

Economic Rebound Despite Lingering Disruptions

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November 5, 2021



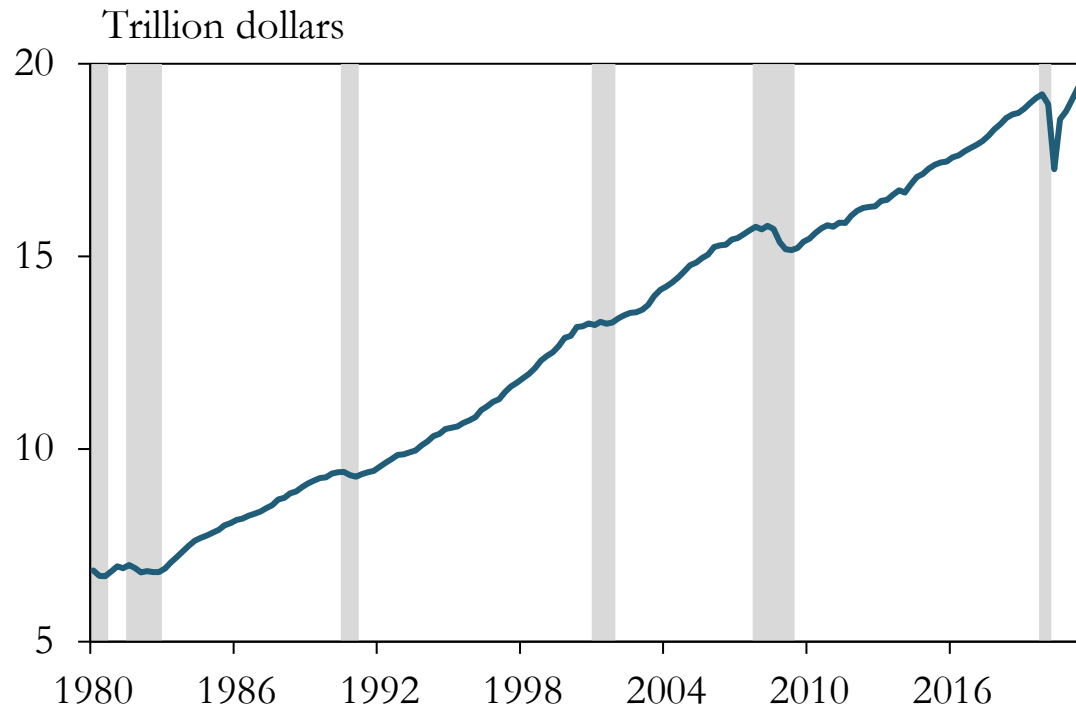
Outlook Themes

- Economic activity has rebounded from the depths of a year ago.
- The recovery, though uneven, has occurred amid significant disruption and uncertainty.
- The pandemic, along with labor shortages, supply chain disruptions and inflationary pressures continue to shape the outlook.

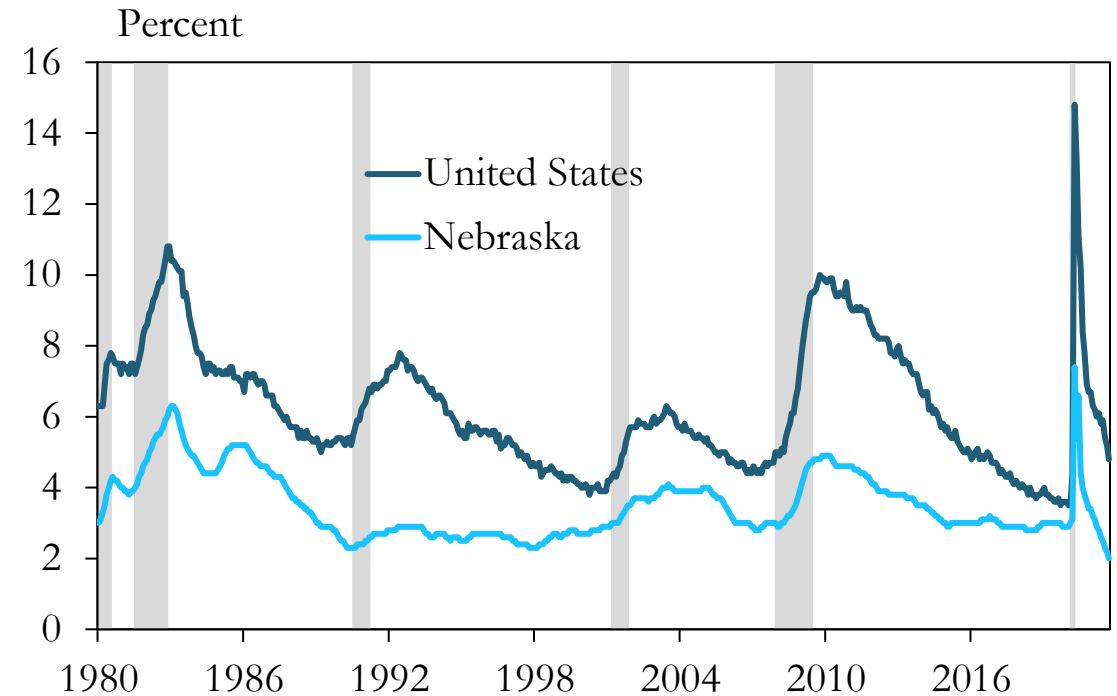


After contracting sharply a year ago, economic activity has rebounded.

U.S. Real GDP

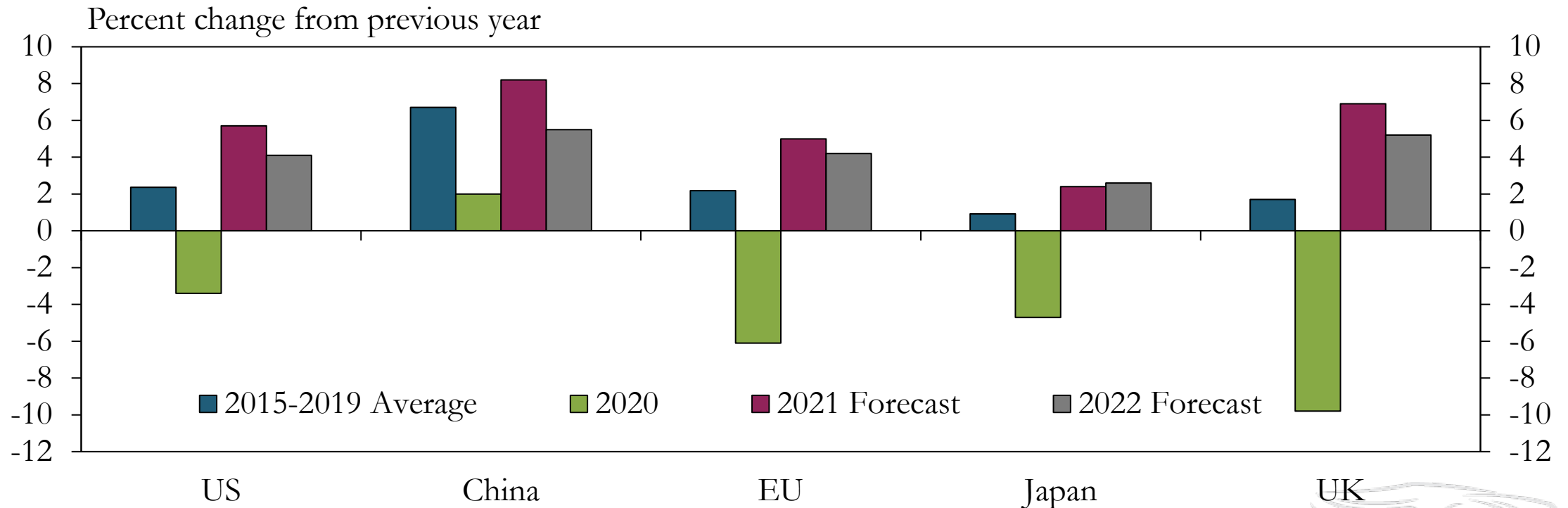


Unemployment Rate



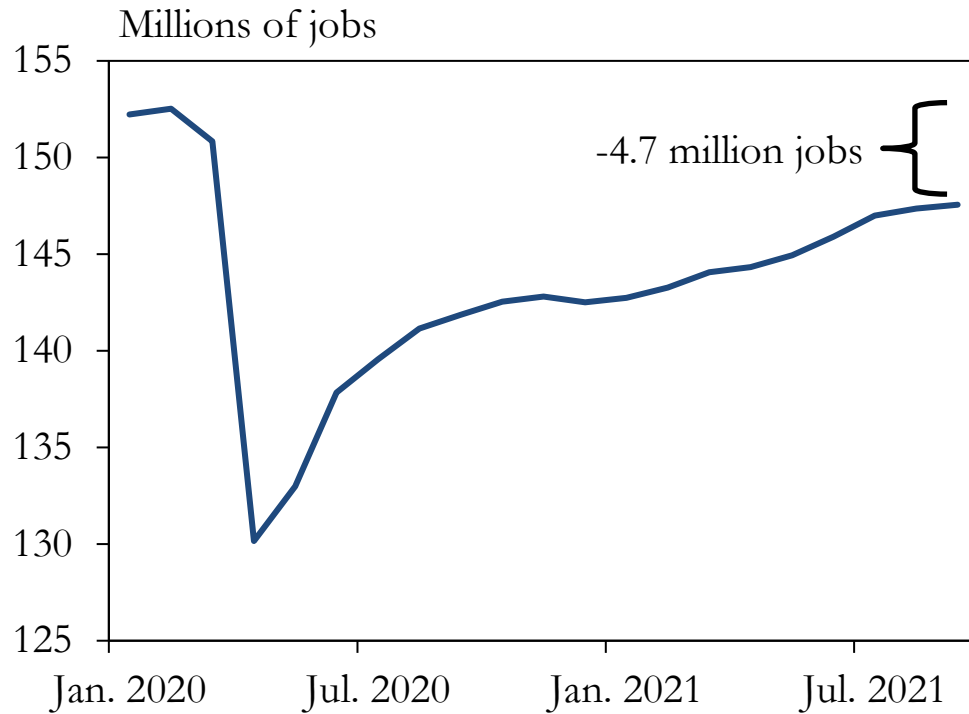
Globally, economic growth is poised to be relatively strong in 2021 and 2022.

Real GDP Growth

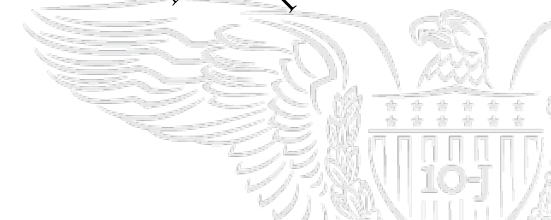
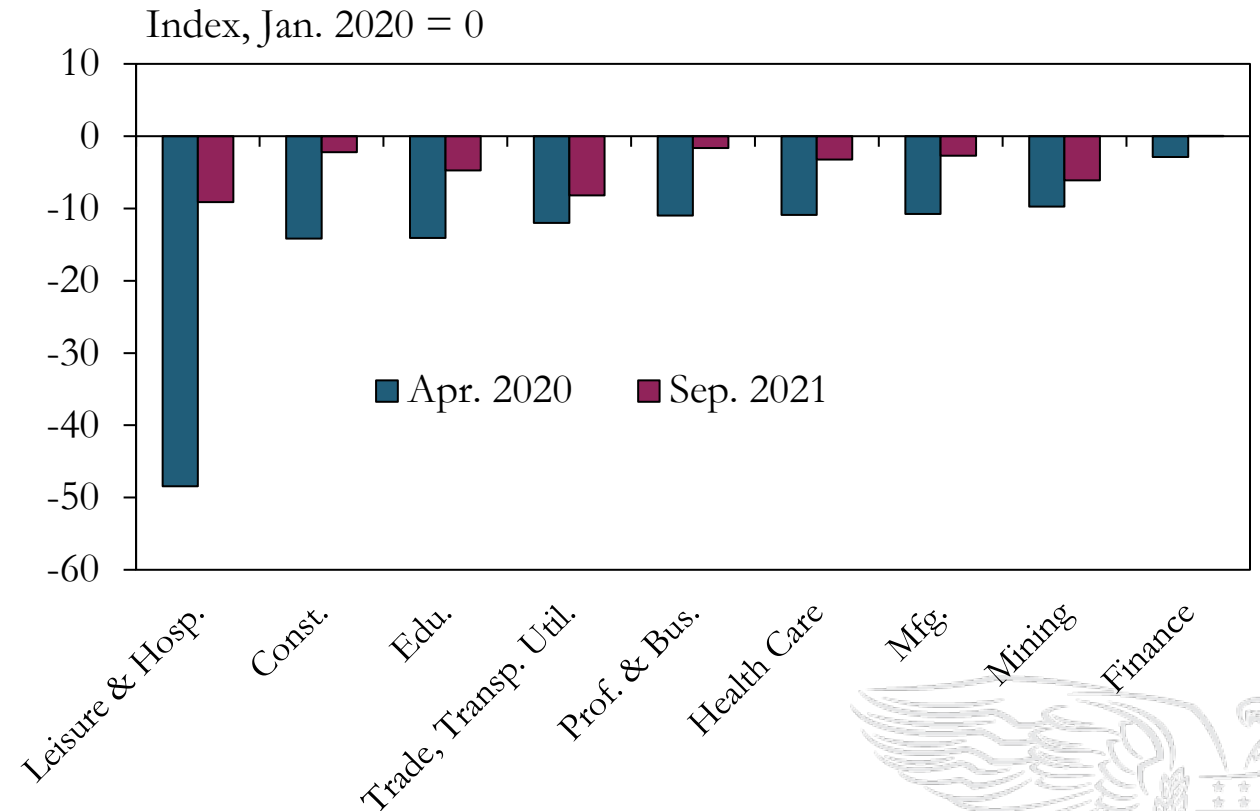


Many jobs have returned, but several industries remain well below their pre-pandemic level of employment.

U.S. Employment

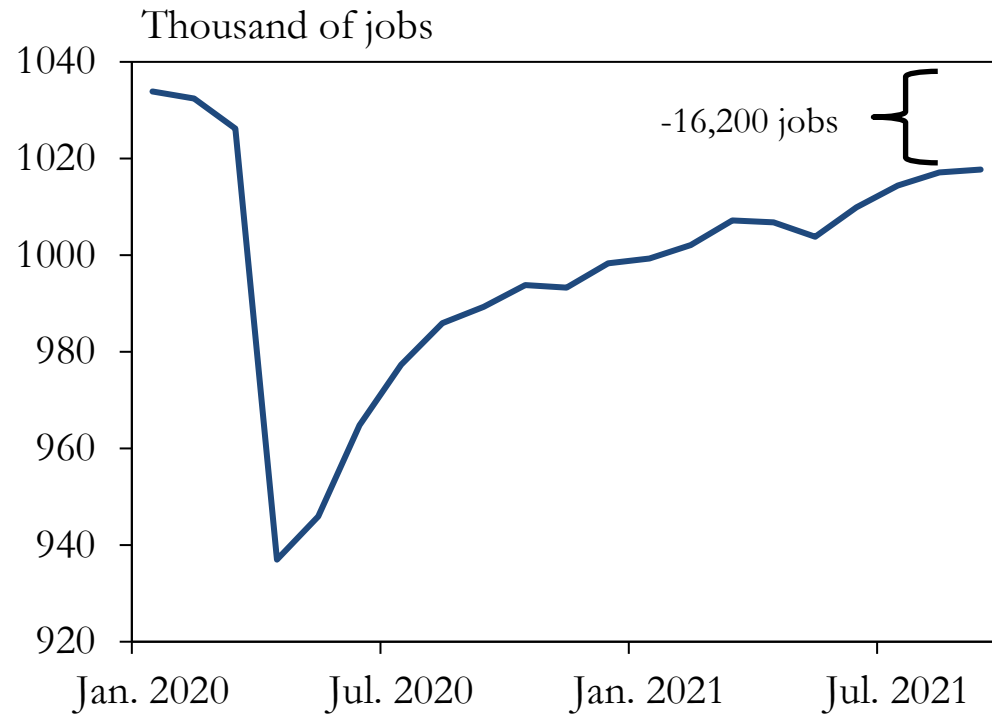


U.S. Employment by Industry

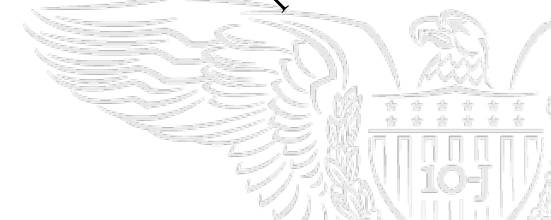
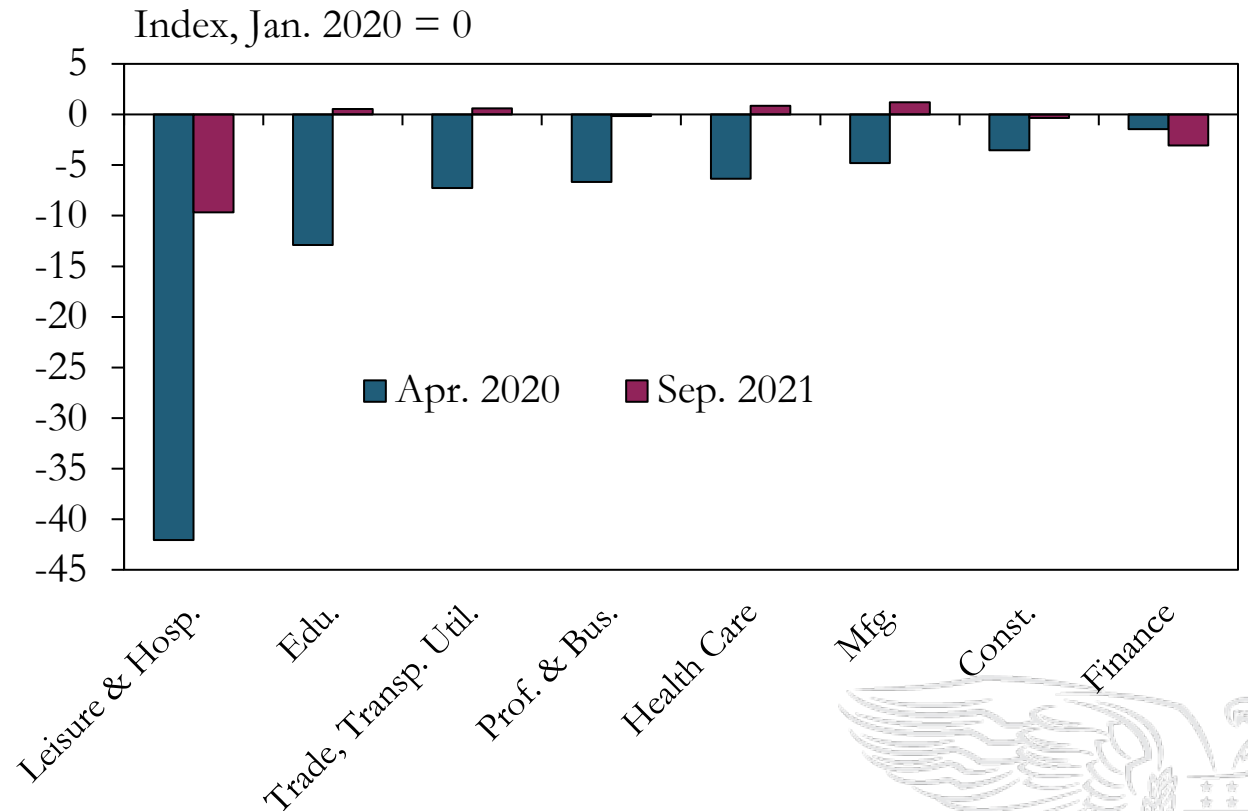


Employment in Nebraska has also recovered significantly.

Nebraska Employment

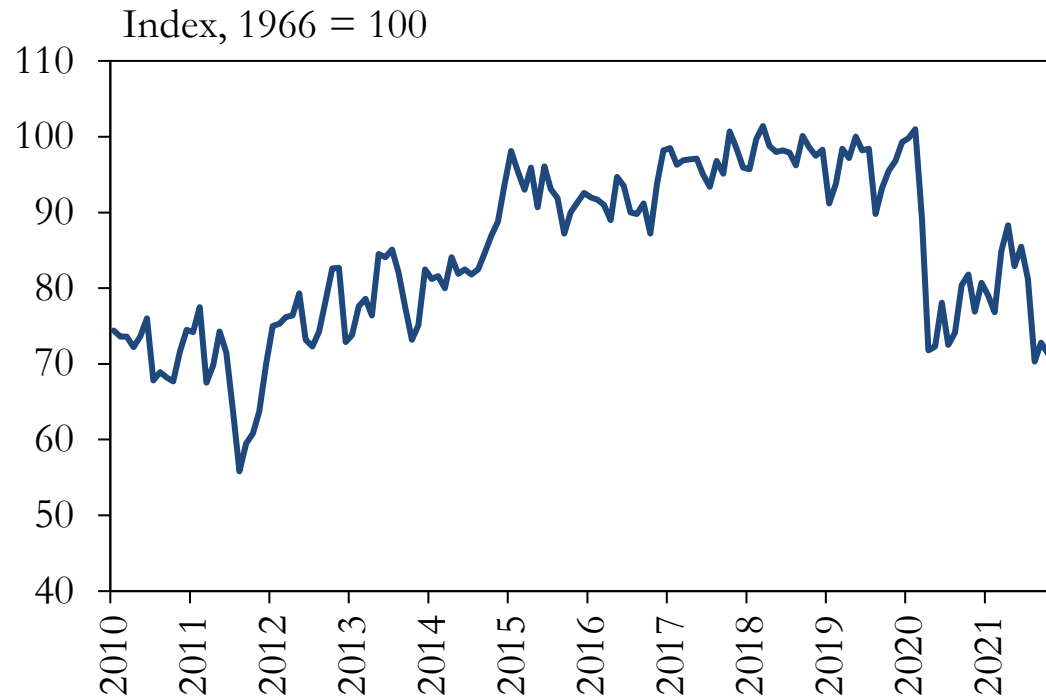


Nebraska Employment by Industry

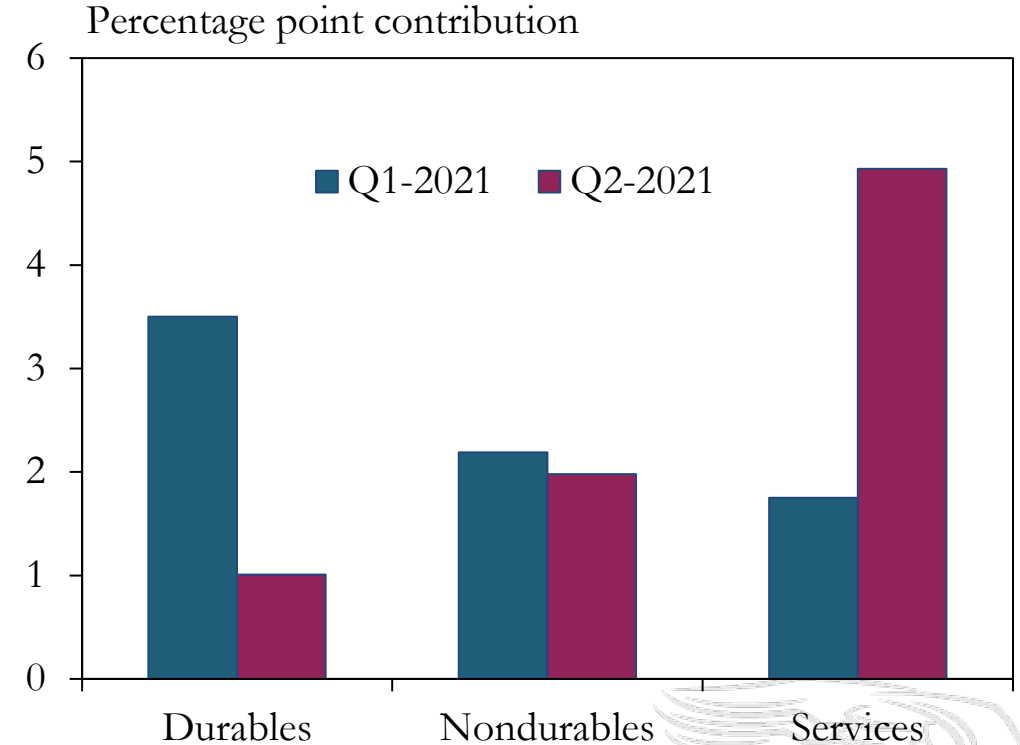


Consumer confidence improved in the first half of the year and household demand has remained strong.

Consumer Sentiment Index

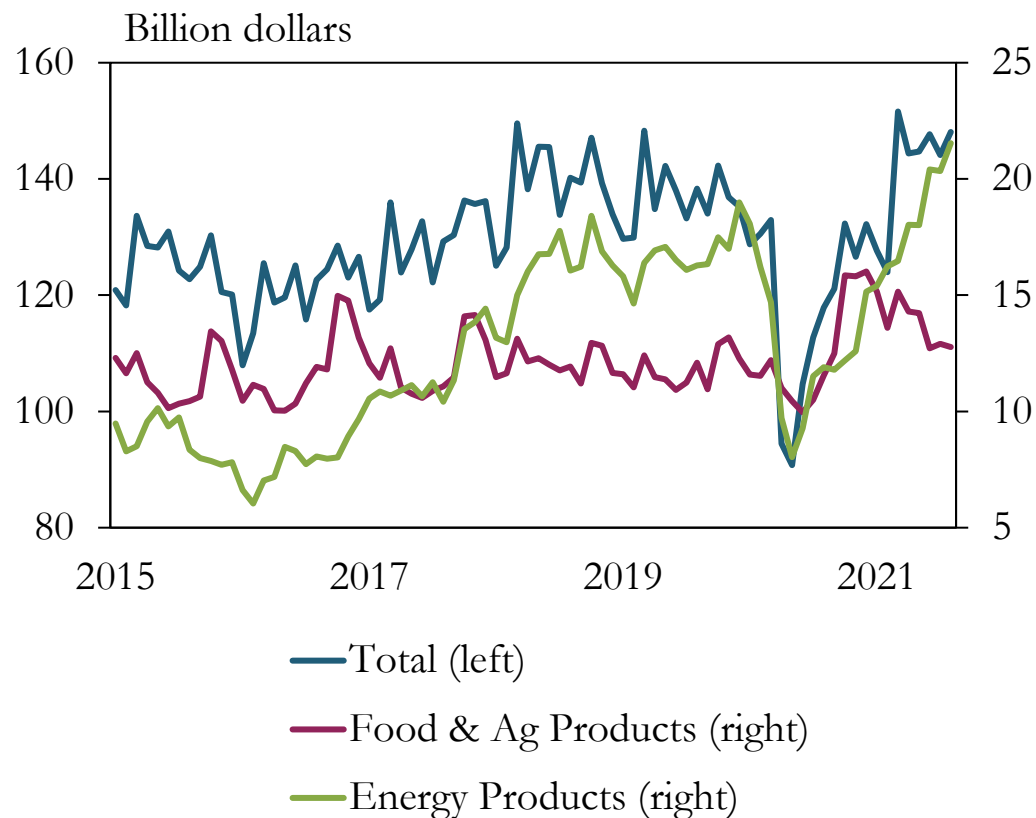


Contributions to GDP Growth

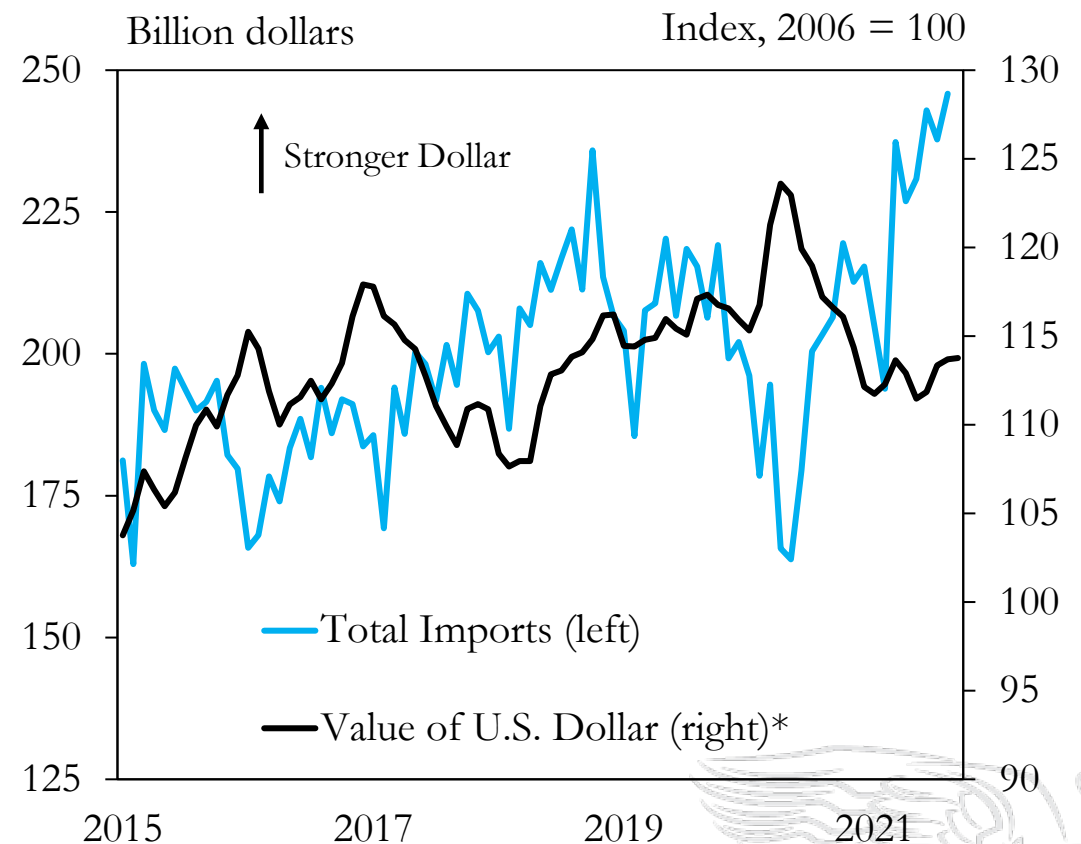


Trade to and from the U.S. has also strengthened notably despite changes in the value of the dollar.

U.S. Exports

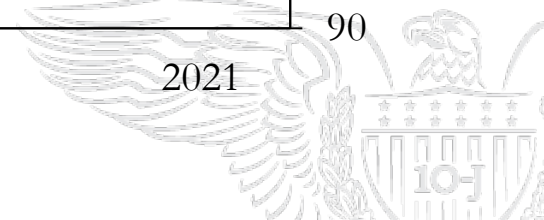


U.S. Imports & Value of Dollar



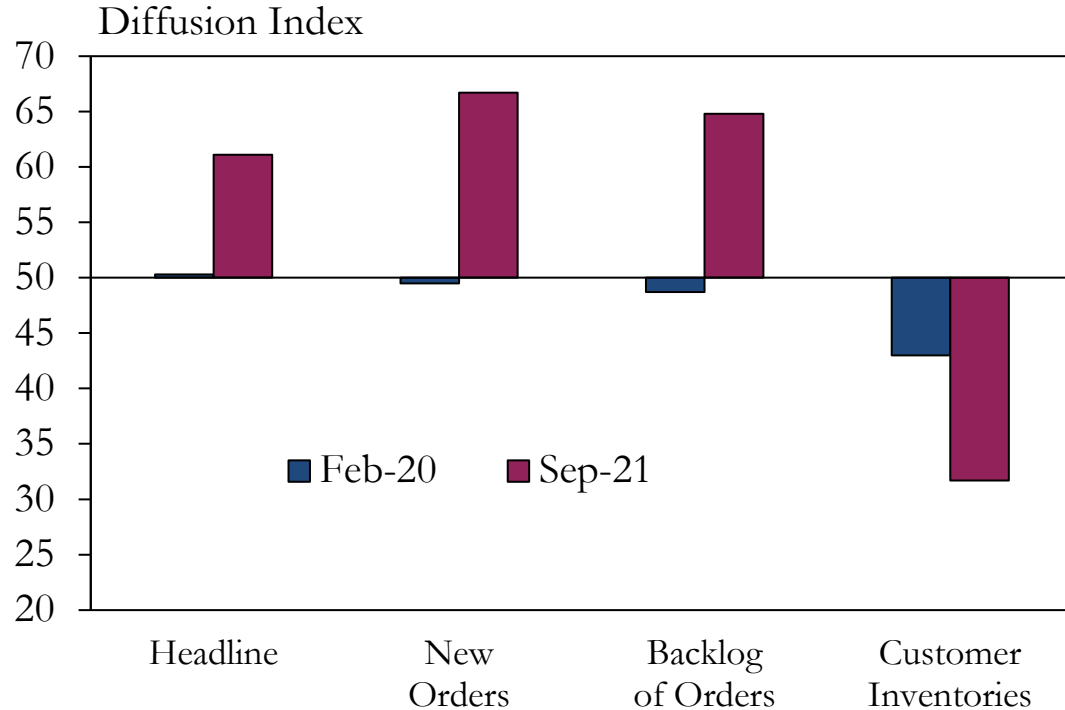
* Real Broad Trade-Weighted U.S. Dollar Index

Sources: Wisser Trade, Haver Analytics, Federal Reserve Board of Governors.

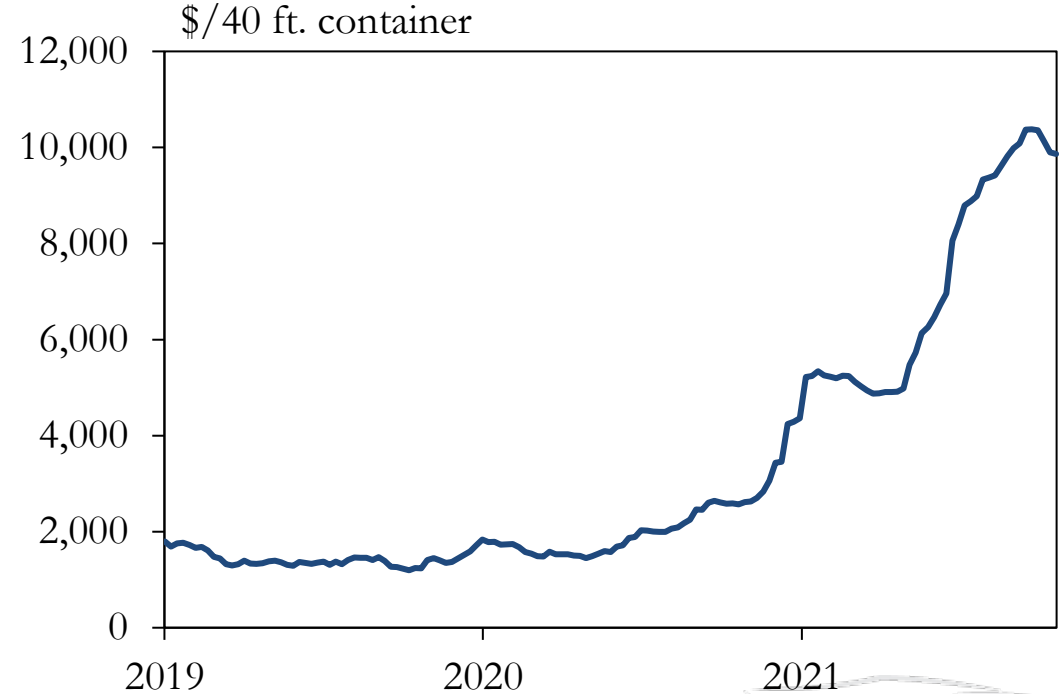


Business investment has continued to expand despite concerns about supply chain disruptions and freight costs.

ISM Manufacturing Indices

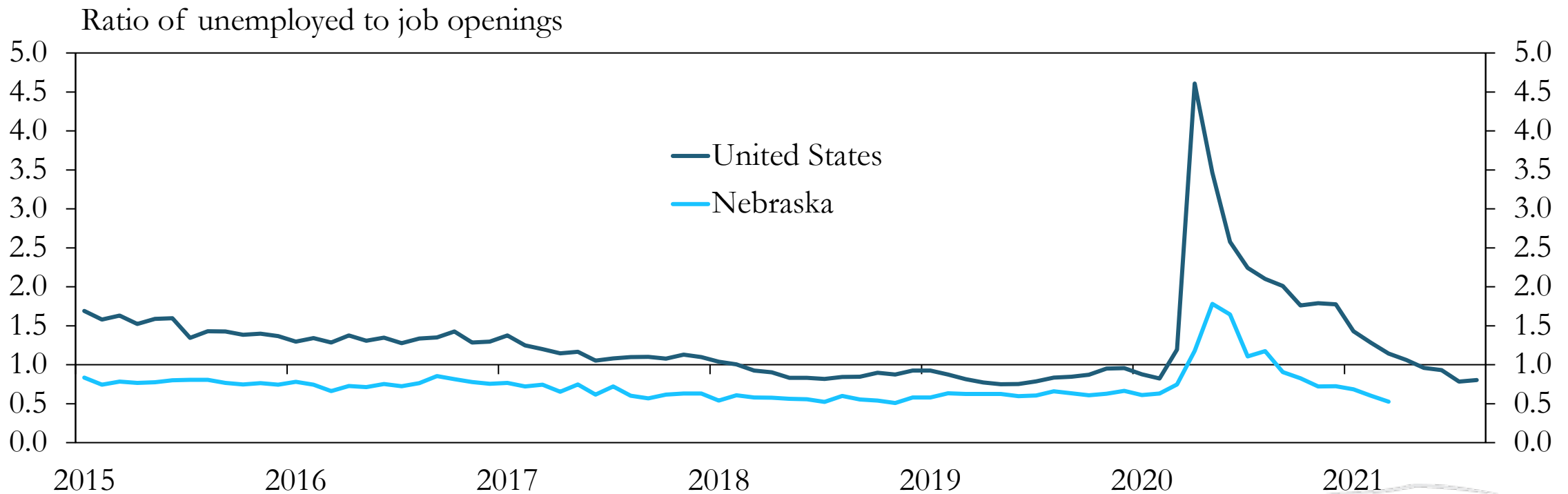


World Container Index



Business contacts have also pointed to challenges associated with labor shortages.

Worker Availability



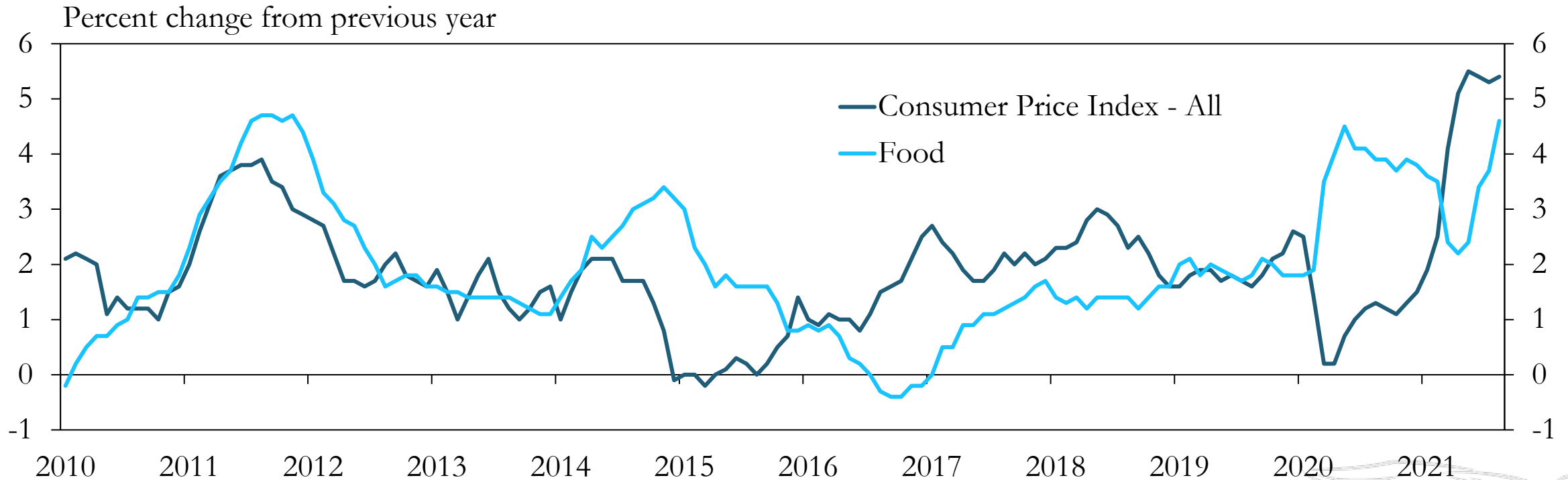
Note: Worker availability is calculated by dividing the number of unemployed by the number job openings.

Sources: BLS, Haver Analytics, staff calculations.



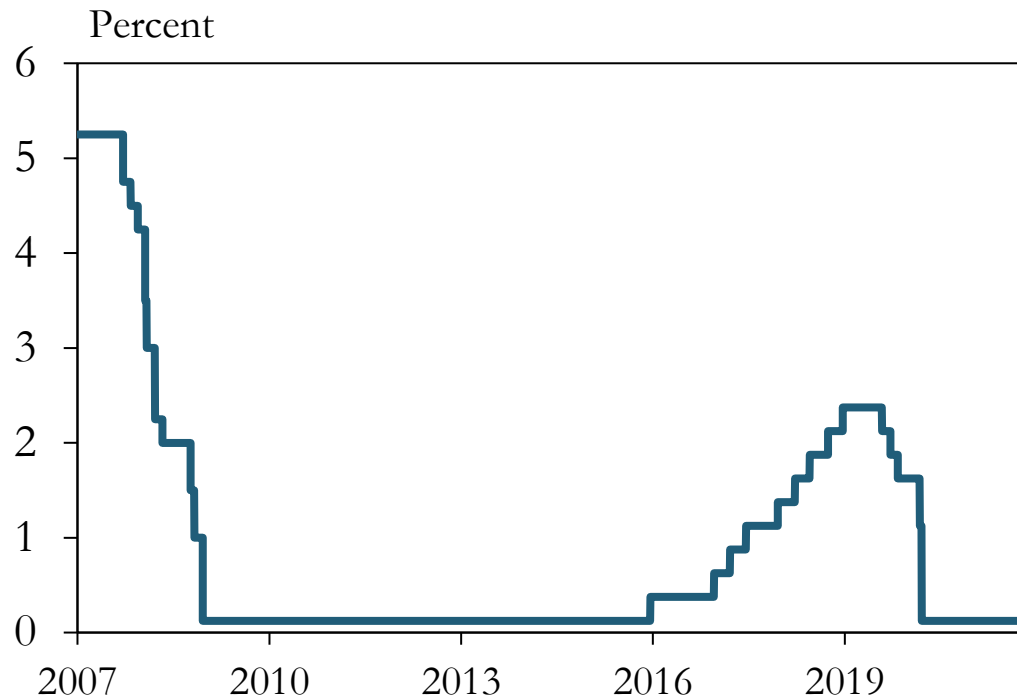
Pandemic related disruptions, labor shortages, and re-openings have affected inflationary pressures.

Consumer Prices

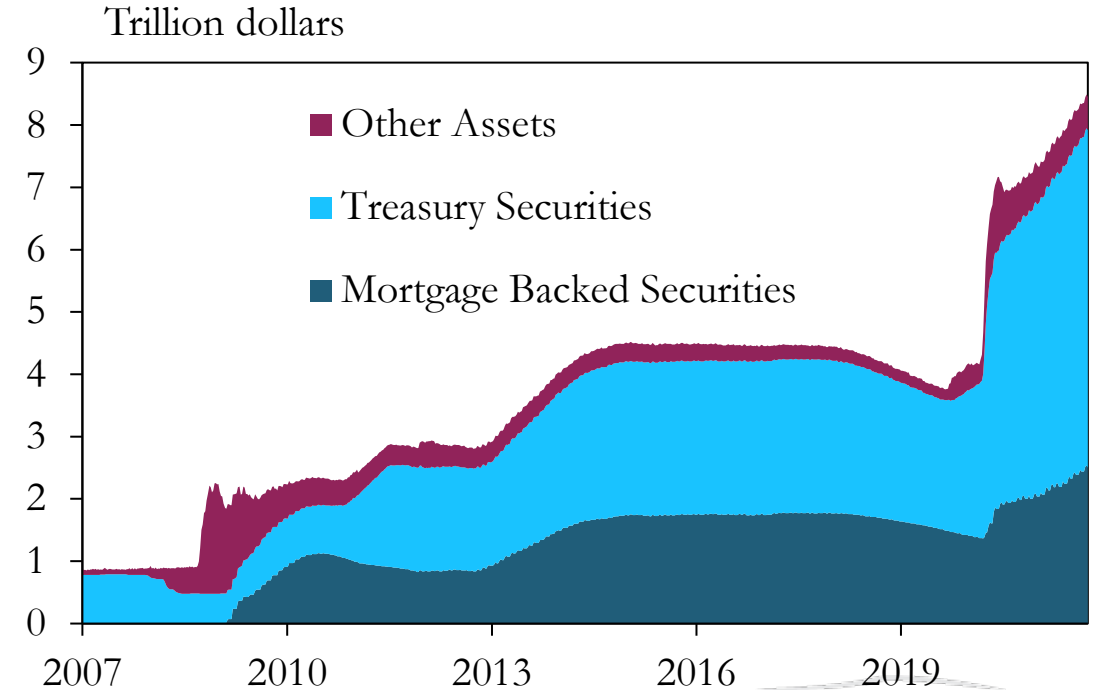


The Federal Reserve has provided extraordinary monetary policy accommodation to stimulate economic activity.

Federal Funds Rate

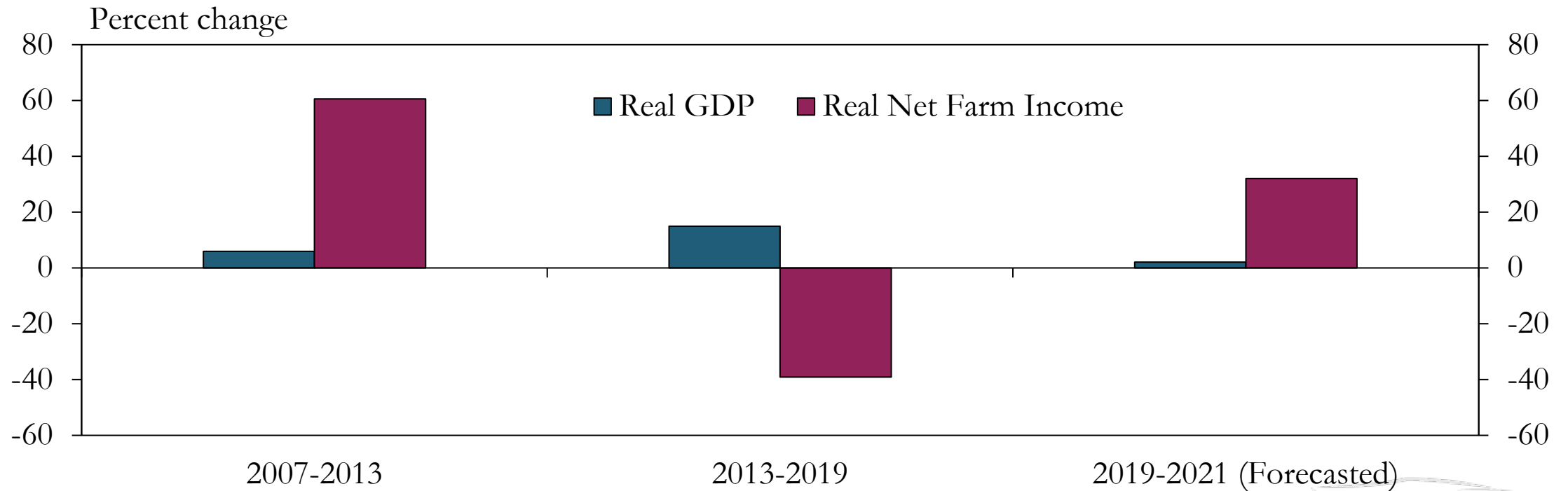


Federal Reserve Balance Sheet - Assets



The pandemic has had broad and severe economic effects, but agriculture has been a surprising bright spot.

U.S. GDP and Farm Income



Concluding Thoughts

- Economic activity appears well positioned to strengthen further despite the presence of key risks.
 - Labor shortages
 - Supply chain disruptions
 - Inflation
- Many questions will remain about the persistence of structural changes, with implications for Federal Reserve policy.



