



FEDERAL RESERVE BANK *of* NEW YORK

U.S. Economic Conditions

Jonathan McCarthy, Research and Statistics Group
Community Advisory Group meeting: June 21, 2023

The views expressed here are those of the presenter and do not necessarily represent those of the Federal Reserve Bank of New York or the Federal Reserve System.

Overview

- **GDP**

- Moderate growth in 2023Q1.
- Spending data have remained resilient in current quarter.

- **Labor market**

- Tight conditions generally maintained.
- But some indications of conditions starting to ease.

- **Inflation**

- Remains high but gradually slowing.
- Overall inflation slowing more than core because of falling energy prices.



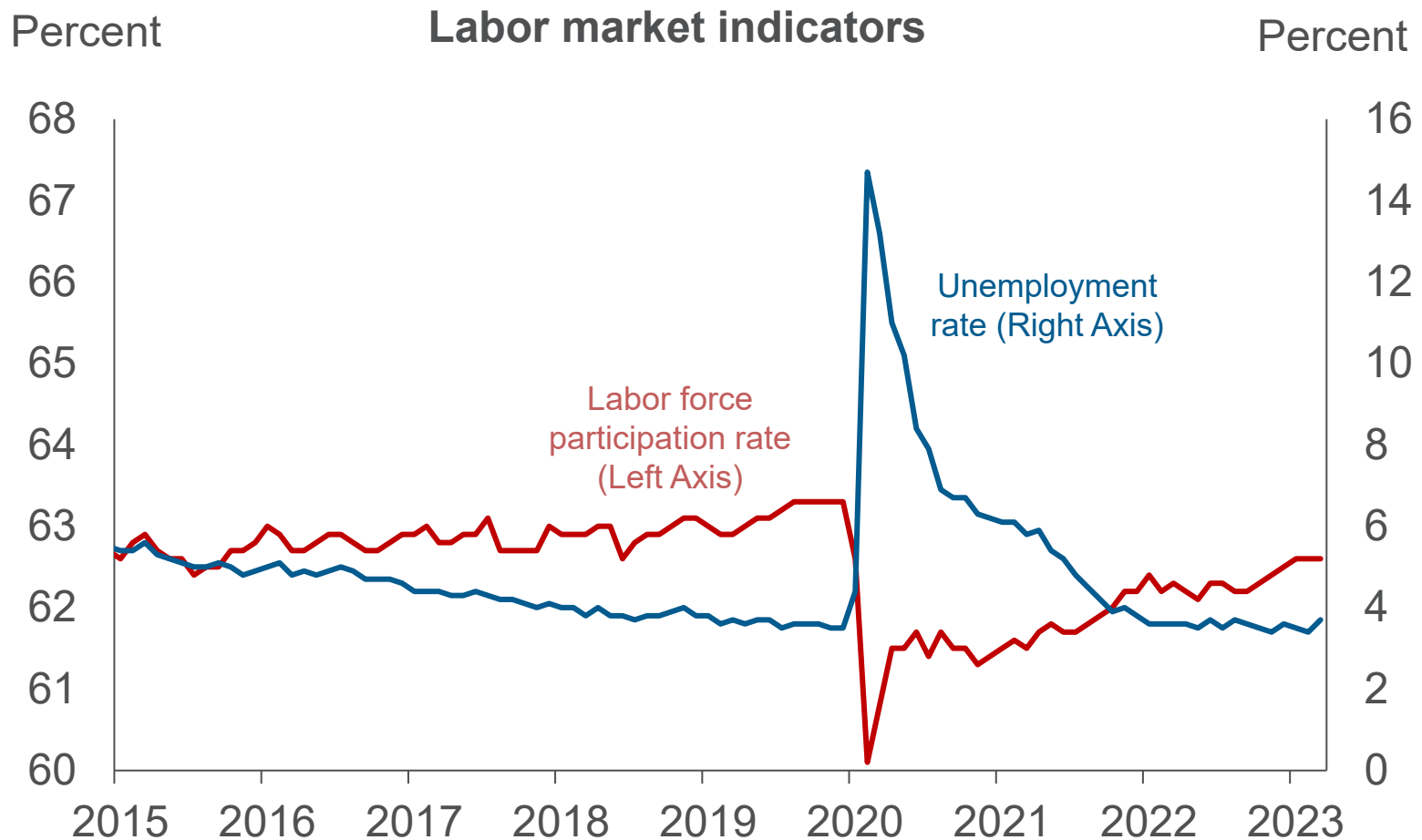
GDP grew moderately in 2023Q1

- Real GDP increased at a 1.3% rate in 2023Q1, a bit faster than the 2022 rate.
- Recent data indicate that economic growth remains resilient despite recent banking stress and debt limit episode.



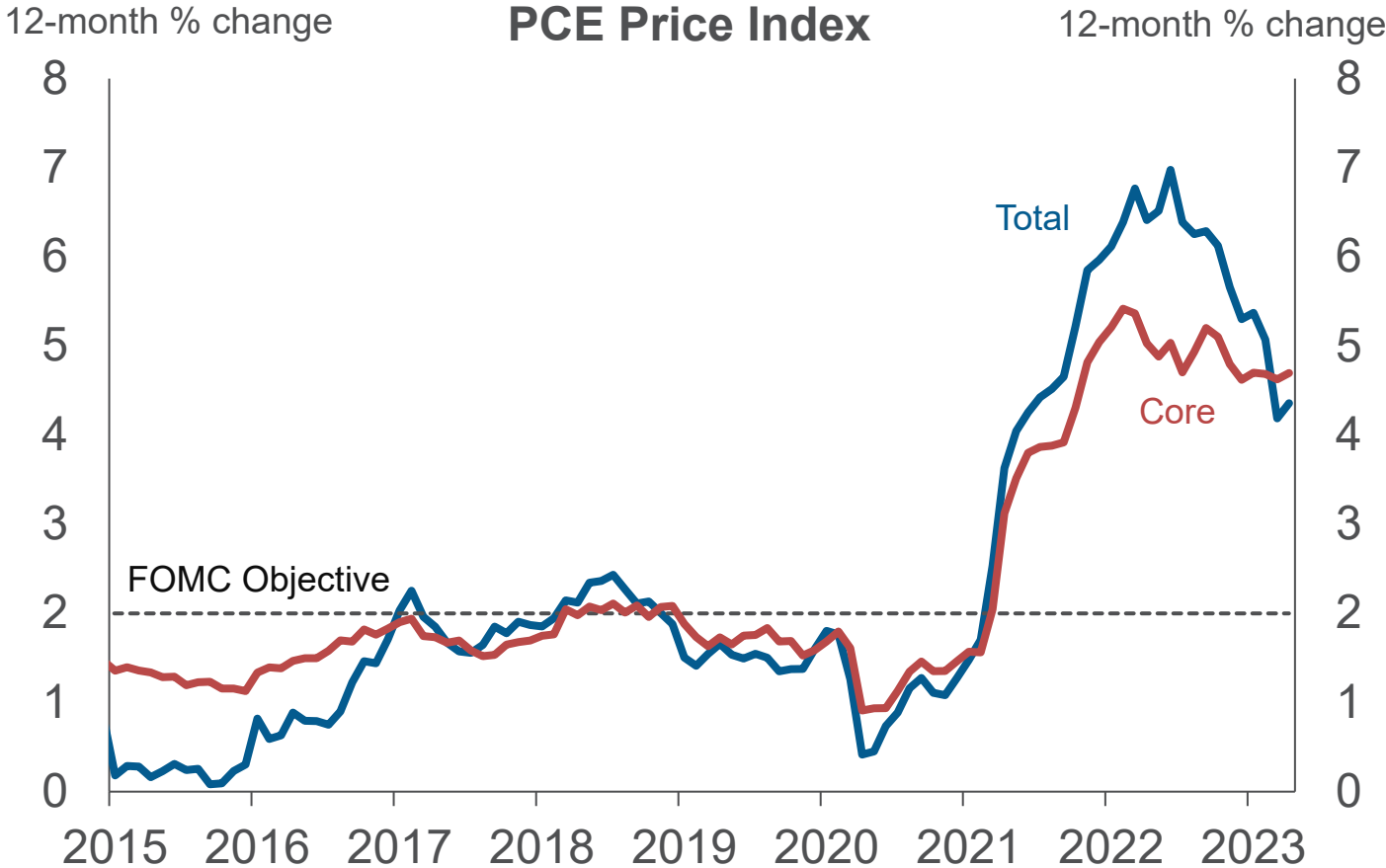
Labor market remains tight

- Unemployment is still low, while participation is below its pre-pandemic level.
- Indicators like wage growth, job openings, and unemployment insurance claims point to conditions beginning to ease.



Inflation remains high

- Core (ex-food & energy) inflation modestly below its peak in mid-2022.
- Overall inflation has slowed more because of falling energy prices.



Source: BEA

Summary

- The U.S. economy has displayed resilience.
 - Despite concerns about effects of monetary policy tightening and bank stress.
- Even with some signs of easing, the labor market is still tight.
- Inflation remains a serious issue for monetary policy.

