ECONOMIC OUTLOOK

REGIONS

August 2025

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Q2 Data Flip The Script. Now What?

The initial estimate from the Bureau of Economic Analysis (BEA) pegs Q2 real GDP growth at an annual rate of 3.0 percent, between what we (3.3 percent) and the consensus (2.6 percent) expected. At the same time, real private domestic demand, or, combined business and household spending adjusted for price changes, grew at an annual rate of 1.2 percent. To some extent, the Q2 data played out as we expected, flipping the script from Q1 when real GDP contracted at a 0.5 percent rate while real private domestic demand grew at a 1.9 percent rate. We're not sure, however, that the GDP data for the first two quarters of 2025 tell us all that much about the state of the U.S. economy. Instead, we see the GDP data for the first half of 2025 as pretty much of a wash, with the Q1 data materially impacted by businesses and households acting to preempt anticipated increases in tariffs and the Q2 data largely reflecting payback.

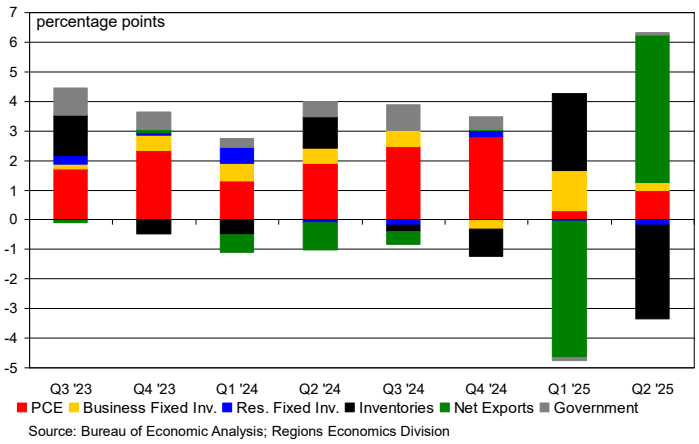
This leaves the question of where the economy goes from here, particularly with more trade deals being struck and the tariff structure coming into focus. The higher frequency data remain somewhat volatile and uneven, which could continue for a time. The question now is whether what we're seeing in the data is the slowdown in growth we and most others anticipated at the start of this year happening much less smoothly than anticipated, or whether the economy is genuinely starting to sag under the weight of higher tariffs, shortages of labor, persistent price pressures, and a heightened degree of uncertainty. Answering this question, at least correctly, is made more challenging by many of the economic data series sending conflicting signals. That may not change soon.

In any given quarter, the BEA's initial estimate of GDP is based on highly incomplete source data and prone to revision, sometimes sizable, as holes in the data are filled in and prior estimates of source data are revised. As the data now stand, real imports of goods fell at an annual rate of 35.3 percent in Q2 after having risen at an annual rate of 51.6 percent in Q1. With imports treated as a deduction under GDP accounting conventions, these sharp swings in imports of goods wreaked havoc with the GDP data over the first two quarters of 2025, knocking off 4.84 percentage points in Q1 and then adding 5.02 percentage points to real GDP growth in Q2. We've routinely noted what we see as a significant flaw in how imports are accounted for (treated as a deduction) in the GDP data, which is that roughly one-half of all goods imports are raw materials or intermediate goods used to produce final goods in the U.S. Be that as it may, the sharp swings in goods imports over this year's first two quarters were largely driven by efforts to stockpile inventories ahead of anticipated tariff increases (Q1) which brought payback in subsequent months (Q2). None of which tells us anything all that useful about underlying economic conditions.

The sharp swings in imports of goods helped trigger sharp swings in business inventories. A sizable share of goods imported in Q1 went right into inventories which, as such, blunted the drag from higher imports. Recall that in calculating real GDP growth, it is the change in the change in inventories that matters, so the much faster rate of inventory accumulation in Q1 added 2.59 percentage points to the change in real GDP. During Q2, however, businesses began to pare down those inventories, to a degree that knocked 3.17 percentage points off Q2 real GDP growth. As with goods imports, these swings in inventories say little, if anything, about underlying economic conditions.

REGIONS

Contribution To Real GDP Growth



Source: Bureau of Economic Analysis; Regions Economics Division

As a side point, in our discussion of the Q1 GDP data in our May *Outlook*, we noted that the reported increases in imports, private domestic demand, and inventories didn't seem to add up. While we thought the two rounds of revisions to the Q1 data would help reconcile that gap, that did not prove to be the case. We see similar gaps in the Q2 data, but in reverse of what we saw in the Q1 data, which still leaves us with some questions as to the consistency of the data. To the extent this is the case, it is something that likely won't be reconciled until the BEA conducts their annual benchmark revisions to the GDP data, the results of which will be released on September 25.

The wild swings in net exports and business inventories seen over the first two quarters of 2025 help account for why we repeatedly stress real private domestic demand as a better indicator of the underlying health of the U.S. economy than is top-line real GDP. We make that point regardless of the relative performance of the two metrics in any given quarter. That said, real private domestic demand was not immune to the swings seen in real GDP over the first two quarters of the year, even if to a lesser degree, reflecting businesses and households acting to avoid higher tariffs followed by payback in the data.

That the Q2 data reflected at least some degree of payback for activity having been pulled forward earlier in the year is one reason

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we weren't as troubled by the slowdown in growth of real private domestic demand in Q2 – an annual rate of 1.2 percent compared to the 1.9 percent rate in Q1 – as many others seemed to be. To be sure, assessing how much of the slowdown in growth of real private domestic demand in Q2 reflected payback and how much reflected the broader economy having lost some momentum is not exactly spelled out neatly in the data, and there is room for debate as to the relative weights. Moreover, in several instances the monthly patterns of activity don't neatly conform to calendar quarters, meaning that the Q3 data could also reflect payback from earlier months. As such, the prints on real GDP and real private domestic demand may not bring as much clarity as we'd like.

For now, there are a few elements of the Q2 data on real private domestic demand we think are worth touching on, as they go to the question of just how much momentum the economy may have carried into the back half of 2025. Real consumer spending grew at an annual rate of 1.4 percent in Q2, up from a 0.5 percent rate in Q1 and adding 0.98 percentage points to top-line real GDP growth. We will caution that the BEA's initial estimate of Q2 services spending was based on incomplete source data, as is the case in any given quarter, making this a prime area for sizable revision. Recall that the BEA's first estimate showed real consumer spending grew at an annual rate of 1.8 percent in Q1, but subsequent source data showed significantly weaker services spending than the BEA had estimated. That was the primary factor behind Q1 growth in real consumer spending ultimately being revised down to a 0.5 percent rate.

For several months we've been pointing to softness in spending on discretionary services such as travel, lodging, recreation, and entertainment, with restaurant spending being a notable outlier. Our proxy for discretionary services spending grew at a rate of 0.9 percent in Q2 after accounting for price changes, which is actually a step up from the 0.2 percent annualized contraction seen in Q1. What really stood out to us, however, was that on a nominal basis (i.e., prior to adjusting for price changes) growth in our proxy for discretionary services spending was slower in Q2 than in Q1 despite growth in the real measure being faster.

This simply reflects the declines in prices for discretionary services we have been pointing to in our analysis of the monthly data on the PCE Deflator and the Consumer Price Index which have been a key factor in the deceleration in overall services price inflation. As we've noted, this has acted to counter the recent upward pressure on goods prices stemming from tariff pass-through. Whether, or to what extent, this dynamic continues over the months ahead, when we expect accelerating goods price inflation, will be a key factor in shaping the path of overall inflation. We will caution, however, that favorable seasonal adjustment contributed to the measured declines in discretionary services prices during the second quarter, but once we get past the July data seasonal adjustment will be considerably less favorable, acting to boost prices for discretionary services and, in turn, broader inflation.

Another element of the Q2 data on real private domestic demand that stood out to us was that real spending on consumer durable goods grew at an annual rate of 3.7 percent, easily ahead of the 1.4 percent annualized growth of total real consumer spending. To some extent, this "strength" in Q2 spending traces back to March. Yes, we get that March is actually in Q1 not Q2, but March was the month when we saw a notable surge in spending on consumer durable goods. While this was before the April 2 announcement of sweeping and substantial tariff increases, it could be that the earlier tariffs imposed on Canada, China, and Mexico (the "fentanyl tariffs") prompted consumers to act ahead of further increases in tariffs applied to a wider range of goods. Either way, spending on consumer durable goods spiked in March, and while unit sales of new motor vehicles jumped to their highest monthly rate in four years, we saw similar jumps in spending in other categories of consumer durable goods such as furniture, electronics, appliances, and recreational goods/equipment.

These jumps in spending meant the dollar volume of spending on such goods in March was easily ahead of the Q1 average, which effectively set a high floor for Q2 spending. Save for another strong print on new vehicle sales in April, the monthly data show only middling growth in spending on consumer durable goods in Q2, with new vehicle sales falling sharply in May and further still in June. Yet, with the March data having set such a high floor for Q2 spending, what were middling monthly spending numbers translated into a healthy gain on a quarterly average basis.

We go into this detail as our forecasts over the past few months have anticipated the quarterly averaging magic to fade with the Q3 data, i.e., we've expected the Q3 data to more resemble the middling monthly data seen during Q2 than the strong March data. That assumption, however, was called into question by the surprising strength of new vehicle sales in July, with sales jumping to an annual rate of 16.411 million units from June's sales rate of 15.323 million units. The not seasonally data show weaker sales in June and stronger sales in July than is typical for those months but even allowing for this and taking the average over the two-month period would put vehicle sales on a stronger trajectory in Q3 than we'd been anticipating. That we'd anticipated flattish real consumer spending in Q3 had more to do with the pull forward-payback patterns we've been discussing than with our seeing more fundamental weakness in consumer spending, as others have been arguing is the case and which the monthly data on consumer confidence/sentiment would suggest. Even though not entirely free of the pull forward-payback patterns, our August baseline forecast anticipates a better Q3 print on real consumer spending than incorporated into our forecasts over the past few months.

As to the business spending side of real private domestic demand, the Q2 data brought both an upside surprise and a downside surprise. As to the former, real business spending on equipment and machinery grew at an annual rate of 4.8 percent in Q2, which is noteworthy in that spending in this category rose at an annual rate of 23.7 percent in Q1. Given that frenzied pace, we and most others anticipated payback to come in the form of a decline in real spending in Q2. The key support for Q1 growth was spending on information processing equipment (communications equipment and computer equipment, primarily), which grew at an annual rate of 72.9 percent after adjusting for price changes.

This growth was generally attributed to businesses pulling purchases forward to avoid tariff-related price increases, which was one reason a decline in such spending in Q2 seemed plausible. Instead, real outlays on information processing equipment rose at an annual rate of 5.4 percent in Q2 thanks to further growth in spending on computer equipment. In part, this growth likely reflects ongoing efforts by firms to enhance labor productivity, but this growth also aligns with what we've heard on earnings calls

from the larger companies in the tech sector, who collectively have been very aggressive in capital spending related to developing and enhancing AI. While it would be reasonable to think that at least some payback may be on tap after the surge in spending seen over 1H 2025, it could be that either any such payback is limited to Q3 or that Q3 will see further growth but at a slower pace than that seen in Q2. The monthly data on core capital goods orders have been of limited value in trying to answer this question, but this is one component of real private domestic demand to watch closely in the months ahead.

In contrast, a second straight quarterly decline in research and development outlays was a particularly disappointing element of the Q2 data. R&D outlays are a key component of business spending on intellectual property products, and we've frequently noted that patterns in R&D outlays tend to lead patterns in labor productivity growth. Spending in the broad intellectual property products category grew over 1H 2025 thanks to rapid growth in outlays on computer software (R&D and computer software combine to account for over ninety percent of total intellectual property products spending), but sagging R&D outlays acted as a drag. This could in part reflect the impact of cuts in government funding, firms pulling back amid a highly uncertain economic environment, or firms awaiting the outcome of legislation that would bring more favorable tax treatment of business investment, including R&D spending. Either way, the push for enhanced labor productivity and the development of AI both have much further to run, which suggests a rebound in R&D outlays in coming quarters.

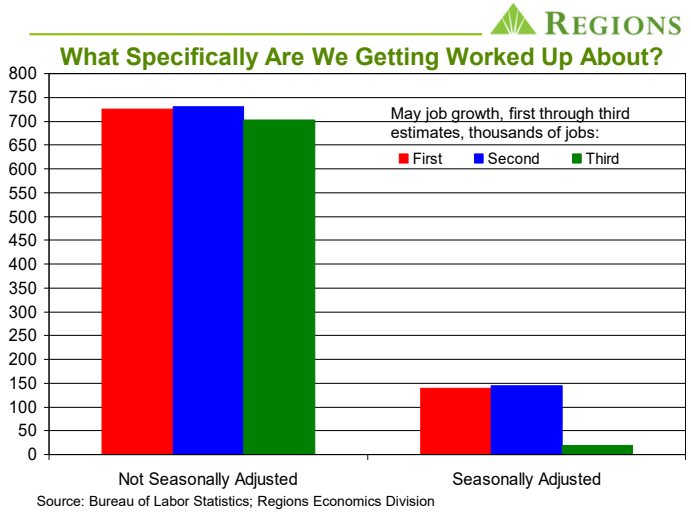
To the extent the data are not yet free of the pull forward-payback patterns we've been pointing to over the past few months, the economic data will remain volatile in the months ahead and the quarterly reads on real GDP and real private domestic demand will be somewhat noisy. As such, our forecasts could remain prone to sizable month-to-month shifts, though going forward this will likely be more apparent amongst our forecasts of the components of GDP rather than in our forecasts of top-line real GDP growth.

Whither The Labor Market? Or Is It A Withering Labor Market?

Total nonfarm payrolls rose by just 73,000 jobs in July, with private sector payrolls up by 83,000 jobs and public sector payrolls down by 10,000 jobs. Headline job growth came in a touch below the increase of 82,000 jobs our forecast anticipated, with the increase in private sector payrolls and the decline in public sector payrolls each smaller than we anticipated. That headline job growth was even further below the consensus forecast (110,000) jobs was not, in and of itself, that big of a surprise, let alone shocking. What was shocking, however, was the magnitude of the revisions to prior estimates of job growth in May and June, with a net downward revision of 258,000 jobs over the two-month period.

While we do not use the term "shocking" loosely, we didn't think it was too much of a reach when we used it in our initial take on the July employment report. After all, we have for years now been pointing to survey and methodological issues that we've argued have eroded the reliability of the estimate of nonfarm job growth in any given month. Yet, nothing prepared us for what, outside of the height of the pandemic, was the largest two-month revision on record. Market participants took the revision even harder than we did, with equity prices and yields on U.S. Treasury securities plummeting after the release of the July employment report, while many analysts hurriedly downgraded their views of the labor market and, in turn, the broader economy. That the July employment report came just two days after the FOMC left the Fed funds rate unchanged at their July meeting led many to argue that the Committee, save for Governors Bowman and Waller, who voted for a funds rate cut at the July meeting, was behind the curve. Very few of those making that argument on August 1, however, were making that argument on July 30 – the day on which the FOMC meeting concluded.

Upon further review of the details of the data, our initial reaction – "shocking" – has been similarly revised downward, to "weird." At least we think that's a downward revision. Then again, "shockingly weird" may be the best way to characterize how we now see the revisions. The details show that for the May data, the downward revision was far more a function of revised seasonal adjustment factors than revisions to actual job growth. Recall that the initial estimate showed total nonfarm payrolls rose by 139,000 jobs in May, with the second estimate (incorporated into the June employment report) showing an increase of 144,000 jobs. The third estimate (incorporated into the infamous July employment report), however, showed an increase of just 19,000 jobs. In other words, between the first and third estimates, the estimate of May job growth was revised down by 120,000 jobs, almost one-half of the net downward revision of 258,000 jobs for the May-June period. While a downward revision that large may seem shocking, how we got there was just, to our point, downright weird.



The chart above illustrates our point. The initial estimate from the not seasonally adjusted data shows total nonfarm payrolls rose by 726,000 jobs in May which, as we noted at the time, was a smaller than typical May increase on a percentage change basis. The second estimate showed an increase of 731,000 jobs, and the third estimate showed an increase of 703,000 jobs, or, 23,000 thousand fewer jobs added in May than initially estimated which, as these things go, is a small revision. Yet, the seasonally adjusted data show 120,000 fewer jobs being added in May than first estimated which, as these things go, is a sizable revision. To our point, however, most of this downward revision reflects no more than

the BLS revising the seasonal adjustment factors being applied to the May data. Of that downward revision of 120,000 jobs, 71,000 came from private sector job growth and 49,000 came from public sector payrolls; the not seasonally adjusted data show 29,000 fewer private sector jobs and 6,000 more public sector jobs than reported in the initial estimates.

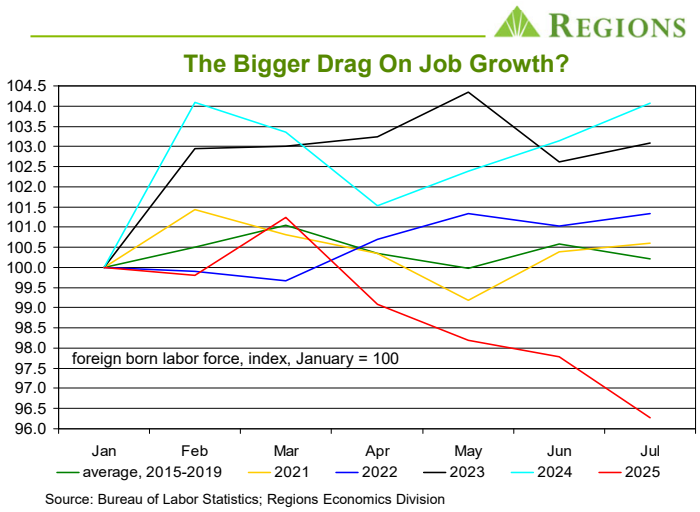
We do not yet have the third estimate of June job growth, as that will be incorporated into the August employment report which comes out on September 5. For now, recall that the initial estimate of June job growth showed private sector payrolls rising by 74,000 jobs and public sector payrolls rising by 73,000 jobs. As we noted at the time, the reported increase in public sector payrolls was little more than seasonal adjustment around the education segment of state and local governments running amok thanks to the timing of the school year. Most of that reported increase went away upon the initial revision to the June data, as the estimate of the increase in public sector payrolls in June was cut by 62,000 jobs.

That still leaves a downward revision to a weak initial estimate of private sector job growth to account for. In this case, the bigger revision came in the not seasonally adjusted data than in the seasonally adjusted data. On a not seasonally adjusted basis, the first estimate showed private sector payrolls rose by 835,000 jobs in June (as with May, a smaller increase than normal for the month on a percentage change basis), while the second estimate shows an increase of 736,000 jobs, or, 99,000 fewer jobs added in June than first reported. The second estimate of the seasonally adjusted data shows 71,000 fewer jobs added than first reported, with June's increase now put at only 3,000 jobs.

To us, the question isn't whether or not there are concerns over labor market conditions but instead just how deep those concerns should be. That the downward revision to May job growth was far more a function of revised seasonal adjustment than of there actually having been significantly less job growth than had initially been reported goes straight to our point. And, despite our routinely stressing the importance of examining the patterns in the not seasonally adjusted data, we'll not try to hide the fact that we missed this point in our original analysis of the July employment report. We'd venture that most analysts are still not aware of this point. We do not by any means intend that as a dig at other analysts, instead, it's more along the lines of why would you even think to scour the details of the revisions to see how much of the revision was "genuine" and how much was a change to seasonal adjustment, particularly when that change to seasonal adjustment came not with the first revision to the May data but with the second revision to the May data. Either way, to the extent the sharp downward revision to the seasonally adjusted estimate of May job growth is coloring how others are now interpreting conditions in the labor market and the broader economy, it just goes to the point that being data dependent may not work all that well if you cannot actually depend on the data.

We've been on the record for quite some time – years, actually, which is far too long – in pointing to issues with the data presented in the monthly employment reports. Between low response rates to the BLS's monthly establishment survey, something being seen to an increasing degree in the household survey, issues with the reliability of the "birth-death" model used to account for firms coming into/going out of existence between survey benchmark months, and issues with seasonal adjustment that since the pandemic have been more persistent and pronounced than had previously been the case, it's hard to know just how much faith to have in the initial estimates of nonfarm employment, hours, and earnings in any given month. Without questioning the motives, competence, or professionalism of the BLS staff, which we've never done and never will do, we think this is nonetheless a fair question to ask. Obviously, BLS cannot control survey response rates, but that still leaves room for improvement. Whether that is a matter of staffing and/or technological constraints is not a question we can answer.

That having been said, the question at hand is what to make of labor market conditions at present. We did not agree with those who interpreted the July employment report as evidence of the labor market having rolled over or those who, on the basis of that report, concluded that the labor market and the broader economy had slowed to "stall speed." Having now gone through the details of the downward revisions to prior estimates of job growth in May and June, we disagree even more strongly. To be clear, we're not arguing that all is well with the labor market, and for months now we've been pointing to a slowing trend rate of job growth. That, however, reflects both demand-side and supply-side factors even if the latter do not get as much discussion as we feel they deserve.

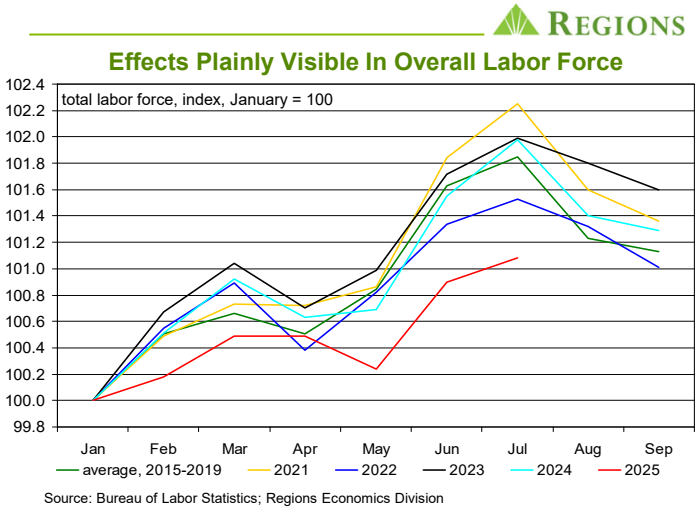


Source: Bureau of Labor Statistics; Regions Economics Division

Indeed, our original take on the July employment report, including the downward revisions to May-June job growth, was that the data from the establishment survey were finally catching up to where the household survey data have been for months. Specifically, we were referring to the significant decline in the foreign born labor force which we've argued has been acting as a powerful drag on job growth. Over the past four months, the foreign born labor force has declined by 1.653 million persons and foreign born employment has declined by 1.461 million persons. The chart above, which we originally presented in last month's edition, shows how the intra-year patterns in the foreign born labor force have been substantially weaker this year than has been the case over the past several years. Again, while we cannot quantify any such effects in the establishment survey data, we don't think it a reach to argue this has been a binding constraint on growth in nonfarm payrolls over the past several months.

We've heard some downplay the decline in foreign born labor on the grounds that the native born labor force has, as one put it,

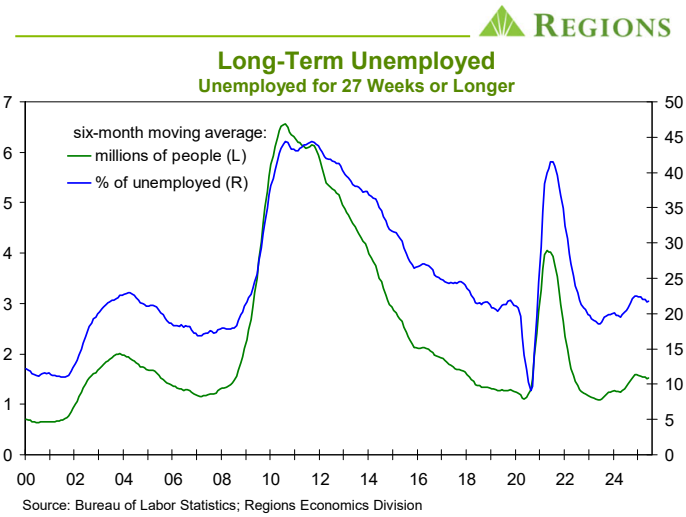
"surged" over the past four months. True, the native born labor force has increased by 2.645 persons over the past four months on a not seasonally adjusted basis. Those last six words are important here, as much of that "surge" – more than two million persons – has come in the past two months, which reflects nothing more than the annual influx of younger adults into the labor force which, oh by the way, was smaller this year than is typical. If the point is supposed to be that we need not be concerned over the outflow of foreign born labor on the grounds that it is being made up for by native born labor, that is clearly not the case.



The chart above, one we also introduced last month, goes right to our point, as it shows significantly weaker intra-year trends in the total labor force, not seasonally adjusted, than seen over the past several years. As we noted last month, we compare intra-year patterns as the household survey data are not directly comparable from one year to the next. The observations for June and July show the same inflow of younger adults seen in any given year, but we've added August and September to this chart to show how that inflow will reverse over the next two months upon the start of the new school year. So, we continue to argue that the sizable outflow of foreign born labor has been a significant impediment to job growth in 2025, even if we cannot strictly quantify the extent.

To the extent that labor supply constraints are acting as a drag on growth in nonfarm employment, that would be one factor behind the marked slowdown in the rate at which firms are hiring workers. As we've routinely noted, that slowdown in the hiring rate has thus far been the primary factor behind the slowing trend rate of job growth as the rate at which workers are being laid off has been notably stable and remains slightly below the pre-pandemic trend rate. Those patterns, however, are not as benign as they may seem, as one implication of the slower pace of hiring is that those who do lose their job are finding it more difficult, and taking longer, to find a new job than had for years been the case.

Both the average and median duration of unemployment have been trending higher, and each is above the pre-pandemic value. We also see this in the rising incidence of "long-term" (i.e., twenty-seven weeks or more) unemployment. As of July, there were 1.826 million people who had been unemployed for at least twenty-seven weeks which, barring the pandemic period, is the most in any month since January 2017. Nearly one-quarter of all unemployed persons fall into this group. As with most series drawn from the household survey, this metric can be volatile, which is why we show six month moving averages in the following chart.



What we do not know is the extent to which skills mismatches, geographical mismatches – particularly with challenging conditions in the housing market – or other misalignments are keeping more and more workers on the sideline. It could be that at least some portion of the long-term unemployed have yet to readjust their expectations of what type of job/what level of salary is realistic in a labor market that is vastly different than that of a few years ago. That job vacancies remain easily above pre-pandemic norms makes it even more difficult to assess the causes of rising long-term unemployment.

On a related point, that the labor force participation rate has fallen, which again we see as being partly a function of the sharp decline in foreign born labor, has acted as a check on the unemployment rate as the pace of job growth has slowed. This is why we were surprised to hear Fed Chair Powell, in his press conference following the July FOMC meeting, say the unemployment rate is "the main number you have to look at now" in assessing the state of the labor market. We've taken the opposite view, which is that the unemployment rate is a less reliable indicator of not only labor market conditions but also household credit conditions than has historically been the case. One implication of the decline in the labor force participation rate is that the "breakeven" pace of job growth, i.e., the net number of jobs that needs to be added each month in order to keep the unemployment rate from rising, has gotten slower and will get even slower should the participation rate fall further. It could be that, by year-end 2025, the breakeven pace of job growth could be as low as 50,000 jobs. That in turn will have implications for growth in aggregate labor earnings, the largest block of personal income. Under such conditions, a stable unemployment rate would, in our view, have considerably less signaling power than has historically been the case.

Our view is that, though having clearly cooled, the labor market is not as weak as implied by the July employment report. It is, however, hard to have much confidence in any take on the labor market given the issues with some of the data in the monthly employment reports. Those issues, however, are unlikely to be resolved soon, thus leaving as many questions as answers.

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Q1 '25 (a)	Q2 '25 (p)	Q3 '25 (f)	Q4 '25 (f)	Q1 '26 (f)	Q2 '26 (f)	Q3 '26 (f)	Q4 '26 (f)		2022 (a)	2023 (a)	2024 (a)	2025 (f)	2026 (f)
-0.5	3.0	0.4	1.0	1.6	2.2	2.1	2.2	Real GDP[1]	2.5	2.9	2.8	1.6	1.6
0.5	1.4	1.2	1.5	2.0	2.6	2.4	2.5	Real Personal Consumption[1]	3.0	2.5	2.8	2.0	2.0
10.3	1.9	-0.3	-0.1	1.3	3.3	4.0	4.4	Real Business Fixed Investment[1]	7.0	6.0	3.6	3.0	1.8
23.7	4.8	-2.6	-2.5	0.2	3.8	4.9	6.1	Equipment[1]	4.4	3.5	3.4	6.0	1.2
6.0	6.4	3.7	3.5	3.6	4.4	4.6	4.6	Intellectual Property and Software[1]	11.2	5.8	3.9	3.7	4.1
-2.4	-10.3	-4.3	-3.2	-2.3	-0.5	0.2	0.2	Structures[1]	3.6	10.8	3.5	-3.4	-2.5
-1.3	-4.6	-9.0	-4.3	-3.6	-0.5	1.0	2.8	Real Residential Fixed Investment[1]	-8.6	-8.3	4.2	-2.4	-3.0
-0.6	0.4	0.3	-0.8	0.0	0.4	0.1	0.1	Real Government Expenditures[1]	-1.1	3.9	3.4	1.3	0.0
-1,359.0	-1,026.3	-1,049.3	-1,095.8	-1,107.4	-1,131.8	-1,142.7	-1,159.6	Real Net Exports[2]	-1,041.7	-932.8	-1,033.6	-1,132.6	-1,135.4
1,015	919	873	870	874	886	898	908	Single Family Housing Starts, ths. of units[3]	1,005	947	1,016	919	891
386	408	389	394	399	409	416	422	Multi-Family Housing Starts, ths. of units[3]	547	473	355	394	411
2.4	1.8	0.9	0.2	0.3	0.6	1.3	1.9	CoreLogic House Price Index[5]	12.9	4.1	4.3	1.3	1.0
16.4	16.1	16.1	15.8	15.8	16.0	16.0	16.2	Vehicle Sales, millions of units[3]	13.8	15.5	15.8	16.1	16.0
4.1	4.2	4.3	4.4	4.5	4.4	4.3	4.2	Unemployment Rate, %[4]	3.6	3.6	4.0	4.2	4.3
1.2	1.1	0.9	0.6	0.5	0.5	0.7	0.9	Non-Farm Employment[5]	4.3	2.2	1.3	1.0	0.7
2.5	3.0	-0.6	0.4	2.6	1.4	1.8	2.2	Real Disposable Personal Income[1]	-5.6	5.1	2.7	1.7	1.5
2.6	2.5	2.8	3.0	2.7	2.8	2.6	2.4	GDP Price Deflator[5]	7.1	3.6	2.4	2.7	2.6
2.5	2.4	2.8	3.0	2.8	2.9	2.8	2.5	PCE Deflator[5]	6.6	3.8	2.5	2.7	2.7
2.7	2.5	2.9	3.0	2.9	3.2	3.1	2.8	Consumer Price Index[5]	8.0	4.1	3.0	2.8	3.0
2.8	2.7	3.0	3.1	2.9	3.0	2.8	2.6	Core PCE Deflator[5]	5.4	4.1	2.8	2.9	2.8
3.1	2.8	3.0	3.1	3.1	3.3	3.1	2.8	Core Consumer Price Index[5]	6.2	4.8	3.4	3.0	3.1
4.38	4.38	4.34	4.07	3.66	3.38	3.38	3.38	Fed Funds Target Rate Range Mid-Point, %[4]	1.73	5.07	5.19	4.29	3.45
4.45	4.36	4.30	4.29	4.33	4.40	4.43	4.46	10-Year Treasury Note Yield, %[4]	2.95	3.96	4.21	4.35	4.40
6.83	6.79	6.64	6.58	6.57	6.58	6.57	6.56	30-Year Fixed Mortgage, %[4]	5.34	6.81	6.72	6.71	6.57
-6.0	-4.0	-4.1	-4.0	-3.9	-3.8	-3.8	-3.7	Current Account, % of GDP	-3.9	-3.3	-3.4	-4.4	-3.8

a = actual; f = forecast; p = preliminary

Notes: 1 - annualized percentage change 2 - chained 2017 $ billions 3 - annualized rate 4 - quarterly average 5 - year-over-year percentage change

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