NONCONFIDENTIAL // EXTERNAL

U.S. Economic Outlook

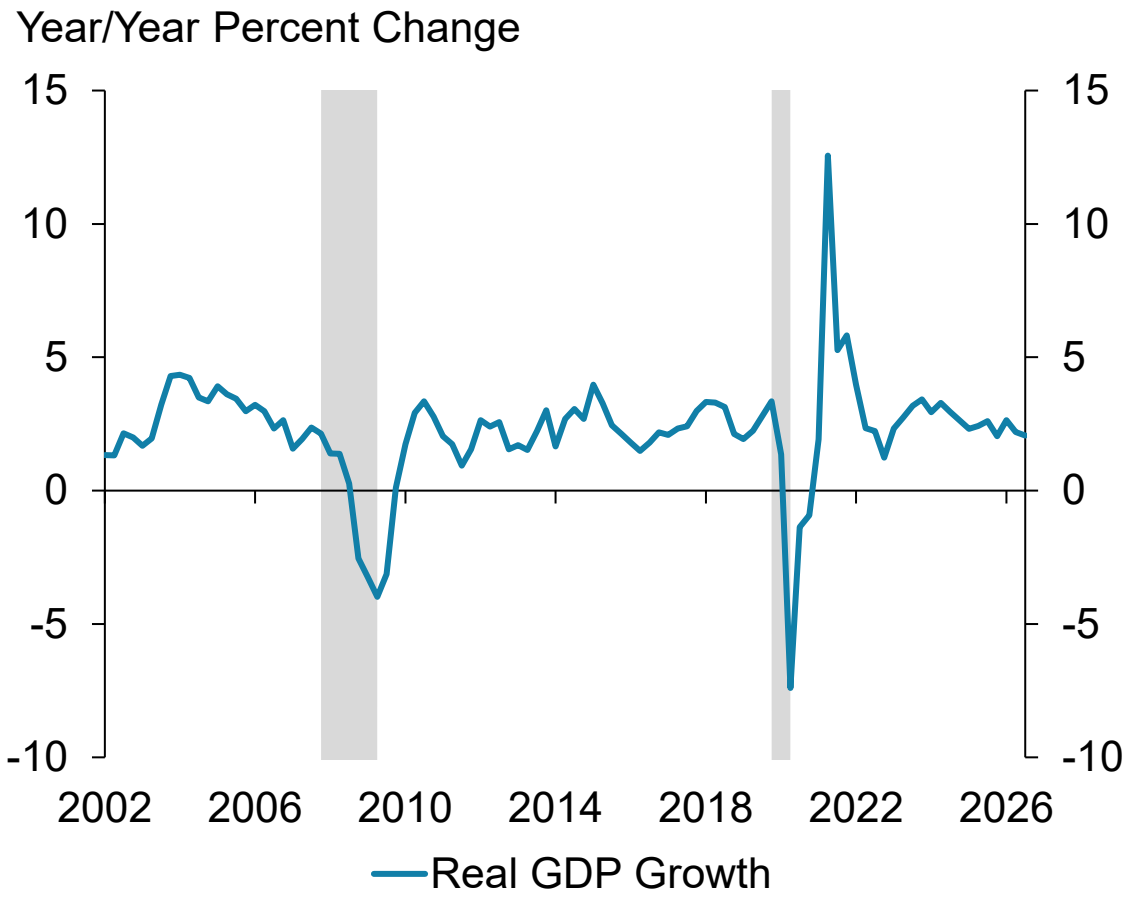
November 2026

Lee Smith
Senior Vice President & Economist
Federal Reserve Bank of Kansas City

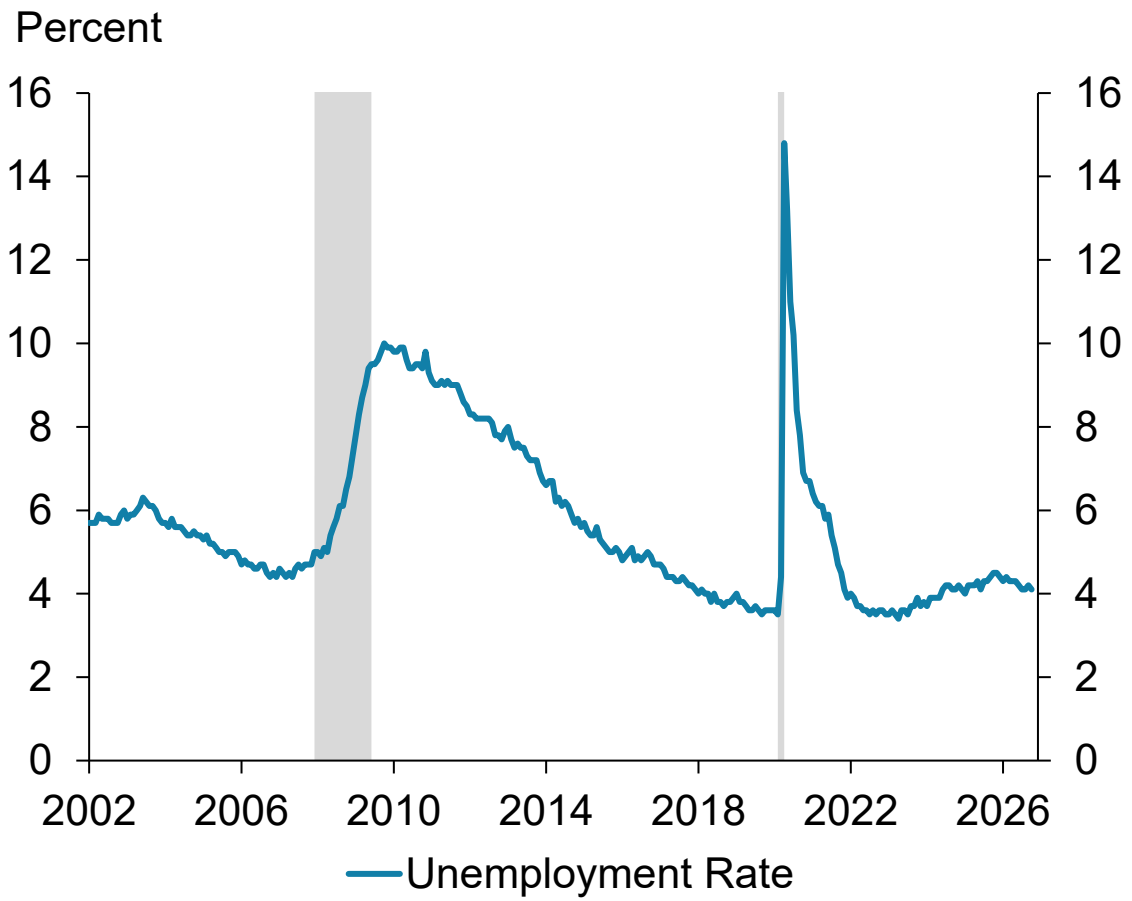
The views herein are those of the author and are not official views of the Federal Reserve.

FEDERAL RESERVE BANK OF KANSAS CITY
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Economic growth is solid, unemployment is low

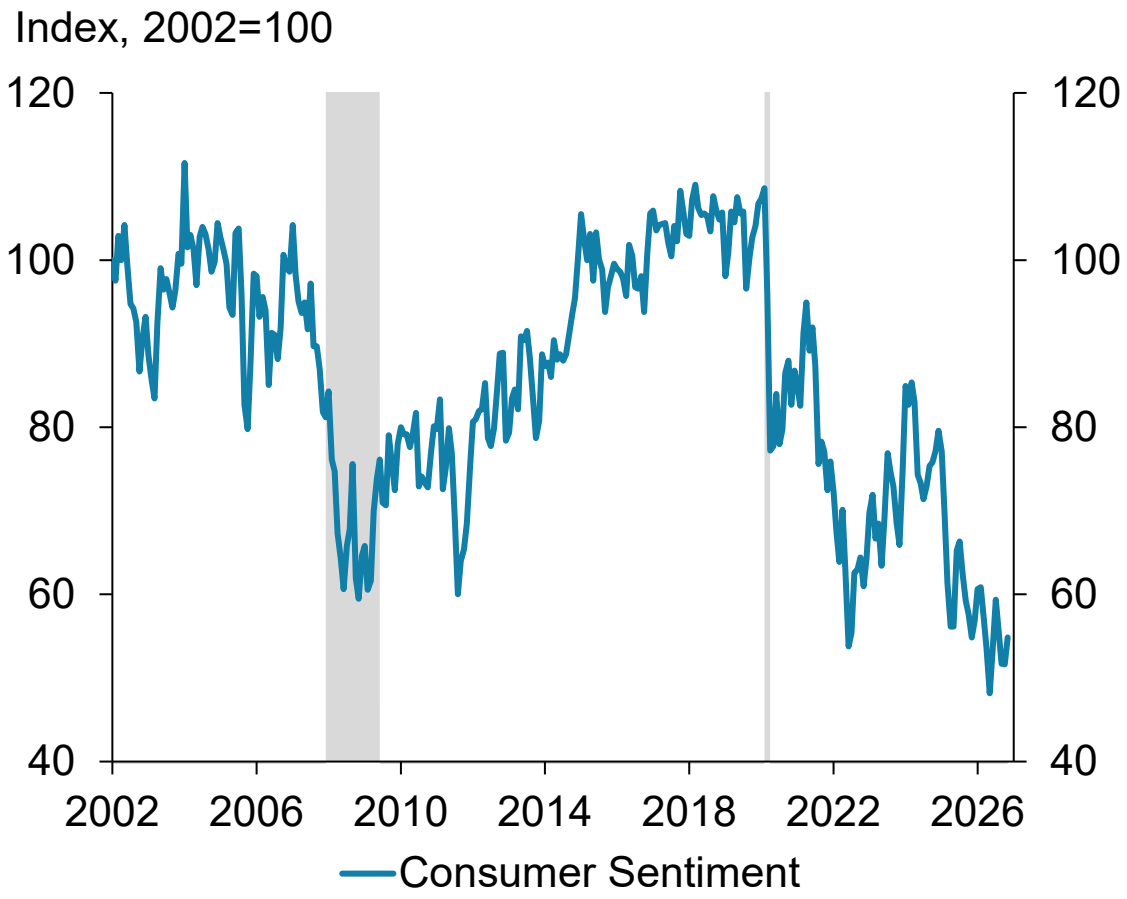


Sources: Bureau of Economic Analysis, NBER, Haver Analytics

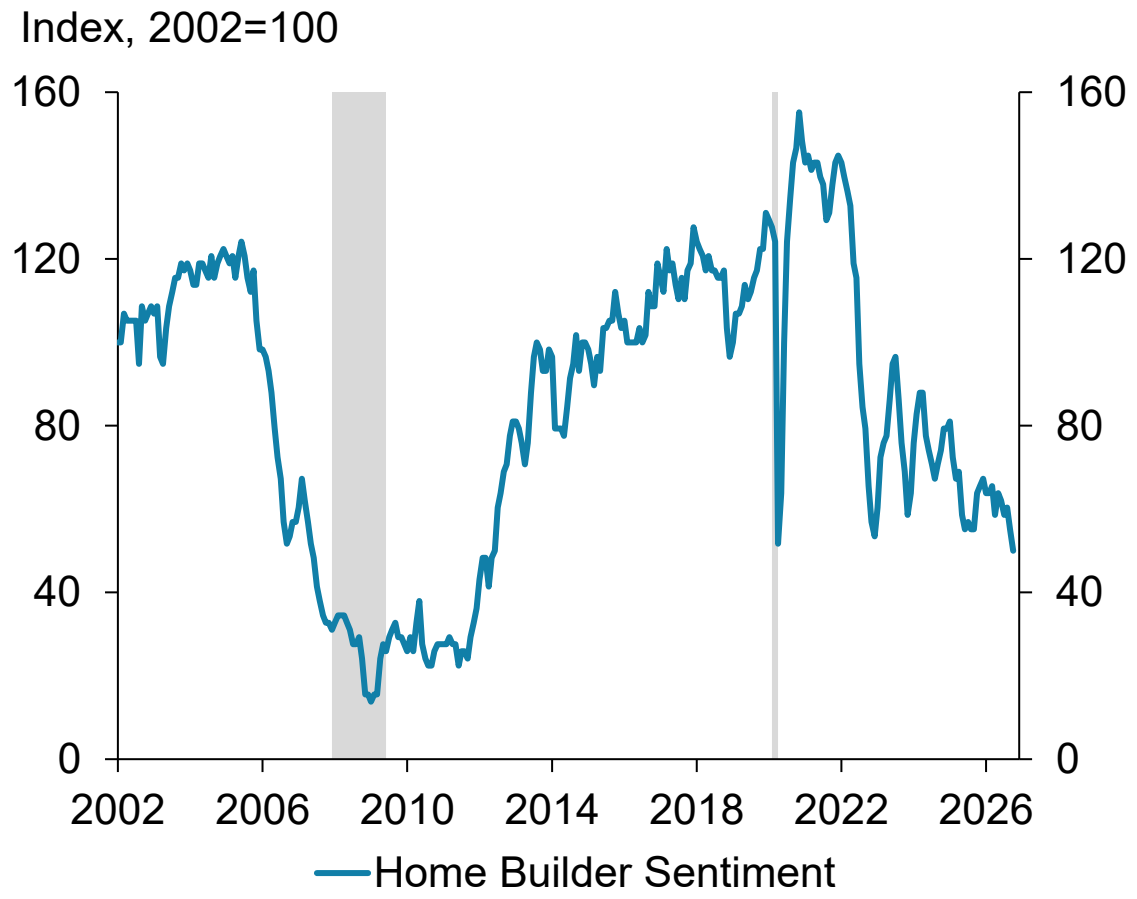


Sources: Bureau of Labor Statistics, NBER, Haver Analytics

Economic sentiment is extremely depressed

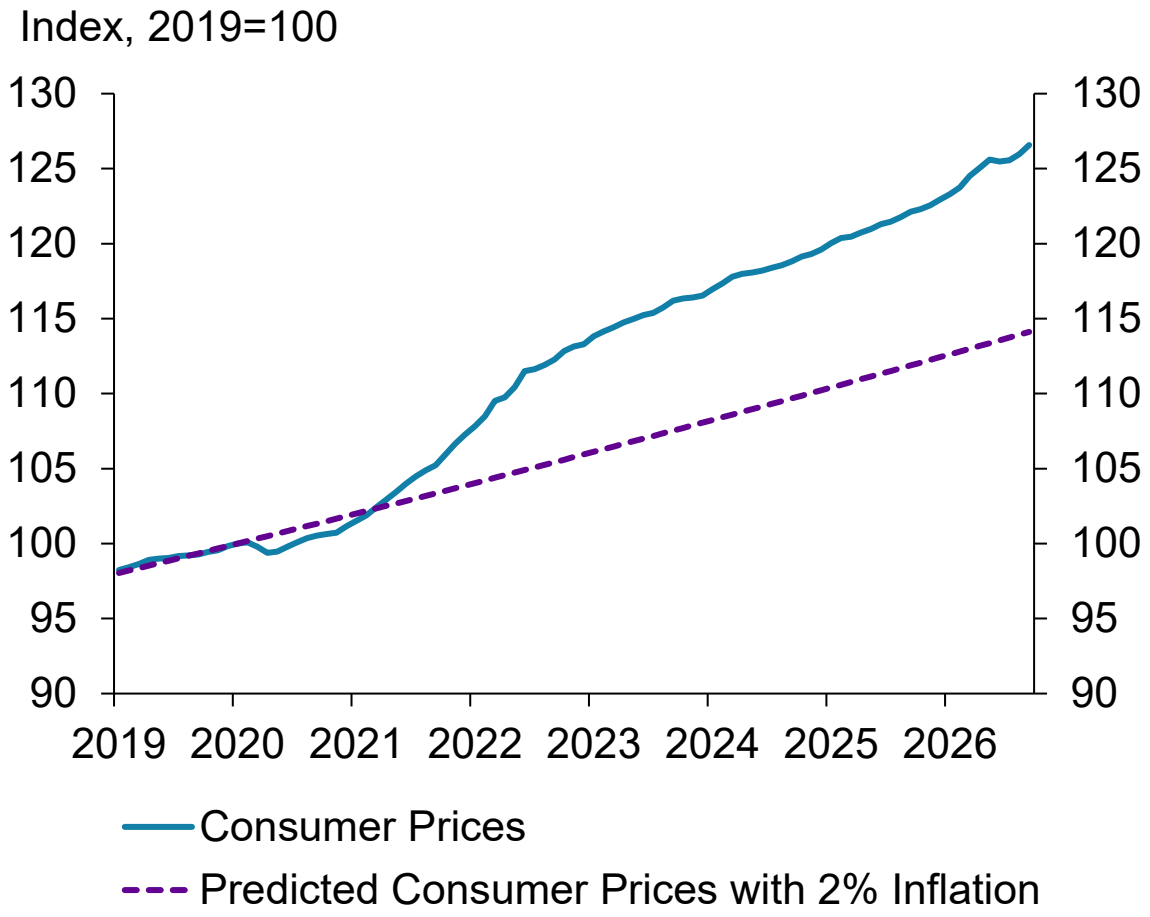


Sources: University of Michigan, NBER, Haver Analytics

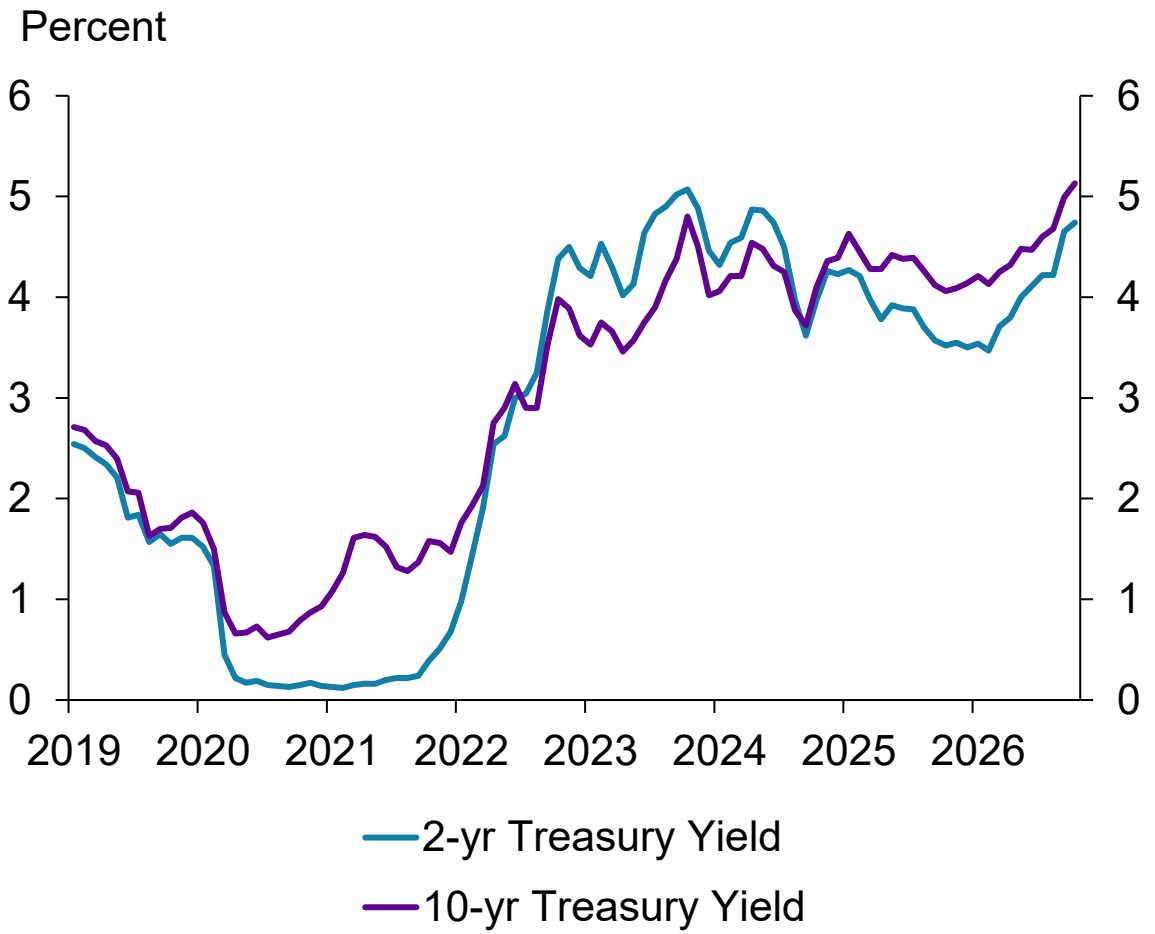


Sources: National Association of Home Builders, NBER, Haver Analytics

Prices and interest rates are much higher than 2019

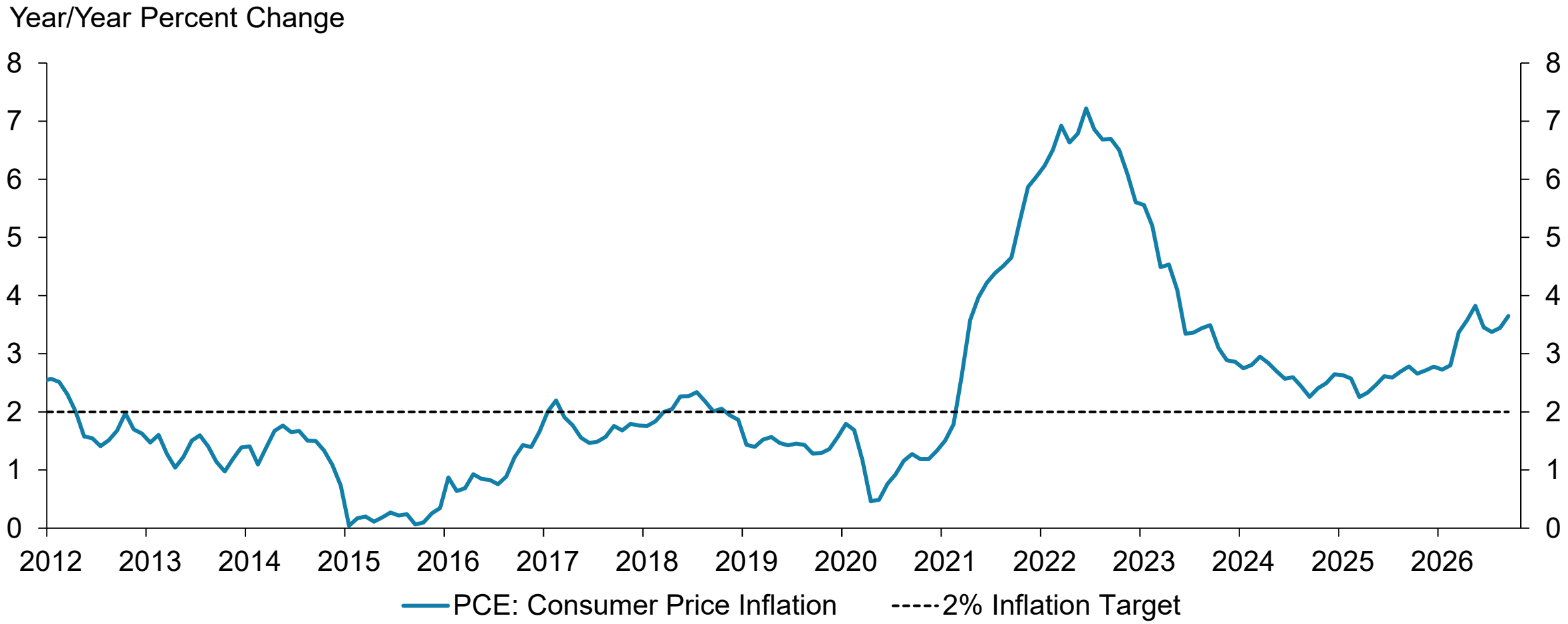


Sources: Bureau of Economic Analysis, Author's Calculations, Haver Analytics



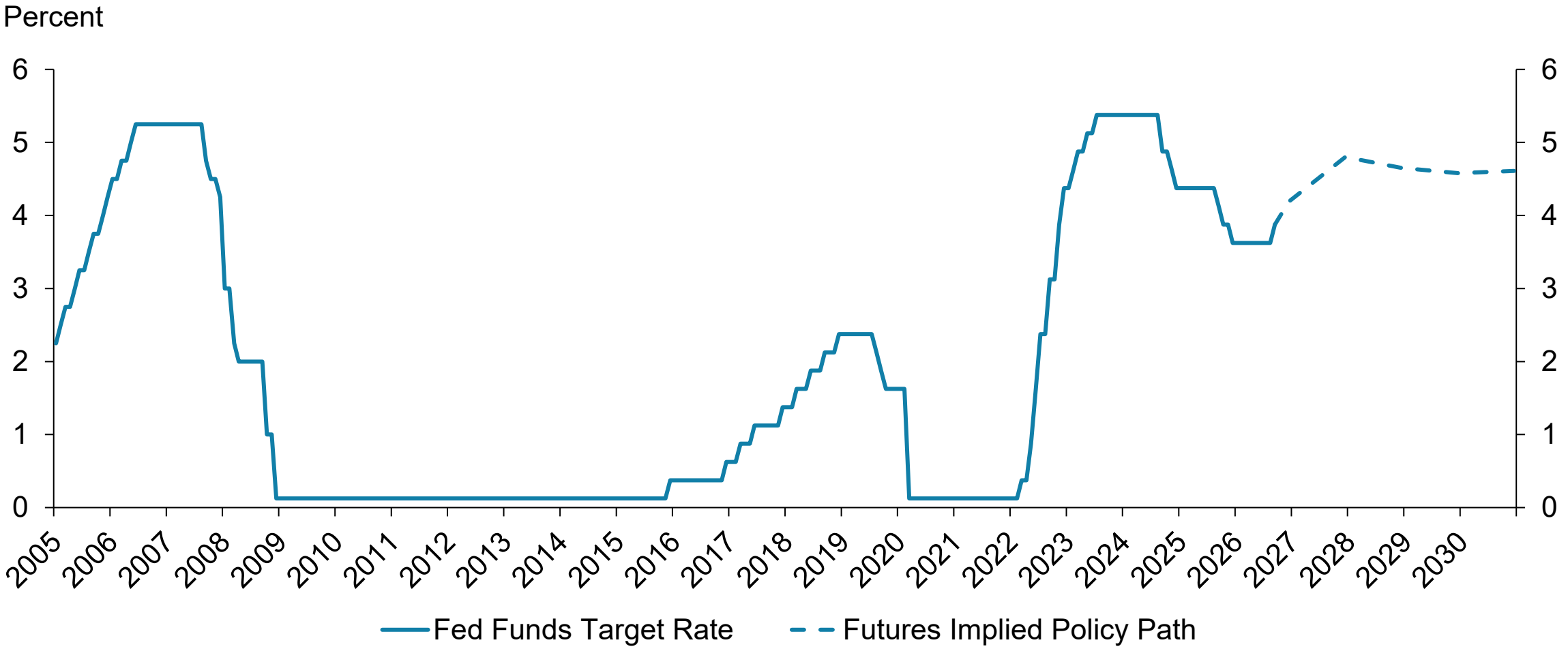
Sources: Federal Reserve Board, Haver Analytics

Inflation remains far too high



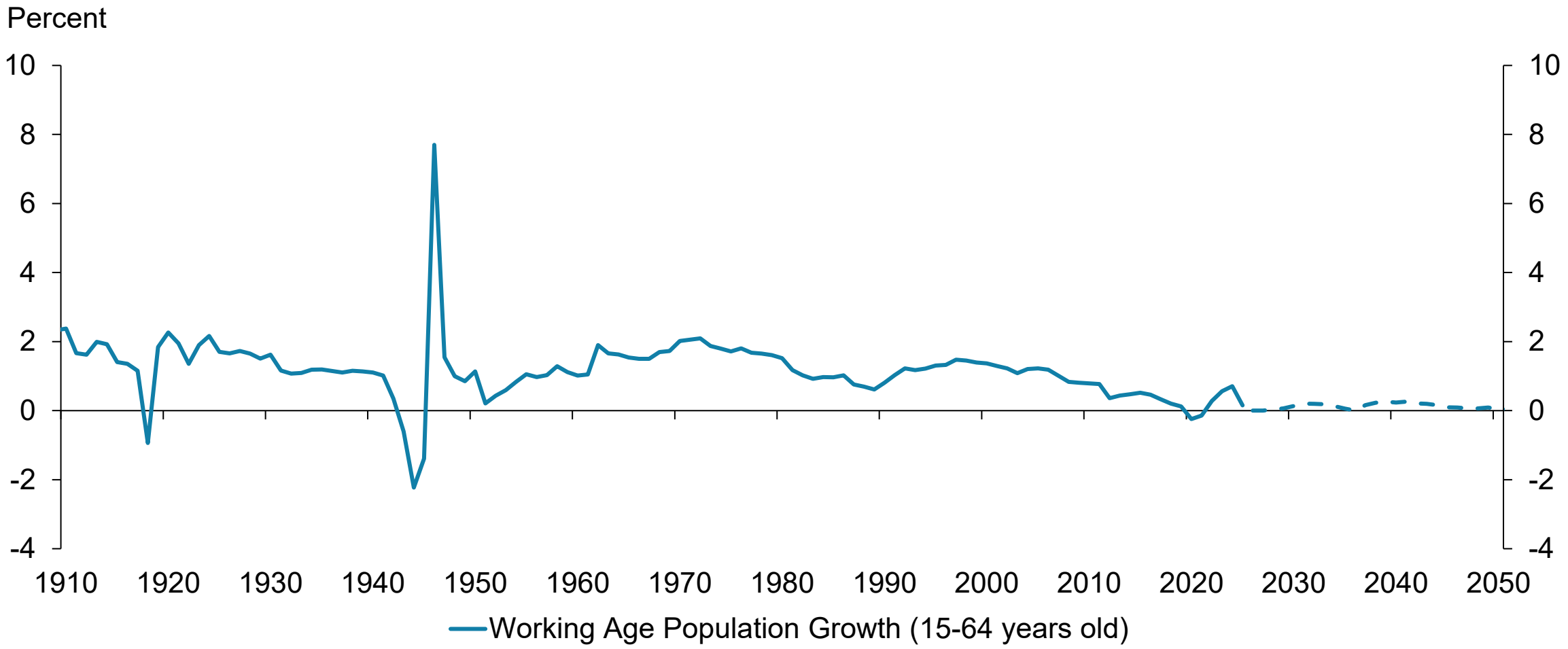
Sources: Bureau of Economic Analysis, Haver Analytics

Financial markets expect the funds rate to move higher



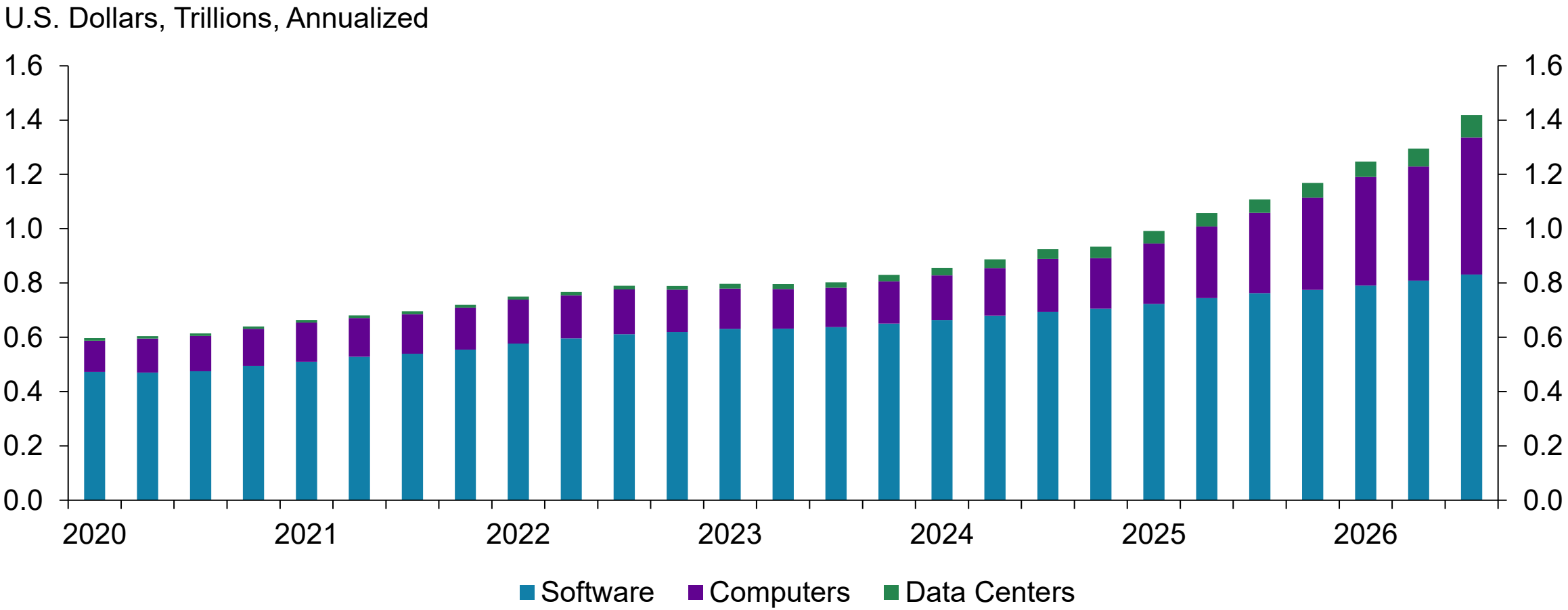
Sources: Federal Reserve Board, Chicago Mercantile Exchange, Haver Analytics
Note: Futures prices as of November 12, 2026.

Demographics are reaching an inflection point



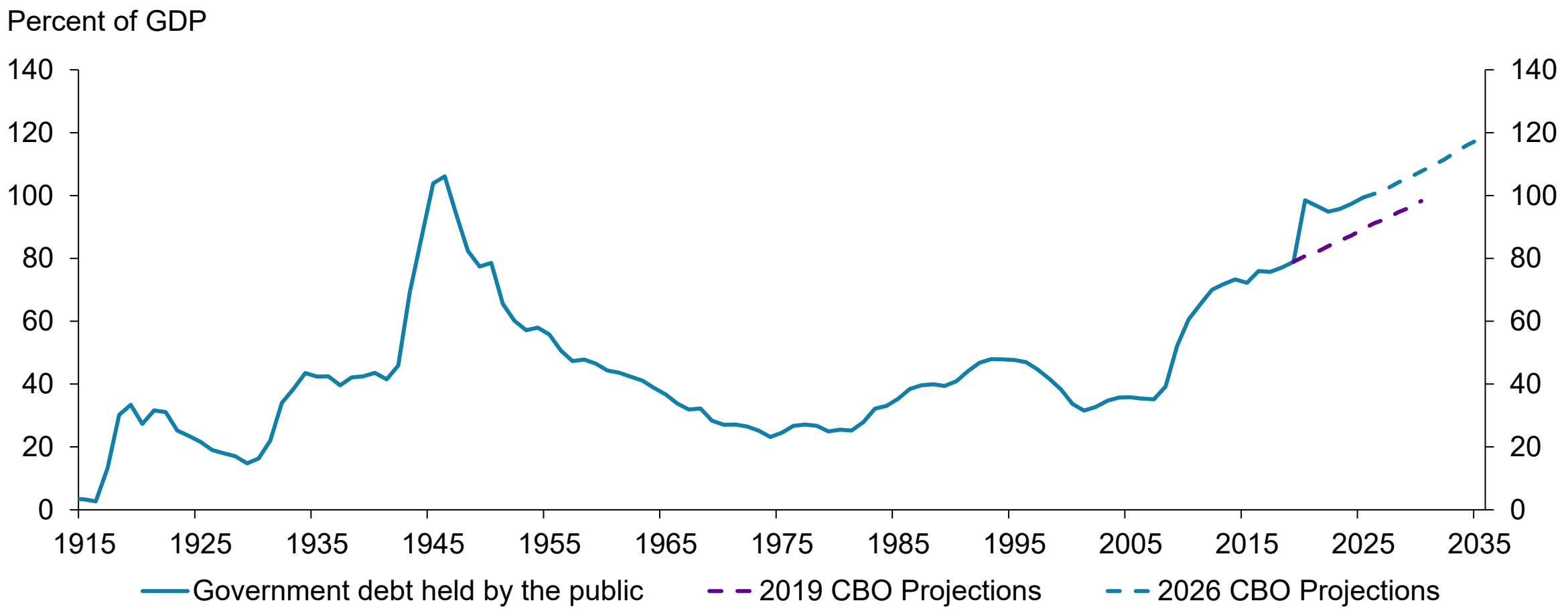
Sources: U.S. Census Bureau, Haver Analytics

AI-related investment spending is soaring



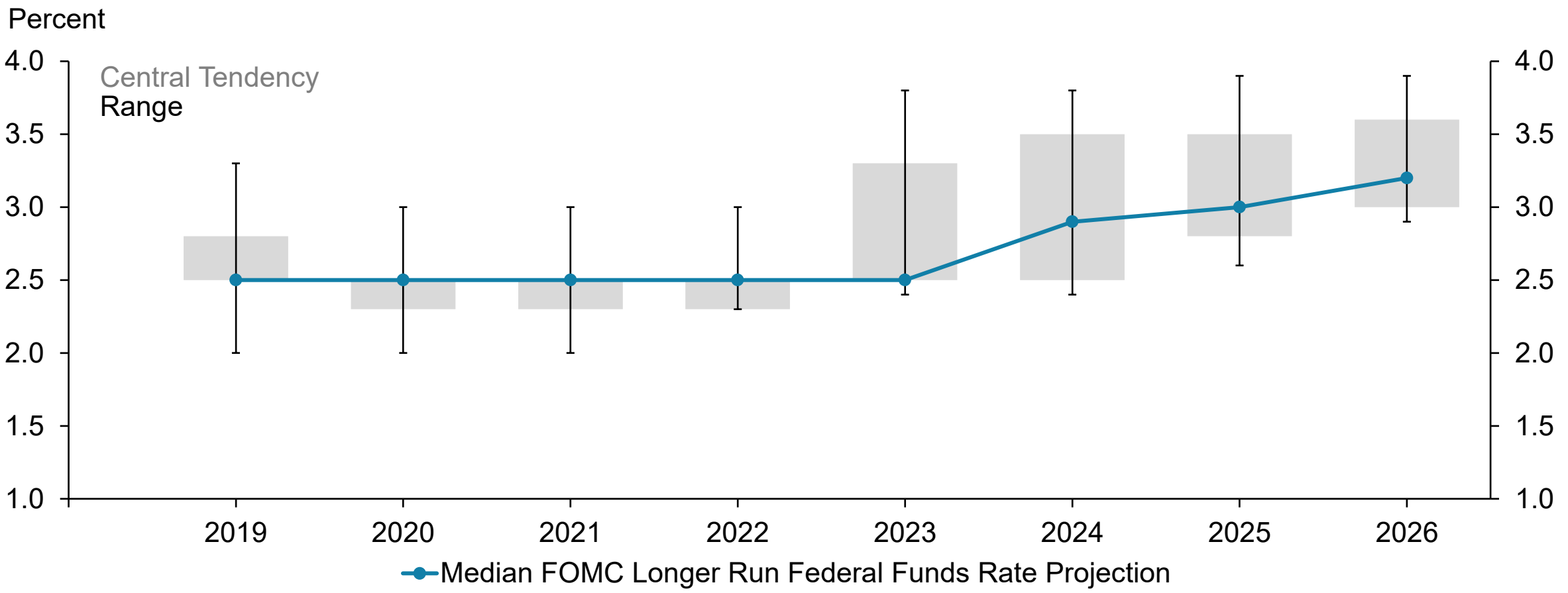
Sources: Bureau of Economic Analysis, Haver Analytics

Government debt continues to swell



Sources: Congressional Budget Office (CBO), Haver Analytics

Interest rates are unlikely to return to pre-pandemic lows



Source: Federal Reserve Board
Note: Projections are shown from the September SEP of each year.

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