National Economic Outlook

October 2022
Key themes for the US economic outlook

• Inflation remains elevated as supply/demand imbalances persist.

• As relief from the supply side will likely be limited, rebalancing will likely come from a cooling in demand.

• Tighter monetary policy is starting to slow housing demand. However, a moderation in broader activity may take some time.
Inflation remains elevated and broad-based

Year/Year % Change


Headline Inflation
Excluding Food and Energy
Trimmed-mean inflation

Note: Inflation measured in terms of CPI

Sources: BLS, FRB Cleveland, Haver Analytics
A tight labor market and food/energy prices have contributed to the rise in inflation

Note: Annualized PCE Inflation, total and portion attributable to specific factors

Sources: Staff, BEA, BLS, CBO, SPF
The labor market remains historically tight, particularly in our district.
Labor supply among the 65+ remains depressed and this may persist for some time.

Source: Census Bureau, BLS, Haver Analytics
Wage growth has accelerated, particularly among industry switchers

Mean Wage Growth by Job Mobility

Year/Year % Change (12-month moving average)

Sources: FRB Atlanta, BLS, Census Bureau, Staff
A tighter labor market has not lead to higher labor productivity

Sources: BEA, NBER, Haver Analytics
Housing activity is slowing amid rising rates

Sources: WSJ, National Association of Realtors, Haver Analytics

Percent

Policy Interest Rate  30-Year Fixed Mortgage Rate

Index 2001=100

Pending Home Sales Index

Sources: WSJ, National Association of Realtors, Haver Analytics
Despite tightening financial conditions and weaker sentiment, consumers are still optimistic about the labor market.