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Economic Outlook: Wheels Down Amid Crosswinds

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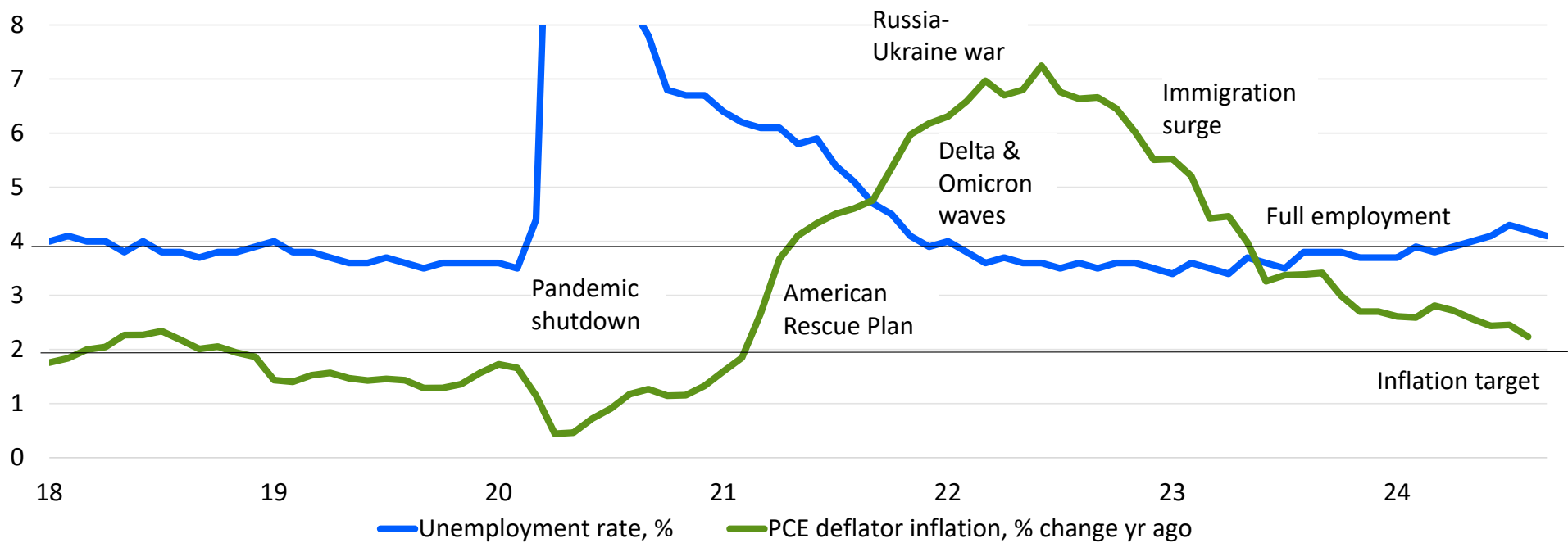
Emily Mandel, Senior Economist, Moody's Analytics

October 2024

The background of the slide is a dark blue color. It features several layers of thin, light blue wavy lines that create a sense of depth and movement. These lines are arranged in a way that suggests a 3D effect, with some lines appearing to recede into the distance while others are in the foreground. The overall aesthetic is modern and technical.

United States Outlook

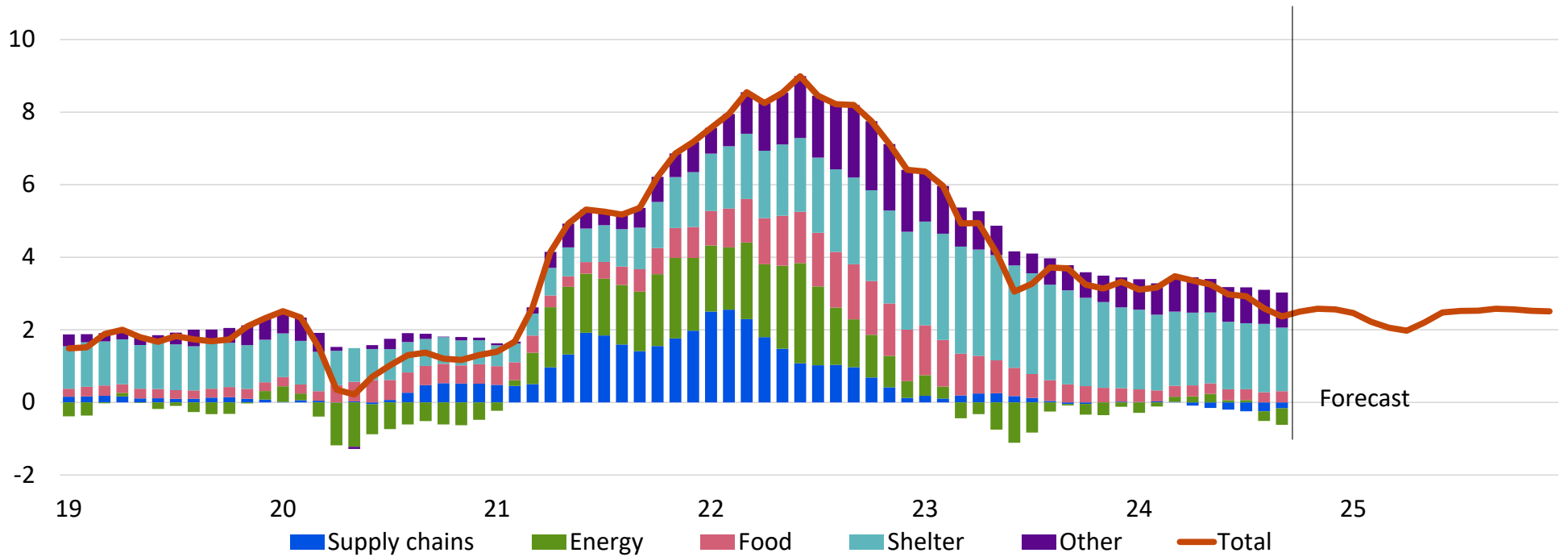
Federal Reserve Achieves Its Dual Mandate



Sources: BLS, Moody's Analytics

Further Improvement Hinges on Shelter Costs

Contribution to y/y growth in consumer prices, pts

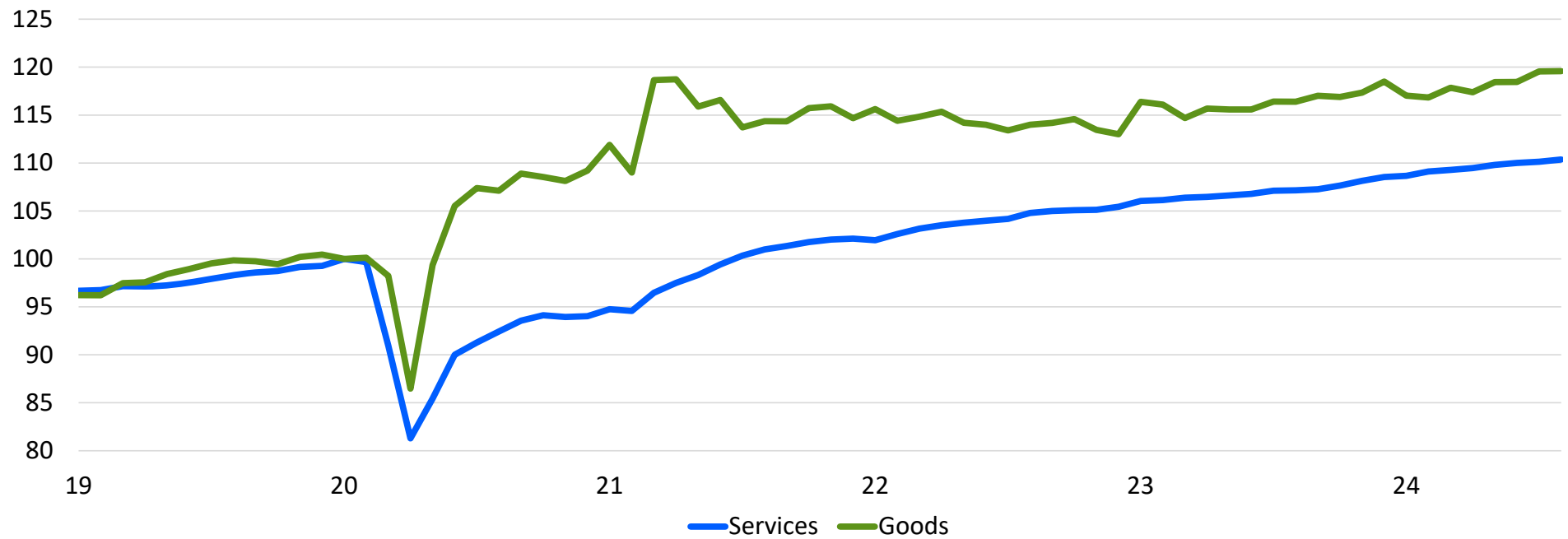


Sources: BLS, Moody's Analytics

Moody's Analytics

Consumer Spending Powers the Economy

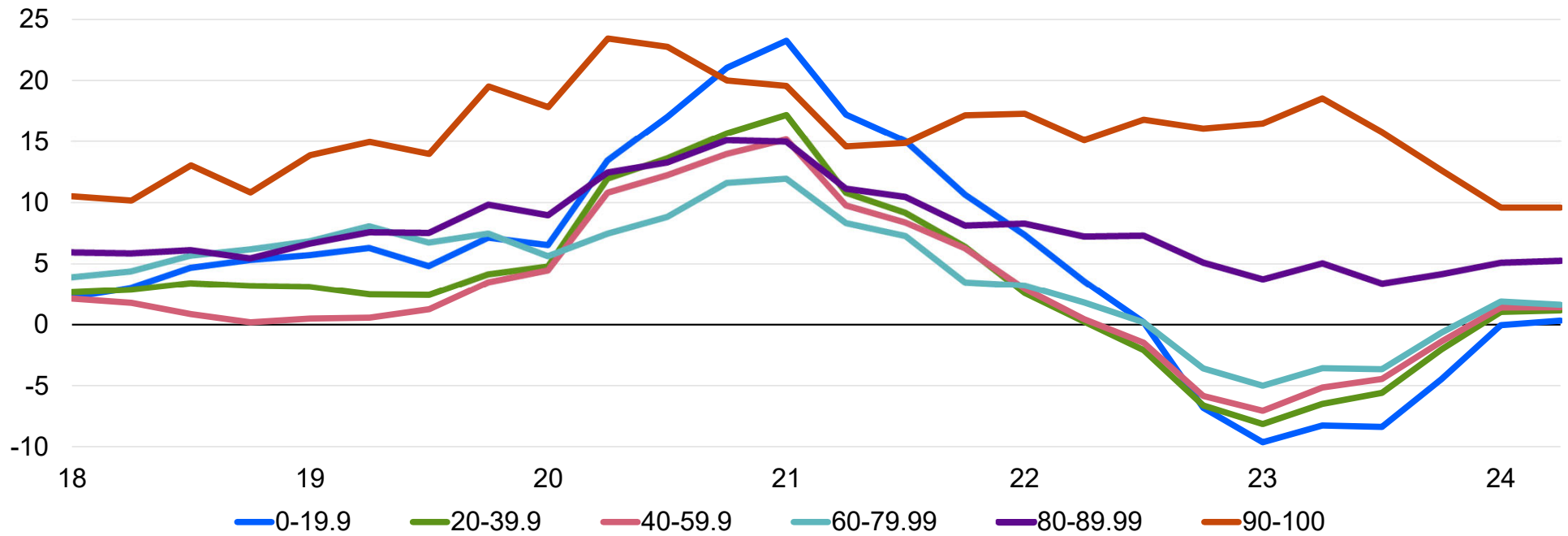
Real U.S. consumer spending, Jan 2020=100



Sources: BEA, Moody's Analytics

Highest-Income Households Powered Spending Over the Past Year

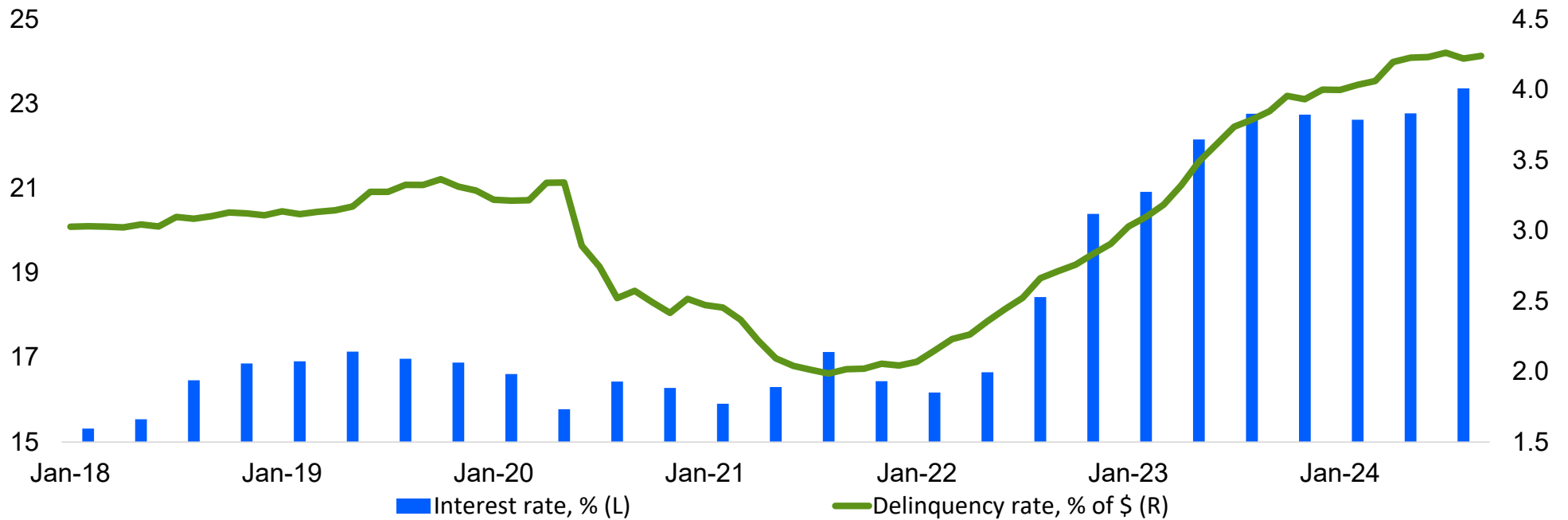
Personal saving rate by income group, 4-qtr MA



Sources: Federal Reserve, Moody's Analytics

Higher Credit Card Rates Have Stressed Some Borrowers

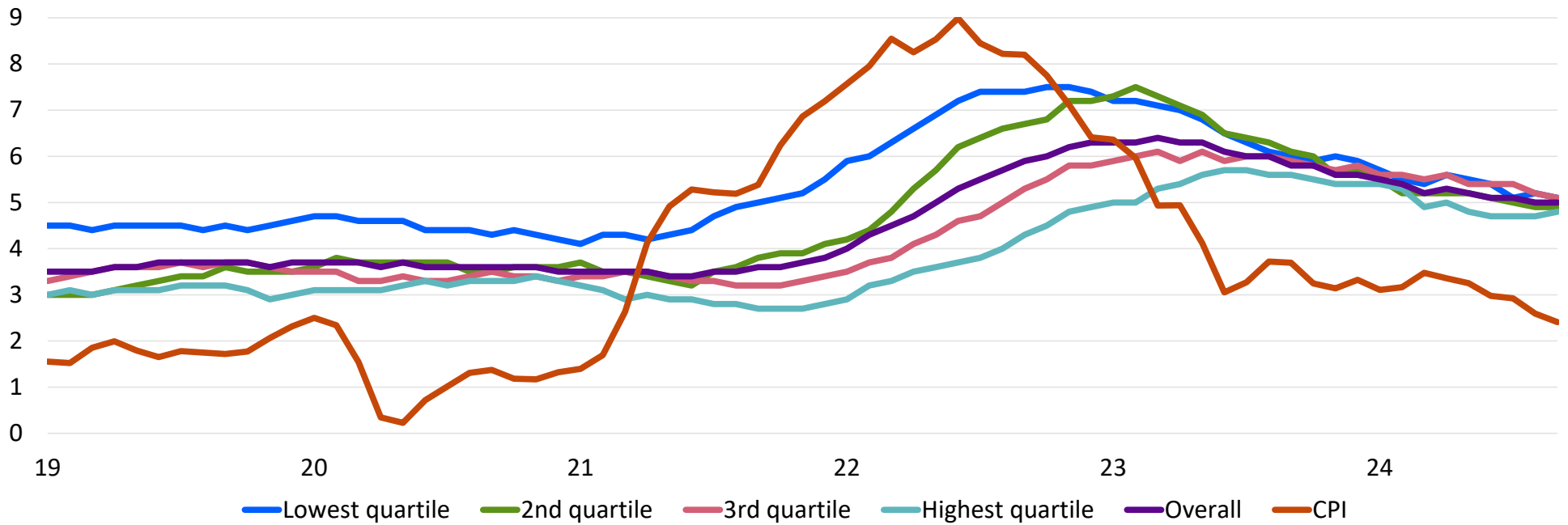
Credit cards



Sources: Equifax, Federal Reserve, Moody's Analytics

Consumers' Purchasing Power Improves

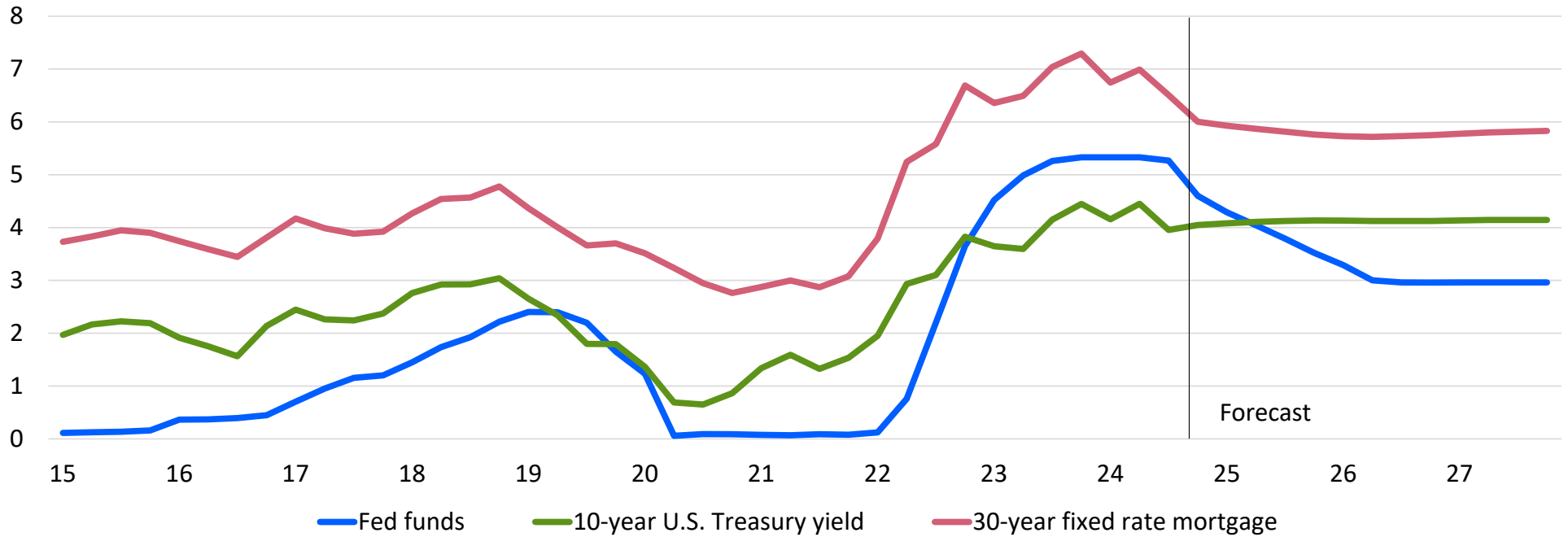
U.S. wage growth by wage quartile and consumer price index, % change yr ago



Sources: BLS, Atlanta Fed, Moody's Analytics

Pressure Will Gradually Ease as Interest Rates Decline

Key financial interest rates, %



Sources: FRB, U.S. Treasury Dept, Freddie Mac, Moody's Analytics

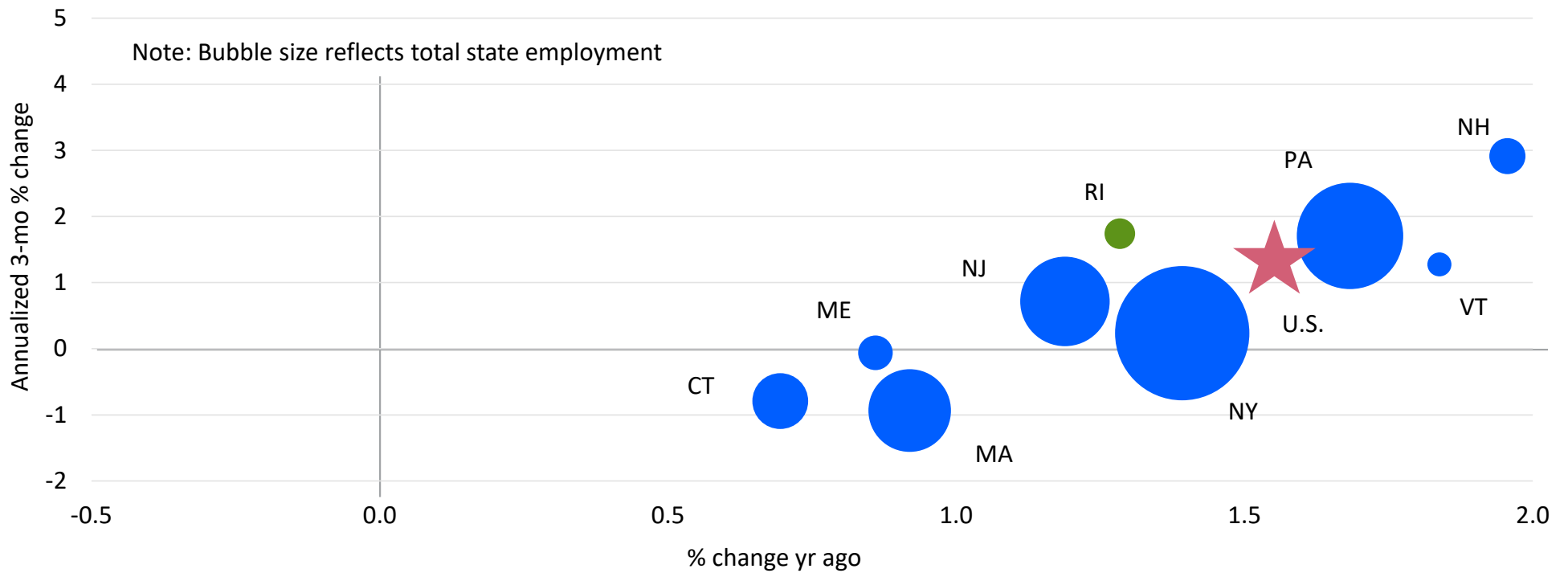
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Rhode Island Outlook

Moody's Analytics

Employment Growth Solidly Middle of the Pack

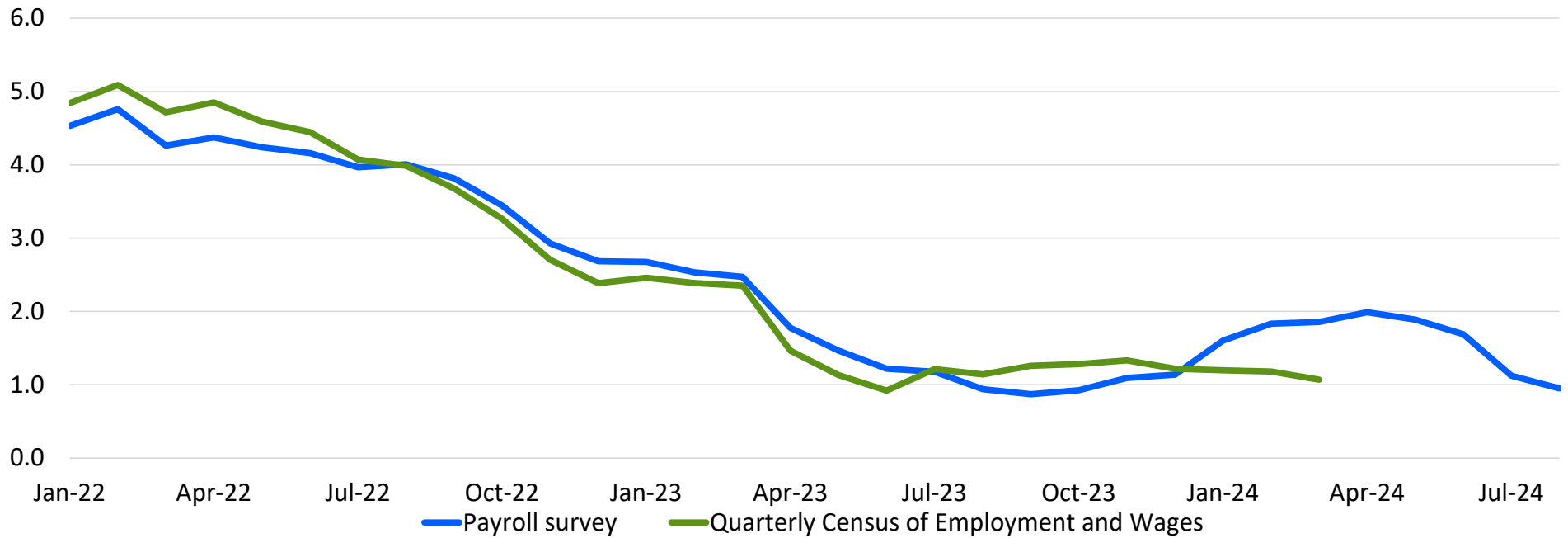
Payroll employment, 1-yr vs 3-mo performance (3-mo MA), September 2024



Sources: BLS, Moody's Analytics

Early-2024 Acceleration in Job Growth May be Revised Away

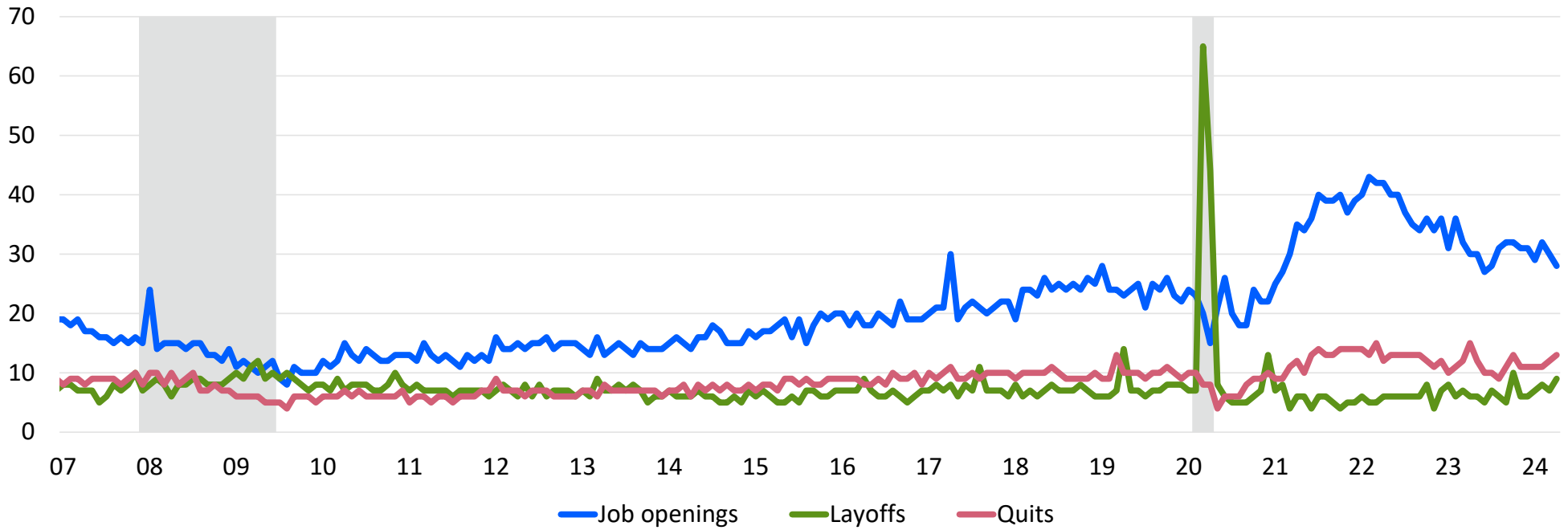
Rhode Island employment, % change yr ago, 3-mo MA, NSA



Sources: BLS, Moody's Analytics

Labor Market in Good Shape

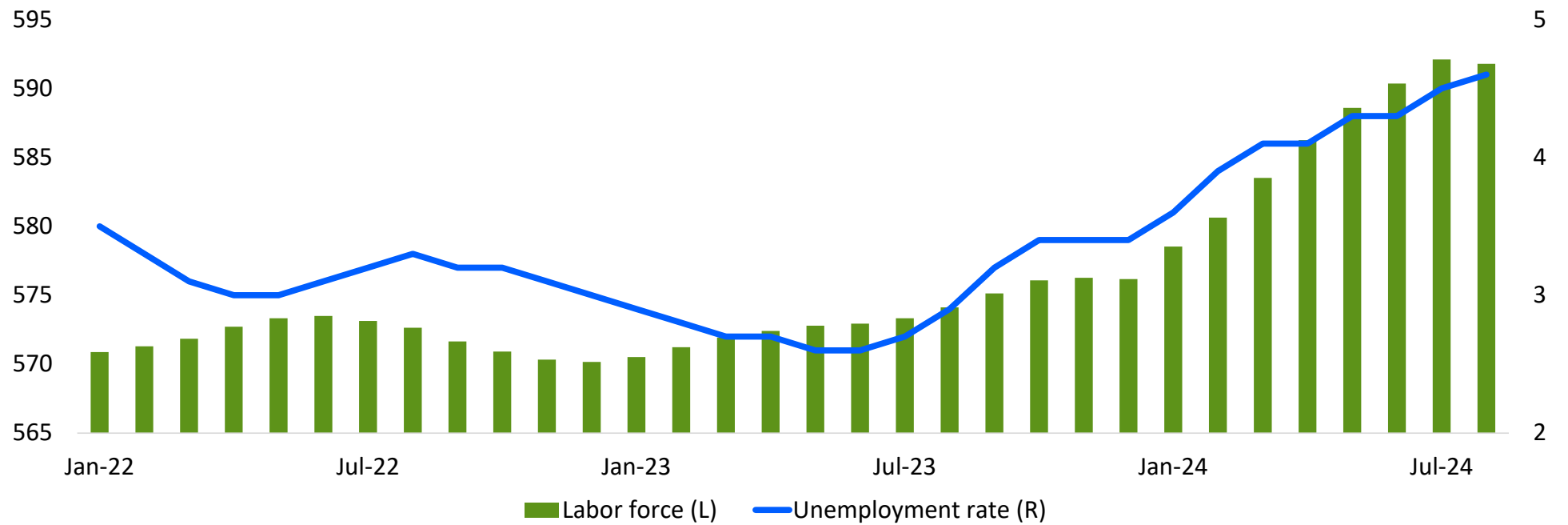
Rhode Island, # mil



Sources: BLS, Moody's Analytics

Jobless Rate on its Way Up... for the Right Reasons

Rhode Island

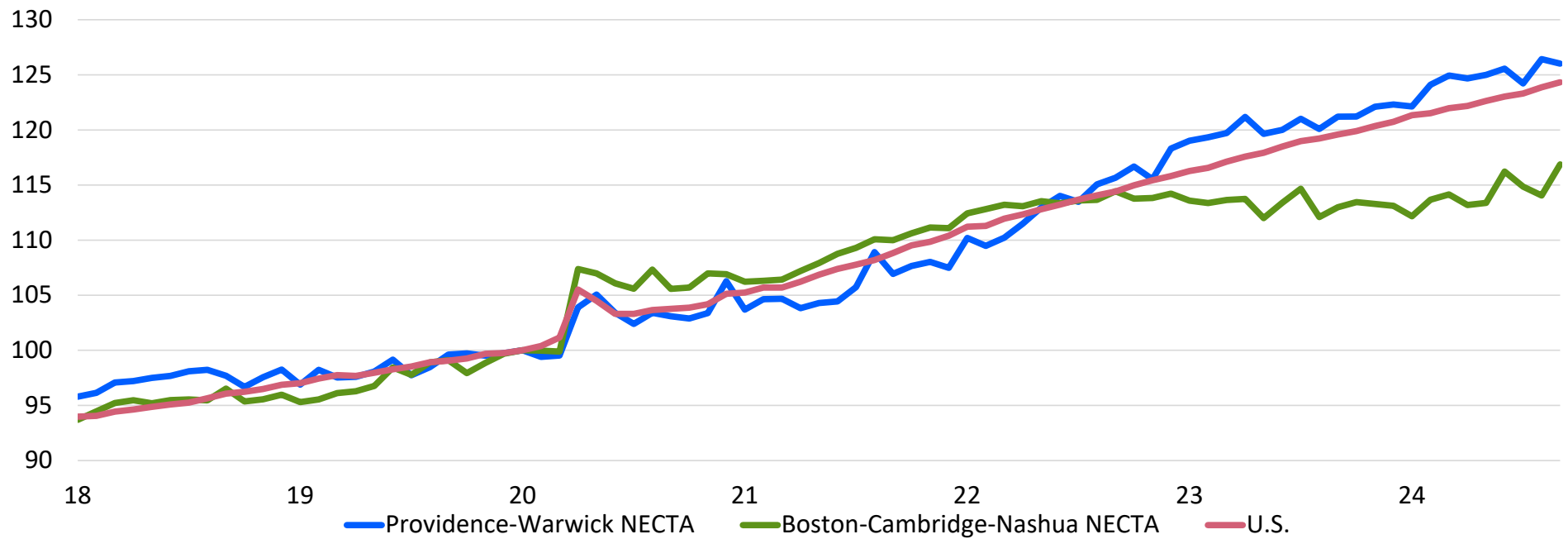


Sources: BLS, Moody's Analytics

Moody's Analytics

Wage Growth Outperforms

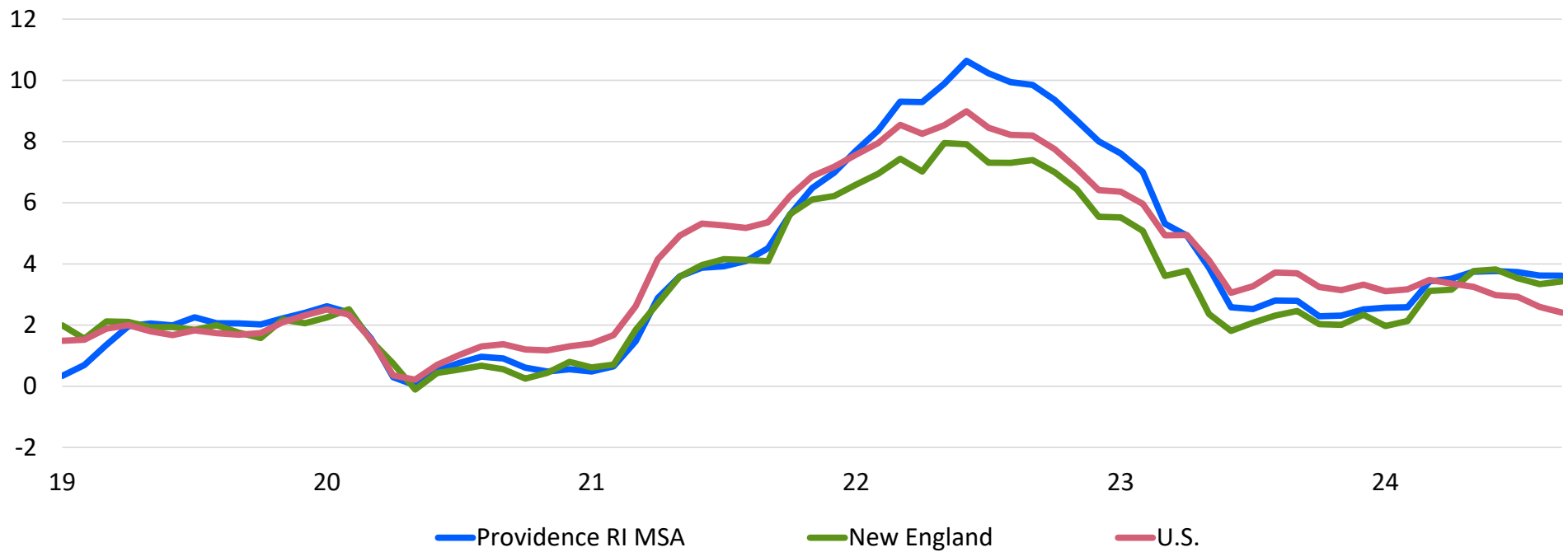
Average hourly earnings, January 2020=100



Sources: BLS, Moody's Analytics

... But Price Pressures Also Remain Higher

Consumer price index, % change yr ago

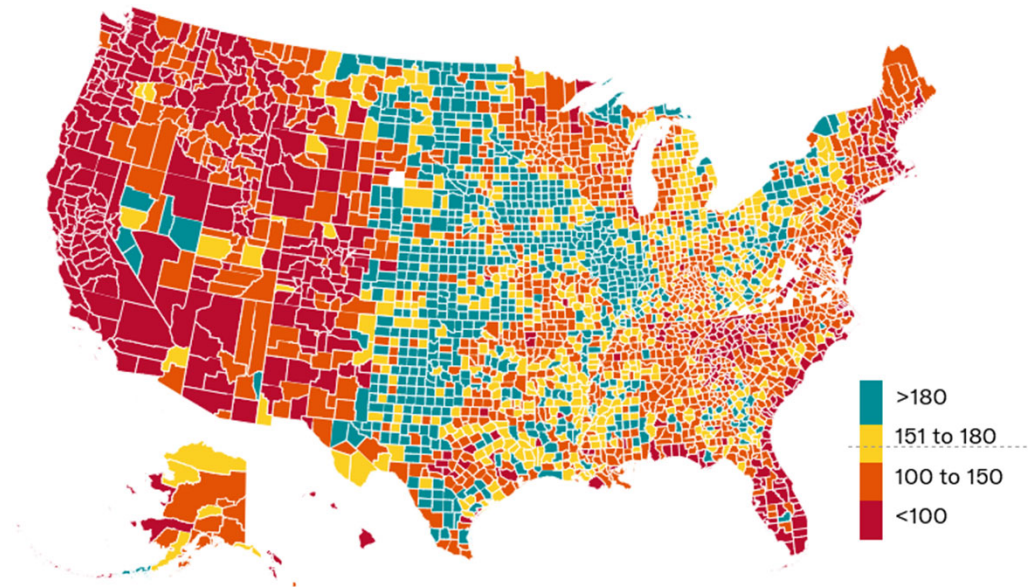
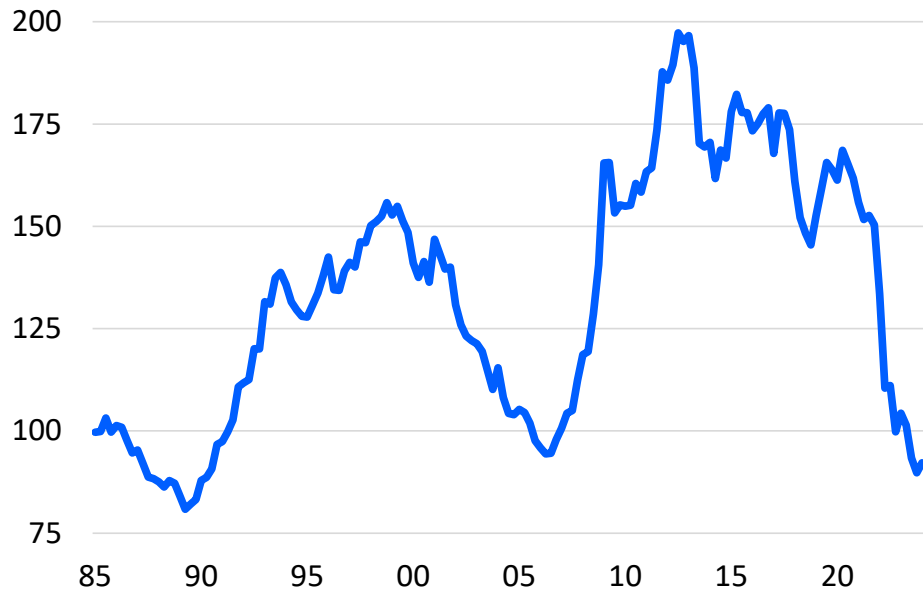


Sources: BLS, Moody's Analytics

Moody's Analytics

Housing Affordability Hits a Multidecade Low

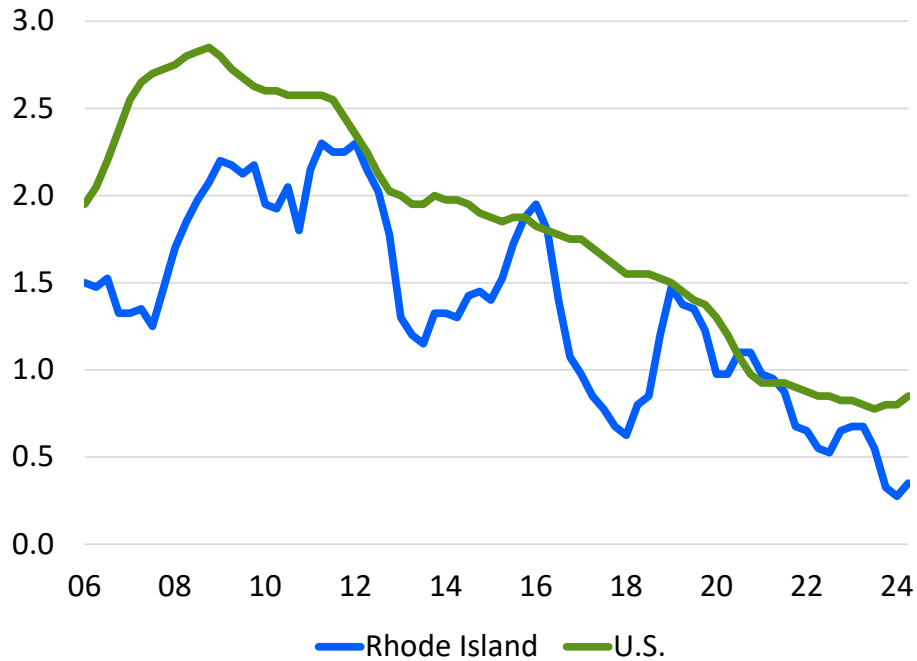
Rhode Island housing affordability index



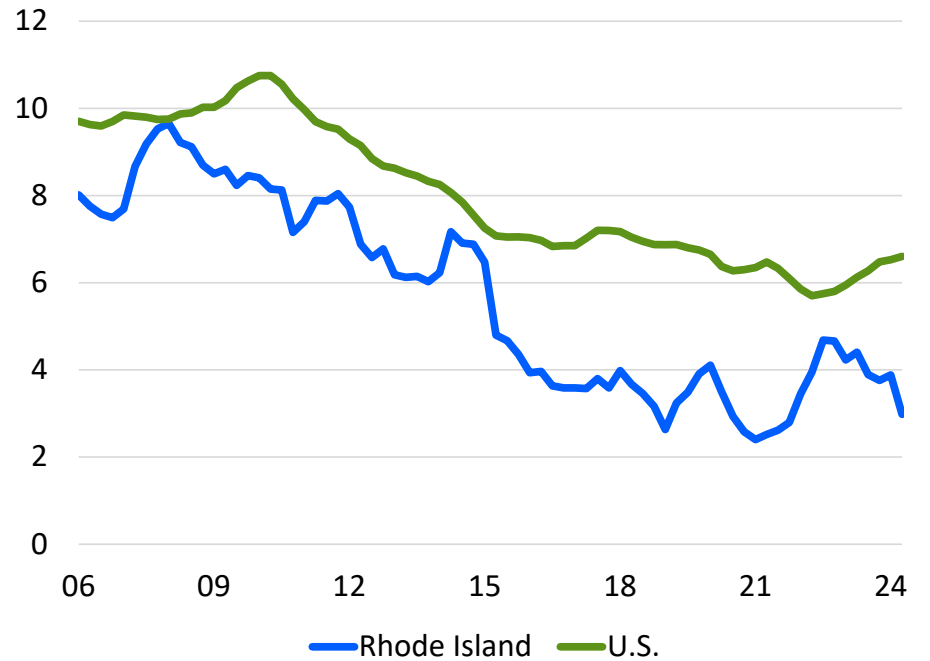
Sources: NAR, Moody's Analytics

Rhode Island Vacancy Rates are Exceptionally Low

Homeowner's vacancy rate, %, 4-qtr MA



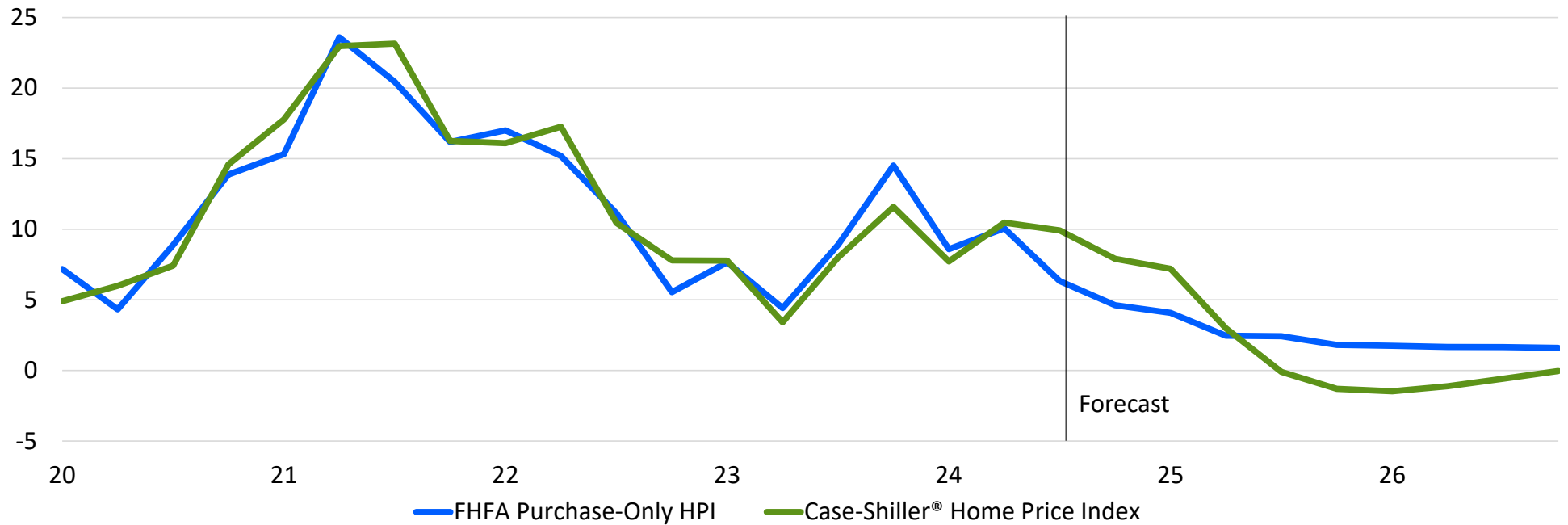
Rental vacancy rate, %, 4-qtr MA



Sources: Census Bureau, Moody's Analytics

House Price Appreciation Expected to Moderate

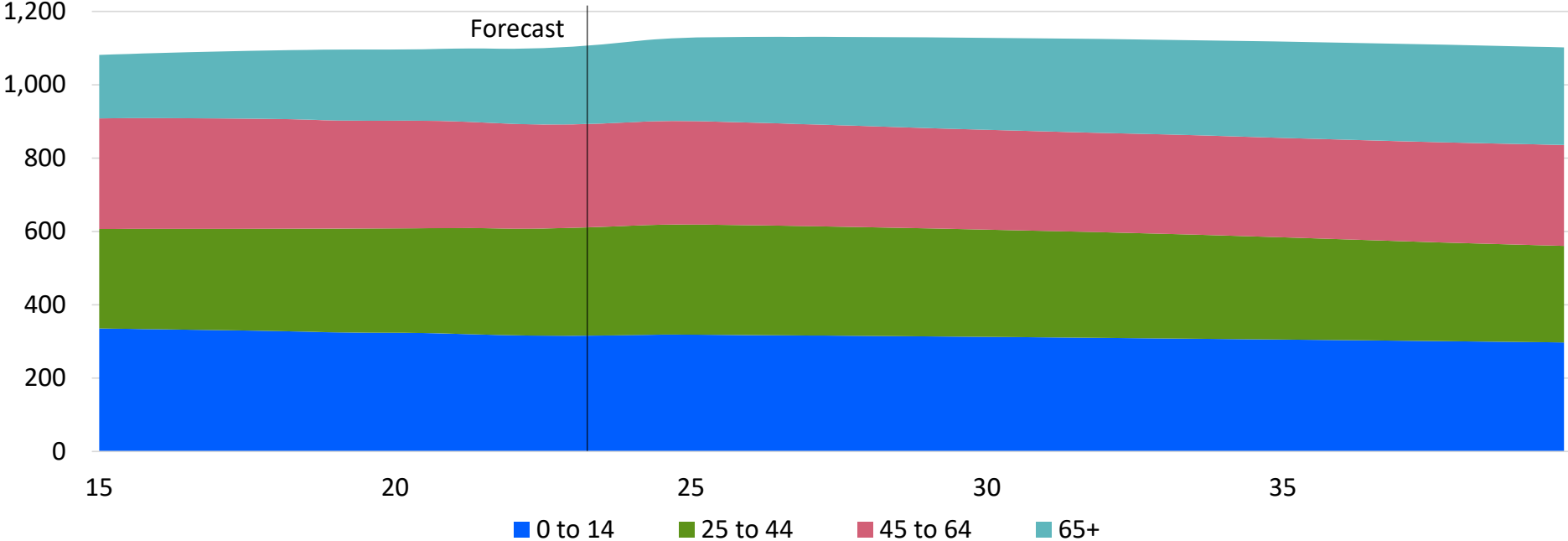
Rhode Island house price indexes, % change yr ago



Sources: FHFA, Core Logic, Moody's Analytics

Reliance on Senior Cohort Will Increase

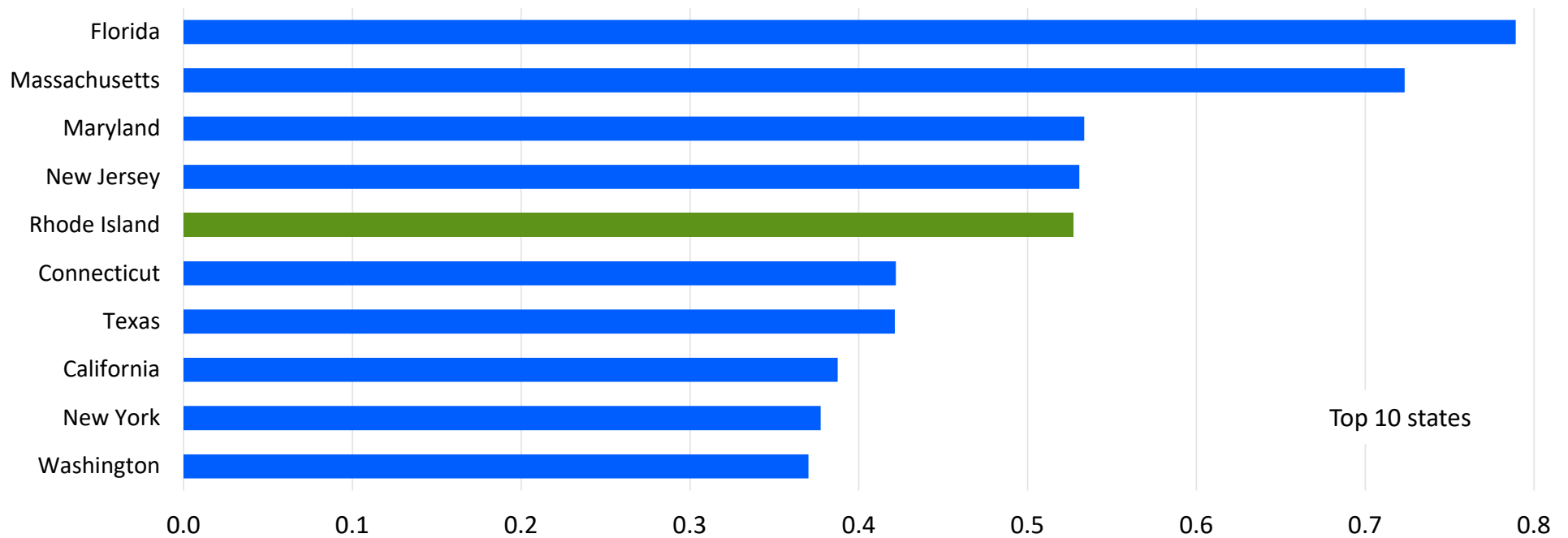
Rhode Island population by age cohort, ths



Sources: Census Bureau, Moody's Analytics

Immigration a Major Contributor to Population Growth

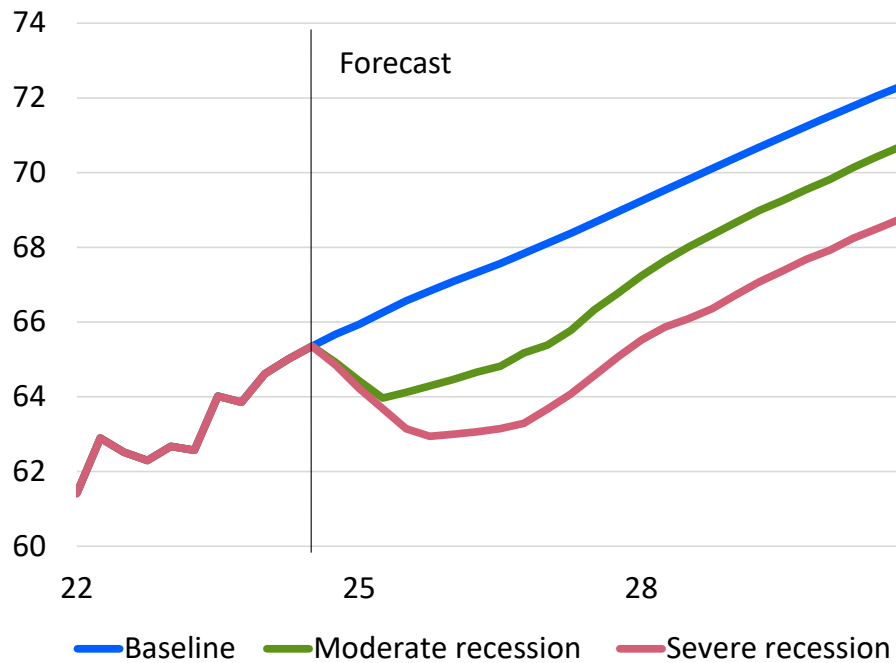
International migration share of total population, 2023, %



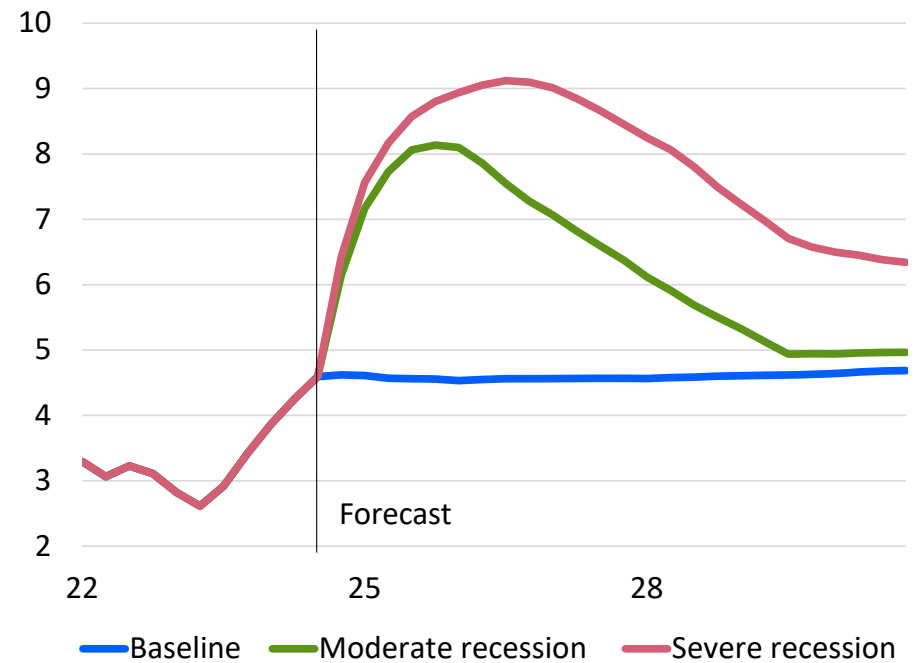
Sources: BLS, Moody's Analytics

Baseline Outlook Calls for Continued Growth but Plenty of Risks Remain

Rhode Island real GDP, bil ch 2017 \$



Rhode Island unemployment rate, %



Sources: BLS, BEA, Moody's Analytics

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Thank you

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