

# U.S. and Regional Economic Outlook

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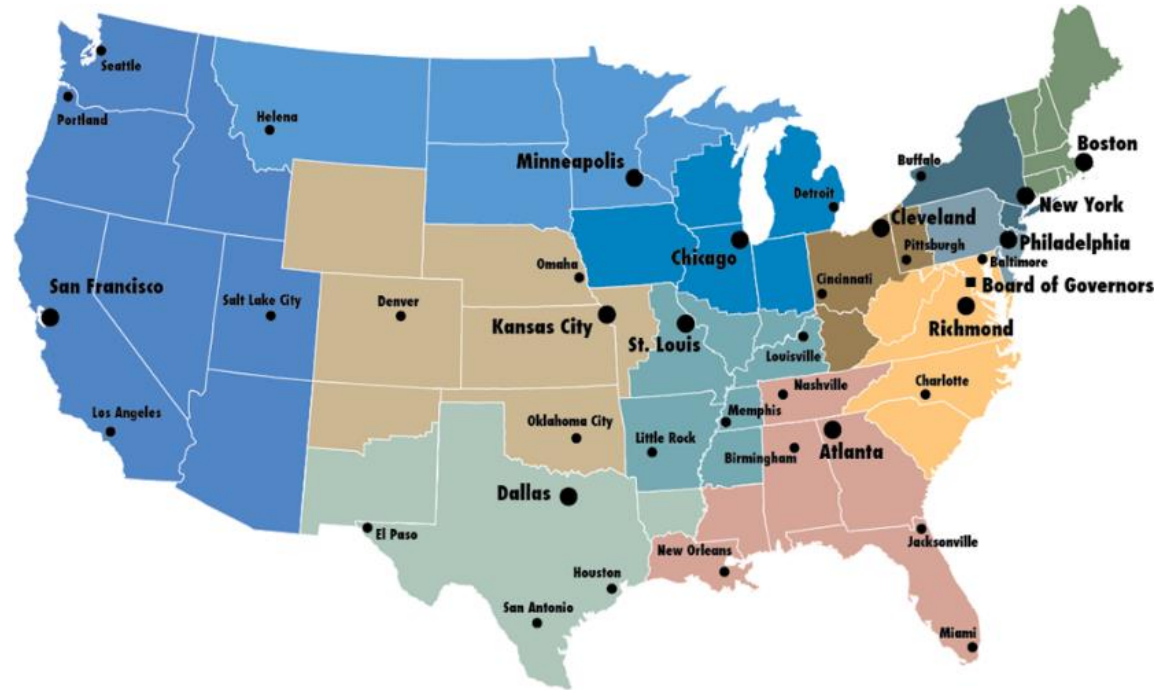
The views herein are those of the presenter and do not necessarily reflect those of the Federal Reserve Bank of Kansas City or the Federal Reserve System



# Structure of the Federal Reserve System

## Regional Structure of the “Fed”

- Board of Governors: 7 members appointed by U.S. President and confirmed by the Senate
- Federal Reserve Banks: 12 Districts that represent the unique economic footprint of their region in national discussions about monetary policy
- Federal Open Market Committee: comprised of Regional Fed Presidents and the Board of Governors

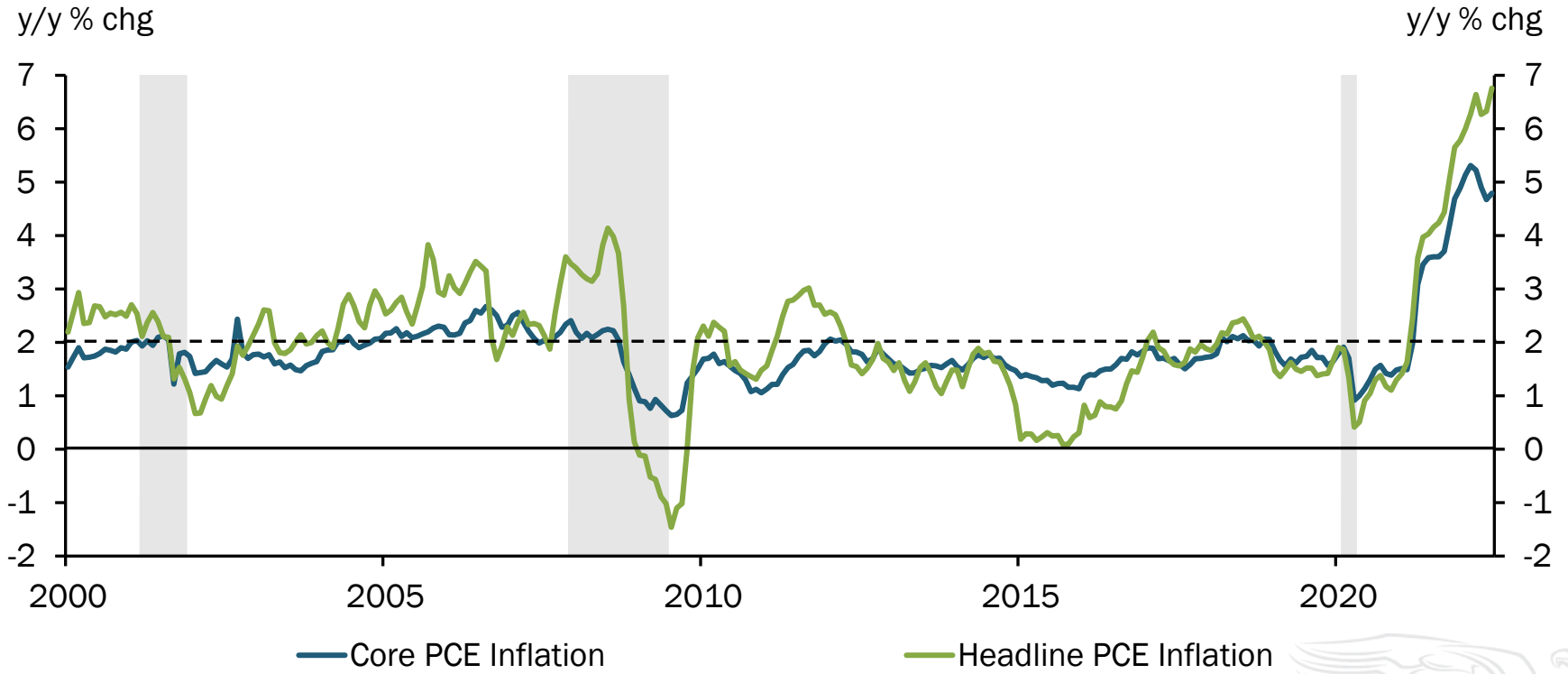


# Overview

- Inflation is above levels experienced over the last several decades, creating difficulties for many households in meeting regular expenses
- Unemployment is below historical levels, with demand for workers exceeding the persistently constrained supply of workers
- Monetary policy continues to tighten, raising interest rates in order to restore price stability
- Indicators from several sectors point to the effects of tighter monetary policy slowing overall demand growth

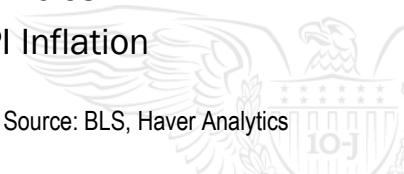
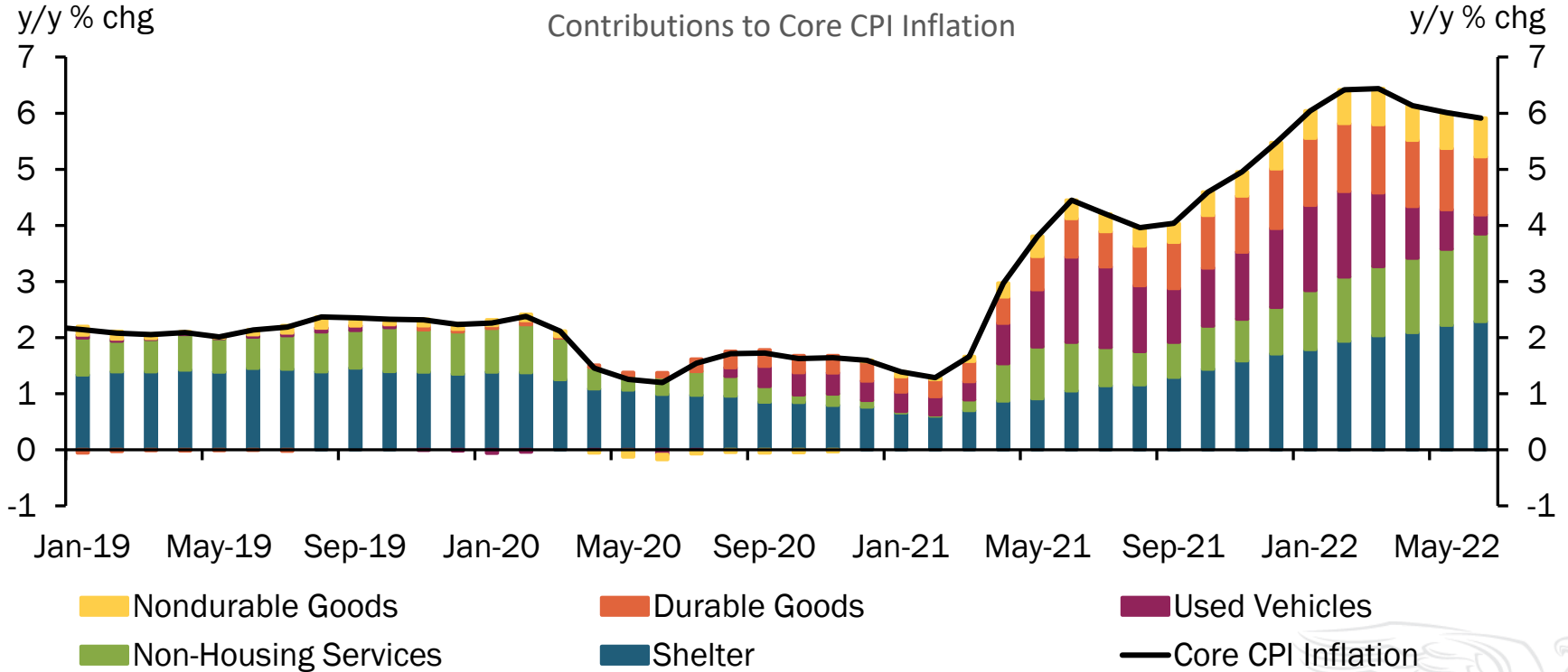


# Inflation remains well-above historic norms and the Fed's 2 percent target

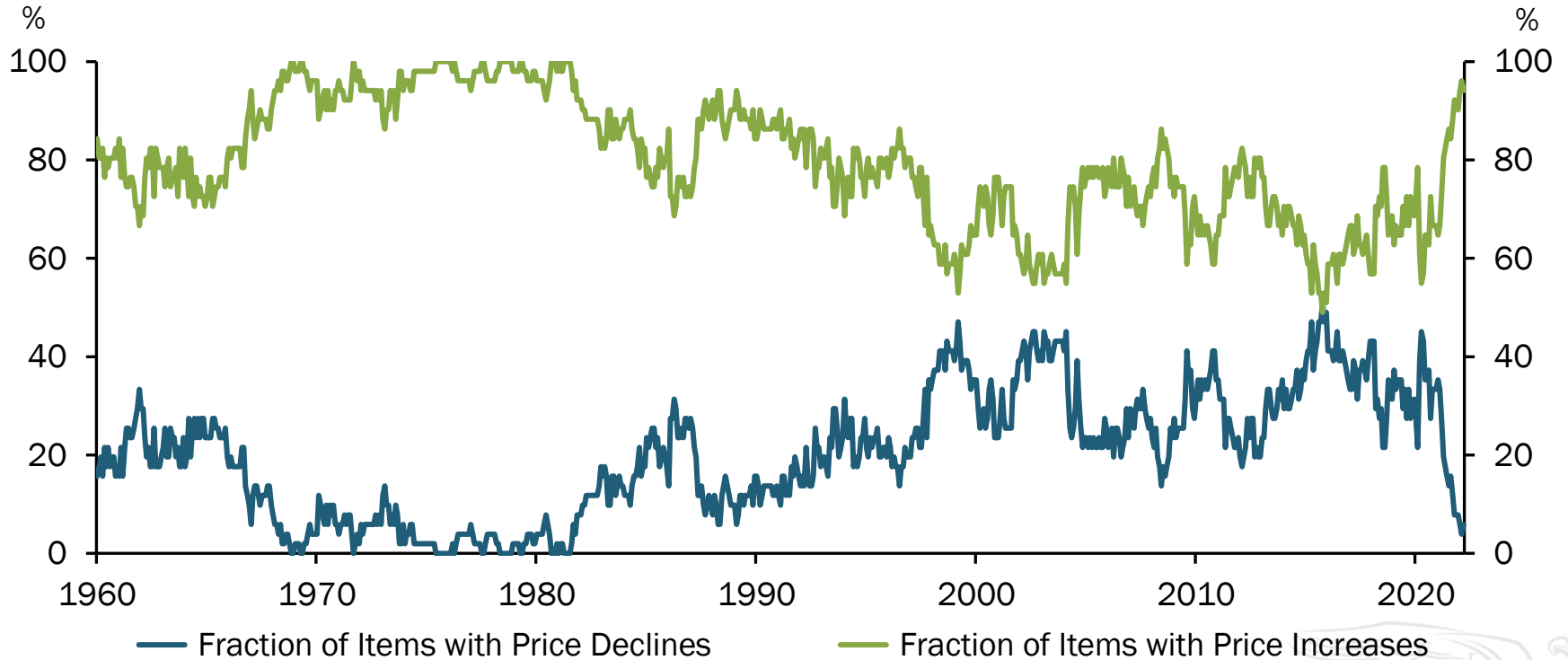


Source: BEA, Haver Analytics  
 Note: Grey bars indicate recession shading

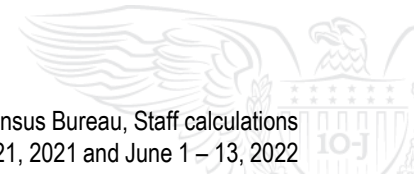
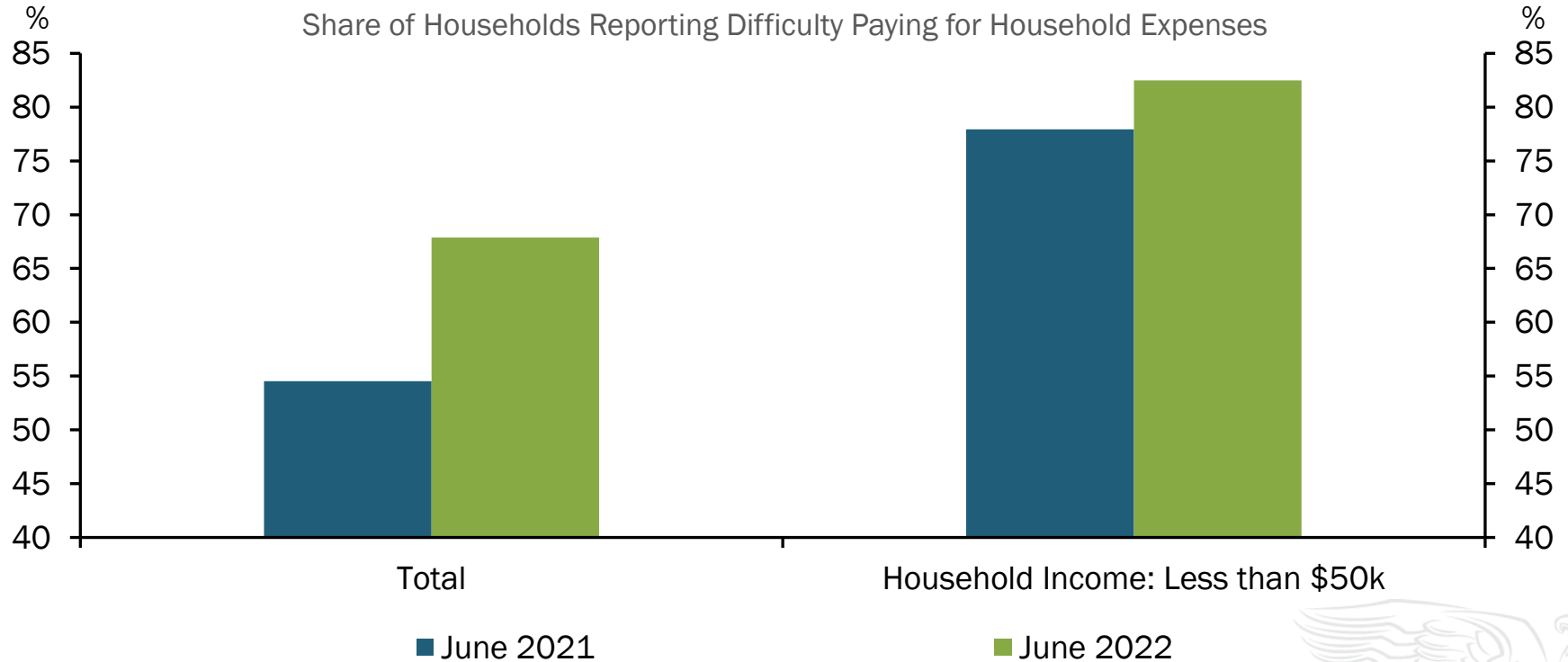
# Over the past year the prices of services began to exert an outsized influence on overall inflation



# And now prices are increasing for almost all goods and services



# More households are experiencing difficulty in paying their typical expenses compared to a year ago

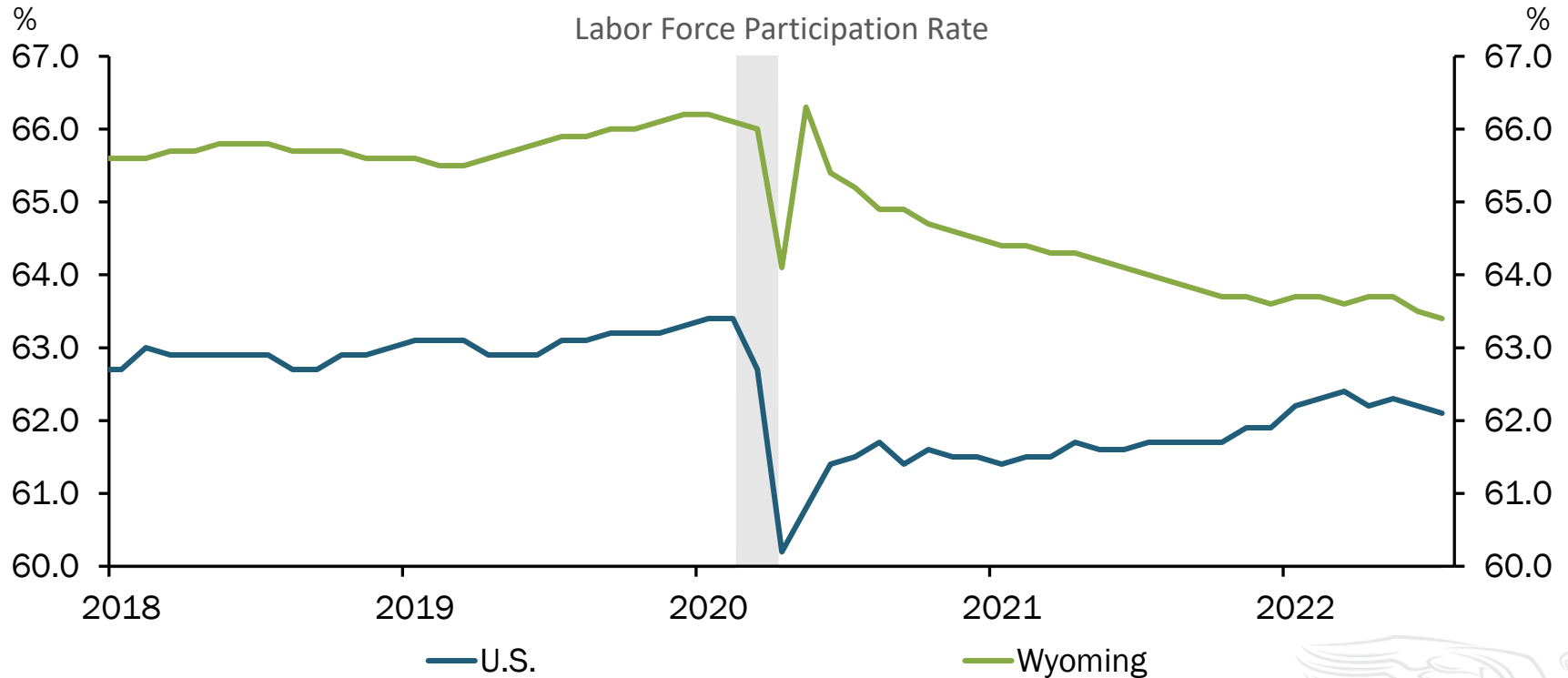


# Labor demand remains elevated

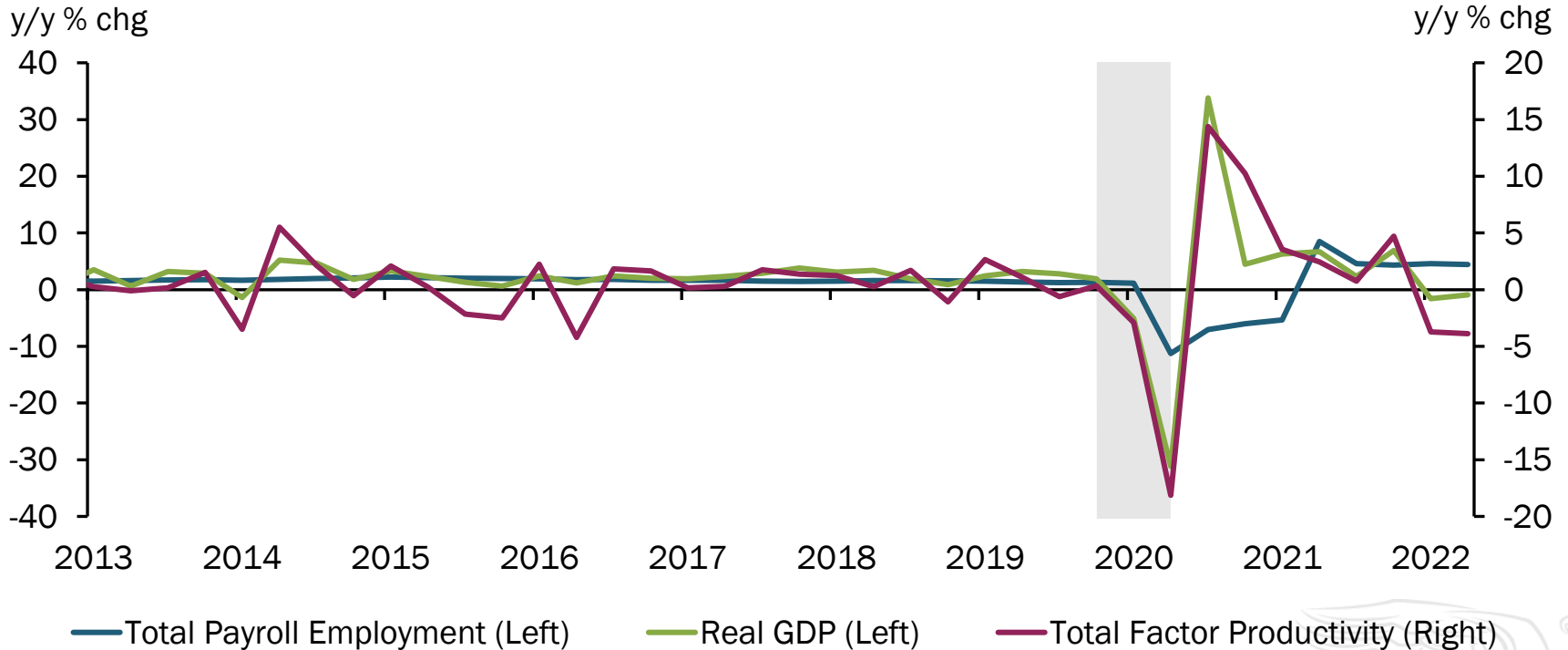




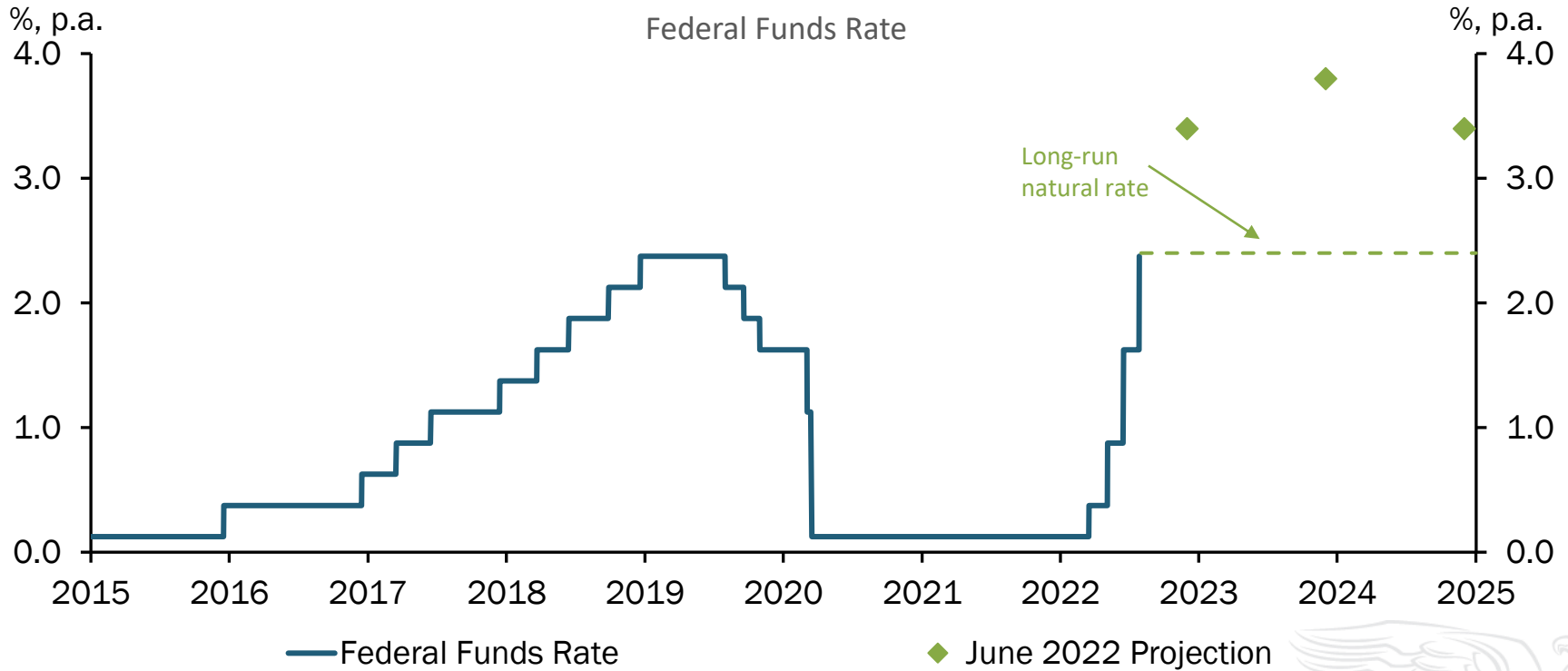
# While labor supply remains constrained



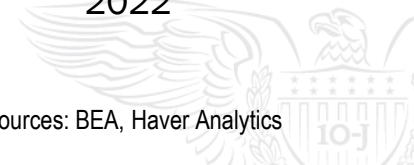
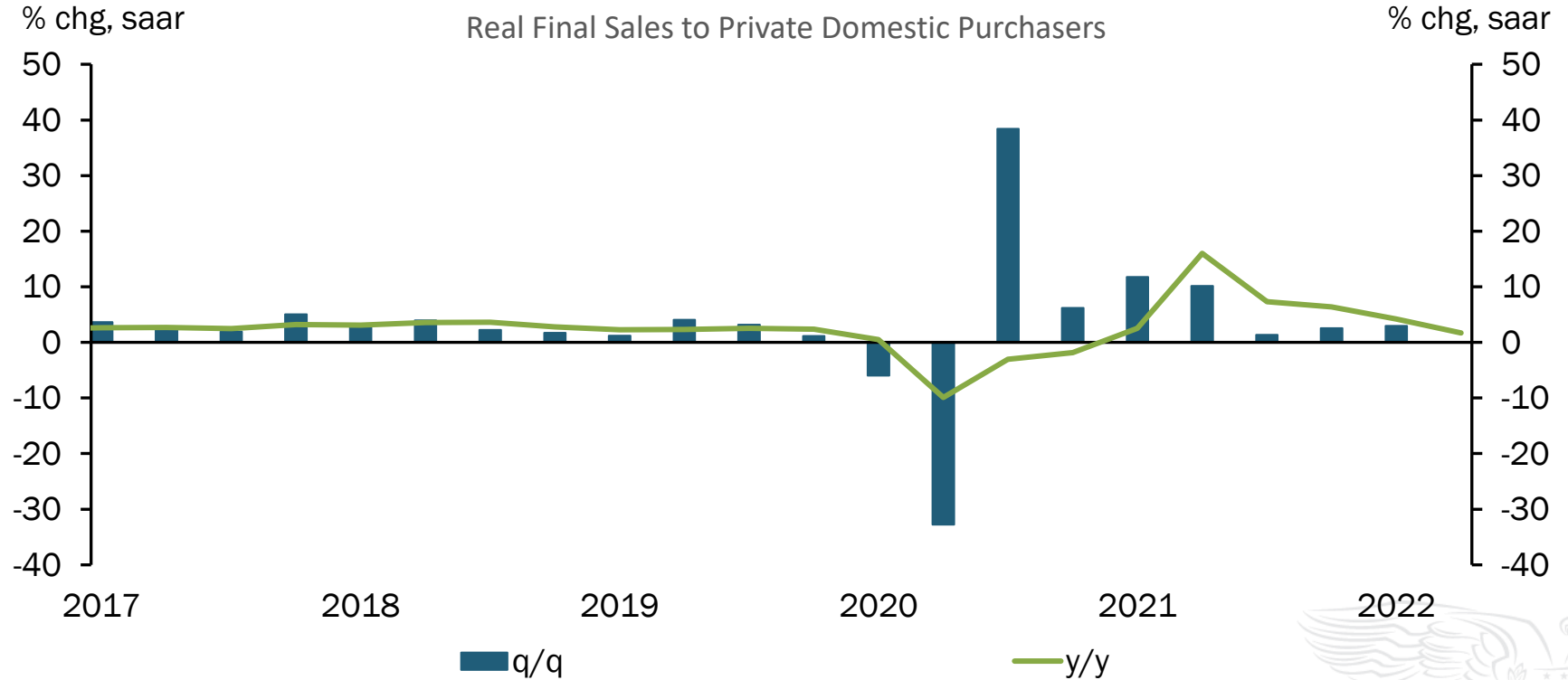
# Productivity declined since the beginning of the year, adding to supply constraints of the U.S. economy



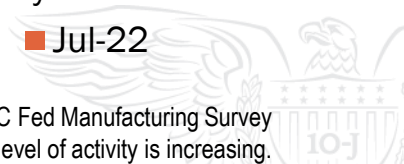
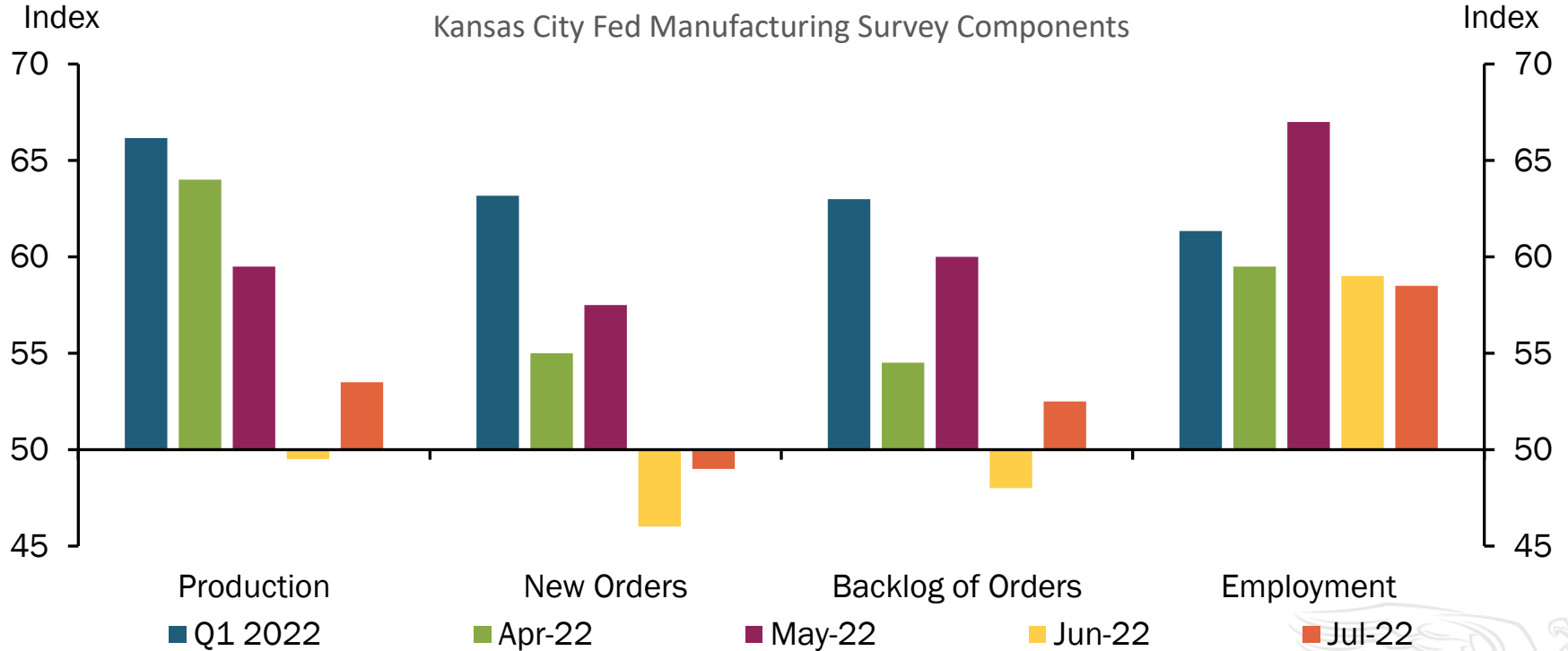
# The Federal Reserve is moving interest rates to restore price stability



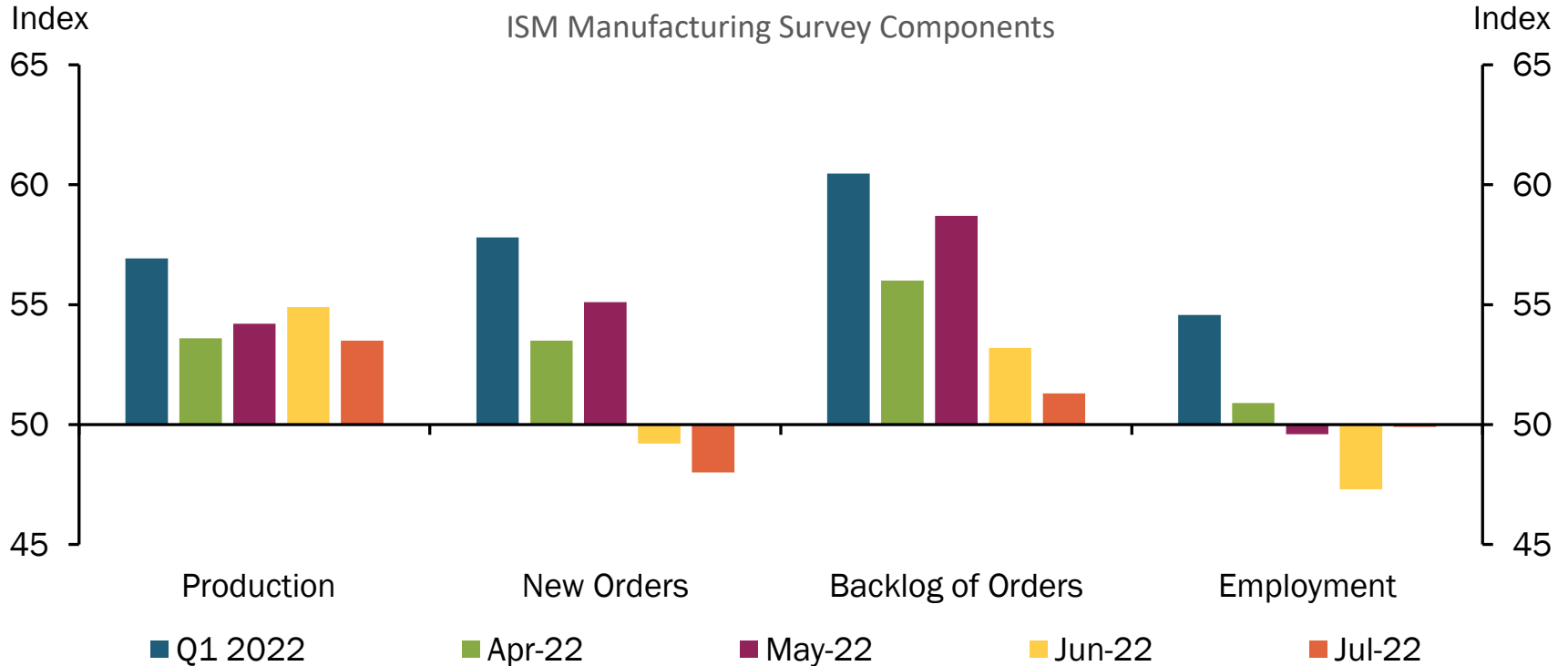
# Consumption growth slowed over the past several quarters to its recent trend, as has overall business investment



# Measures of production across the region point to declining activity, while job growth remains healthy



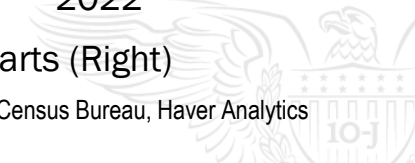
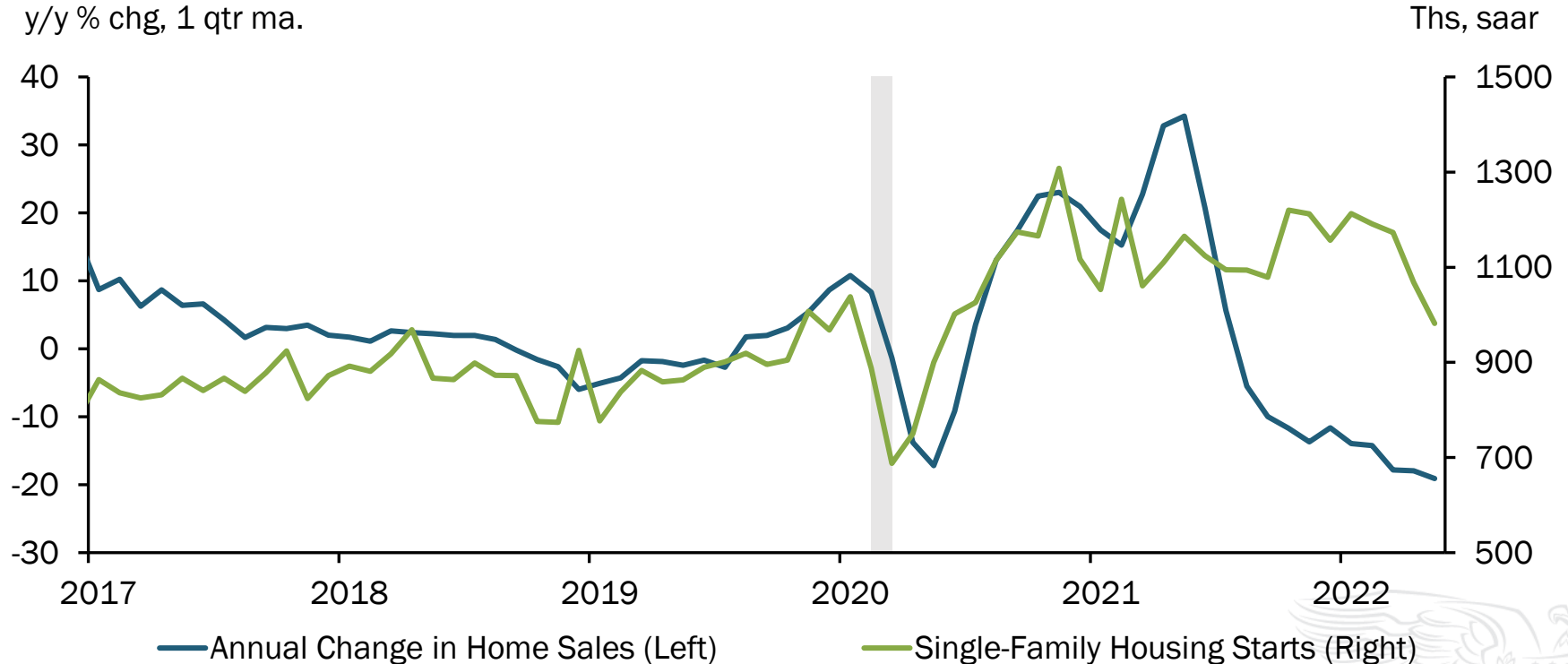
# Declines in production have been less severe across the country, highlighting regional differences



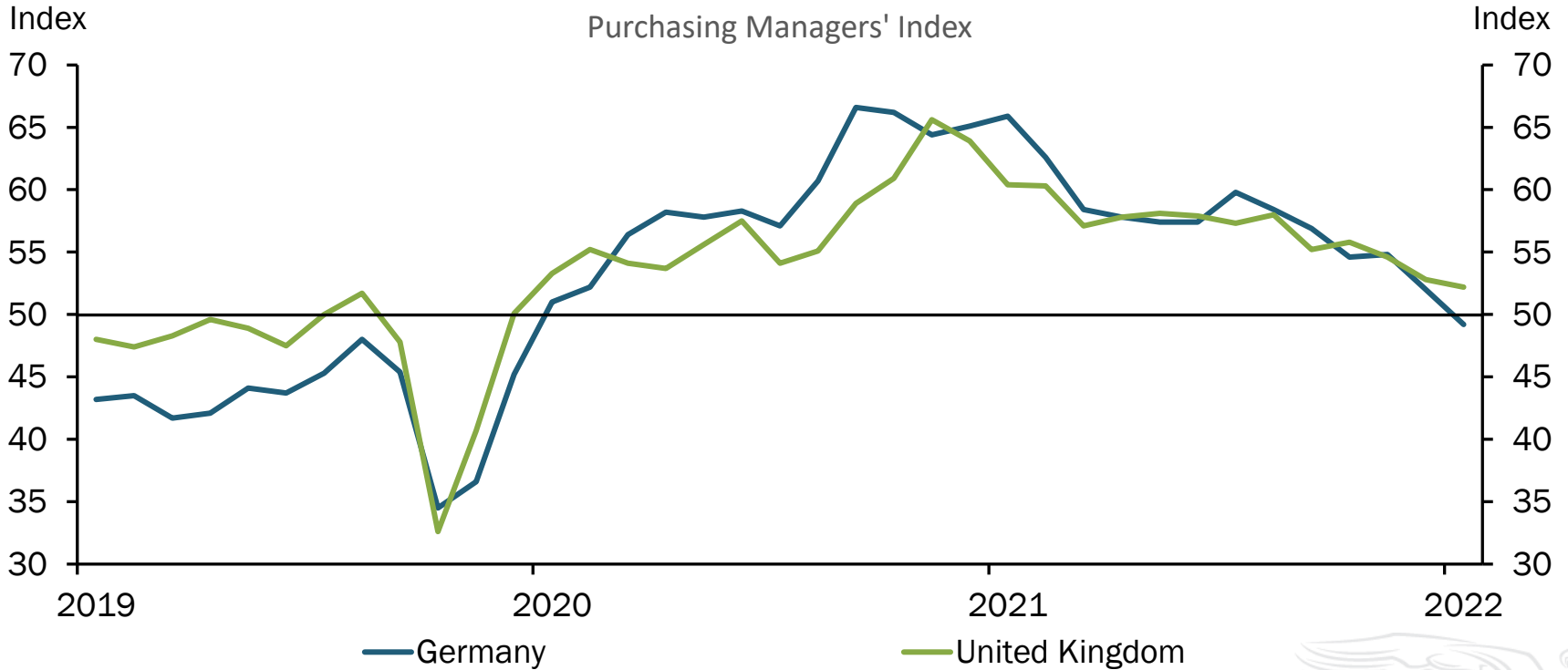
Sources: Institute for Supply Management, Haver Analytics  
 Note: An index level above 50 indicates the level of activity is increasing.



# The housing market is cooling as the number of existing homes being sold, and the number of new homes being constructed are falling



# Business activity is also slowing globally



Sources: S&P Global, Bloomberg

Note: An index level above 50 indicates the level of activity is increasing.



