

Your Weekly Economic Update

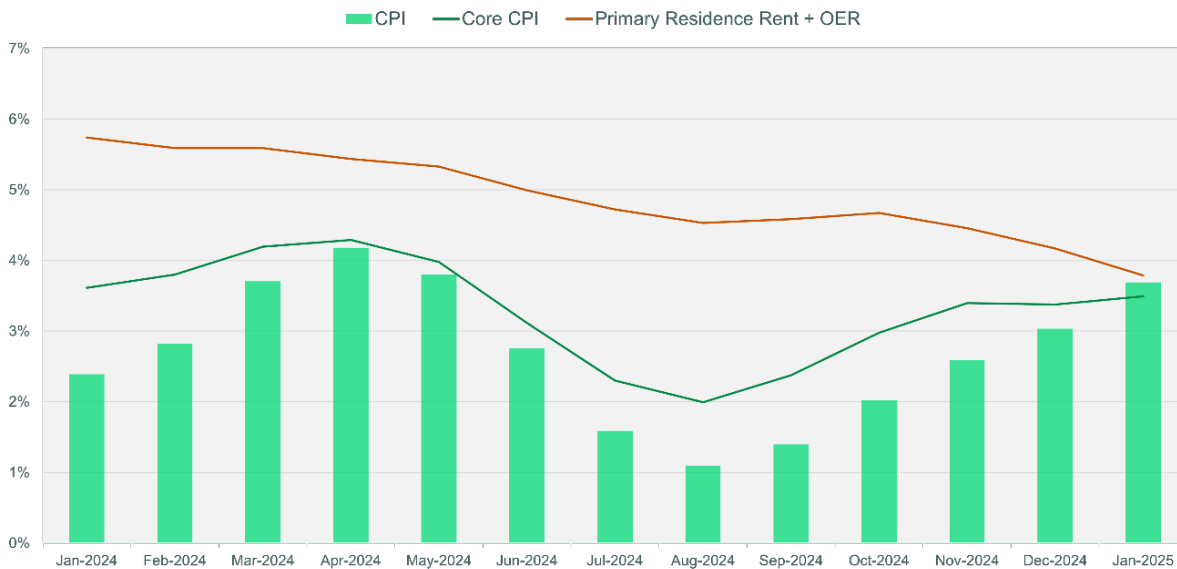
with Jeff Bridges, Chief Economist at Enact

Get the latest update from our own Jeff Bridges, Chief Economist at Enact. Check out some key economic observations from the **week of Feb. 10 – 14, 2025**.

Key Points:

- **CPI inflation** was 3.0% year-over-year in January.
 - On a quarterly annualized basis, core inflation – which excludes volatile food and energy components – has generally accelerated from the relatively low levels seen last summer.
 - Rising headline inflation has obscured more positive news across two housing-related components: primary residence rent and owner’s equivalent rent.
 - These two components account for roughly 1/3rd of the CPI by weight so continued disinflation across these components is supportive of the Federal Reserve’s broader inflation goal.

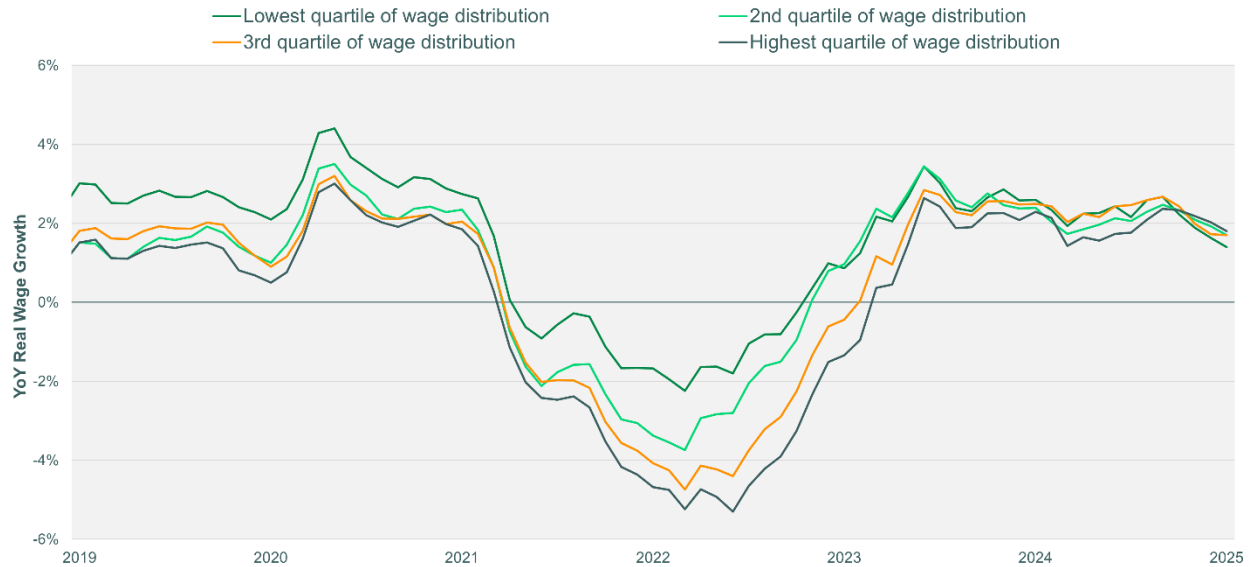
CPI Inflation Trends, 3M/3M SAAR



Source: U.S. Bureau of Labor Statistics

- Despite **elevated inflation**, real wage growth appears solid across the wage distribution.
 - Overall, **CPI-adjusted wage growth** measured by the Atlanta Fed's wage tracker is 1.7% - comparable to the 1.8% average rate across 2019.
 - **Real wage growth** is an important determinant of households' ability to consume and economic growth generally.

Atlanta Fed Wage Growth Tracker, CPI Inflation-Adjusted



Source: U.S. Bureau of Labor Statistics