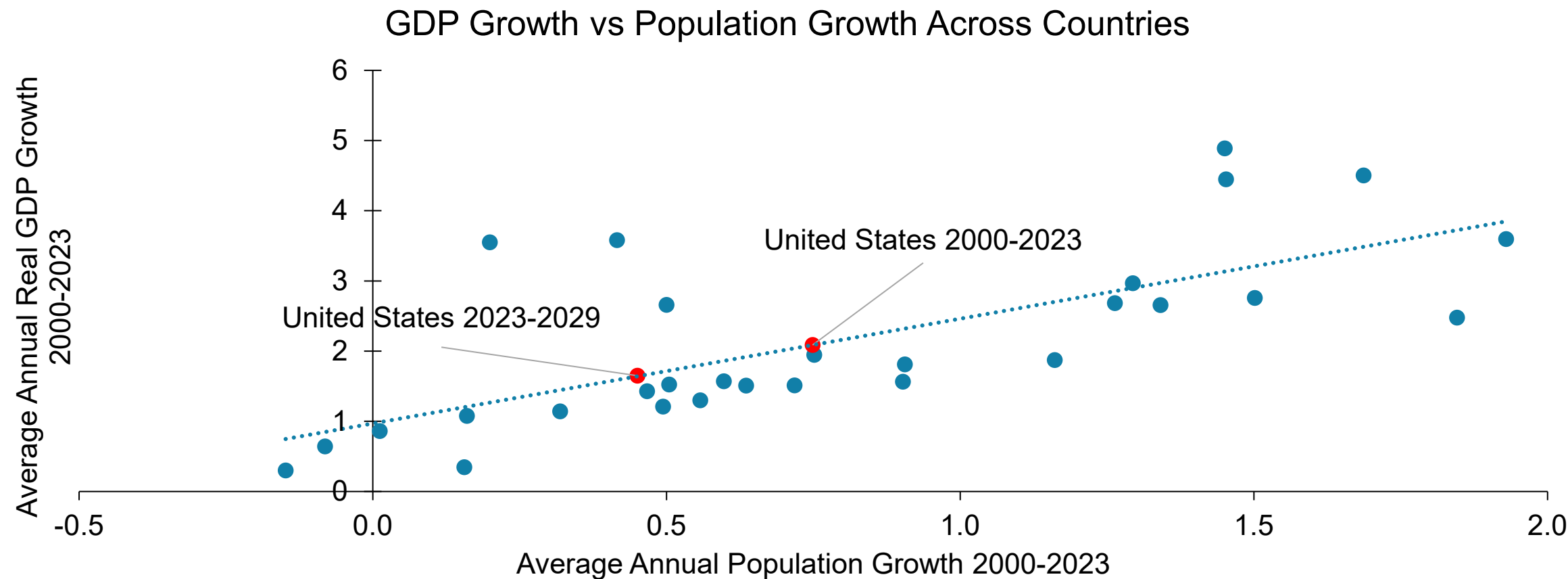


Sources: FRB, Haver Analytics

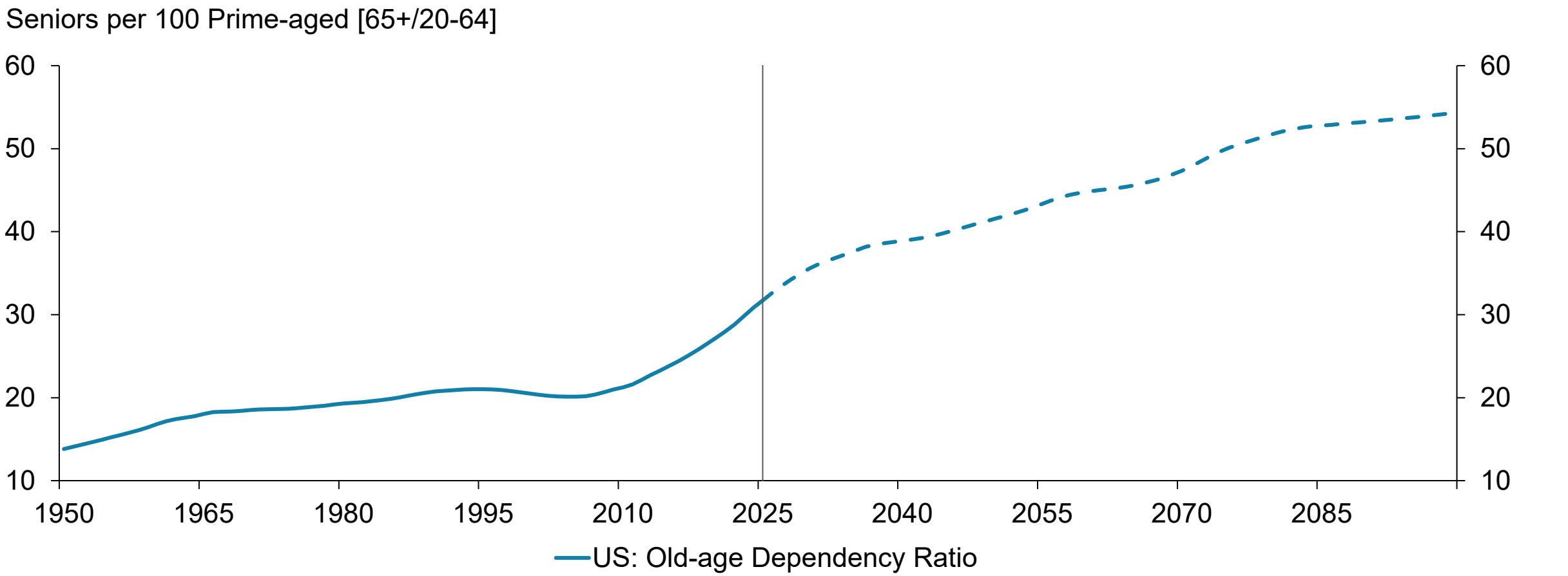
# Demographic Challenges



# Demographics: Slower Population Growth = Slower Growth



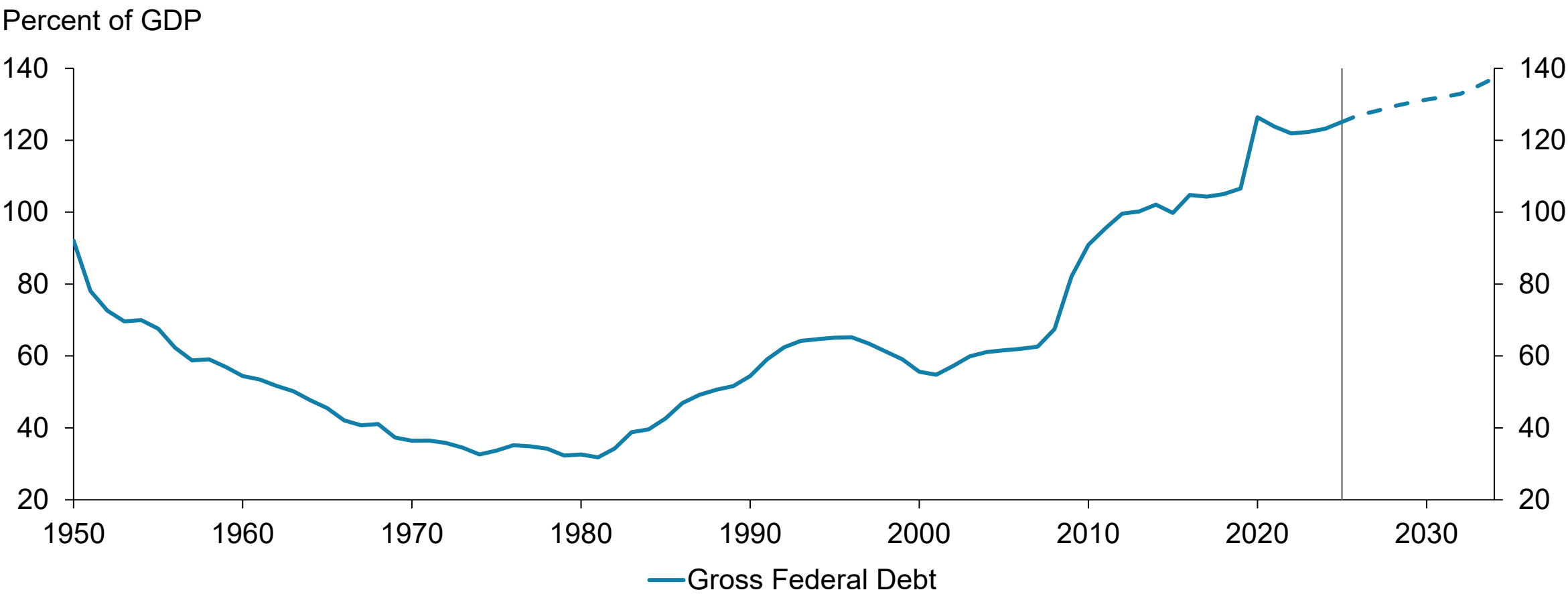
# Ageing population holds down interest rates



Sources: United Nations, Haver Analytics



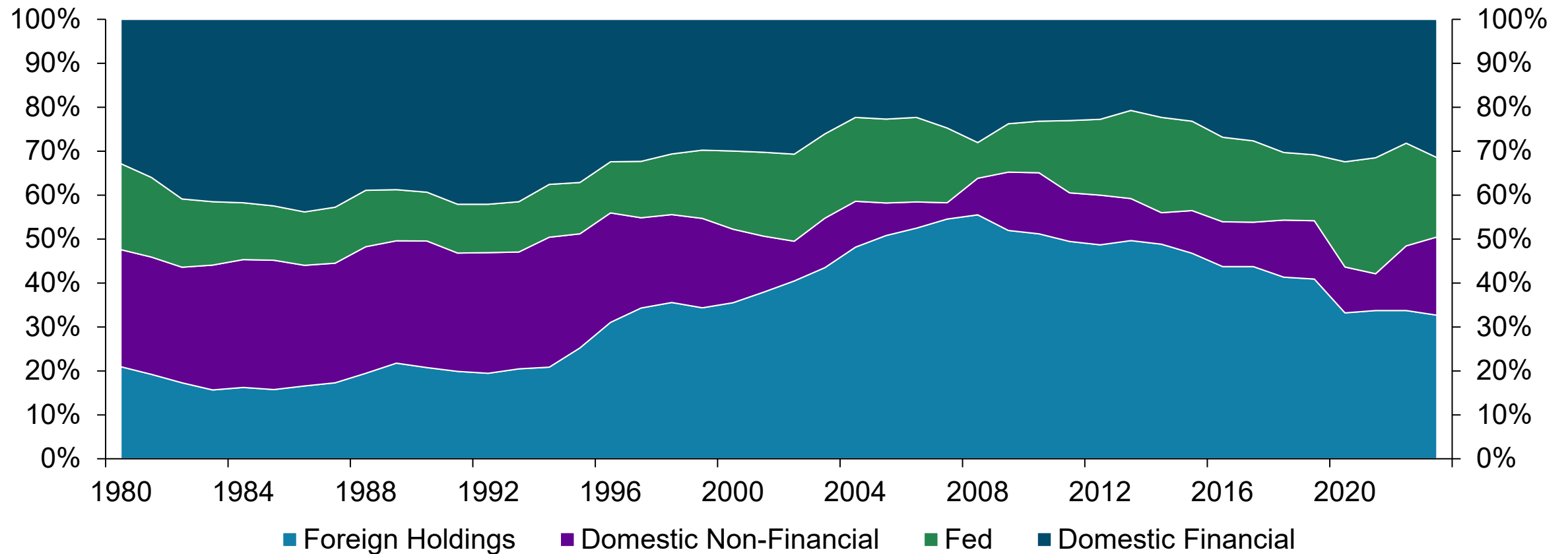
# Growing supply of government debt



Sources: Congressional Budget Office, Haver Analytics

# Shifting Pattern of Demand for U.S. Debt

Share of US Treasury Holdings



# Summary of Scenarios

	Growth	Interest Rates
Productivity Boom	↑	↑
Demographic Decline	↓	↓
Debt Overhang	↓	↑

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- [Charting the Economy](#)  
Timely economic content curated by research staff at the Federal Reserve Bank of Kansas City.
- [Labor Market Conditions Indicators](#)  
Two monthly measures of labor market conditions based on 24 labor market variables.
- [Kansas City Financial Stress Index](#)  
A monthly measure of stress in the U.S. financial system based on 11 financial market variables.

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