



FEDERAL RESERVE BANK *of* NEW YORK

U.S. Economic Conditions

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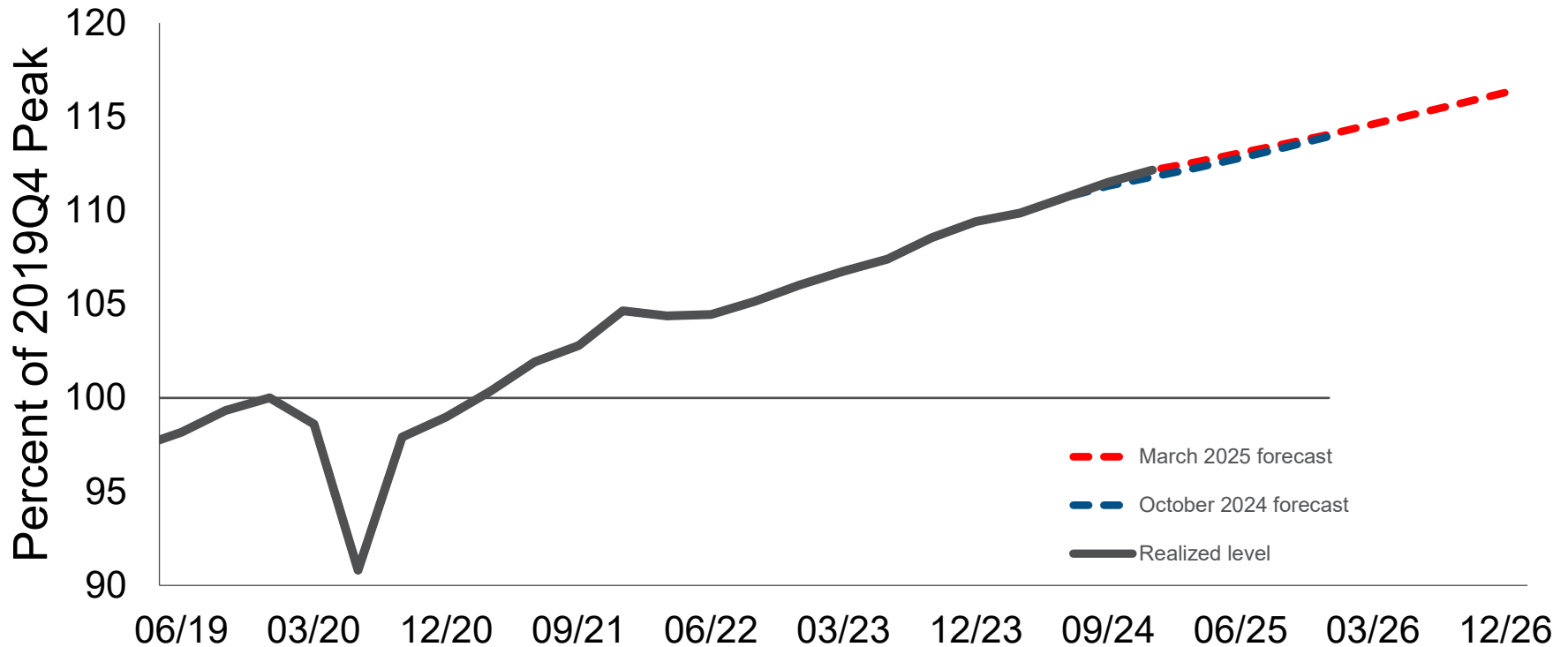
Overview

- Real GDP growth was solid in 2024.
 - Growth in early 2025 shows signs of slowing.
- The labor market is broadly in balance.
- Inflation has been moderating unevenly.



GDP rose in 2024Q4; spending growth slowing

Blue Chip Consensus Real GDP Forecast



- GDP grew at a 2½ percent pace over 2024.
- Recent spending data suggest slower growth in 2025Q1.
- Since December, private forecasts have edged lower.



Labor market conditions have broadly stabilized

Labor market indicators



- Unemployment rate in a narrow range since mid-2024.
- Prime-age participation stable and still high.
- Job growth remains solid: averaged 138,000 in January and February.

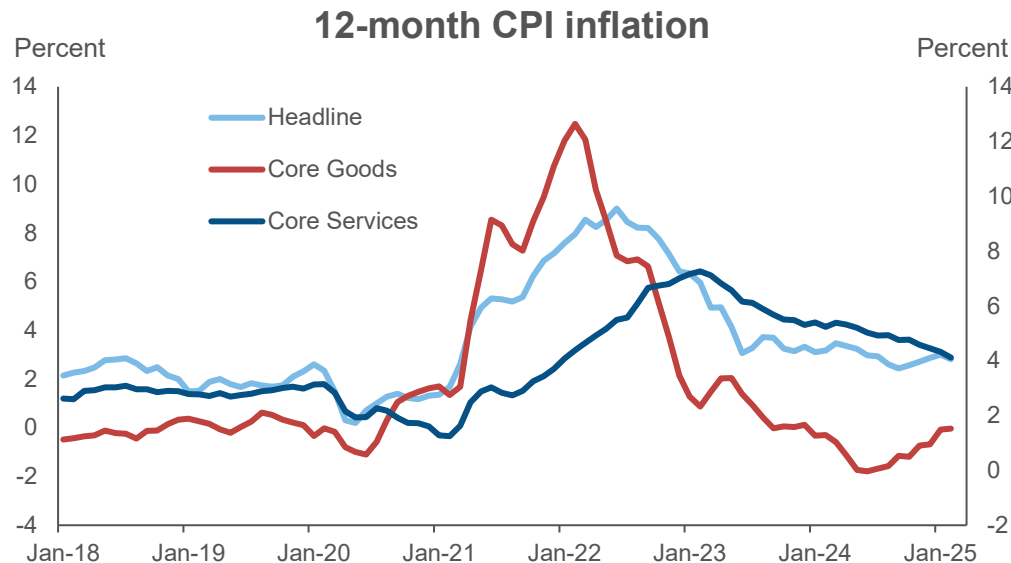
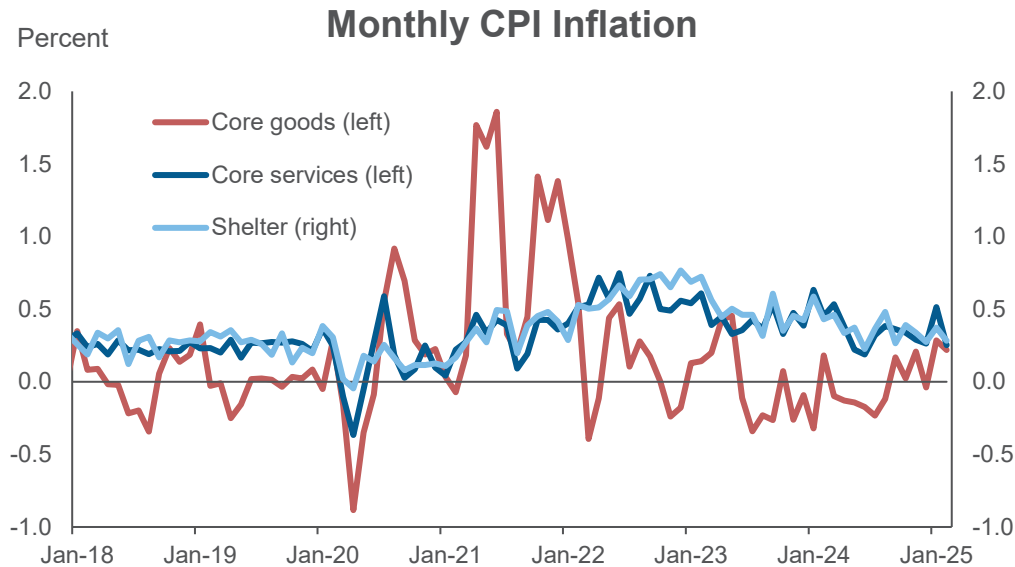
Labor market tightness and wage growth



- Ratio of job openings to unemployed down to pre-Covid levels.
- Wage growth has moderated.



Inflation is moderating unevenly



- Core goods prices have risen in recent months after falling for much of 2024.
- Recently, prices for shelter and core services have risen more moderately.
- Ex-food & energy (core) inflation remains somewhat elevated.
- While core services inflation has been moderating, core goods inflation edged up.

Concluding observations

- Economic activity shows signs of slowing.
- Labor market conditions have stabilized and remain solid.
- Inflation has been moderating unevenly and remains above 2 percent.
- Various measures indicate the economic environment has become more uncertain.

