



CHAIR JODEY ARRINGTON

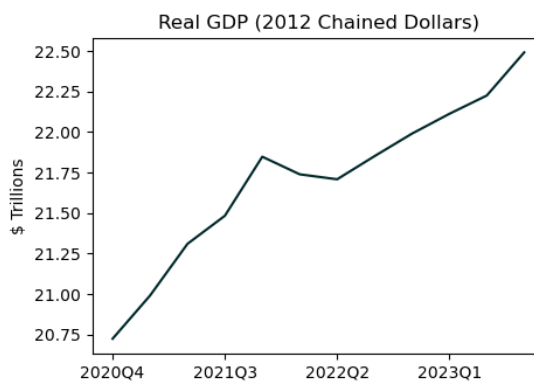
# HOUSE BUDGET COMMITTEE

## Most Recent Data Releases Report as of November 3rd, 2023

### GDP and Consumption Data

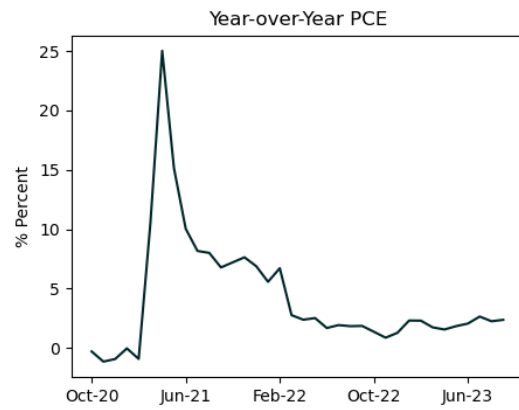
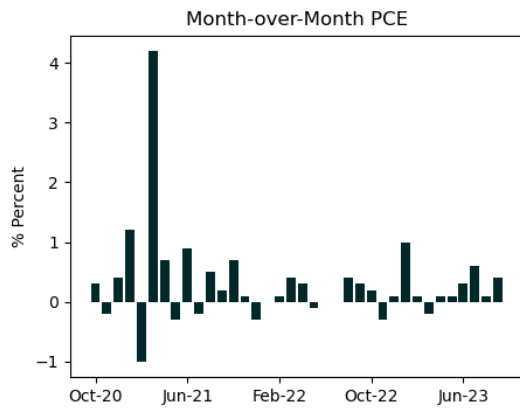
#### Gross Domestic Product

Gross Domestic Product (GDP) represents the total value of goods sold in the United States in a given year and is the best holistic indicator of how well the U.S. economy is doing. The most recently reported GDP statistics from the **3rd quarter of 2023** showed a quarter-over-quarter increase of **4.9 percent** in real GDP, reaching an overall nominal level of **\$27.6 trillion**. Relative to last quarter, which showed a rate of **2.1 percent**, the quarter-to-quarter change increased by **2.8 percent**. The average change over the two most recent quarters, **3.5 percentage points**, is higher than the average change in the two prior quarters, **2.4 percent**, indicating a short-term acceleration in growth. Relative to the the average of 4 to 8 quarters ago, growth in the past two quarters has accelerated by **1.7 percentage points**. Recent trends in real GDP are presented in the figures below, where the figure on the left shows the month-over-month trend in real GDP and the figure on the right shows the trend in overall real GDP (in 2012 dollars), both for the past three years.



#### Personal Consumption Expenditures

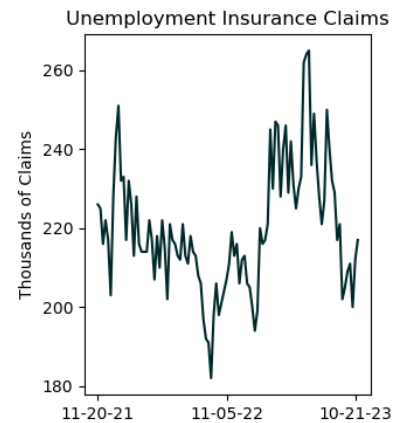
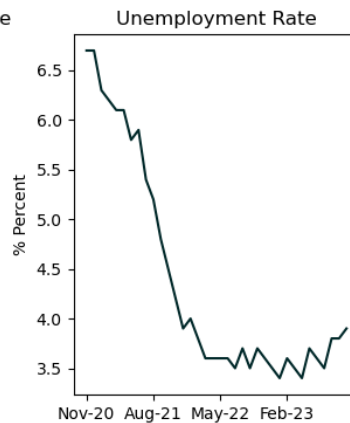
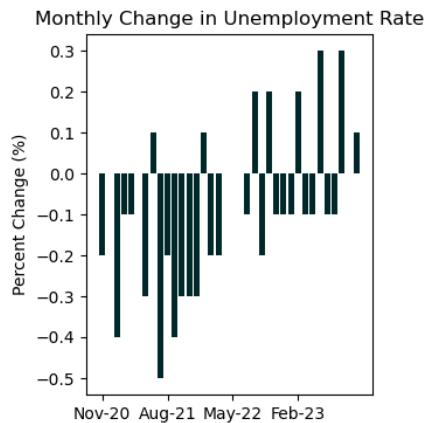
Personal Consumption Expenditures (PCE) measures the total spending on goods and services by American Households, and is a subcomponent of GDP. The most recently reported data as of September 2023 showed a month-over-month increase in real PCE of **0.4 percent** and a year-over-year increase of **2.4 percent**, reaching an overall nominal level of **\$18.85 trillion**. Last month PCE year-over-year change grew by **2.2 percent**. One year ago, the PCE year-over-year change grew by **1.9 percent**. Over the last three months, the average monthly rate of change was **0.4 percent**, which is greater than the **0.2 percent average** added over the prior three months, indicating a short-term acceleration in PCE. Over the past year, the average monthly PCE rate of change was **0.2**, which is **0.1 percentage points** greater than the average monthly PCE rate of change in the prior year of **0.1 percent**, indicating no real long-term change in the rate of change in PCE. Recent trends in PCE are presented in the figures below, where the figure on the left shows the month-over-month trend in PCE growth and the the figure on the right shows the trend in overall PCE, both for the past three years.



## Labor Market Data

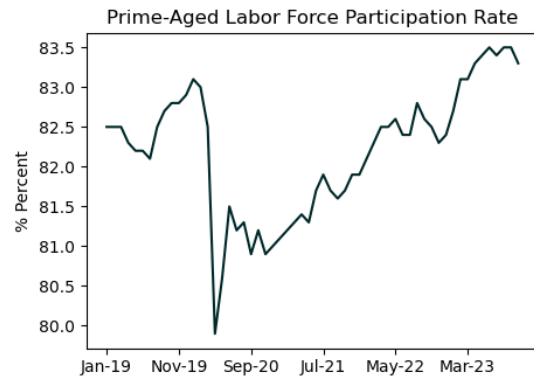
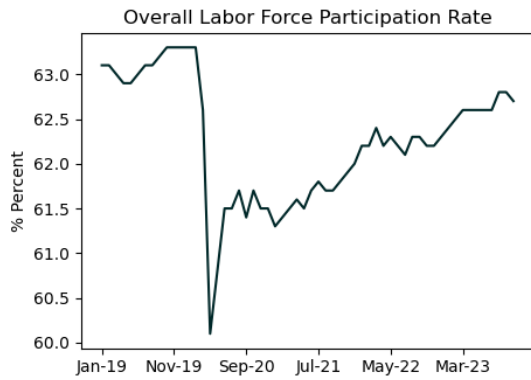
### Unemployment

The unemployment rate reflects the share of the population looking for work that aren't able to attain employment. The October 2023 unemployment rate is **3.9 percent**, or a total of **6.5 million** Americans seeking work but unemployed. This is **0.4 percentage points** higher than the lowest unemployment rate prior to the COVID-19 pandemic: **3.5 percent in February 2020**. Relative to last month, unemployment was reported at **3.8 percent**, **0.1 percentage points lower** than the current rate. One year ago, the unemployment rate was **3.7 percent**. The average unemployment rate over the last three months, **3.8 percent**, is **0.2 percentage points higher** than the three months prior, **3.6 percent**, indicating a short-term increase in the unemployment rate. The average unemployment rate over the past 12 months, **3.6 percent**, is **0.1 percentage points lower** than the average unemployment rate over the prior 12 months, **3.7 percent**. This indicates a longer-term decline in the unemployment rate. Unemployment statistics are also represented in the rate of Unemployment Insurance Claims. Reported on a weekly basis, the most recent number of national unemployment insurance claims was **217 thousand**. 4 weeks ago, the number of claims was **209 thousand**, and 1 year ago, the number of claims was **204 thousand**. Below are figures showing the month-over-month change, as well as the overall unemployment rate and number of unemployment insurance claims over the last 36 months.



### Labor Force Size and Participation Rate

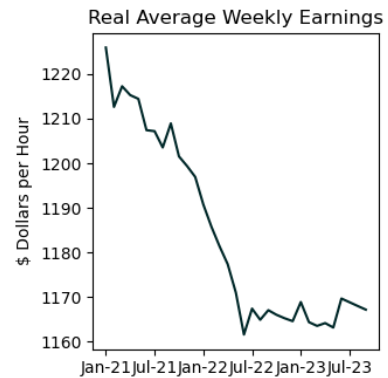
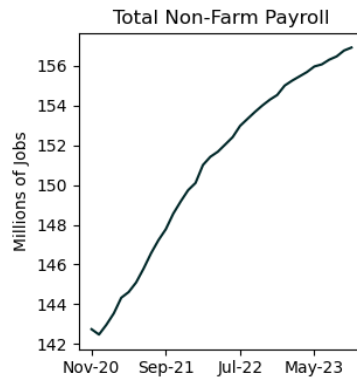
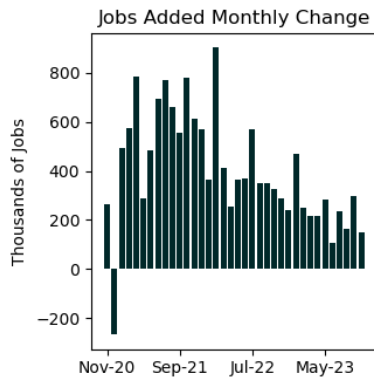
The labor force participation rate reflects the share of the population aged 16+ that is either employed or actively seeking work. The October 2023 labor force participation rate is **62.7 percent**, equating to a total labor force of **167.73 million** Americans. This is **0.6 percentage points lower** than the labor force participation rate just prior to the COVID-19 pandemic: **63.3 percent in February 2020**. This equates to approximately **1.56 million fewer Americans in the labor force** when adjusting for population gains. Relative to last month, the labor force participation rate decreased **0.1 percentage points**, from **62.8 percent**. Since 12 months ago, the labor force participation rate increased **0.5 percentage points**, from **62.2 percent**. The prime age labor force participation rate, or the share of the population aged 25-54 either employed or seeking work, is **83.3 percent** in October 2023. Relative to pre-pandemic levels, **83.0 percent** in February 2020, the prime aged labor force participation rate is up **0.3 percentage points**. Below are figures showing overall and prime-aged labor force participation rates since the beginning of 2019, respectively.



### Jobs and Earnings

Total employment in the economy, distinct from the labor force participation rate, is measured each month in the non-farm payroll survey. The most recent report from October 2023 showed a total employment level of **156.92 million Americans**, an increase of **150 thousand jobs** since last month. Over the last three months, the average number of jobs added amounts to **204 thousand**, which is less than the **207 thousand jobs** added over the prior three months, indicating no real short-term change in jobs added. Over the past year, the average monthly number of jobs added amounts to **243 thousand**, which is **223 thousand jobs** less than the **466 thousand jobs** added on average each month over last year, indicating a longer-term deceleration in the rate of job gains.

Earnings are typically measured by on an average weekly basis. The most recent earnings data, from September 2023, shows average private sector earnings at **\$1167.19 per week**. Relative to when President Biden took office in January 2021, real earnings are down **4.8 percentage points**. This means that real earnings are **95.2 percent** of what they were in January 2021. Below are figures showing the last 3 years of monthly changes in jobs (left) and total non-farm payroll (middle), as well as real average weekly earnings (right) in September 2023 terms.

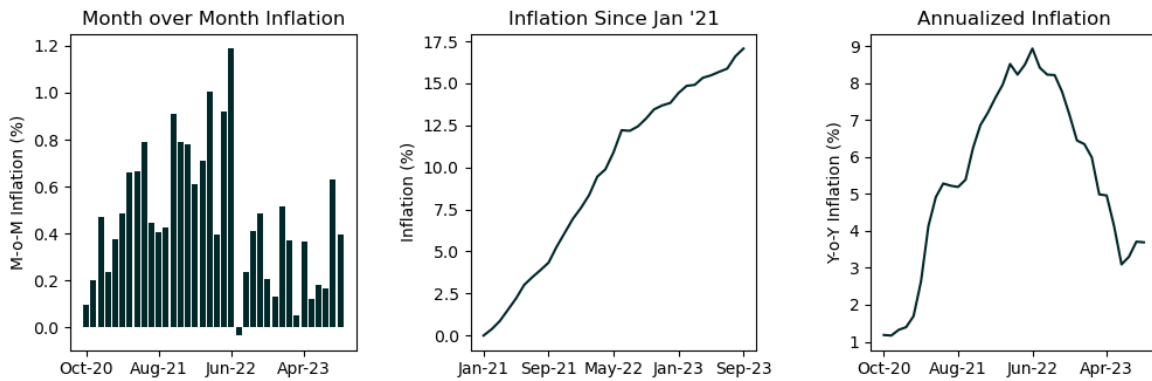


### Inflation Data

#### CPI Inflation

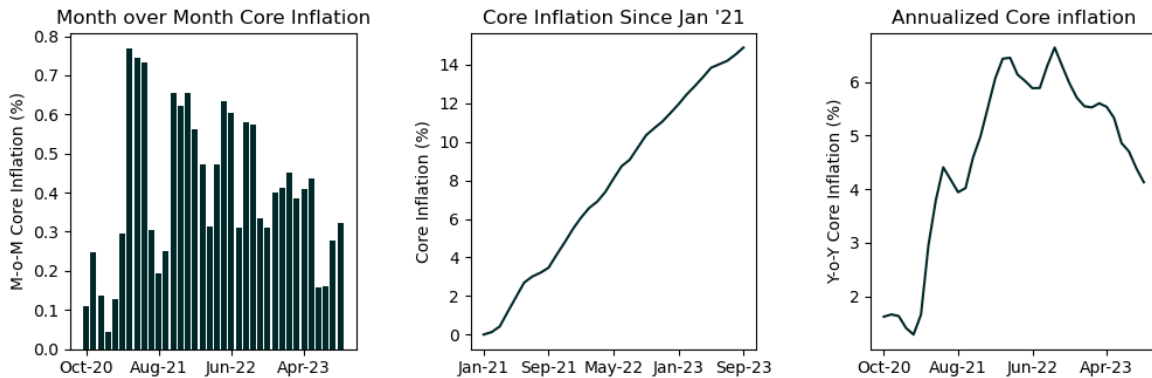
The Consumer Price Index (CPI) is an index that surveys and measures the prices that the average consumer pays to purchase a standard basket of goods, and is the most commonly used and cited measure of inflation. The most recent CPI release as of September 2023 reports year-over-year inflation at **3.7 percent**, down from **3.7 percent** last month and down from **8.2 percent** 12 months ago. Month-over-month, prices increased **0.4 percent**. Since January 2021, prices have increased **17.1 percent**. This means that the average family of four is paying an additional **\$15107 per year or \$1259 per month** to purchase the same goods and services as in January 2021. Month-over-month CPI rose **0.4 percent**, down from **0.6 percent** last month. Over the last three months, the average monthly rate of change was **0.4 percent**, which is greater than the **0.2 percent** average added over the prior three months, indicating a short-term acceleration in CPI. Over the past year, the average monthly CPI rate of change was **0.3**, which is **0.4 percentage points** less than the average monthly CPI rate of change last year of **0.7 percent**, indicating a longer-term deceleration in the rate of change in CPI. Overall increases in prices are displayed in the figures below, with the chart on the left showing month-over-month inflation, the middle showing the increase in overall consumer prices since January 2021, and the

graph on the right showing year-over-year inflation for the last 36 months. A more detailed breakdown of CPI inflation by category - such as by food, energy, and housing inflation - can be found in a similar report on the House Budget Committee website, linked [here](#).



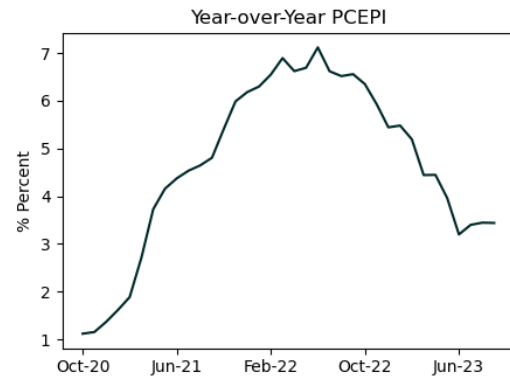
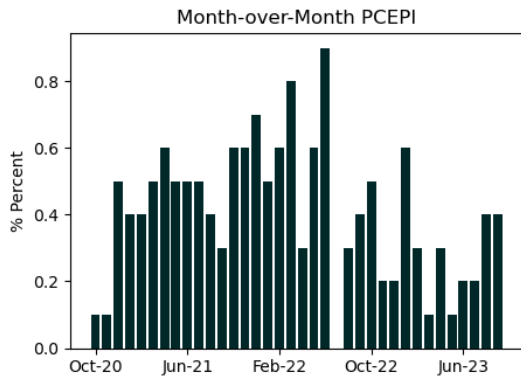
### CPI Core Inflation

Core CPI is the CPI index excluding the volatile food and energy categories, designed to more accurately depict the underlying inflation in the economy. The most recent core CPI release as of September 2023 reports year-over-year core inflation at **4.1 percent** down from **4.4 percent** last month and down from **6.6 percent** 12 months ago. Month-over-month, prices increased **0.3 percent**. Over the last three months, the average monthly rate of change was **0.2 percent**, which is less than the **0.3 percent** average added over the prior three months, indicating a short-term deceleration in CPI. Over the past year, the average monthly CPI rate of change was **0.3**, which is **0.2** percentage points less than the average monthly CPI rate of change last year of **0.5 percent**, indicating a longer-term deceleration in the rate of change in CPI. Overall increases in prices are displayed in the figures below, with the chart on the left showing month-over-month core inflation, the middle showing the increase in overall consumer prices since January 2021, and the graph on the right showing year-over-year core inflation for the last 36 months.



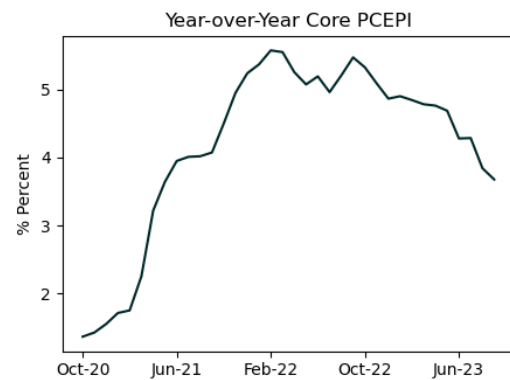
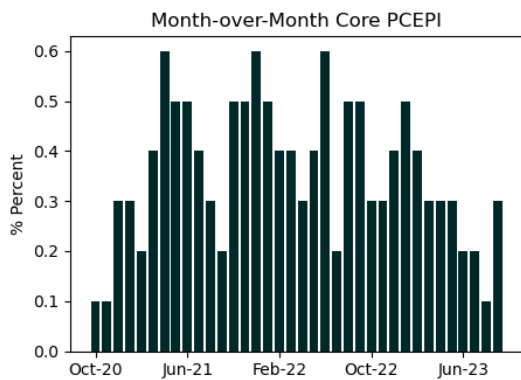
### PCEPI Inflation

The Personal Consumption Expenditures Price Index (PCEPI) is another inflation index that measures prices that businesses charge for goods and services rather than what consumers pay. This makes the PCEPI more comprehensive of total changes in prices and thus is the preferred measure of inflation used by the Federal Reserve. The most recent PCEPI release as of September 2023 reports a year-over-year rate of inflation at **3.4 percent** down from **3.4 percent** last month and down from **6.6 percent** 12 months ago. Month-over-month PCEPI rose **0.4 percent**, unchanged from **0.4 percent** last month. Over the last three months, the average monthly rate of change was **0.3 percent**, which is greater than the **0.2 percent** average added over the prior three months, indicating a short-term acceleration in PCEPI. Over the past year, the average monthly PCEPI rate of change was **0.3**, which is **0.2** percentage points less than the average monthly PCEPI rate of change of **0.5 percent**, indicating a longer-term deceleration in the rate of change in PCEPI. Below are figures showing the month-over-month and year-over-year changes in PCEPI, respectively.



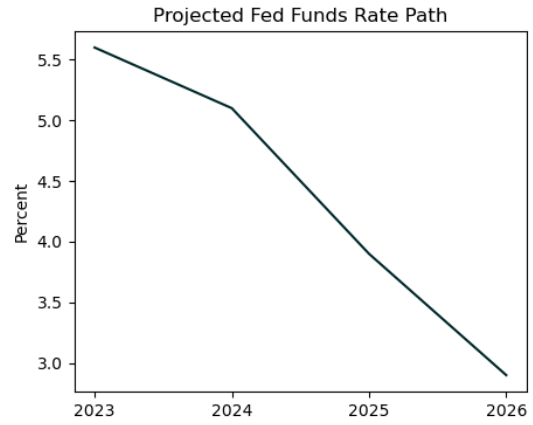
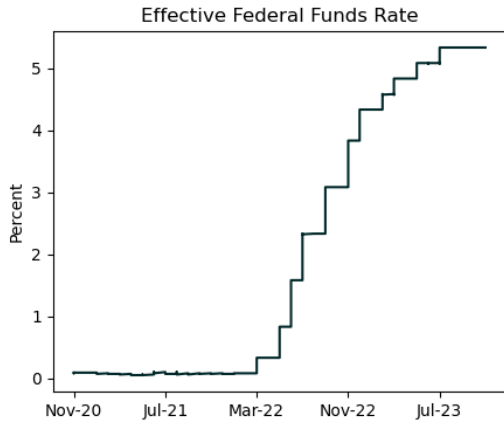
### Core PCEPI Inflation

Core PCEPI is the rate of PCEPI inflation that excludes the volatile food and energy categories. This is the index most preferred by the Federal Reserve as the most accurate measure of inflation. The most recent Core PCEPI release as of September 2023 reports a year-over-year rate of inflation at **3.7 percent** down from **3.8 percent** last month and down from **5.5 percent** 12 months ago. Month-over-month core PCEPI rose **0.3 percent**, up from **0.1 percent** last month. Over the last three months, the average monthly rate of change was **0.2 percent**, which is less than the **0.3 percent** average added over the prior three months, indicating a short-term deceleration in core PCEPI. Over the past year, the average monthly core PCEPI rate of change was **0.3**, which is **0.2** percentage points less than the average monthly core PCEPI rate of change of **0.5 percent**, indicating a longer-term deceleration in the rate of change in core PCEPI. Below are figures showing the month-over-month and year-over-year changes in core PCEPI, respectively.



### Federal Reserve: Federal Funds Rate

The Federal Reserve (Fed) uses its monetary policy tools to influence the macroeconomy. Its primary policy instrument is its ability to influence interest rates by setting the Federal Funds Rate (FFR). The FFR sets the rates that the Fed pays banks on their deposits, thereby increasing the rates banks charge for other interest rates when the FFR rises. Increasing interest rates increases the cost of borrowing, thereby slowing consumption by individuals and businesses and reducing overall demand in the economy and is the chief mechanism used by the Fed to reduce inflation. Setting the FFR is something of an imprecise science, so the Fed uses its tools to place the FFR in a range of .25 basis points. The most recent range for the FFR set by the Fed is between **5.25 and 5.5 percent**, resulting in an effective FFR (EFFR) of **5.33 percent**. 1 month ago, the EFFR was **5.33**; 3 months ago, the EFFR was **5.33**; 6 months ago, the EFFR was **4.83**; 1 year ago the EFFR was **3.08**; 2 years ago the EFFR was **0.08**. Additionally, every other meeting of the Federal Open Market Committee (FOMC) - which happen approximately every six weeks - a Summary of Economic Projections (SEP) is released. Contained is a forecast made by the members of the FOMC for the median future expected path of the FFR. The most recent SEP projects a median FFR of **5.1 percent in 2024, 3.9 percent in 2025 and 2.9 percent in 2026**. Below are two figures, with the left showing the daily EFFR over the past three years, and the right showing the most recent Summary of Economic Projections forecast for the future path of the FFR.



## Additional Miscellaneous Economic Statistics

### Stock Prices

The S&P 500 is one of the foremost traded major stock indices, made up of 500 of the United States' largest companies. The most recently reported price, as of November 2, 2023 was **\$4318** . The average monthly price last month was **\$4278** ; 3 months ago it was **\$4457** ; 6 months ago it was **\$4146** ; 1 year ago it was **\$3917** ; 2 years ago it was **\$4667** . When President Biden took office in January 2021, the average price over that month was **\$3794** .

### Gas Prices

The Energy Information Administration reports the national average for U.S. Regular All Formations Gas pfrprice - a wholistic metric for the average gas price Americans pay across the country. The most recently reported price gas price, as of October 30, 2023 was **\$3.47 per gallon**. The average monthly price last month was **\$3.61 per gallon**; 3 months ago it was **\$3.6 per gallon**; 6 months ago it was **\$3.6 per gallon**; 1 year ago it was **\$3.82 per gallon**; 2 years ago it was **\$3.29 per gallon**. When President Biden took office in January 2021, the average price over that month was **\$2.33 per gallon**. Below are figures of the last 3 years of data for both the S&P 500 and average gas prices, respectively.

