

MOODY'S

The Economy Is Performing Well, but...

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Mark Zandi, Chief Economist

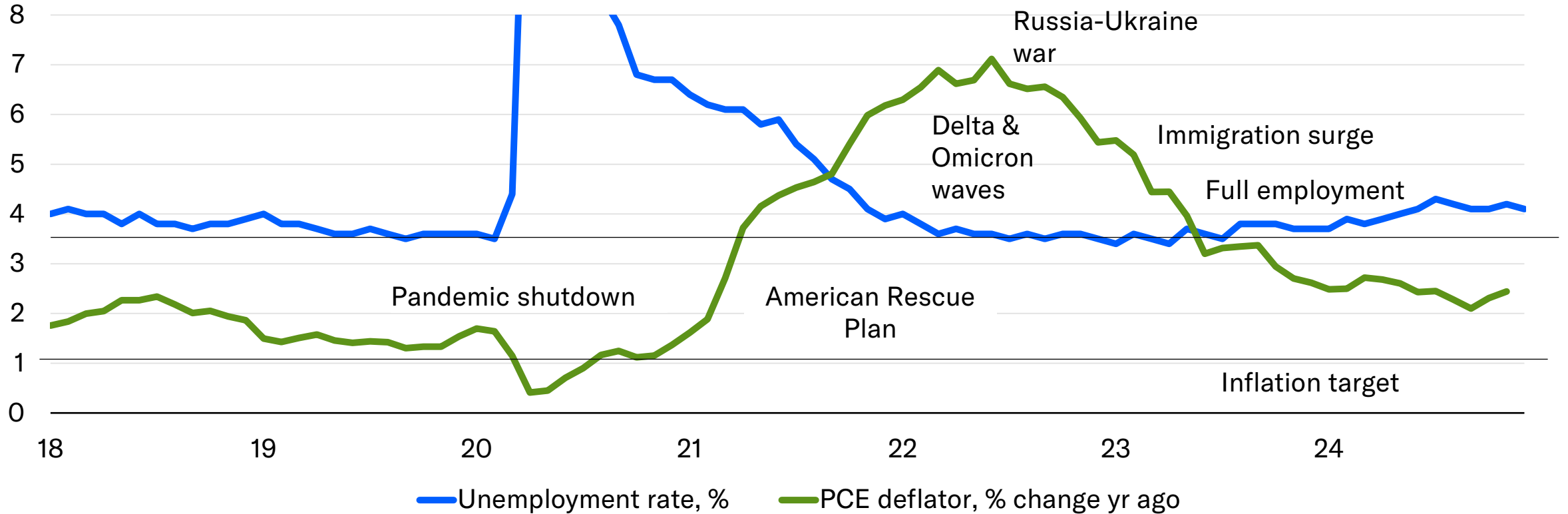
January 2025

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1

The Economy Is Performing Well

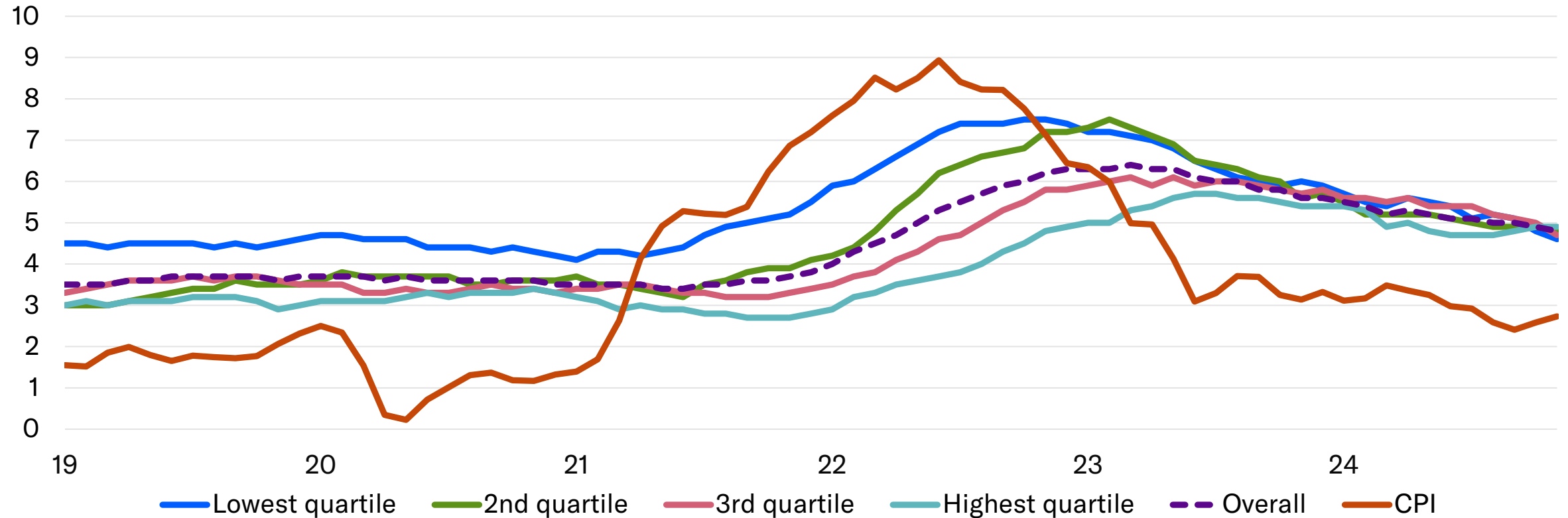
The Federal Reserve Achieves Its Dual Mandate



Sources: BLS, Moody's Analytics

Consumers Will Continue to Do Their Part...

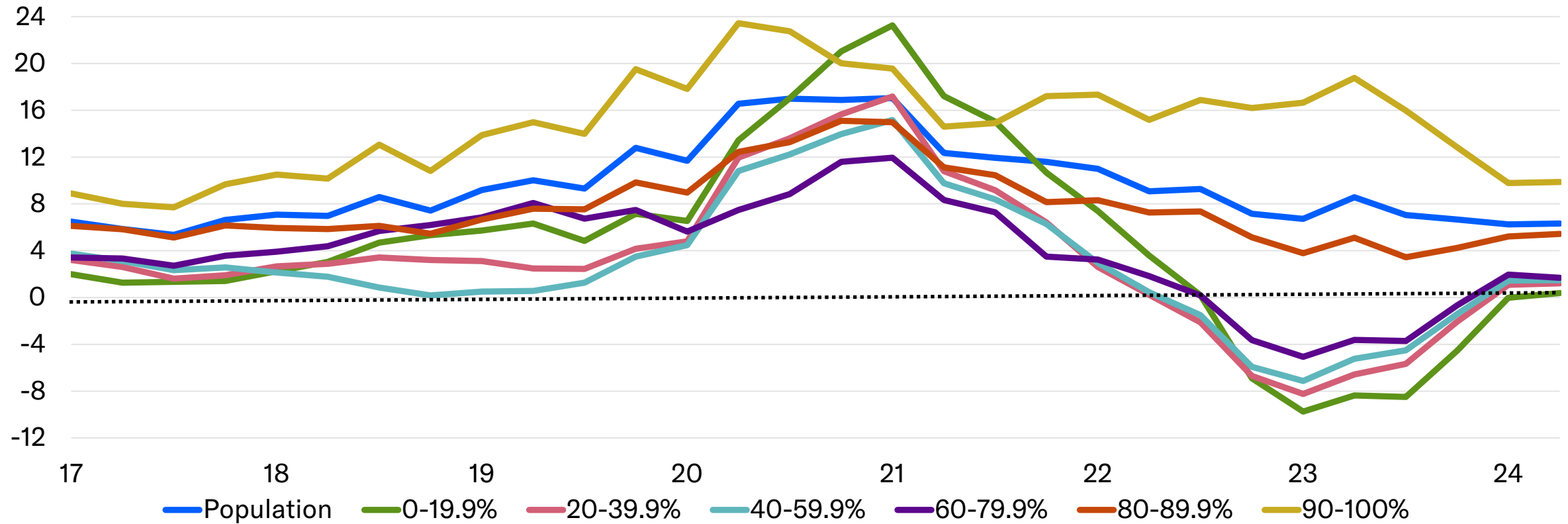
Wage growth by wage quartile and consumer price inflation, % change yr ago



Sources: BLS, Atlanta Fed, Moody's Analytics

...Particularly the Well-to-Do

Personal savings rate across the income distribution, %, 4-qtr MA



Sources: Federal Reserve, Moody's Analytics

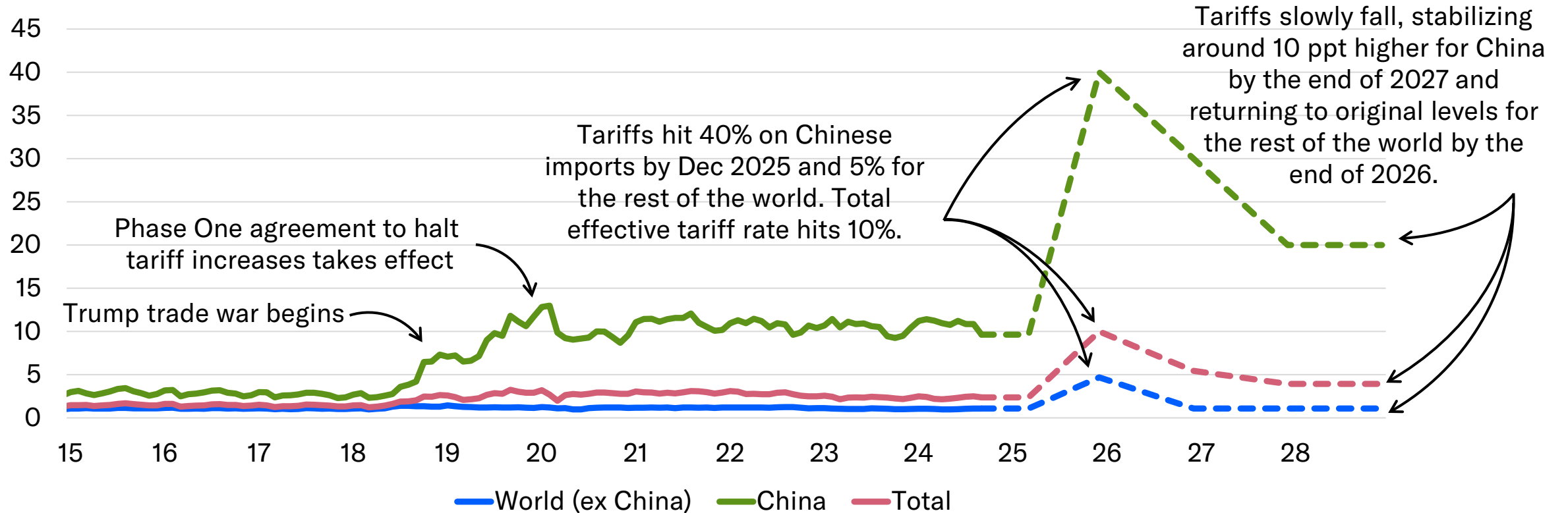
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2

But Economic Policy Is Highly Uncertain

Trump Tariff War Redux

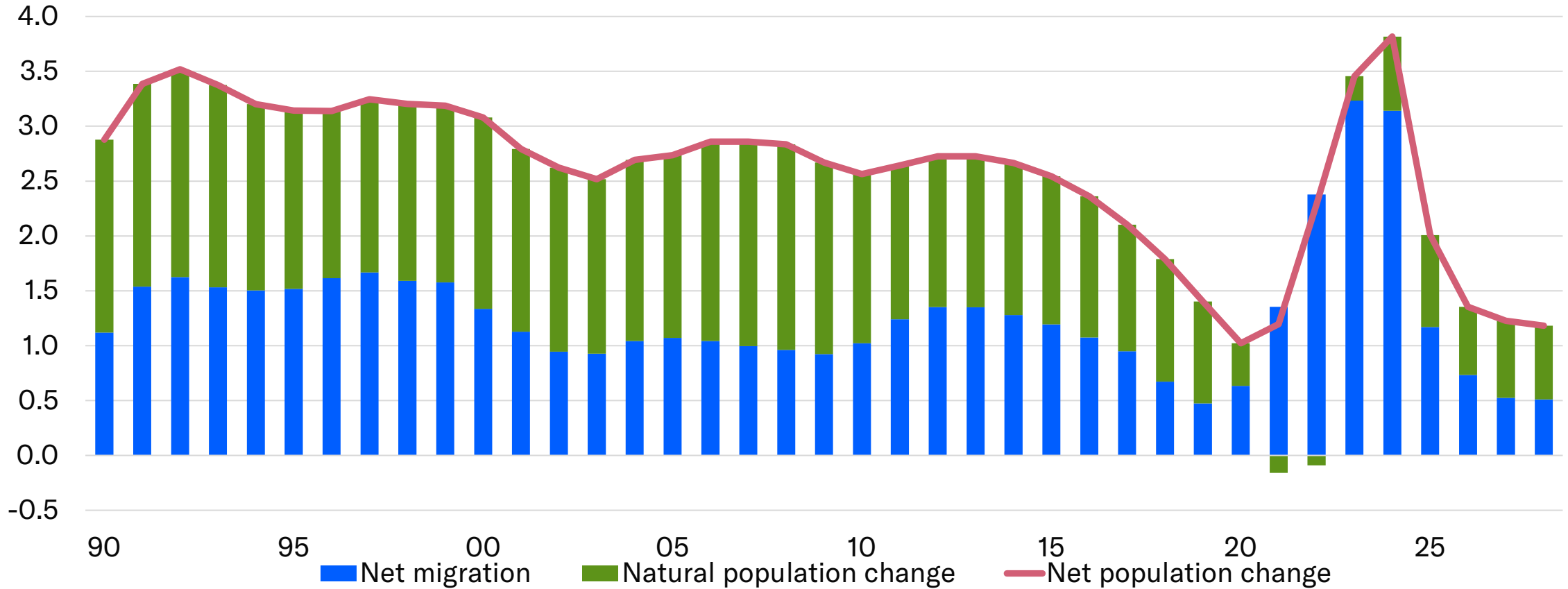
U.S. import duties, % of imports



Sources: Census Bureau, Moody's Analytics

Less Immigration, Weaker Population and Labor Force Growth

Mil of people



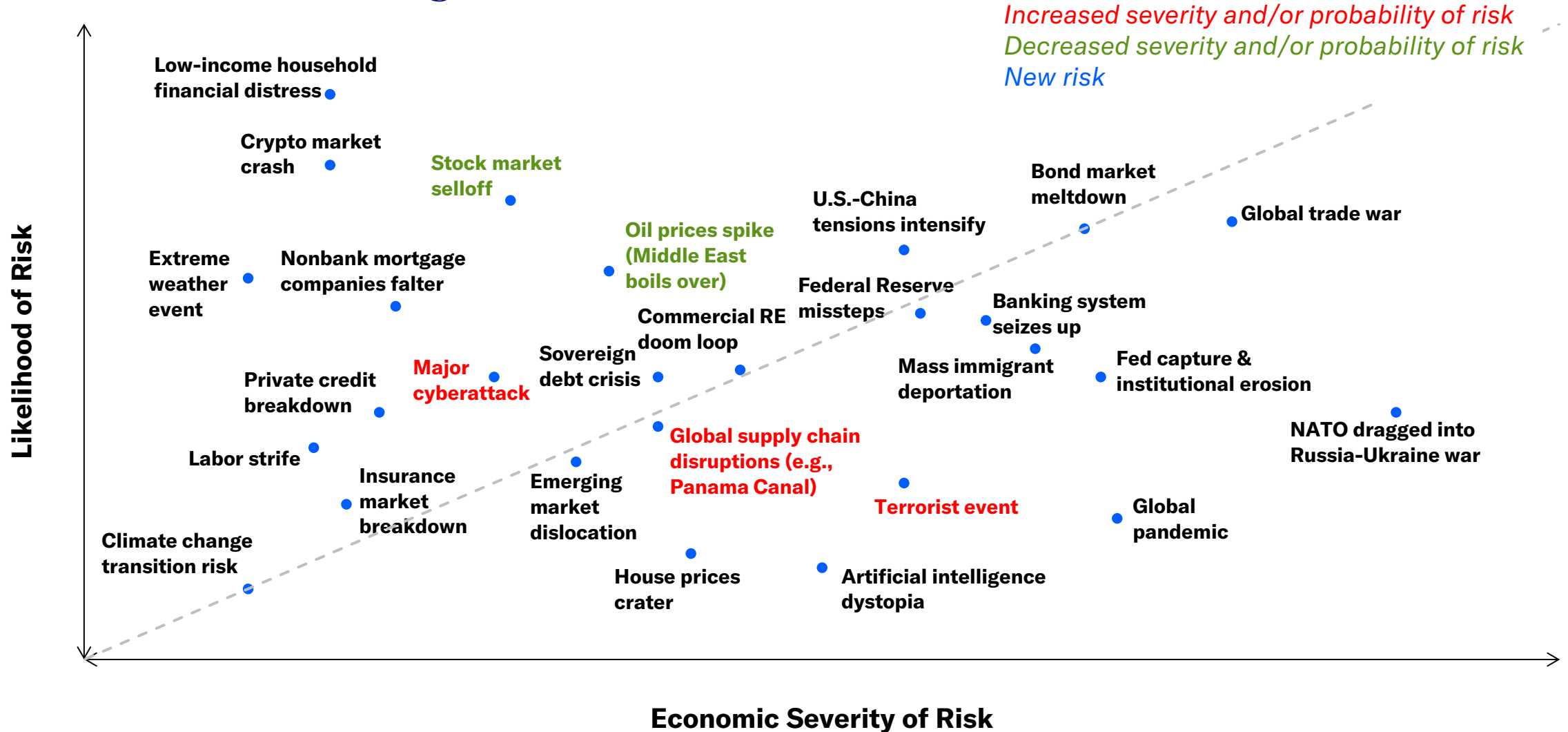
Sources: U.N., Moody's Analytics

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3

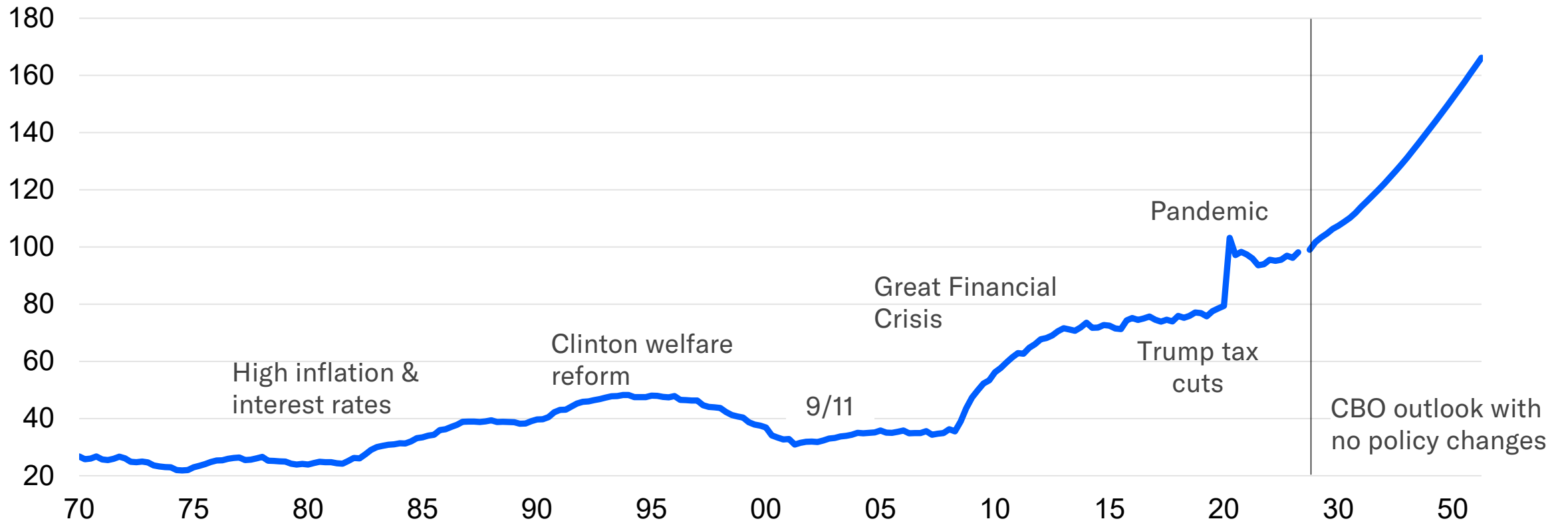
And There Are Many Threats

What Could Go Wrong



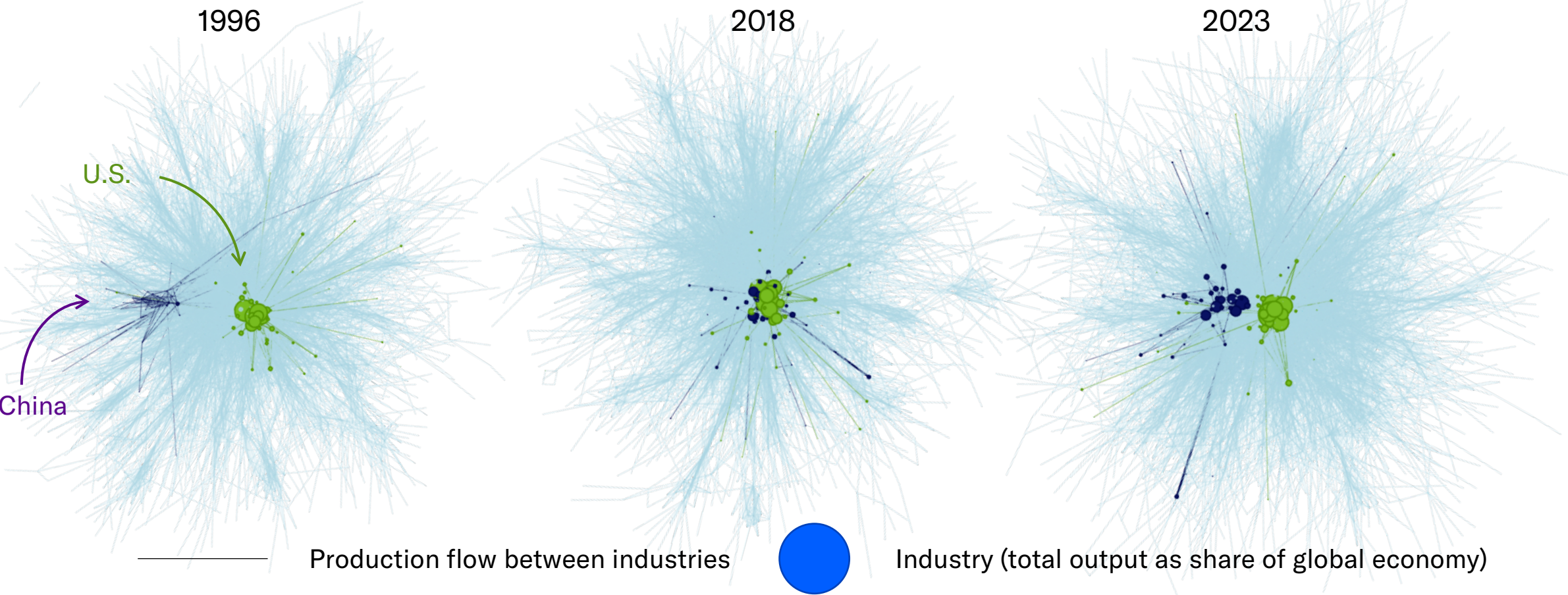
On an Unsustainable Fiscal Trajectory

Ratio of U.S. federal debt held by the public and GDP, %



Sources: U.S. Treasury, BEA, Moody's Analytics

U.S. and China Decouple and Tensions Intensify



Sources: OECD, Moody's Analytics

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Thank you!

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