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Economic Outlook: Tenuous Growth

Emily Mandel, Senior Economist, Moody's Analytics

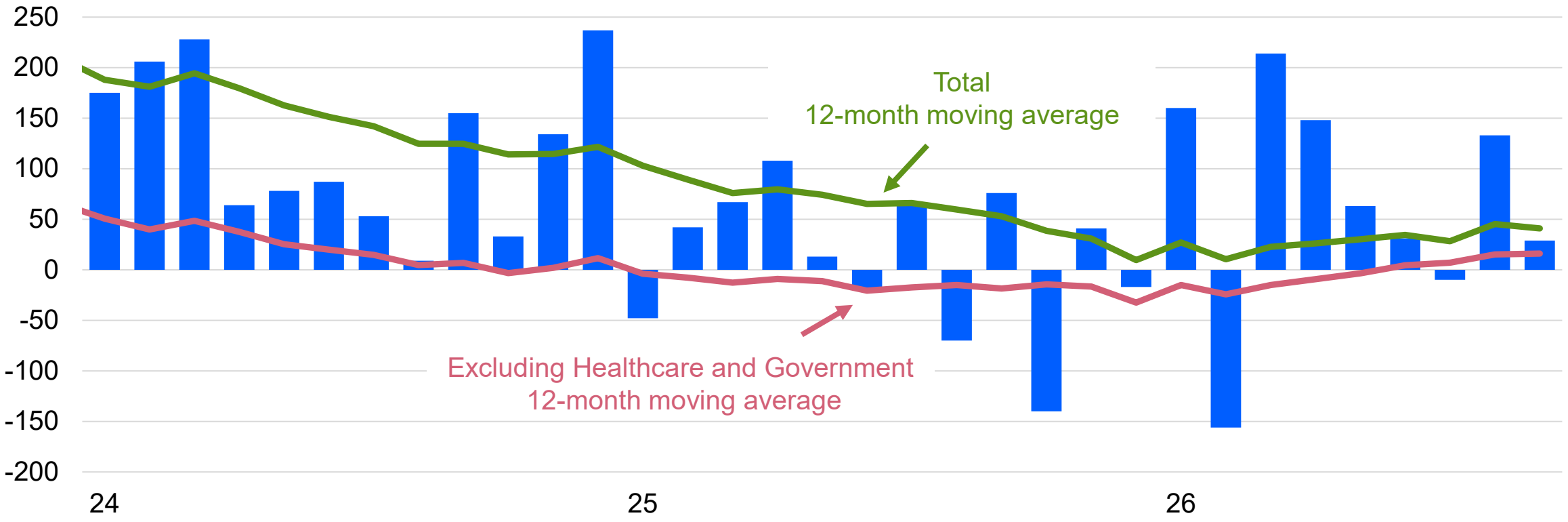
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October 28, 2026

United States Outlook

Job Growth Has Been Weak

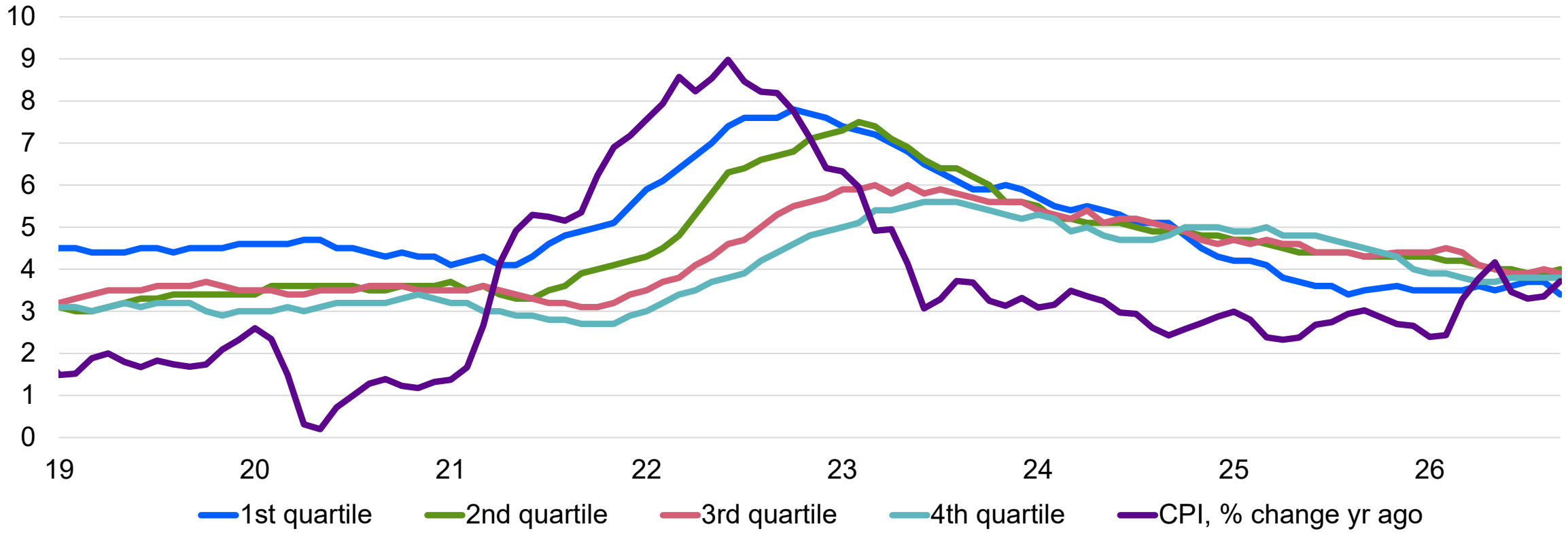
Monthly change in nonfarm payrolls, ths



Sources: BLS, Moody's Analytics

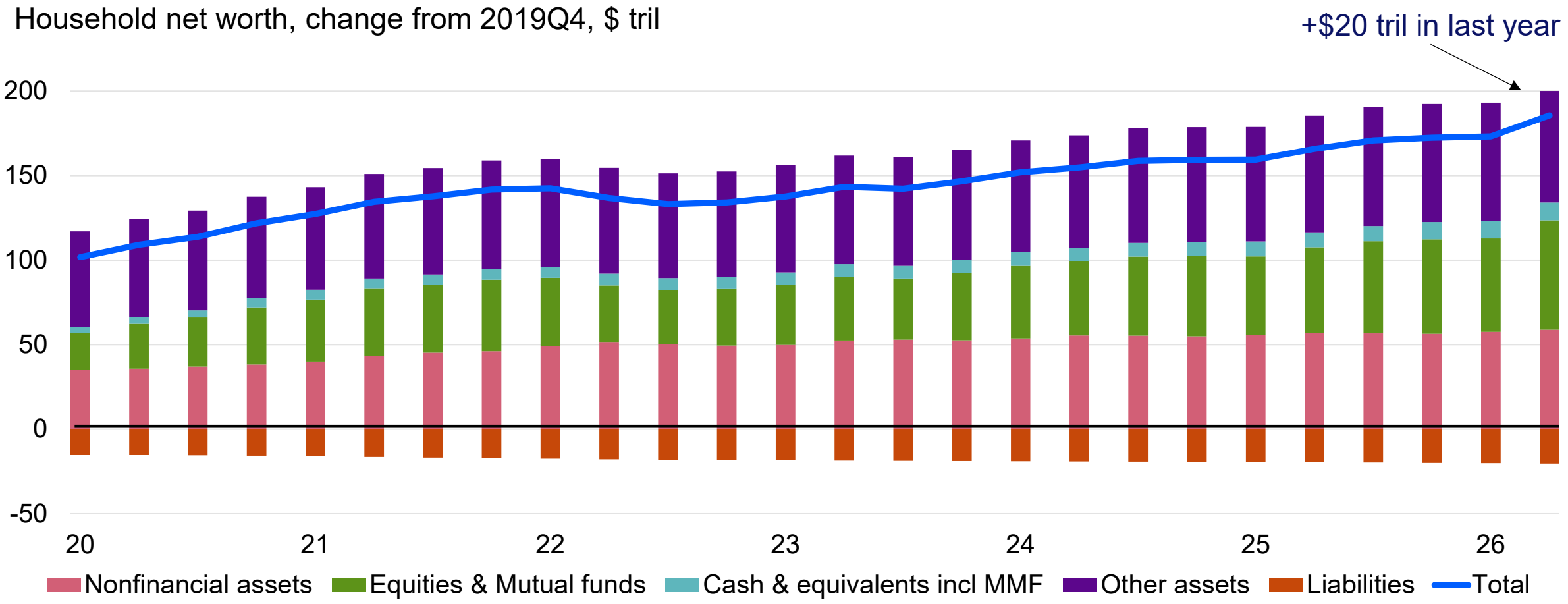
Wage Growth Barely Keeping Pace With Inflation

Median hourly wage growth by wage level, % change yr ago



Sources: Atlanta Fed, Moody's Analytics

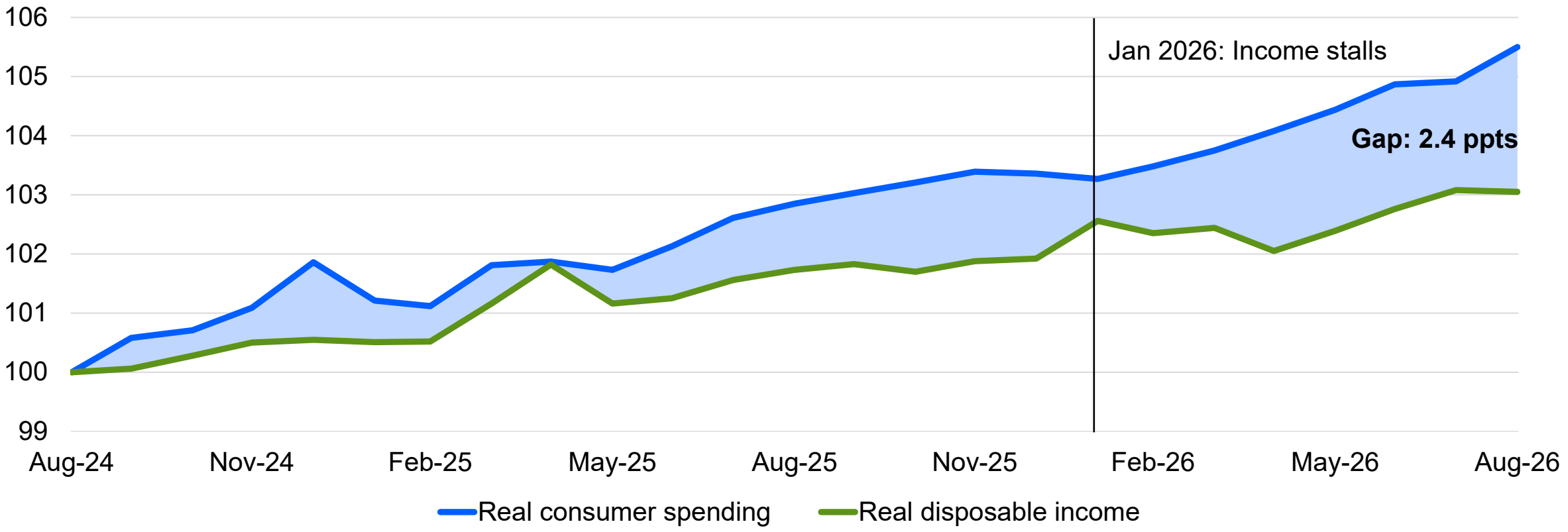
Wealth Powering Spending for Higher Income Households



Sources: Federal Reserve, Moody's Analytics

Spending Pulls Away From Income

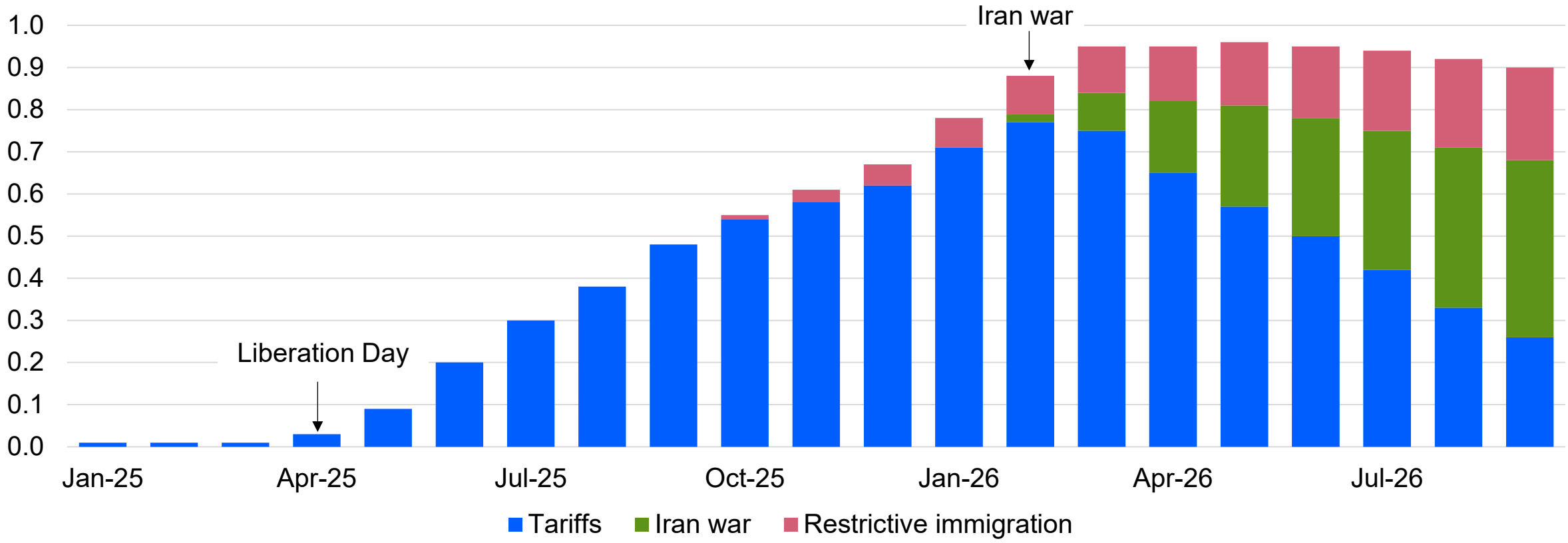
Aug 2024=100



Sources: BEA, Moody's Analytics

Supply Shocks Fuel Higher Inflation

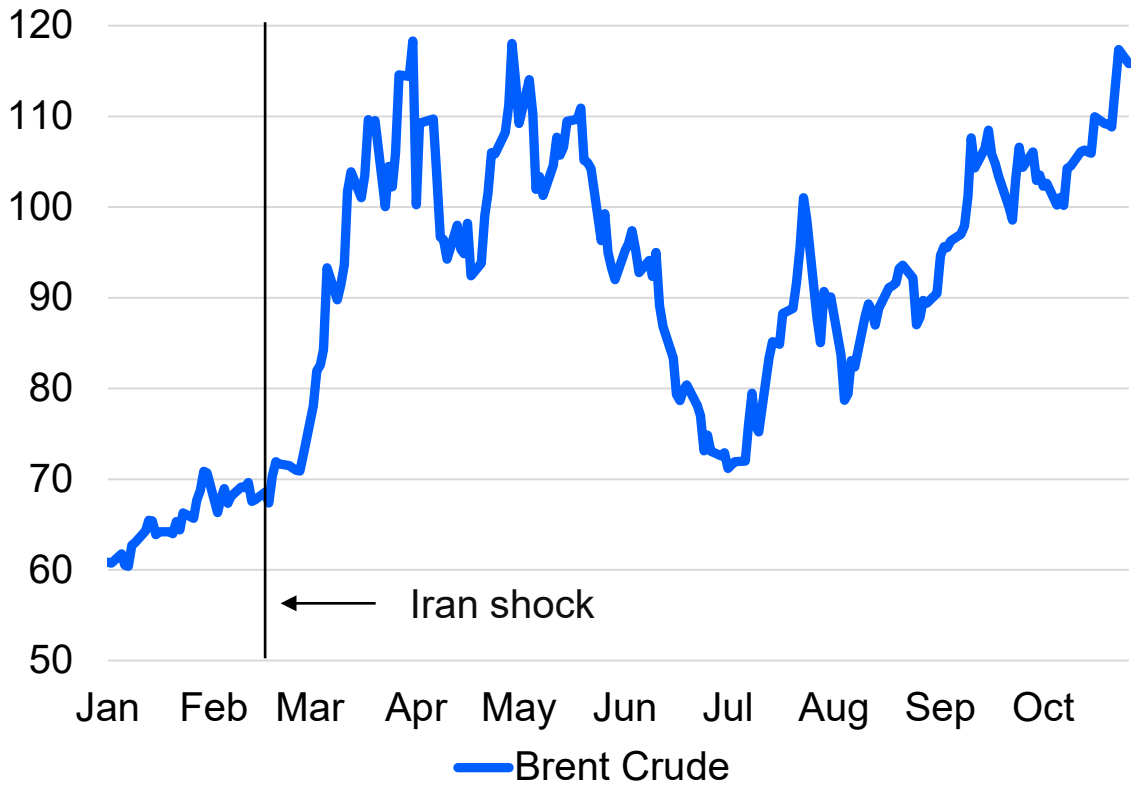
Contribution to core PCE inflation rate, change yr ago, ppt



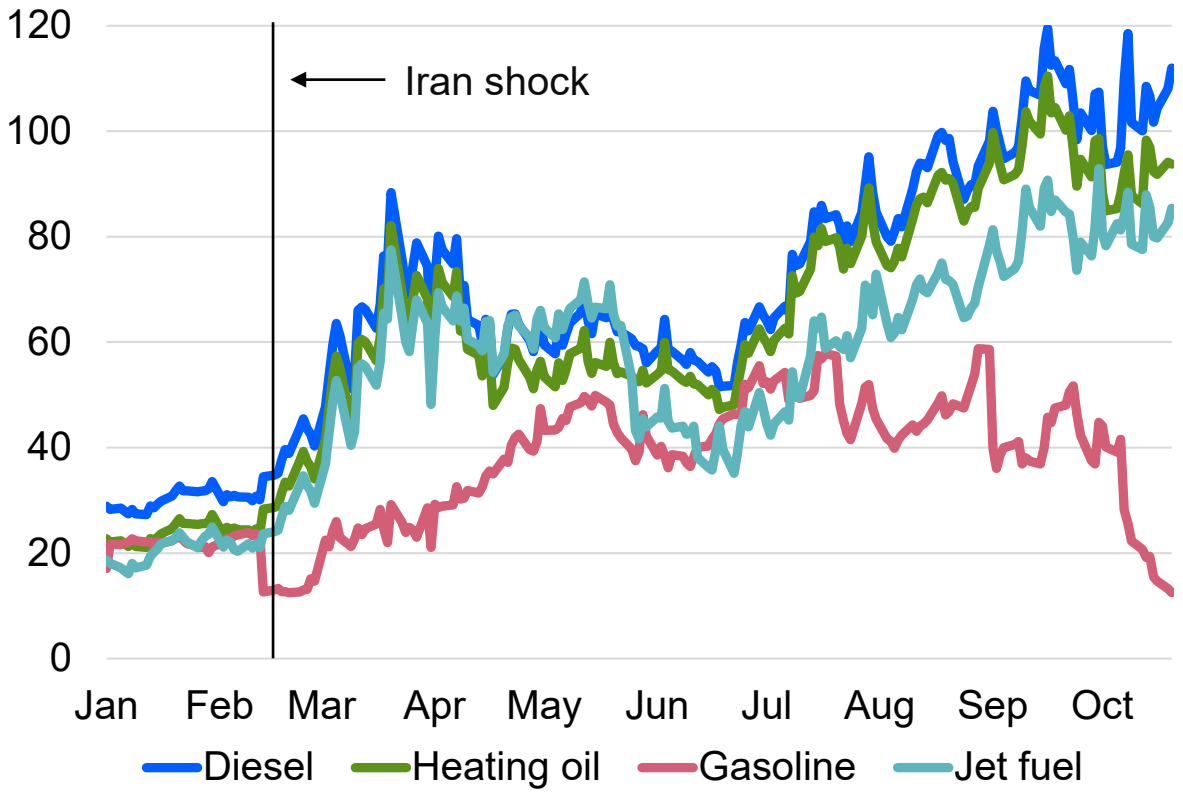
Sources: BLS, Federal Reserve, U.S. Treasury, Census Bureau, Moody's Analytics

Reduced Refinery Capacity Will Blunt Relief as Oil Prices Recede

Oil prices, $ per barrel, NSA, 2026



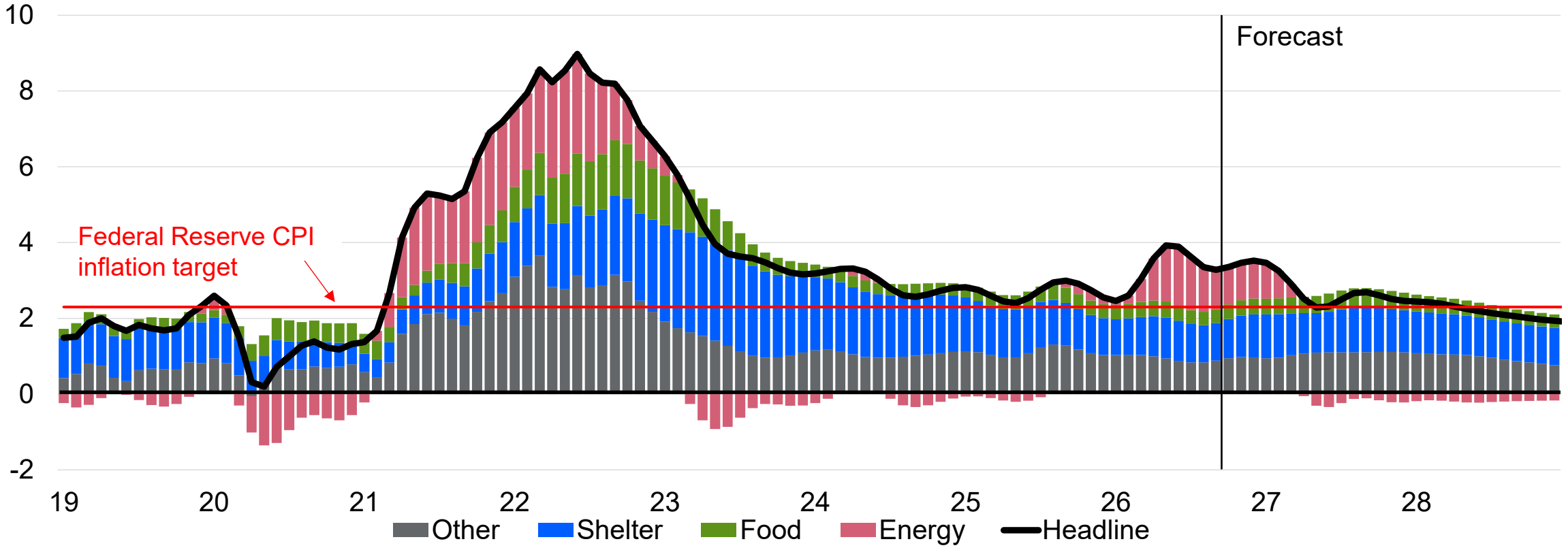
Crack spread, $/bbl, NSA, NY Harbor, 2026



Sources: EIA, Moody's Analytics

Energy to Keep Headline Inflation Above Target Through Early 2027

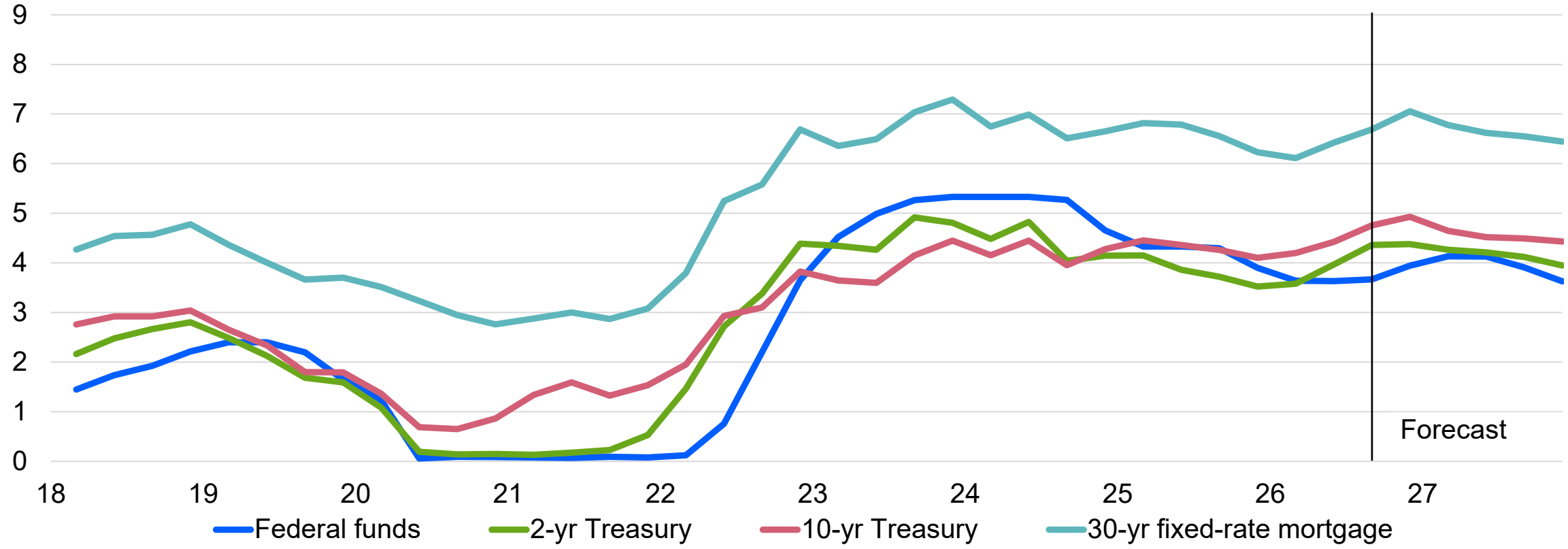
Contribution to yr-over-yr growth in consumer prices, ppt



Sources: BLS, Moody's Analytics

One More Rate Hike

U.S. interest rates, %, October 2026 baseline



Sources: Federal Reserve, Freddie Mac, ICE, Moody's Analytics

U.S. Baseline Outlook: Steady Growth, Moderating Inflation

October 2026

Real GDP Growth,
% Q4/Q4 change

2025	**2026**	2027
2.0%	**2.2%**	2.0%

Unemployment Rate,
%

2025	**2026**	2027
4.3%	**4.3%**	4.6%

Headline CPI Inflation,
% Q4/Q4 change

2025	**2026**	2027
2.7%	**3.4%**	2.5%

Monthly Avg Nonfarm Payroll Growth

2025	**2026**	2027
26K	**56K**	54K

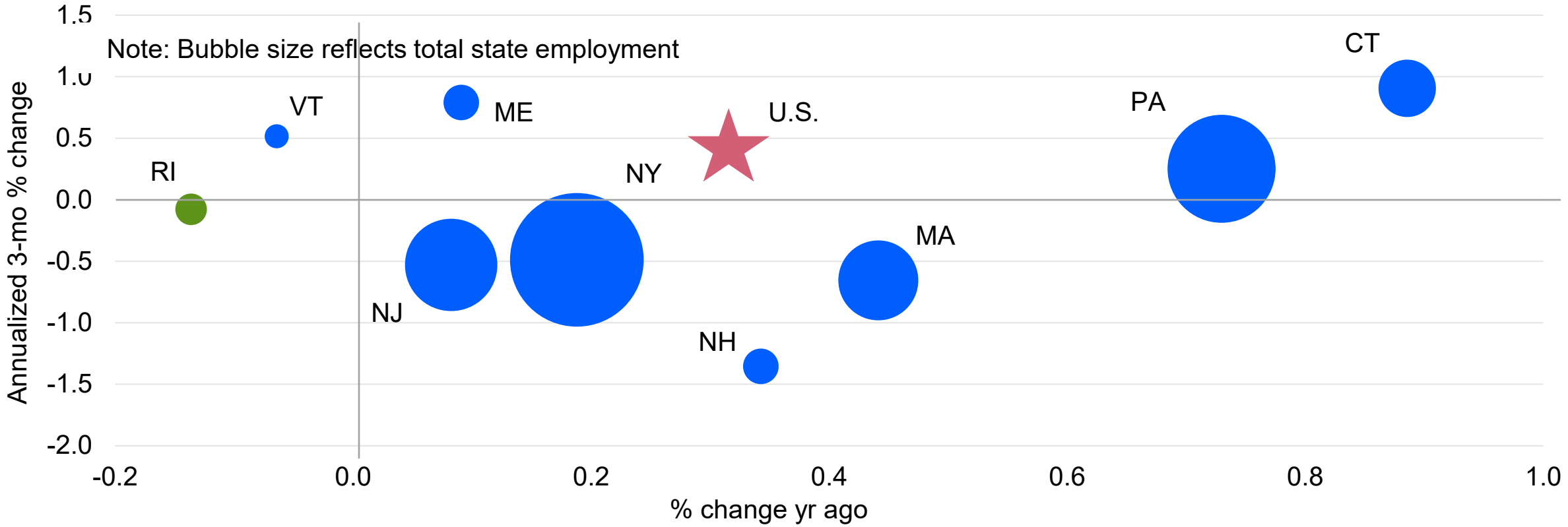
Core PCE Inflation,
% Q4/Q4 change

2025	**2026**	2027
2.7%	**3.4%**	2.3%

Rhode Island Outlook

Rhode Island Payrolls Tread Water

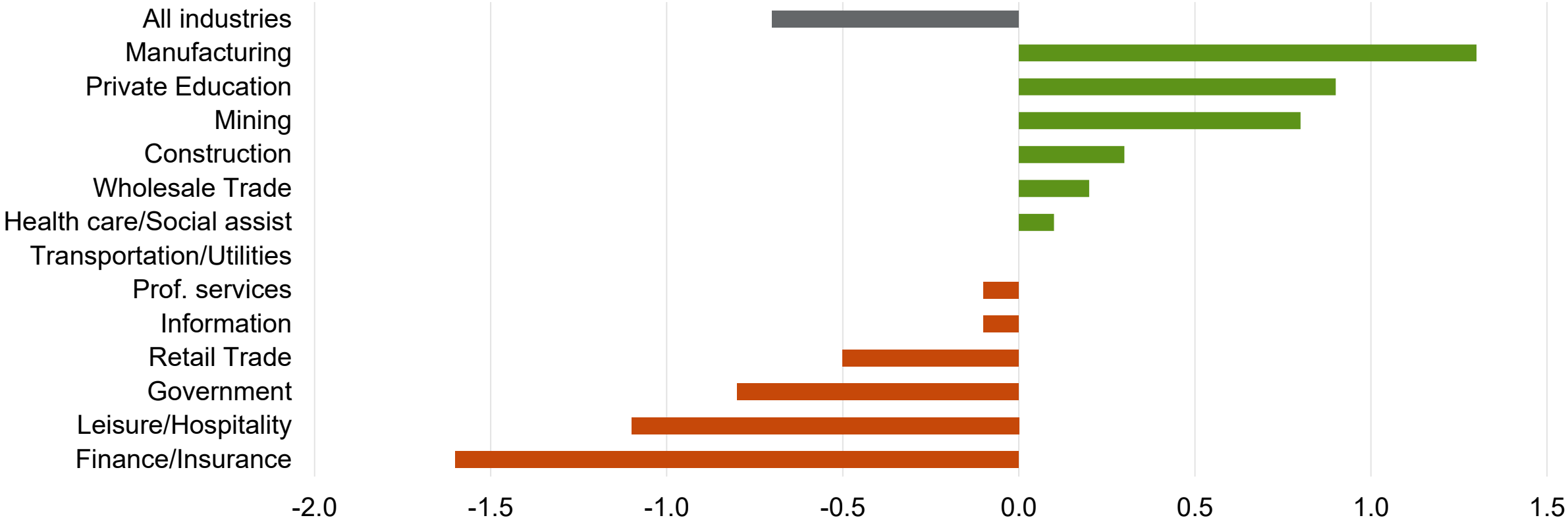
Payroll employment, 1-yr vs 3-mo performance (3-mo MA), September 2026



Sources: BLS, Moody's Analytics

Goods-Producing Industries Advance, Services Retreat

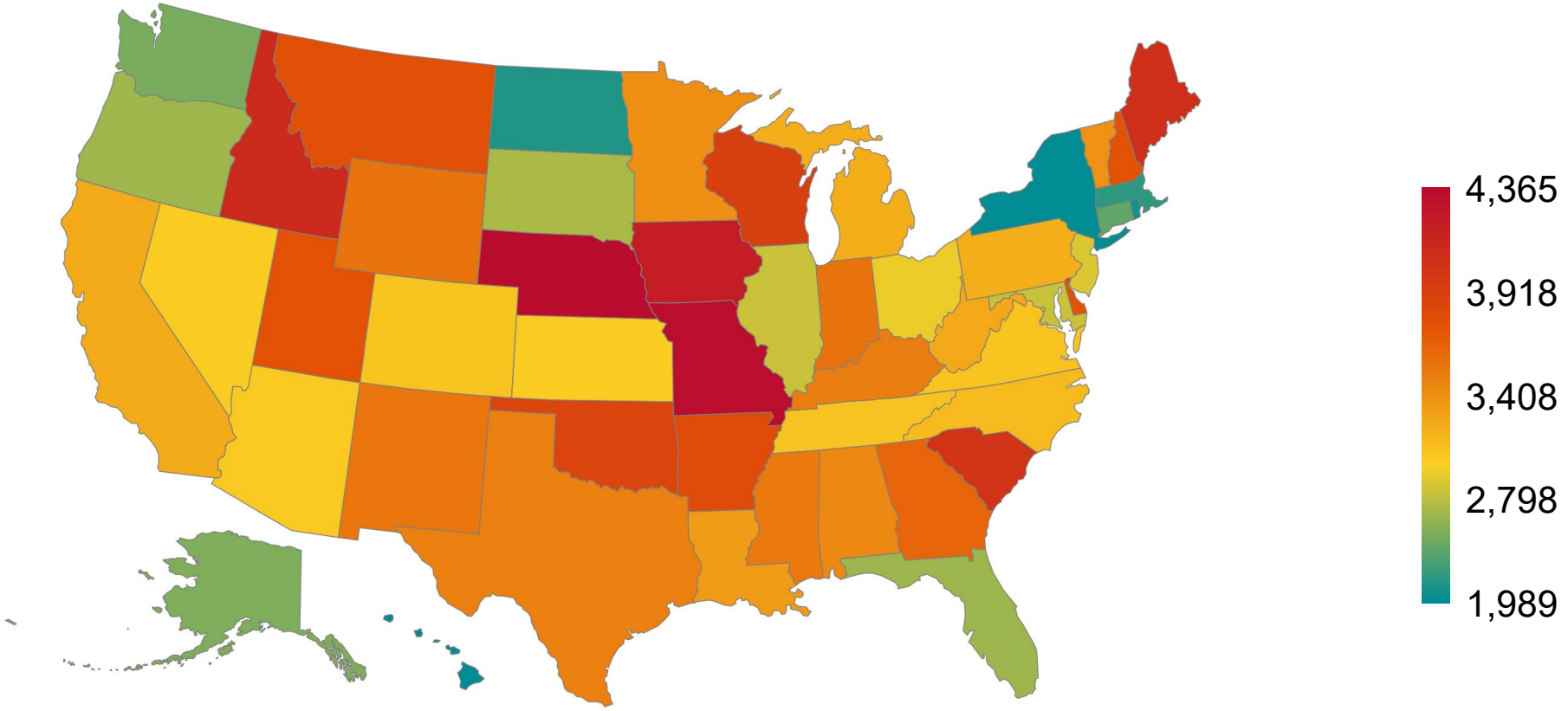
RI employment change from September 2025 to September 2026 by selected industry



Sources: BLS, Moody's Analytics

Energy Costs Will Strain Households and Businesses

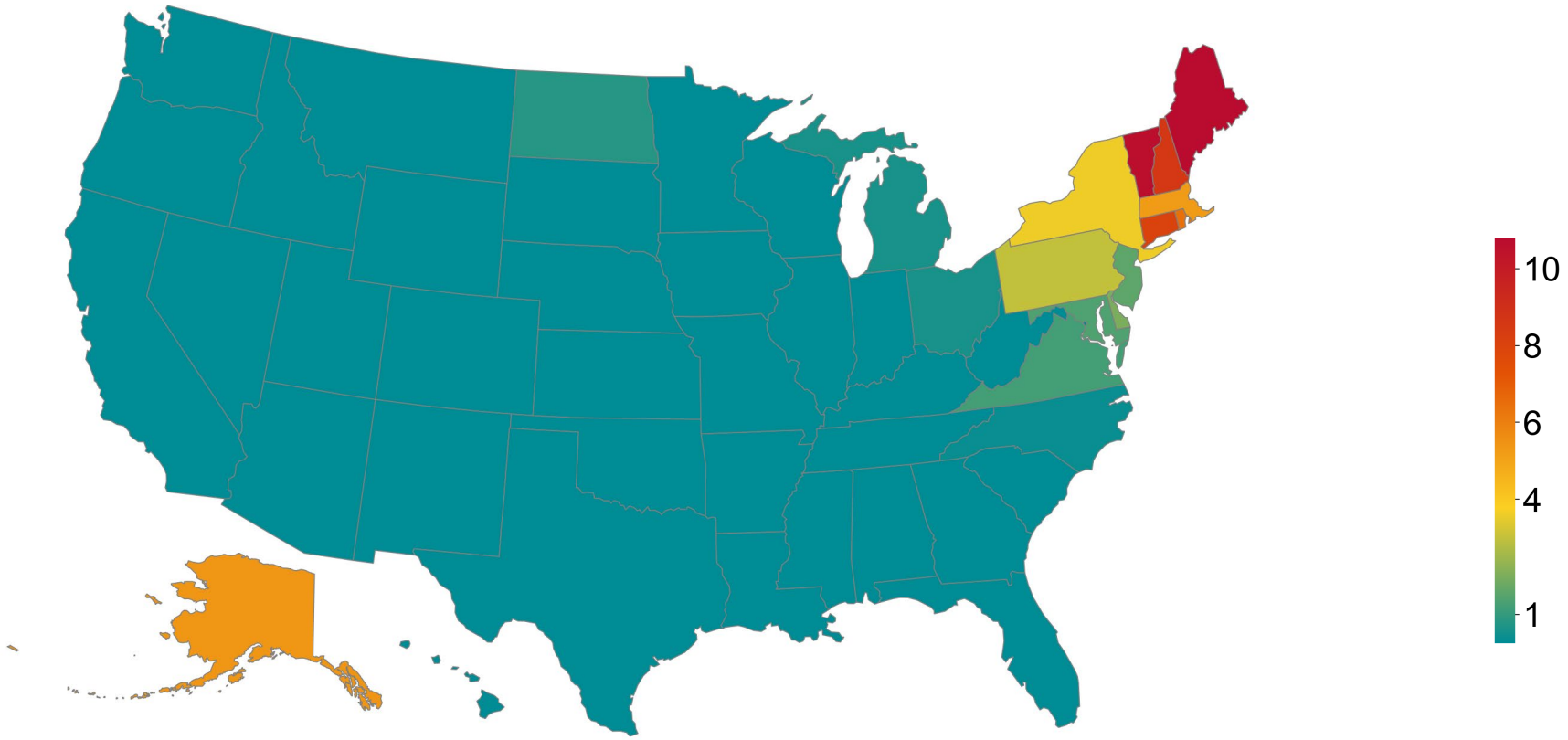
Personal consumption of gasoline and other energy goods, $ per household, 2025



Sources: BEA, Census Bureau, Moody's Analytics

Heating Oil Costs Matter to the Northeast

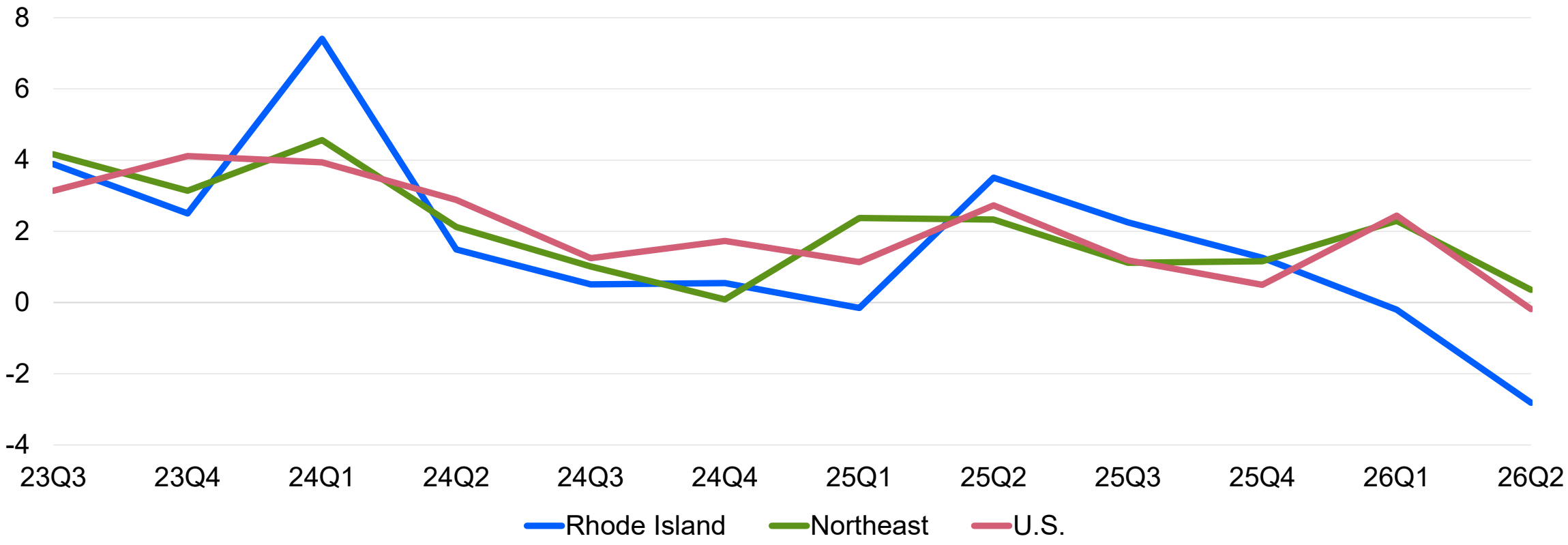
Share of total U.S. home heating oil consumption as a ratio of share of U.S. households



Sources: EIA, Moody's Analytics

Weaker Labor Market, Higher Inflation Weigh on Incomes

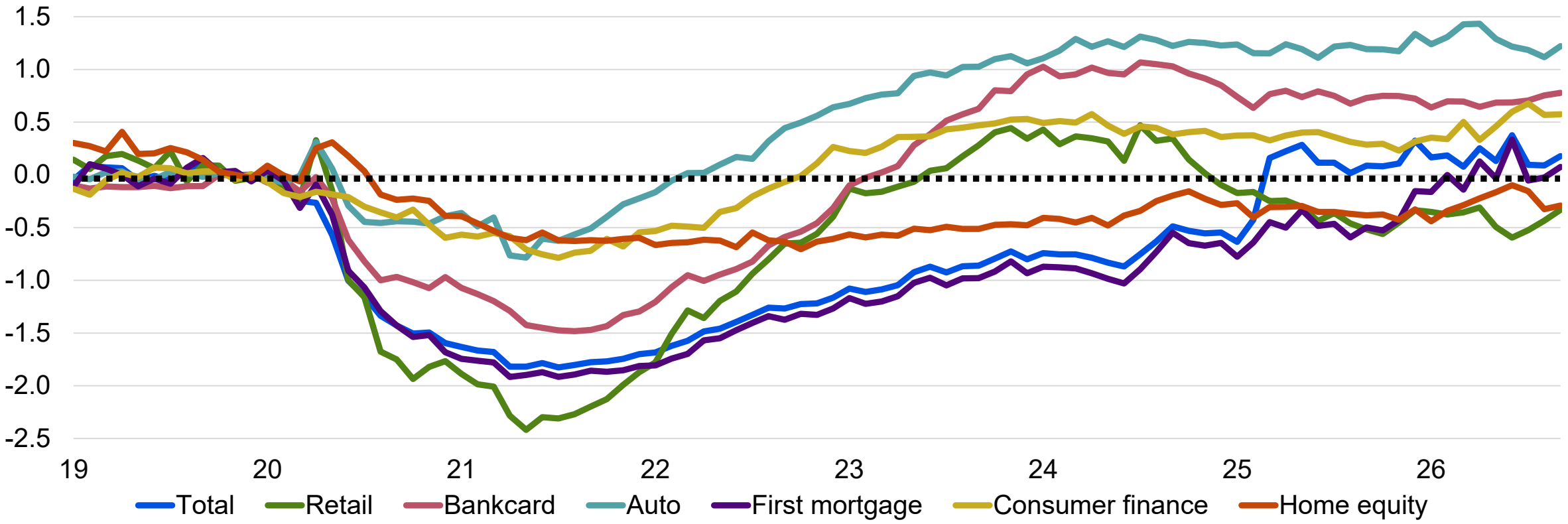
Real disposable personal income, annualized % change



Sources: BEA, Moody's Analytics

Credit Quality Has Deteriorated Since 2019…

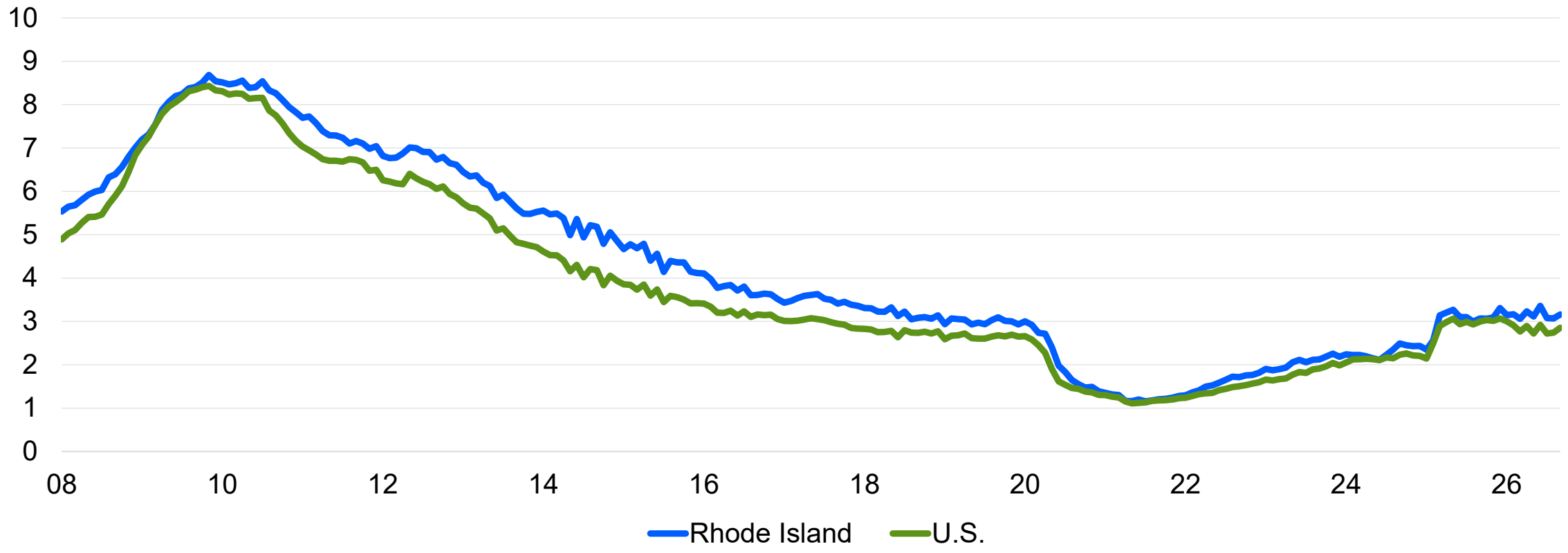
RI delinquency rate, % of $ balance, change from 2019Q4, ppt



Sources: Equifax, Moody's Analytics

… But Delinquencies Remain Historically Low

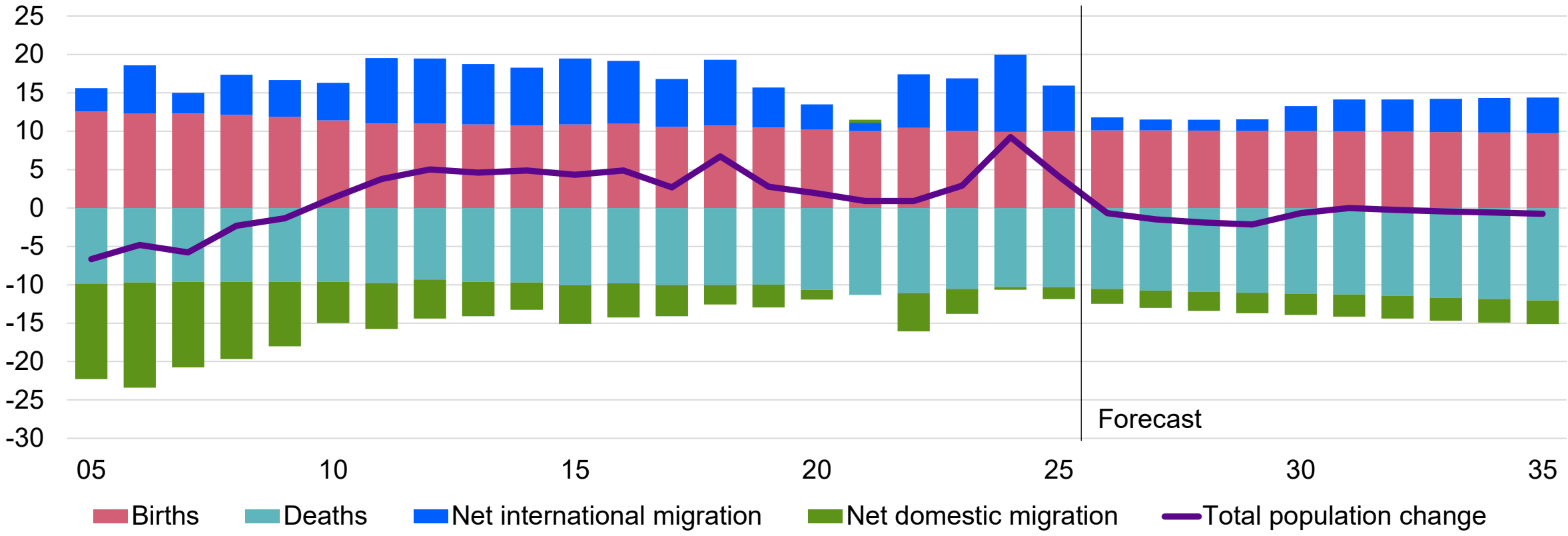
Total delinquency rate, %



Sources: Equifax, Moody's Analytics

Reduced Immigration Will Contribute to Population Losses

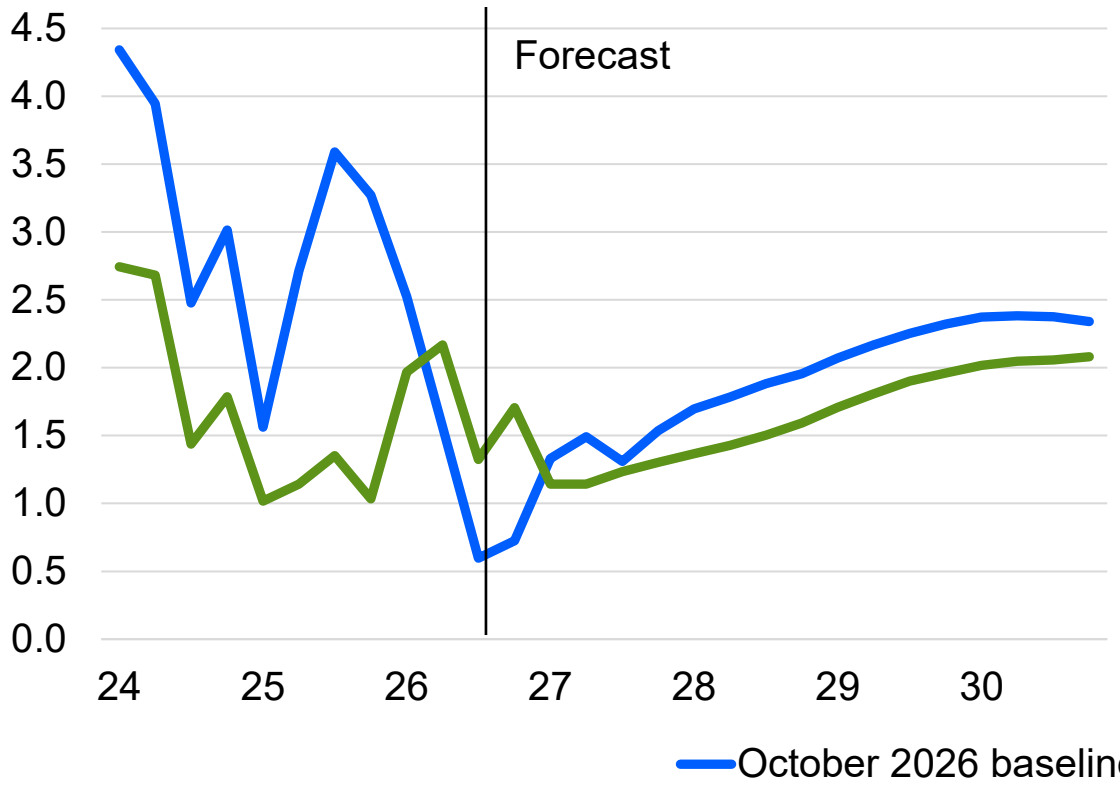
Rhode Island, ths



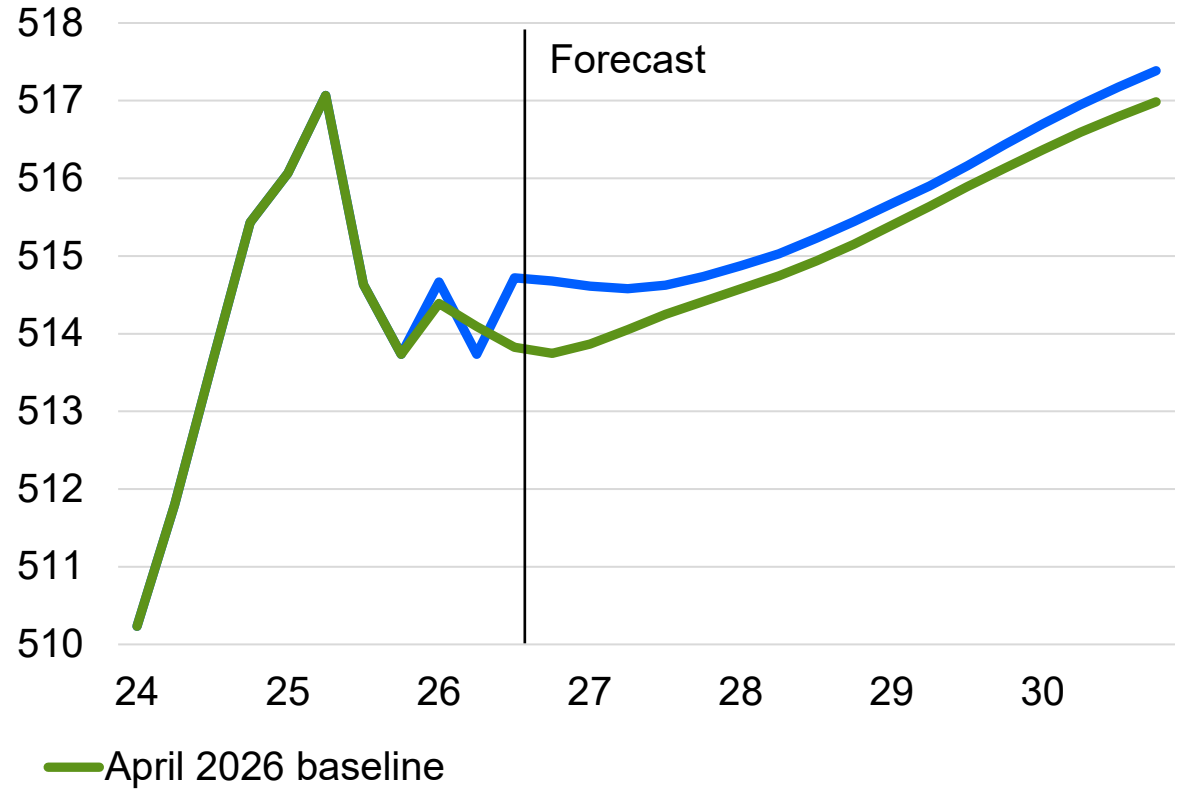
Sources: Census Bureau, Moody's Analytics

Baseline Outlook: A Slow-Growing Economy

Rhode Island real GDP, % change yr ago



Rhode Island payroll employment, ths



October 2026 baseline

April 2026 baseline

Sources: BEA, BLS, Moody's Analytics

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Thank you

Contact Us

Email	helpeconomy@moodys.com
U.S./Canada	+1.866.275.3266
EMEA	+44.20.7772.5454 (London)
	+420.234.747.505 (Prague)
Asia/Pacific	+852.3551.3077
All Others	+1.610.235.5299

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