



Economic Policy Division

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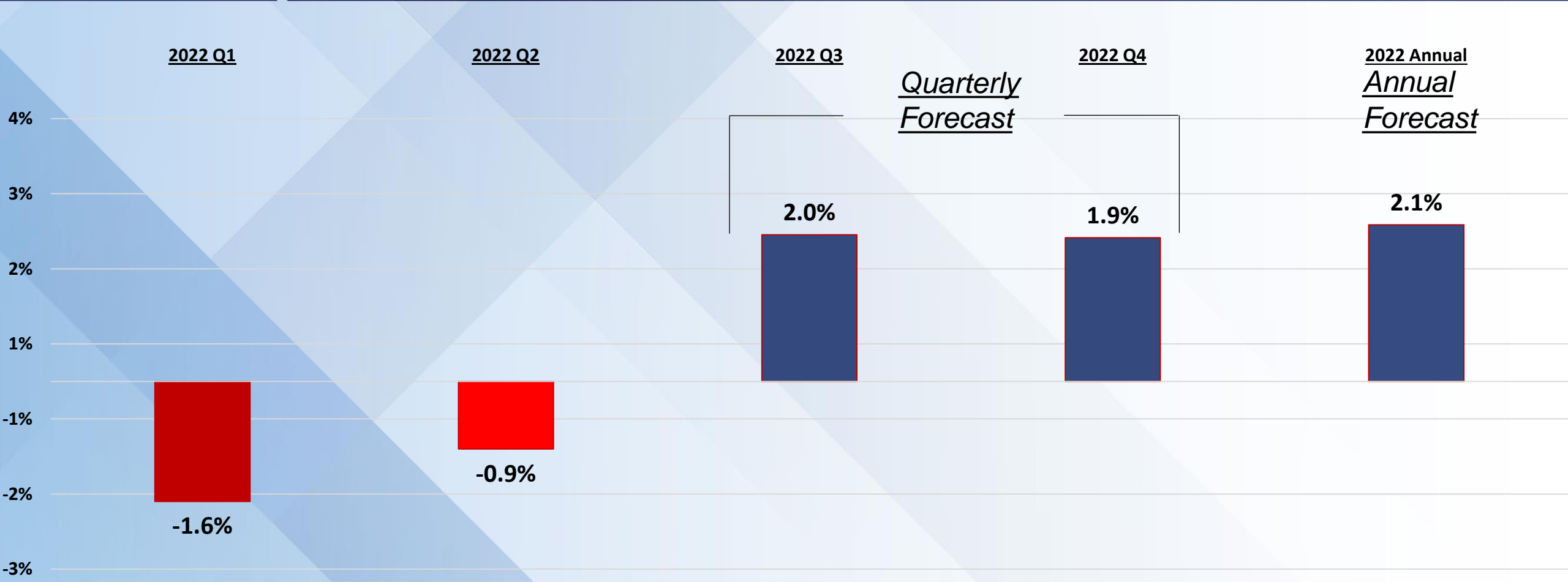
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Current Economic Conditions



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The Economy Contracted in Q1 & Q2 – Matching Definition of a Recession





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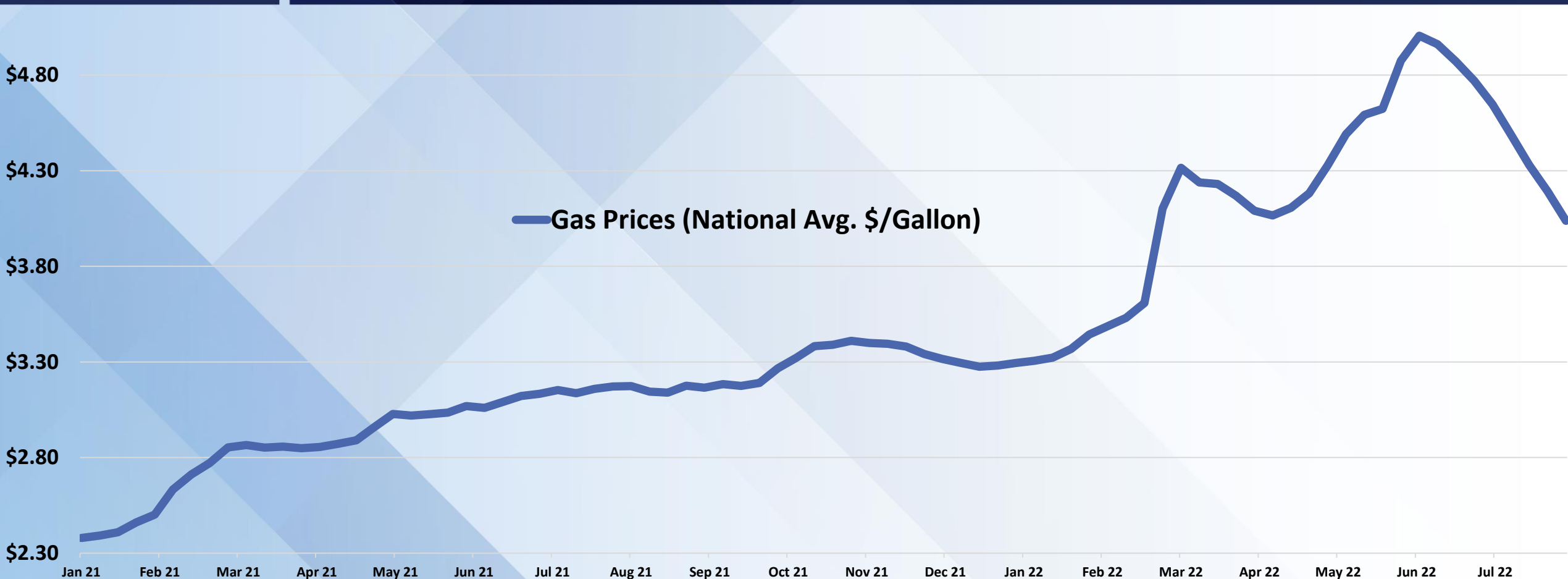
Consumer Sentiment Lowest *EVER* in June – Small Rise in July





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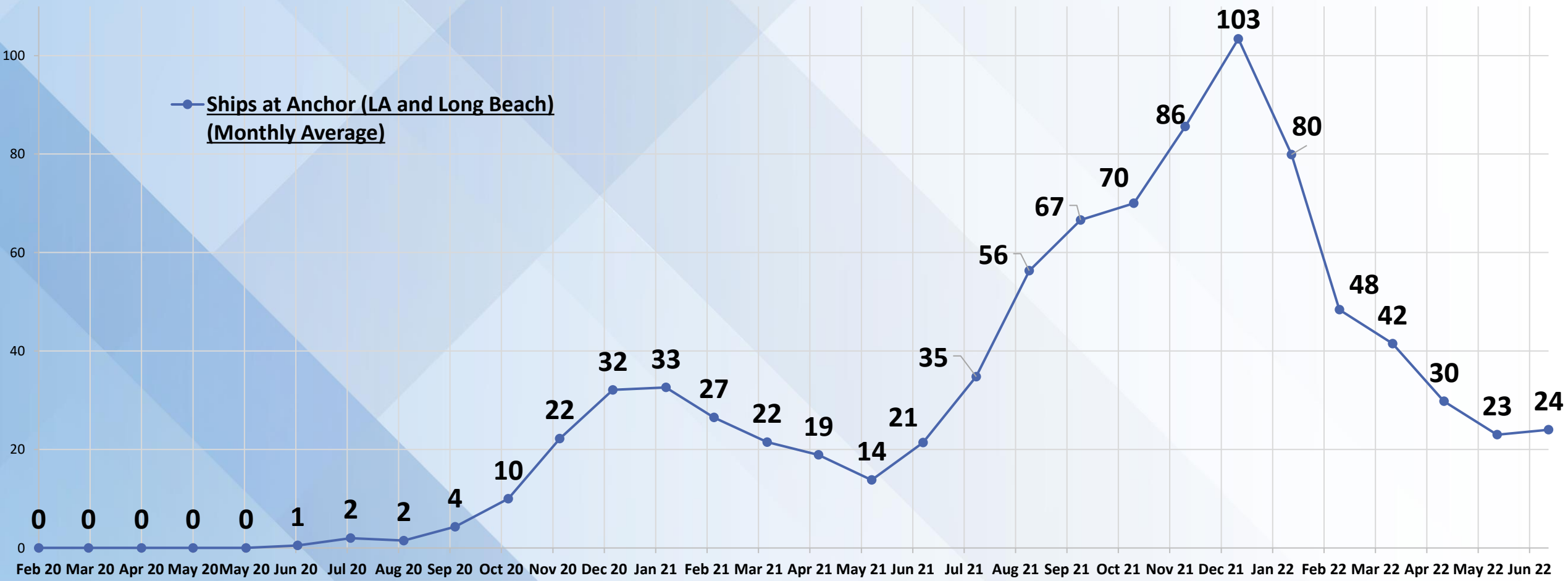
Gas Prices Rising Since President Biden Took Office (\$4.04/Gallon as of August 8)





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Supply Chain Issues are *Finally* Easing





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Inflation



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Consumer Prices Rose 8.5% Annually in July – Has It Peaked?





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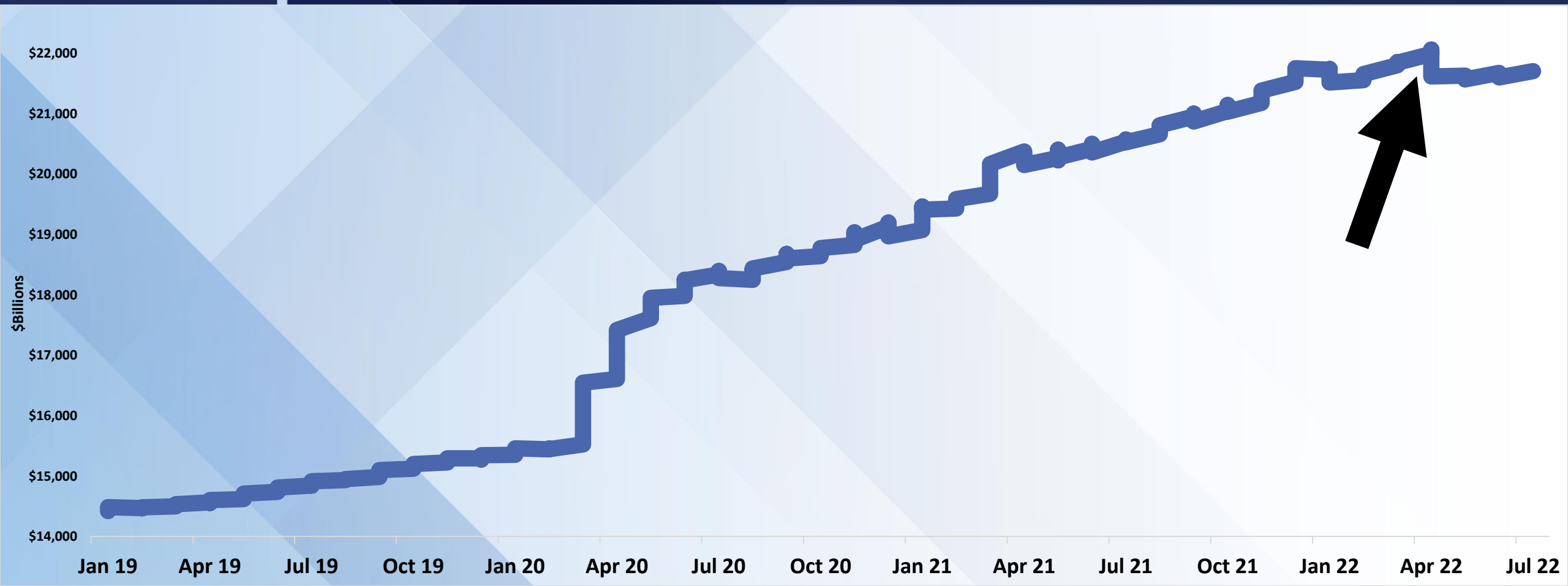
Wages are Growing – But Inflation is Outpacing





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Money Supply Rose Rapidly During Covid – Falling Now





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Inflation Expectations Remain 'Anchored'





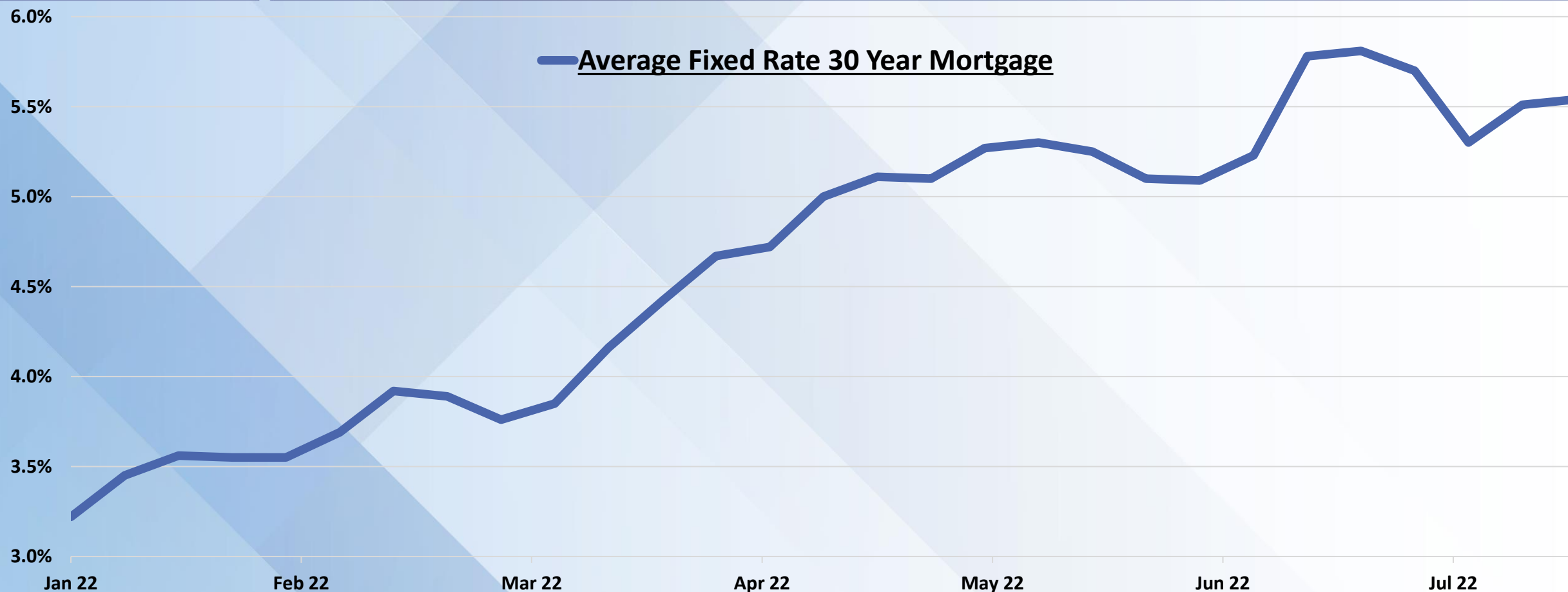
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Interest Rates



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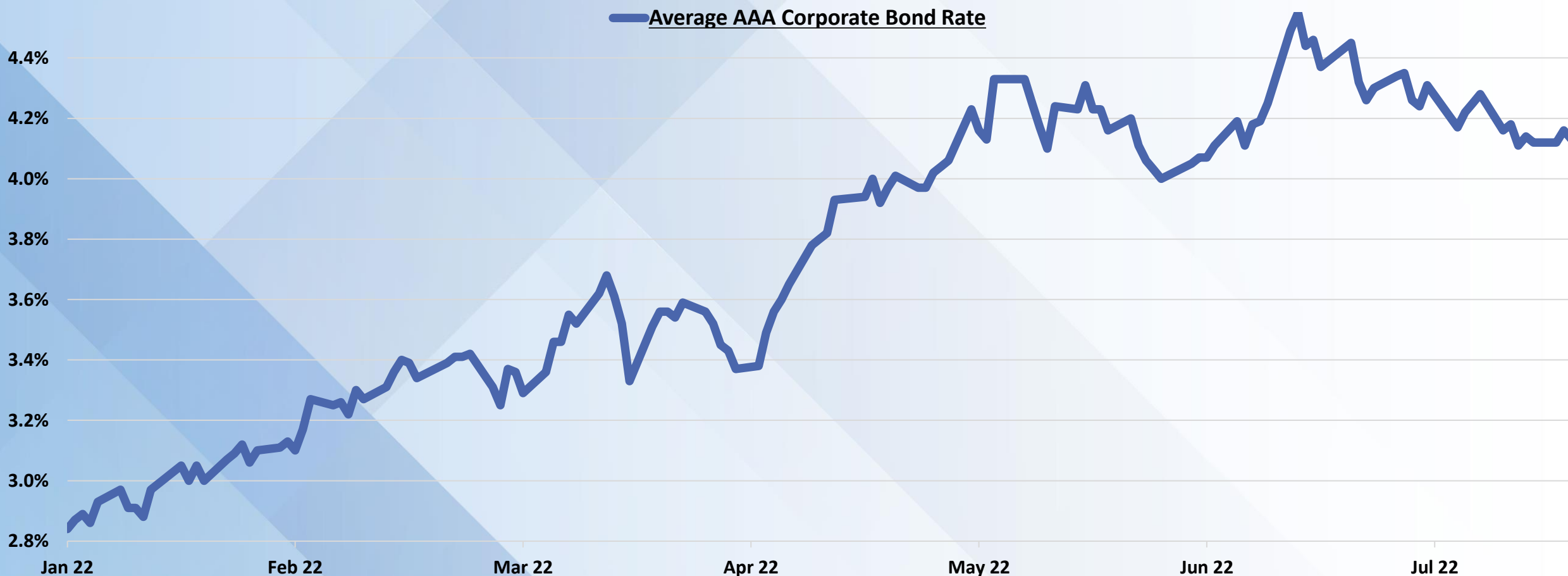
Average 30 Year Fixed Mortgage Rate Rising Rapidly





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Borrowing Costs for Businesses Climbing Quickly





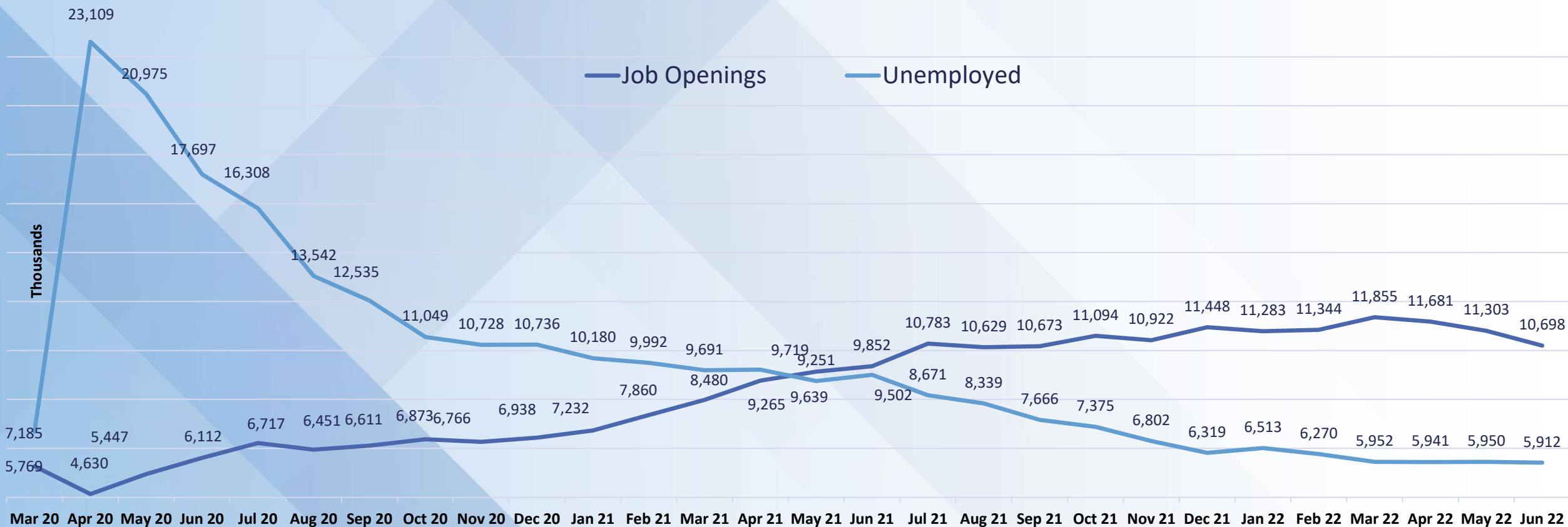
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Job Market



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Job Openings 4.8 Million More than Unemployed Workers





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The Economy Added 528,000 Jobs in July - the Gap Is Gone





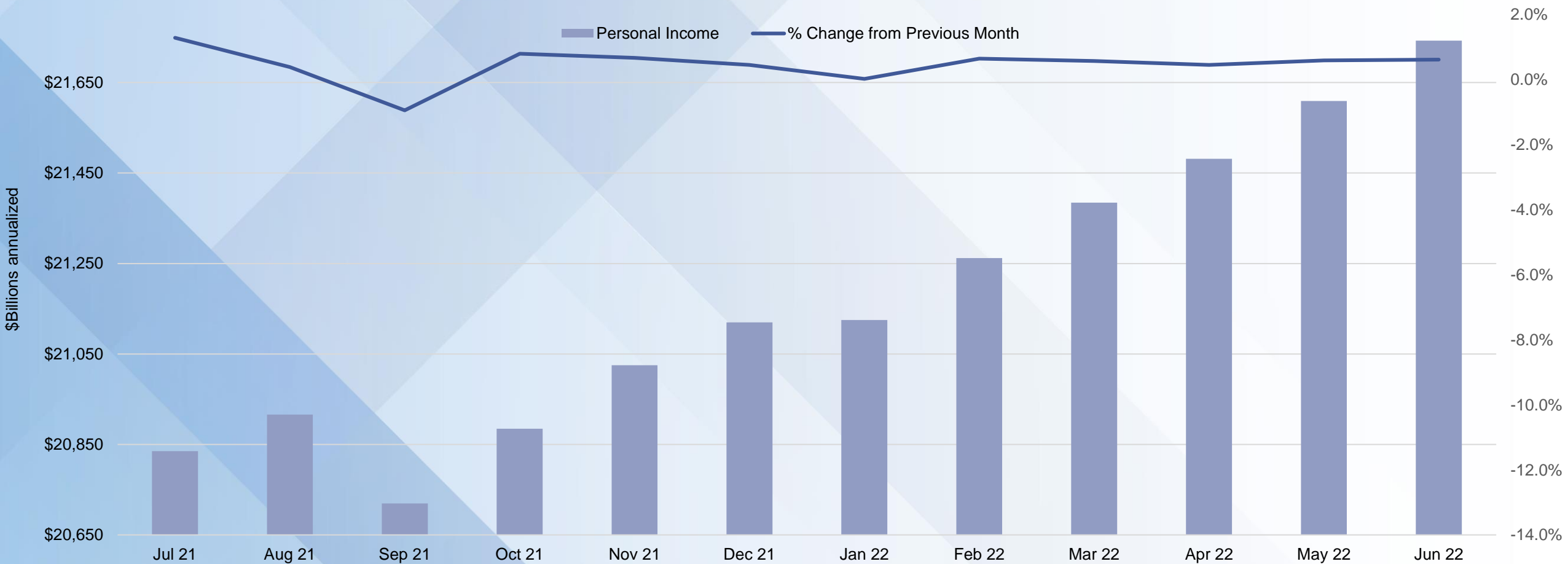
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Income, Savings, and Consumption



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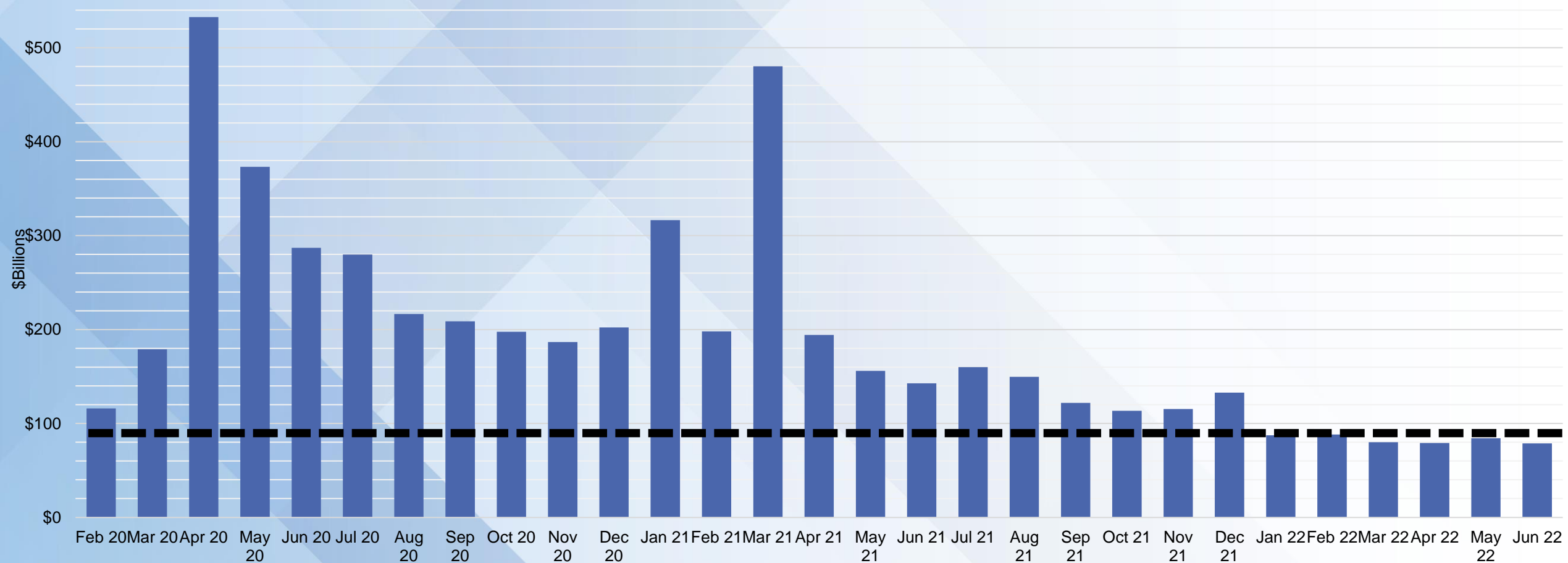
***Real* Income Fell in June – Salaries and Wages Down too**





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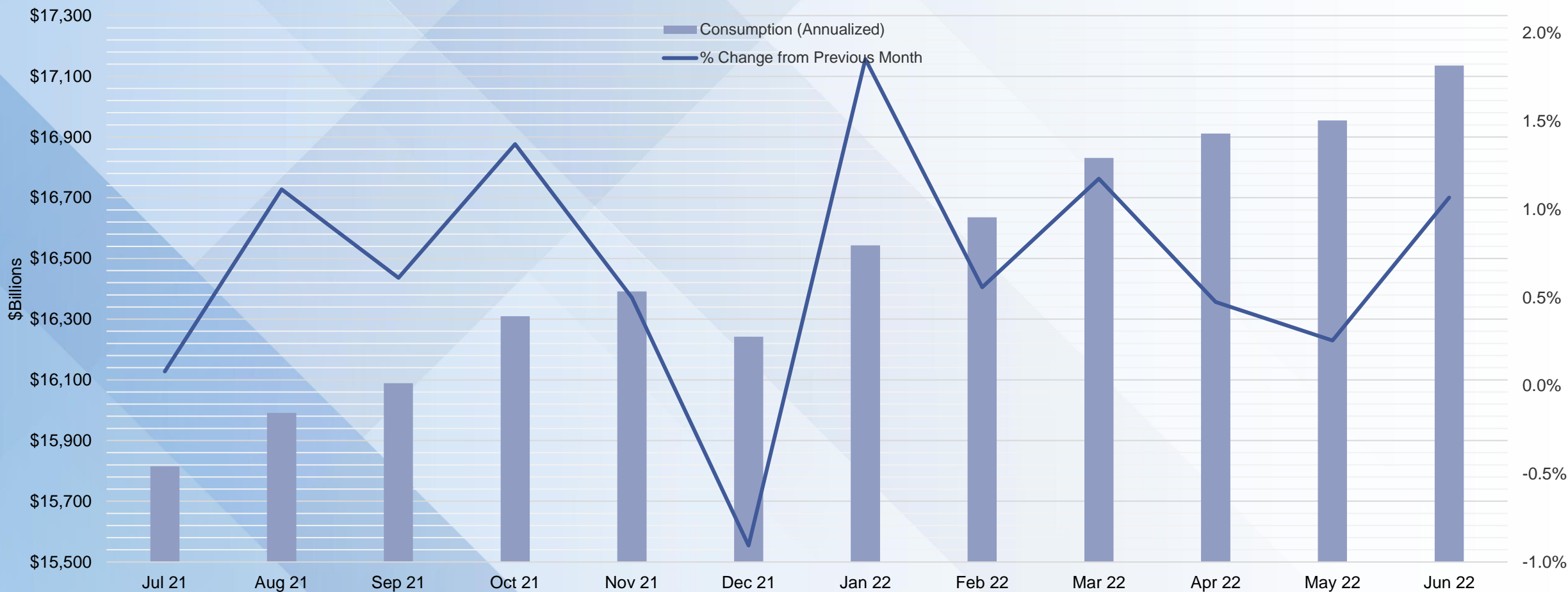
Savings Coming Down After Pandemic Explosion





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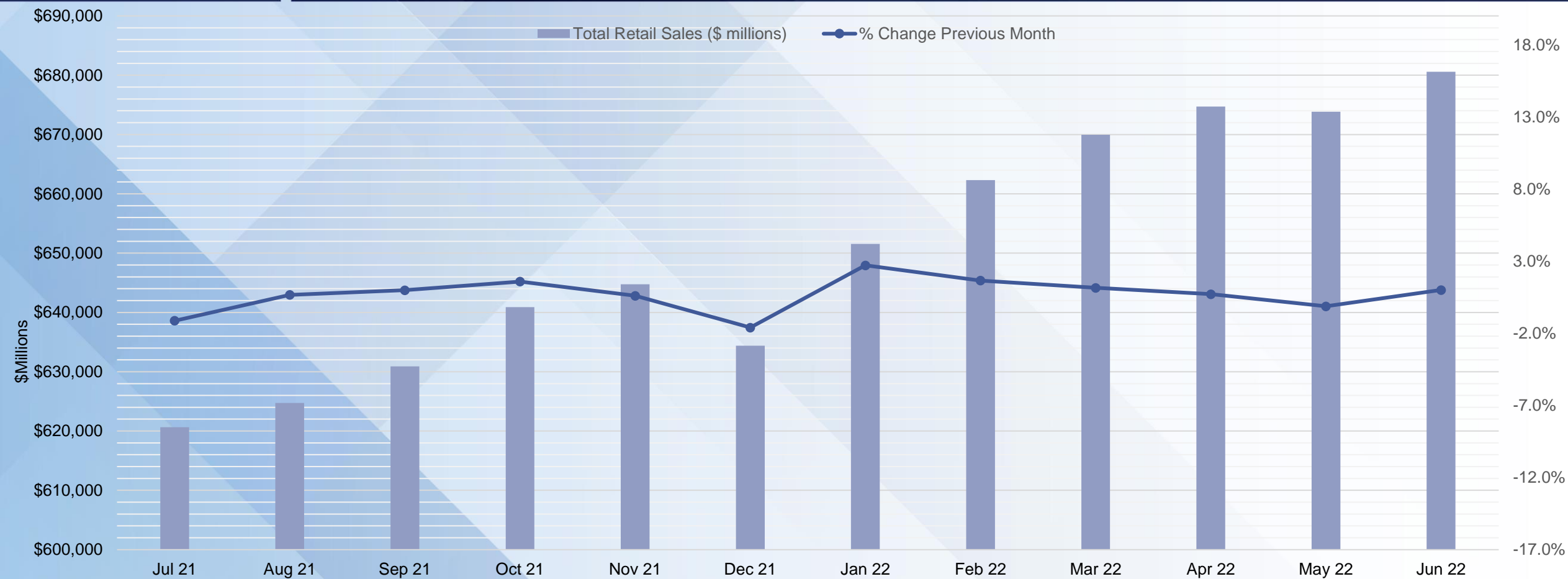
Consumption Rose slightly more than inflation in June





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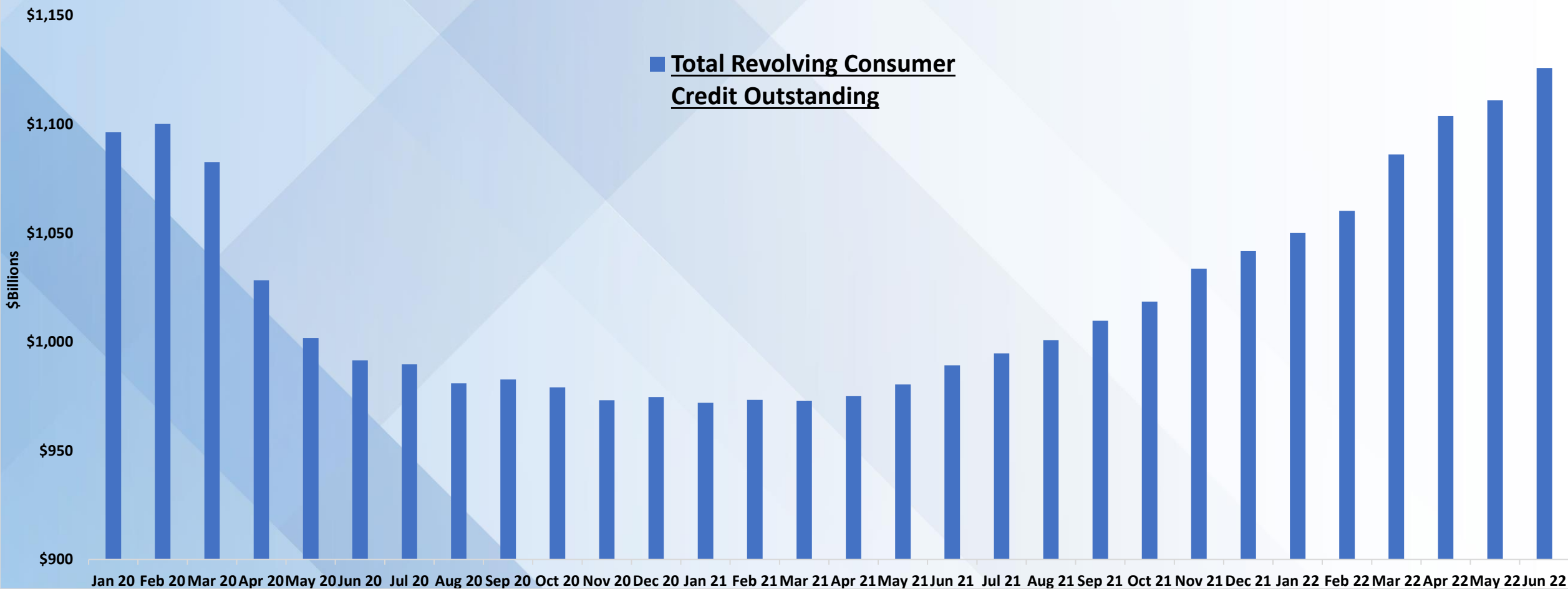
Retail Sales Rose in June – But not Above Inflation





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Consumers Are Carrying Larger Credit Cards Balances to Keep Up With Inflation





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Business Surveys Data



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Small Business Optimism Steady in July





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Manufacturing Sentiment Above Pre-Pandemic Level – *But Leveling Off*





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Services Optimism Rose in July





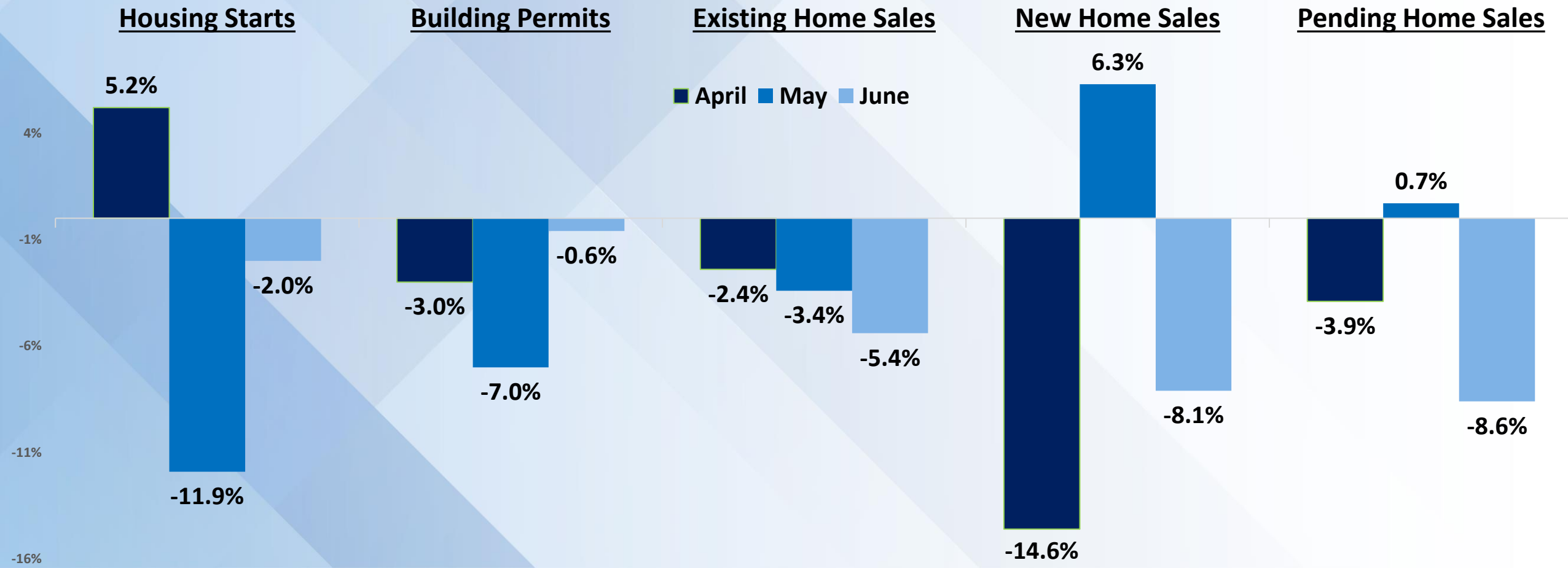
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Housing



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All Housing Market Indicators Down in June





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Home Prices Still Soaring as of May

