



A Fireside Chat on Current Economic Conditions

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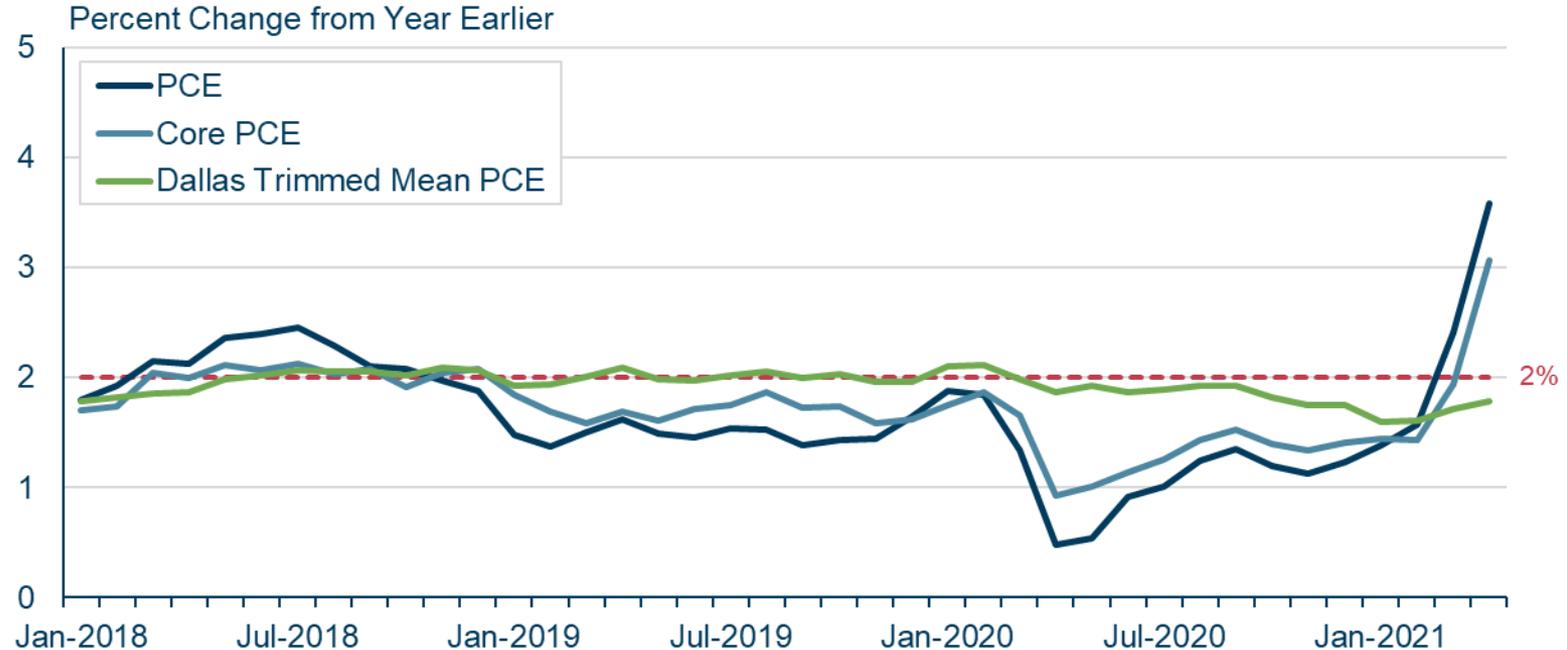


[bostonfed.org](https://www.bostonfed.org)

Robust Economic Recovery is Underway

- ▶ Better than expected vaccination rates have led to a more rapid reopening of the economy than expected earlier this year.
- ▶ FOMC participants' median real GDP forecast for 2021 is 7.0 percent – much stronger growth than in recent recoveries.
- ▶ FOMC participants' median unemployment rate for the end of this year is 4.5 percent – a substantial decline from the most recent unemployment rate of 5.8 percent.
- ▶ FOMC participants' median core PCE inflation for 2022 is expected to be 2.1 percent.
- ▶ Yet, many sectors of the economy are still suffering effects of the pandemic.

Figure 1: Inflation Rate: Change in Total, Core, and Trimmed Mean Personal Consumption Expenditures (PCE) Price Indices January 2018 - April 2021



Note: Core PCE excludes food and energy. The Dallas Trimmed Mean PCE Inflation Rate is an alternative measure of core inflation in the price index for personal consumption expenditures, published by the Dallas Fed. It excludes the most extreme changes in consumer goods and services each month. More information on the methodology can be found here: <https://www.dallasfed.org/~media/documents/research/papers/2005/wp0506.pdf>

Source: BEA, Federal Reserve Bank of Dallas, Haver Analytics

Figure 2: Change in Payroll Employment Since February 2020

February 2020 - May 2021

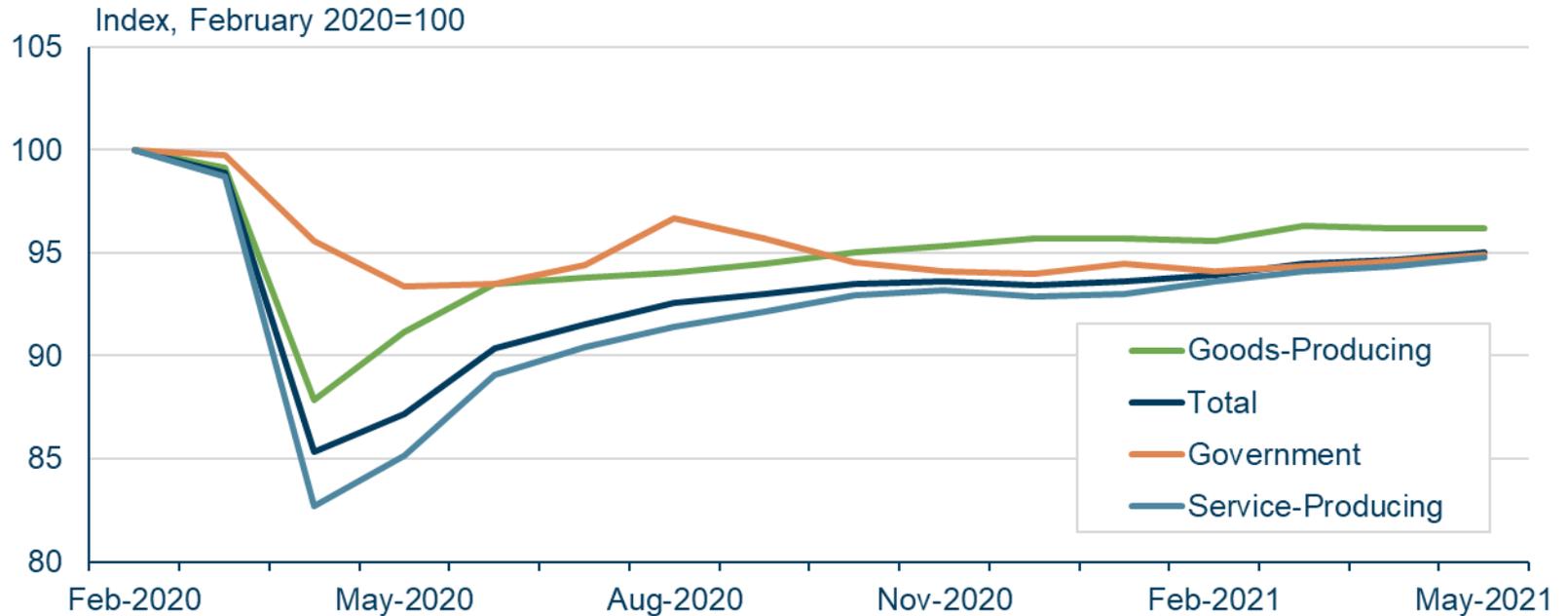


Figure 3: Change in the Employment-to-Population Ratio Since February 2020 by Gender and Age

February 2020 - May 2021

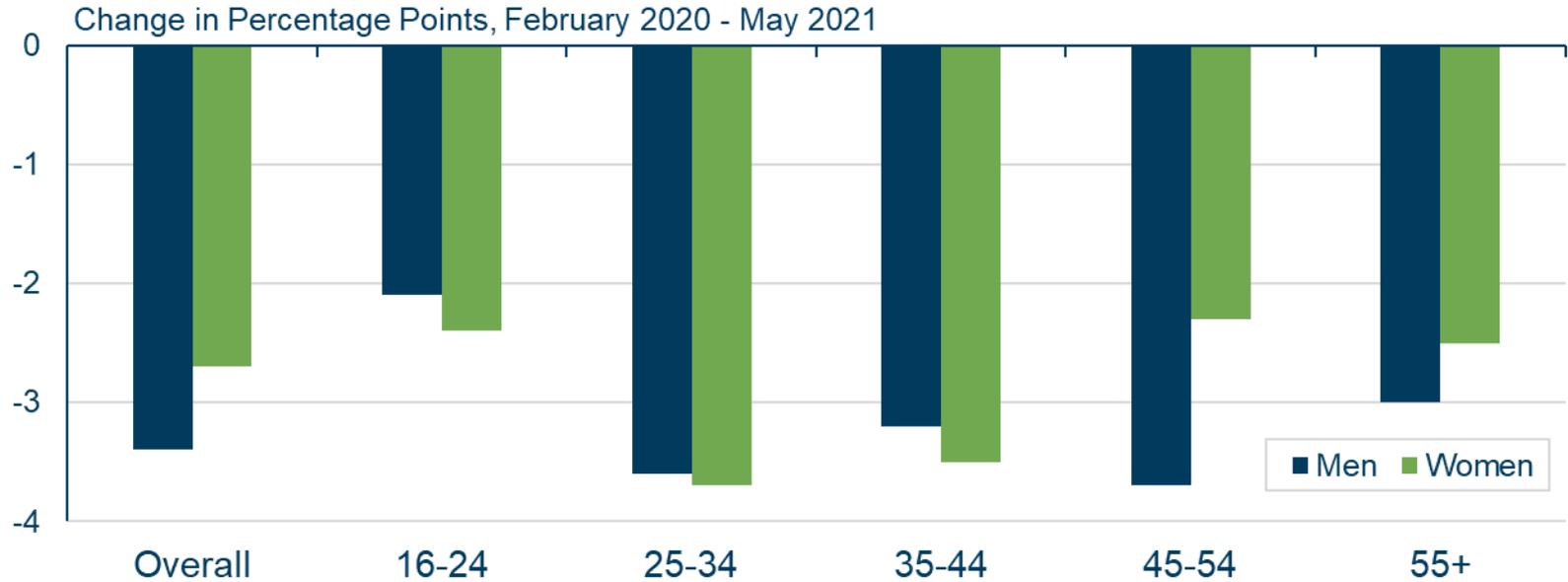


Figure 4: Average Hourly Earnings: Wage Growth for Private-Industry Workers

February 2020 - May 2021

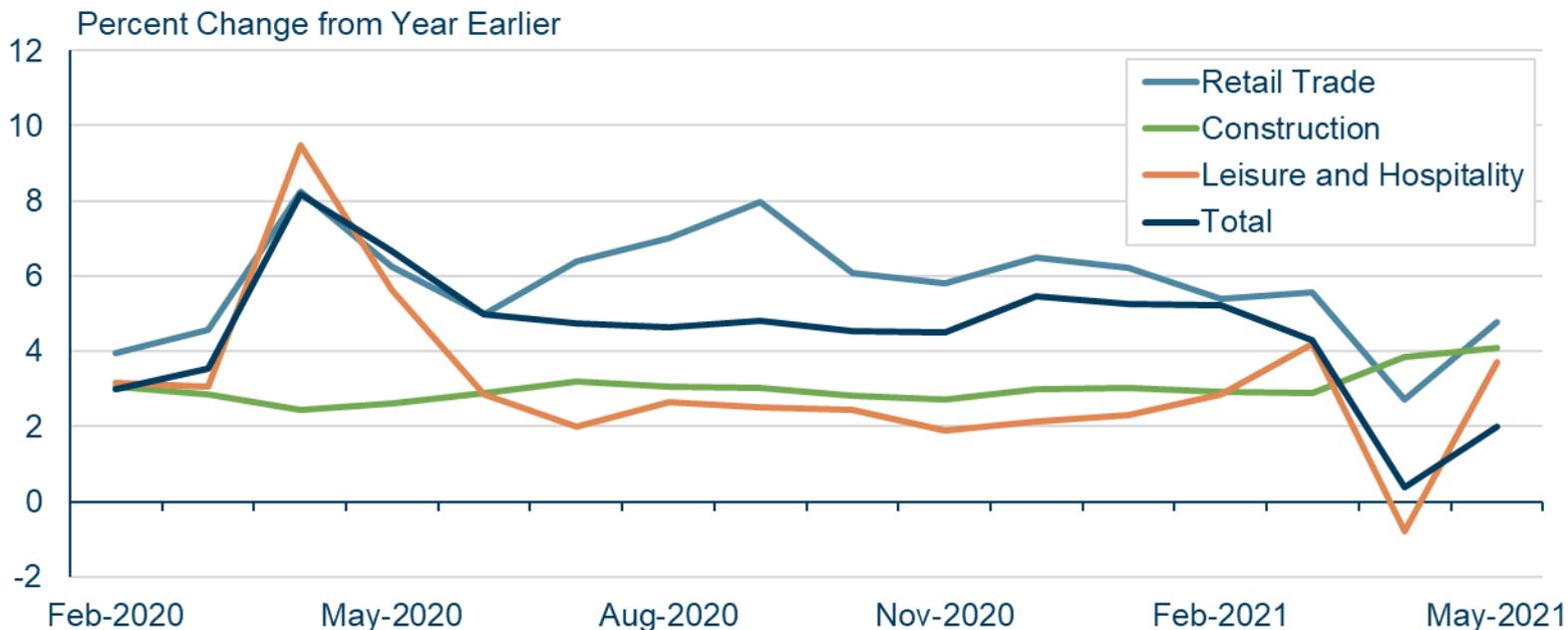
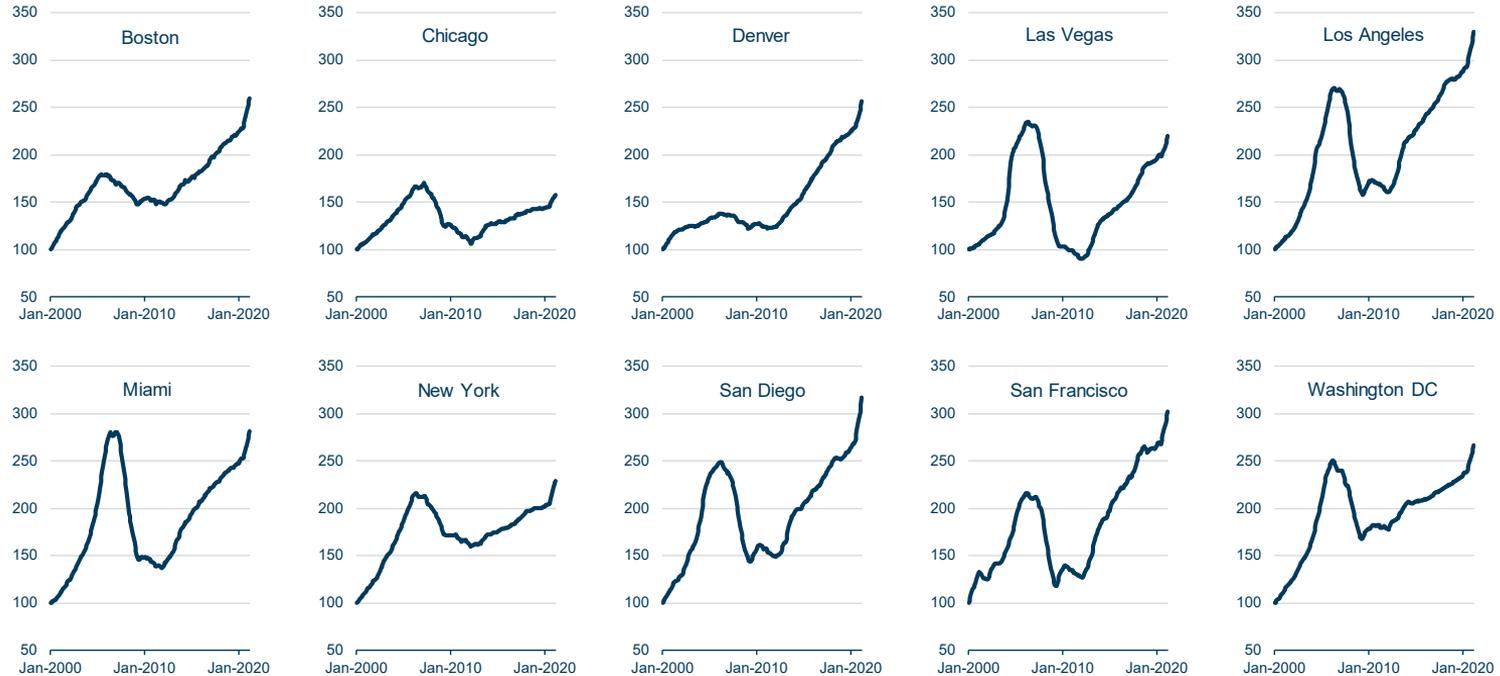


Figure 5: U.S. Metro Area Home Price Indices

January 2000 - March 2021
Index, January 2000=100



Note: Indices are repeat-sales indices.

Source: S&P/Case-Shiller, Haver Analytics