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Economic Outlook: Flying Blind

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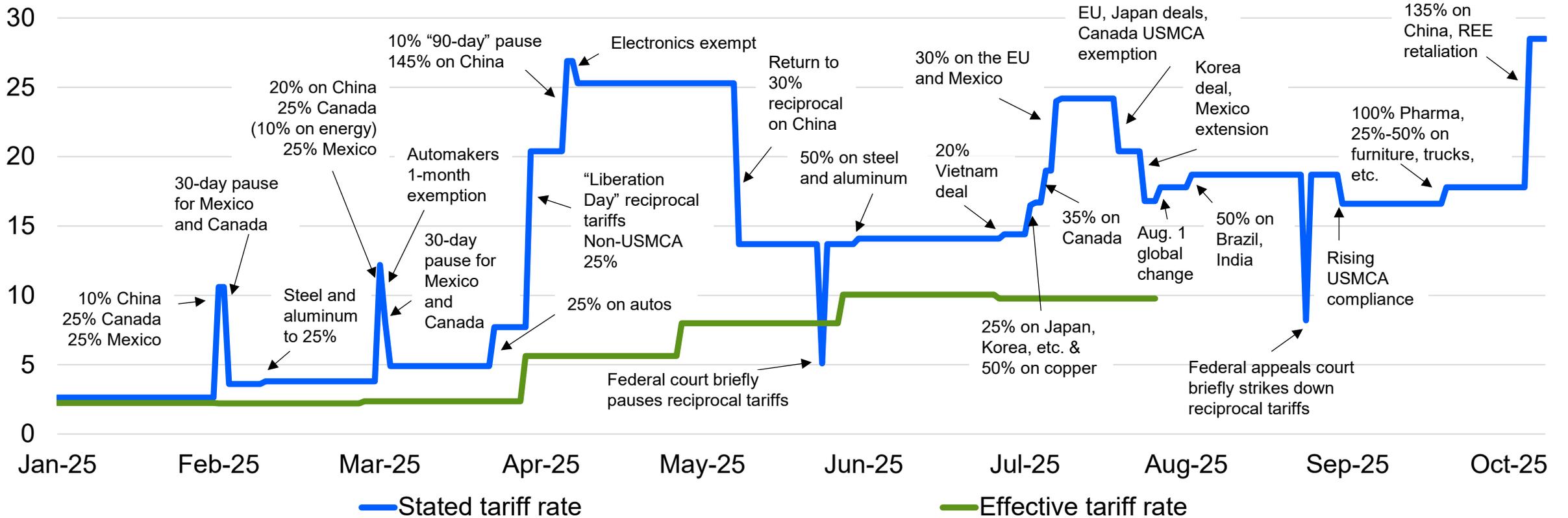
October 29, 2025

The background features a dark blue gradient with intricate, glowing blue wavy lines that create a sense of depth and movement. These lines are composed of many thin, overlapping curves that form a complex, organic pattern. The lines are more densely packed in some areas, creating a mesh-like effect, while in others, they are more sparse and flow smoothly. The overall effect is reminiscent of a stylized, futuristic landscape or a digital data visualization.

United States Outlook

Tariffs Move Steadily Higher

U.S. tariff rate, %

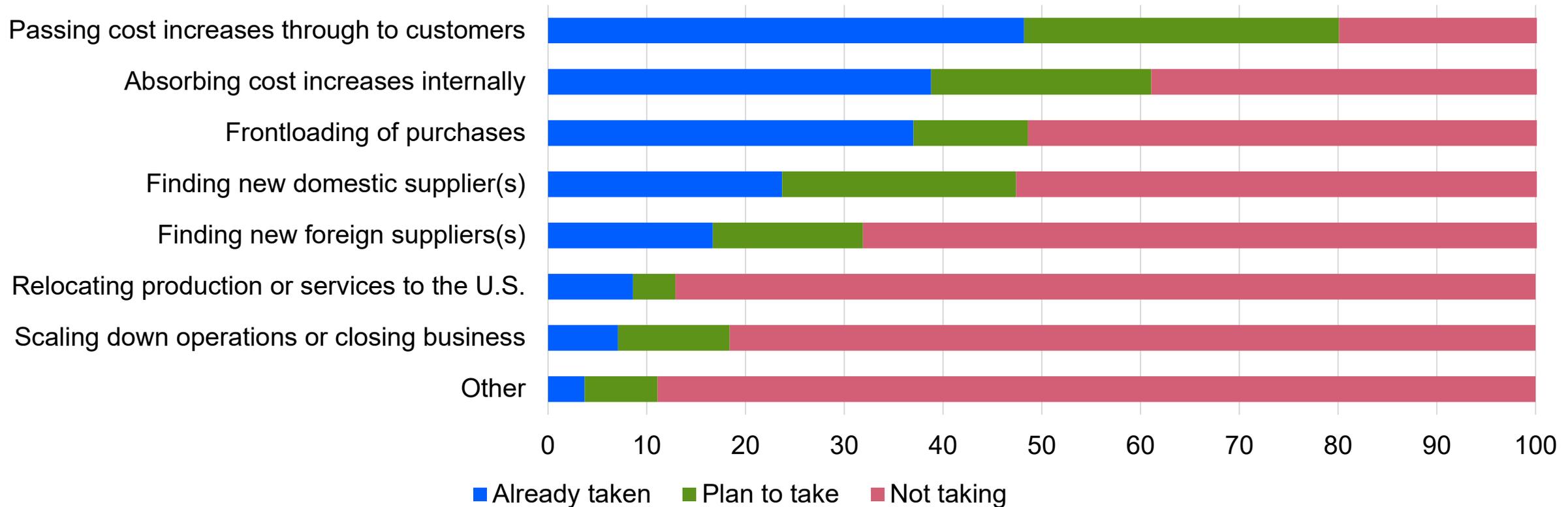


Sources: BEA, Census Bureau, AP News, Moody's Analytics

**Timing based on tariff announcements, not implementation.

Higher Tariffs Hit Consumers & Businesses

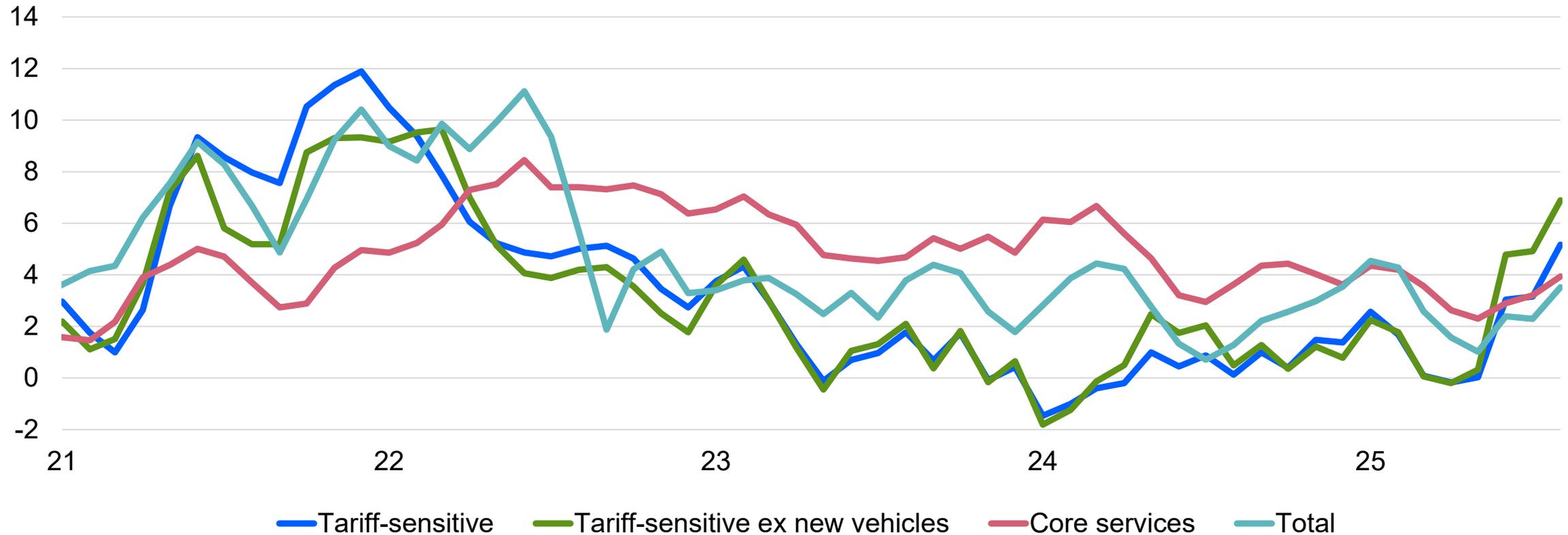
Actions Texas firms are taking in response to higher tariffs, %, August 25, 2025 survey



Sources: Federal Reserve bank of Dallas, Moody's Analytics

Tariff-Sensitive Goods and Services Experiencing Price Increases

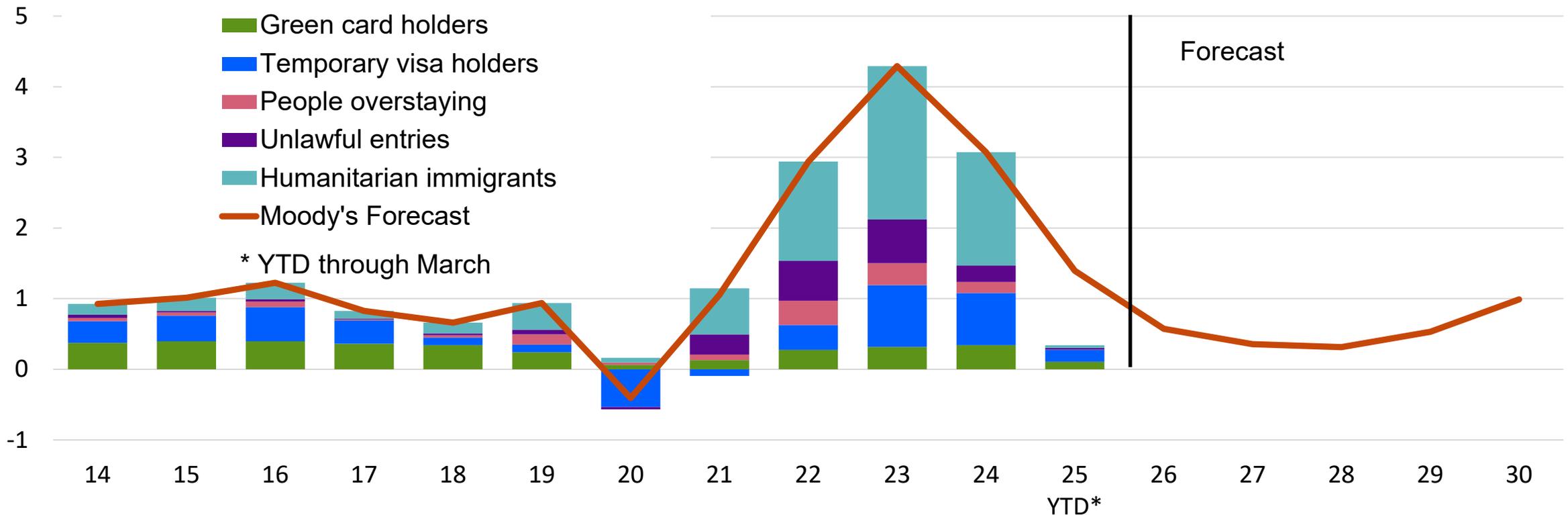
Consumer price indexes, annualized 3-mo MA, %



Sources: BLS, Moody's Analytics

Immigration Policy Another Economic Headwind

of people, mil



Sources: Department of Homeland Security, Department of State, Customs and Border Protection, Social Security Administration, Congressional Budget Office, TRAC Immigration, Barclays Research, Moody's Analytics

Job Creation Has Grown Increasingly Narrow

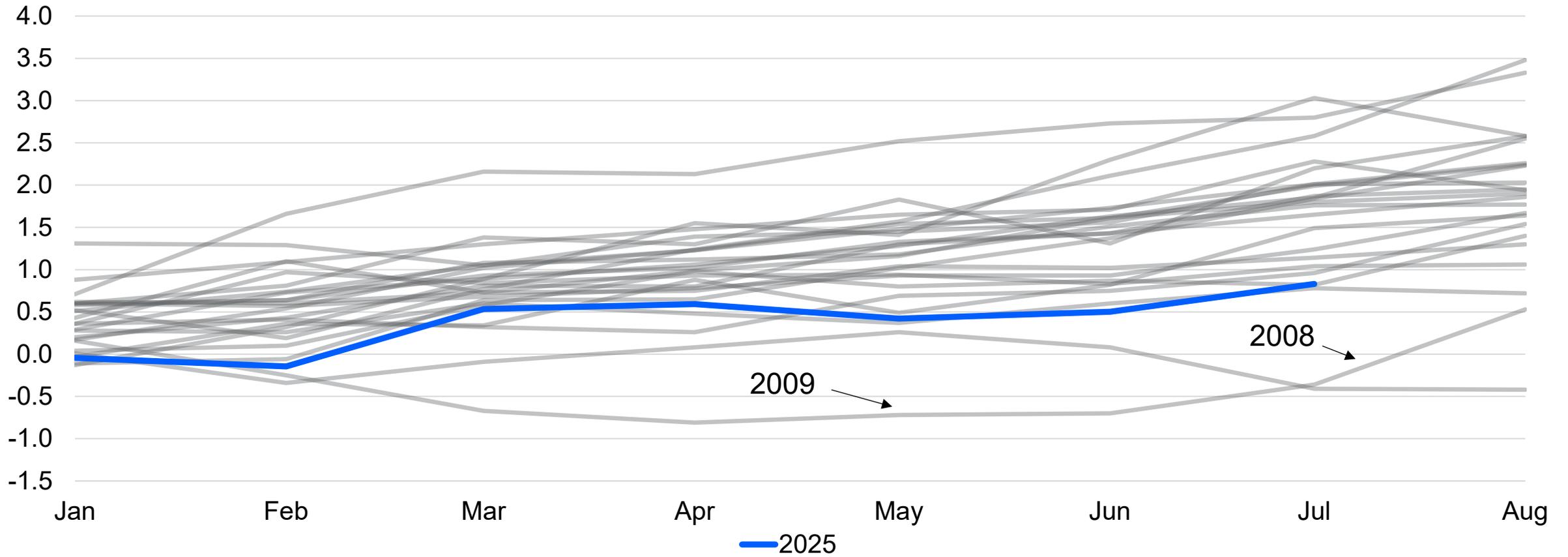
6-mo employment diffusion index, %, 50=even share of industries growing and shrinking



Sources: BLS, Moody's Analytics

Cracks Develop in the Consumer Firewall

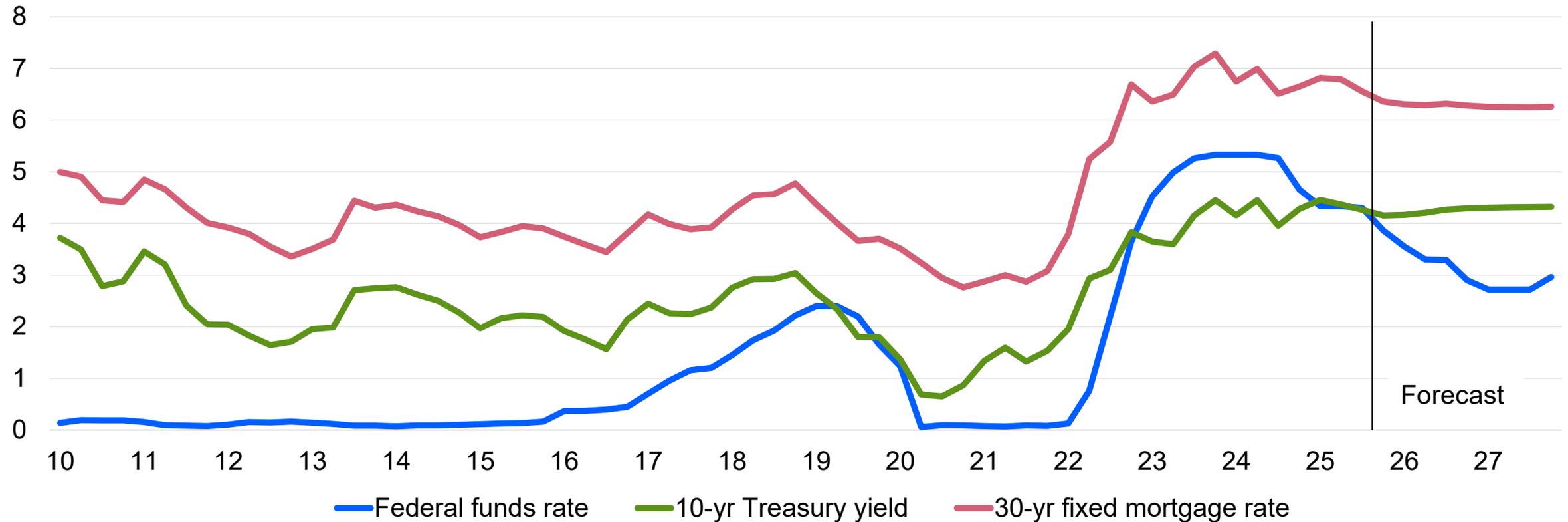
Change in monthly real consumer spending from preceding fourth-quarter average, %



Sources: BEA, Moody's Analytics

Further Rate Cuts in the Pipeline, but Mortgage Rates Will Remain Elevated

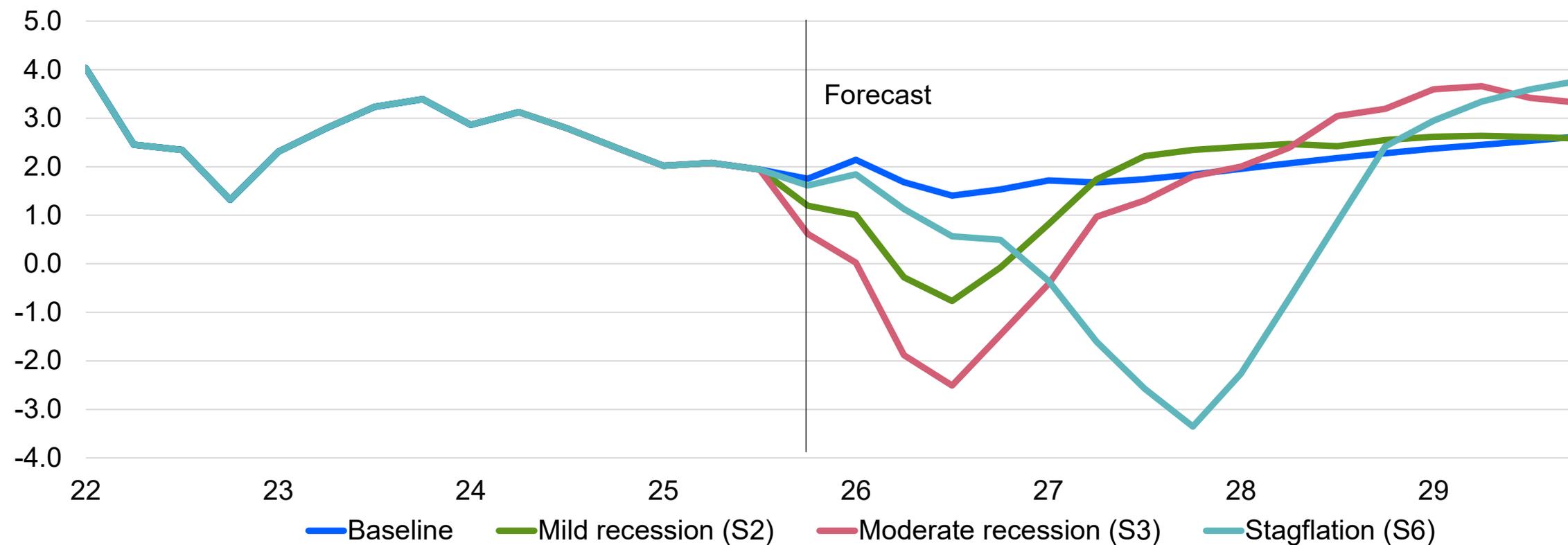
Interest rates, ppt



Sources: Federal Reserve, Freddie Mac, Moody's Analytics

Baseline Outlook: Economy Stalls, Narrowly Avoiding Recession

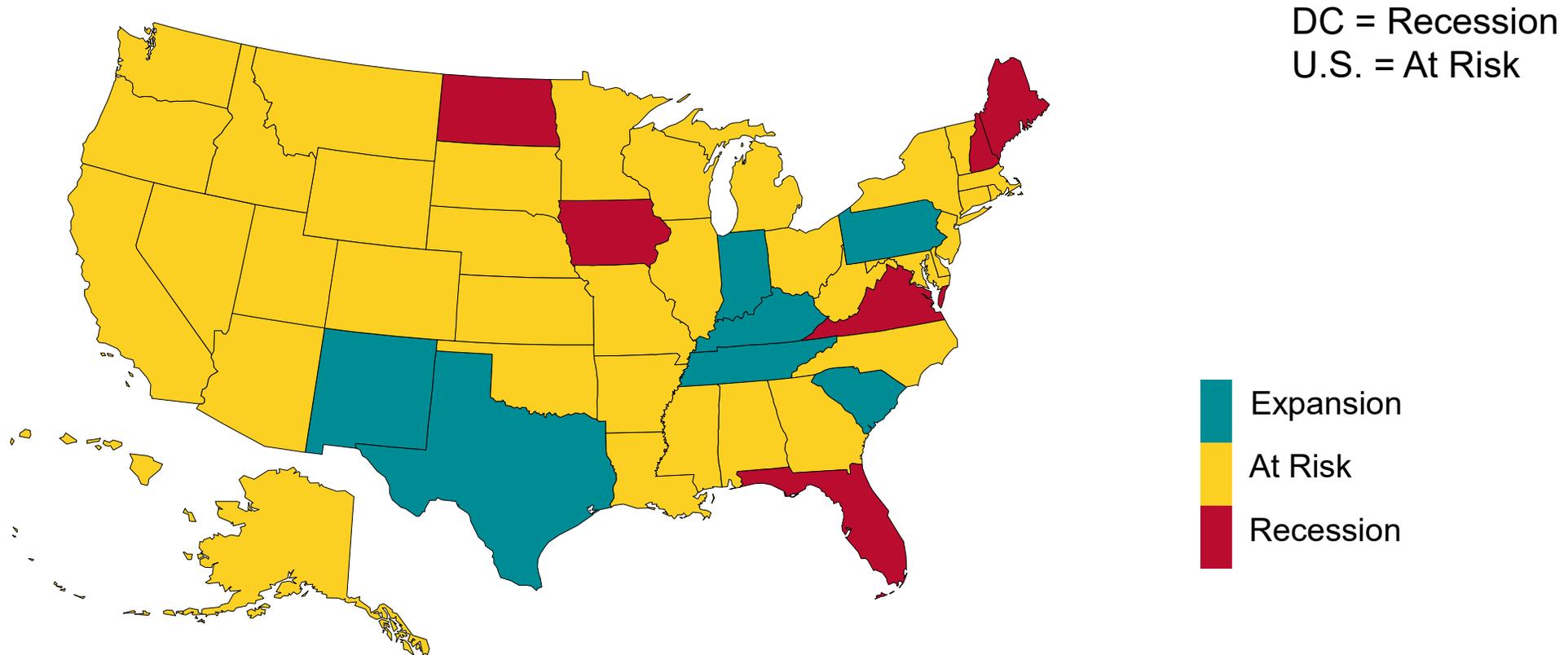
Real U.S.GDP growth, % change yr ago, baseline scenarios



Sources: BEA, Moody's Analytics

...But It Will Be Uncomfortably Close

Where state economies are in the business cycle, September 2025



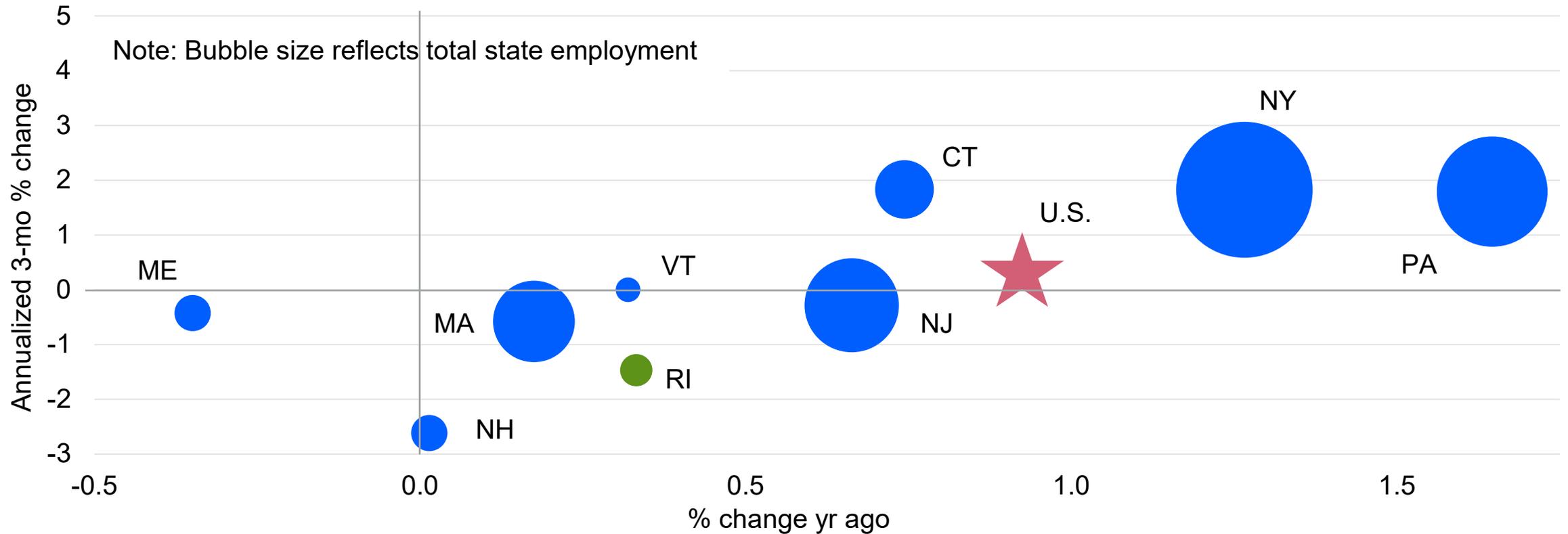
Source: Moody's Analytics

The background features a dark blue gradient with intricate, light blue wavy line patterns. These patterns consist of numerous thin, overlapping lines that create a sense of depth and movement, resembling a stylized topographical map or a complex wave function. The lines are most prominent in the upper left and lower right corners, framing the central text.

Rhode Island Outlook

Rhode Island Not Alone As Payrolls Backtrack

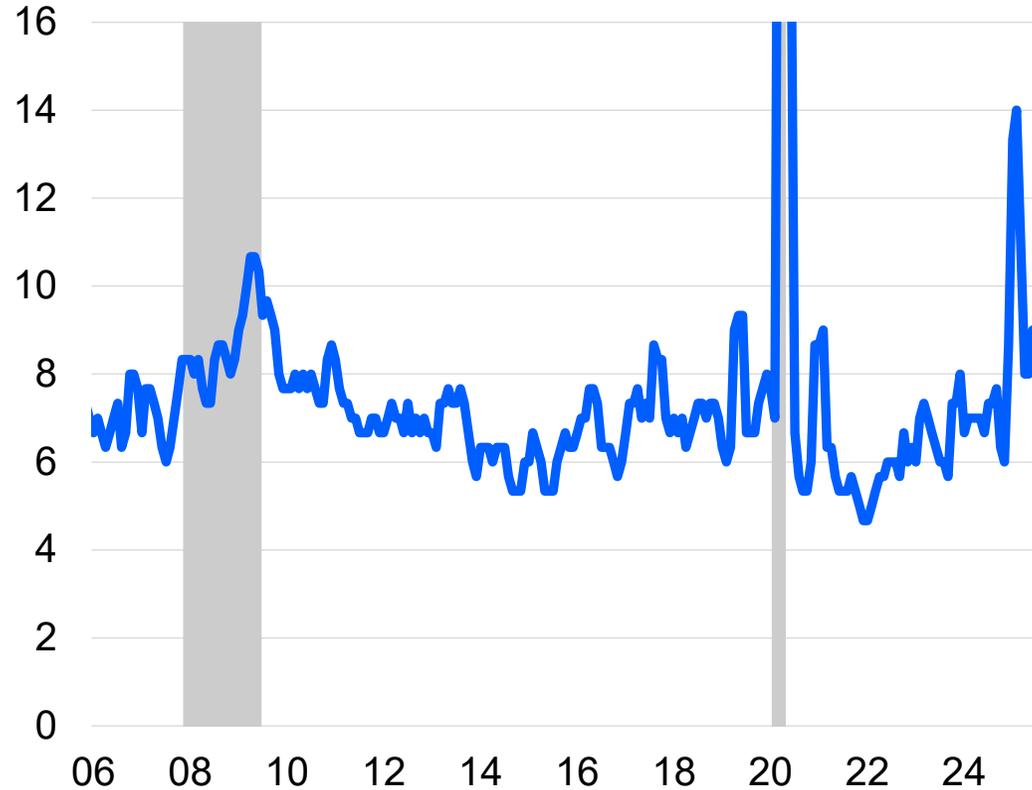
Payroll employment, 1-yr vs 3-mo performance (3-mo MA), August 2025



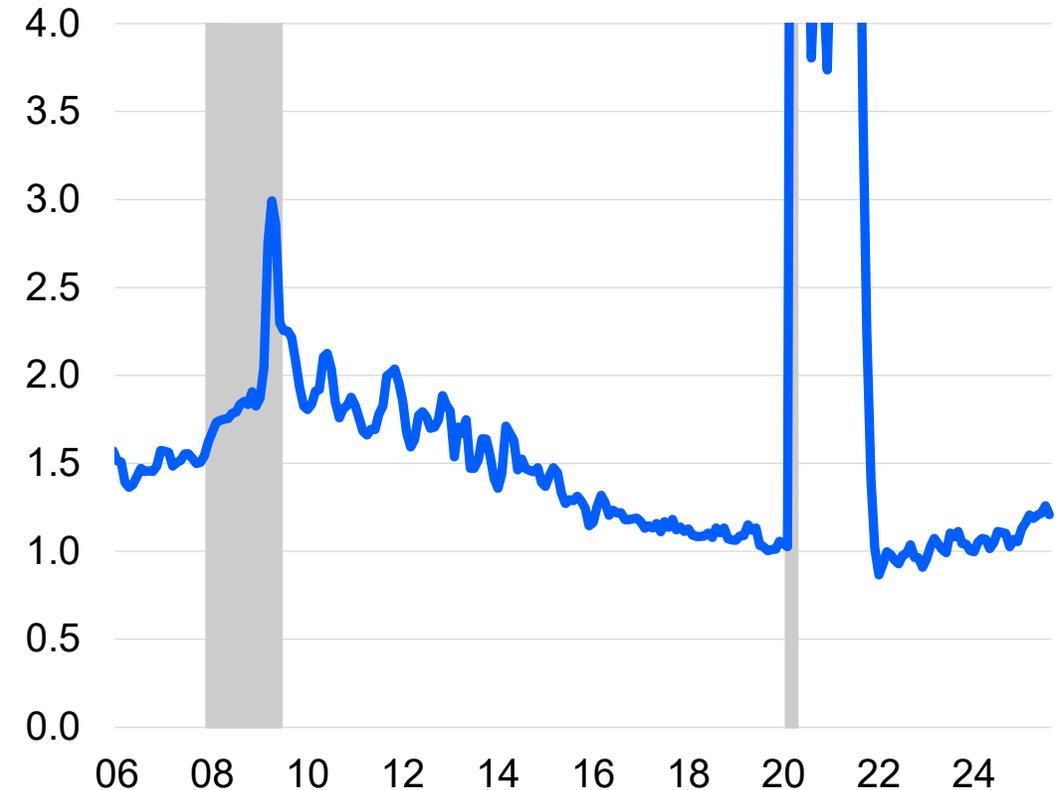
Sources: BLS, Moody's Analytics

Layoffs Flash Yellow, Not Red

RI layoffs and discharges, ths, 3-mo MA



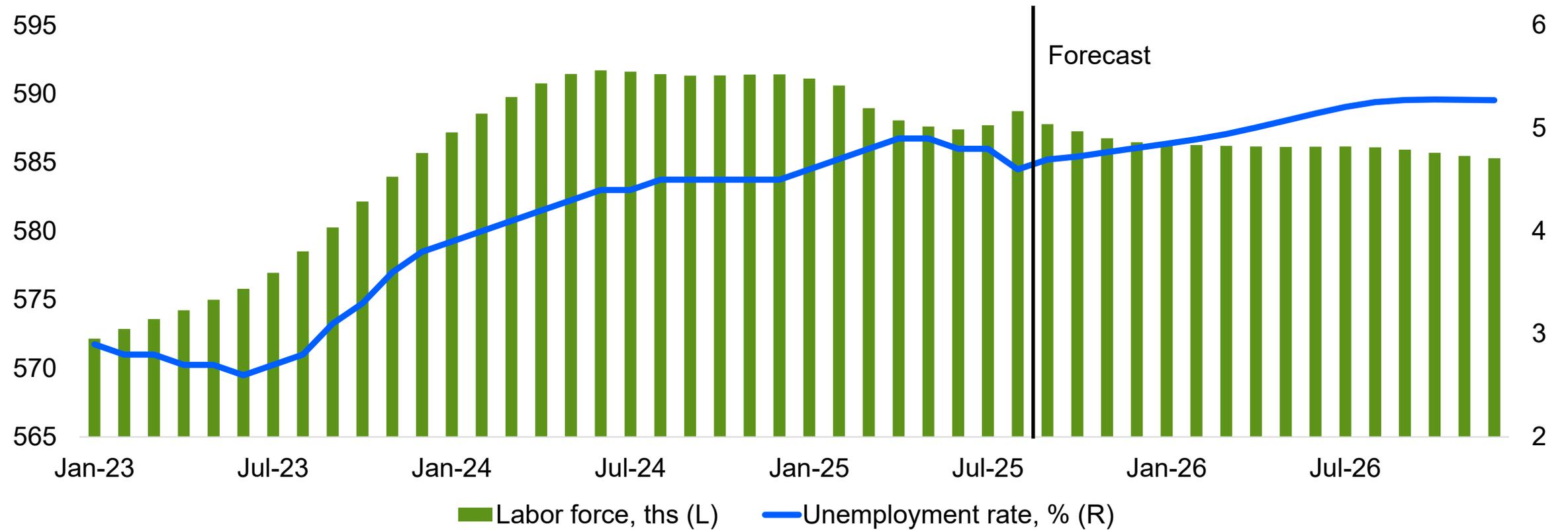
Weekly unemployment insurance claims, ths, 3-mo MA



Sources: BLS, Moody's Analytics

Unemployment Rate Will Climb Further

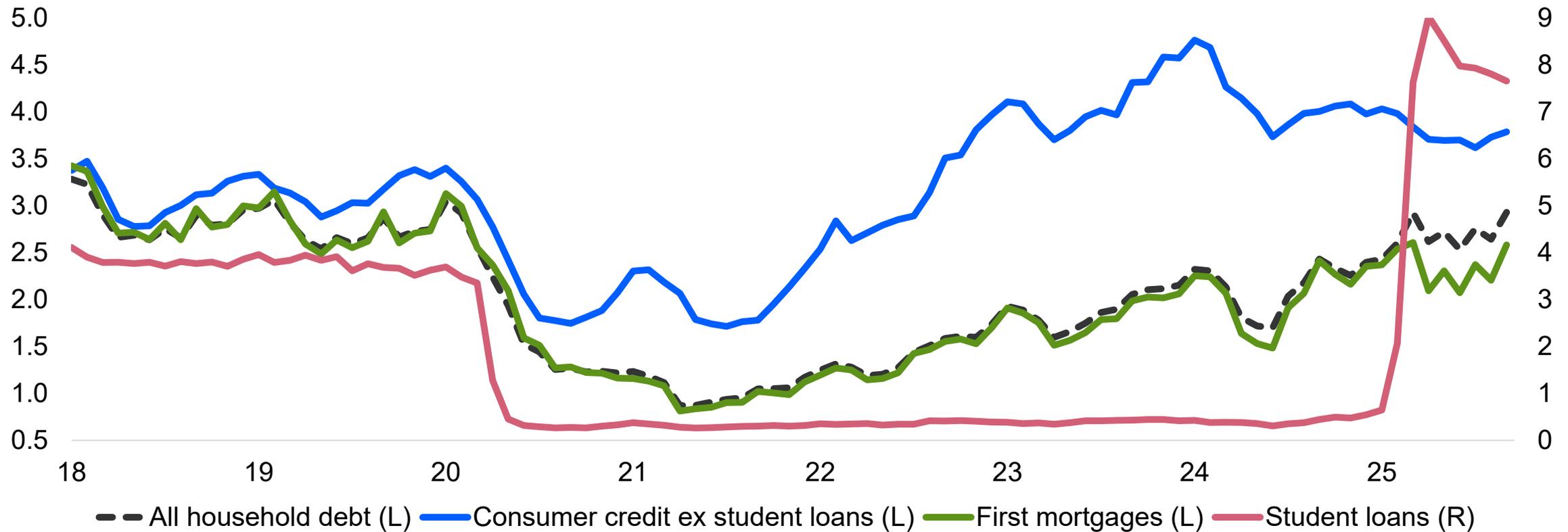
Rhode Island



Sources: BLS, Moody's Analytics

Household Balance Sheets Stabilize, Although Pressures Remain Elevated

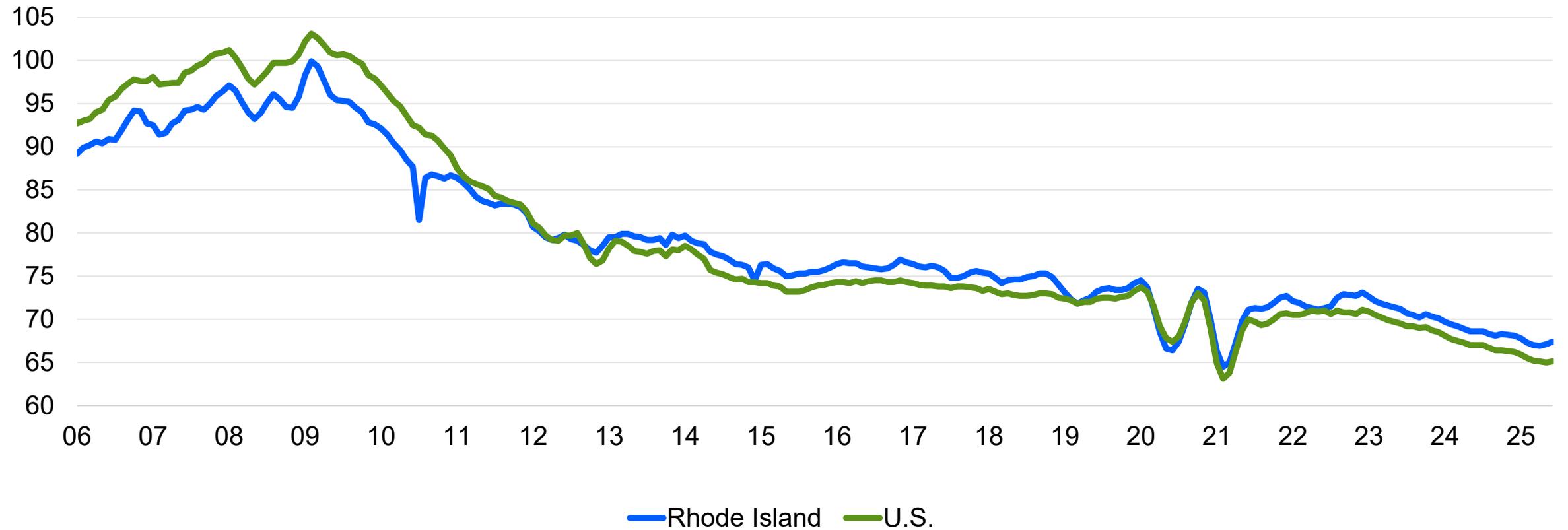
Rhode Island delinquency rate, % of \$ outstanding



Sources: Equifax, Moody's Analytics

Debt Burdens Have Fallen as Incomes Climb

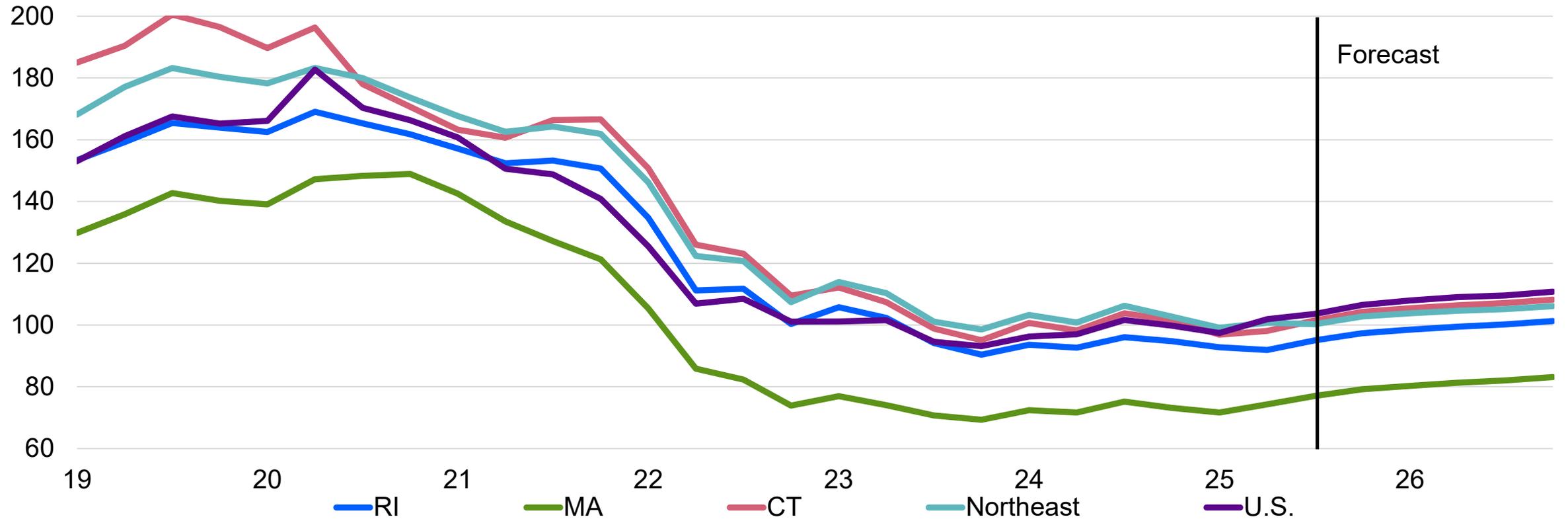
Total \$ outstanding as a share of total personal income, %



Sources: Equifax, Bureau of Economic Analysis, Moody's Analytics

Little Respite in Store for Households

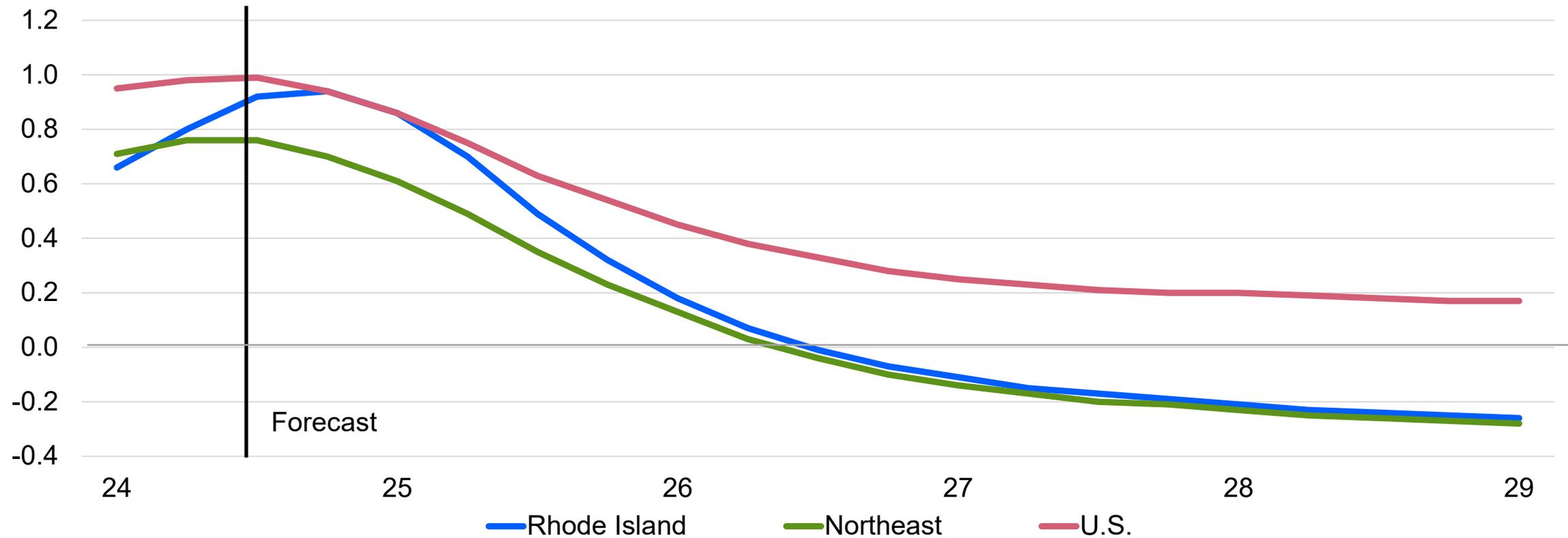
Housing affordability index



Sources: NAR, Census Bureau, BEA, Moody's Analytics

Longer Term, Preserving Population Growth Will Remain a Challenge

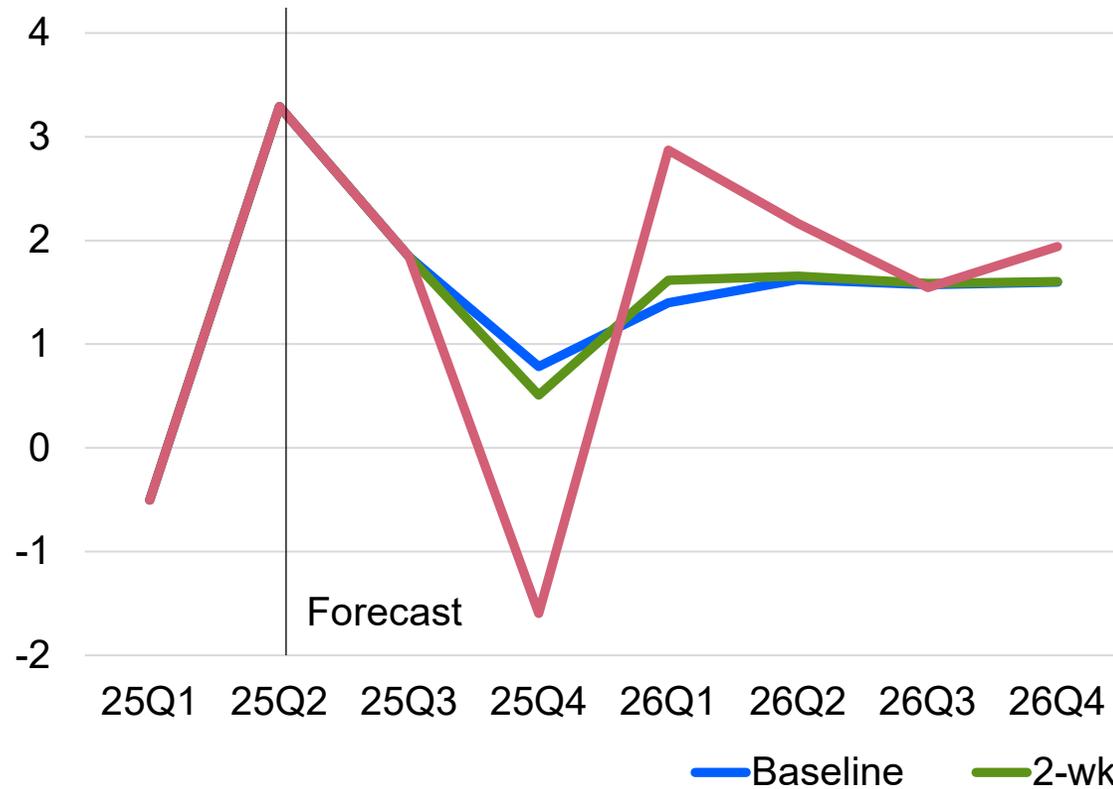
Total resident population, % change yr ago



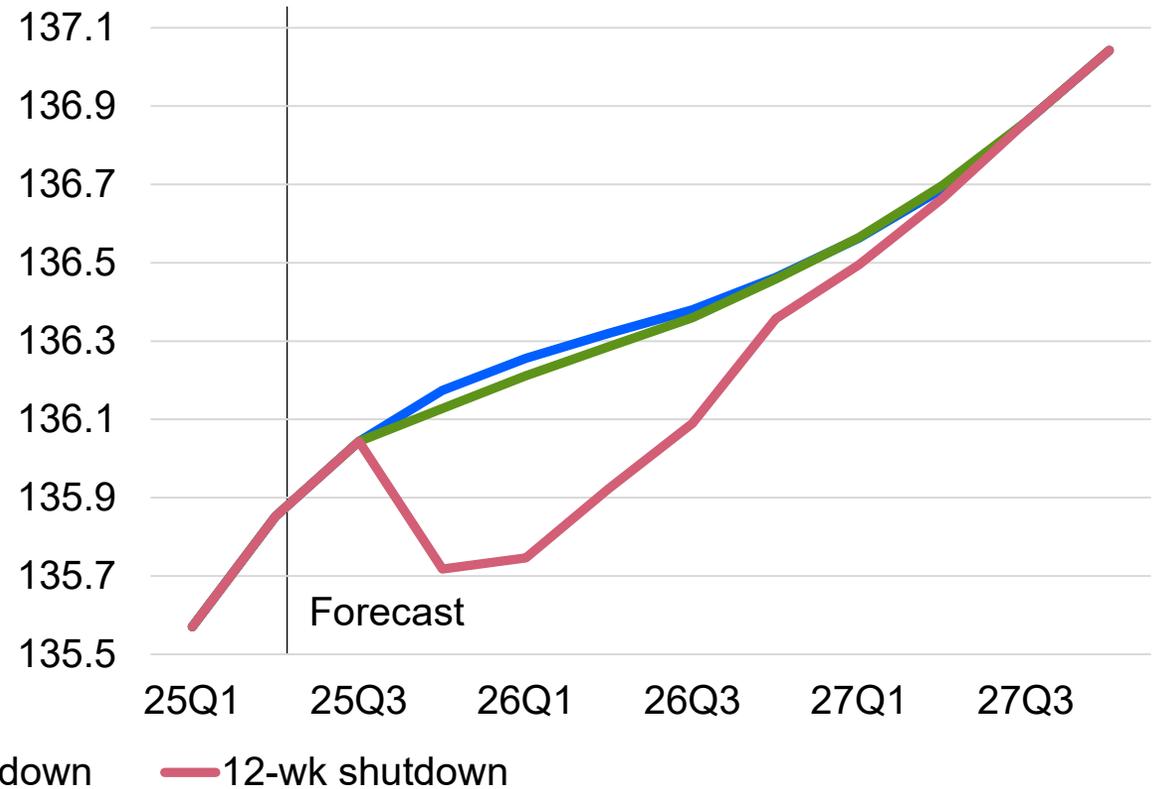
Sources: Census Bureau, Moody's Analytics

Macroeconomic Consequences Increase the Longer the Shutdown Lasts

Real GDP, annualized % change



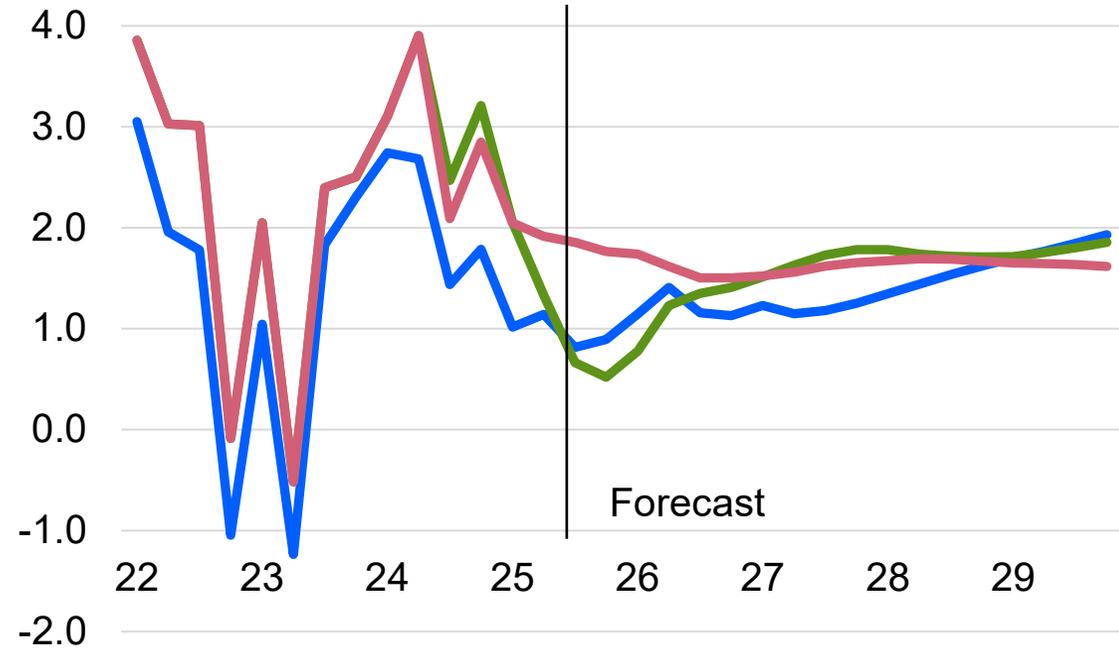
Payrolls, mil



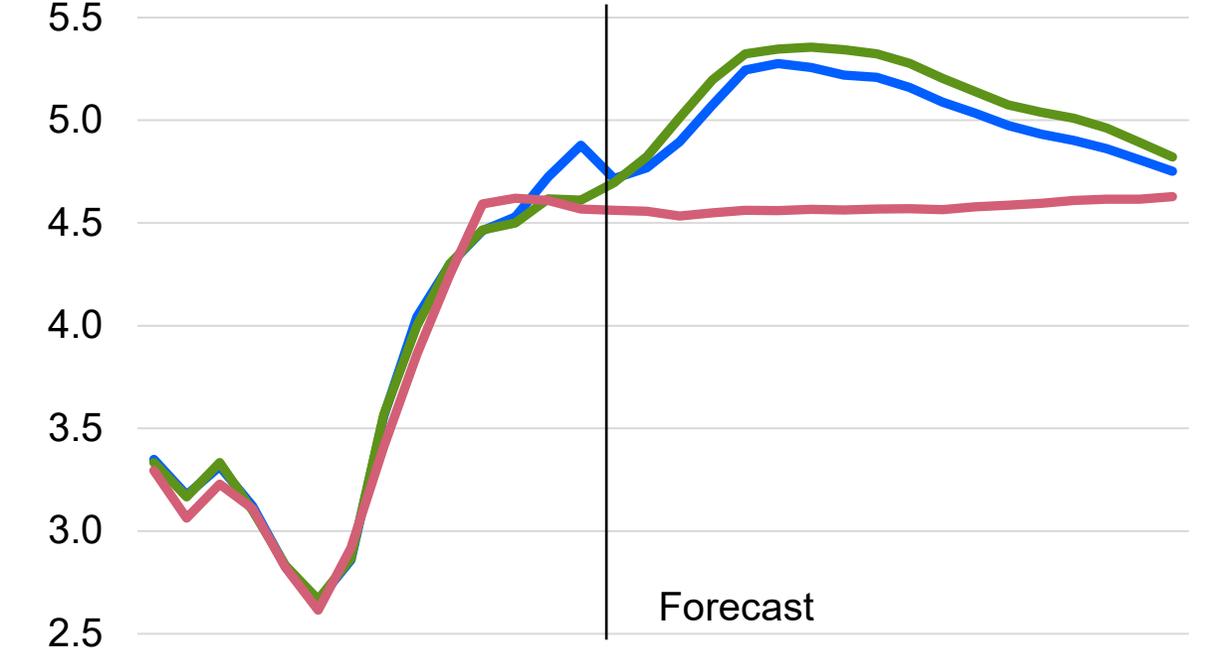
Sources: BEA, Moody's Analytics

Policy Pressures Will Result in a Diminished Economy

Rhode Island real GDP, % change yr ago



Rhode Island unemployment rate, %



— October 2025 Baseline — April 2025 Baseline — October 2024 Baseline

Sources: BEA, BLS, Moody's Analytics

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