

National and Regional Economic Conditions

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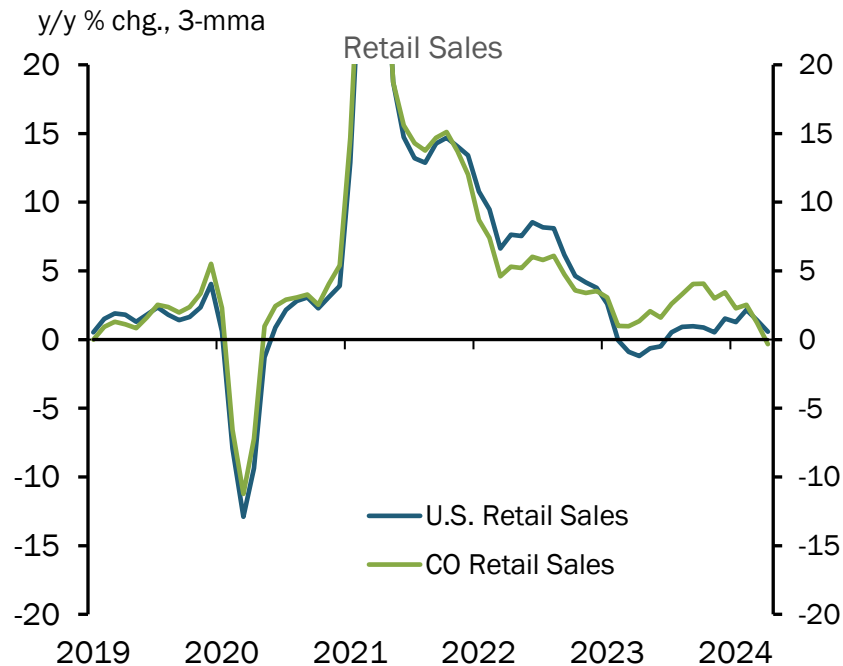
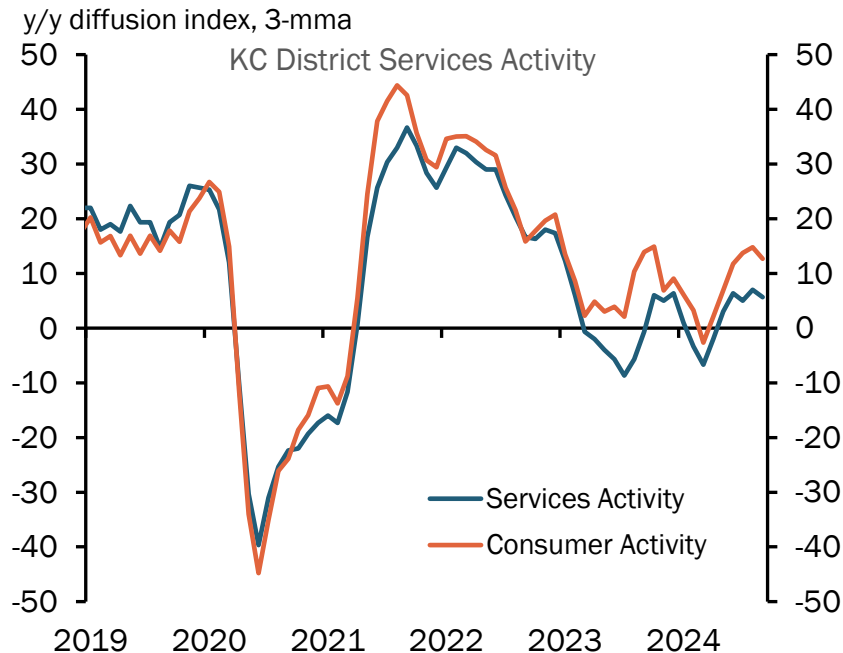


Overview

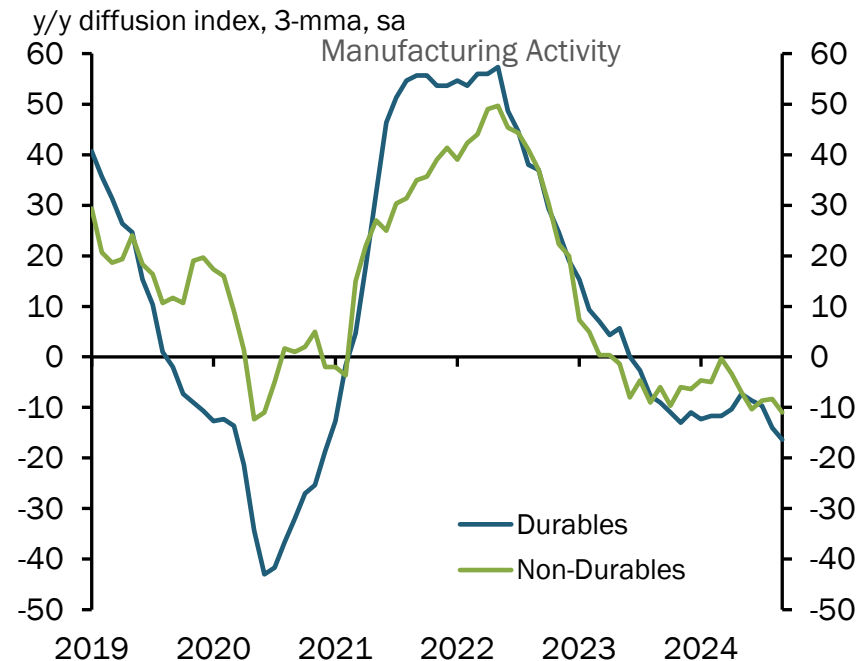
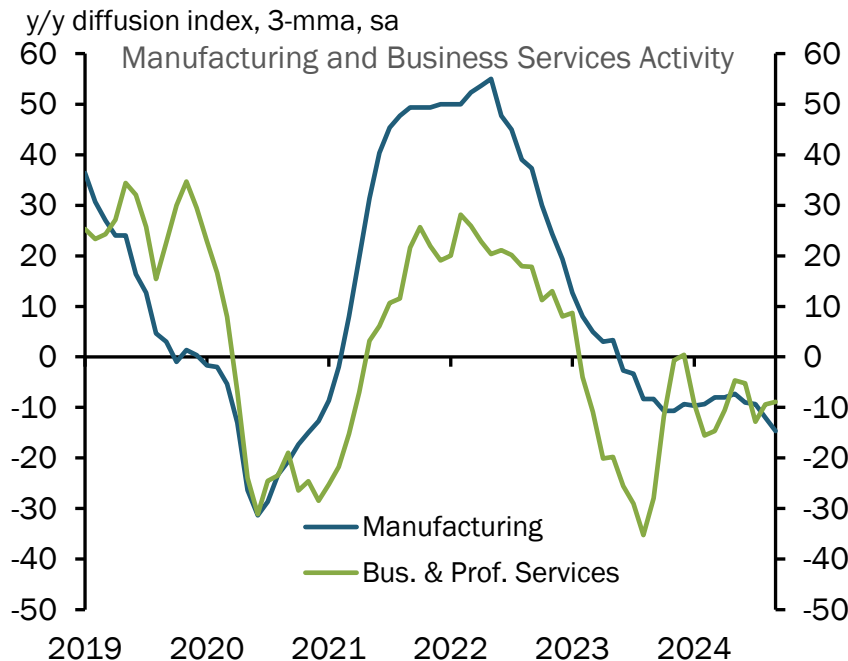
- Regional economic activity is supported by consumer spending, while manufacturing and business services are in decline.
- National and regional labor markets are moderating, and job gain growth remains healthy.
- Inflation is moving to the Fed's 2 percent target and real wages are a positive for households.
- Economic and policy uncertainty remain front of mind as inflation decelerates and economic conditions normalize.



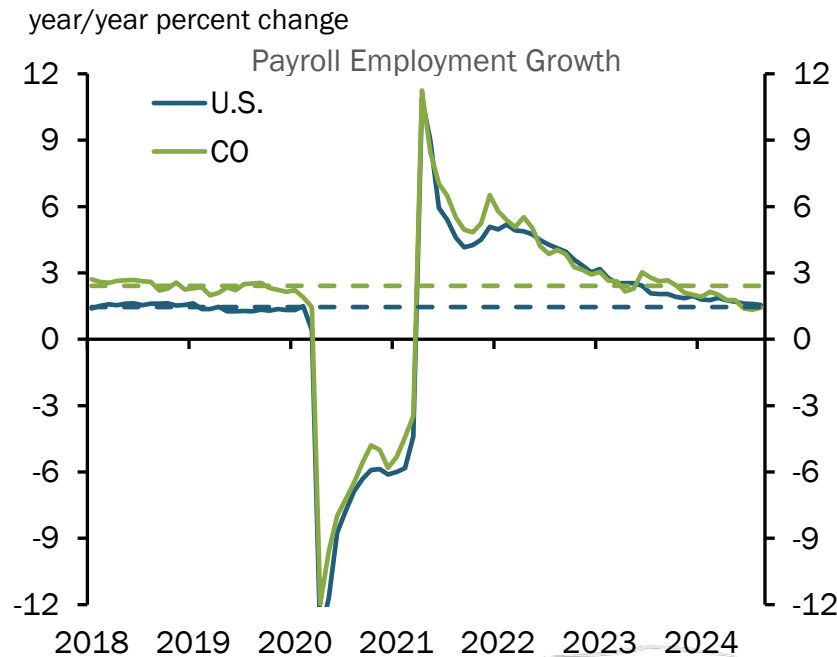
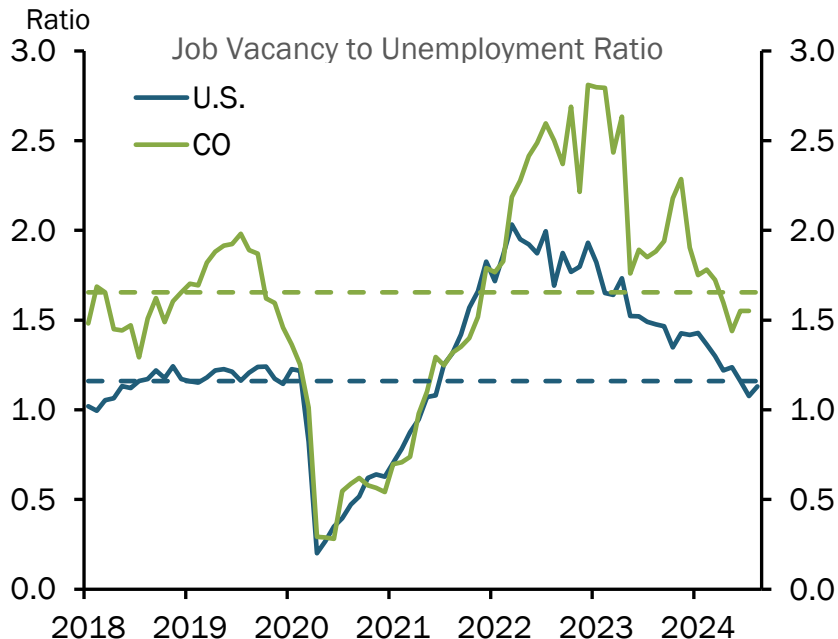
Continued consumer spending supports regional economic activity.



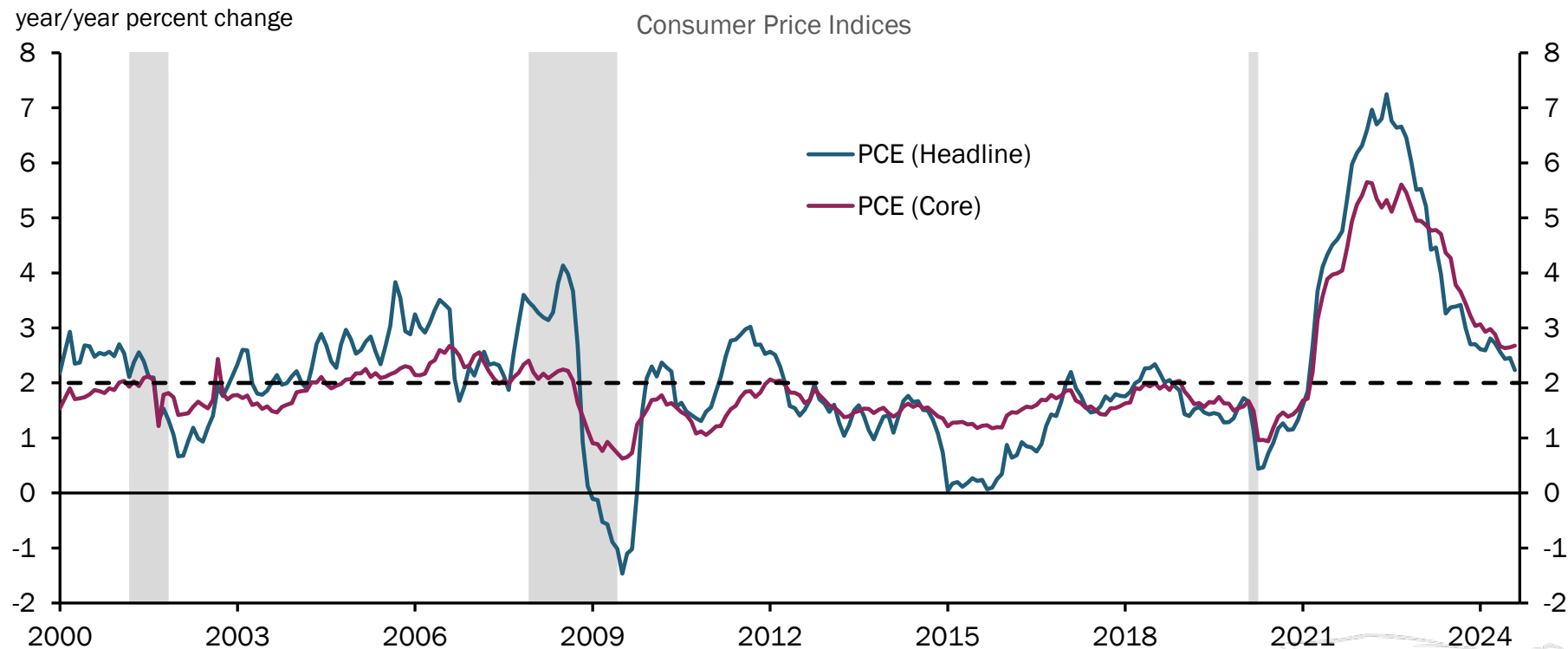
Manufacturing and business services continue to soften.



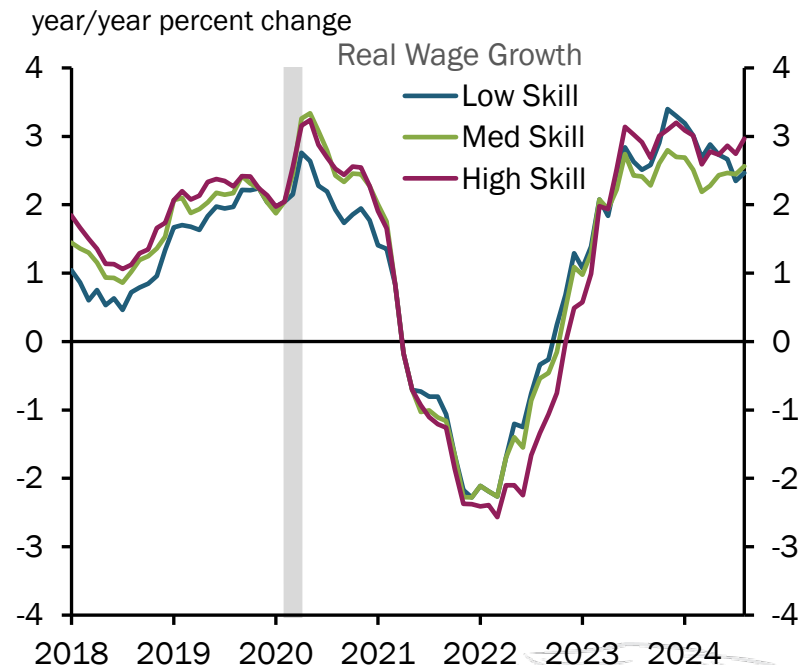
Labor markets continue to moderate, with decelerating job gains both in the U.S. and Colorado.



Inflation continues to slow and is approaching the Fed's 2% target.



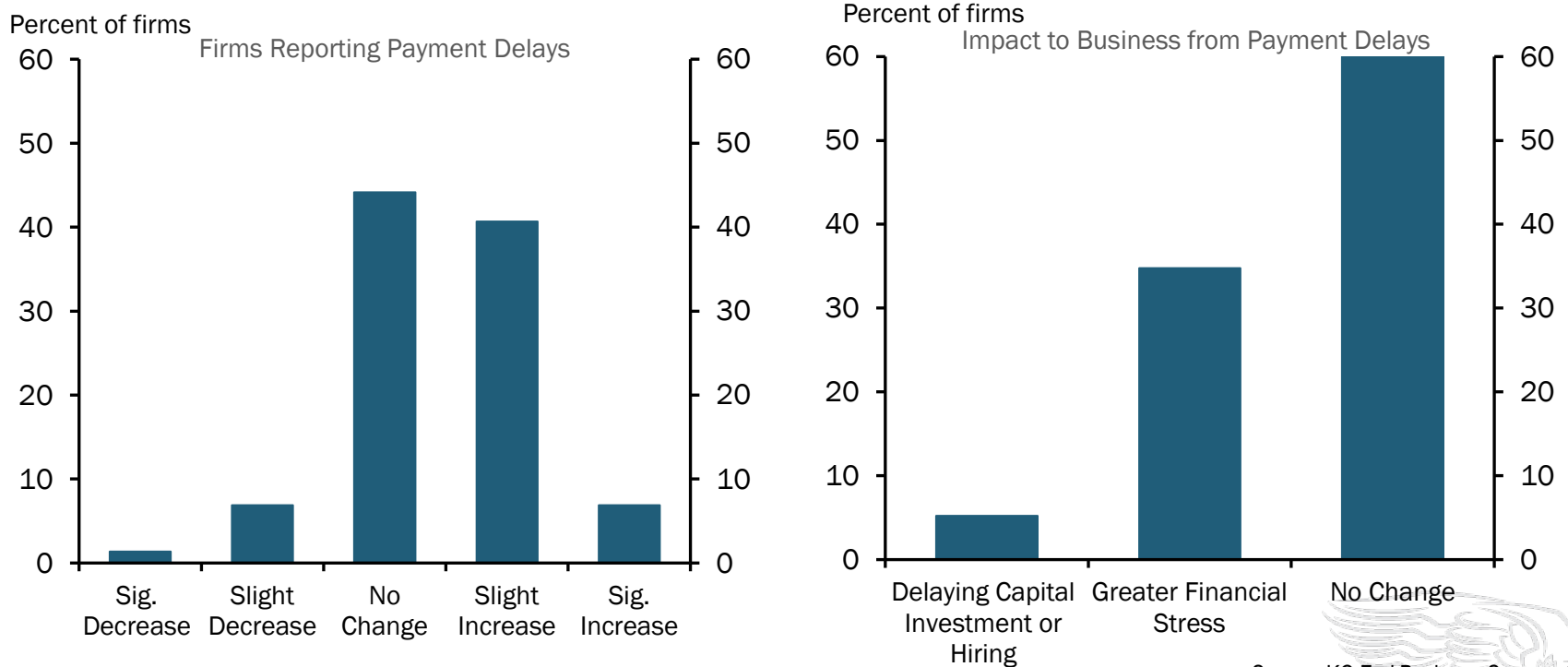
With inflation returning to target and still healthy labor markets, real wages are positive and near pre-pandemic averages.



Sources: BLS, BEA, FRB Atlanta, Analyst Calculations, Haver Analytics

Note: Dashed lines represent 2018-19 averages; Gray bars represent NBER recessions

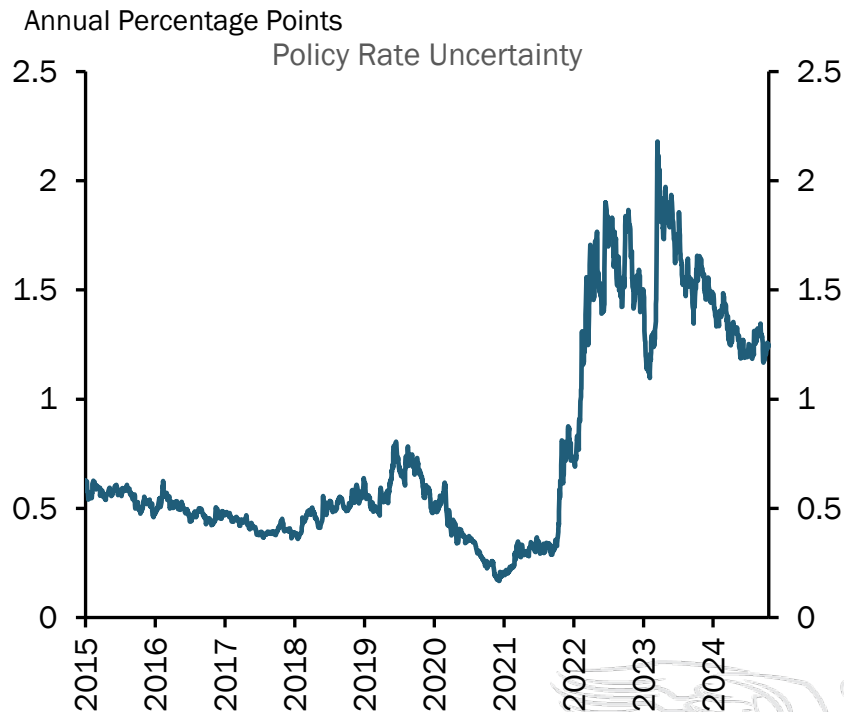
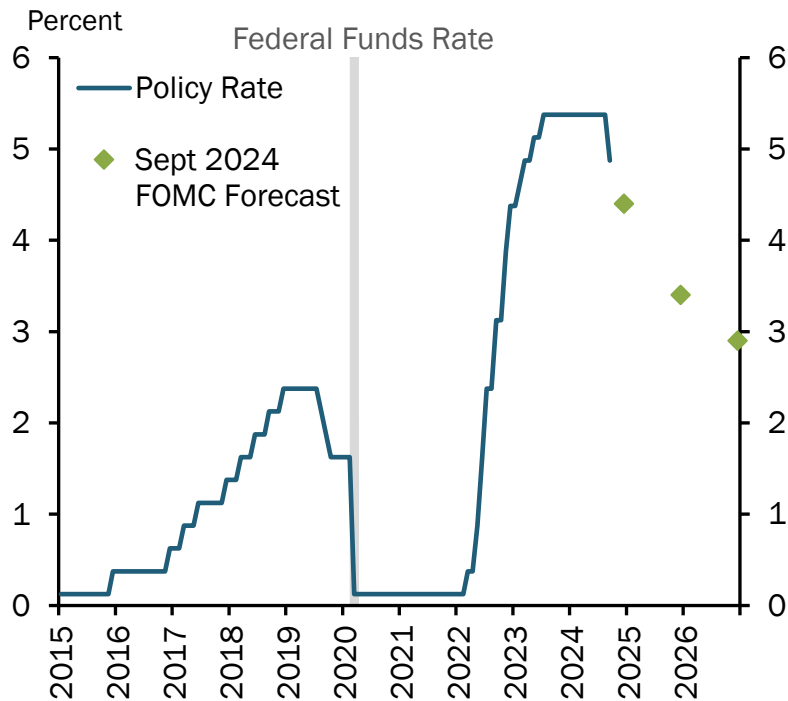
Some payment delay risks have emerged for District businesses, but economic impacts are limited.



Source: KC Fed Business Surveys Sept-24

Questions: "Since the beginning of the year how has the time taken to receive payment from your customers changed?"
 "If the typical time to receive payment has changed, please describe the most significant impact to your business resulting from cash flow management concerns, if any?"

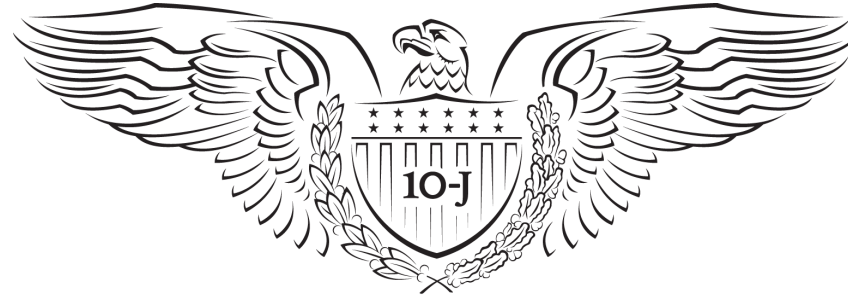
The projected policy rate is expected to decline, but monetary policy uncertainty remains high.



Summary and Looking Ahead

- Regional labor markets continue to moderate. Healthy labor markets and real wage gains support continued consumer spending.
- Manufacturing remains in a modest slump and some payment risks have emerged for regional businesses.
- Inflation continues marching towards the two percent target, but policy uncertainty remains high.





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