

National and Regional Economic Conditions

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Nicholas Sly

Assistant Vice President, Economist and Denver Branch Executive

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

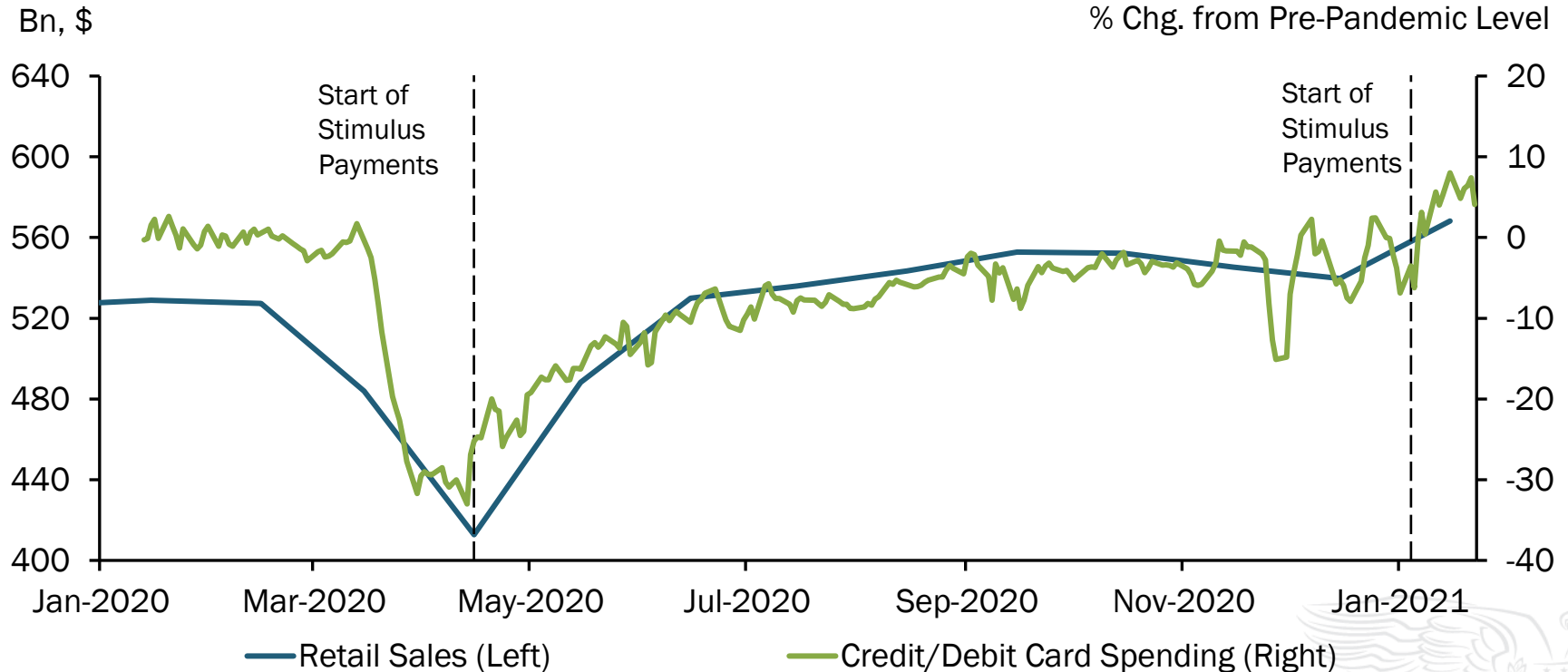


Outlook themes

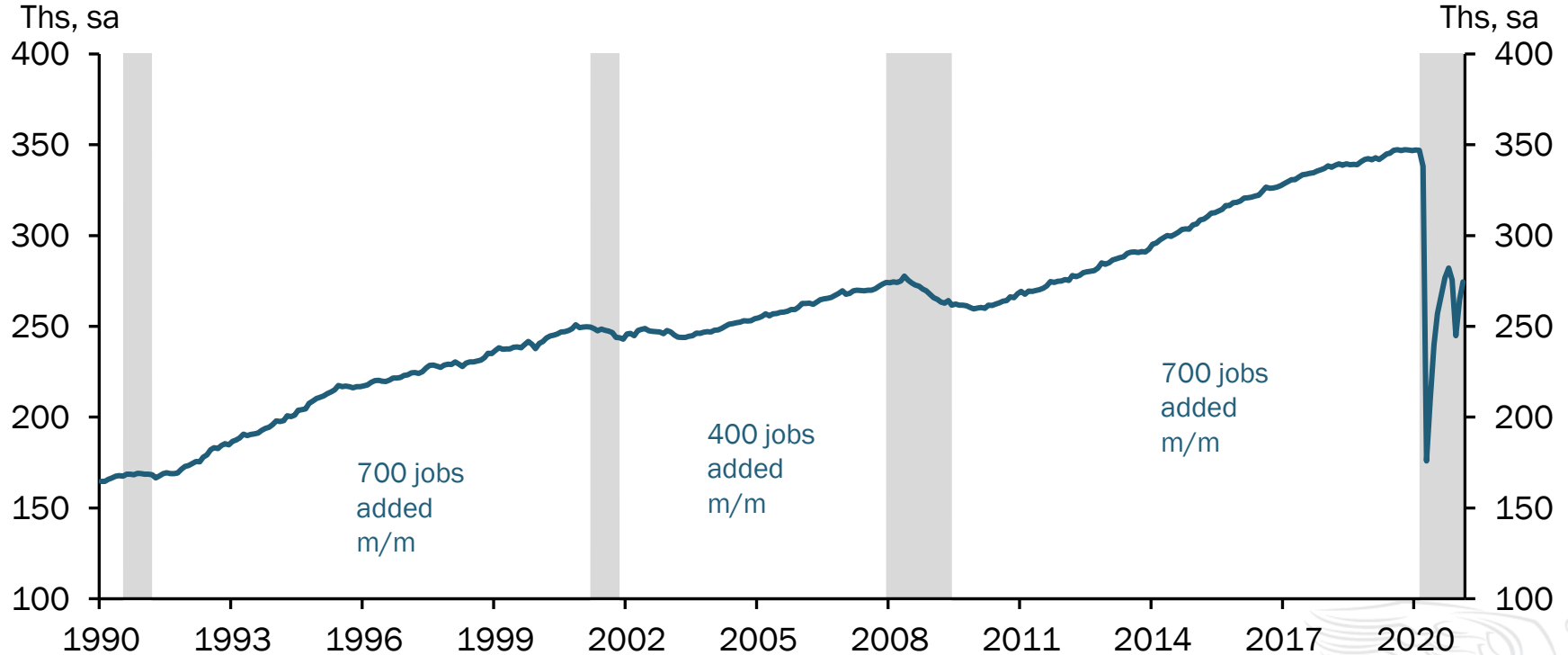
- Consumers' pent-up demand is poised to drive faster-than-trend consumption growth and faster-than-typical employment growth in the leisure and hospitality sector in the near term
- Over the medium term, the pace of recovery will likely moderate, with consumption growth and business investment providing ongoing support for recovery
- Supply chain restrictions and uncertainty about the pace of consumer spending remain risks to the outlook in the near term
- Readings of inflation are likely to pick up in the near term due to a variety of temporary factors



Fiscal support provided aid to household balance sheets in addition to supporting consumer spending throughout the District

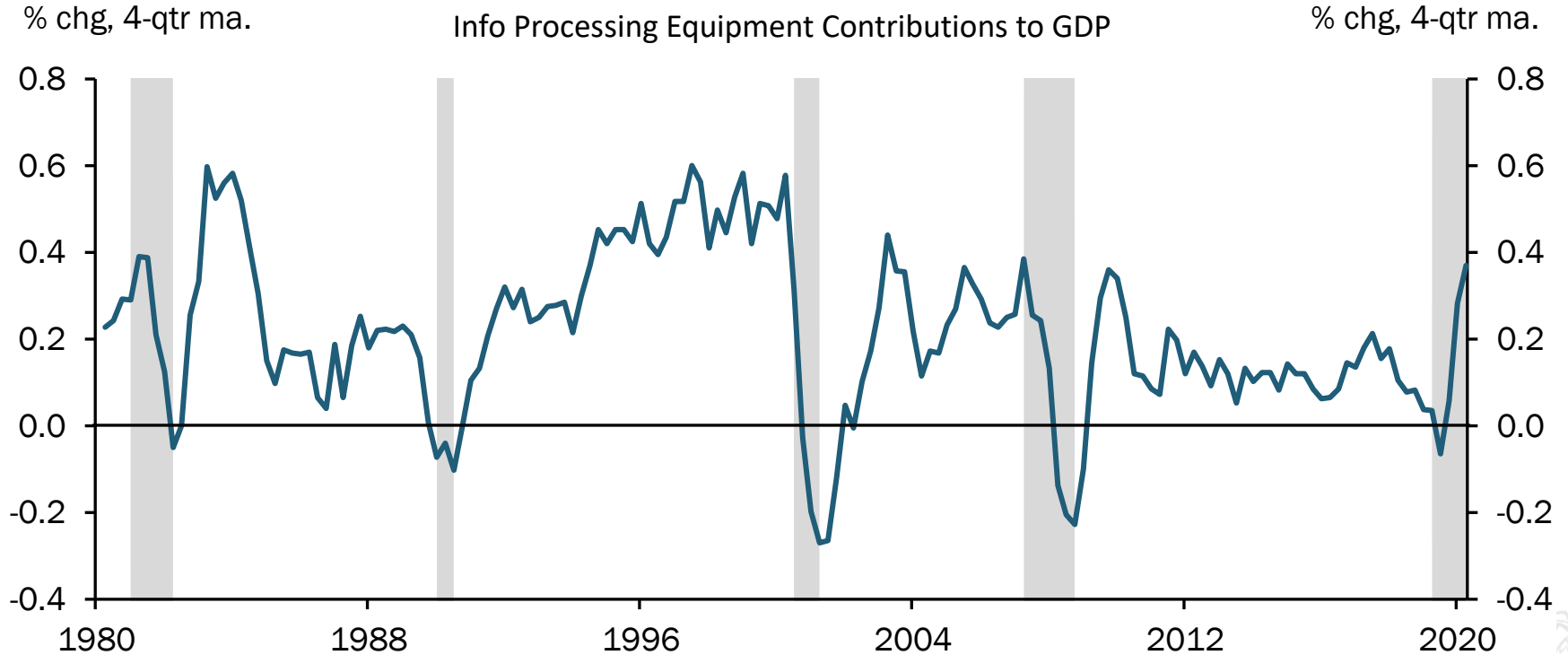


Recovery in leisure and hospitality employment is likely to exceed typical pace in coming months, but low business travel remains a headwind



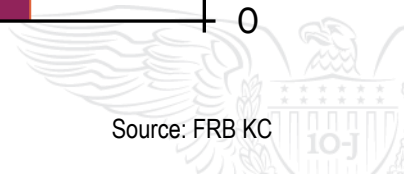
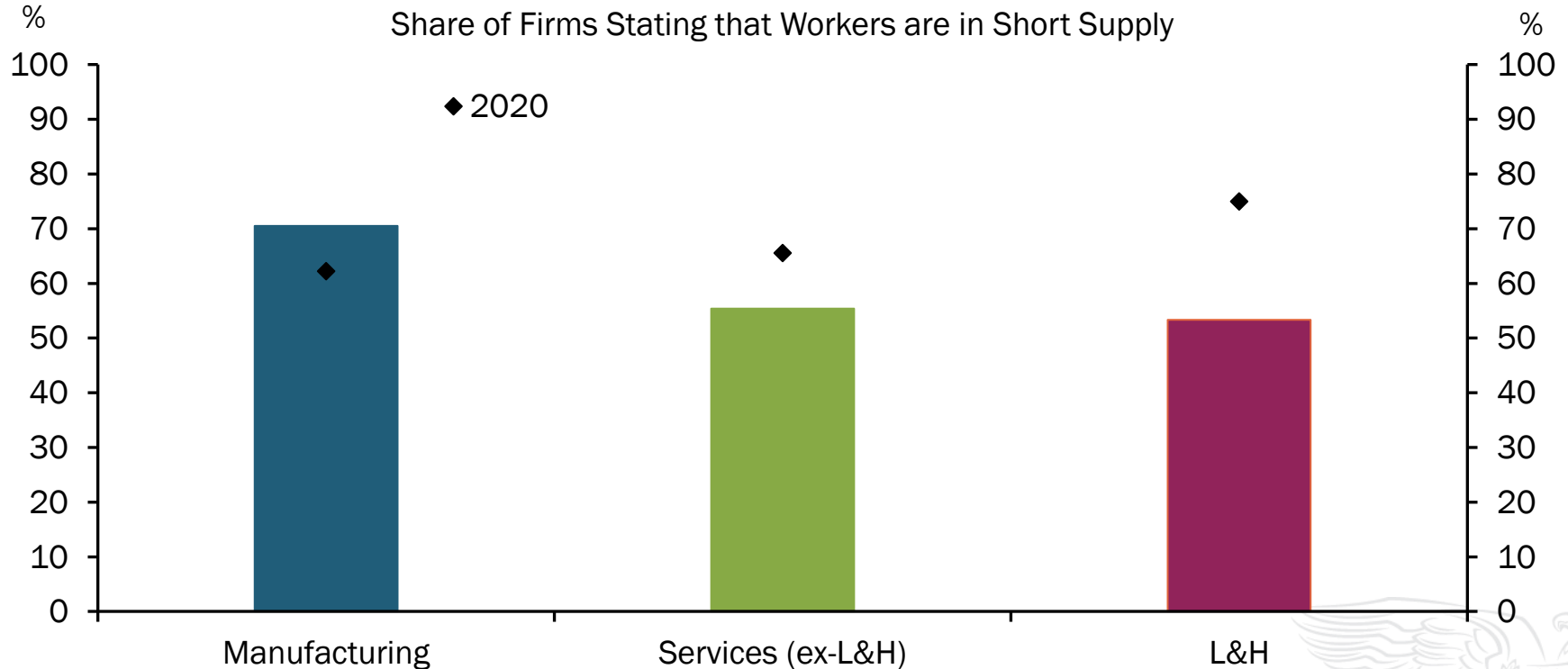
Sources: BLS, NBER, Haver Analytics
 Note: Grey bars indicate recession shading

Equipment investment decreased during previous downturns, but added substantially to growth over the last year

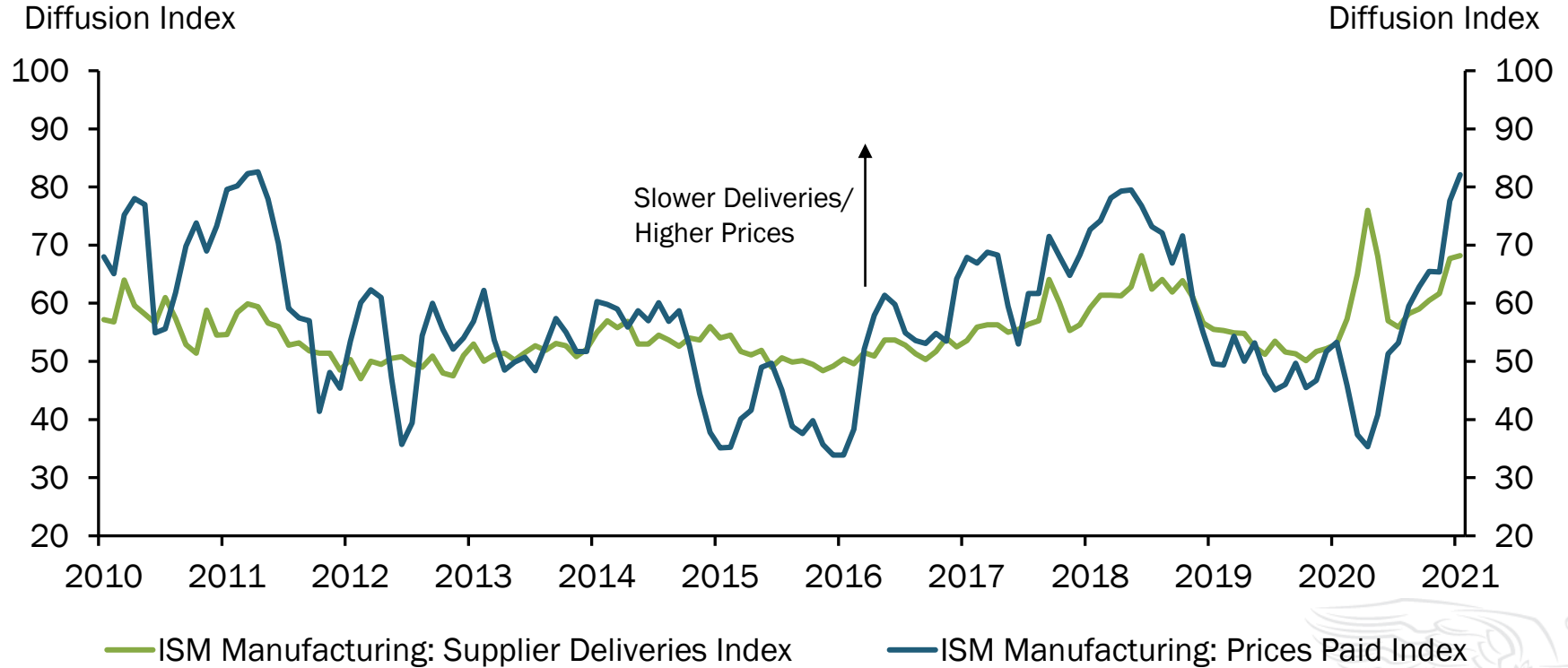


Sources: BEA, NBER, Haver Analytics
 Note: Grey bars indicate recession shading

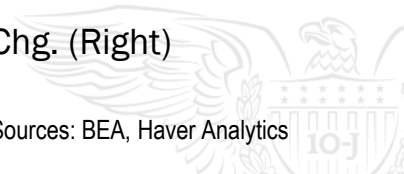
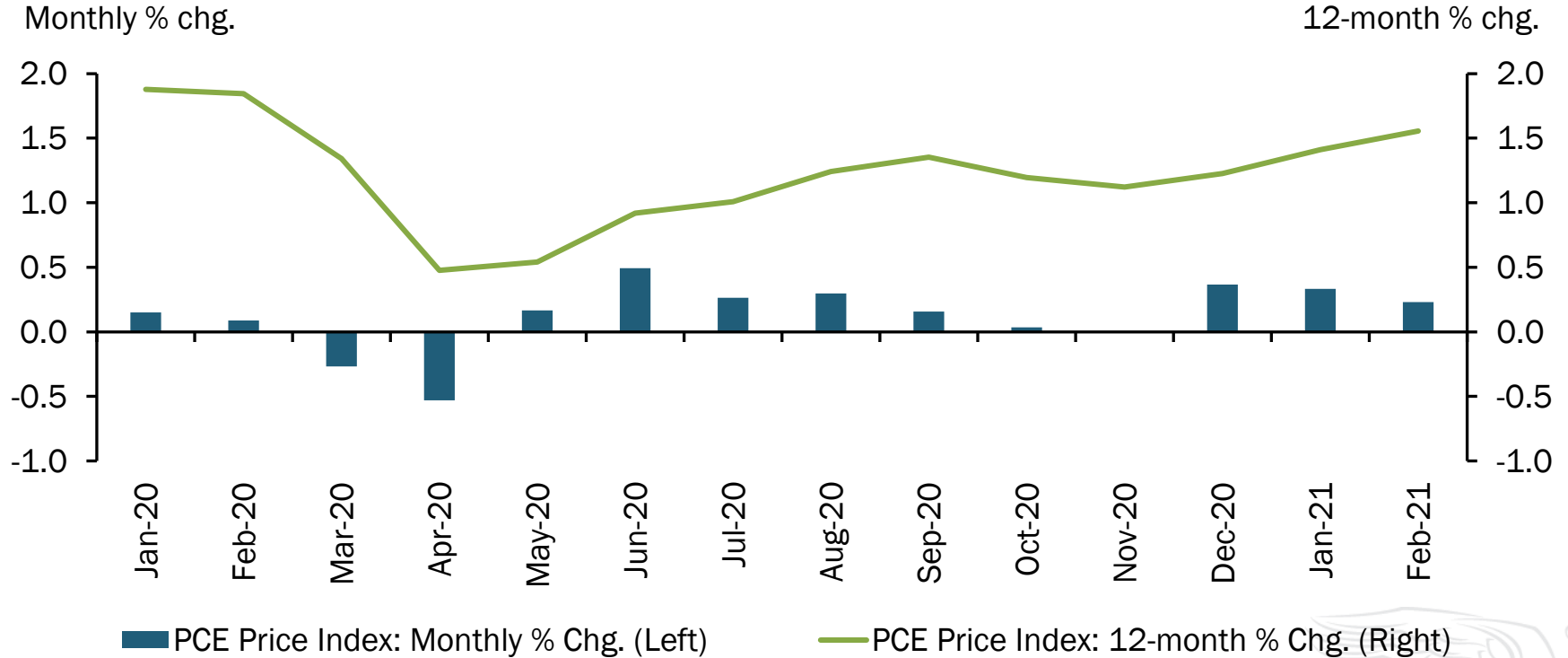
Worker shortages are more severe in manufacturing than prior to the pandemic, while demand is yet to fully recover in service sectors



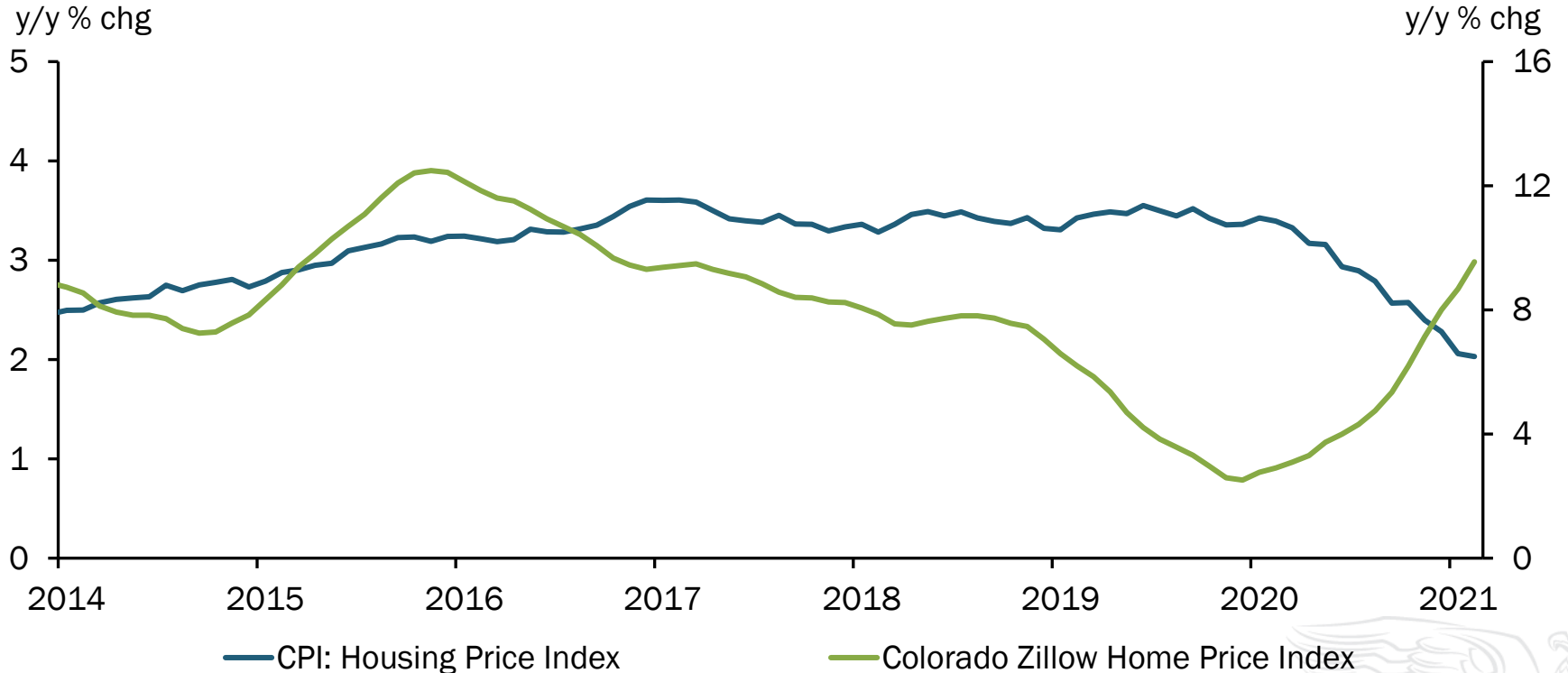
Supply chain disruptions are pervasive and leading to cost pressures



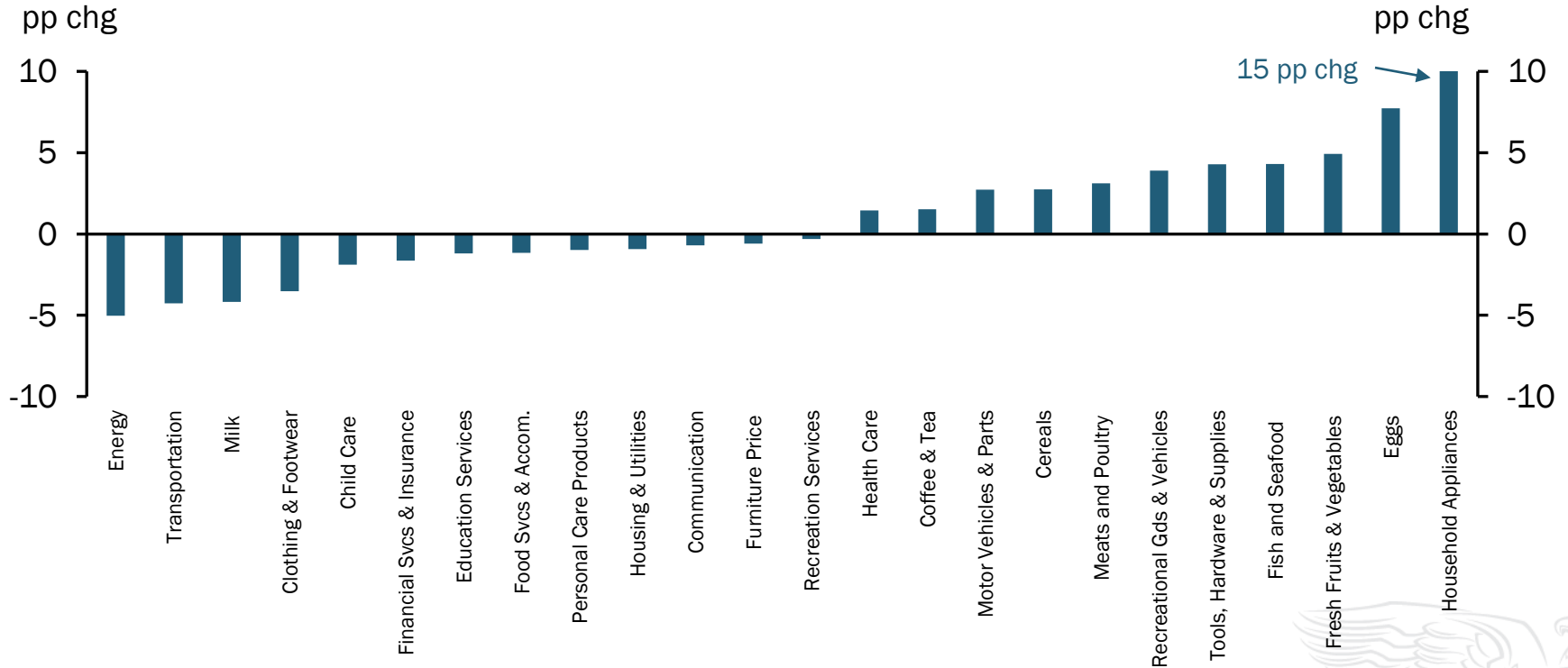
Inflation is poised to move higher in the near term



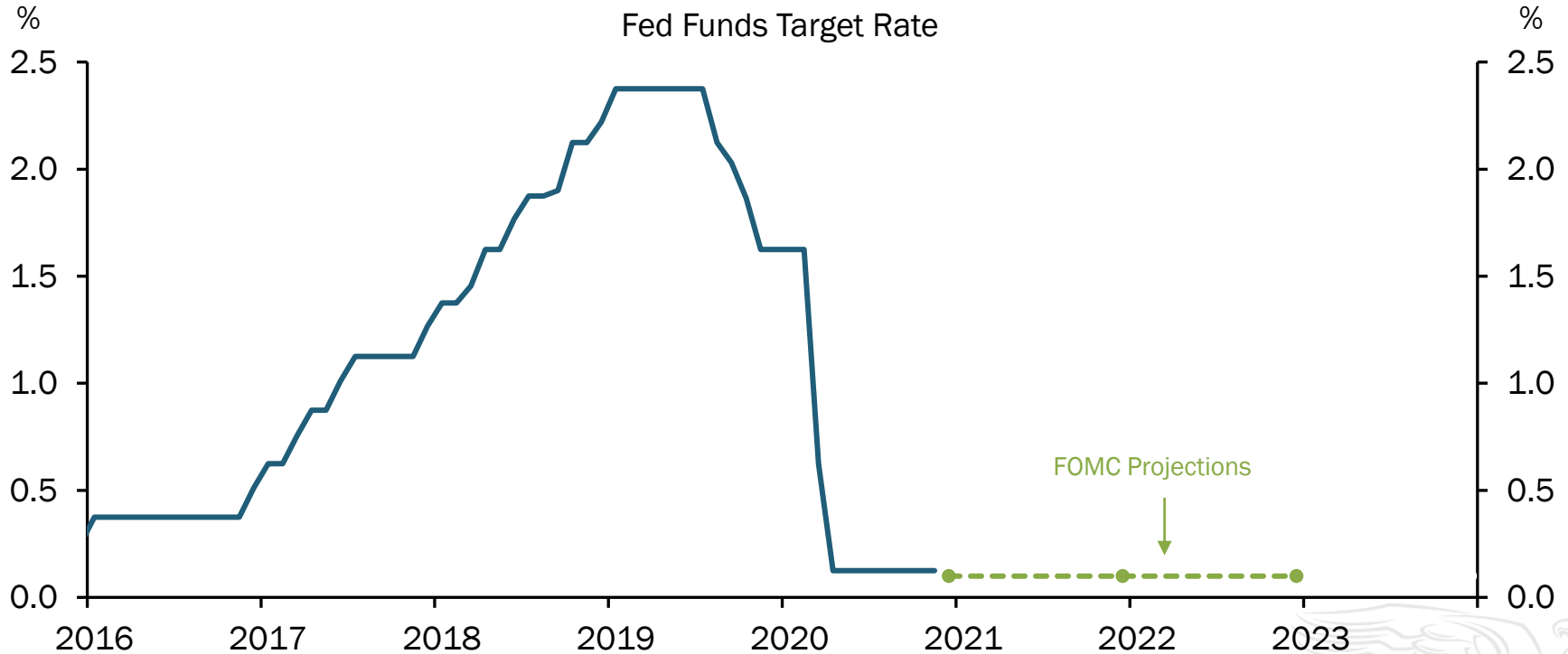
House prices continue to rise while overall housing price indices are growing at subdued rates



Although inflation is currently below the 2 percent target, price growth for several goods and services accelerated over the last year



The latest projections from the FOMC are continued policy accommodation



Sources: Federal Reserve Board, Haver Analytics

