

Economic Overview

The thoughts I will share today are my own and do not necessarily reflect the views of my colleagues at the Atlanta Fed or elsewhere in the Federal Reserve System.



Federal Reserve
Bank of Atlanta

Conducting
the nation's
monetary
policy

Helping
maintain the
stability of
the financial
system

Supervising
and regulating
financial
institutions

Fostering
payment and
settlement
system safety
and efficiency

Promoting
consumer
protection and
community
development

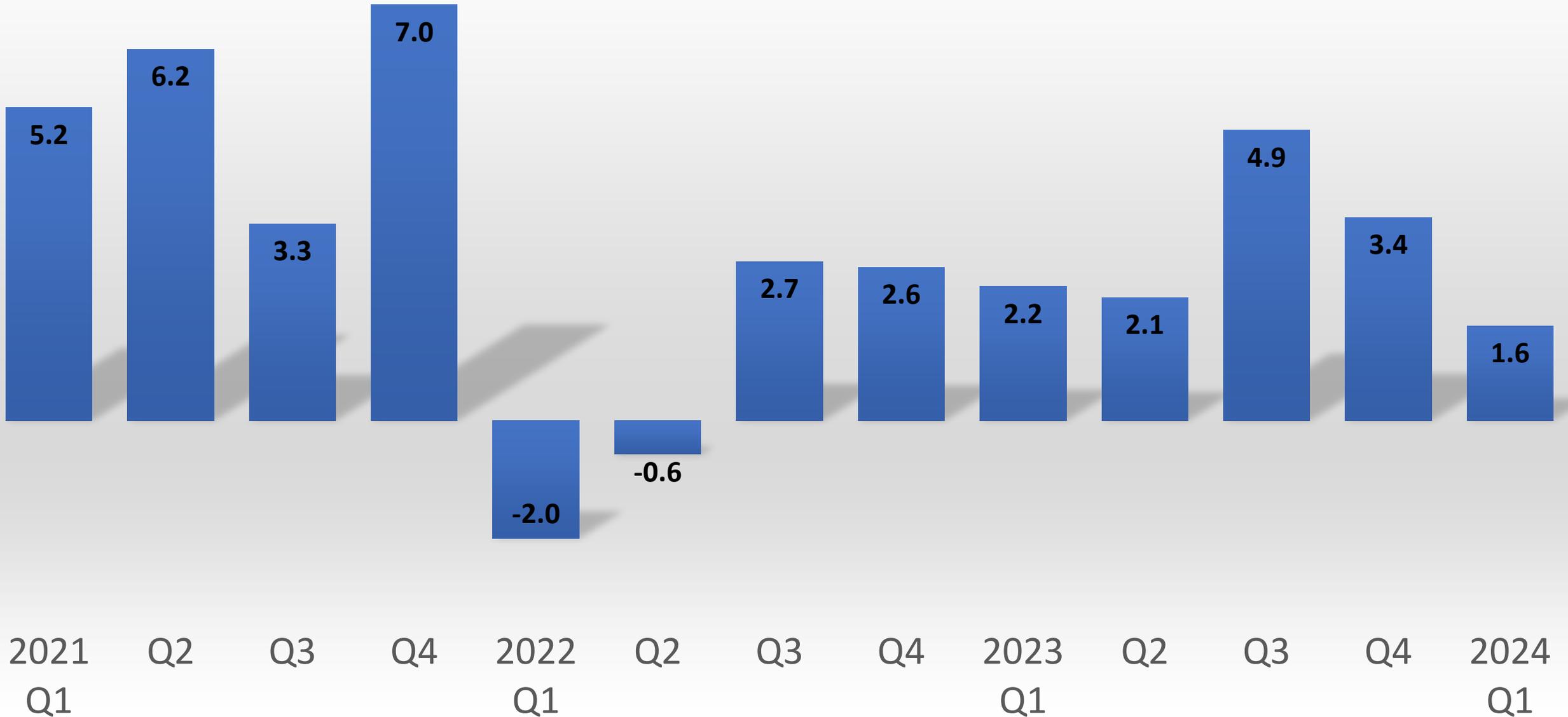
The Fed's "Dual Mandate"

Congress established maximum employment and price stability as the economic objectives for the Federal Reserve.



Economic Growth

Quarterly % change



Core PCE

Well known and most often used by Fed officials and in FOMC communications

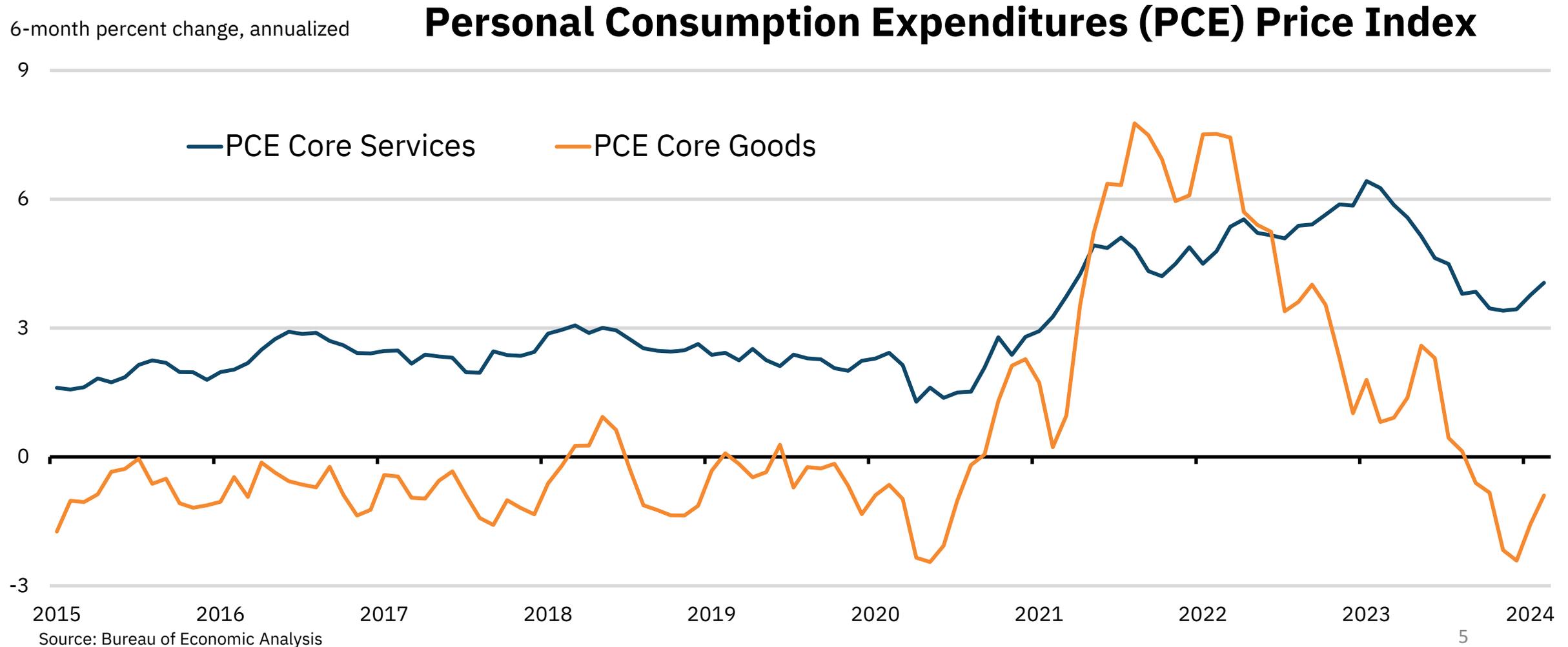
PCE = Personal Consumption Expenditures



Note: Shaded blue range indicates 25th to 75th percentile of the 1-month growth rates computed over the past 10 full calendar years. Gray bars indicate recession periods.

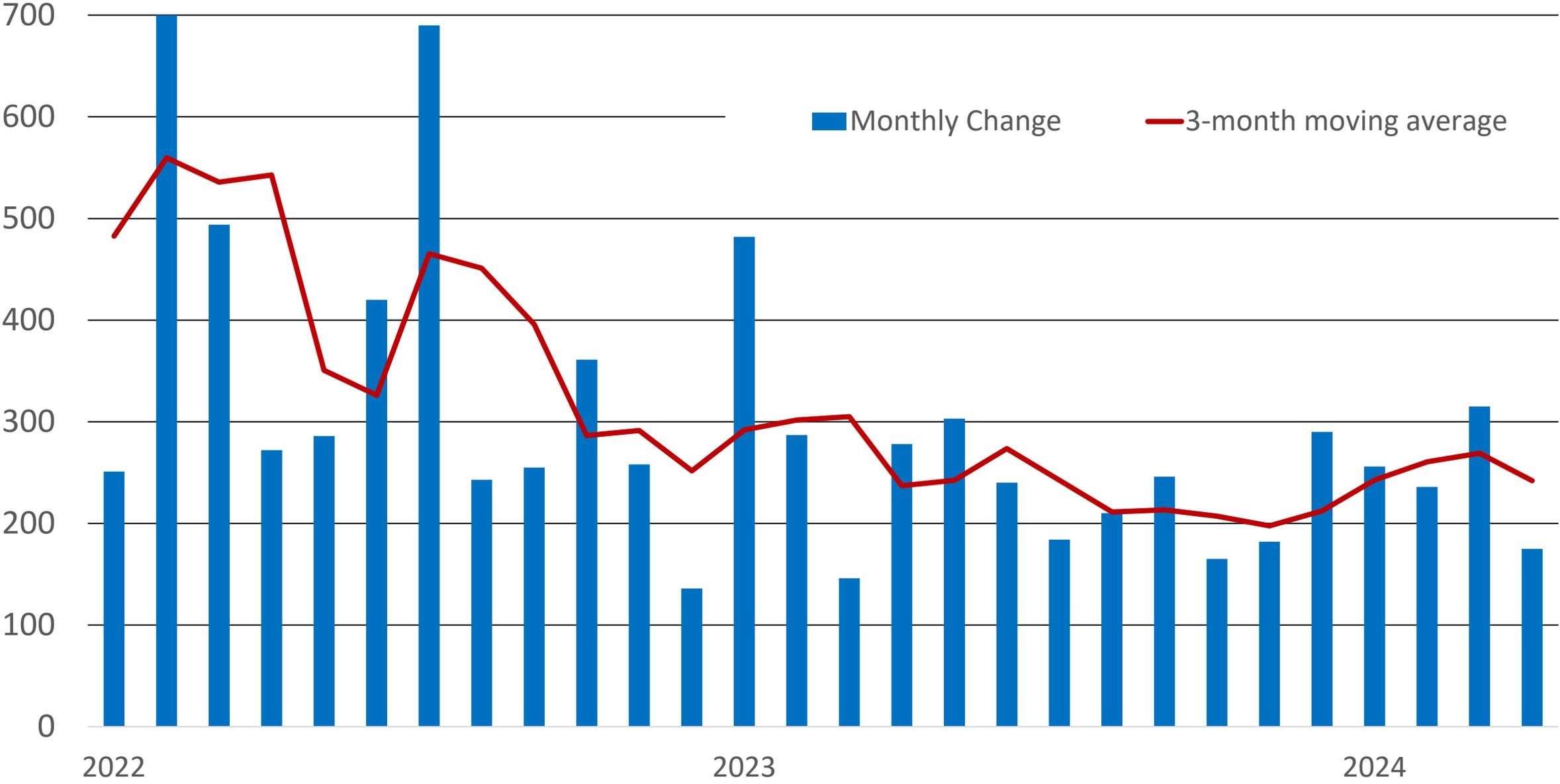
Source: Bureau of Economic Analysis

After decelerating throughout most of 2023, the rate of price growth for both goods and services have increased over the past 6 months.



Employment Growth

Monthly change, thousands



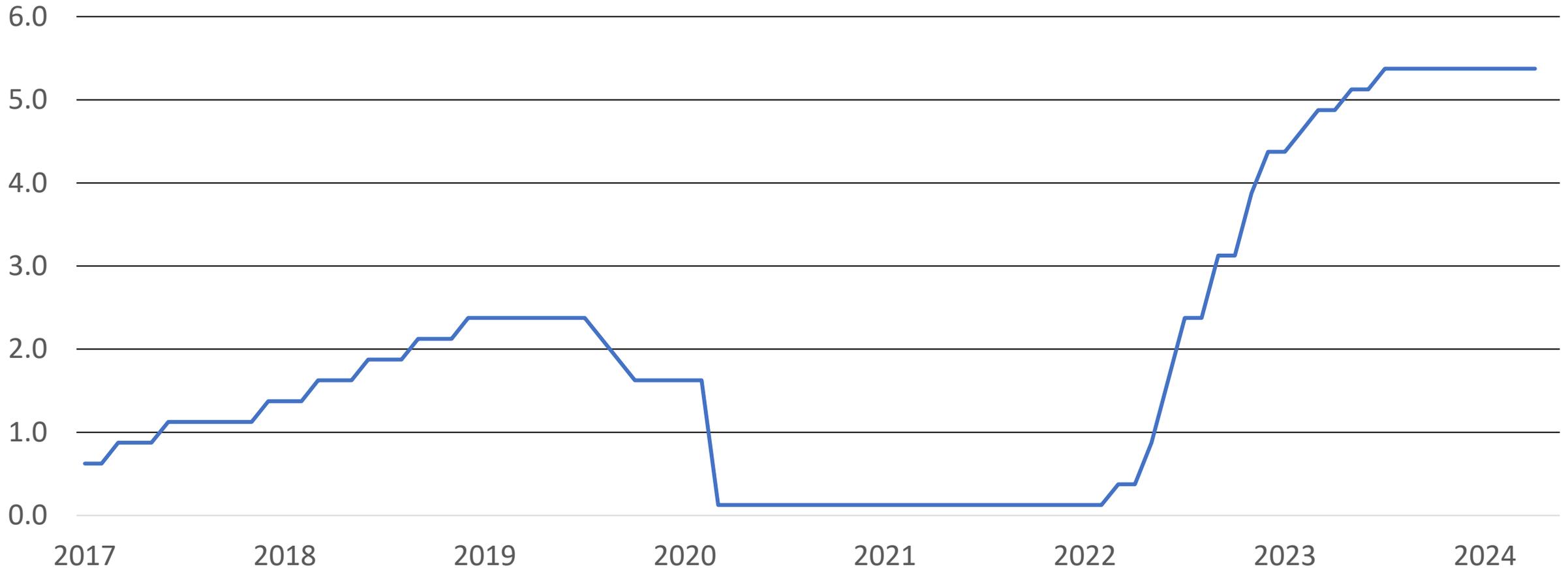
Unemployment Rate

There are signs that supply and demand in the labor market are coming into better balance. The labor force participation rate has moved up in recent months, and the jobs-to-workers gap has declined.



On May 1, the Fed maintained the target range for the federal funds rate at 5-1/4 to 5-1/2 percent.

Federal Funds Rate



“ . . . if the economy evolves as I expect, I think it'll be appropriate for us to start moving down at the end of this year, the fourth quarter.”



“I think it’s unlikely that the next policy rate move will be a hike. . . . our policy focus is how long to keep policy restrictive.”

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