



FEDERAL RESERVE BANK *of* NEW YORK

US Macro Overview
October 4, 2018

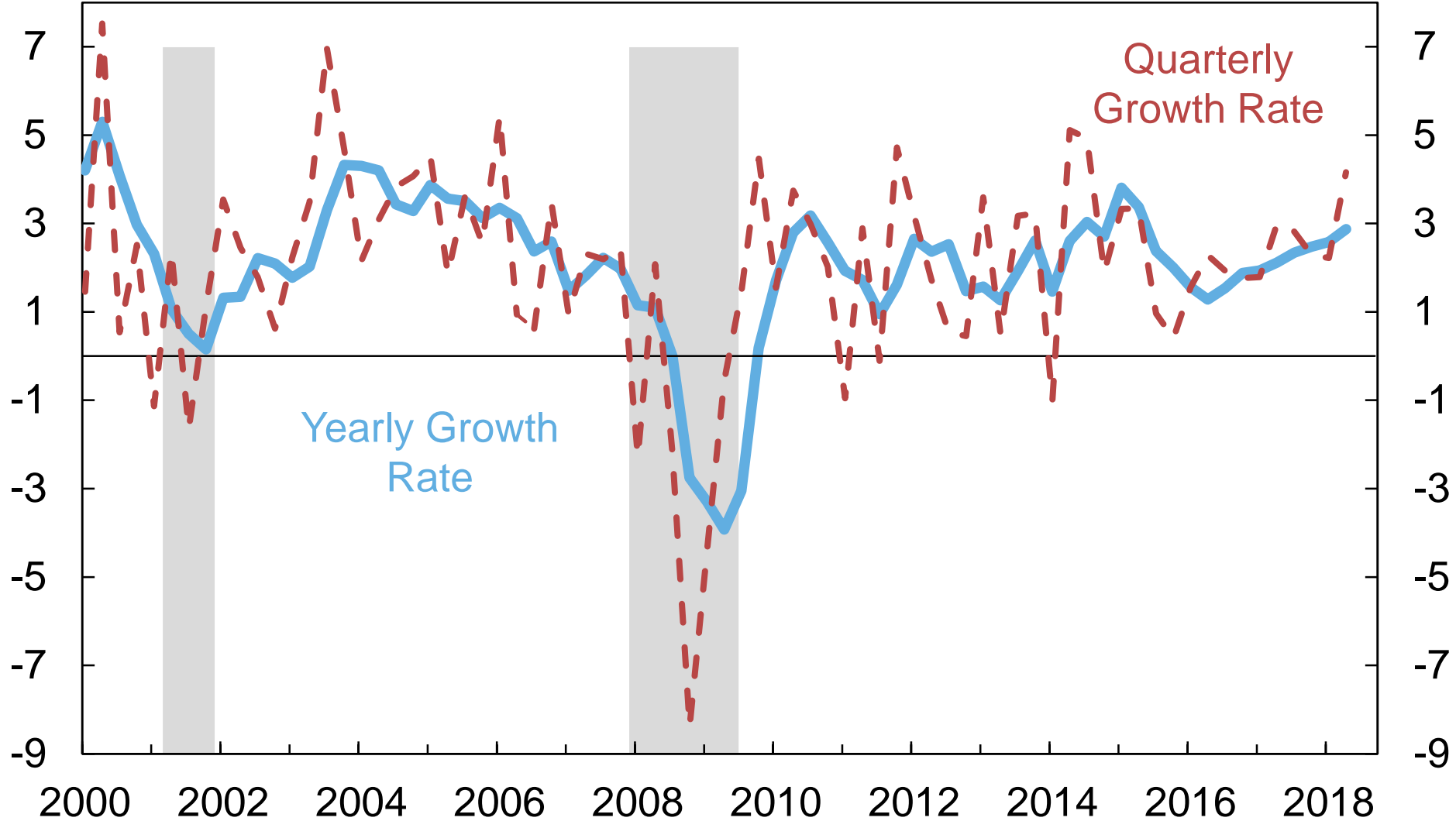
Overview

- Growth in the US has firmed since 2016 with real GDP up 3% over the four-quarters ending in 2018Q2.
 - Fiscal stimulus is contributing to this pick up in growth.
- Several indicators suggest that the economy is at or near full employment, with clearer evidence that the rate of increase of wages/compensation has moved higher.
- Underlying inflation has moved up to the FOMC's objective of 2%. But at this time we do not see evidence of building inflation pressures.

Growth of Real GDP

Percent Change, Annualized

Percent Change, Annualized



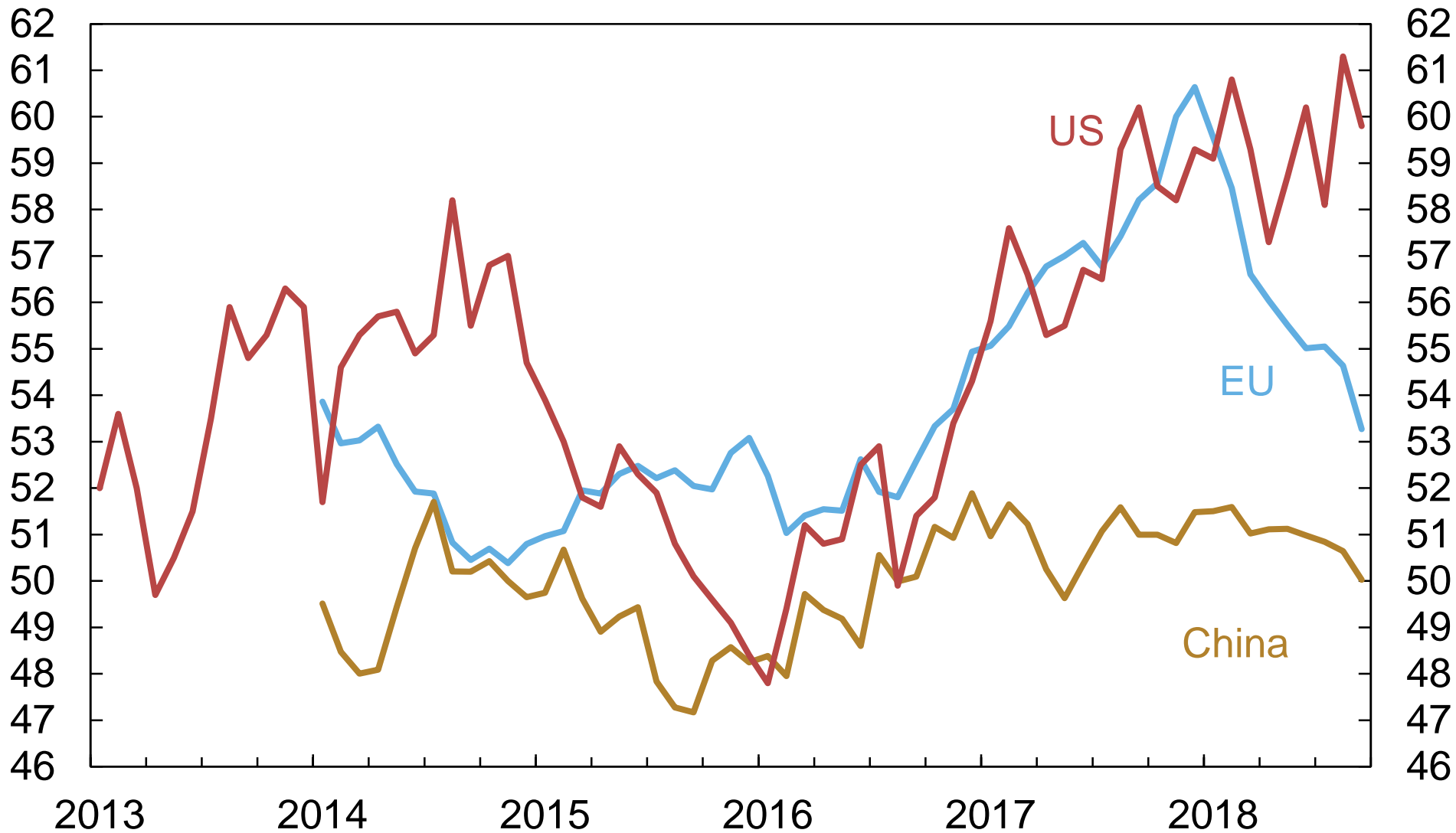
Source: Bureau of Economic Analysis

Note: Shading shows NBER recessions.

Manufacturing Indicators for Major Economies

Index Level

Index Level



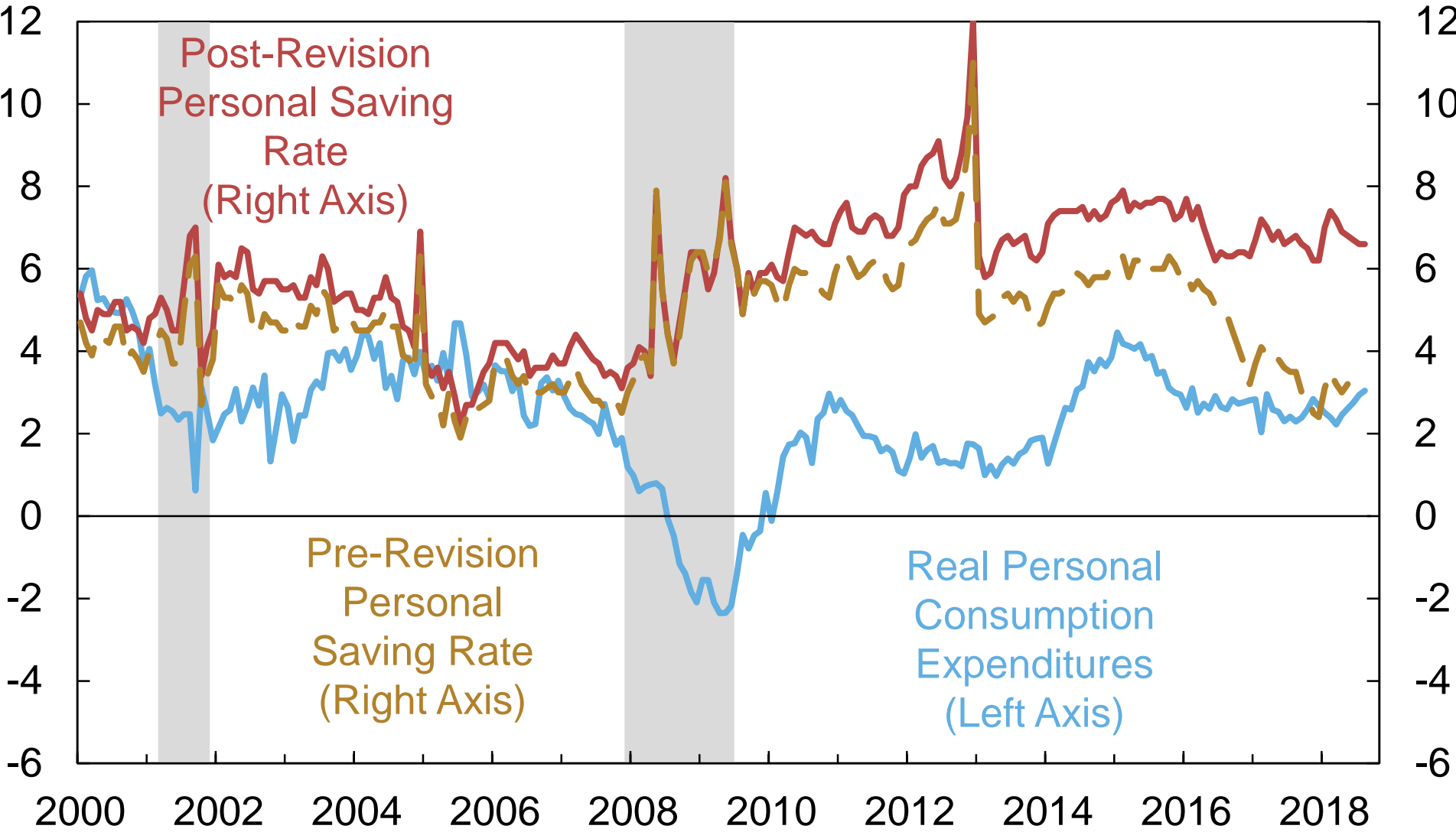
Source: IHS Markit and Institute for Supply Management via Haver Analytics

Note: Shading shows NBER recessions.

Real PCE and the Personal Saving Rate

12 Month Percent Change

Percent



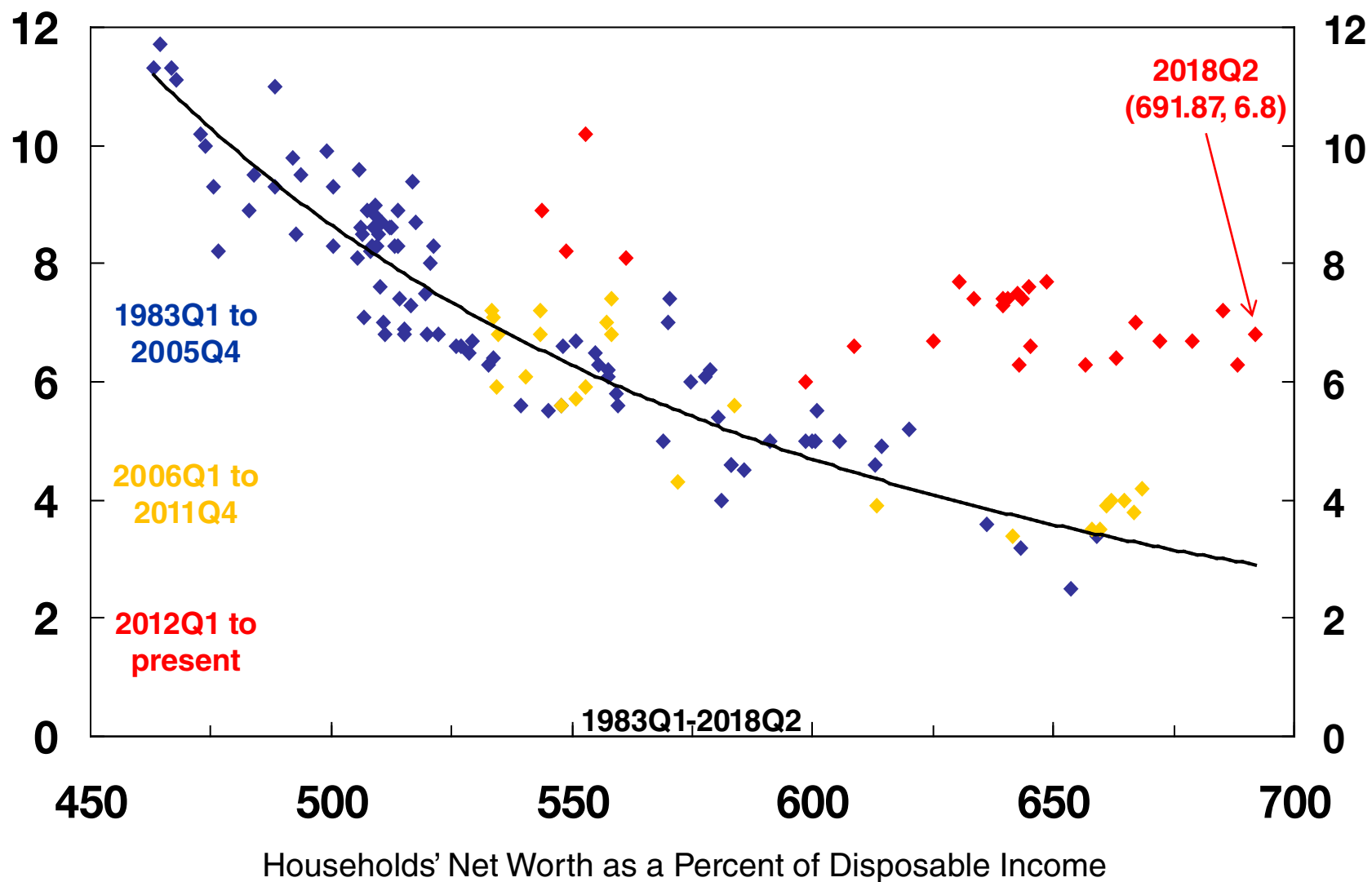
Source: Bureau of Economic Analysis, Federal Reserve Board via Haver Analytics

Note: Shading shows NBER recessions.

Personal Saving Rate and Household Net Worth

Personal Saving Rate, Percent

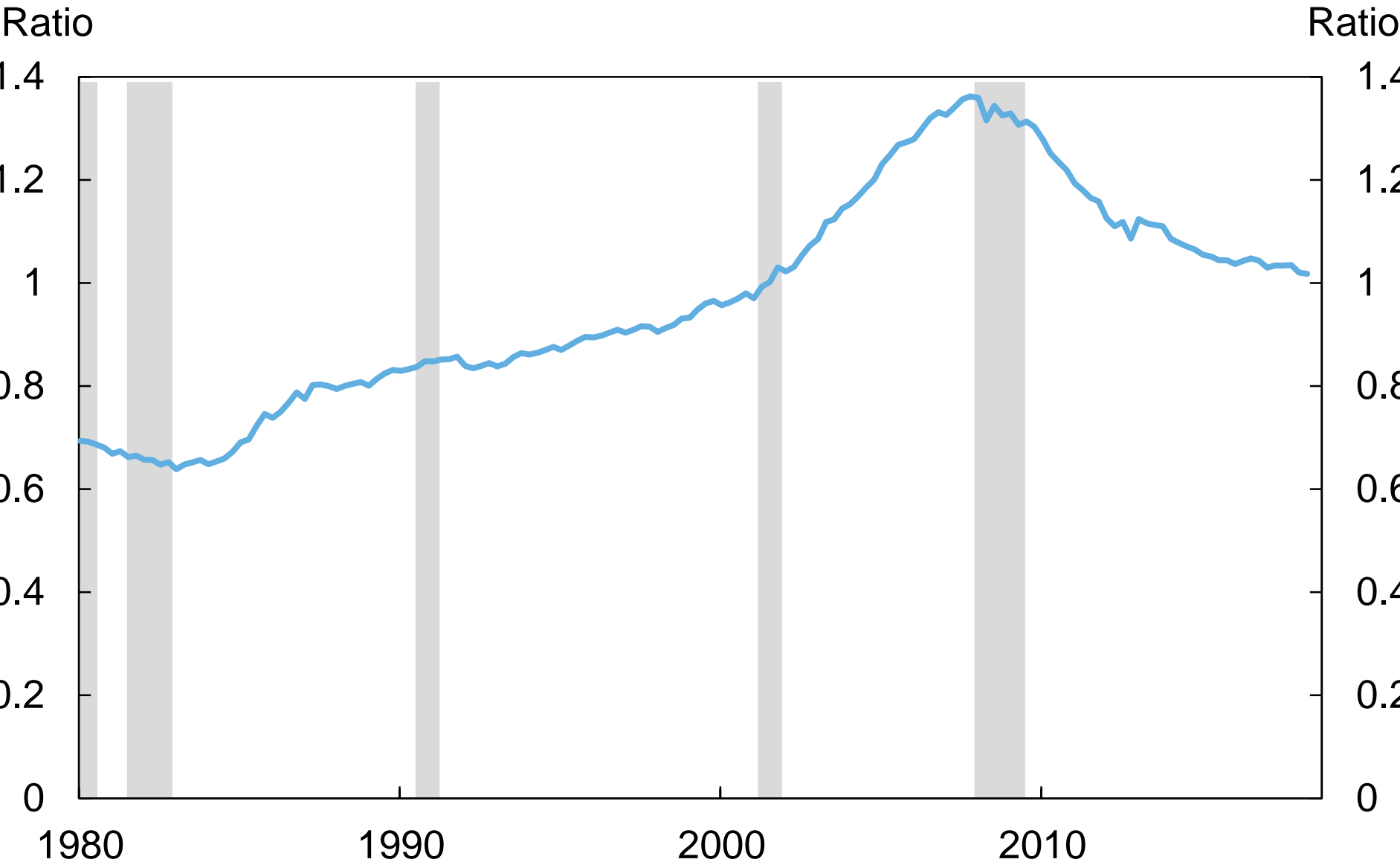
Personal Saving Rate, Percent



Source: Bureau of Economic Analysis and Federal Reserve Board

Note: Fitted line is from 1983Q1 to 2005Q4.

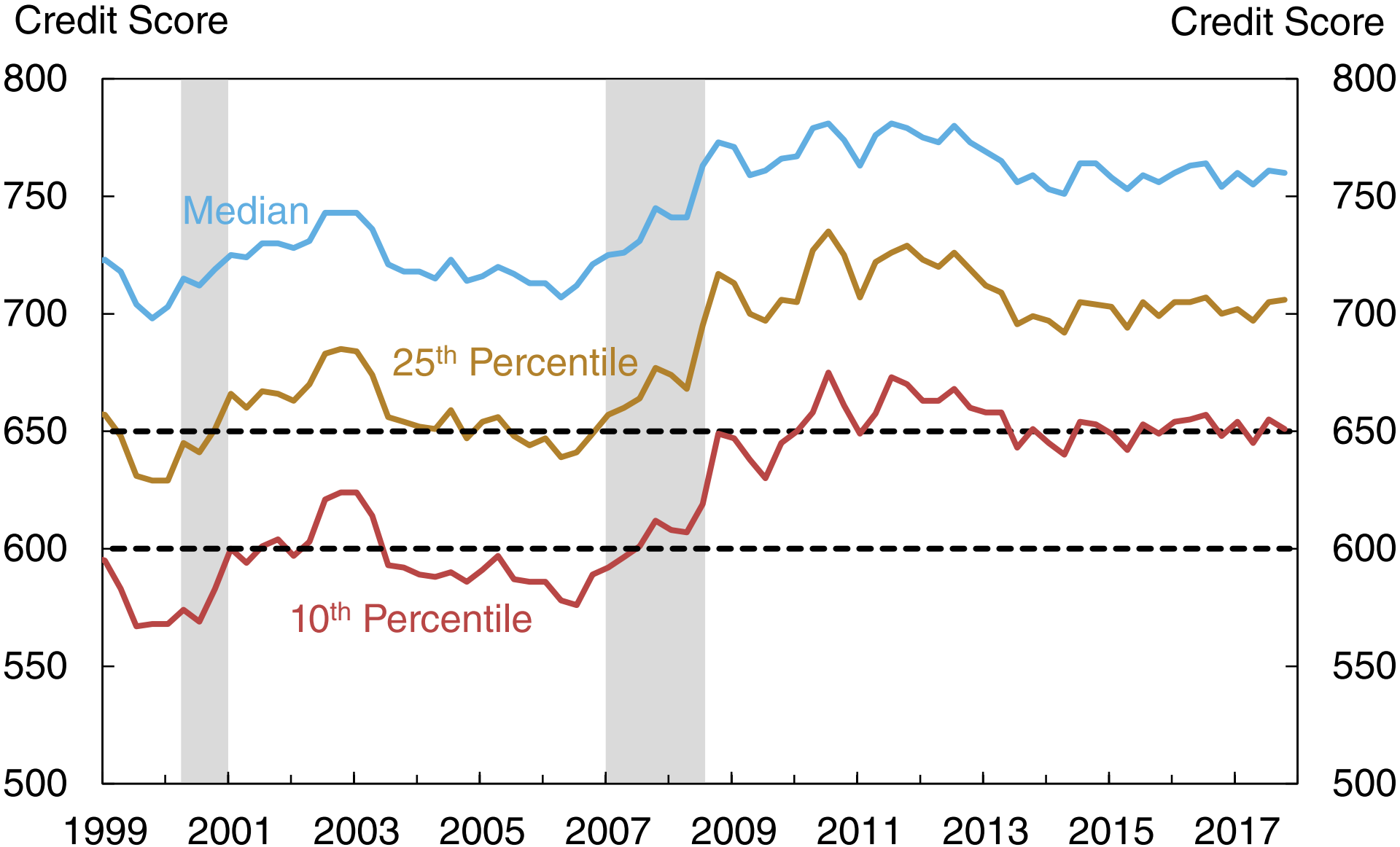
Household Liabilities over Disposable Income



Source: Federal Reserve Board and Bureau of Economic Analysis via Haver Analytics.

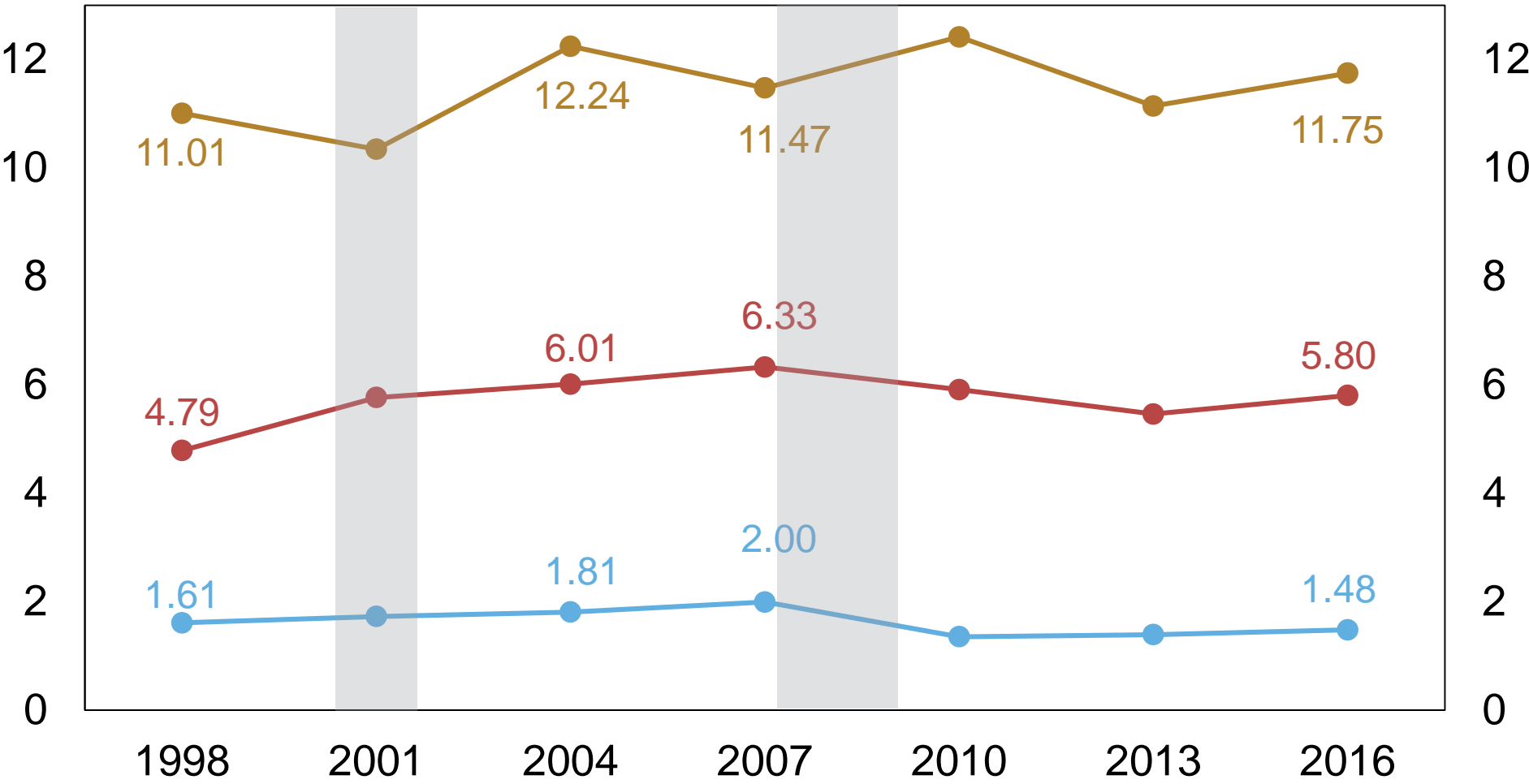
Note: Shading shows NBER recessions.

Credit Score at Mortgage Origination



Net-Worth to (pre-tax) Income Ratio by Percentiles

Ratio



Percentile of the net-worth distribution: ● 0-74.9 ● 75-89.9 ● 90-100

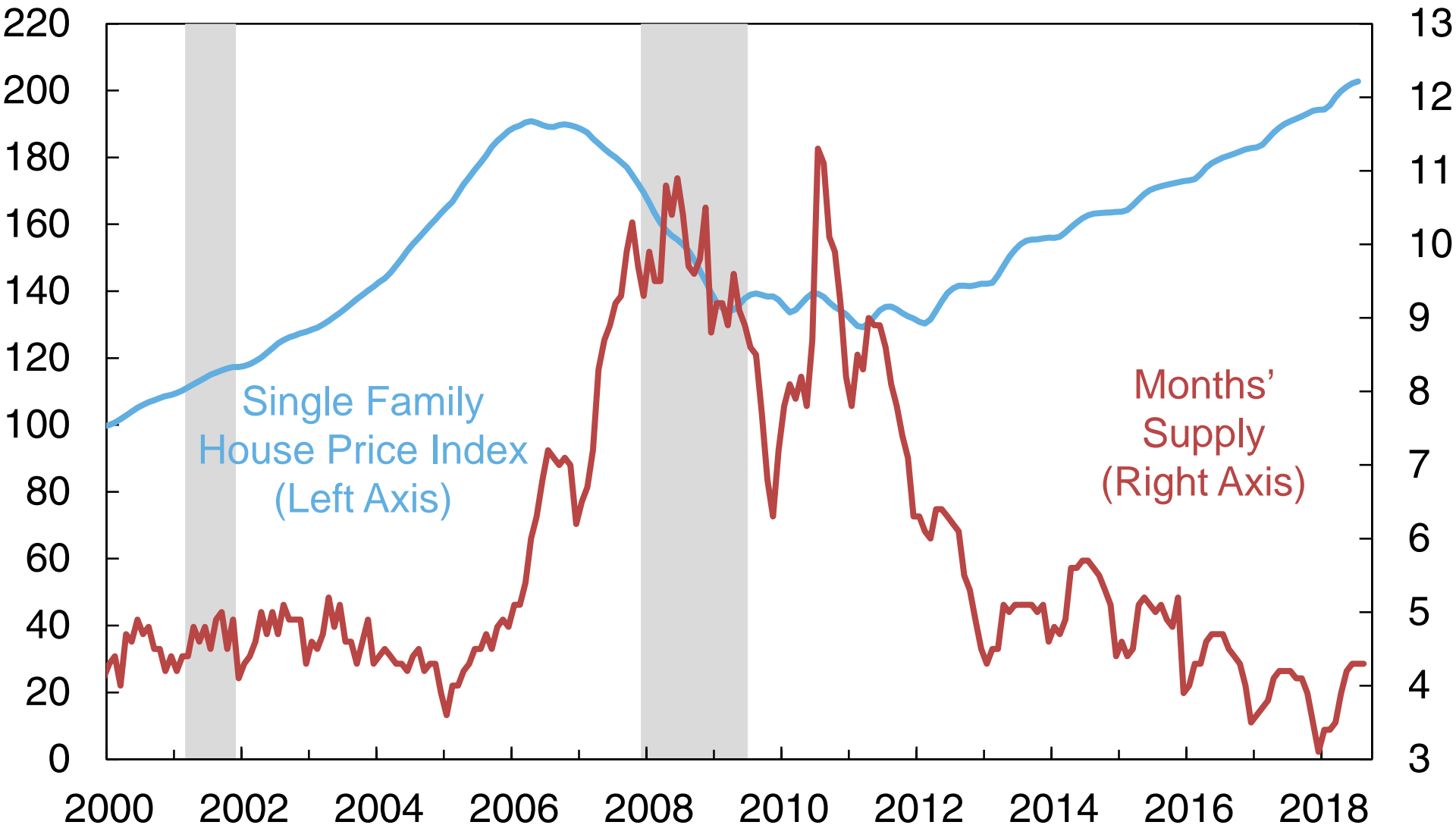
Source: Board of Governors.

Note: Shading shows NBER recessions.

Single Family Housing Market

Index Level

Months



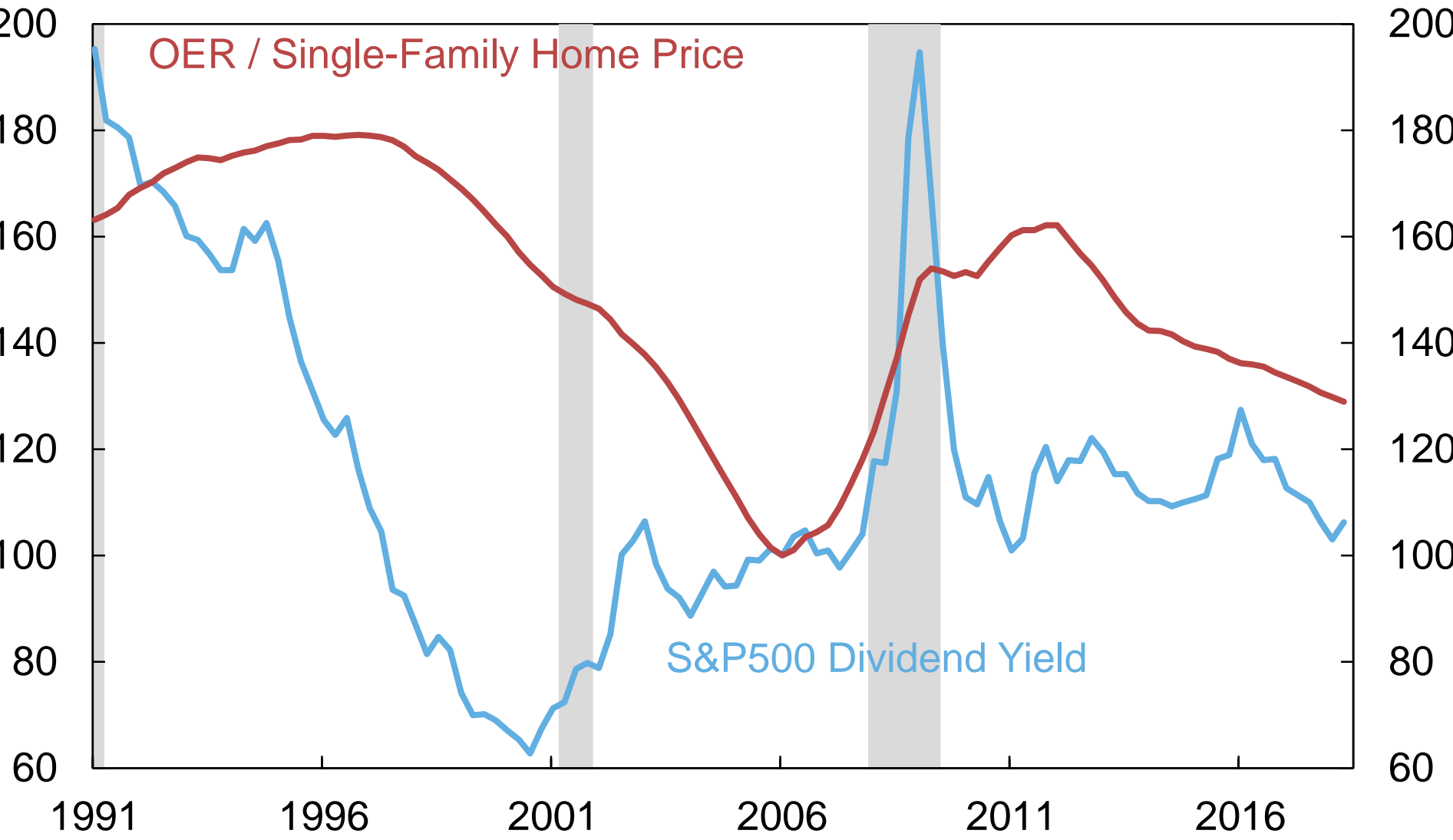
Source: CoreLogic, National Association of Realtors, via Haver Analytics

Note: Shading shows NBER recessions.

Rent-Price Ratio and Equity Dividend Yield

Index, 2006Q1 = 100

Index, 2006Q1 = 100



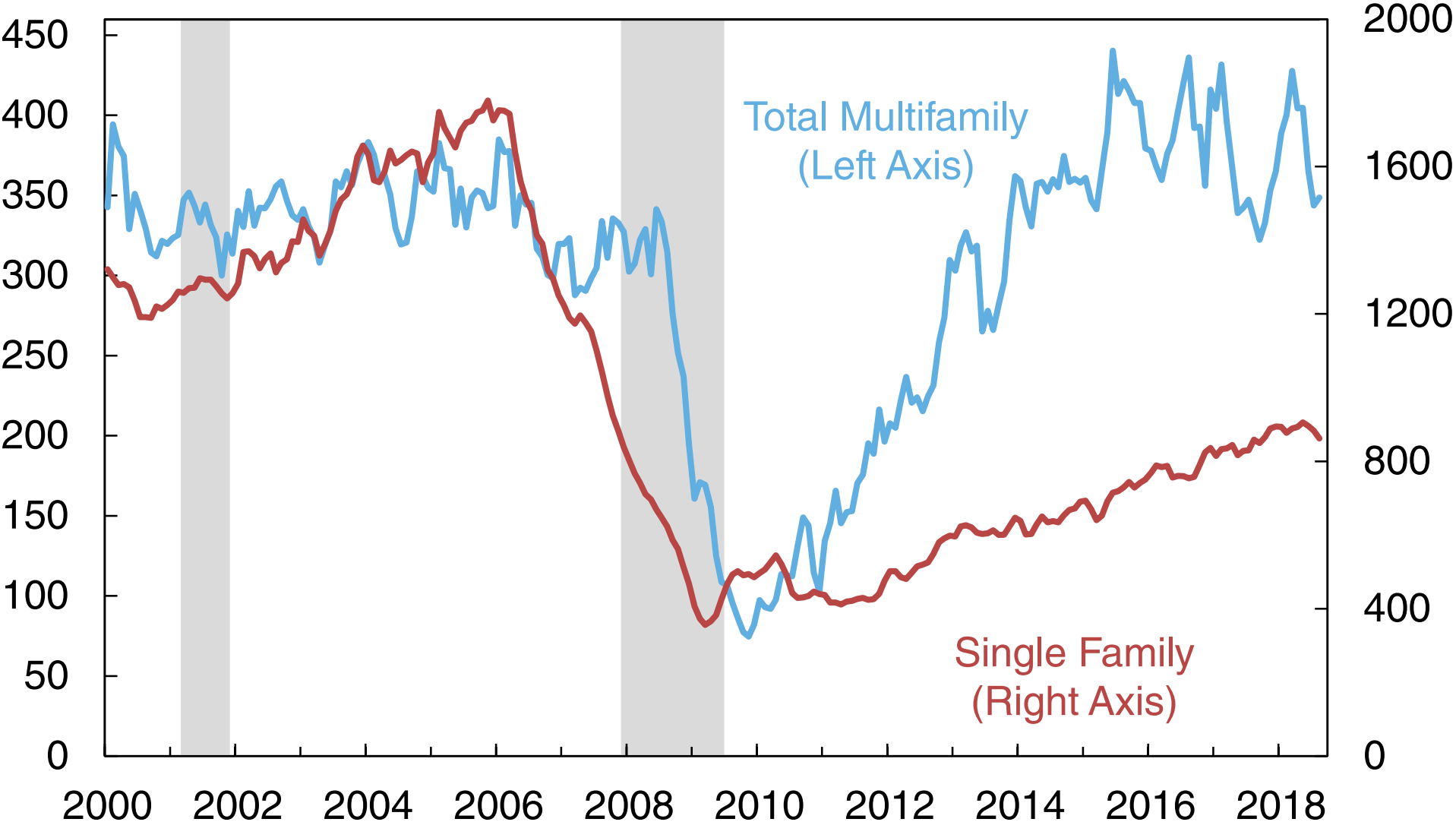
Source: Author's calculations; Haver Analytics.

Note: Shading shows NBER recessions. 10

Housing Starts

Thousands, 3 MMA

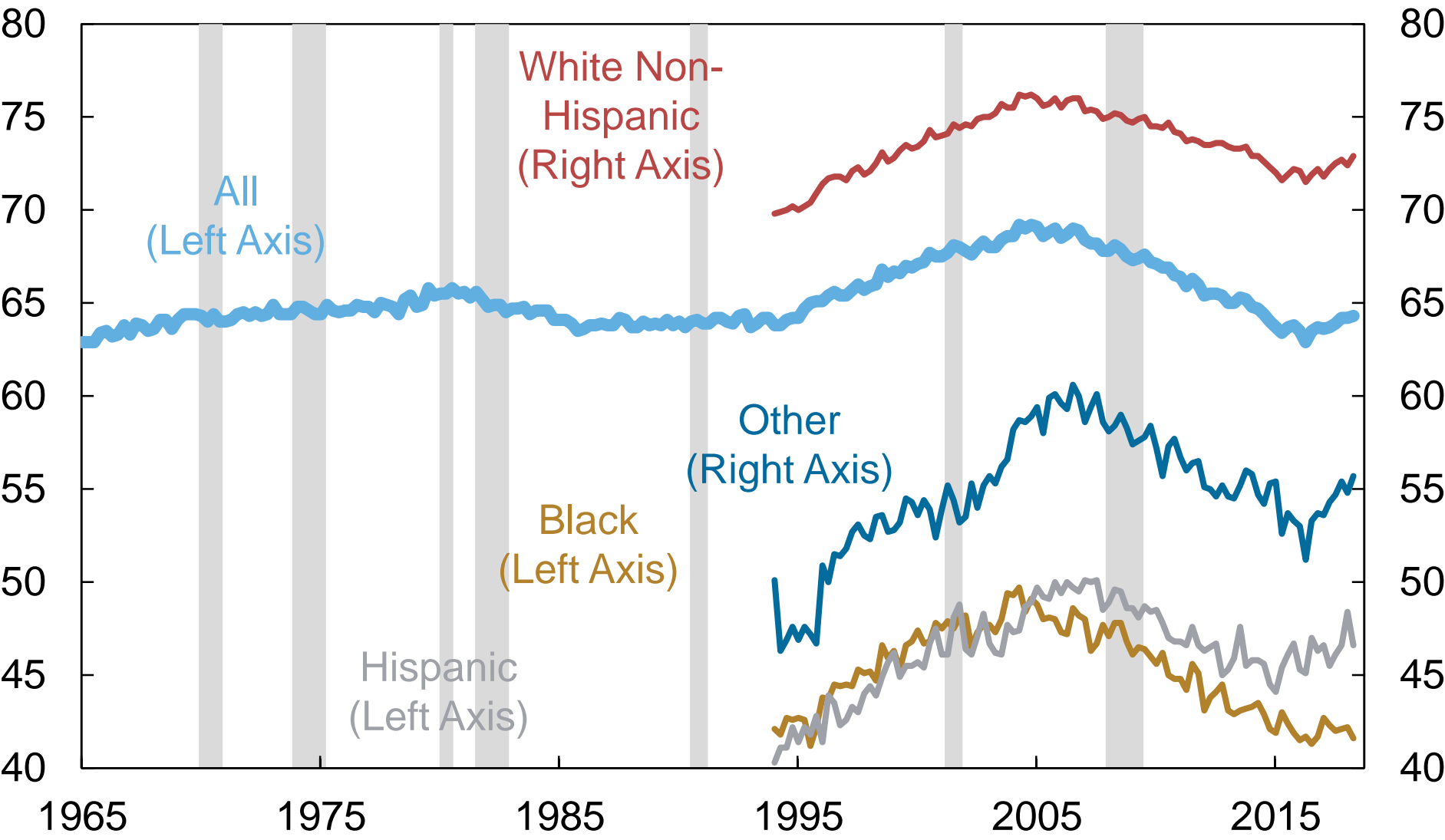
Thousands, 3 MMA



U.S. Homeownership Rate

Homeownership Rate

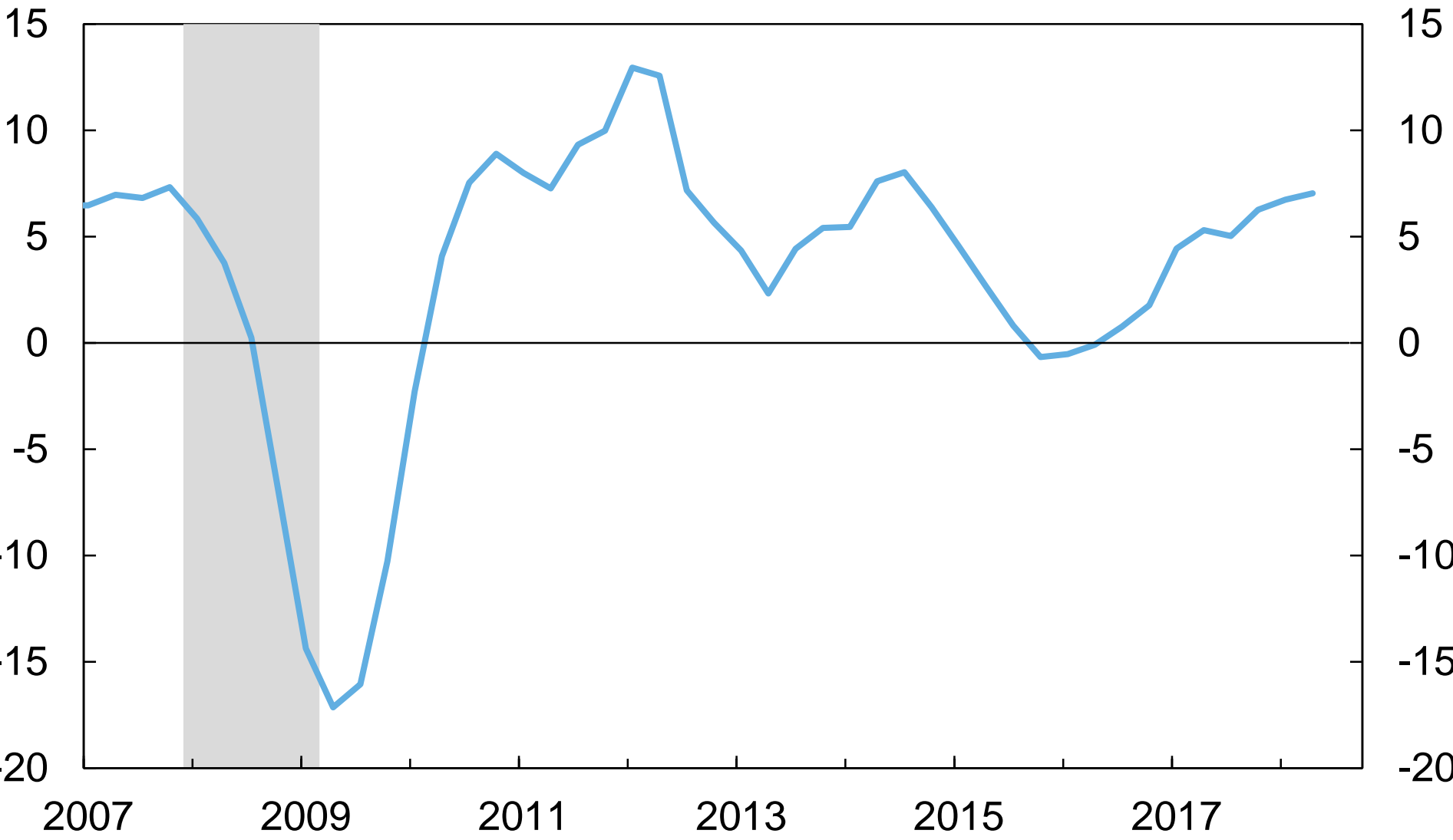
Homeownership Rate



Business Fixed Investment Firming

Four Quarter Percent Change

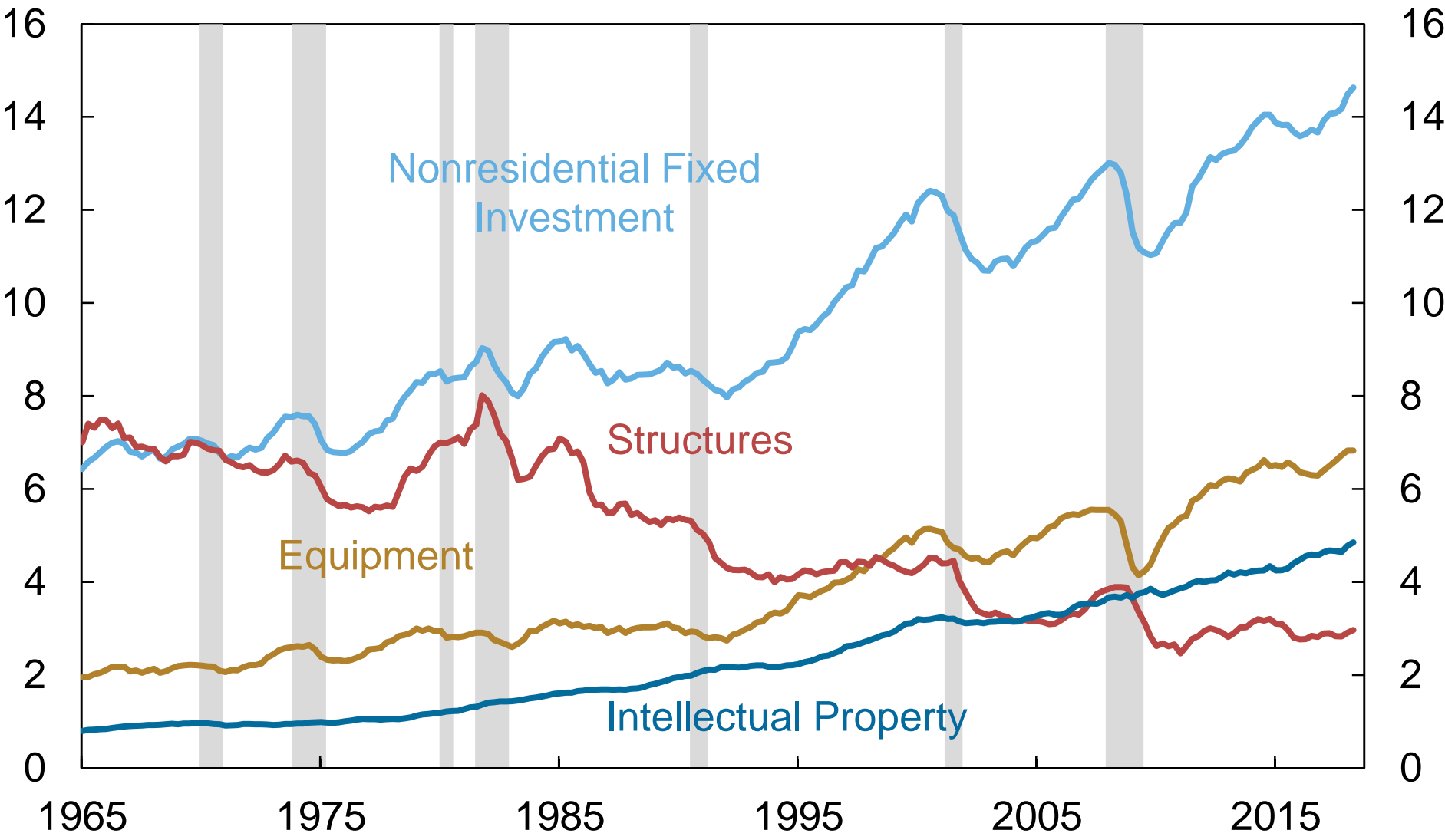
Four Quarter Percent Change



Real Private Investment Share of Real GDP

Percent of GDP

Percent of GDP



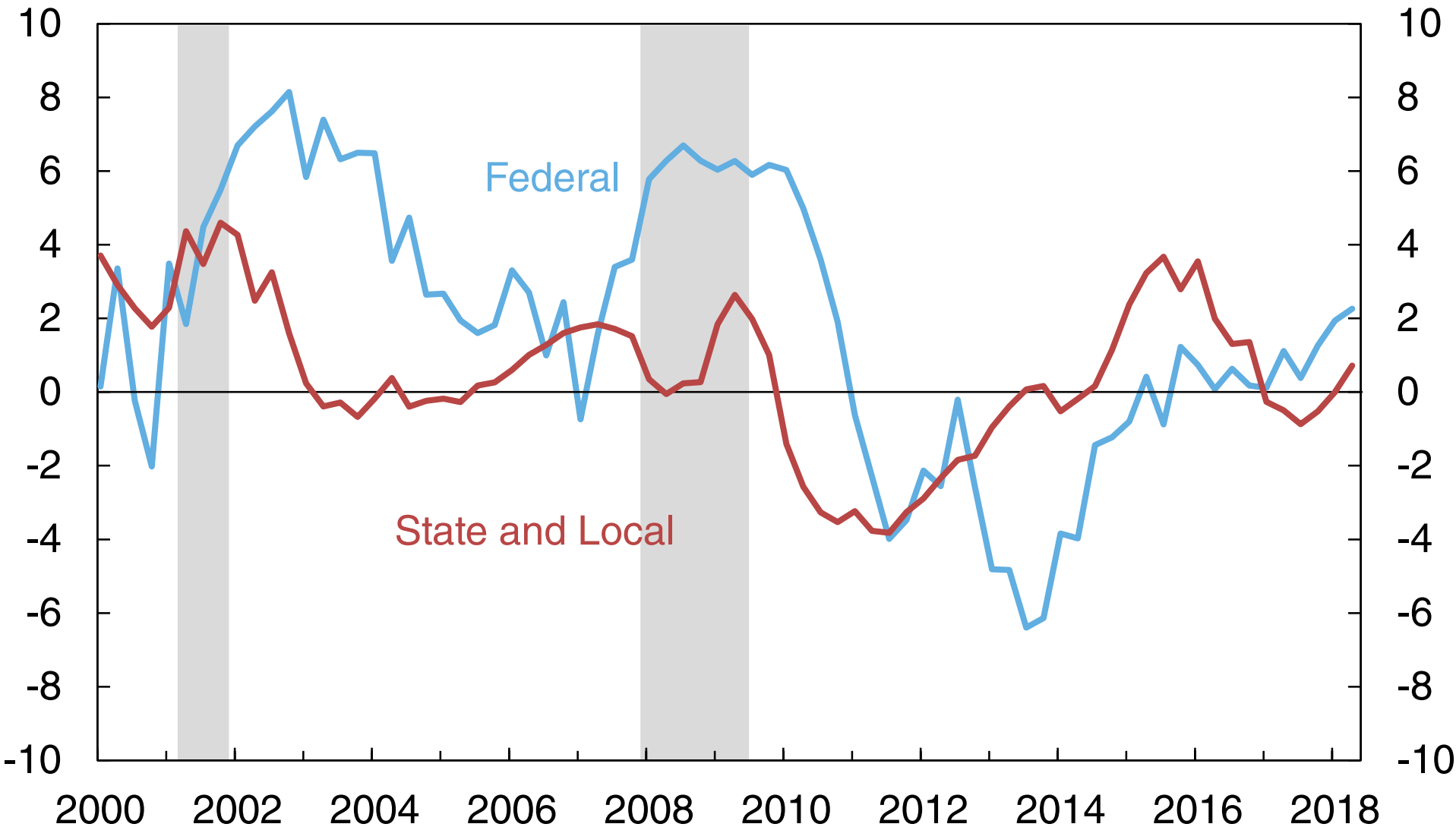
Source: Bureau of Economic Analysis via Haver Analytics

Note: Shading shows NBER recessions. 14

Real Government Consumption and Gross Investment

4 Quarter % Change

4 Quarter % Change



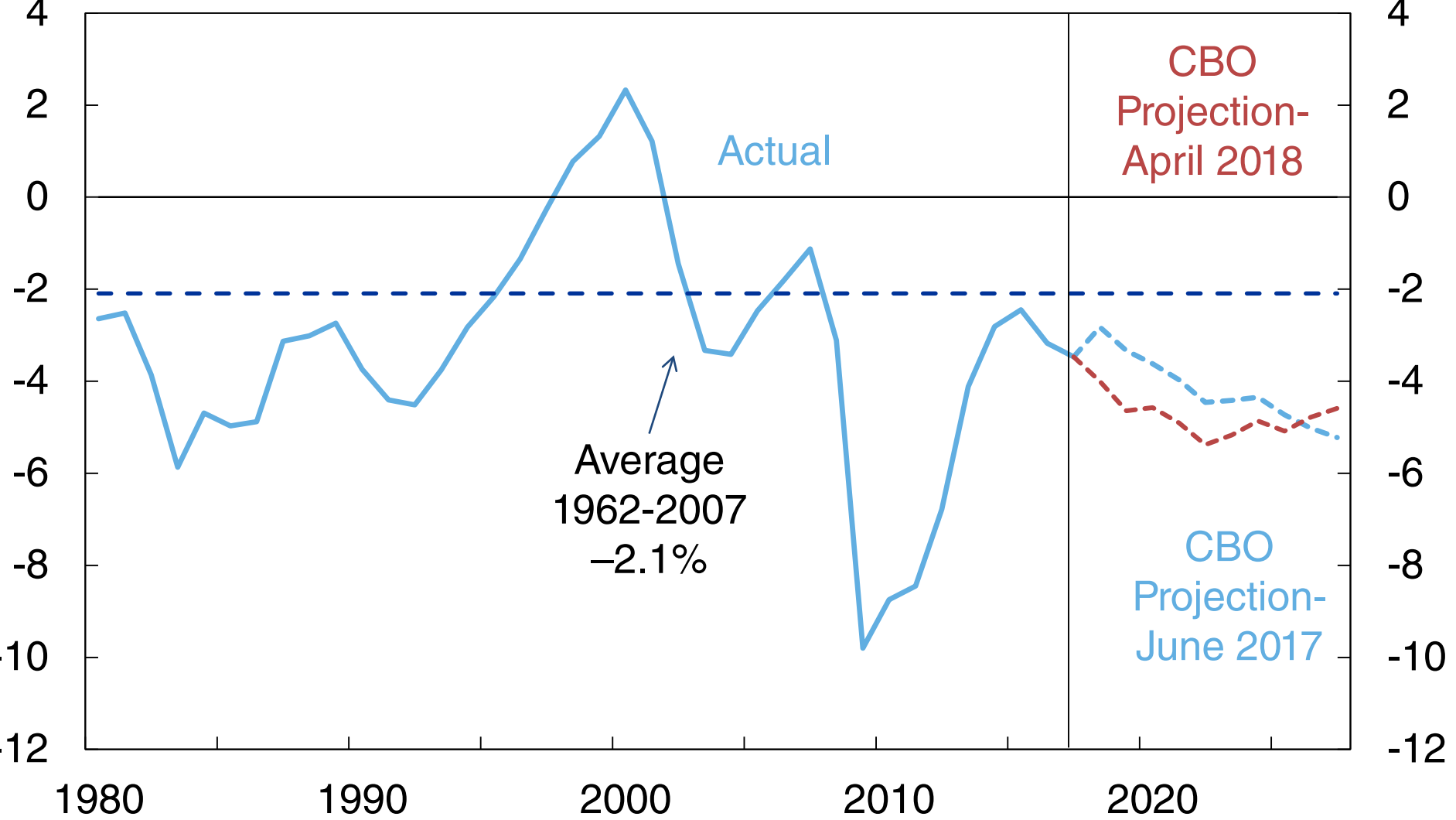
Source: Bureau of Economic Analysis
via Haver Analytics

Note: Shading shows NBER recessions.

Federal Deficit

% of GDP

% of GDP

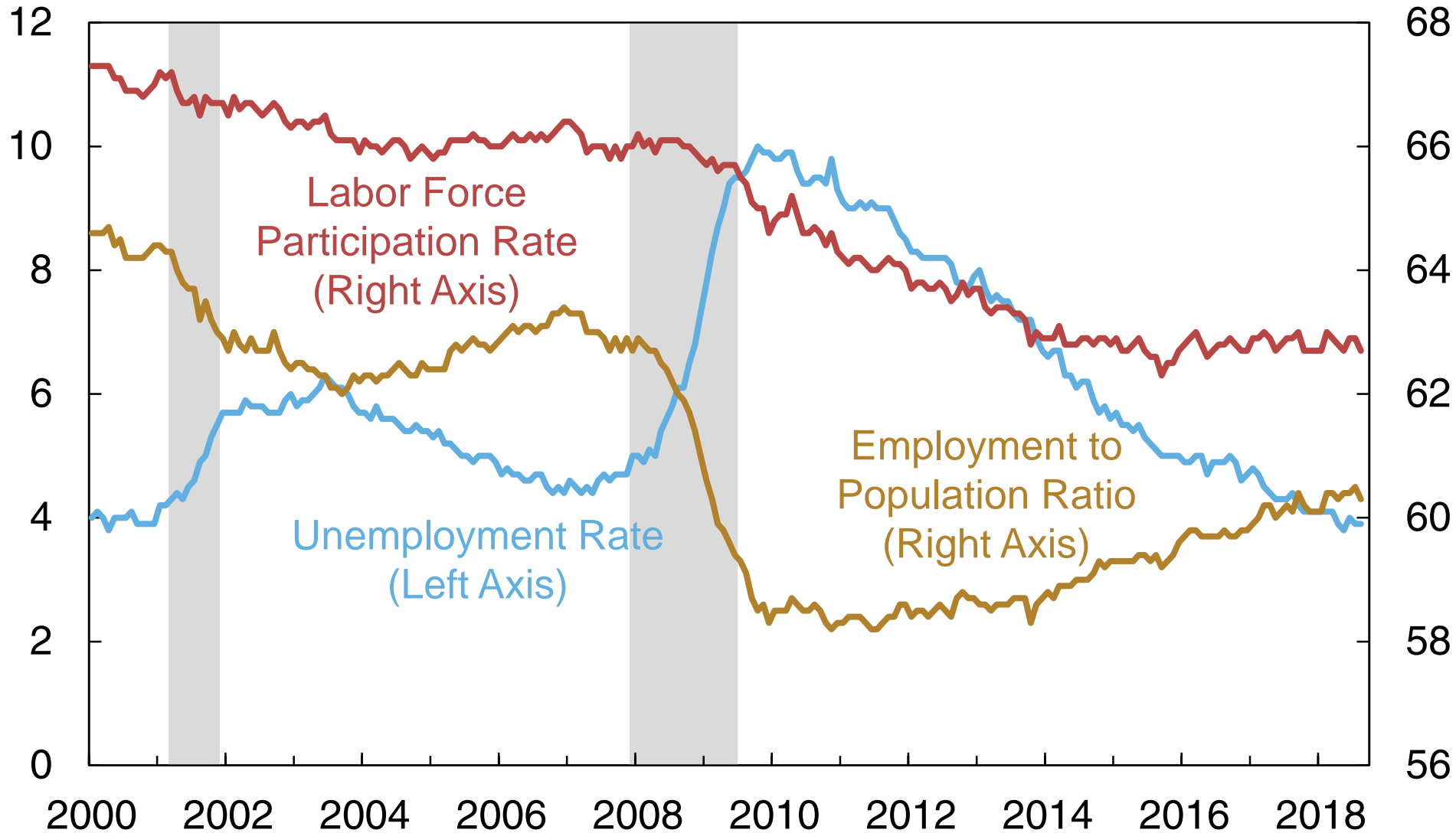


Source: Congressional Budget Office, FRBNY staff calculations

Labor Market Indicators

Percent

Percent

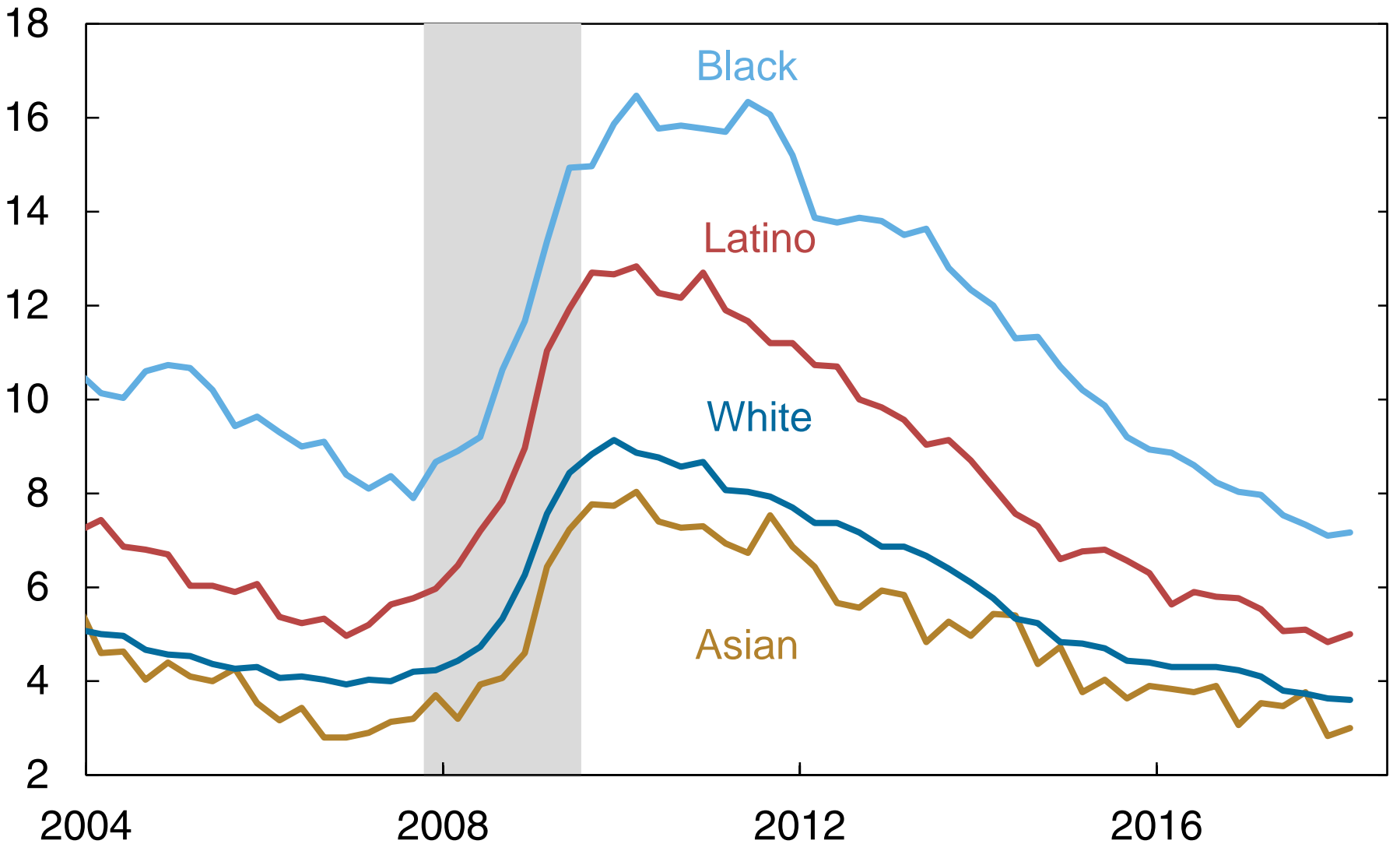


Source: Bureau of Labor Statistics
via Haver Analytics

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Note: Shading shows NBER recessions.

Unemployment Rate

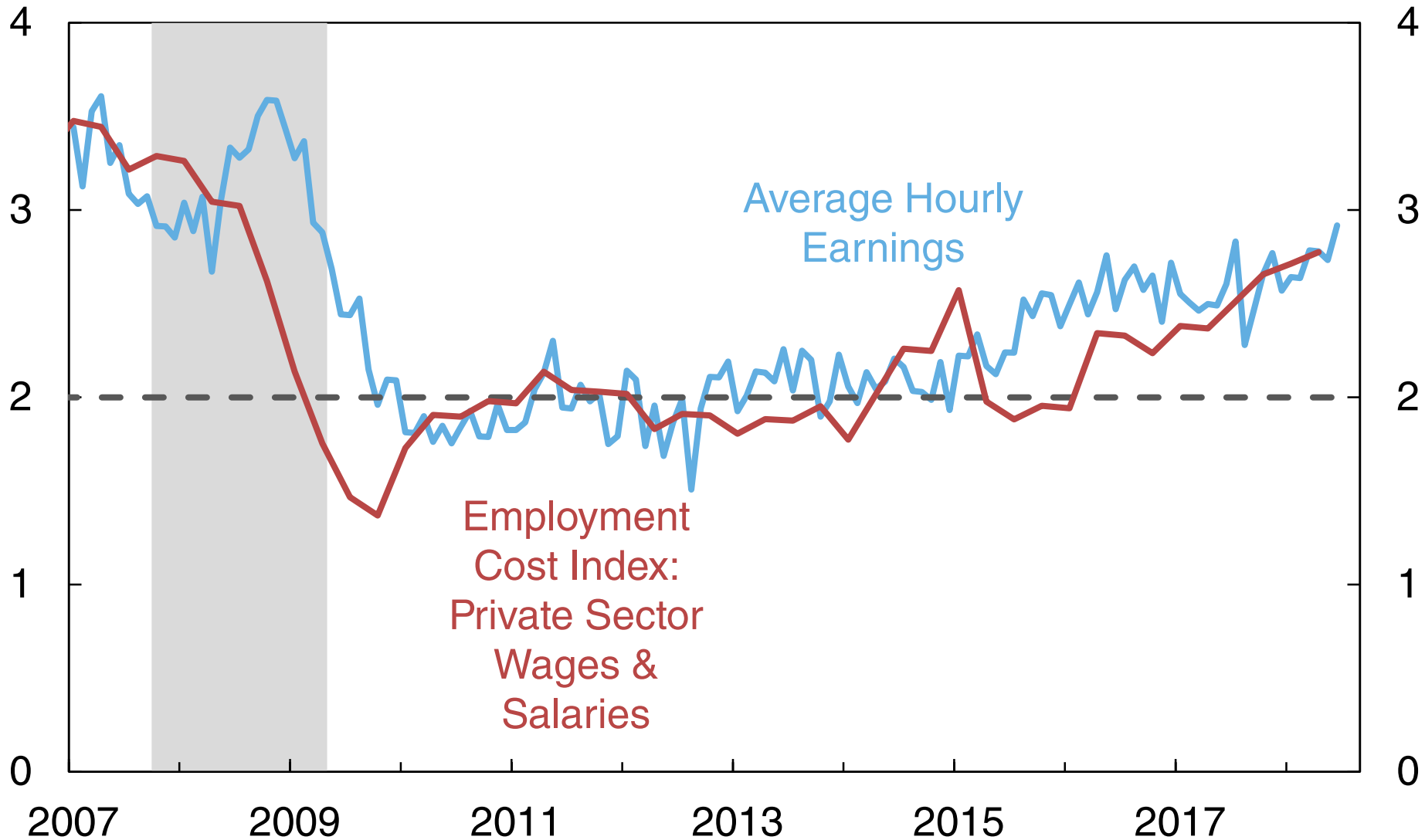
Percent



Growth of Average Hourly Earnings and ECI

Annual % change

Annual % change



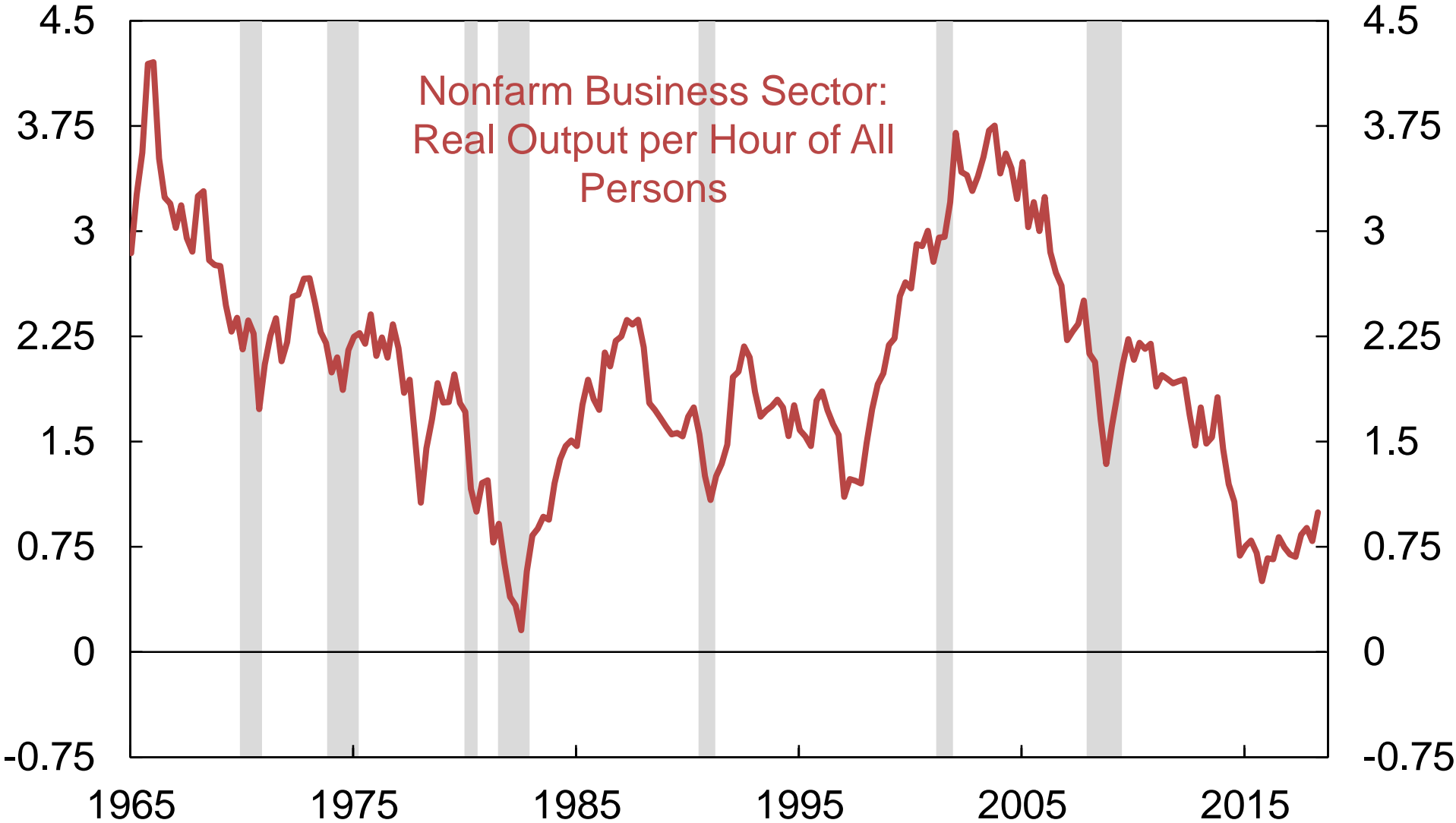
Source: Bureau of Labor Statistics
via Haver Analytics

Note: Shading shows NBER recessions.

Nonfarm Business Sector Real Output Per Hour Worked

20-Qtr %Change-annualized

20-Qtr %Change-annualized



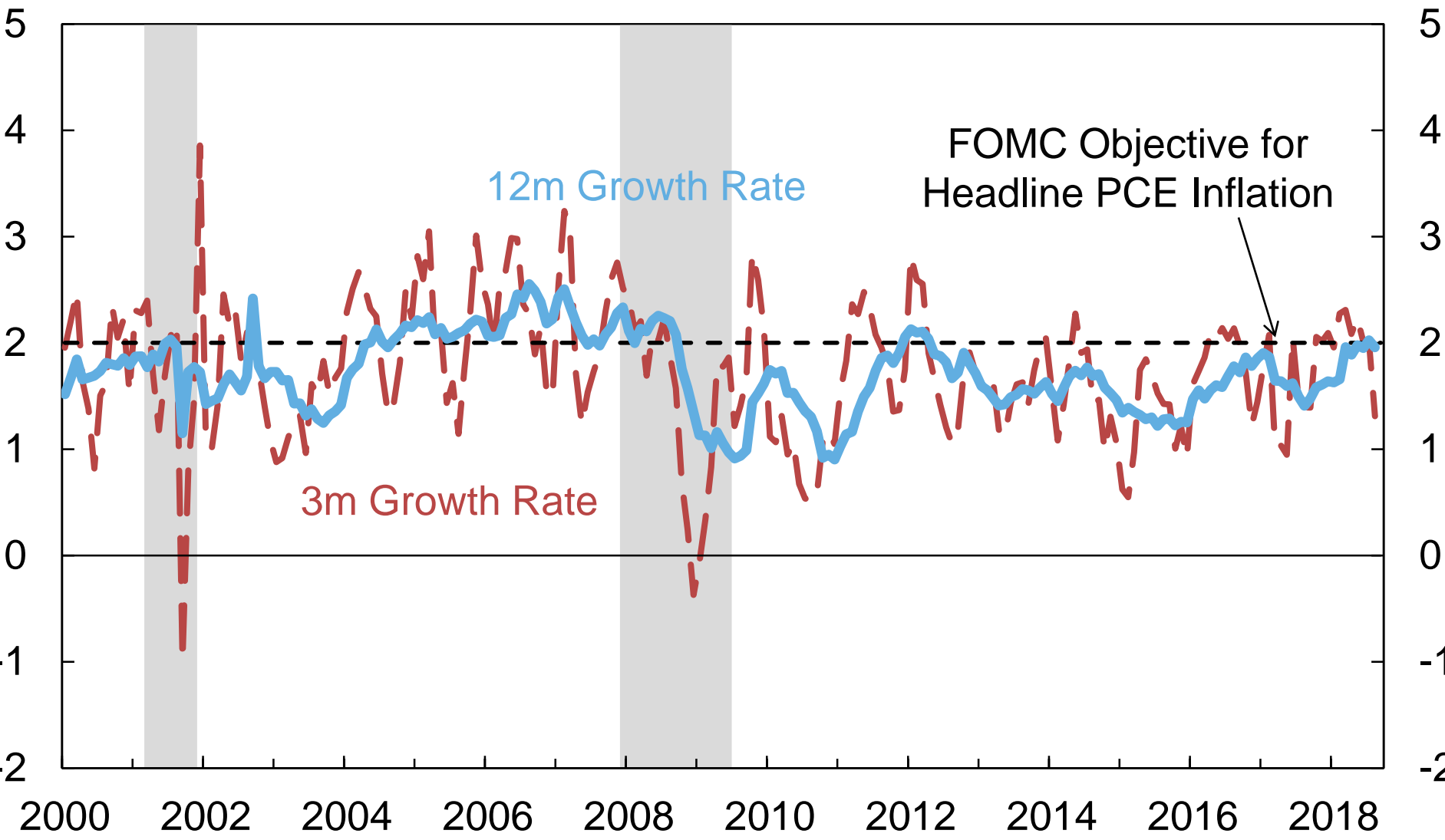
Source: Bureau of Labor Statistics via Haver Analytics

Note: Shading shows NBER recessions.

Measure of Core PCE Price Inflation

Percent, Annualized

Percent, Annualized



Source: Bureau of Economic Analysis via Haver Analytics

Note: Shading shows NBER recessions. 21