

Fed Forum



Presentation on U.S Conditions and Outlook

Charles Steindel

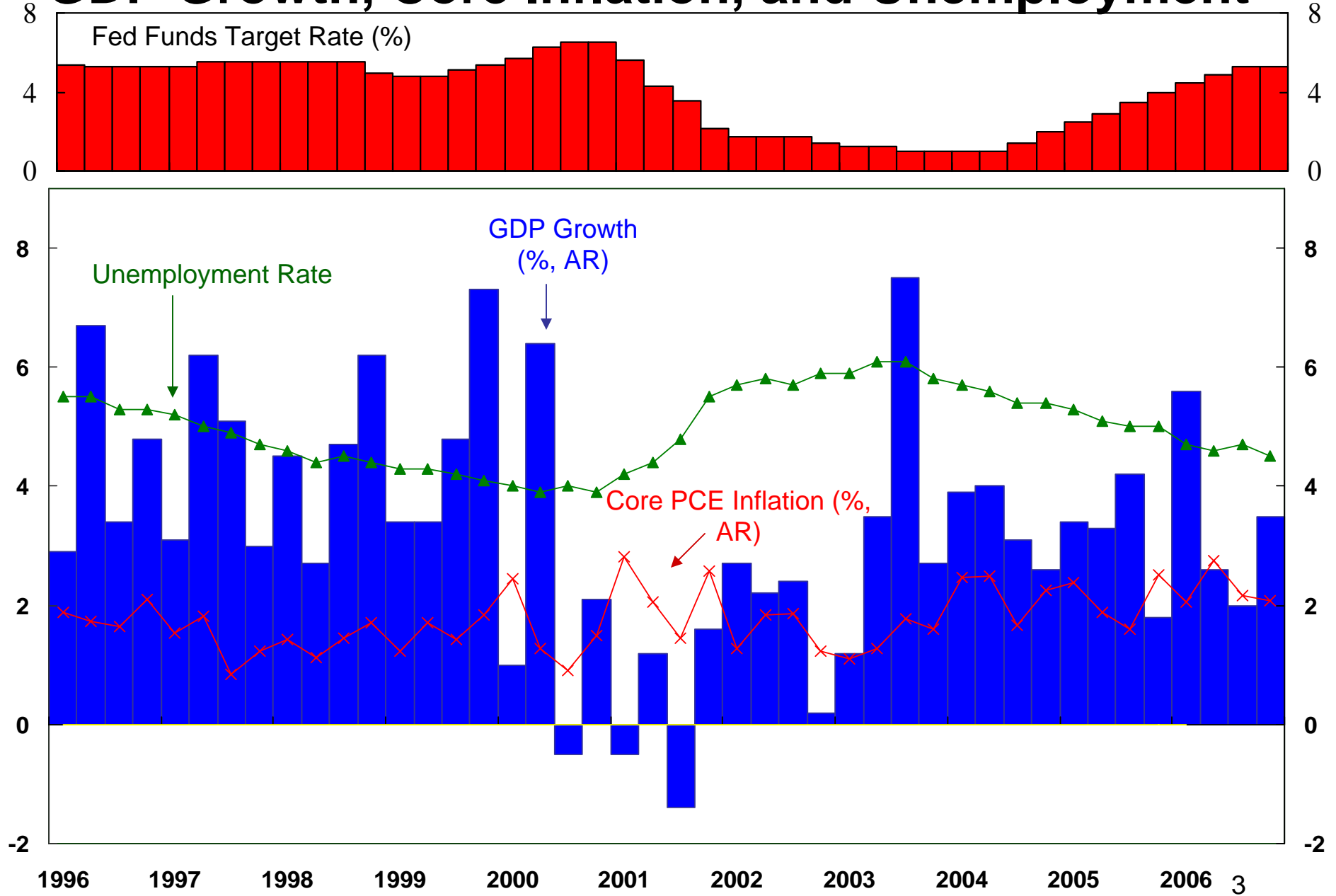
Senior Vice President
Federal Reserve Bank of New York

February 8, 2007

Economy Entered 2007 in Good Shape

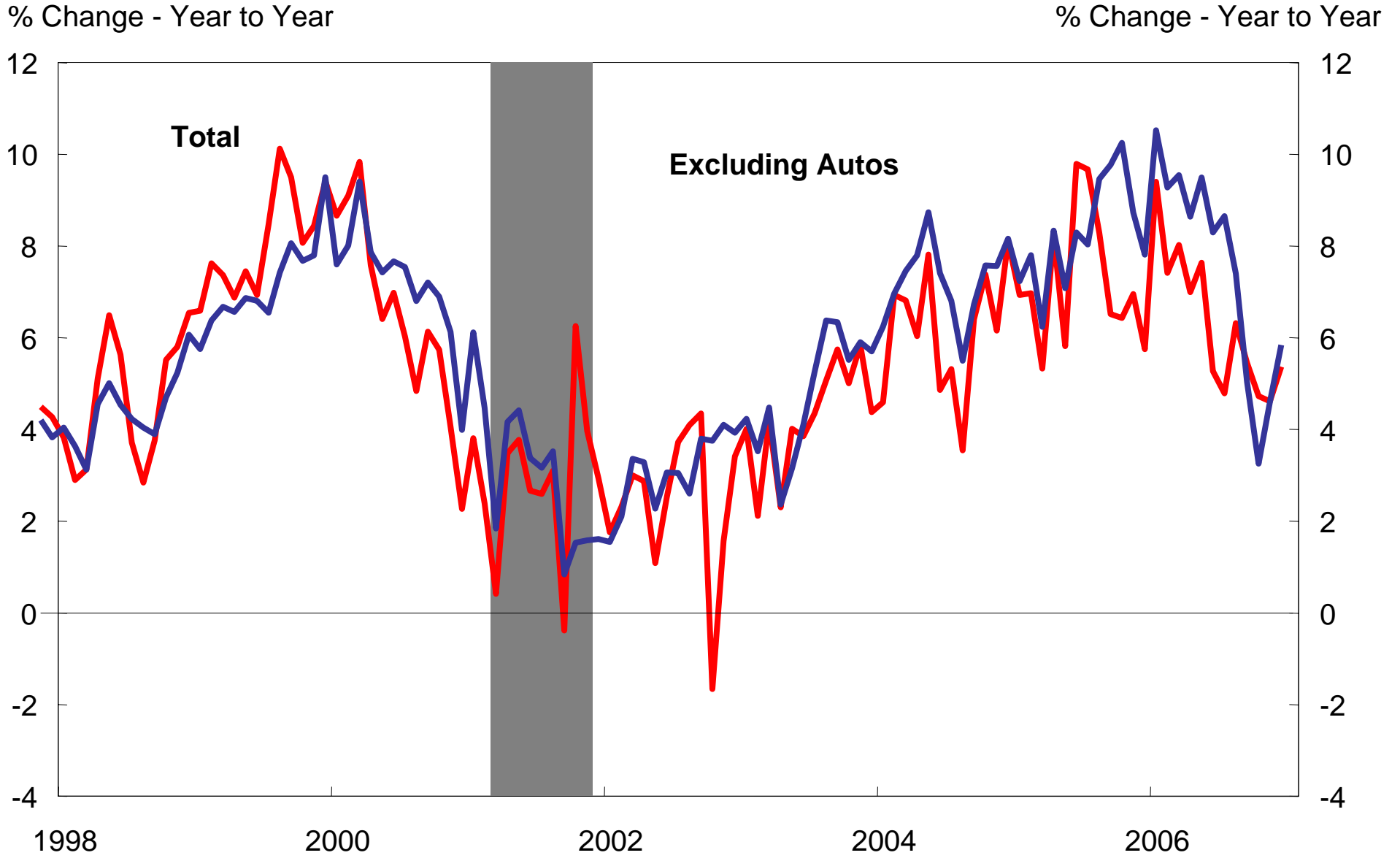
- Vigorous consumer spending
- Signs of levelling-off in housing
- Low unemployment and strong job growth
- Inflation moderating

GDP Growth, Core Inflation, and Unemployment



Source: Bureau of Economic Analysis, Bureau of Labor Statistics, and Federal Reserve Board

Retail Sales

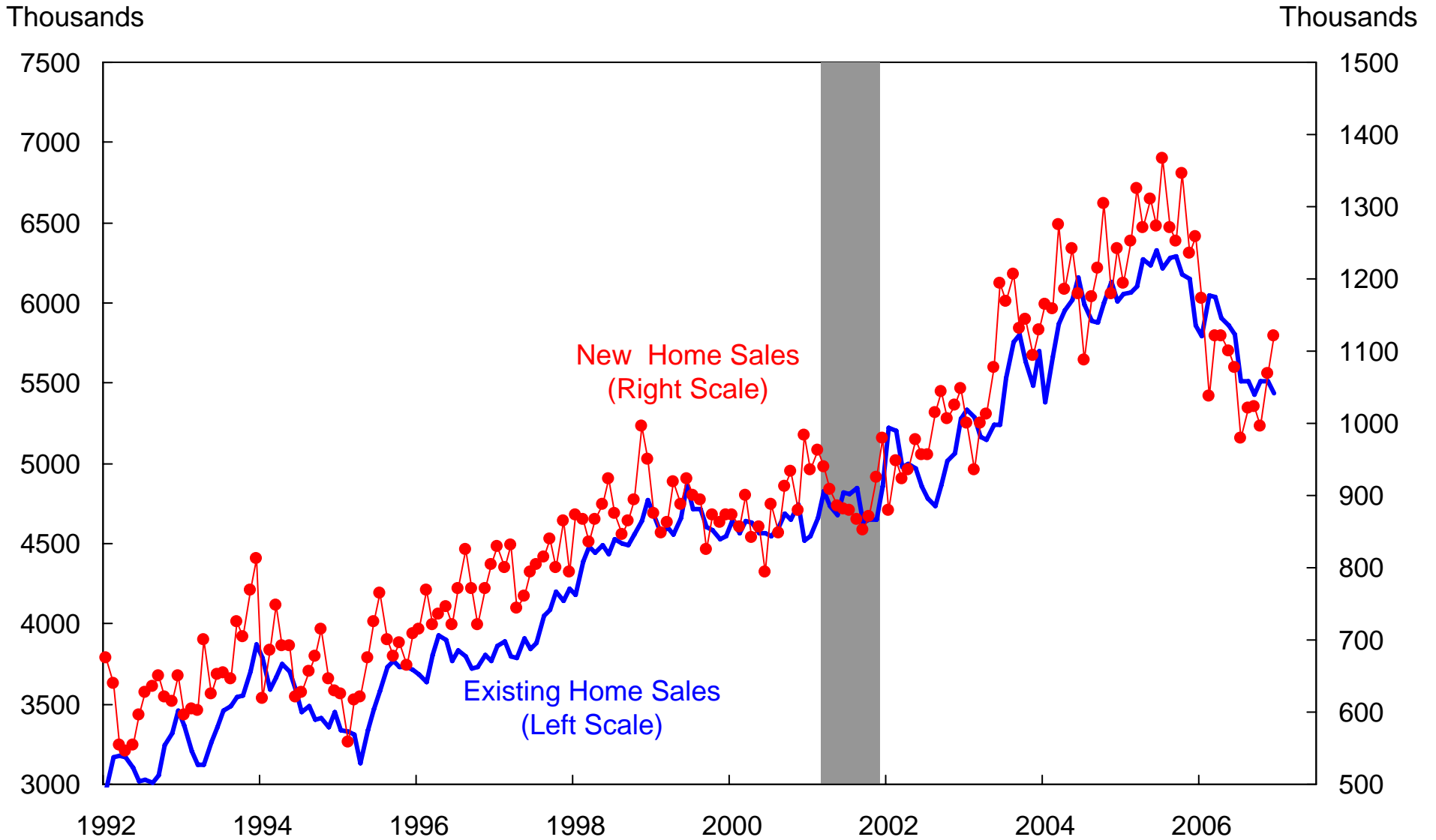


Source: Census Bureau

Note: Shading represents NBER recessions.

Single-Family Home Sales

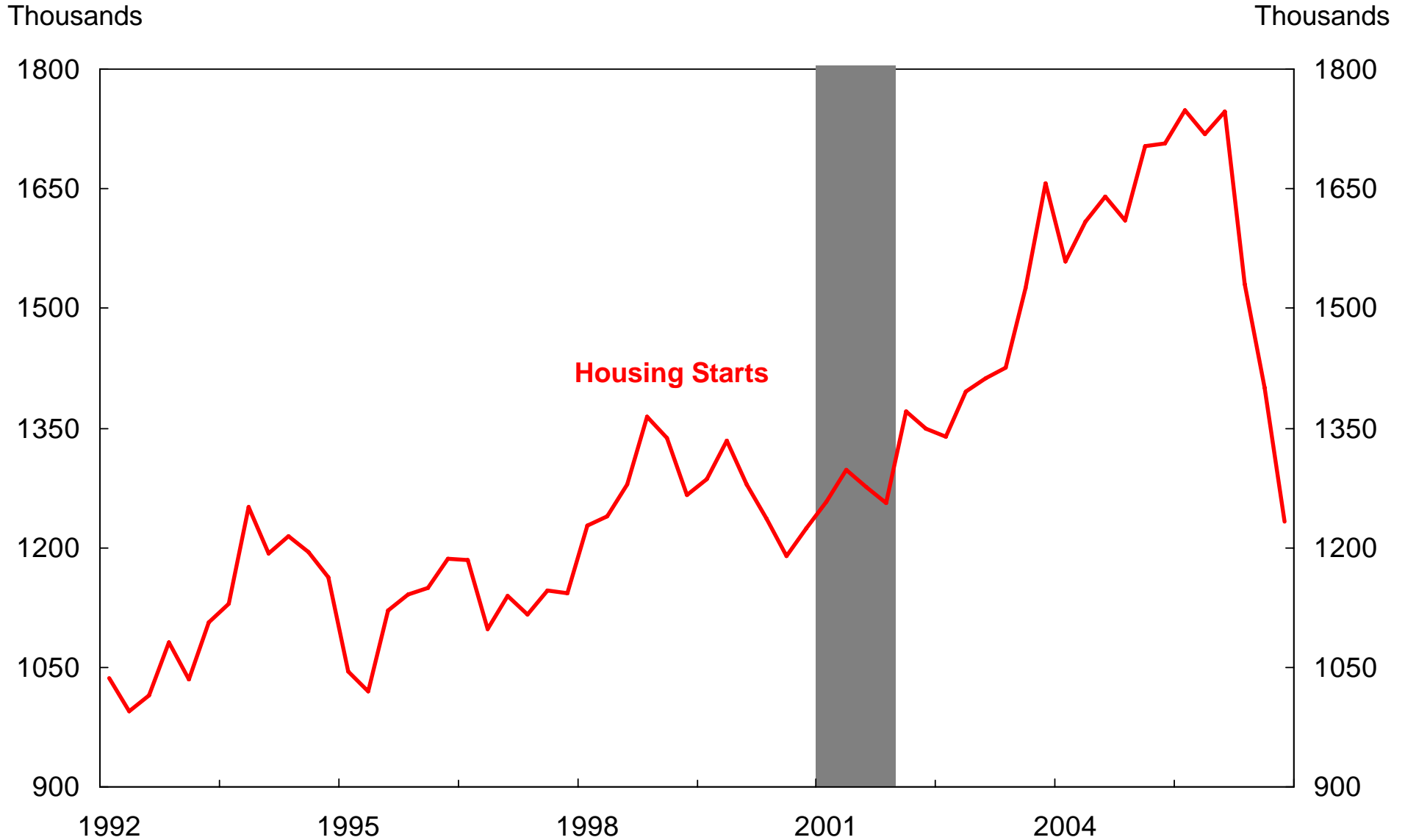
(Seasonally Adjusted Annual Rate)



Sources: U.S. Census Bureau and National Association of Realtors

Note: Shading represents NBER recessions.

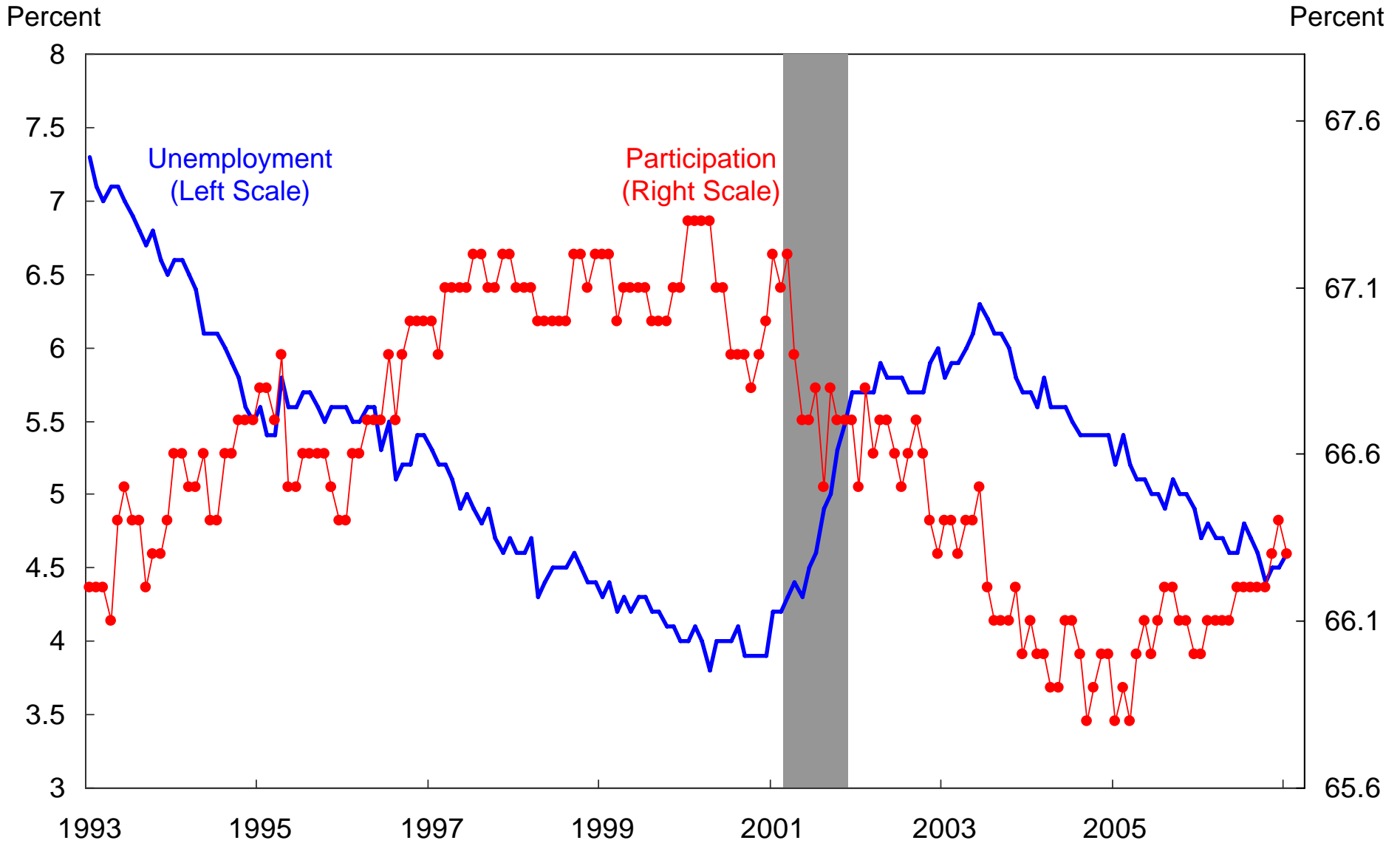
Single Family Housing Starts



Source: Census Bureau and Mortgage Bankers Association

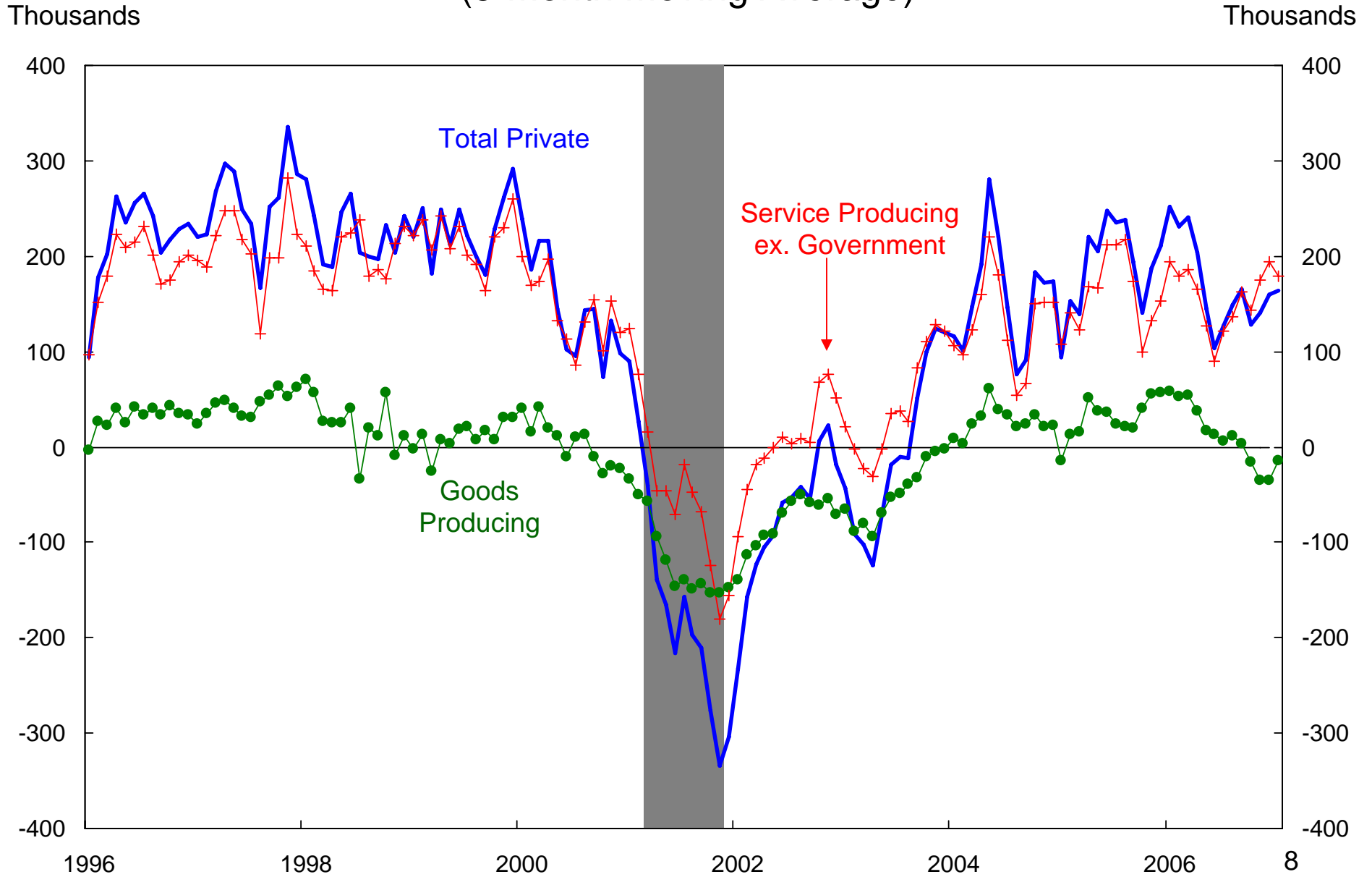
Notes: Shading represents NBER recessions

Unemployment and Labor Force Participation Rates



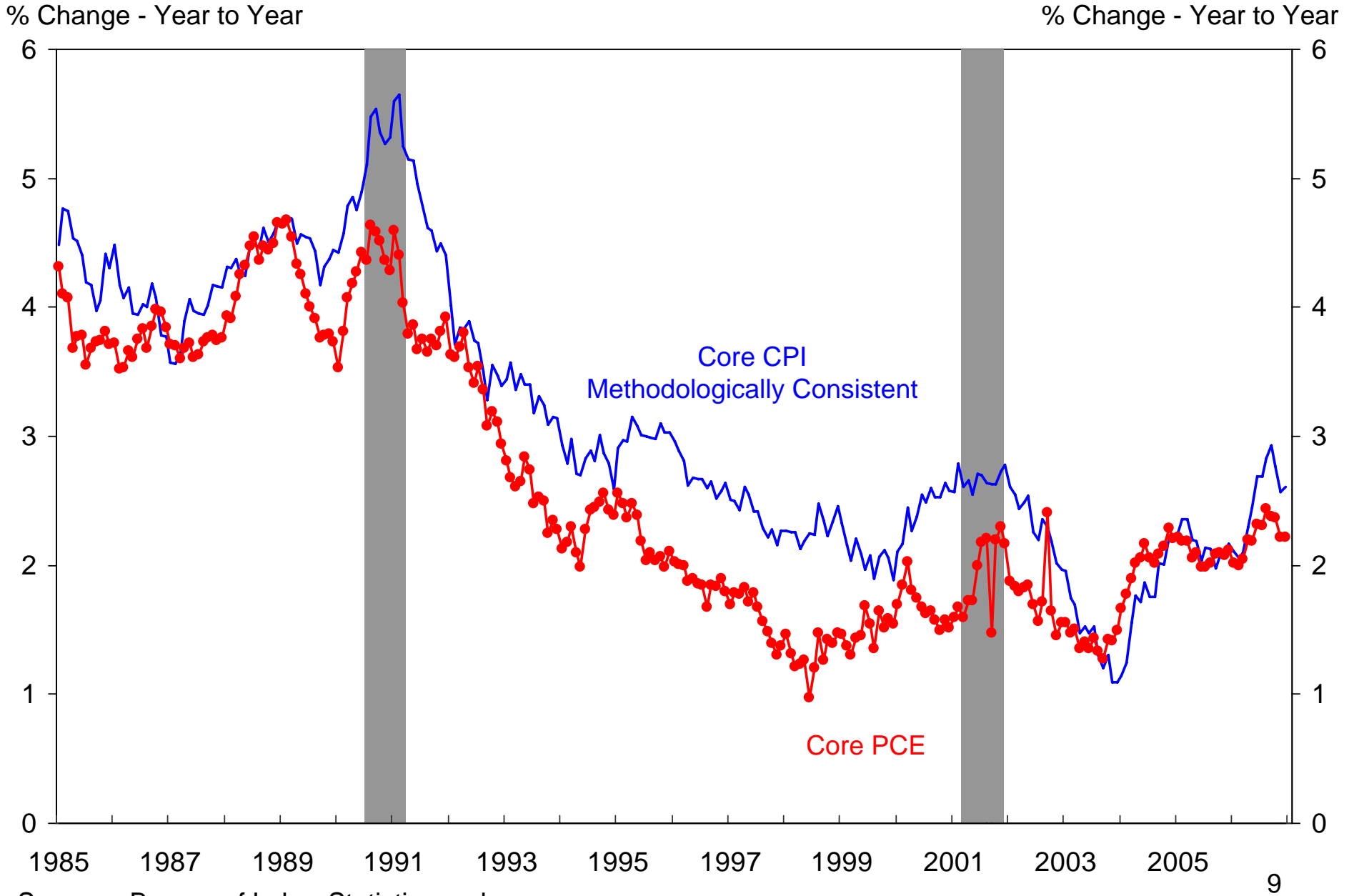
Sources: Bureau of Labor Statistics

Private Nonfarm Payroll Employment (3-Month Moving Average)



Sources: Bureau of Labor Statistics

Core CPI and Core PCE



Sources: Bureau of Labor Statistics and Bureau of Economic Analysis

Note: Shading represents NBER recessions.

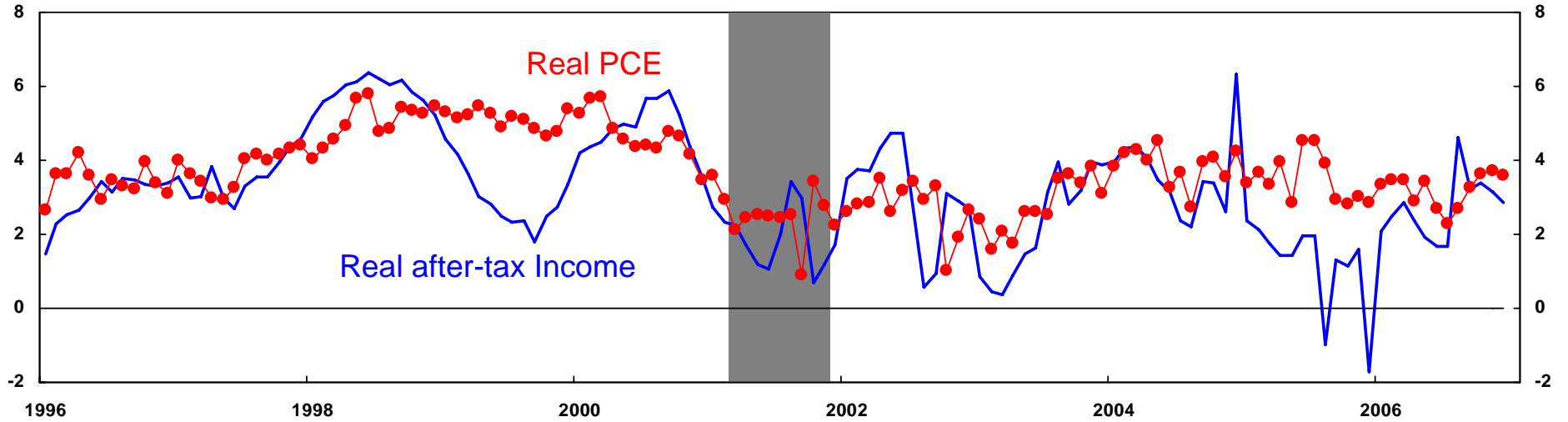
Questions for 2007

- Can the consumer keep it up?
- Is housing turning the corner?
- Will inflation stay contained?

Income, Consumption, and Saving

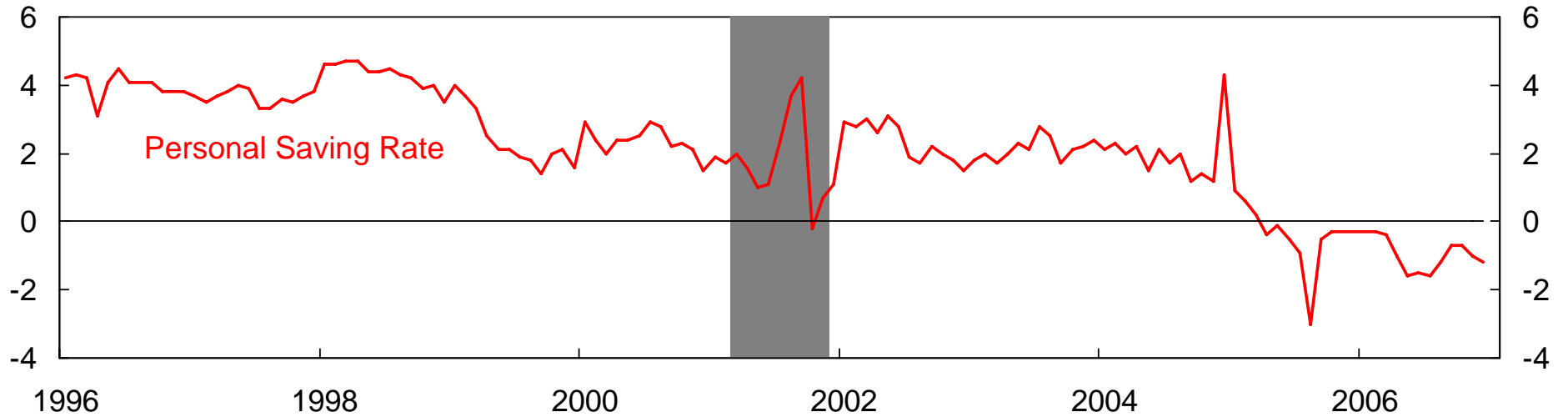
% Change - Year to Year

% Change - Year to Year



Percent

Percent



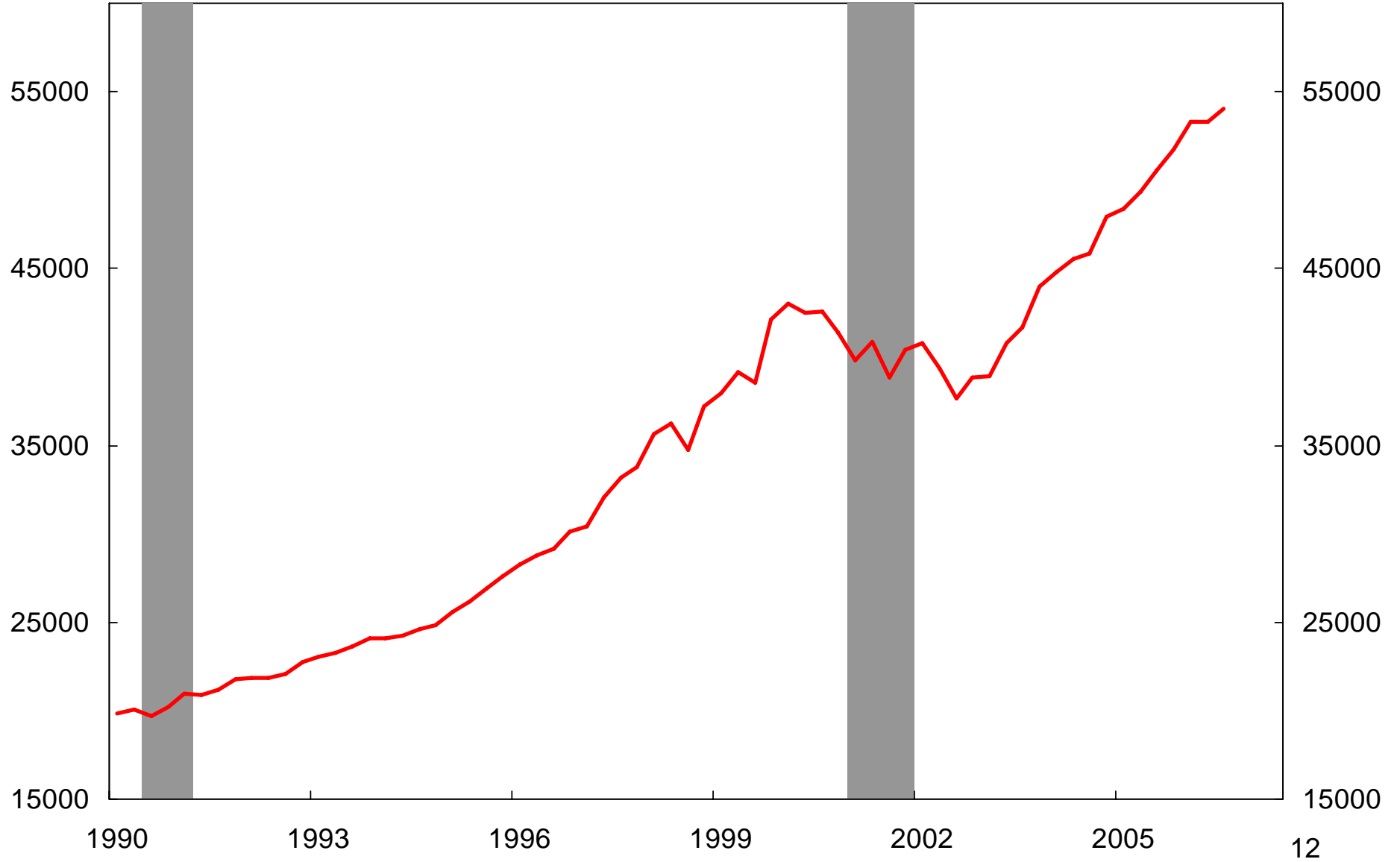
Source: Bureau of Economic Analysis

Note: Shading represents NBER recessions.

Household Net Worth

Billions of Dollars

Billions of Dollars



Source: Federal Reserve Board

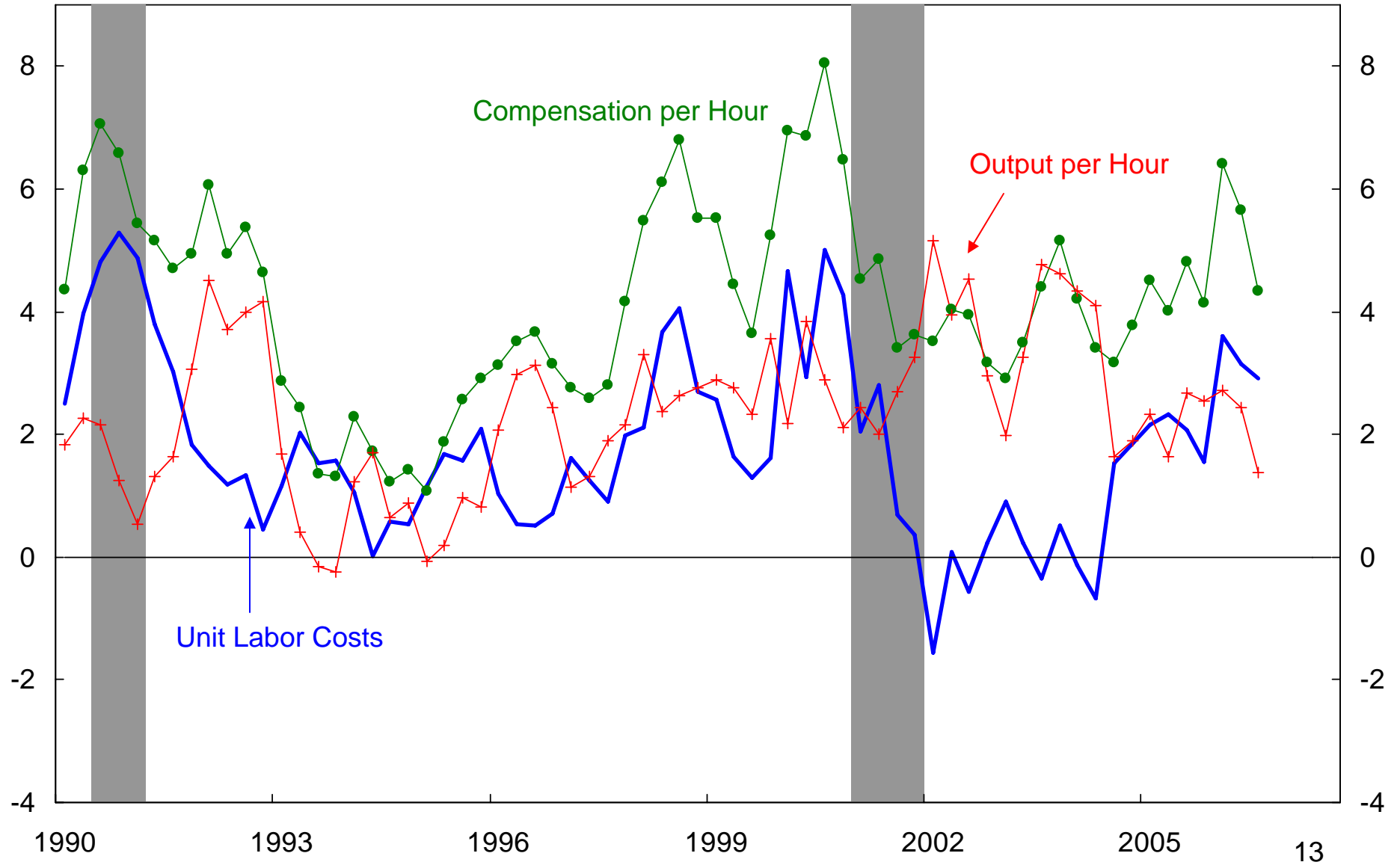
Note: Shading represents NBER recessions.

Productivity, Compensation, and Unit Labor Costs

% Change - Year to Year

Nonfarm Business Sector

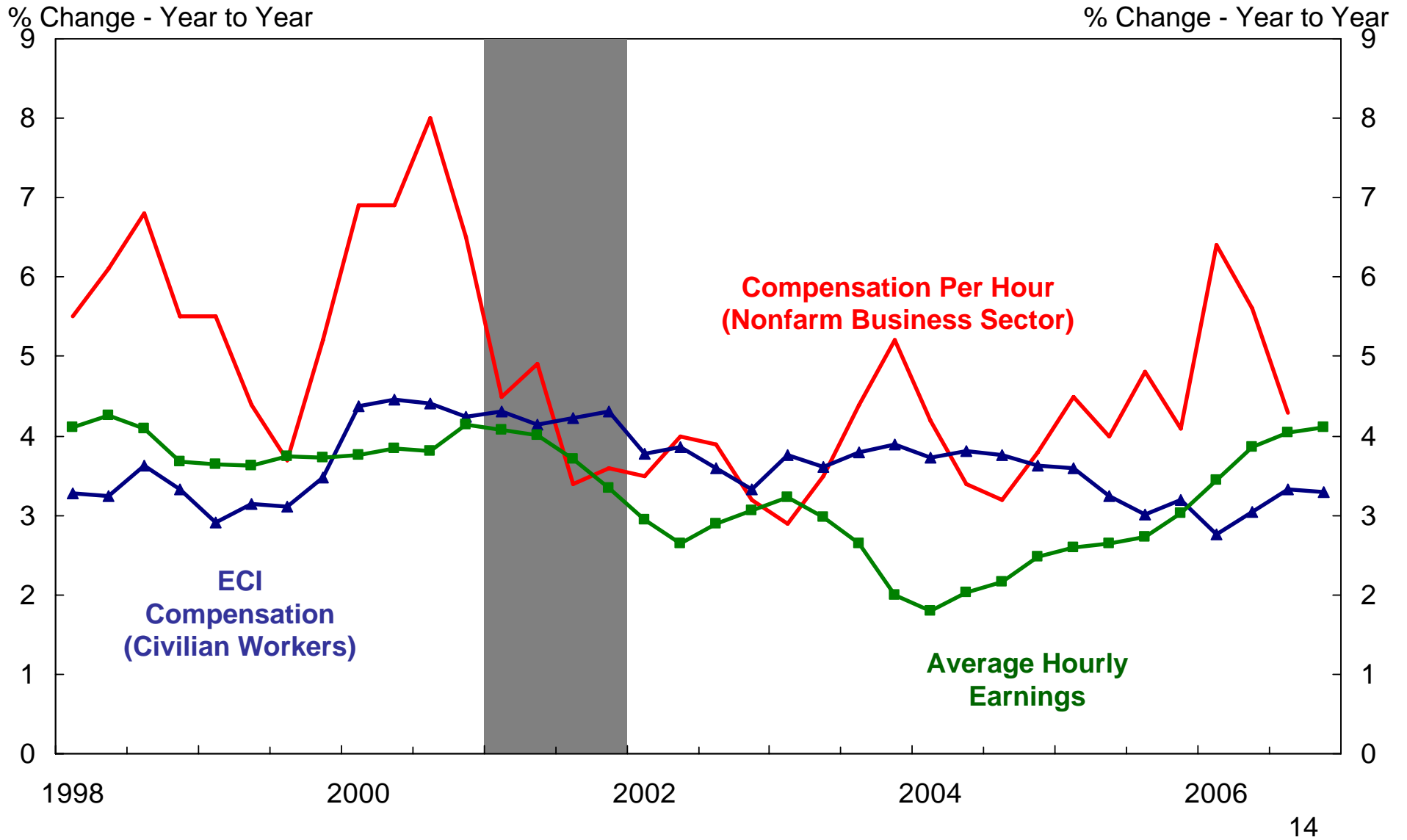
% Change - Year to Year



Sources: Bureau of Labor Statistics

Note: Shading represents NBER recessions.

Compensation Per Hour, Employment Cost Index, and Average Hourly Earnings



Source: Bureau of Labor Statistics

Note: Shading represents NBER recessions.