The Economic Outlook – and Two Risks to the Forecast that are Worth Watching

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Note: The SEP real GDP forecast is for the percent change from the fourth quarter of the previous year to the fourth quarter of the year indicated, for 2019 - 2022.
Source: BEA; FOMC, Summary of Economic Projections, December 11, 2019; Haver Analytics
Figure 2: Unemployment Rate: Actual and Forecast from the Summary of Economic Projections
2014:Q4 - 2022:Q4

Note: The SEP unemployment rate forecast is for the unemployment rate in the fourth quarter of the year indicated, for 2020 - 2022.
Source: BLS; FOMC, Summary of Economic Projections, December 11, 2019; Haver Analytics
Note: Core PCE inflation excludes food and energy. The SEP core PCE inflation forecast is for the percent change in the core personal consumption expenditures (PCE) price index from the fourth quarter of the previous year to the fourth quarter of the year indicated, for 2019 - 2022.

Source: BEA; FOMC, Summary of Economic Projections, December 11, 2019; Haver Analytics
Note: Rates are as of end of period. The SEP federal funds rate projections are the midpoints of the target ranges at year-end, for 2020 - 2022.

Source: Federal Reserve Board; FOMC, Summary of Economic Projections, December 11, 2019; Haver Analytics
Figure 5: Wage Growth
January 1998 - December 2019

Average Hourly Earnings of Private-Industry Workers

Wage Growth Tracker by Wage Level

Note: Wage Growth Tracker by Wage Level for December is not yet available.
Figure 6: Productivity Growth: Change in Real Output Per Hour, Nonfarm Business Sector, All Persons, 20-Quarter Moving Average 1990:Q1 - 2019:Q3

Quarterly Percent Change at Annual Rate

Recession

Source: BLS, NBER, Haver Analytics
Figure 7: After-Tax Corporate Profits Relative to GDP
1990:Q1 - 2019:Q3

Note: Figures include inventory valuation and capital consumption adjustments.
Source: BEA, NBER, Haver Analytics
Figure 8: House Price to Income Ratio for Selected Countries
2015:Q1 - 2019:Q3

Note: The house price to income ratio is the ratio of nominal house prices to nominal household disposable income per capita.
Source: OECD, Haver Analytics
The capitalization or “cap” rate is the ratio of net operating income produced by a property to the price paid, calculated at the time of a transaction. Based on properties of $2.5 million or more.

Source: Real Capital Analytics, NBER, Haver Analytics