

*May 7, 2025*

# Economic Update

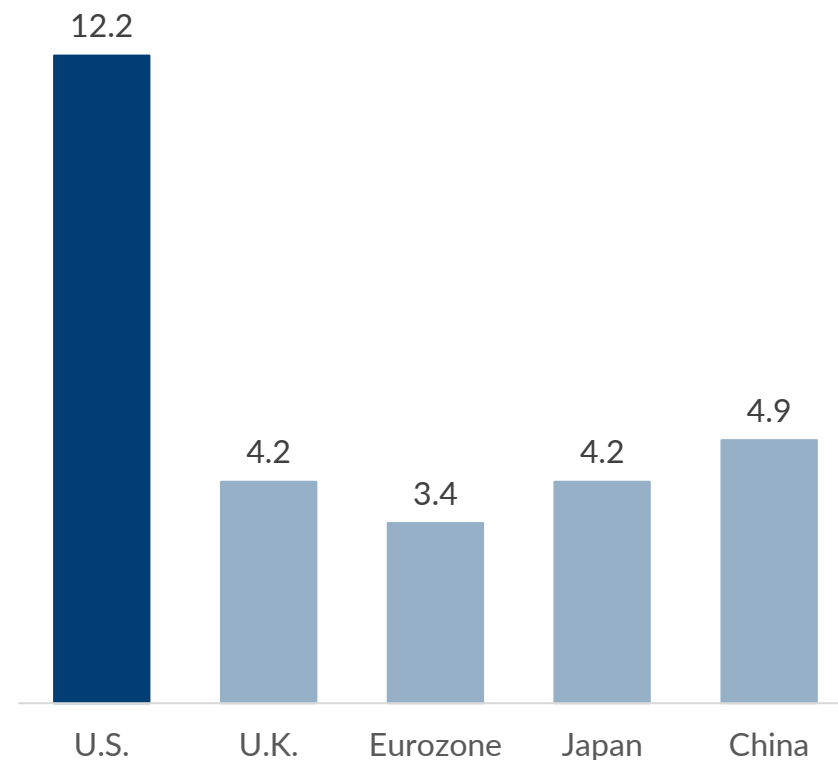
Paul Single  
Managing Director and Senior Economist  
[paul.single@cnr.com](mailto:paul.single@cnr.com)

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National Hotel Finance &  
Investment Conference

# GDP



**GDP: Selected Countries/Economic Region**  
% change from 2019:Q4 to 2024:Q4



Data current as of May 1, 2025

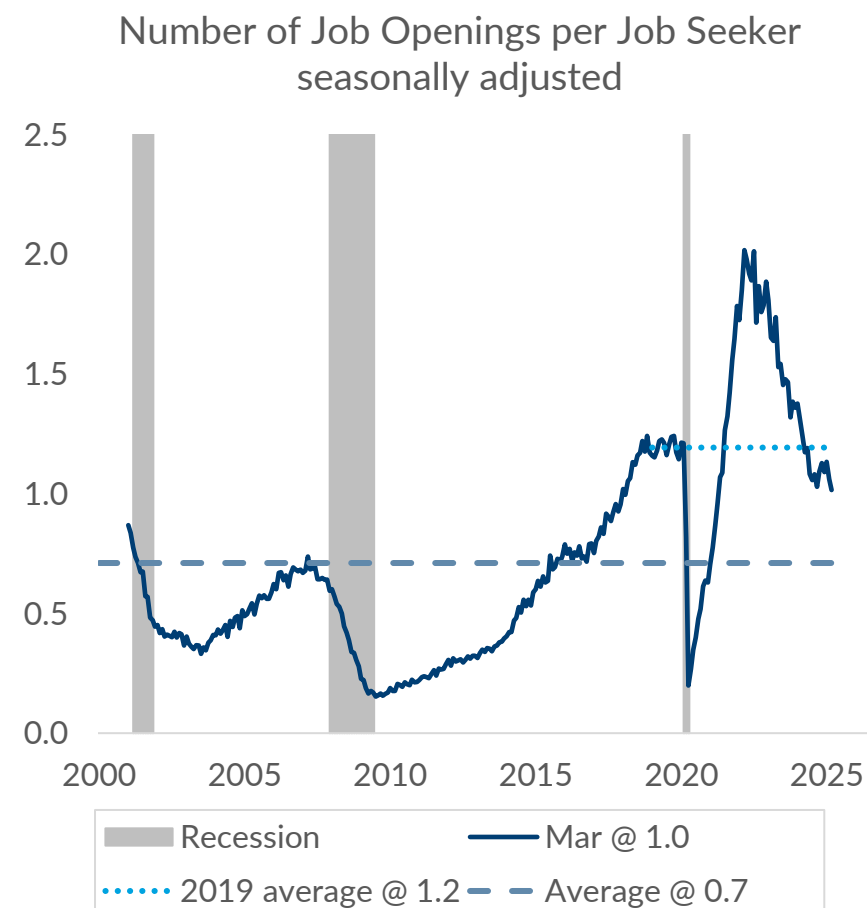
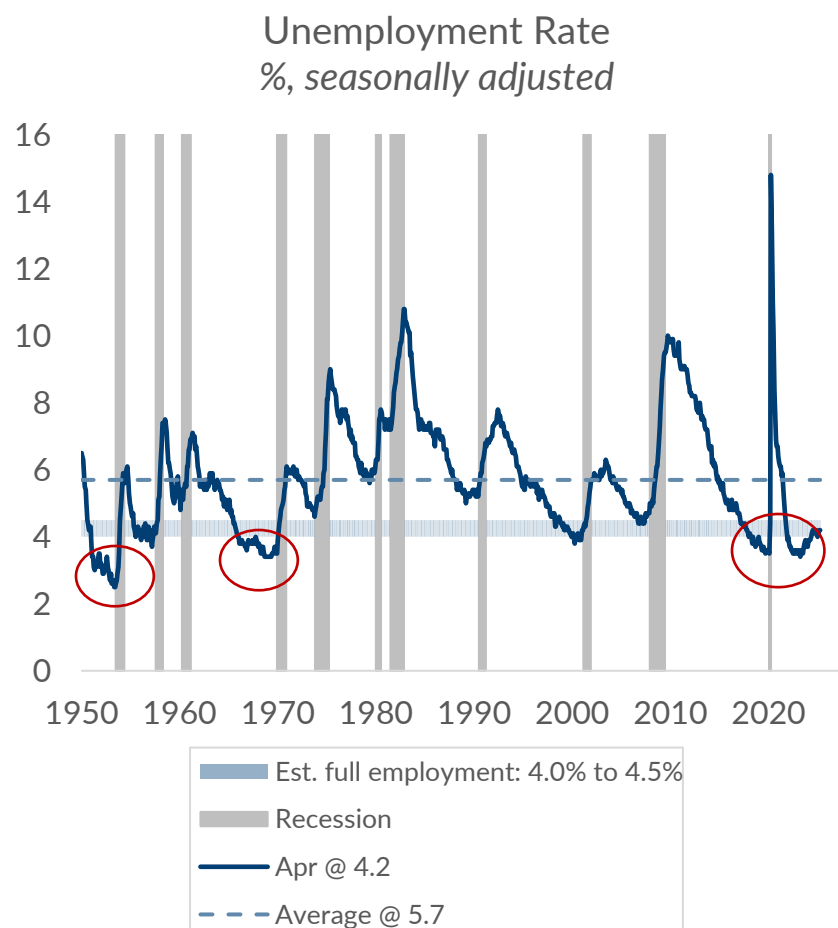
Source: : Bureau of Economic Research, UK Office for National Statistics, Eurostat, Economic and Social Research Institute Japan, National Bureau of Statistics of China

Information is subject to change and is not a guarantee of future results.

NON-DEPOSIT INVESTMENT PRODUCTS: • ARE NOT FDIC INSURED • ARE NOT BANK GUARANTEED • MAY LOSE VALUE



# Labor



Data current as of May 2, 2025

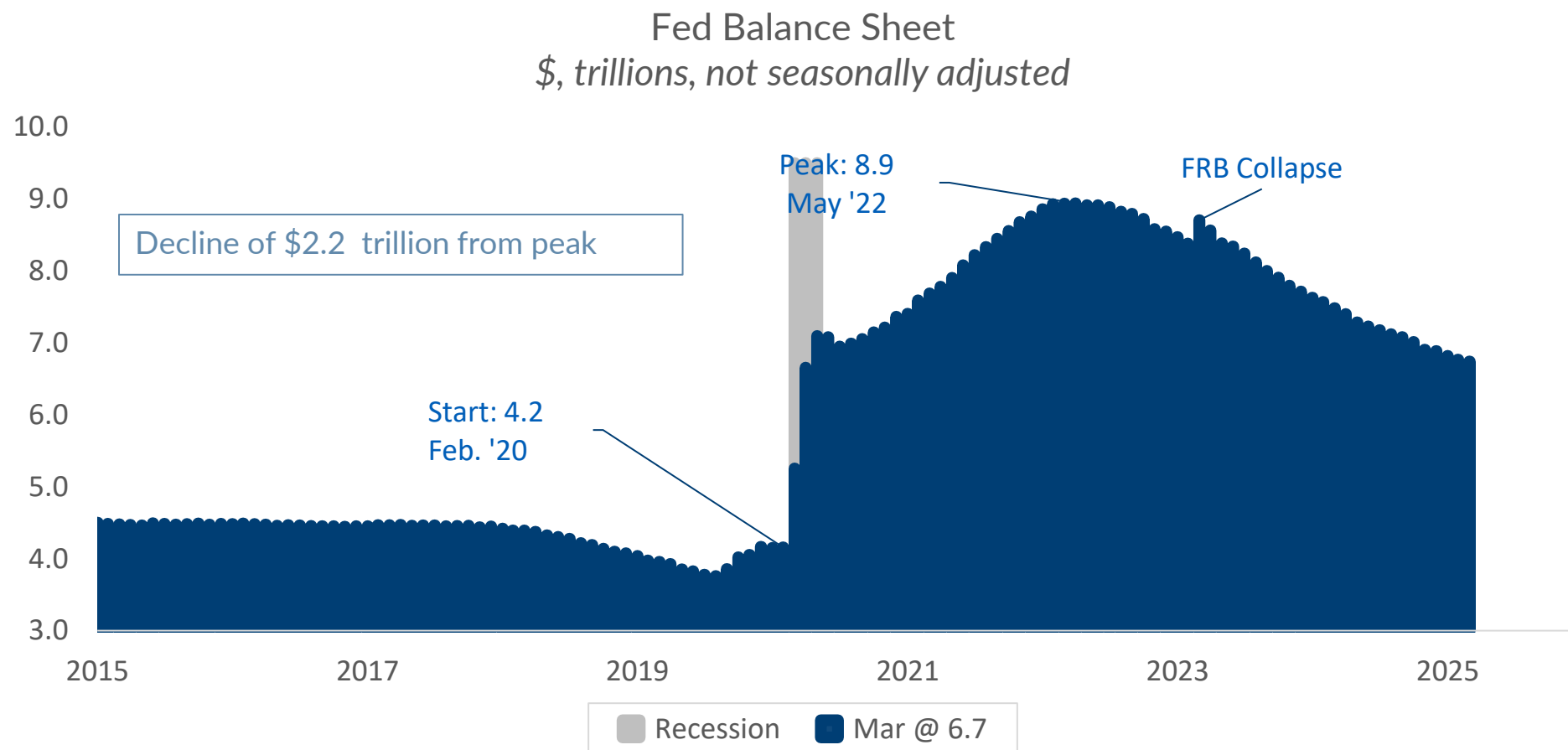
Source: Bureau of Labor Statistics

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# Monetary Policy



Data current as of April 14, 2025

Source: Federal Reserve Bank

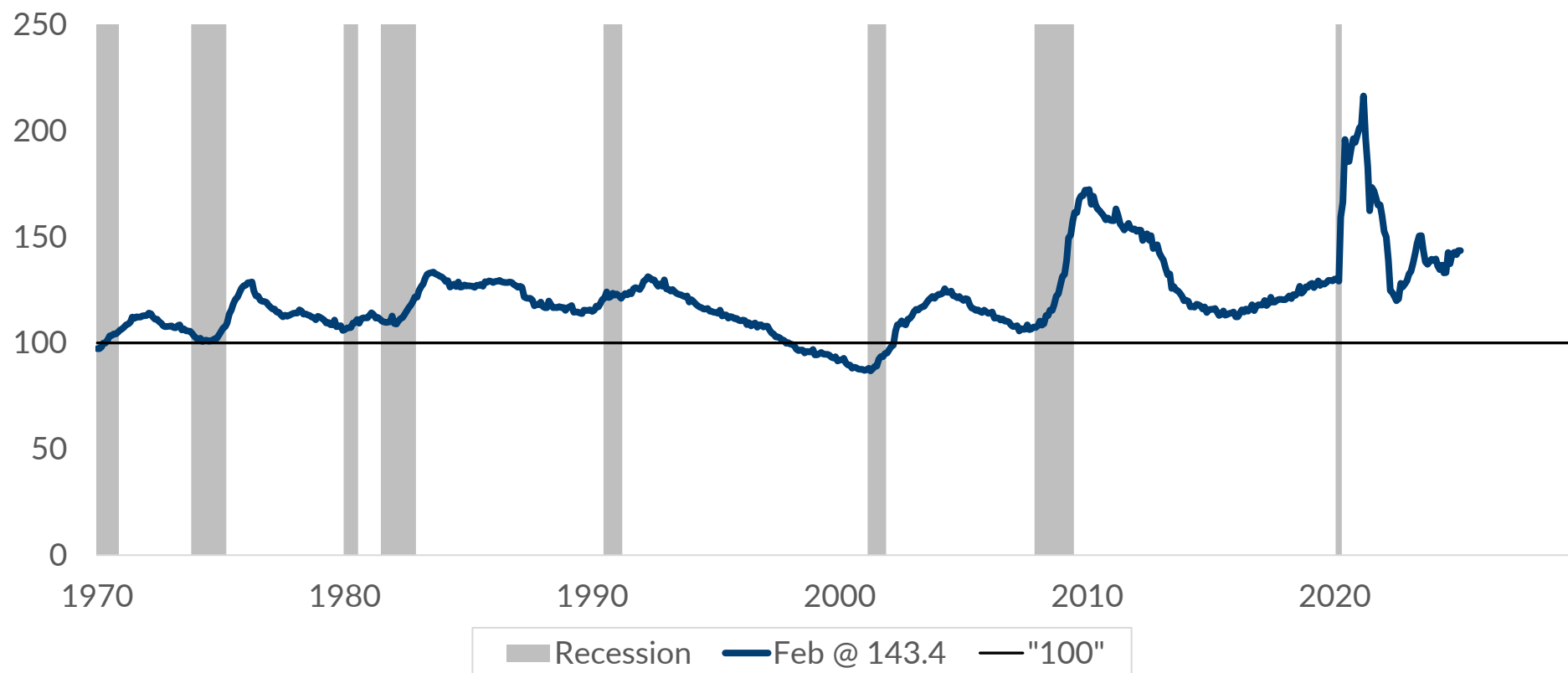
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# Fiscal Policy

U.S. Federal Debt: Outlays as a Percent of Revenue  
%, 12-month moving average



Data current as of April 14, 2025

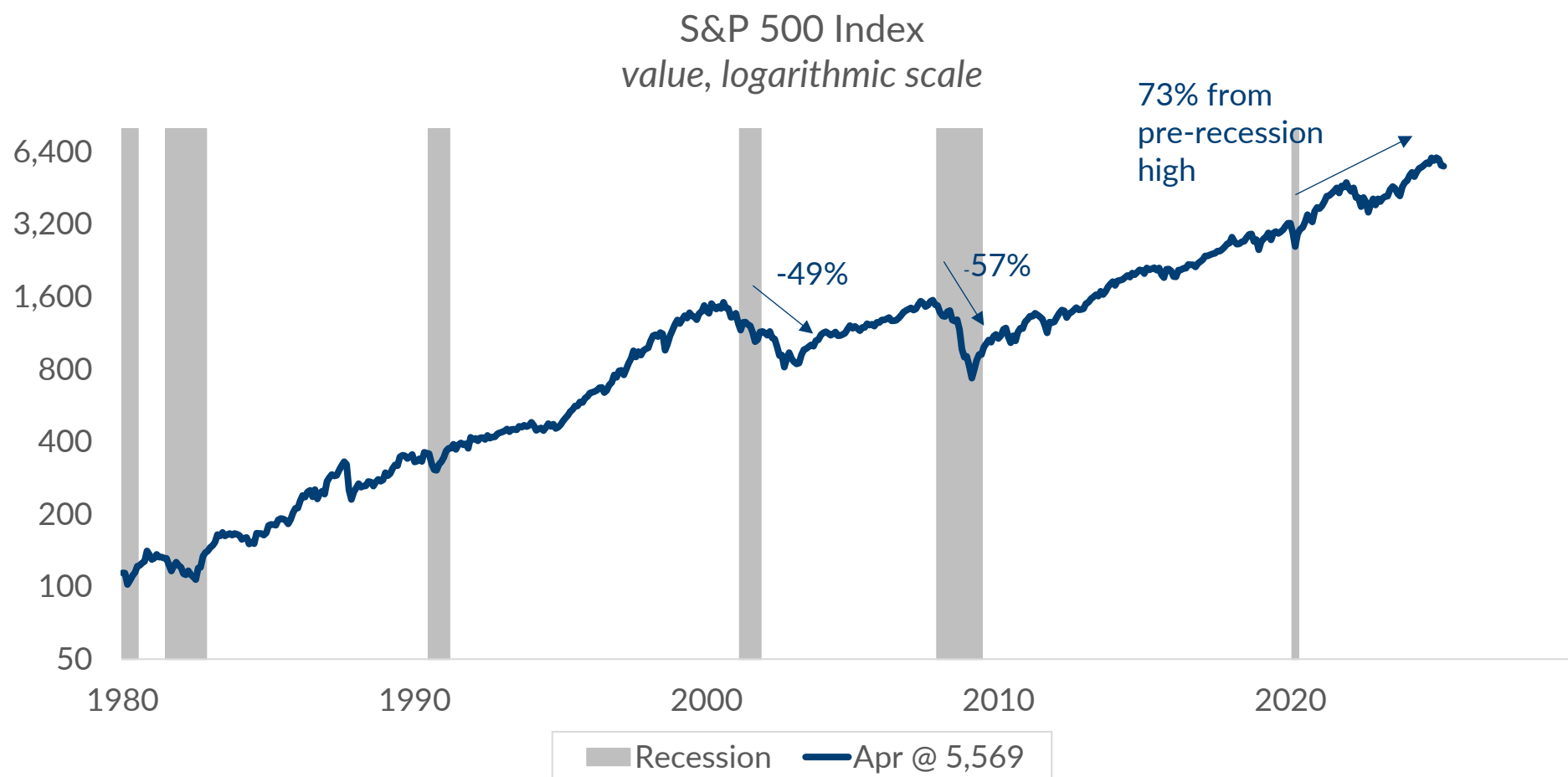
Source: U.S. Treasury

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# Household Wealth



Data current as of May 1, 2024

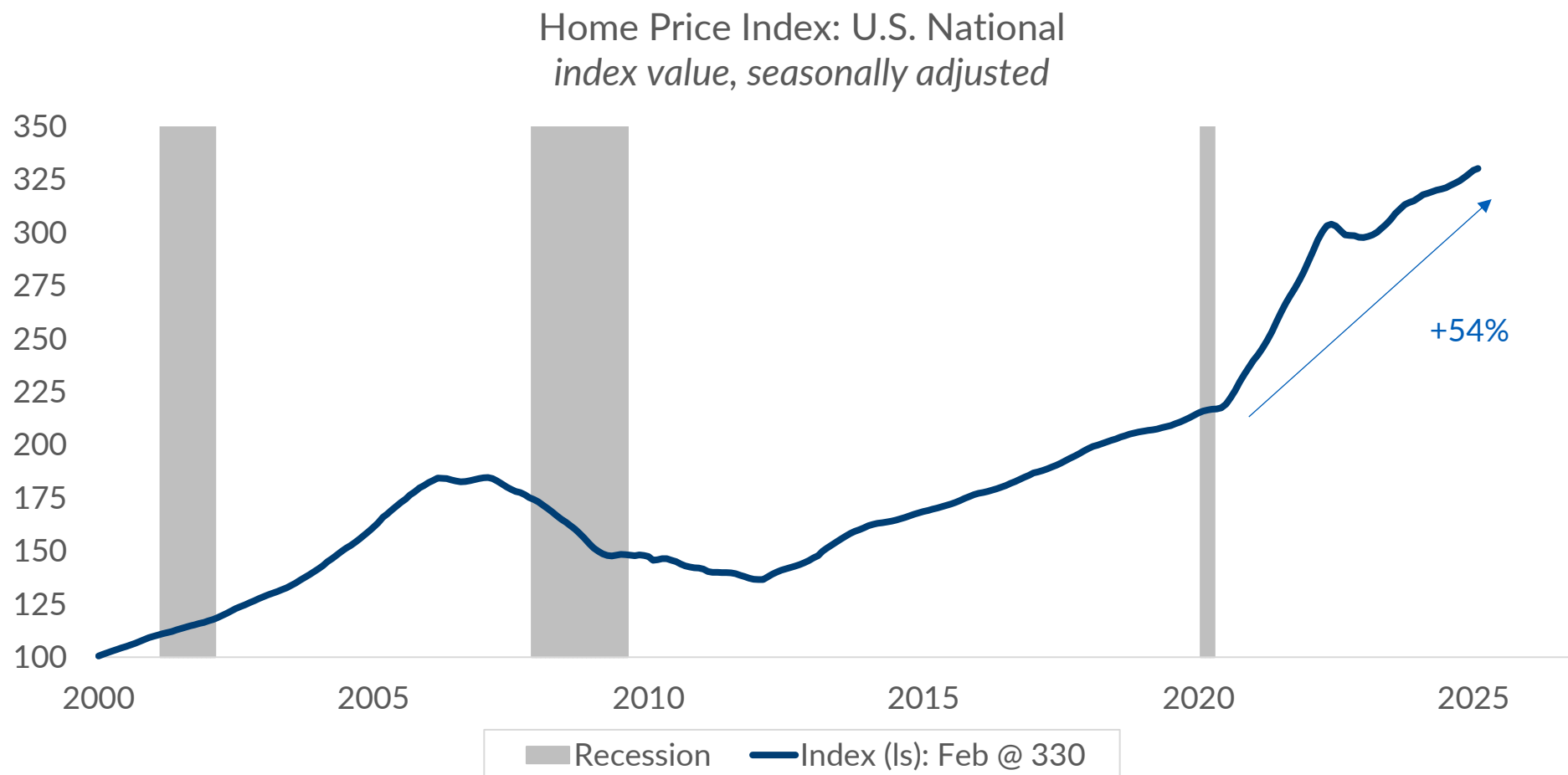
Source: S&P Dow Jones Indices

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# Household Wealth



Data current as of May 1, 2025

Source: S&P CoreLogic Case Shiller

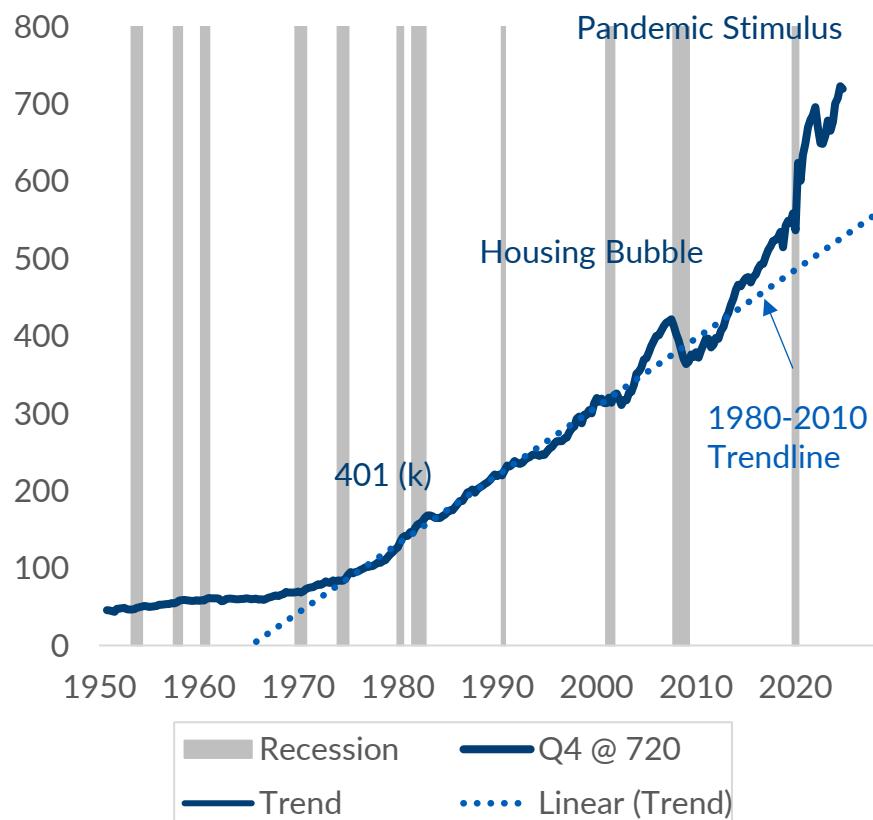
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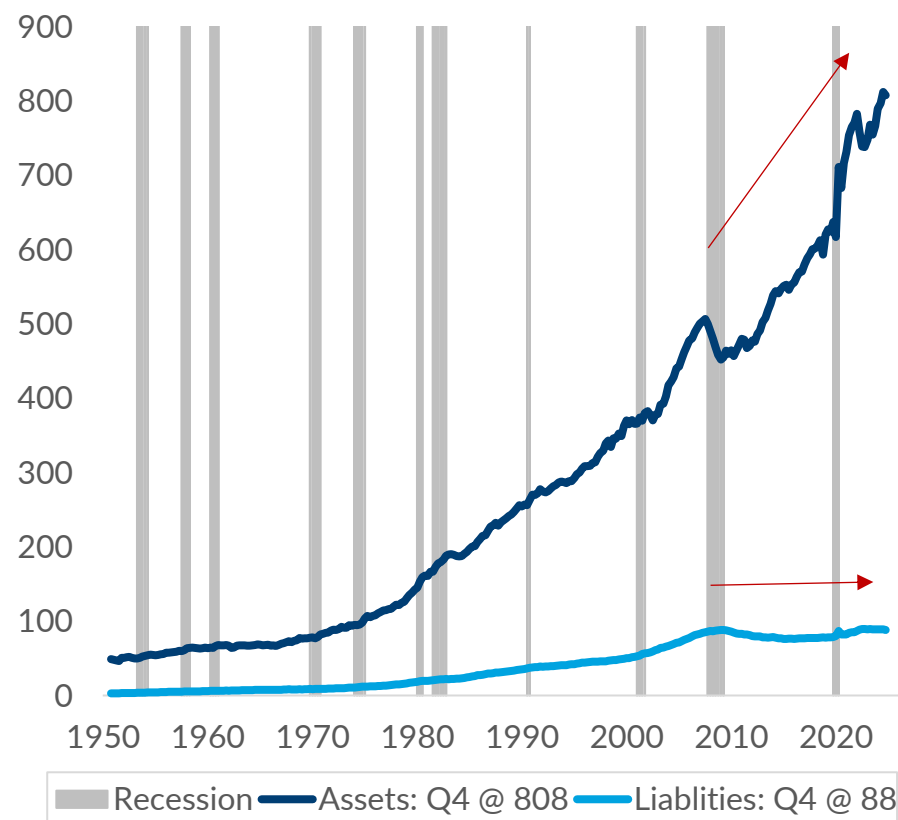


# Household Wealth

Household Net Worth  
as a percent of GDP



Household Assets and Liabilities  
as a percent of GDP



Data current as of April 14, 2025

Source: Federal Reserve Bank

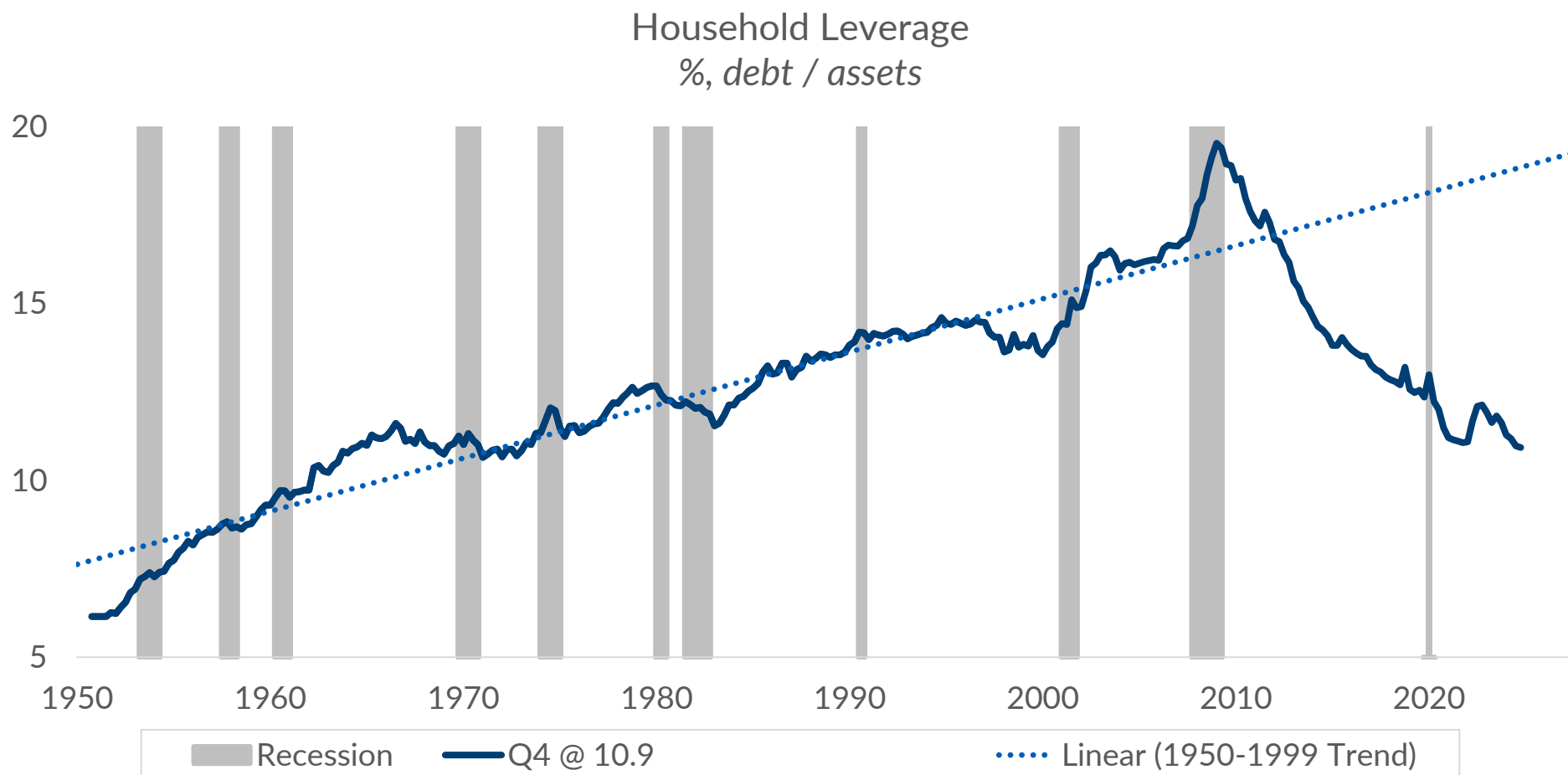
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# The Consumer



Data current as of April 14, 2025

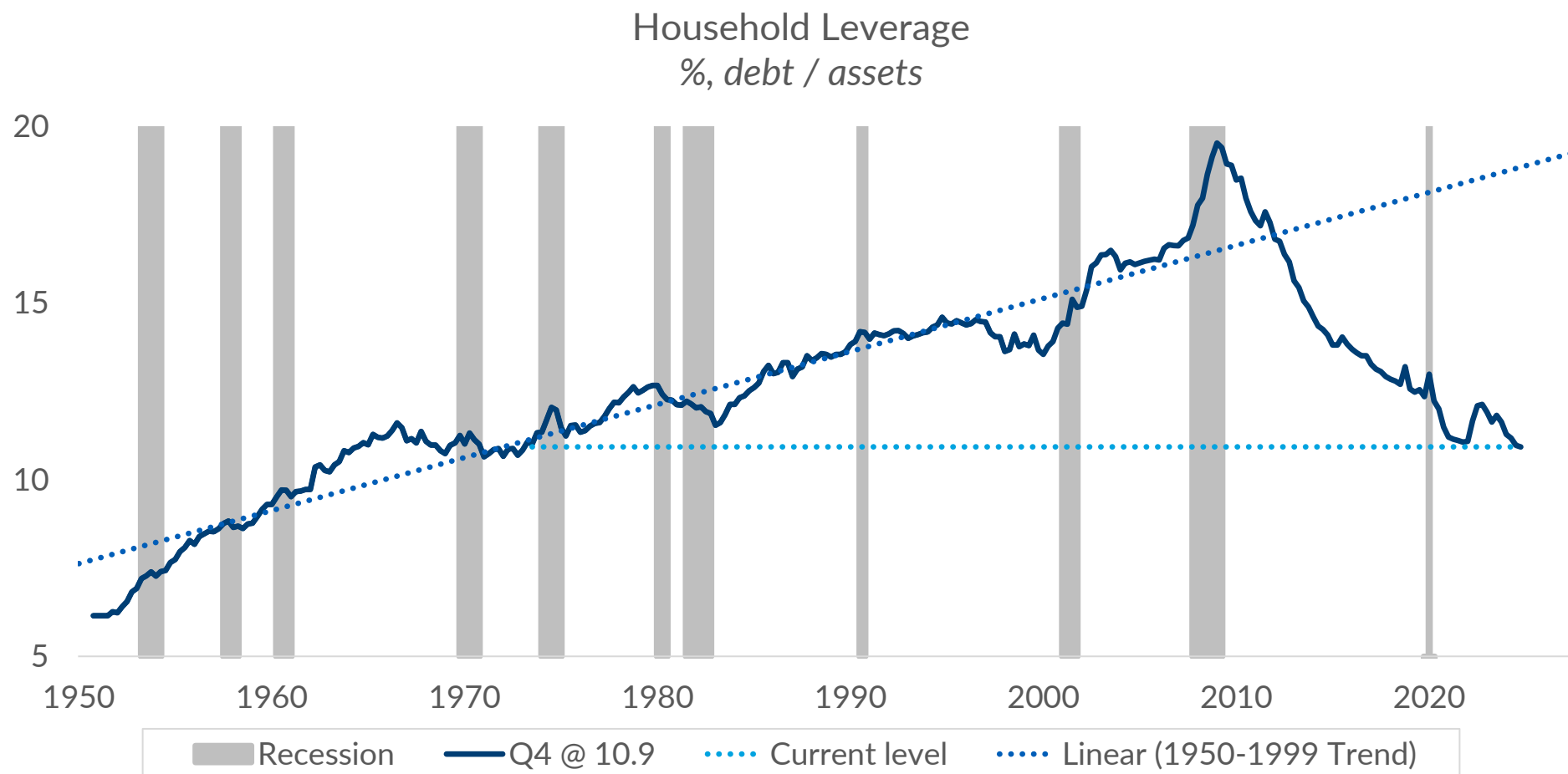
Source: Federal Reserve Bank

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# The Consumer



Data current as of April 14, 2025

Source: Federal Reserve Bank

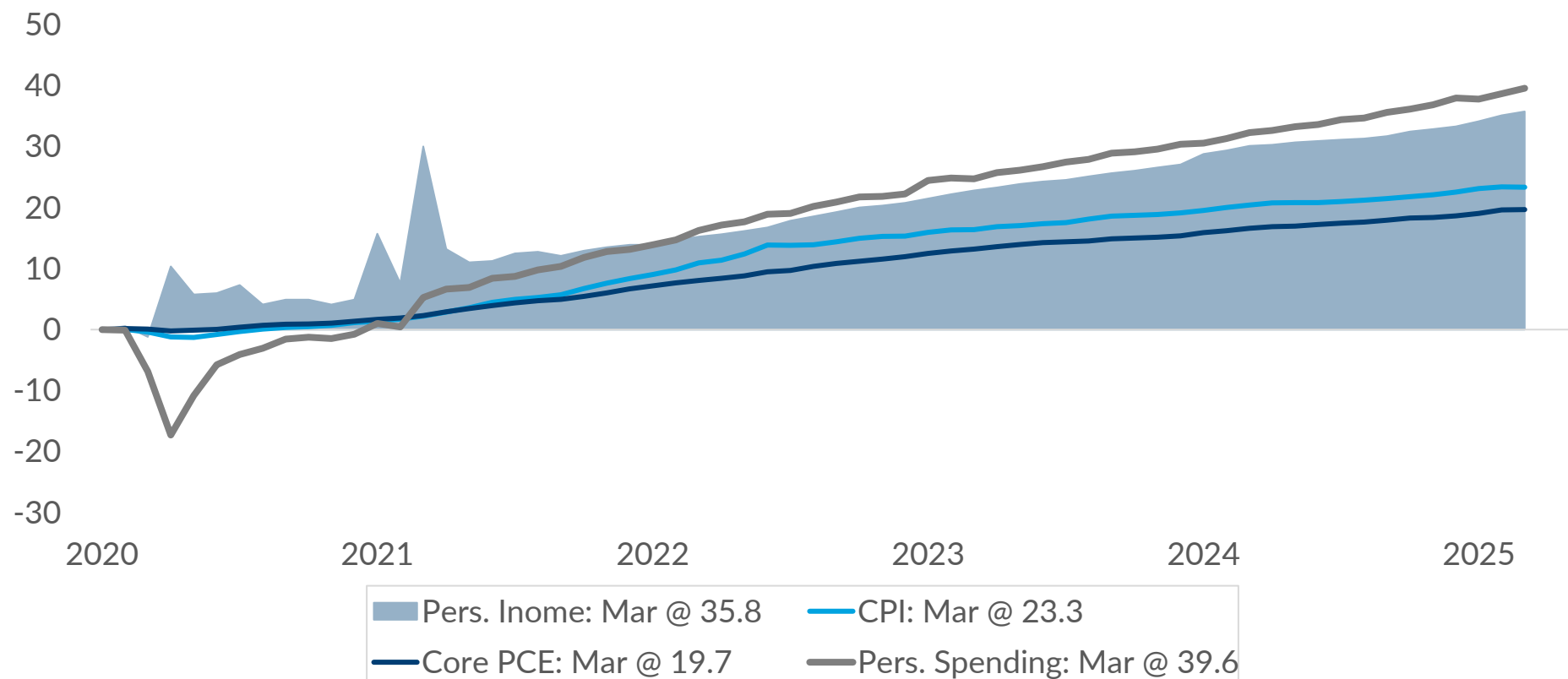
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# Spending

Income, Inflation, & Spending  
%, indexed at 0.0 on January 2020



Data current as of May 1, 2025

Source: Bureau of economic analysis, Bureau of Labor Statistics

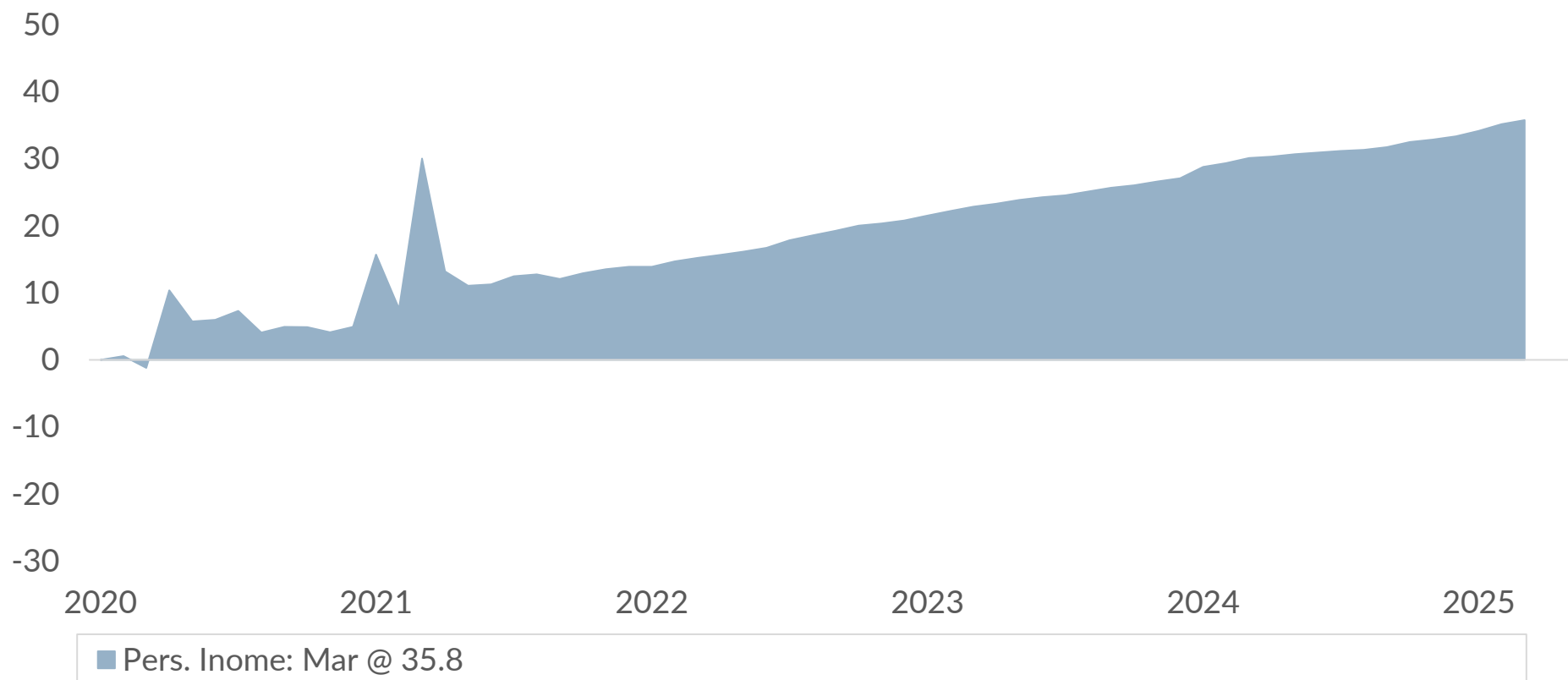
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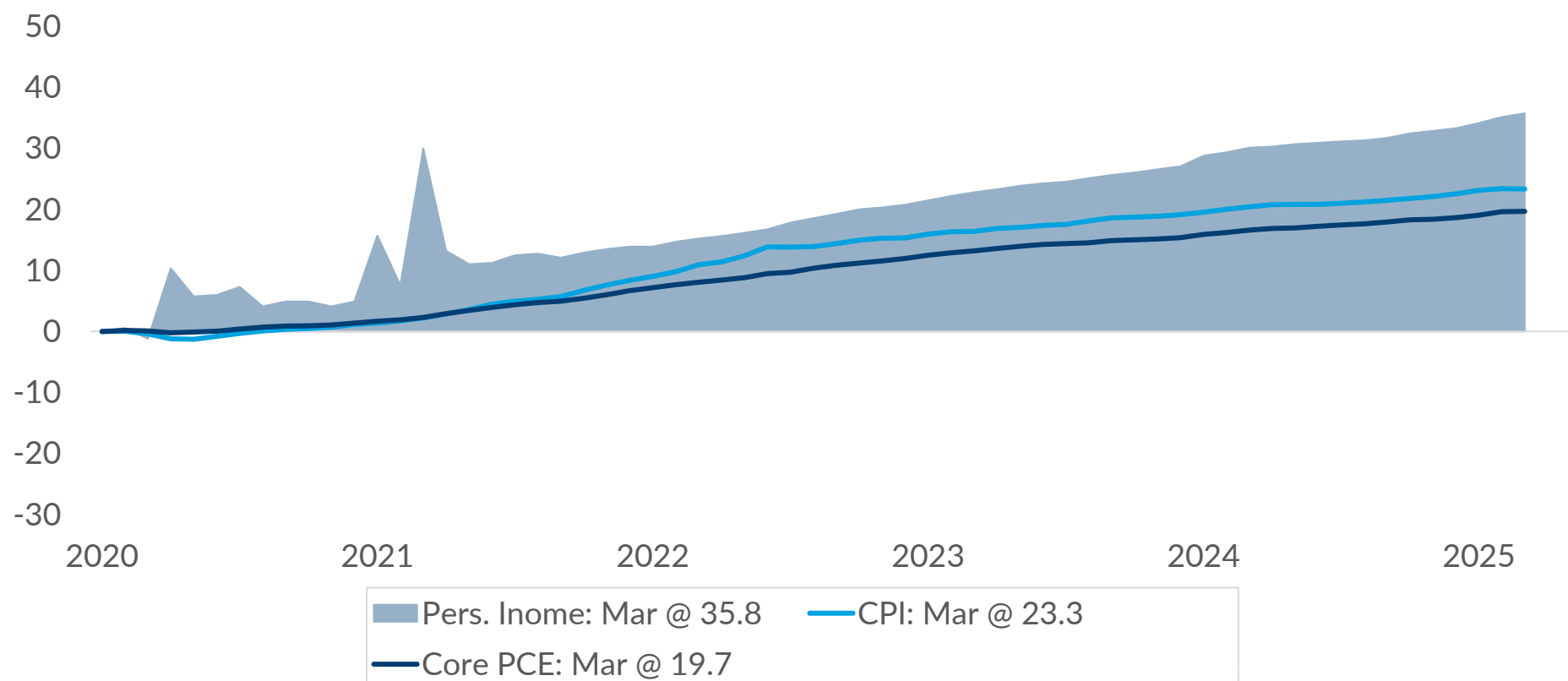
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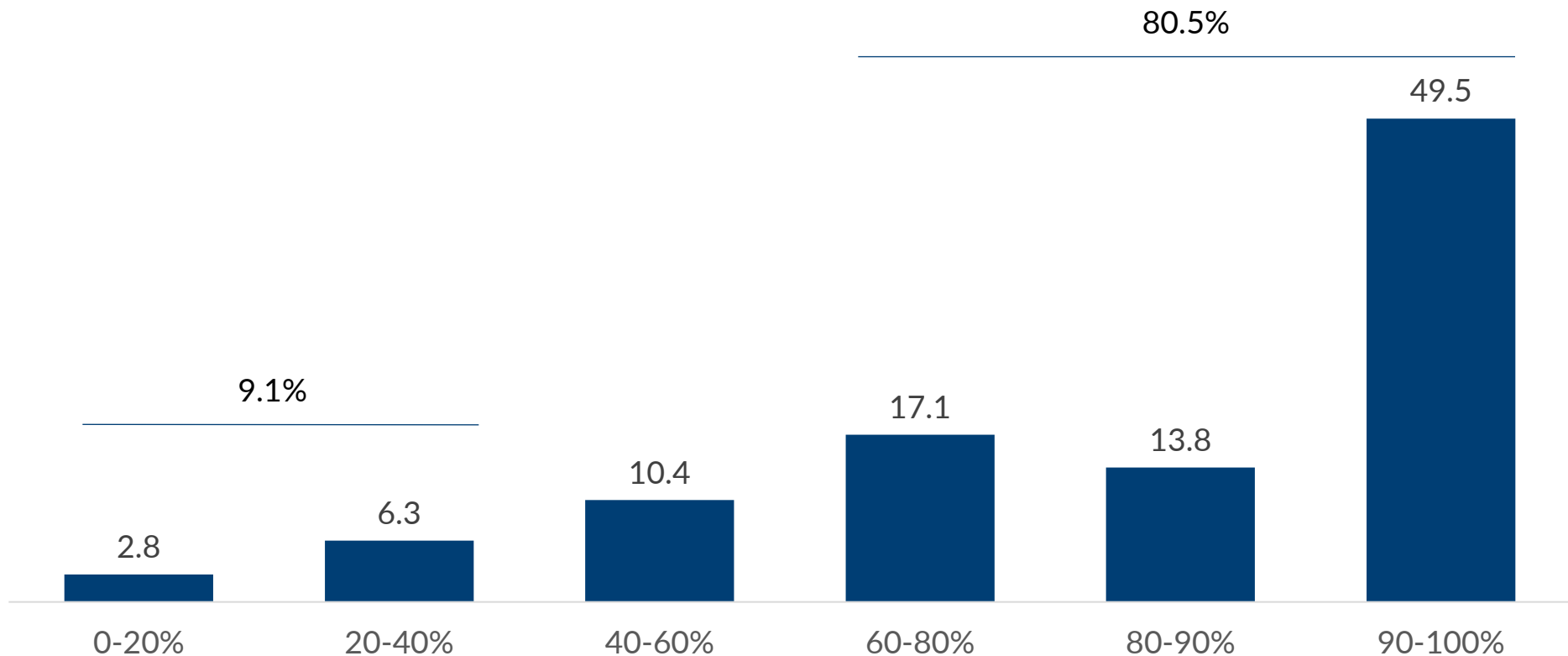
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# Consumption

Share of Spending by Income Group  
*% of total*



Data current as of April 1, 2025

Source: Federal Reserve Board, Bureau of Economic analysis, U.S. Census, Moody's Analytics

0-20% represents the lower-end of the spectrum, while 90-100% represents the higher end of income.

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So, What is Happening  
Now?



“Geopolitical tensions have become the single most important risk confronting the global economy.”

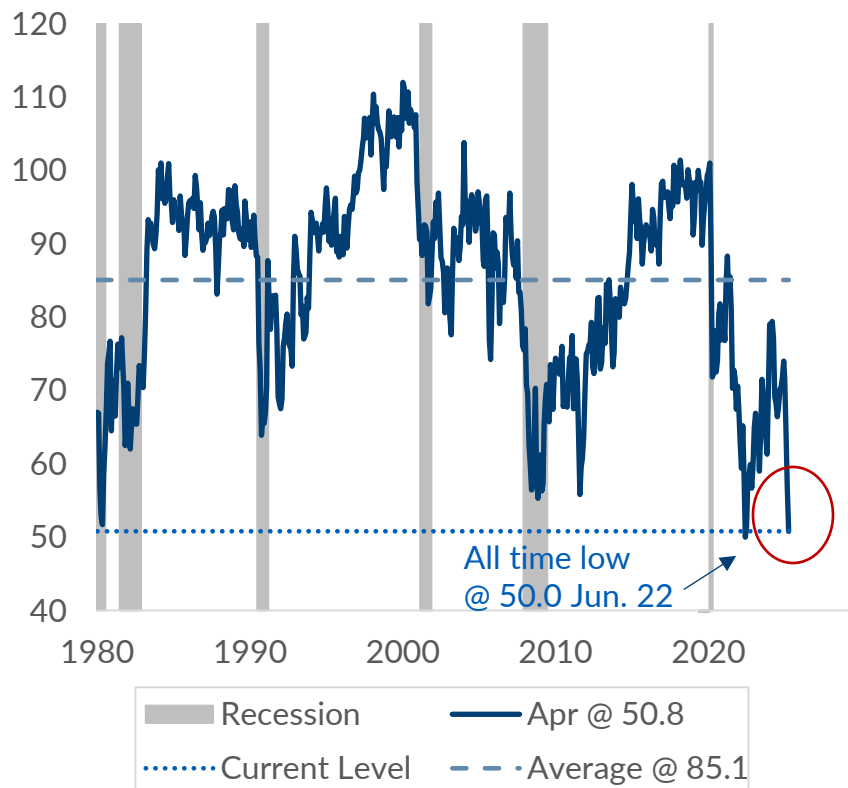
-Brookings  
January 17, 2024



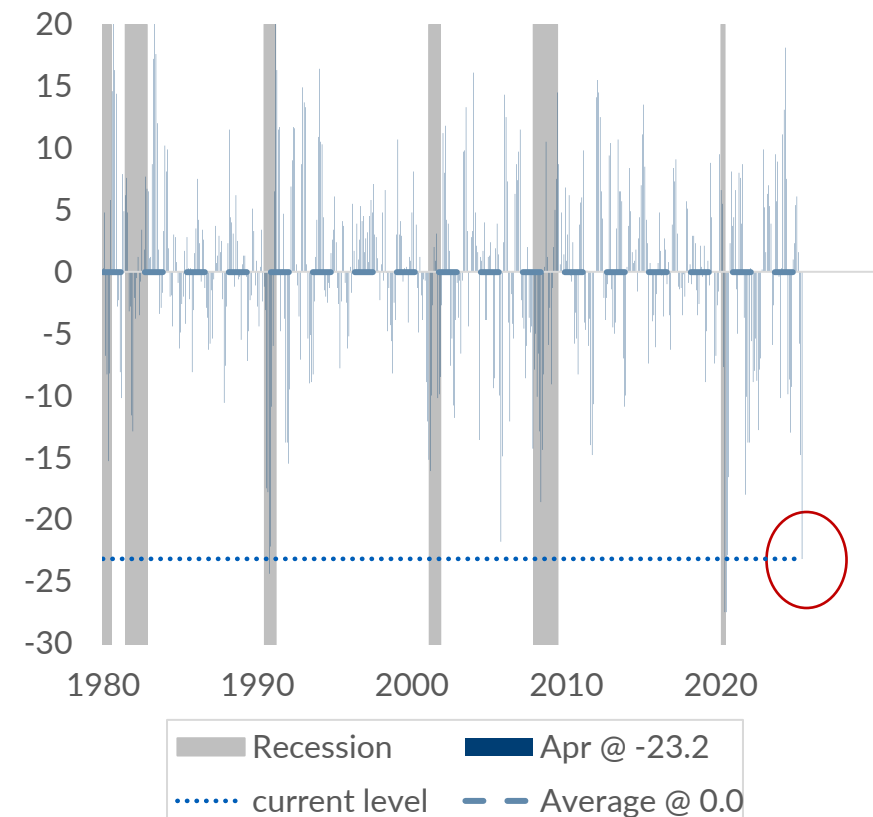


# Sentiment

UMich: Consumer Sentiment  
index value, not seasonally adjusted



UMich: Consumer Sentiment  
percentage points, 4-month change



Data current as of April 14, 2025

Source: University of Michigan Survey of Consumers

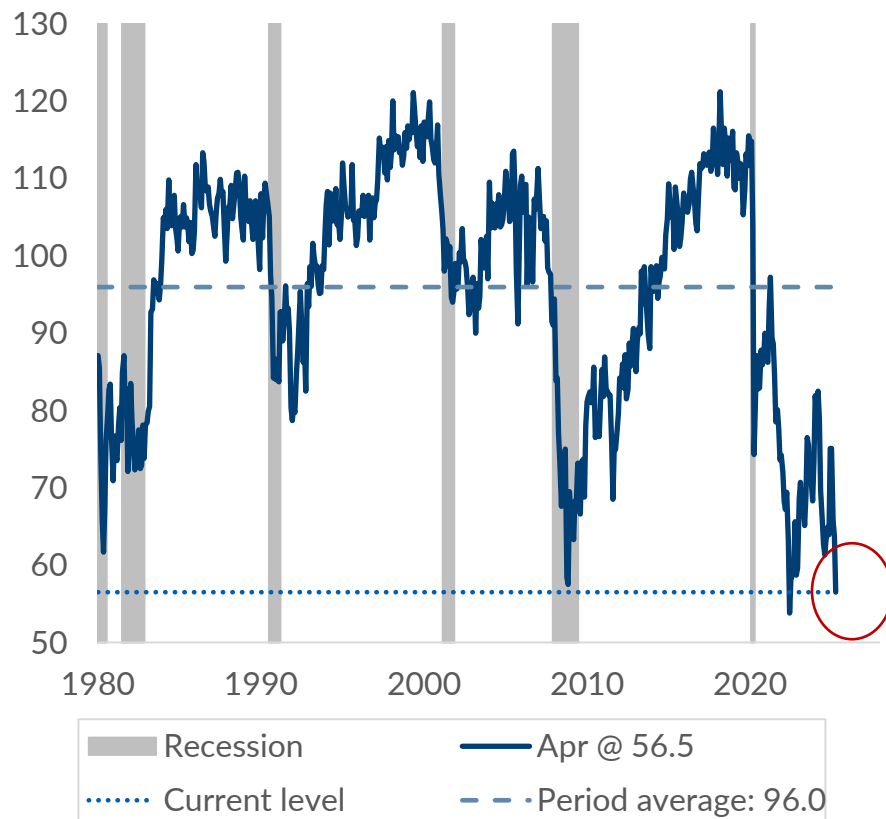
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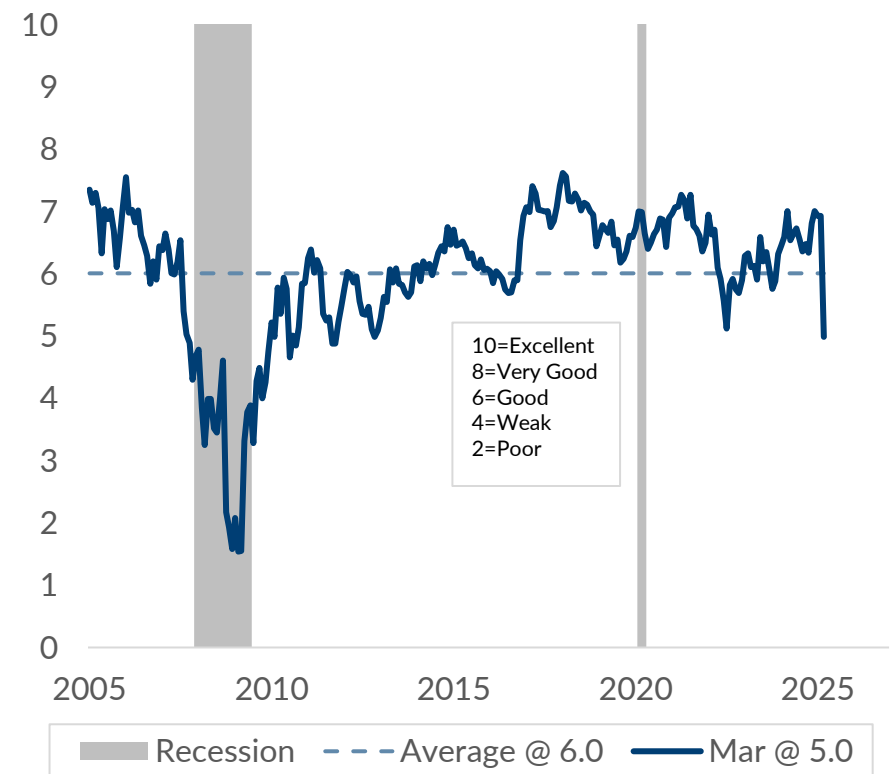


# Sentiment

UMich: Current Economic Conditions  
index value, not seasonally adjusted



CEO Confidence in the Economy Index:  
1-Year from Now  
%, not seasonally adjusted



Data current as of April 14, 2025

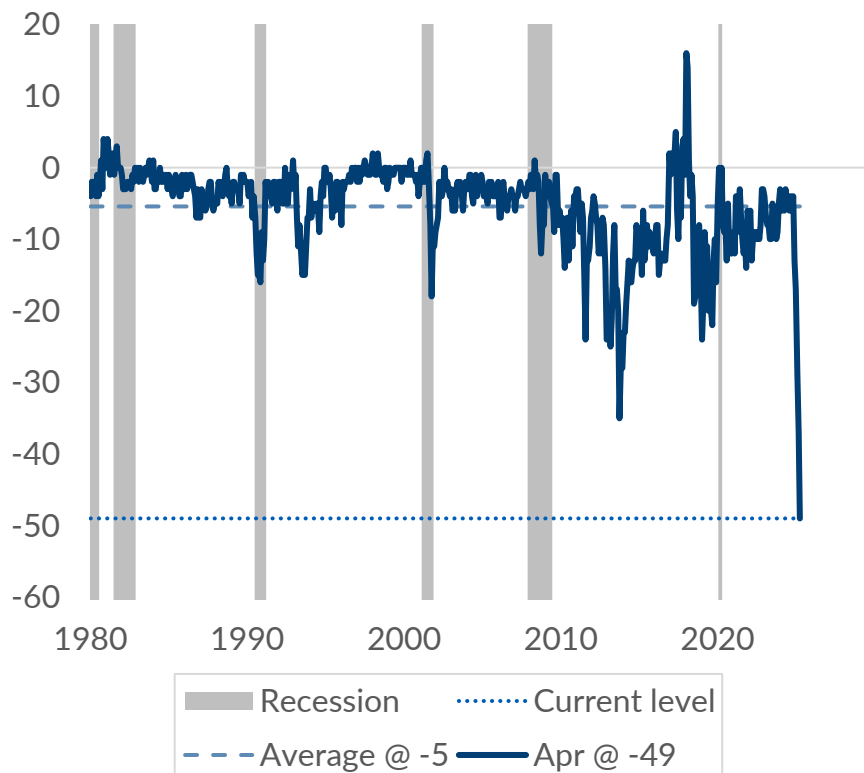
Source: University of Michigan Survey of Consumers, Chief Executive Magazine  
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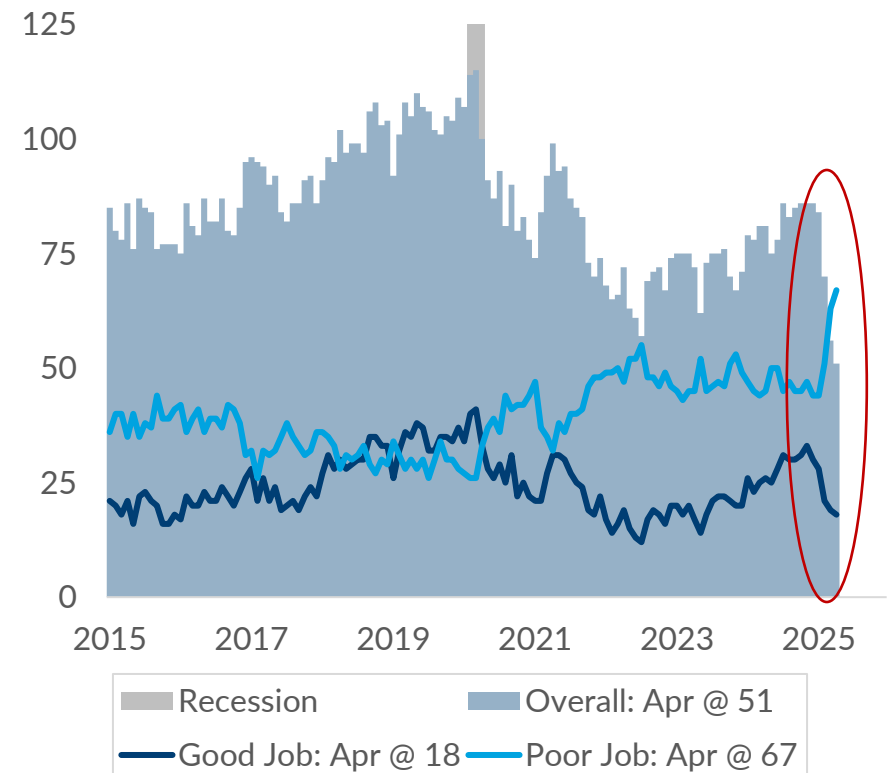


# Sentiment

UMich: News Related to Government  
Economic Policies (% Bal)  
*index value, not seasonally adjusted*



UMich: Opinion of Government's  
Economic Policy Index  
*index value, not seasonally adjusted*



Data current as of April 14, 2025

Source: University of Michigan Surveys of Consumers

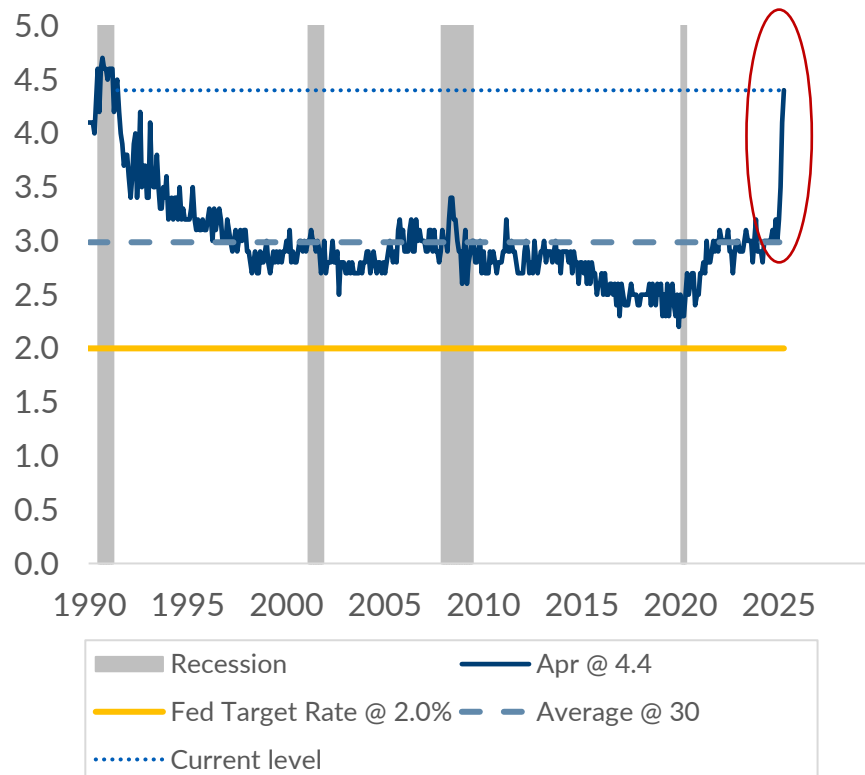
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# Sentiment

UMich: Expected Inflation Rate During  
the Next 5-10 Years  
%, not seasonally adjusted

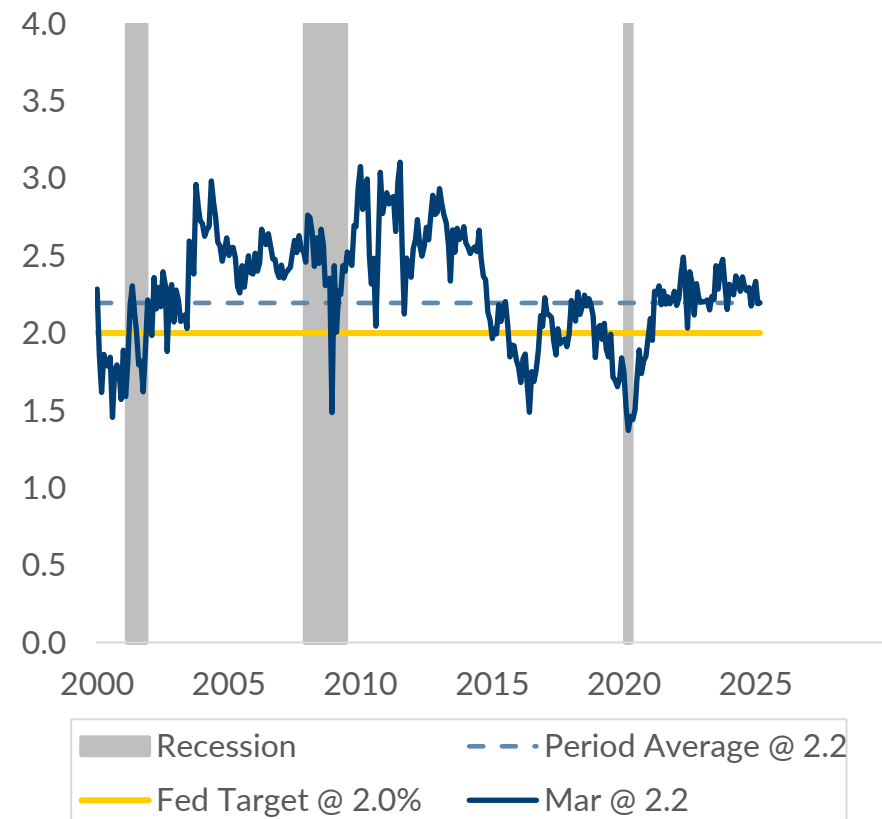


Data current as of April 14, 2025

Source: University of Michigan Surveys of Consumers, Bloomberg

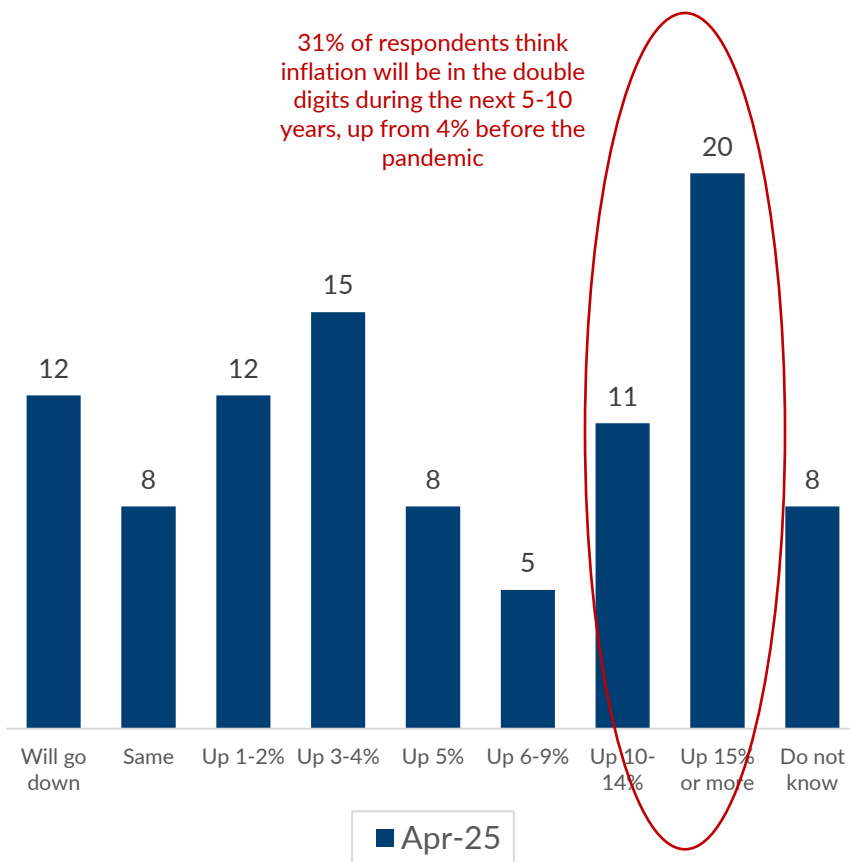
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Inflation Expectations  
%, 5-year/5-year forward breakeven

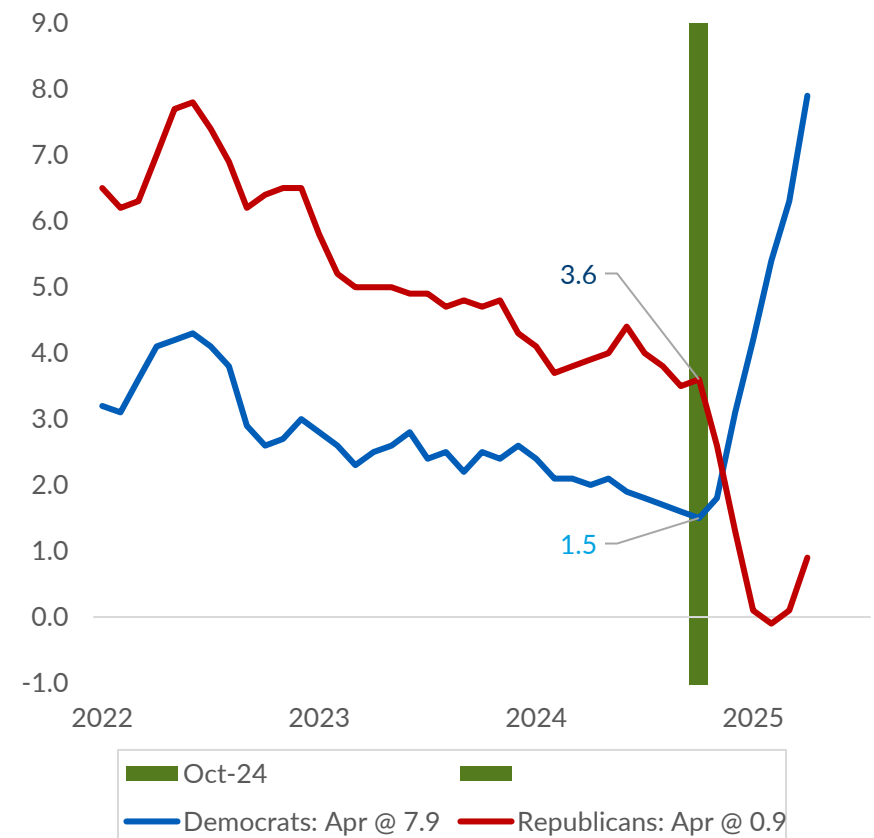


# Sentiment

UMich: Expected Inflation Rate During the Next 5-10 Years  
%, expectation of change, not seasonally adjusted



UMich: Consumer Sentiment: Inflation 1-year  
value, not seasonally adjusted



Data current as of April 14, 2025

Source: University of Michigan Surveys of Consumers

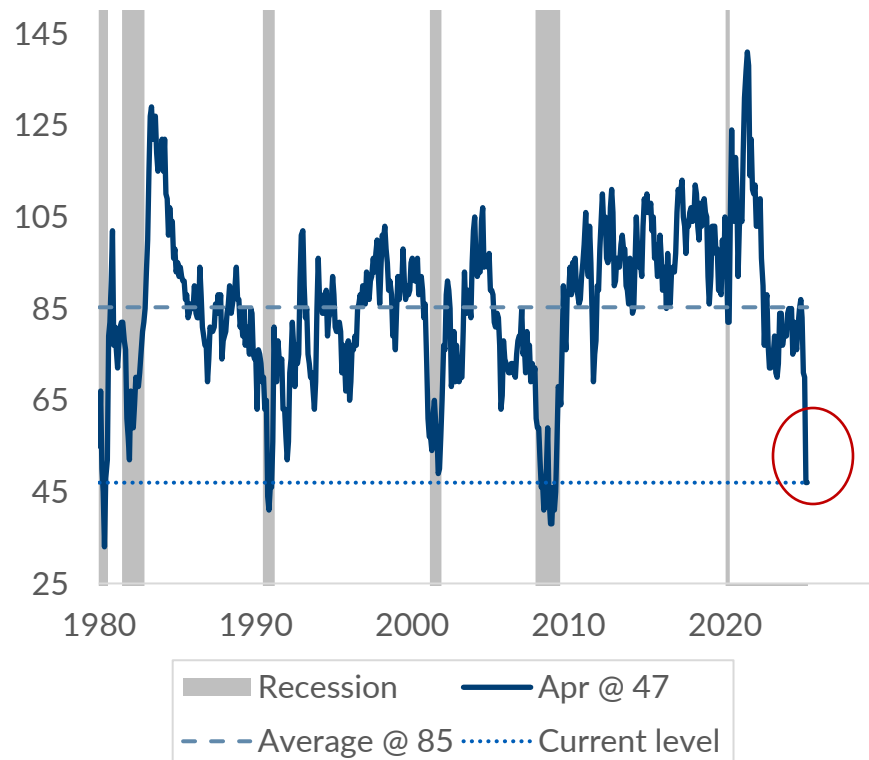
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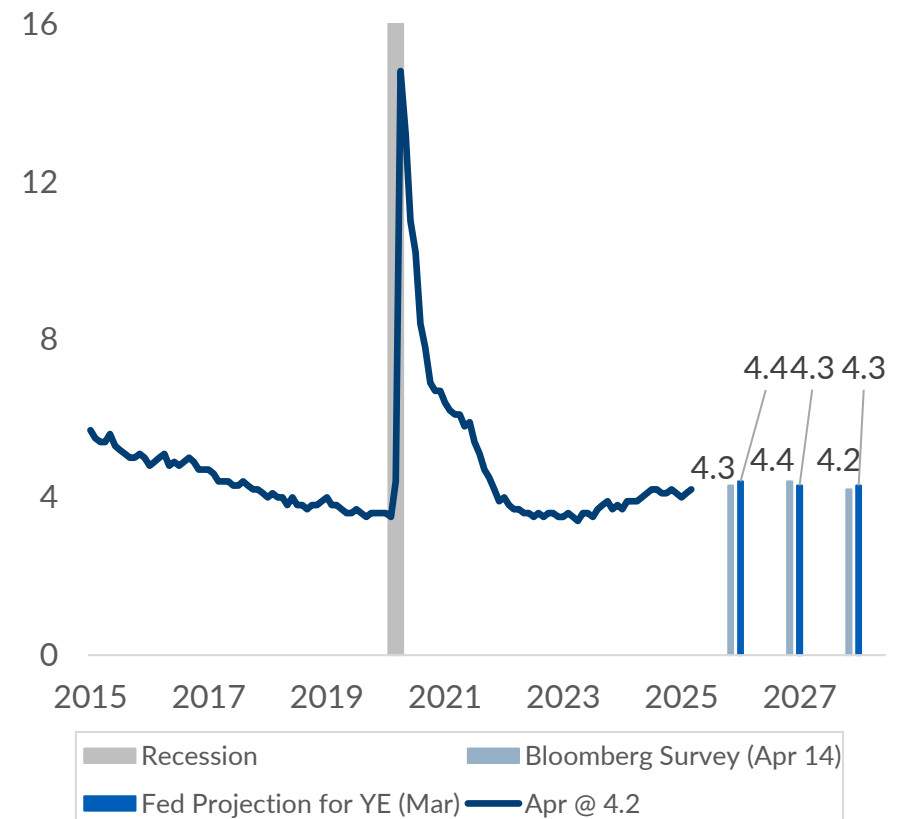


# Sentiment

UMich: Expected Change in  
Unemployment During Next Year  
index value, not seasonally adjusted



Unemployment Rate: Forecasts  
%, historical data is seasonally adjusted



Data current as of April 14, 2025

Source: University of Michigan Surveys of Consumers, Federal Reserve Bank, Bloomberg Survey

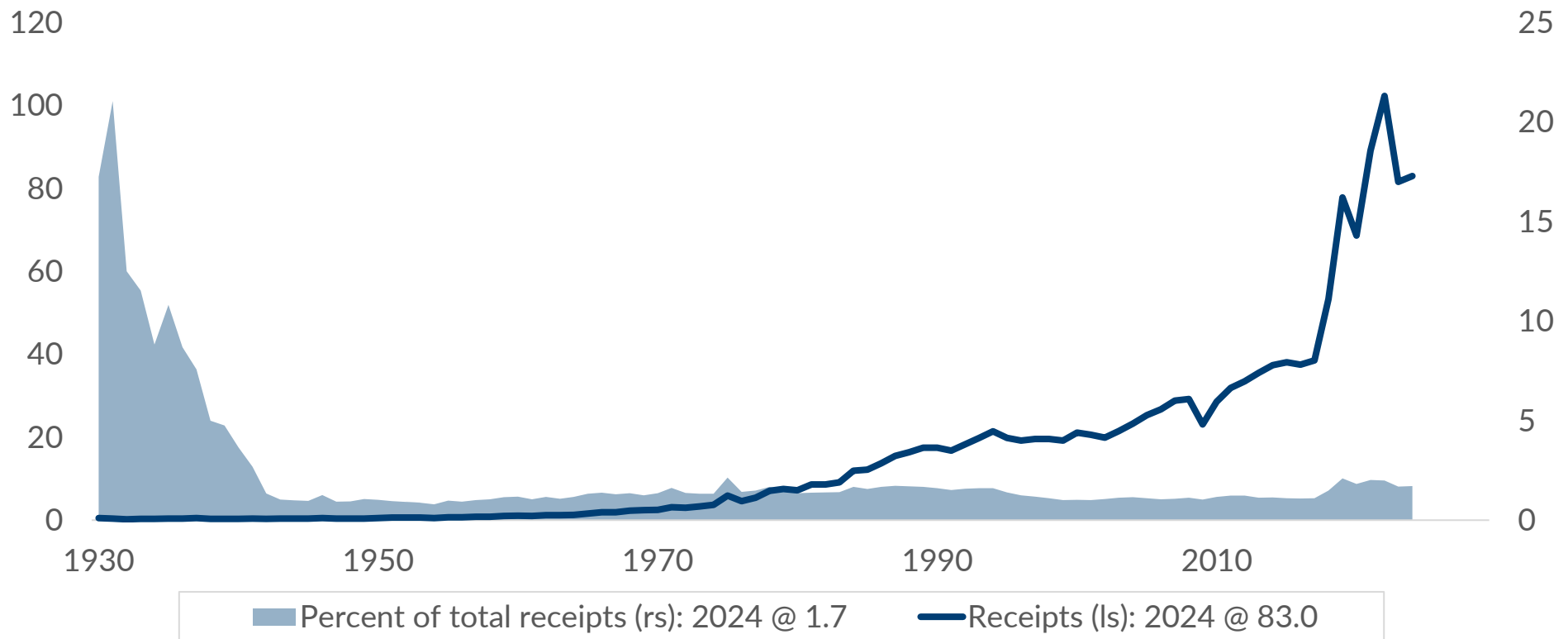
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# Tariffs

Treasury Revenue: Customs Duties  
\$ billions, % of total revenue, seasonally adjusted annual rate



Data current as of April 14, 2025

Source: U.S. Treasury

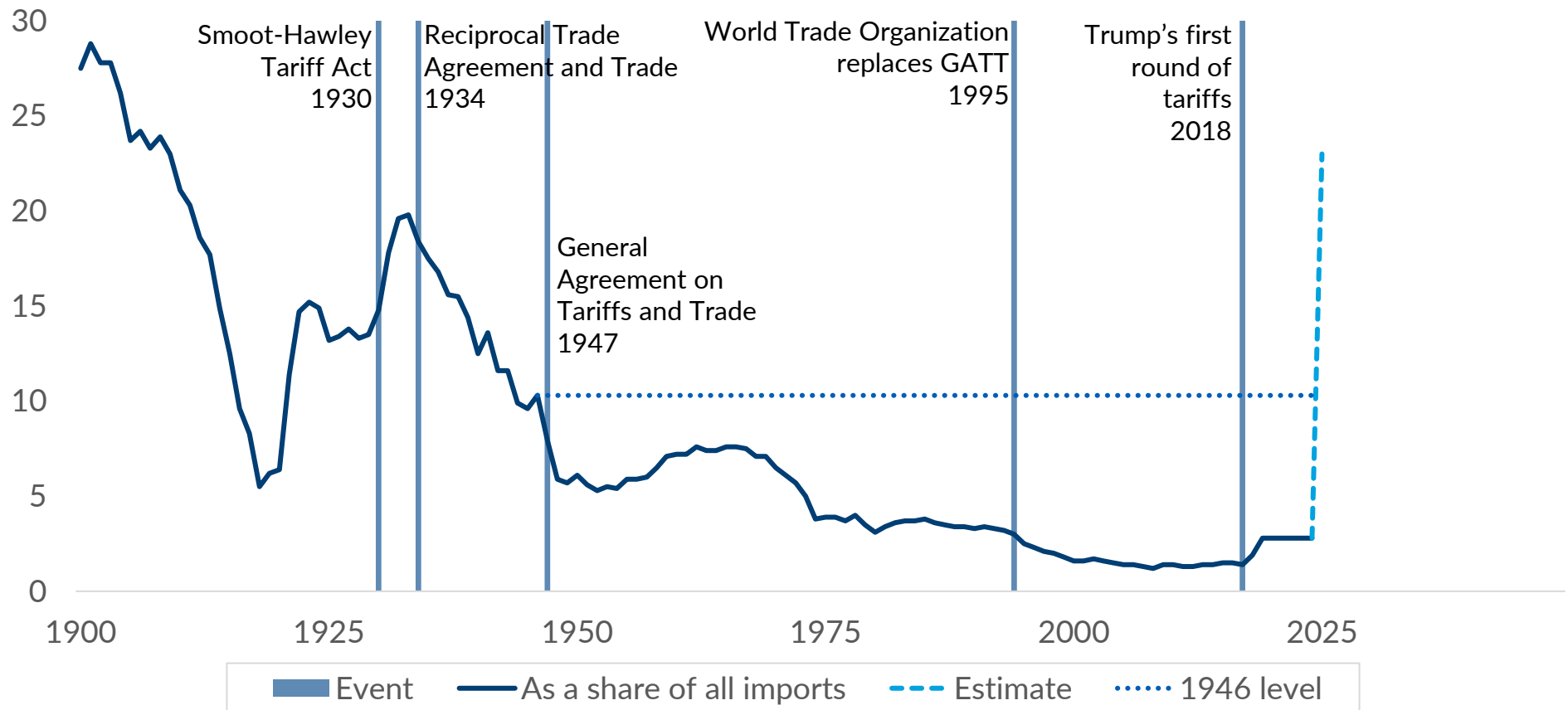
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# Tariffs

## U.S. Tariffs (%)



Data current as of April 14, 2025

Source: U.S. Department of Commerce, Bloomberg Survey

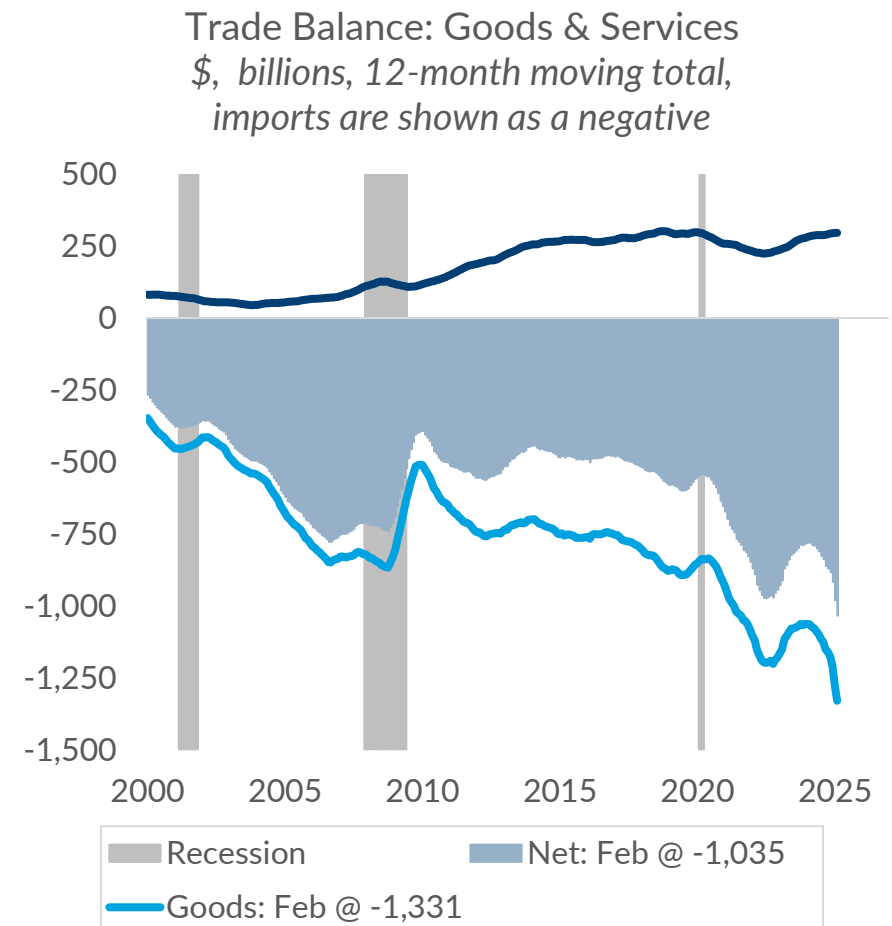
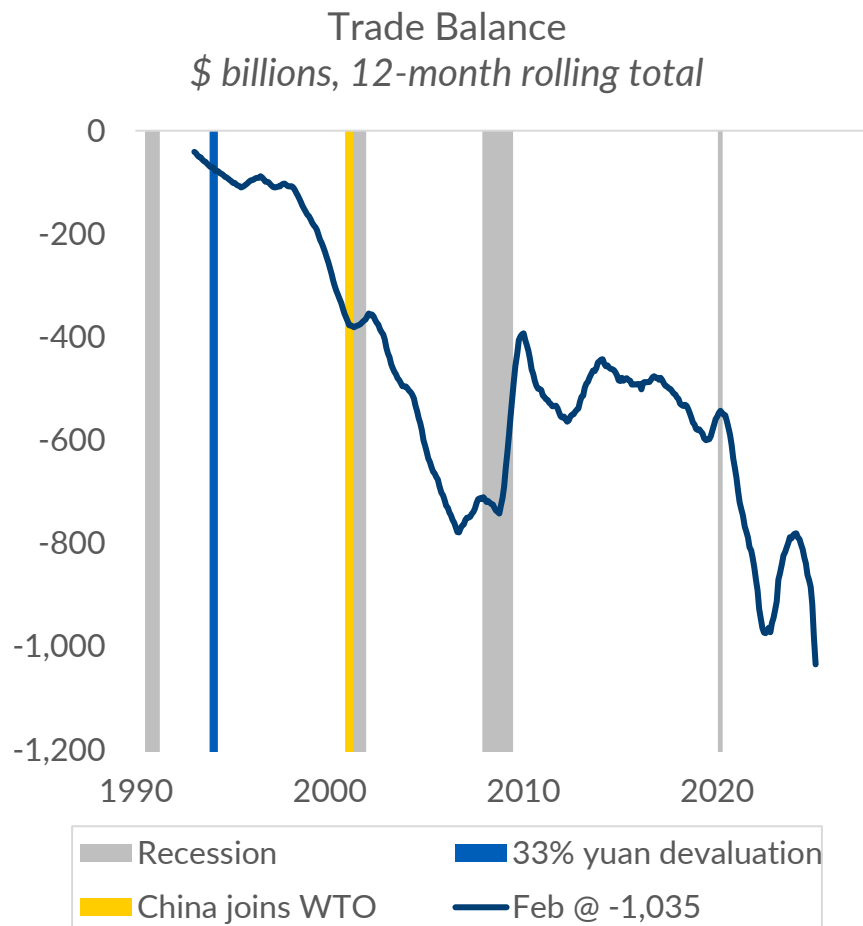
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# Trade



Data current as of May 1, 2025

Source: U.S. Census Bureau

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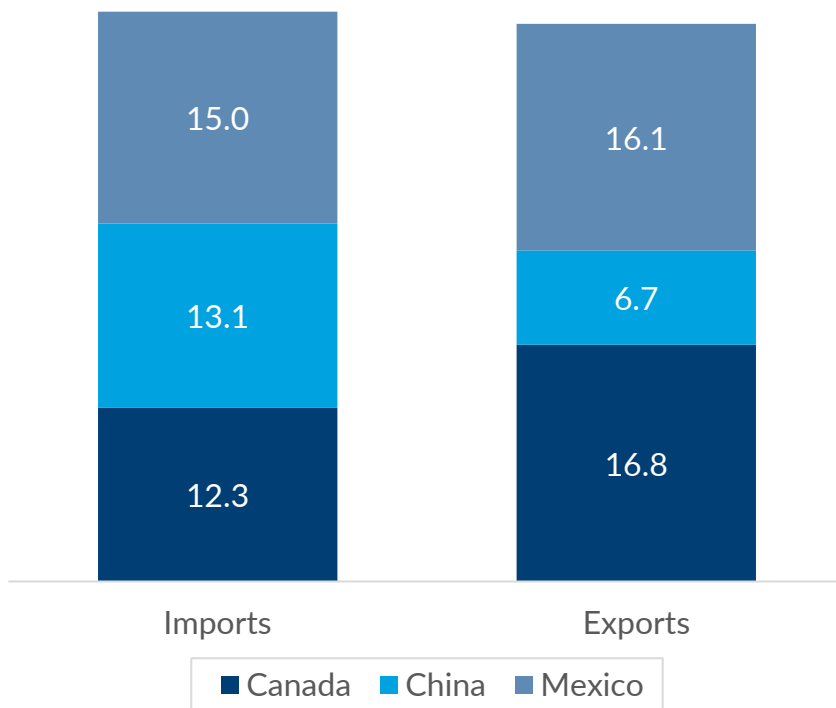


# Trade

Imports & Exports: A Share of Total  
%, based on last 12-months, as of February  
2025

Total: 40.4

Total: 39.5

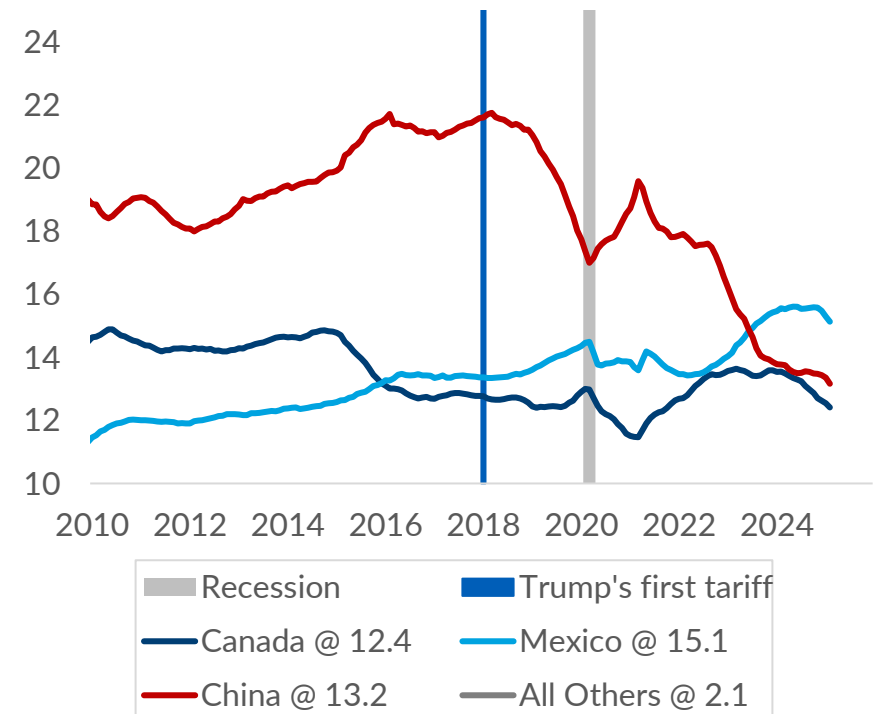


Data current as of May 1, 2025

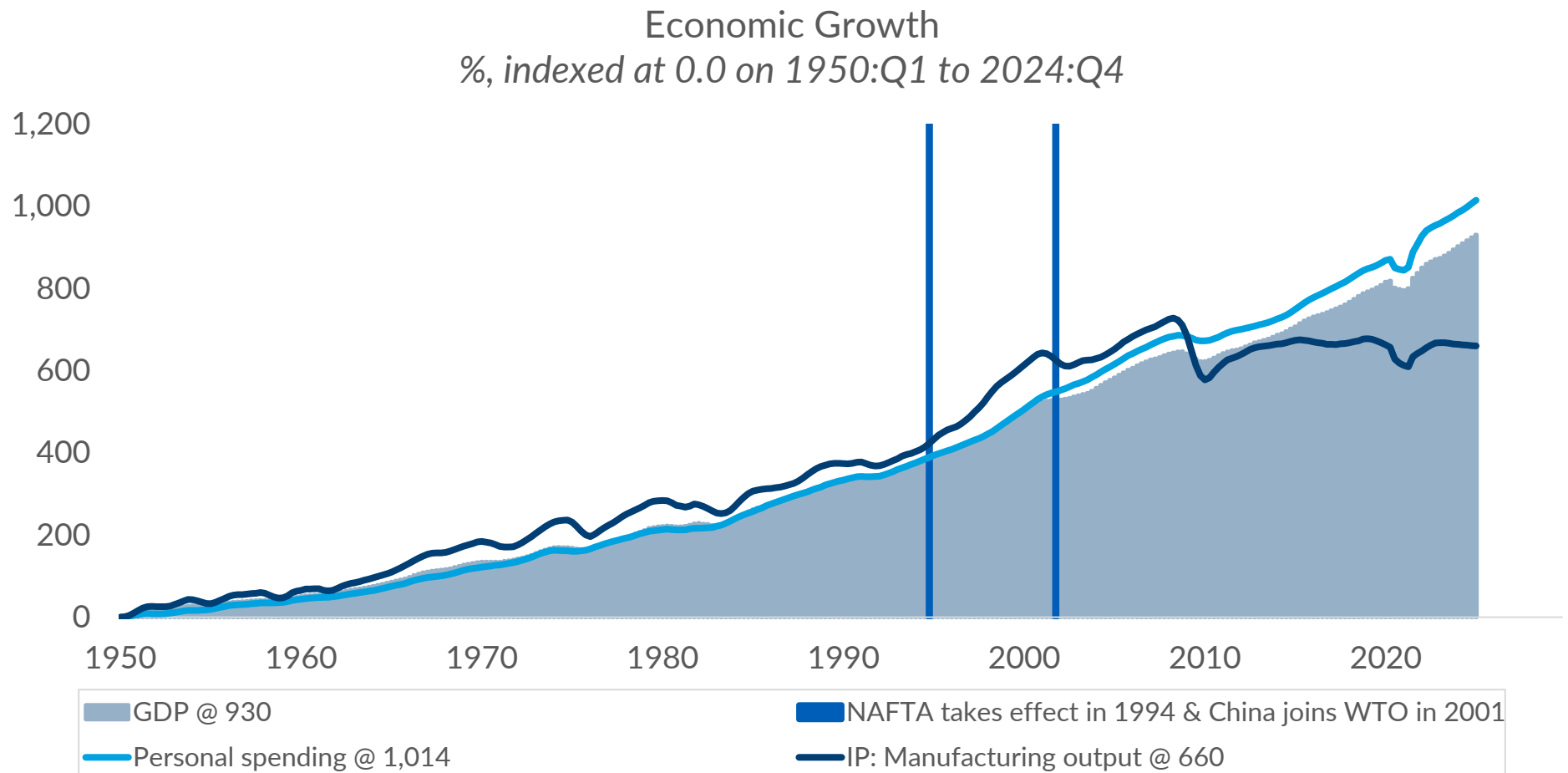
Source: U.S. Census Bureau

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Import of Goods: By Partner  
% of total, 12-month rolling total  
not seasonally adjusted  
as of February 2025



# Manufacturing



Data current as of May 1, 2025

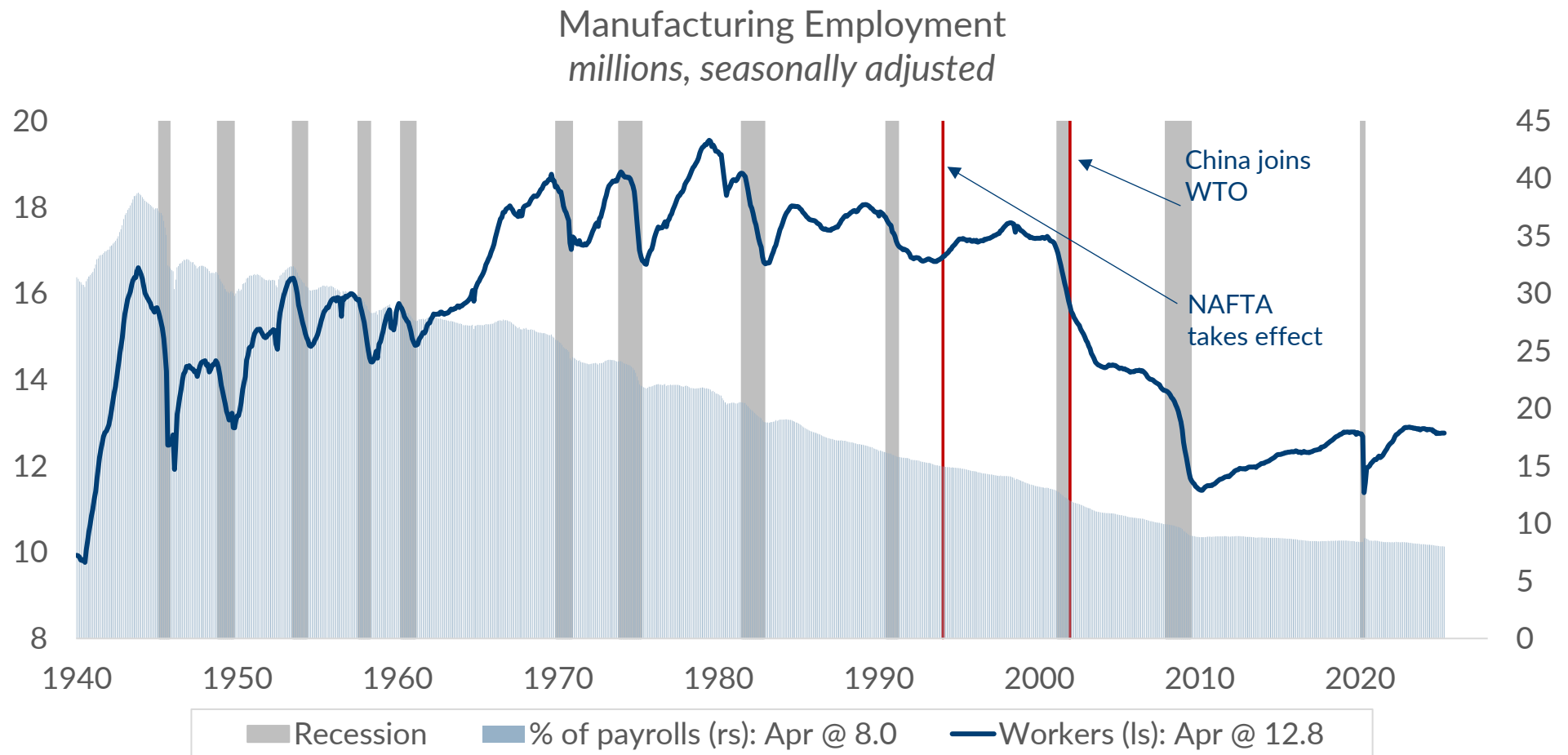
Source: Bureau of Economic Analysis, Federal Reserve Bank

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# Manufacturing



Data current as of May 4, 2025

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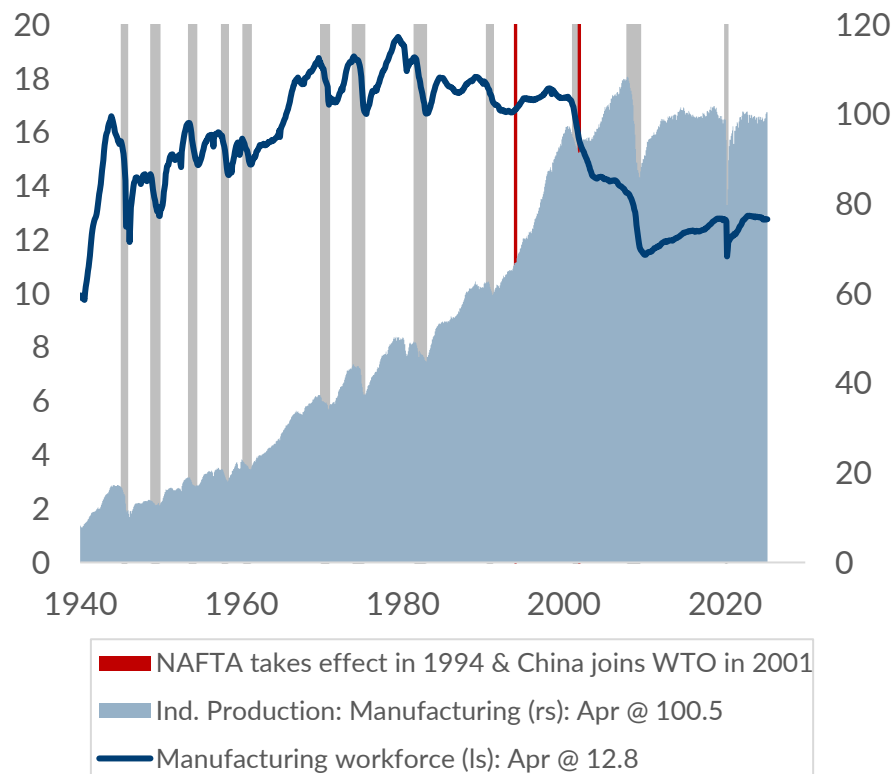
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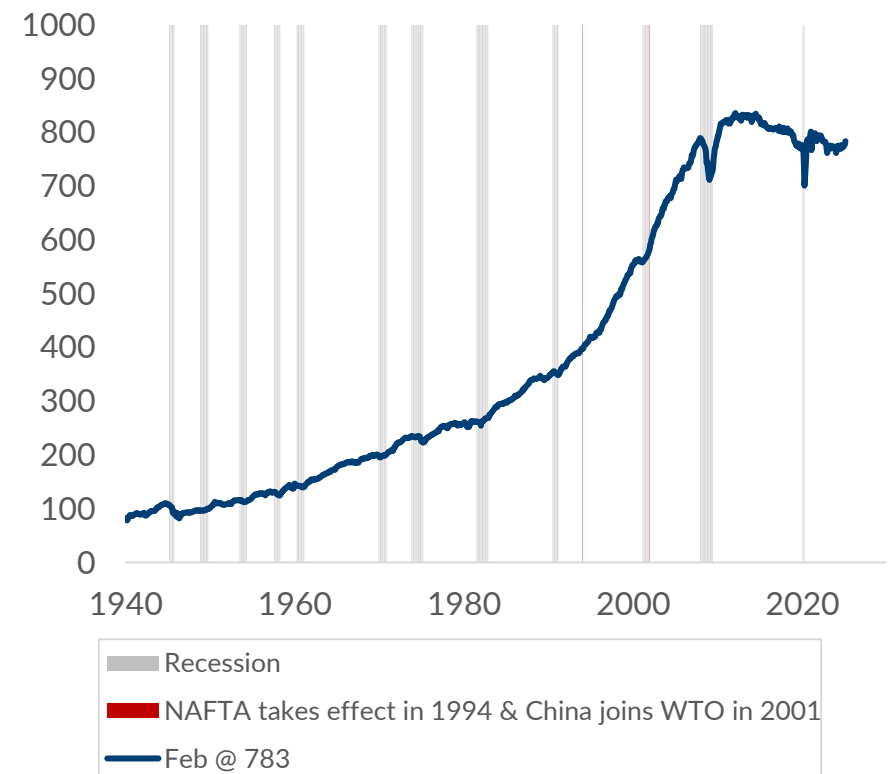


# Manufacturing

Manufacturing Workers and Output  
*millions of workers and total manufacturing output*



Manufacturing Productivity  
*industrial production index/millions of manufacturing workers*



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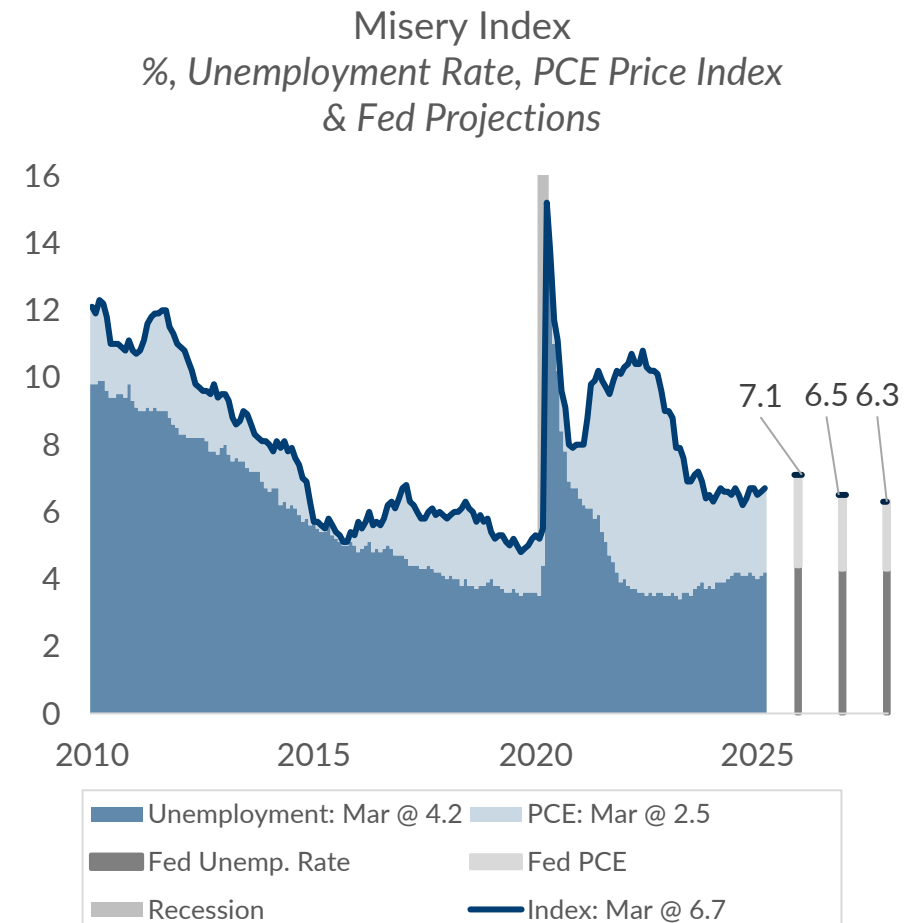
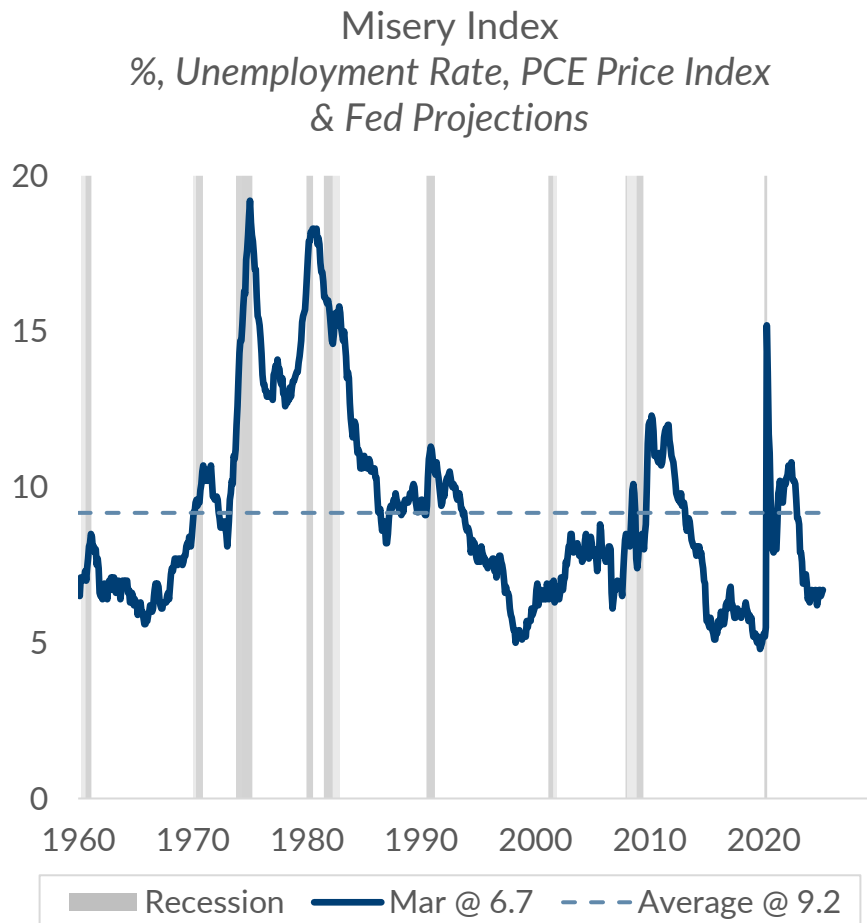
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# Stagflation



Data current as of May 4, 2025

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# How Should We Define Stagflation?

- Comparisons to the 1970s should be highly scrutinized as similar conditions are not present.
- Market shocks should not be equated to tariffs, but the degree of uncertainty and its influence on expectations should not be underestimated.

Shock	1970s	Current	Condition Present
Oil Shocks	<ul style="list-style-type: none"> <li>• 1973 OPEC embargo sparked quadrupling of energy costs</li> <li>• Second oil shock in 1979 after Iranian Revolution</li> </ul>	<ul style="list-style-type: none"> <li>• Oil price spike after Ukrainian invasion was not sustained</li> <li>• Administration goal to lower energy prices</li> </ul>	NO
Loose Monetary Policy	<ul style="list-style-type: none"> <li>• Deficits to finance Vietnam and Great Society programs</li> <li>• Loose Federal Reserve policy kept rates low</li> </ul>	<ul style="list-style-type: none"> <li>• Long-term deficits to support benefit spending.</li> <li>• Quantitative easing</li> <li>• Federal Reserve strictly enforcing independence.</li> </ul>	Deficit spending is similar; Federal Reserve is more independent than in 1970.
Currency Devaluation	<ul style="list-style-type: none"> <li>• Bretton Woods gold exchange system eliminated</li> <li>• Dollar depreciation</li> </ul>	<ul style="list-style-type: none"> <li>• U.S. dollar has been stable and remains heavily utilized as a reserve currency</li> </ul>	NO
Wage-Price Spirals & Regulation	<ul style="list-style-type: none"> <li>• Automatic cost-of-living wage increases</li> <li>• Strong labor unionization</li> </ul>	<ul style="list-style-type: none"> <li>• Potential wave of deregulation</li> <li>• Less labor unionization</li> </ul>	NO
Productivity Slowdown	<ul style="list-style-type: none"> <li>• Productivity growth slowed</li> </ul>	<ul style="list-style-type: none"> <li>• Productivity growth is stable</li> <li>• Technology advances may provide a tailwind</li> </ul>	NO

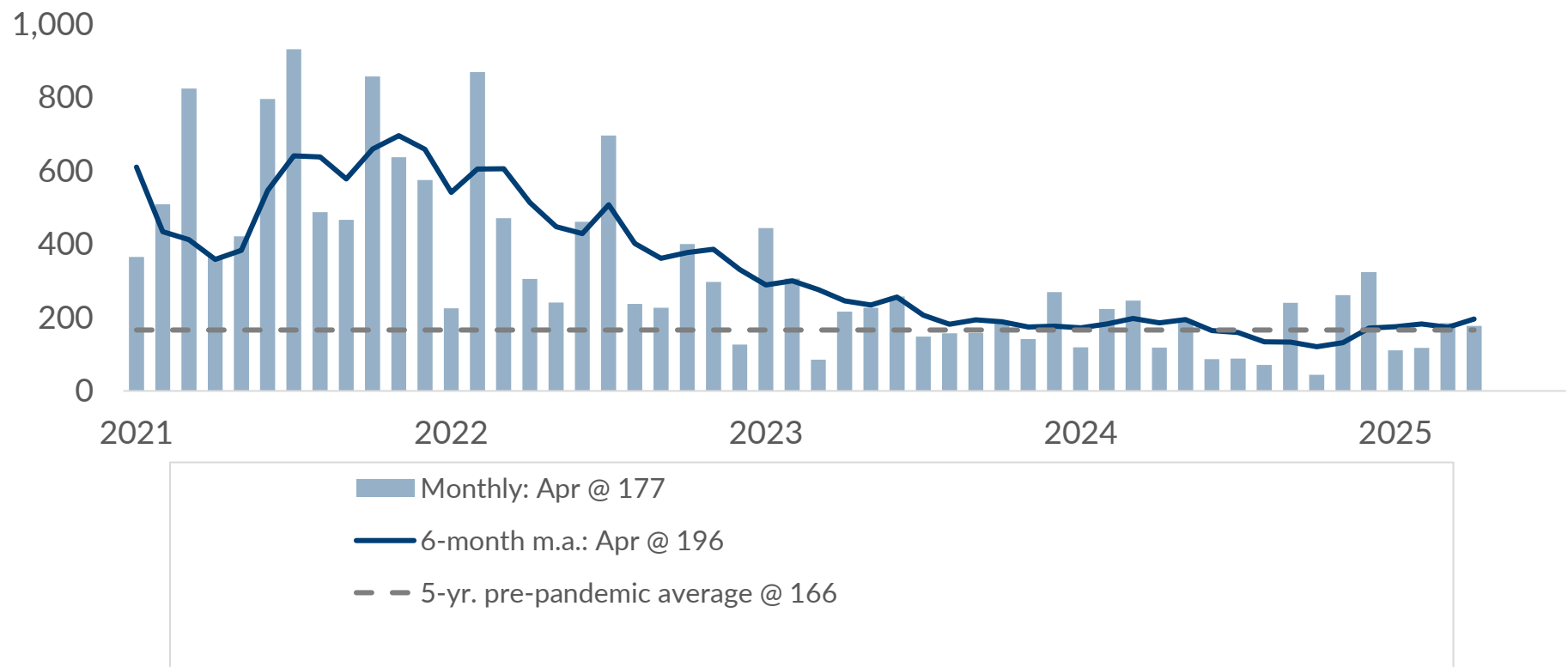
Data current as of April 1, 2025. Source: CNR Research  
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# Labor

Nonfarm Payrolls  
'000, seasonally adjusted



Data current as of May 4, 2025

Source: Bureau of Labor Statistics

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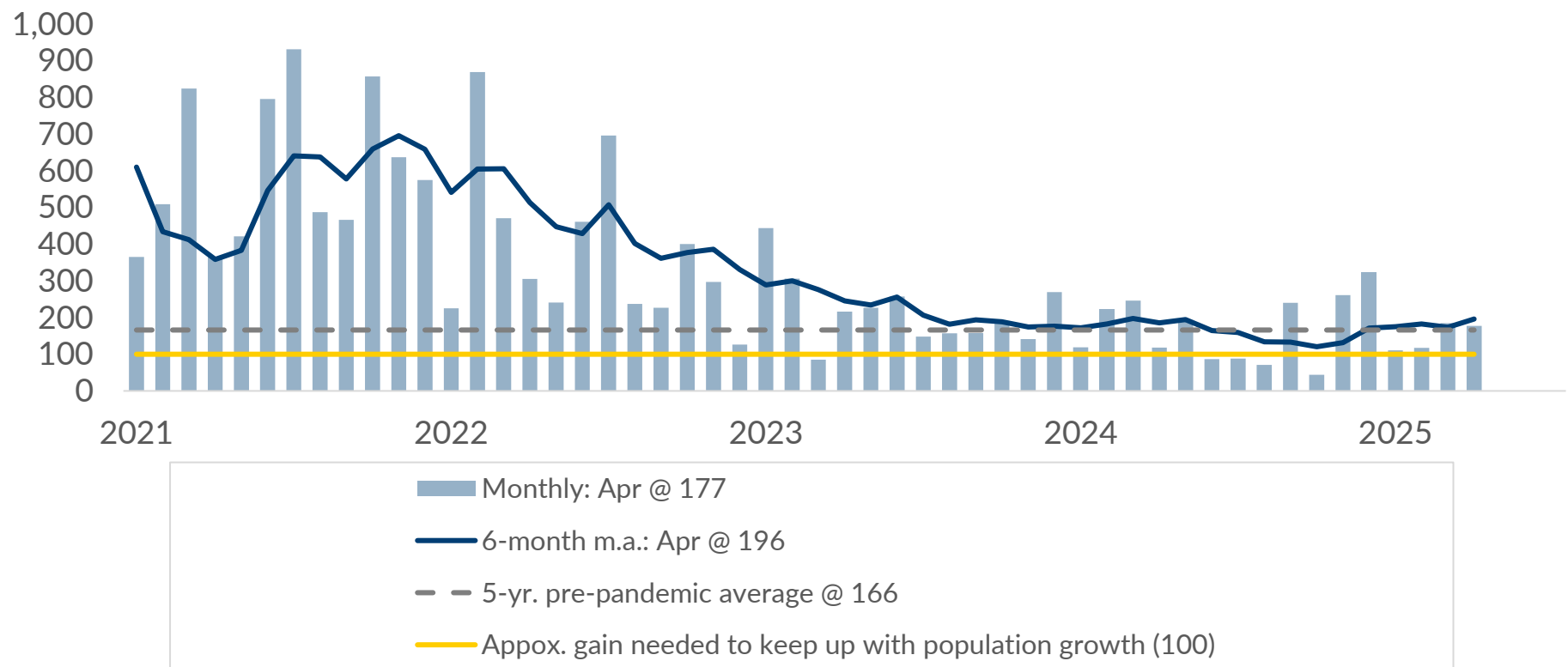
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Nonfarm Payrolls  
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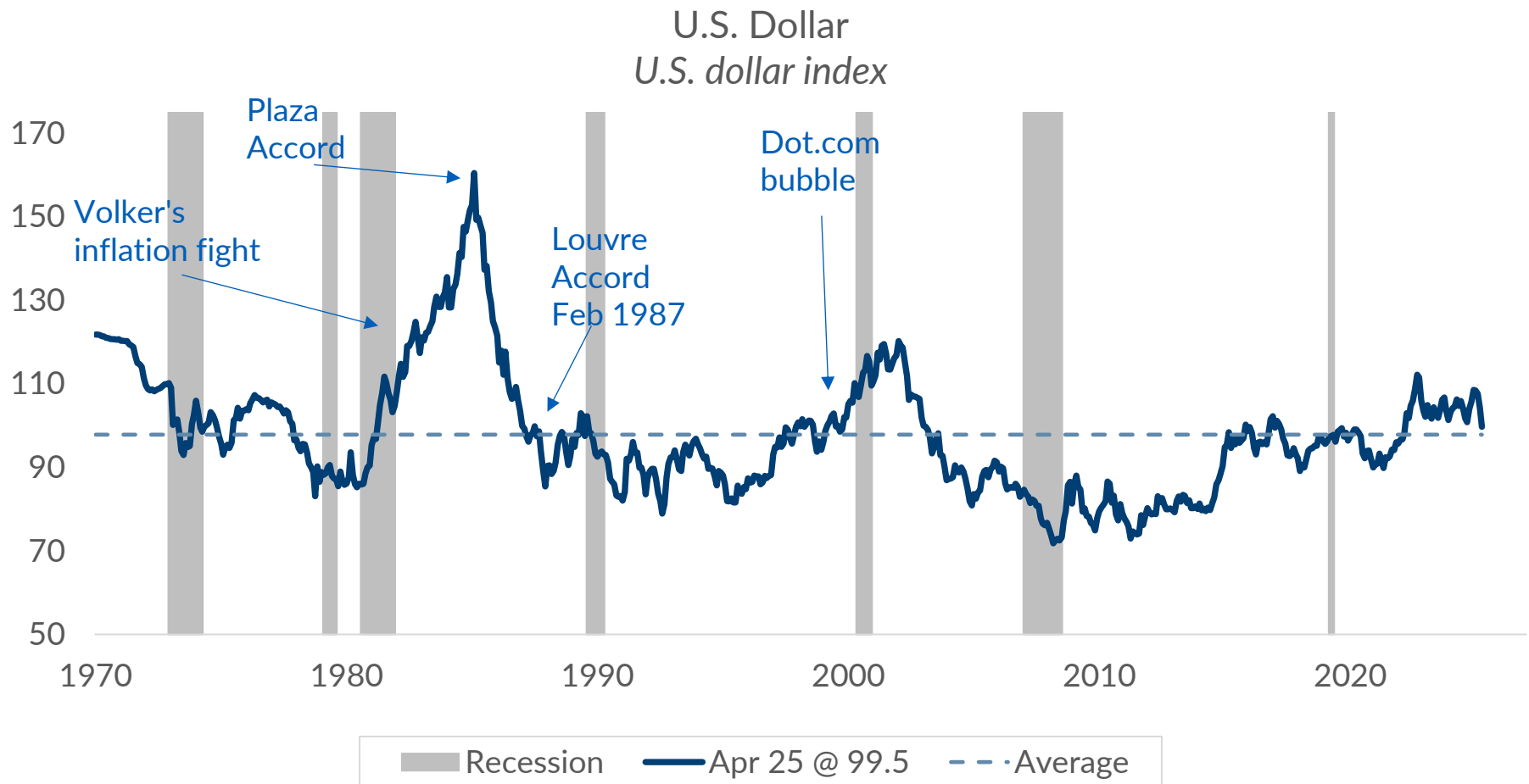
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# The Dollar



Data current as of April 1, 2025

Source: Bureau of Economic Analysis

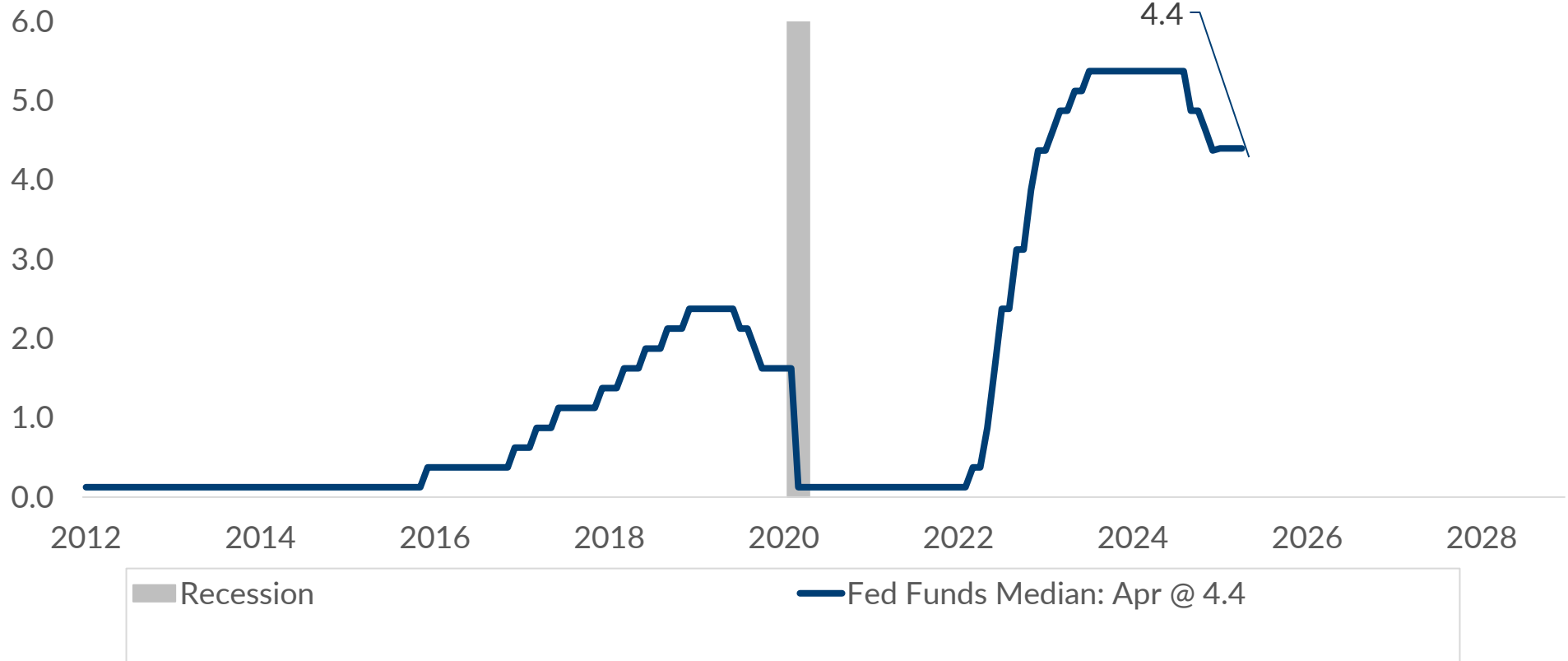
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# The Fed

Federal Funds & Fed's Longer-Term Rate  
*% , not seasonally adjusted*



Data current as of May 4, 2025

Source: Federal Reserve Bank

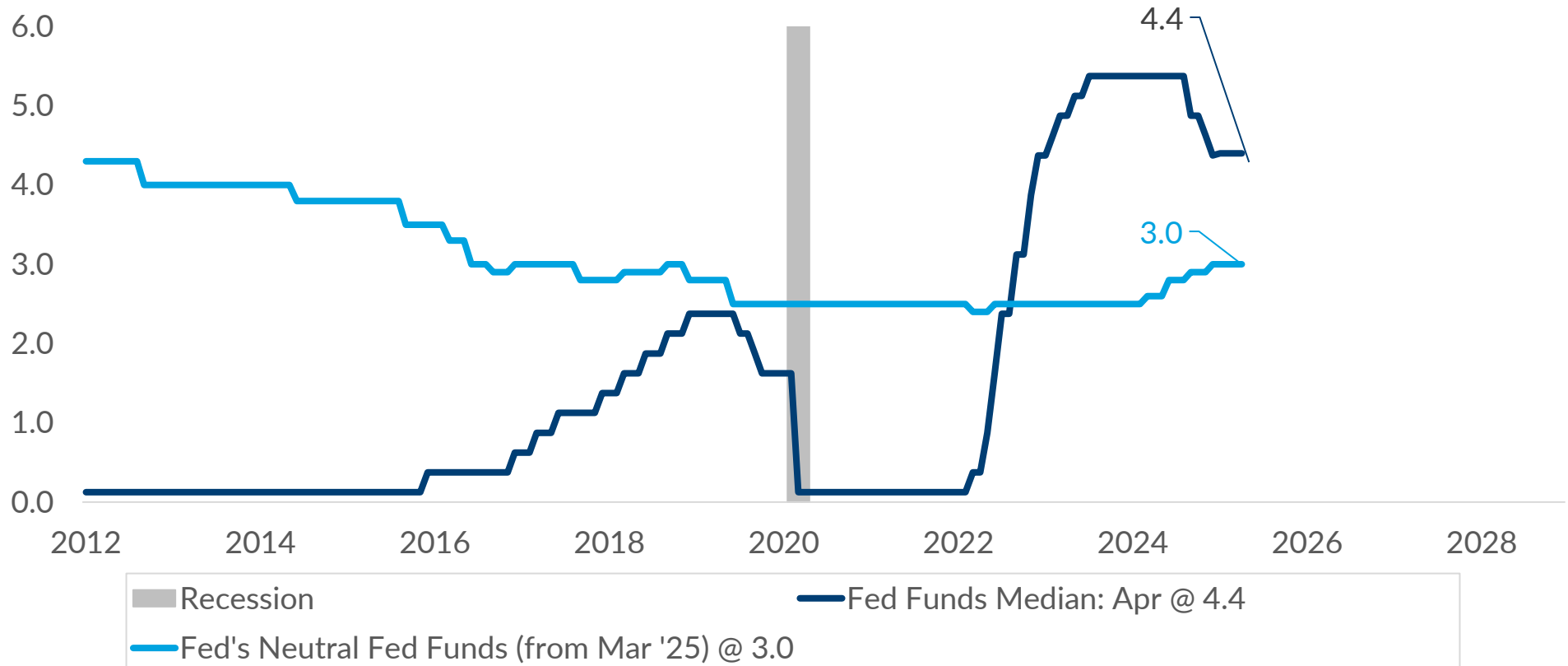
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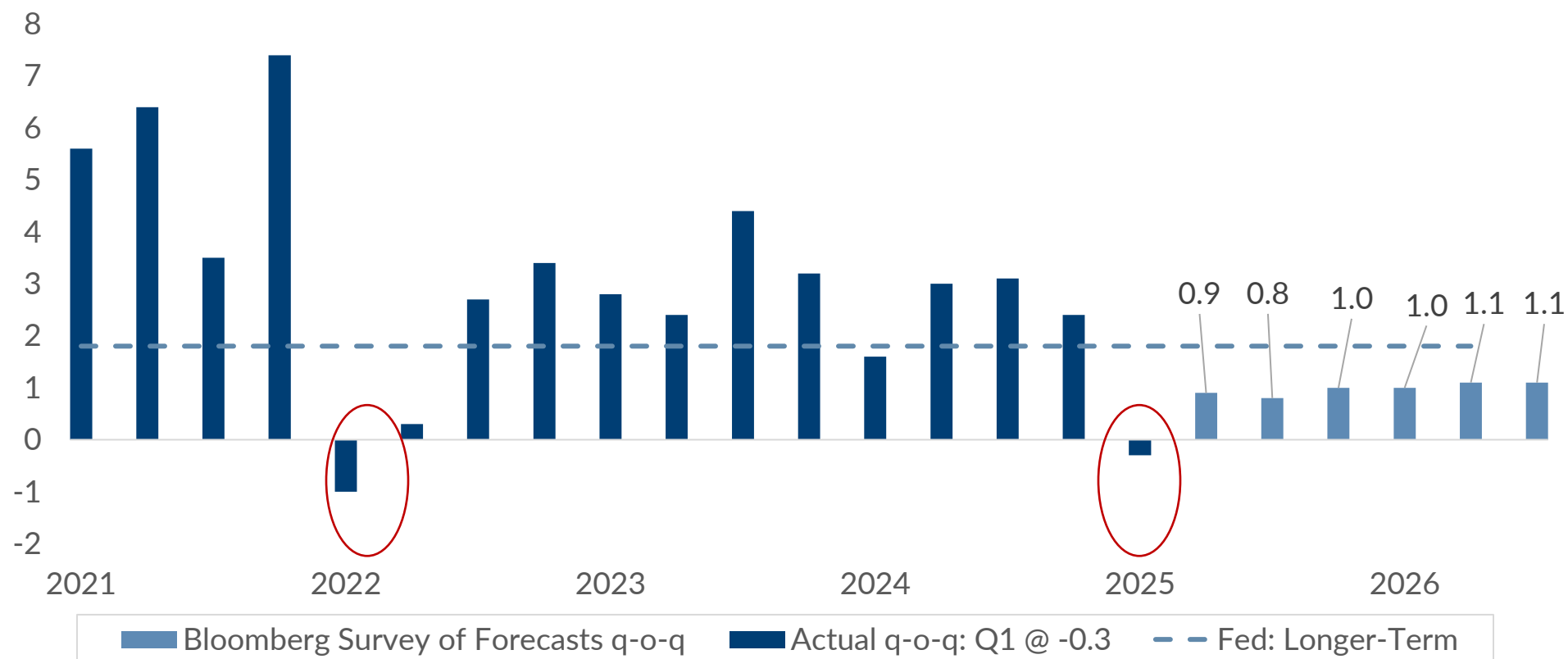
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# GDP

GDP: Actual & Forecast  
% change, seasonally adjusted annualized rate, as of May 4, 2025



Data current as of April 14, 2025

Source: Bureau of Economic Research, Bloomberg Composite of Economic Forecasts

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Q & A



# Index Definitions

**Consumer Price Index (CPI).** A consumer price index (CPI) measures changes in the price level of a market basket of consumer goods and services purchased by households. The CPI is a statistical estimate constructed using the prices of a sample of representative items whose prices are collected periodically.

**Gross Domestic Product (GDP)** measures changes in the prices of goods and services produced in the United States, including those exported to other countries.

**University of Michigan Consumer Sentiment Index.** A consumer confidence index published monthly by the University of Michigan. The index is normalized to have a value of 100 in the first quarter of 1966. Each month at least 500 telephone interviews are conducted of a contiguous United States sample.

**The Standard and Poor's 500 (S&P 500)** is a stock market index tracking the stock performance of 500 of the largest companies listed on stock exchanges in the United States.

**Leading Economic Index** provides an early indication of significant turning points in the business cycle and where the economy is heading in the near term.

**The S&P CoreLogic Case-Shiller U.S. National Home Price NSA Index** measures the change in the value of the U.S. residential housing market by tracking the purchase prices of single-family homes.



# Important Information

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