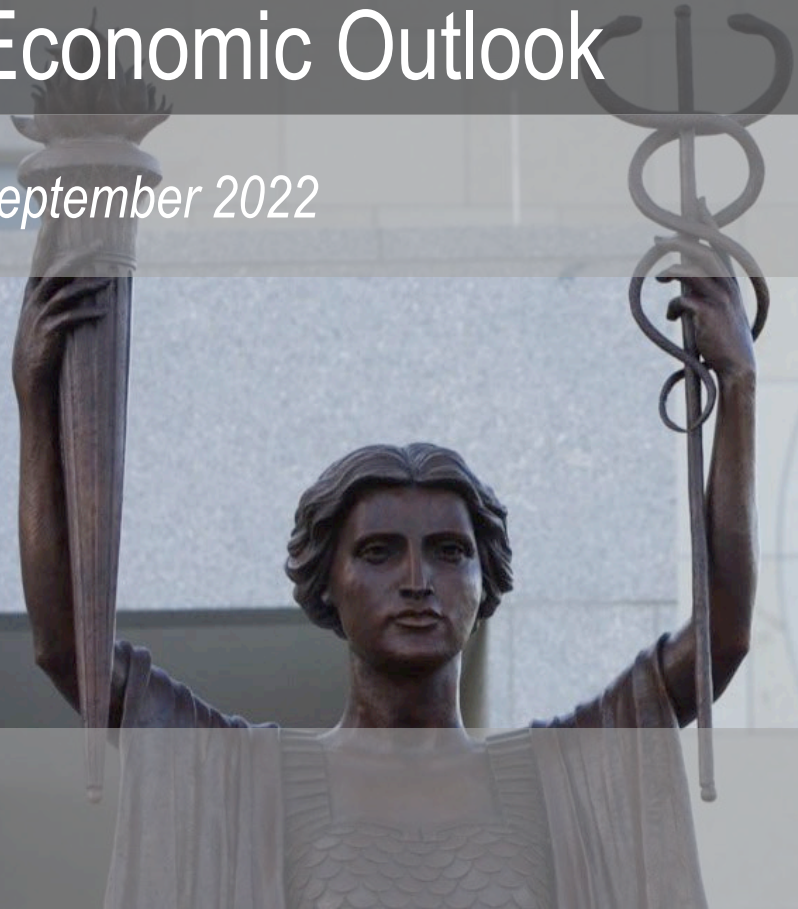


Economic Outlook

September 2022



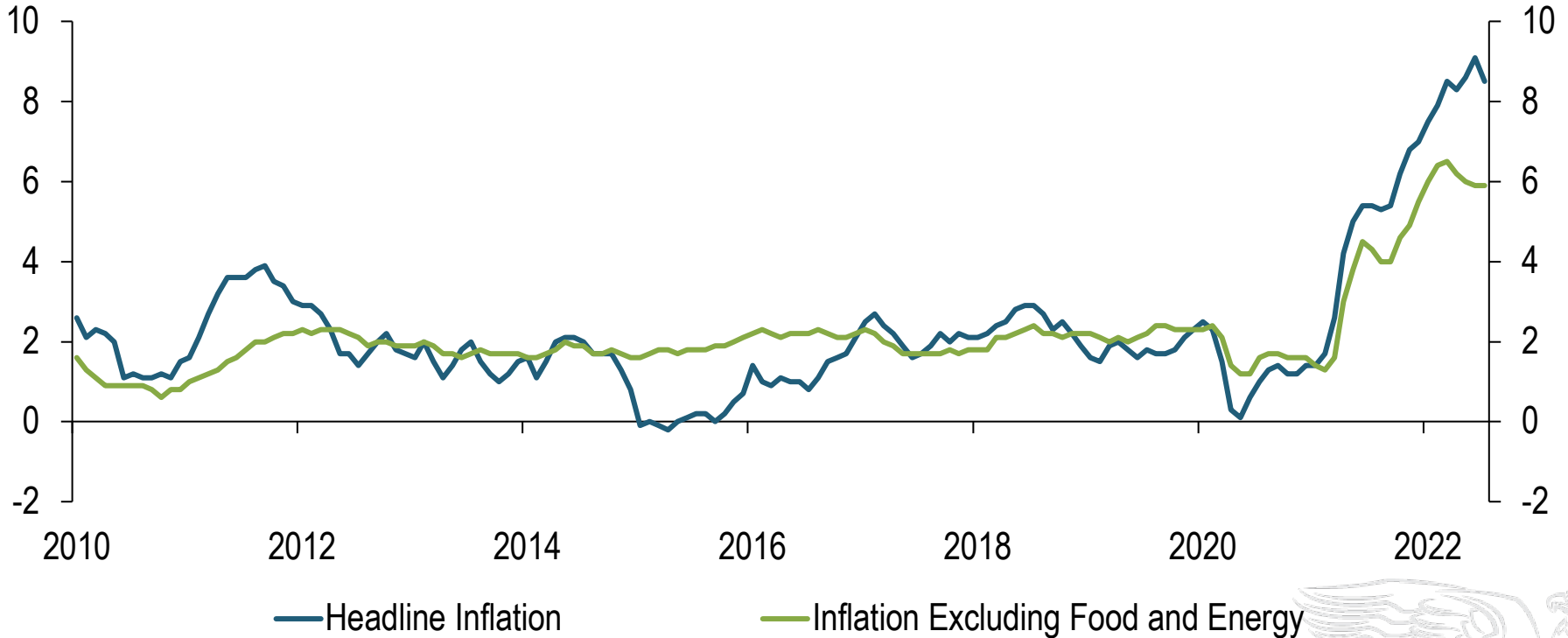
Key themes for the US economic outlook

- Inflation remains elevated.
- Inflation reflects supply-demand imbalances, rather than unanchored inflation expectations.
- Limited relief likely from the supply side.
- Tighter monetary policy can slow demand, but with a lag.

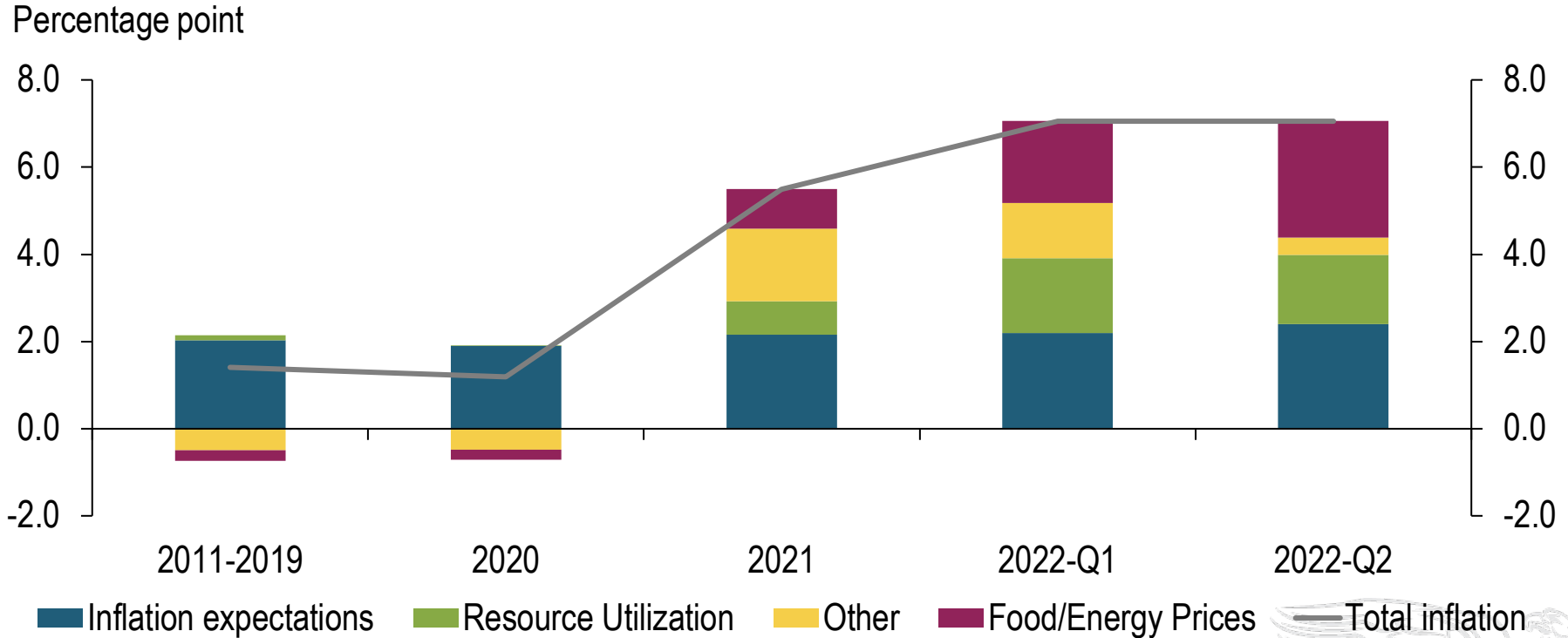


Inflation remains elevated and broad-based

Year/Year % Change

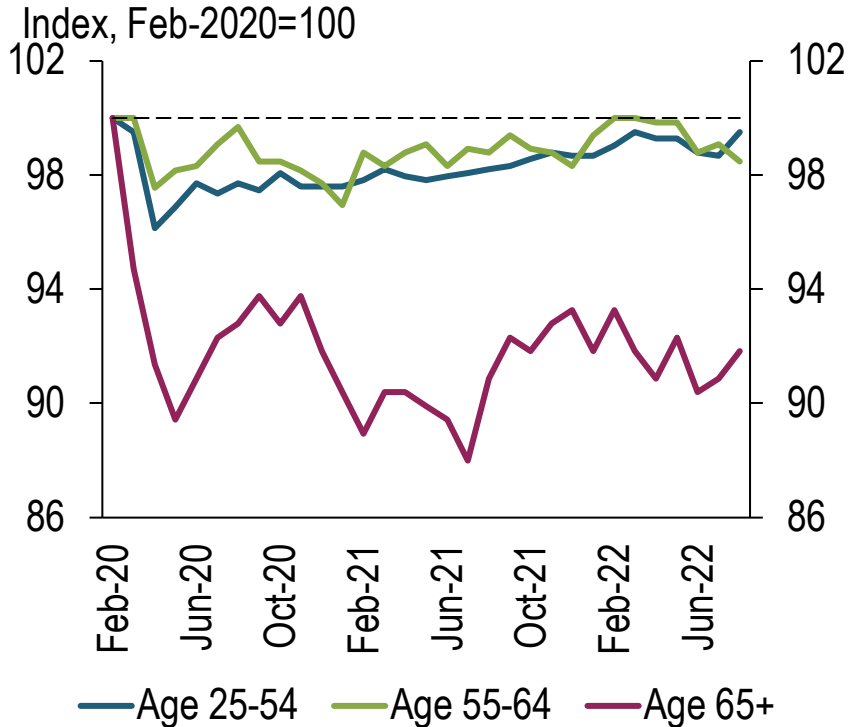


Inflation reflects tight economy, not unanchored inflation expectations

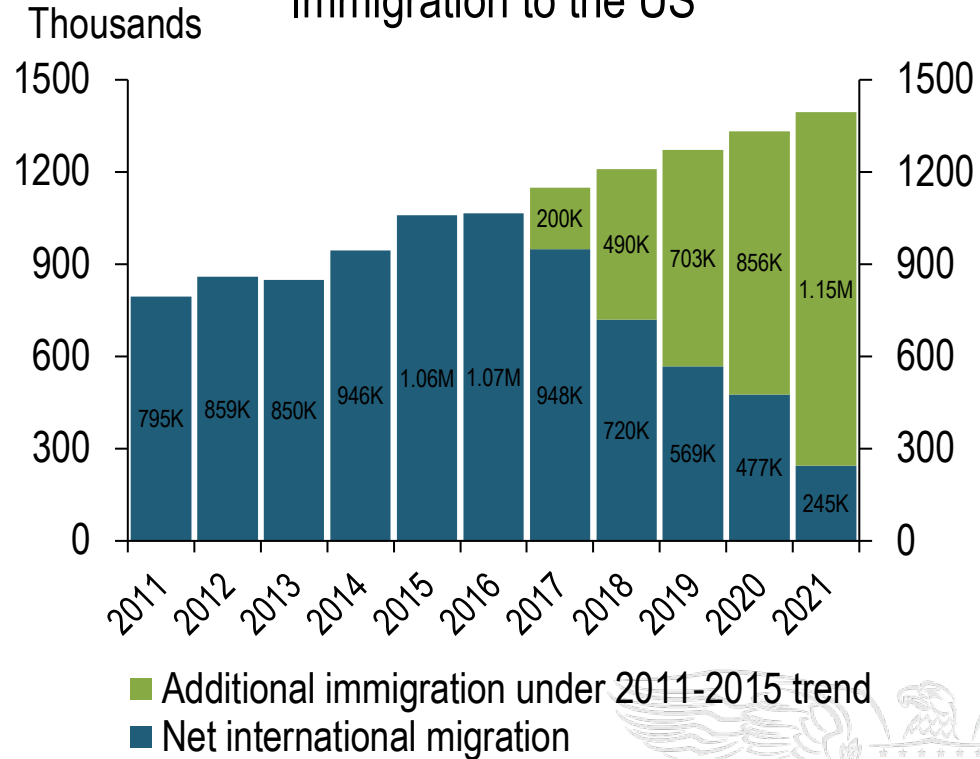


Constraints on labor supply may be here to stay

Participation by Age



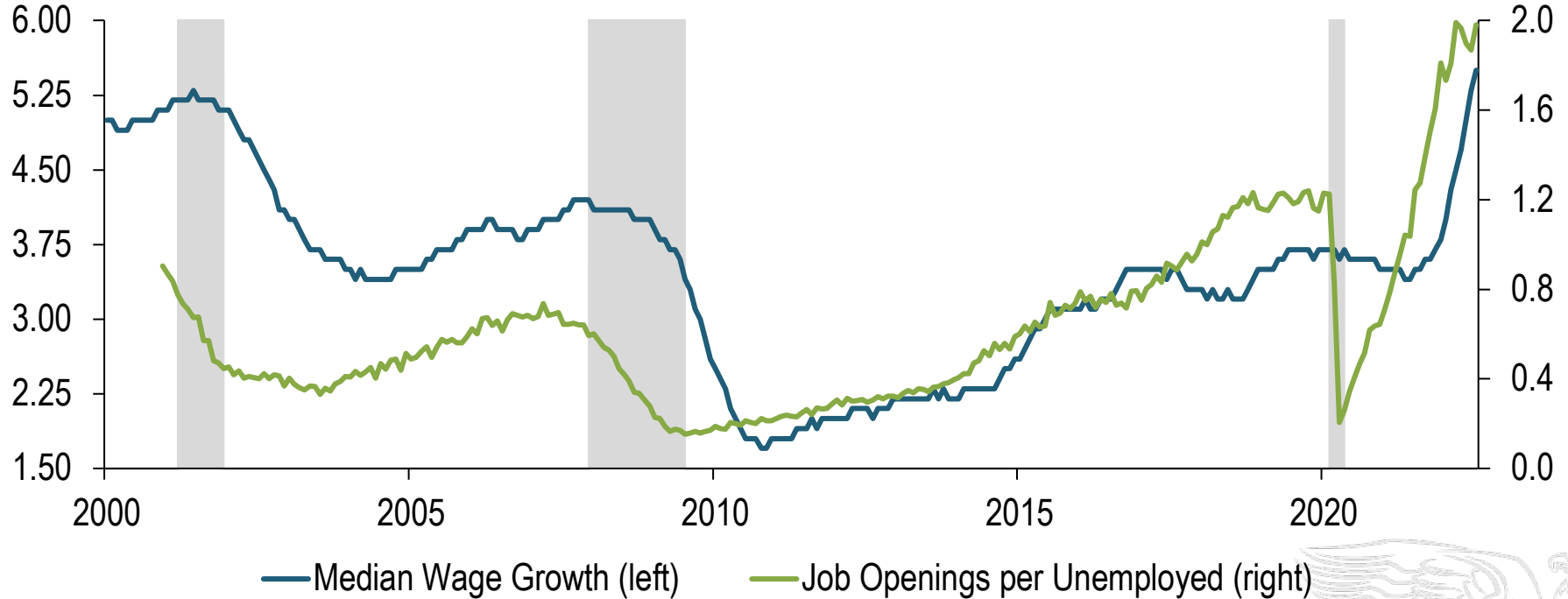
Immigration to the US



A tight labor market pushes up wages, with a lag

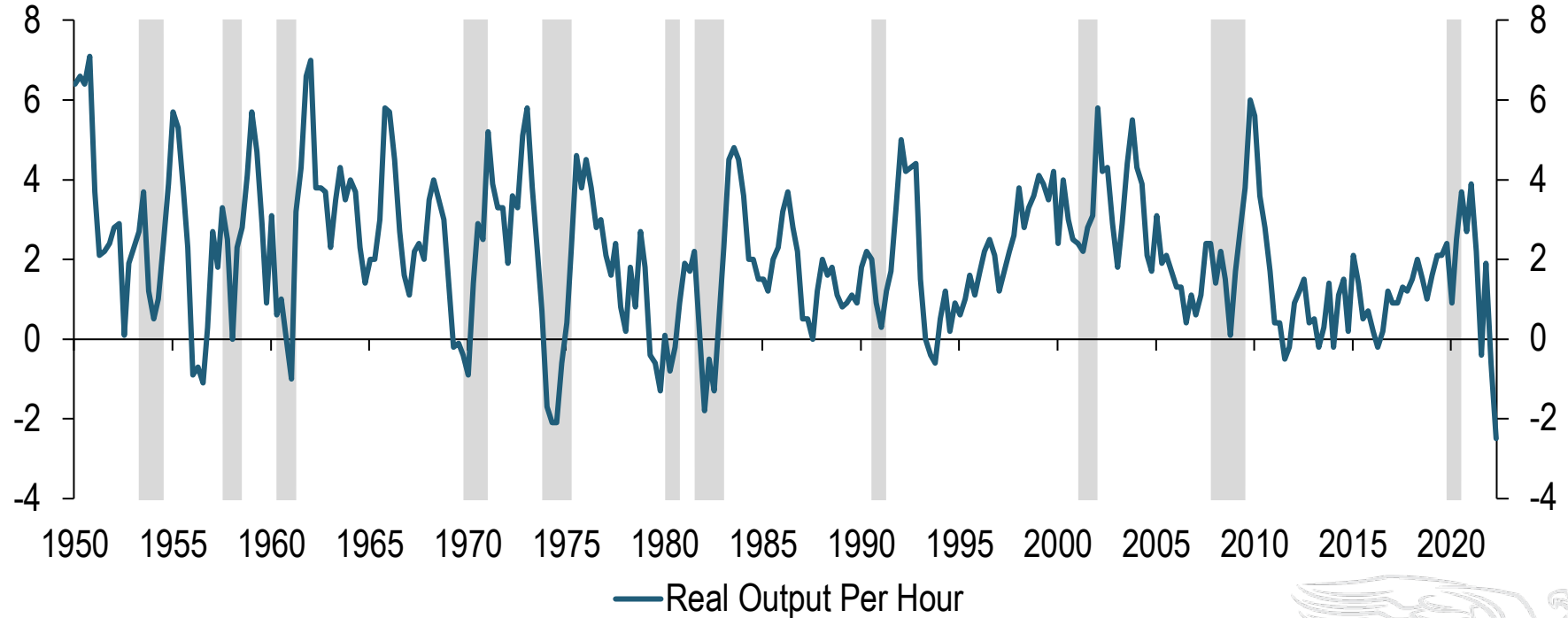
12-month moving average, year/year % change

Job Openings/Unemployed

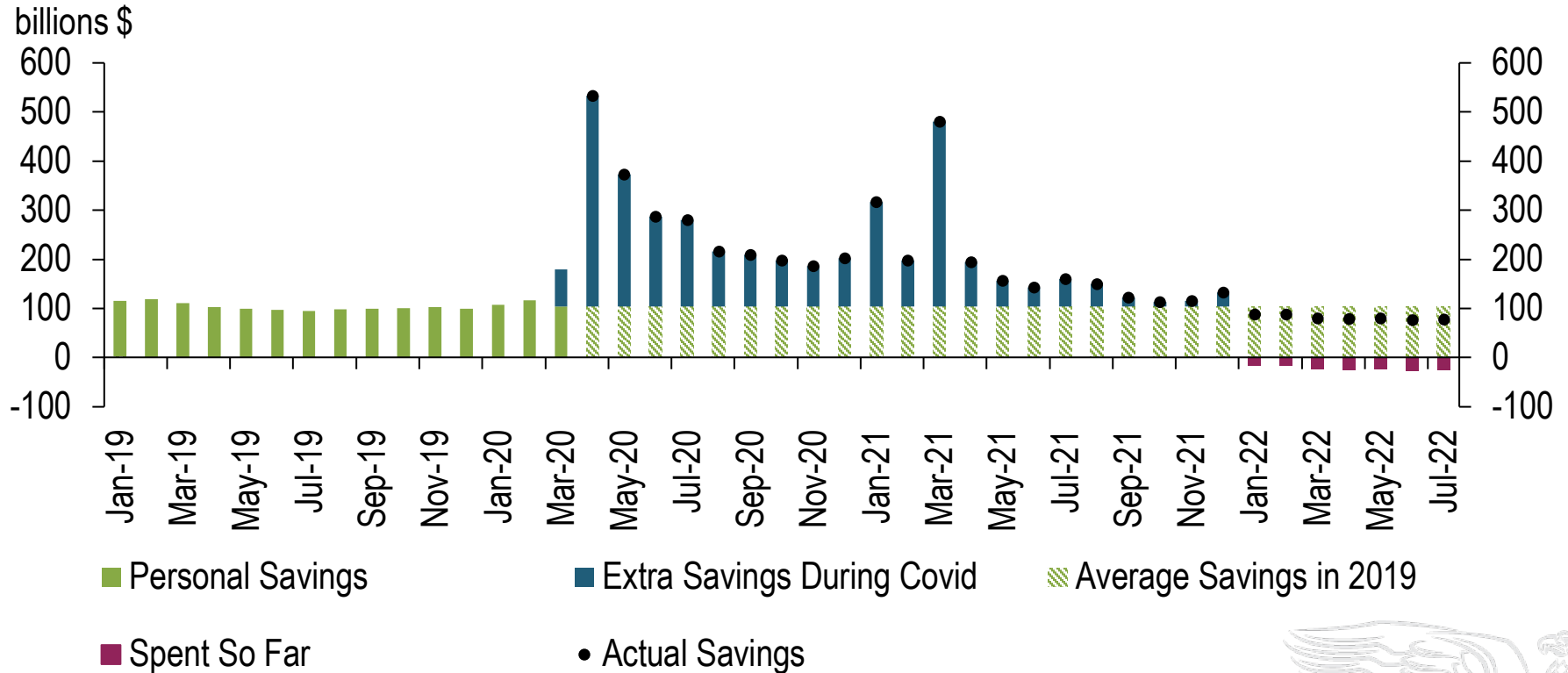


Labor productivity growth is at historic lows

Year/Year % Change

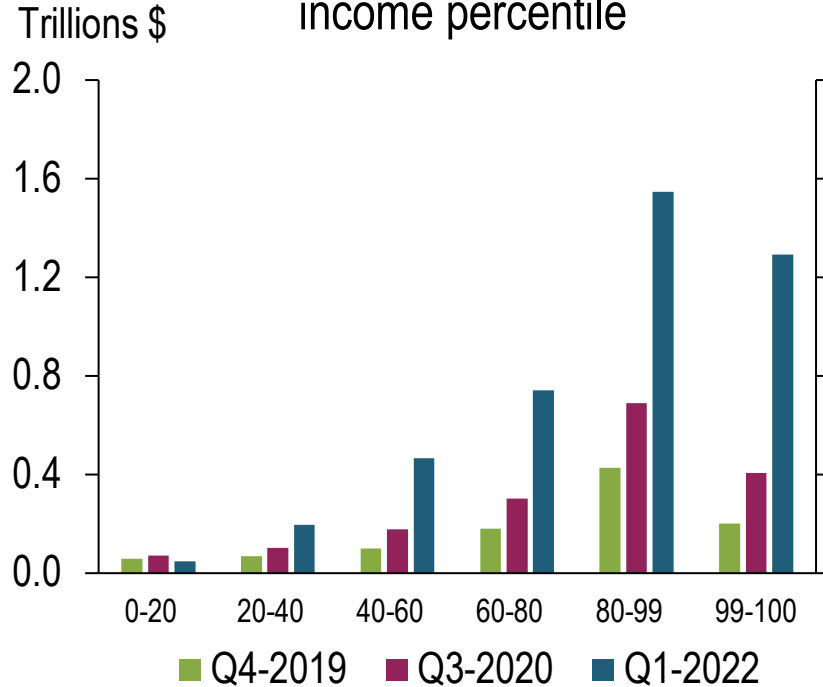


Consumers still have a large stockpile of savings

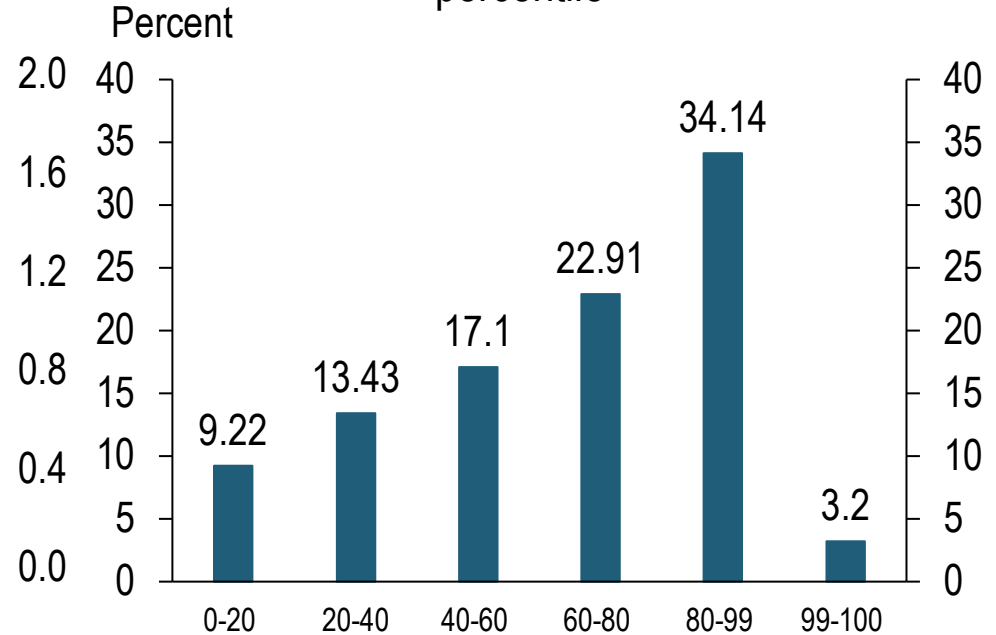


Households' liquid buffers can continue to support consumption

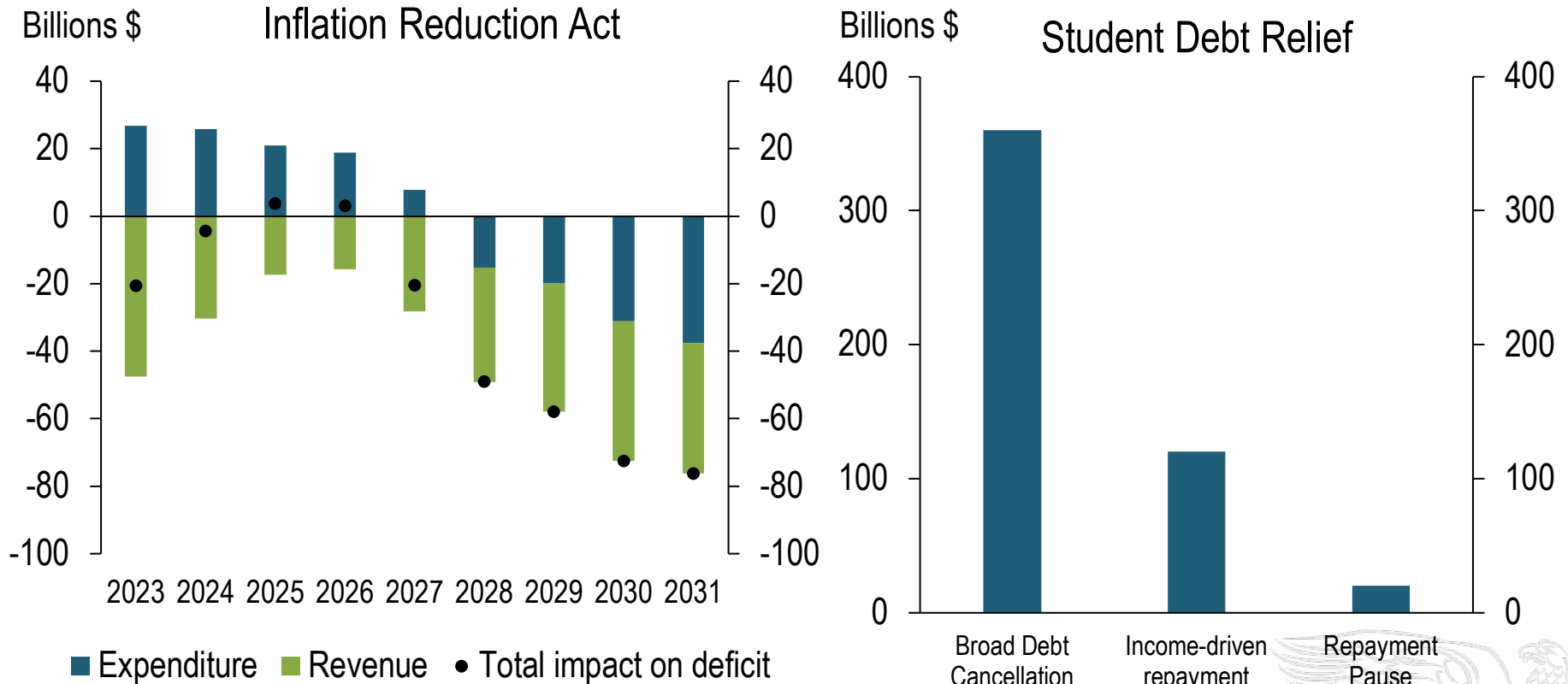
Checkable Deposits and Currency, by income percentile



Share of consumption, by income percentile



Fiscal Policy is unlikely to dampen demand in the near term



Tighter monetary policy can slow demand, but with a lag

