

Economic Outlook

June 2026

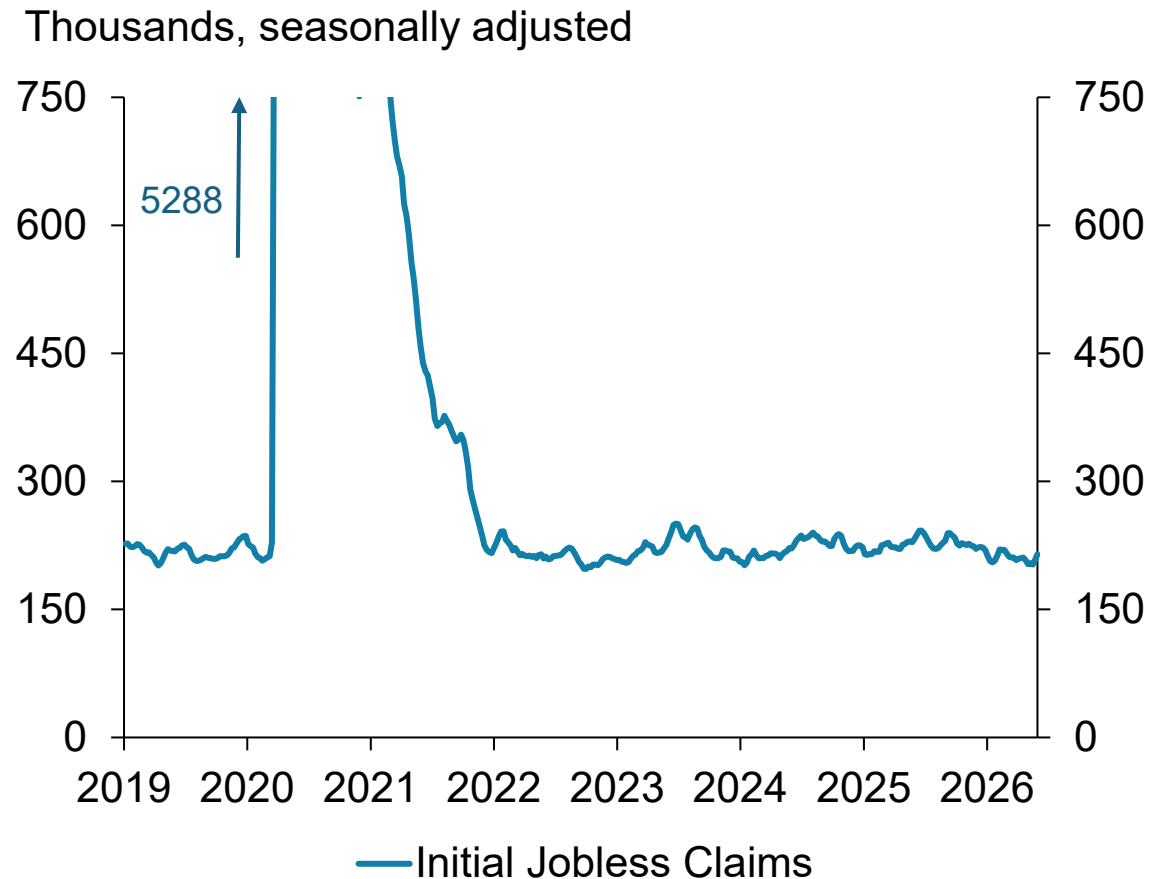
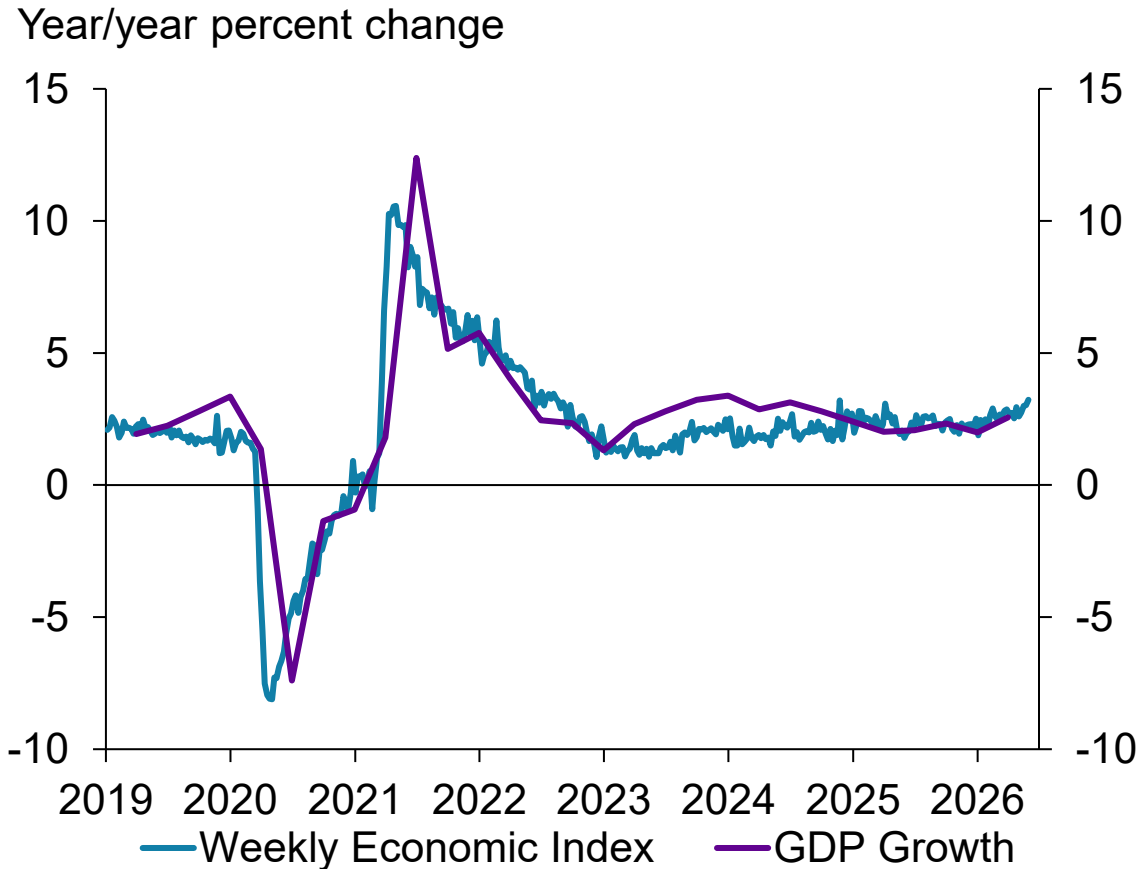


Denver / Oklahoma City / Omaha

U.S. Economic Outlook

- The economy is proving resilient to the large increase in oil prices.
- While household budgets are being strained by higher gasoline prices, consumer spending has been supported by tax cuts, high levels of net worth, and credit expansion.
- Inflation is too high and price pressures extend well beyond energy.
- Amid resilient growth and high inflation, financial market expectations have shifted from rate cuts to rate hikes.

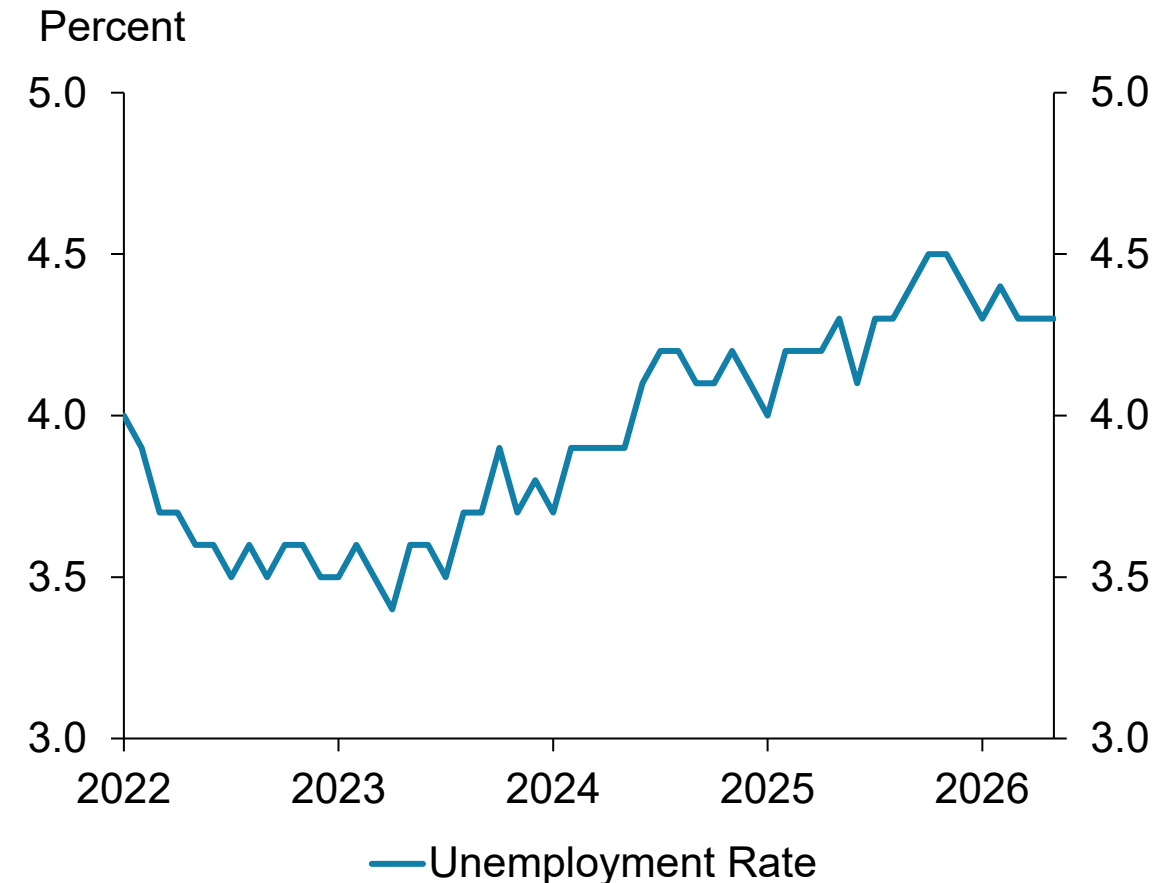
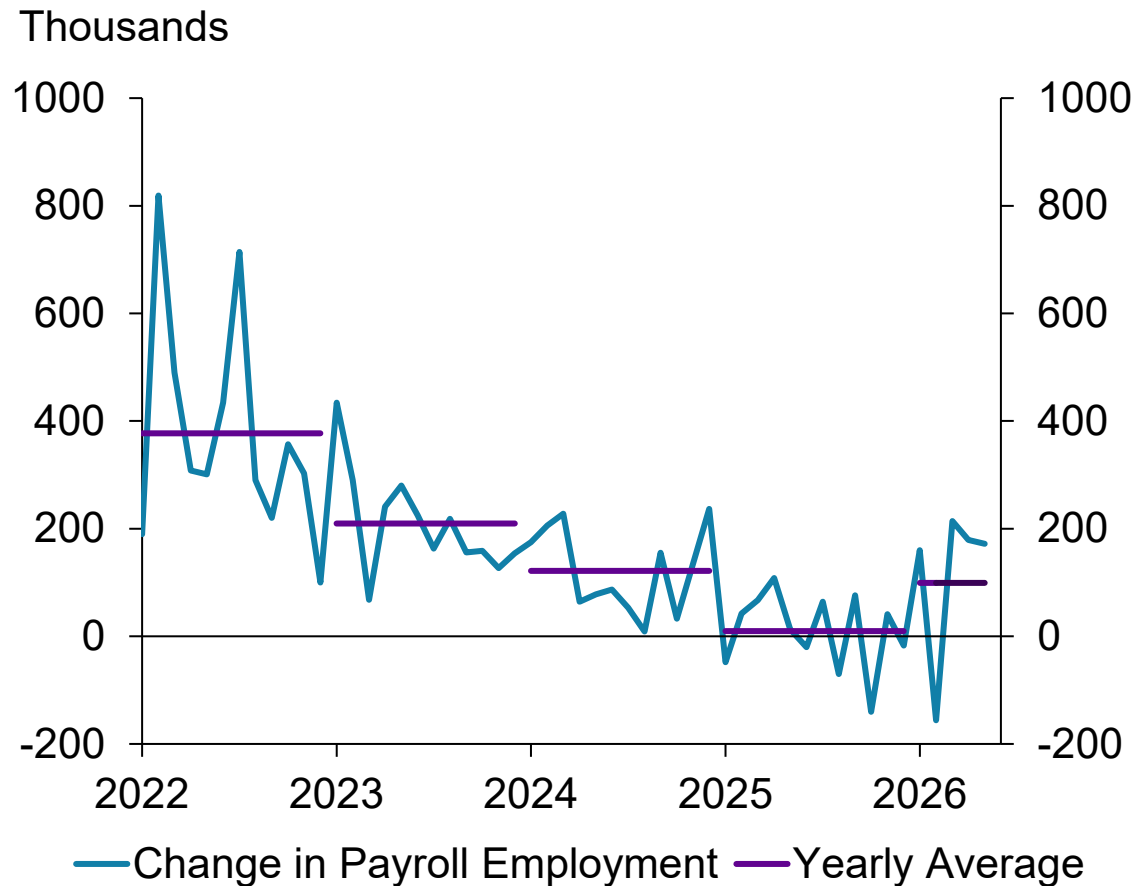
The economy is (yet again) proving resilient



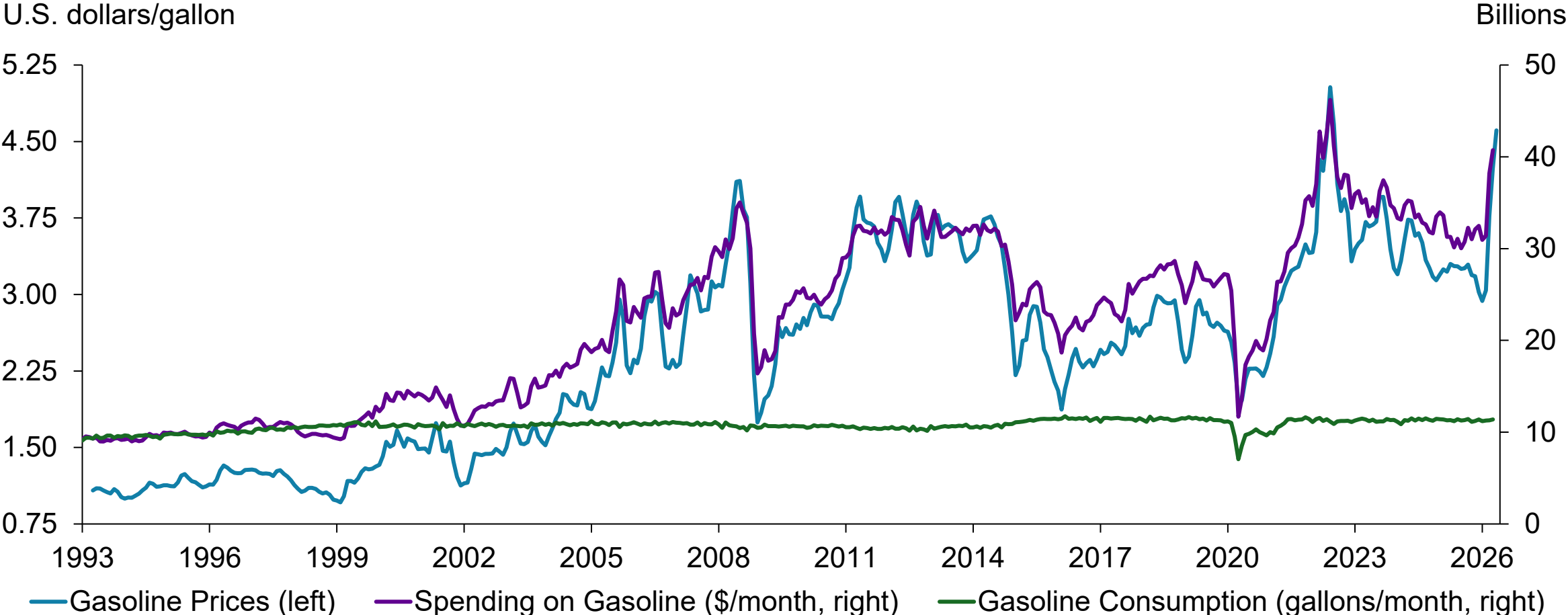
Note: The Weekly Economic Index is scaled to the four-quarter GDP growth rate. Initial jobless claims is calculated as a four-week moving average.

Sources: Bureau of Economic Analysis, Department of Labor, Federal Reserve Bank of Dallas, Haver Analytics

Job gains have picked up, and the unemployment rate has stabilized



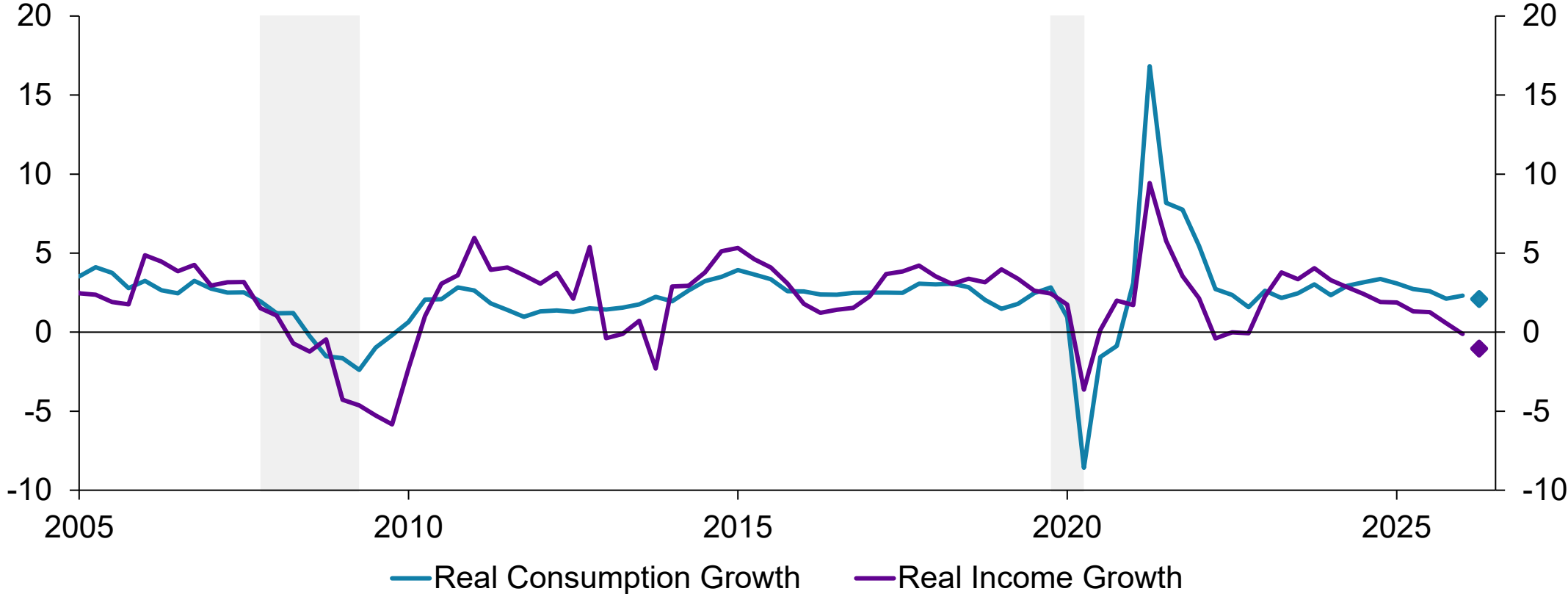
Consumers are spending more on gasoline



Sources: Bureau of Economic Analysis, Energy Information Administration, Haver Analytics, Staff Calculations

Higher energy prices are straining household budgets, but consumption is holding up

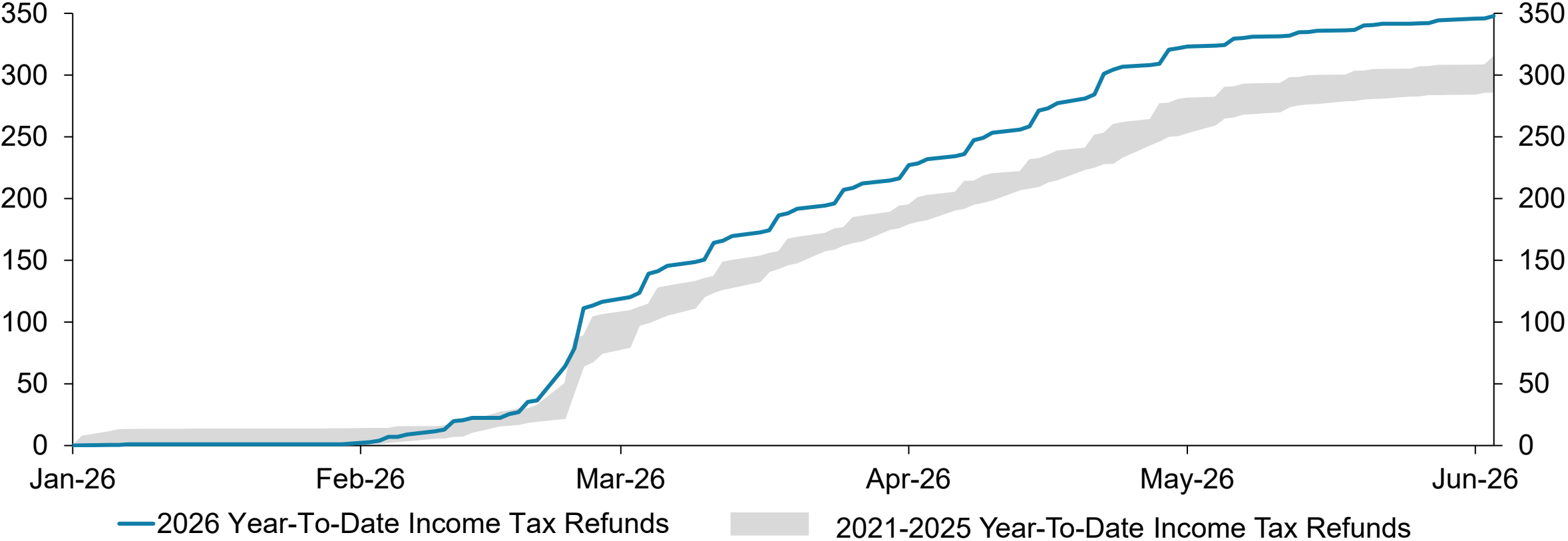
Year/year percent change



Sources: Bureau of Economic Analysis, Haver Analytics

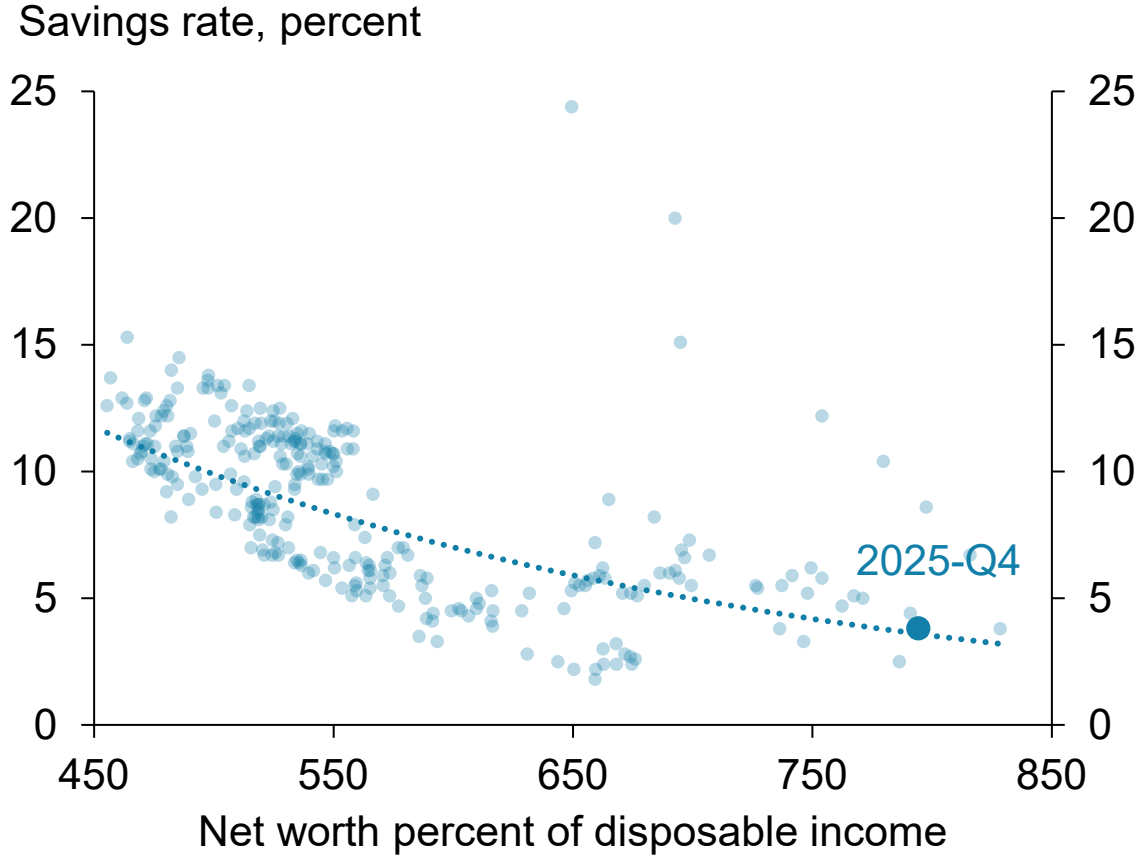
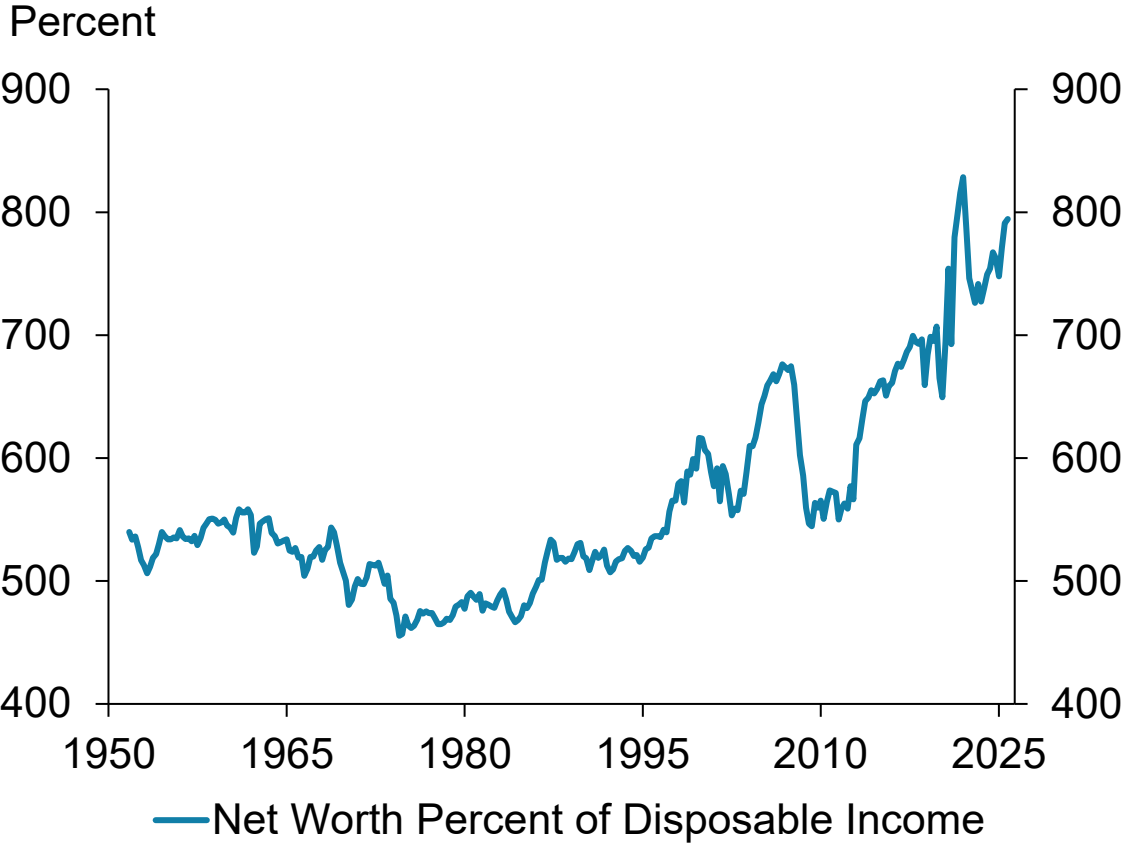
Fiscal policy is supporting consumer spending

U.S. dollars, billions



Sources: United States Treasury, Haver Analytics

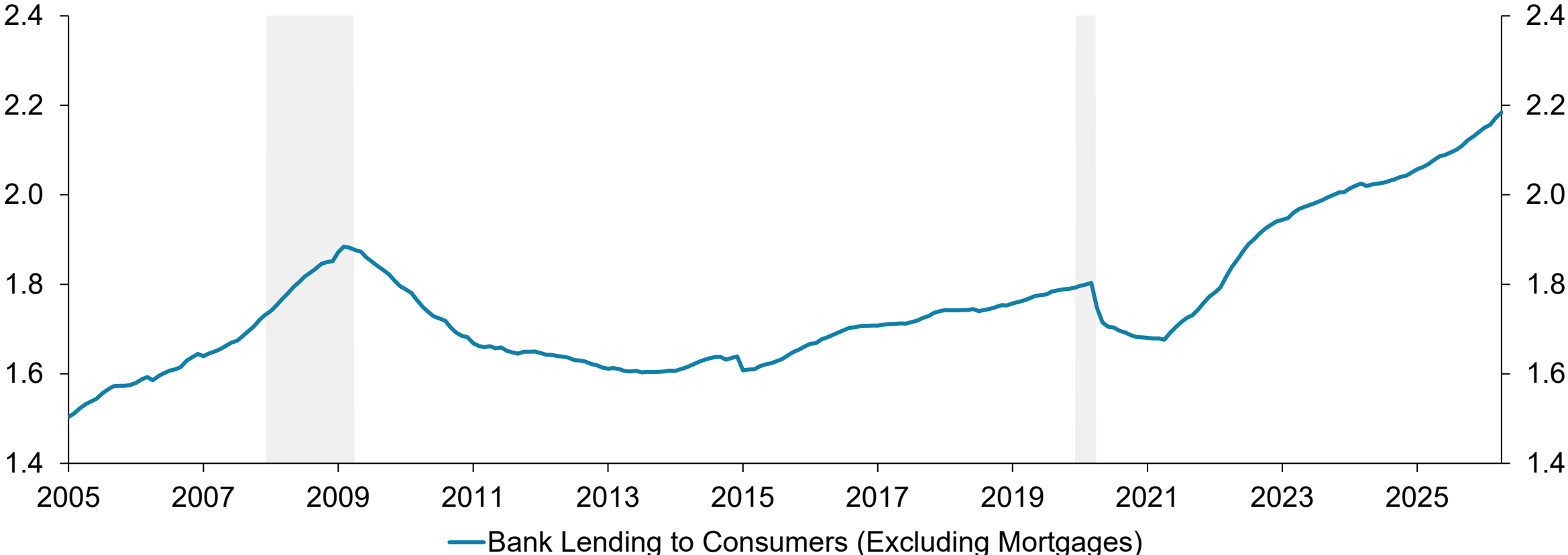
Consumption is also supported by wealth gains, as households spend more and save less



Sources: Bureau of Economic Analysis, Federal Reserve Board, Haver Analytics

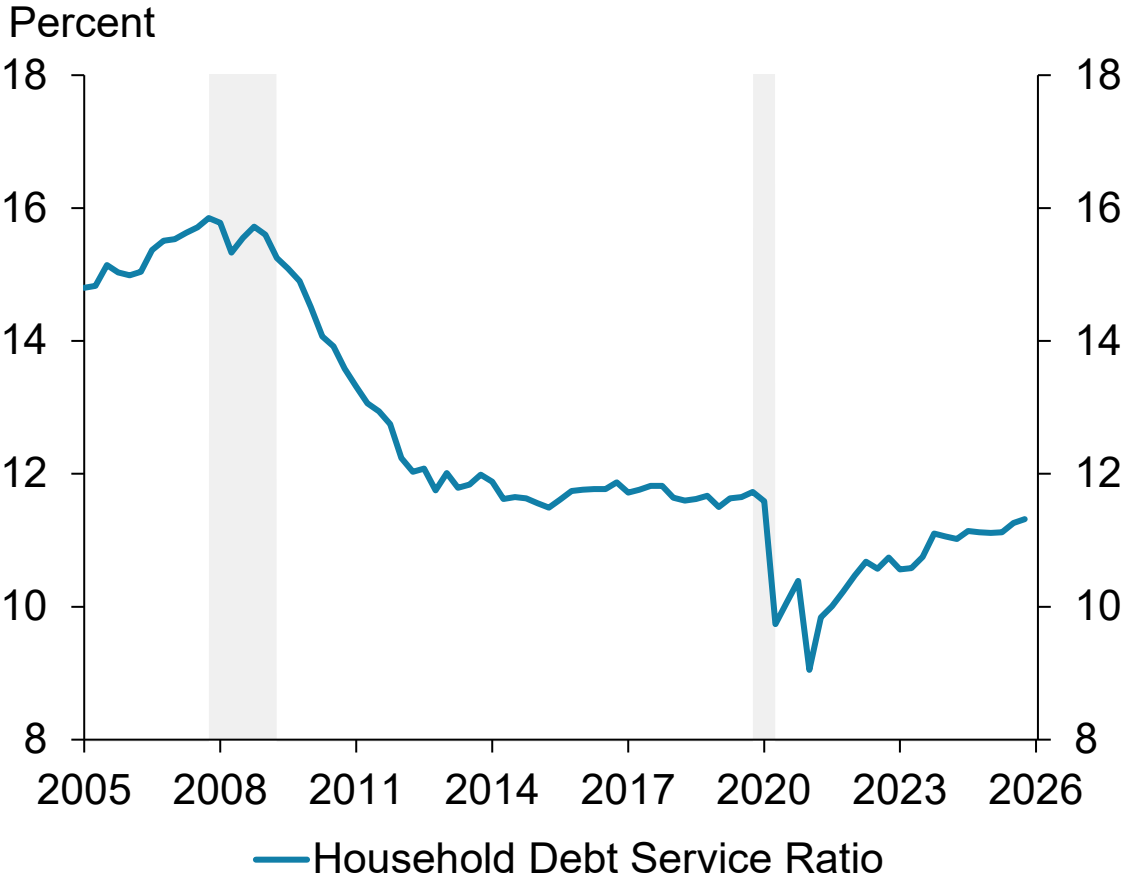
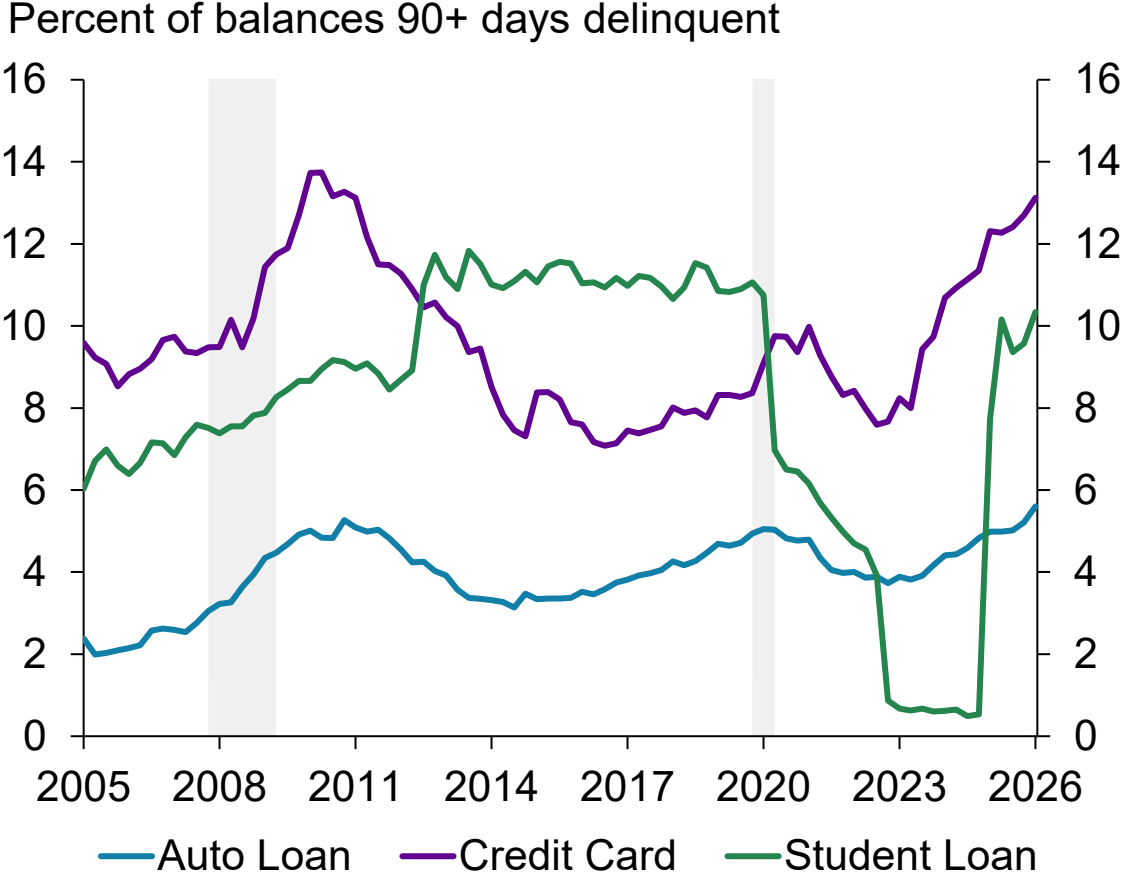
Consumers are taking on debt

U.S. dollars, trillions



Note: Bank lending to consumers includes revolving home equity loans, credit cards/other revolving plans, and other consumer loans. The data is seasonally adjusted.
Sources: Federal Reserve Board, Haver Analytics

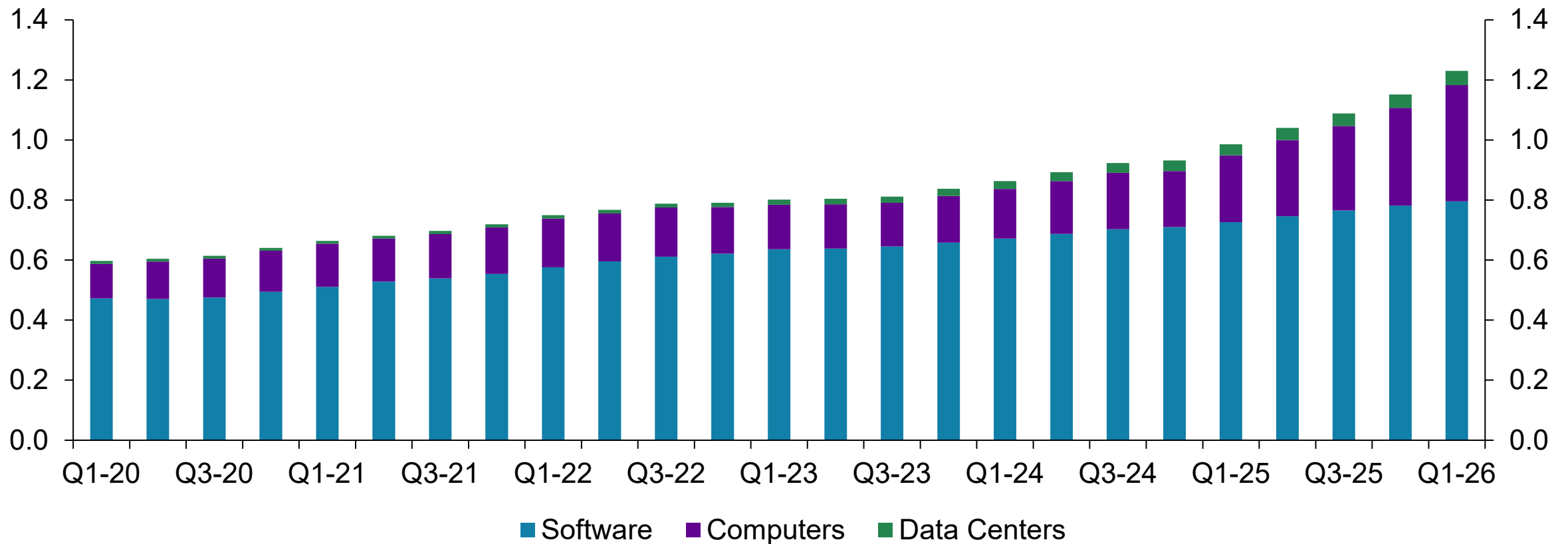
Many households have the capacity to service more debt



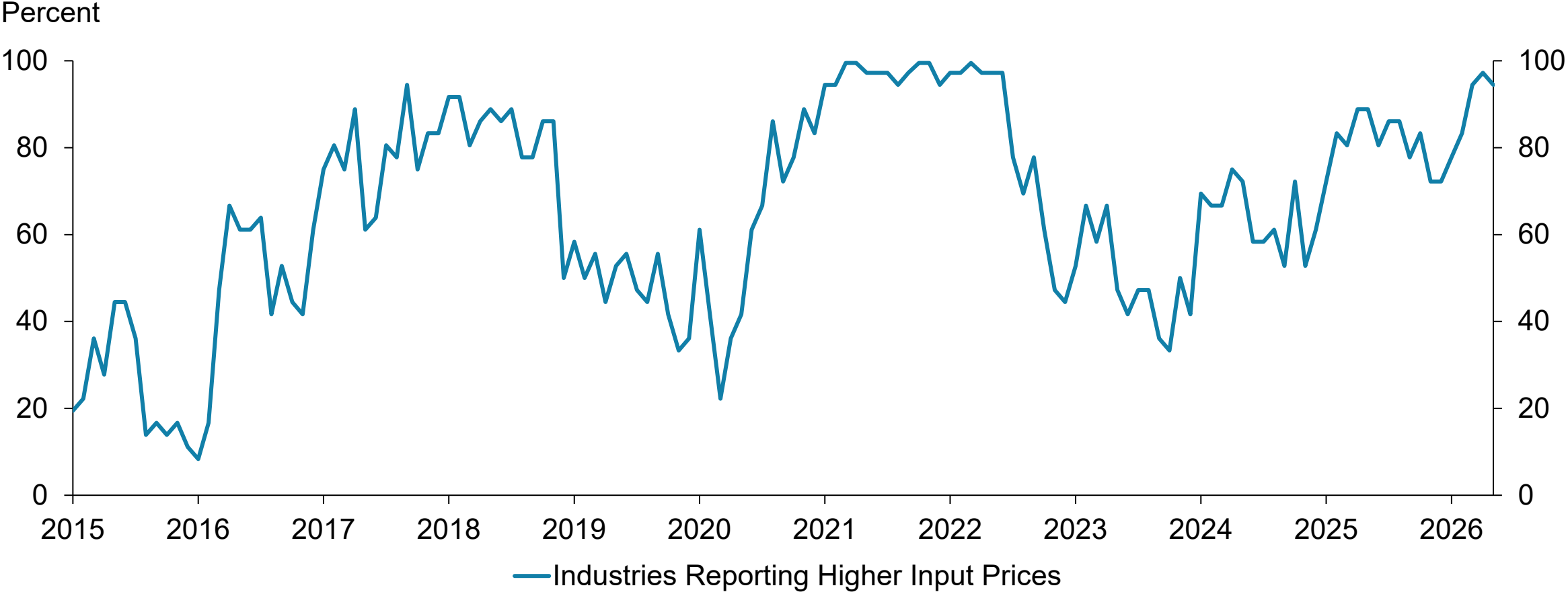
Note: Household debt service ratio is equal to debt service payments as a percentage of disposable personal income
 Sources: FRBNY Consumer Credit Panel/Equifax, Federal Reserve Board, Haver Analytics

AI investment is a tailwind to the economy

U.S. dollars, trillions, annualized



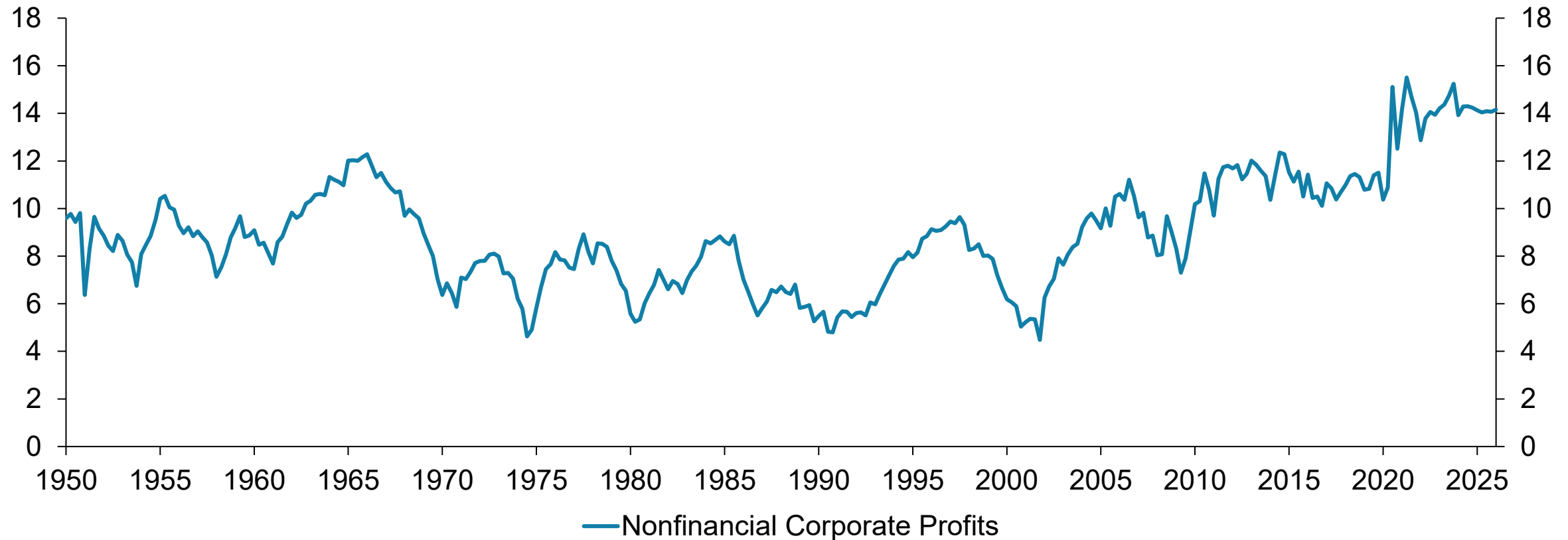
Nearly all industries report rising input prices



Sources: Institute for Supply Management, Haver Analytics

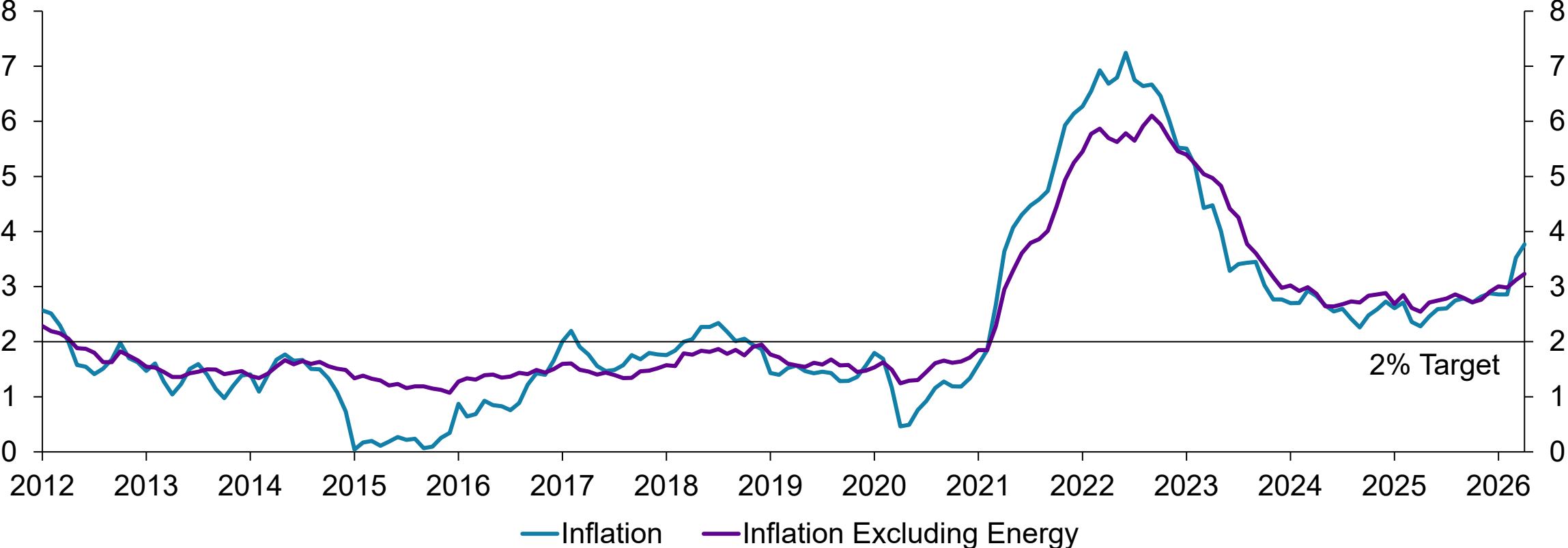
But firms are maintaining their profit margins

Percentage of GDP



Inflation is too high and moving in the wrong direction

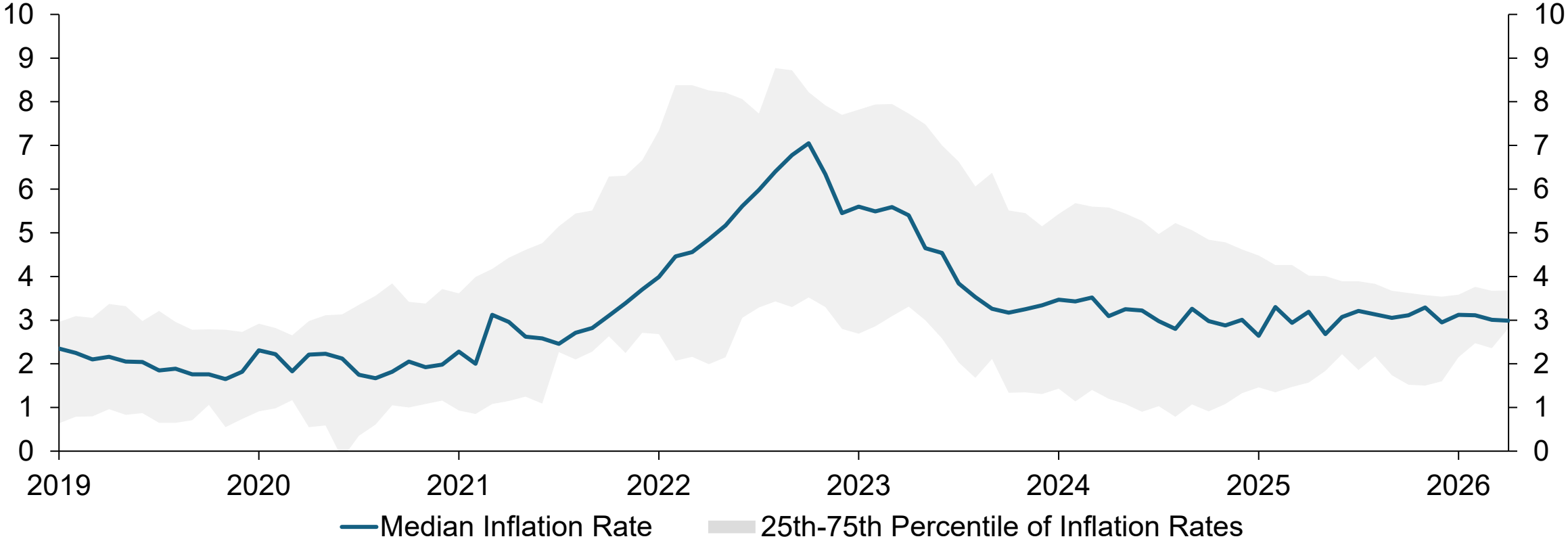
Year/year percent change



Sources: Bureau of Economic Analysis, Haver Analytics

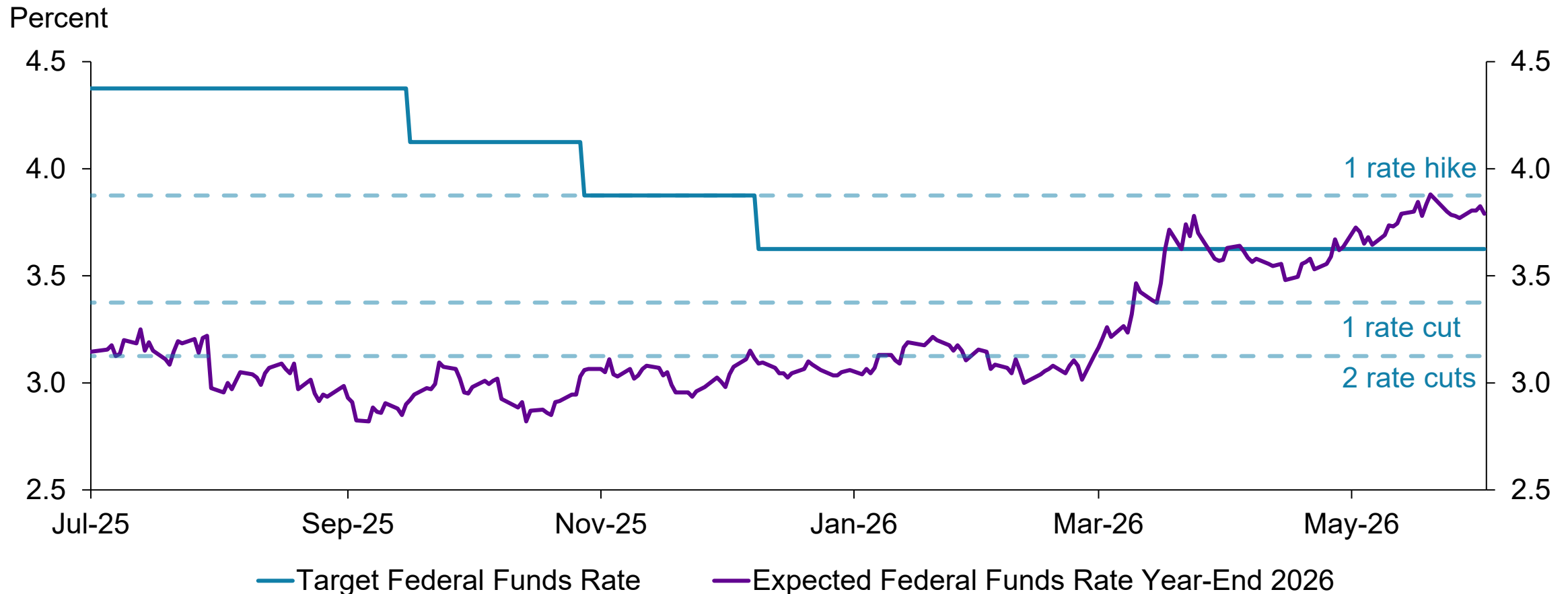
Inflationary pressures are broad based across the economy, extending well beyond energy

Year/year percent



Sources: Federal Reserve Bank of San Francisco, Haver Analytics

Amid resilient growth and high inflation, market expectations have shifted from rate cuts to rate hikes





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