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INTRODUCTION

Over the past three months, incoming data have remained consistent with a soft landing for the U.S. economy. Elevated labor force participation and the resolution of pandemic-era supply chain challenges have strengthened our economy's productive capacity, helping create space for strong economic growth while inflation continues to cool. Just last week, the Bureau of Economic Analysis's (BEA) advance estimate of gross domestic product (GDP) in the fourth quarter of 2023 surprised on the upside. While median forecasts expected annualized growth around 2.0 percent, the initial read of GDP growth was 3.3 percent at an annual rate. Real GDP rose 3.1 percent over the four quarters of 2023, the third strongest calendar year rate since before the Global Financial Crisis. In addition, employment growth moderated in the fourth quarter but remained well above rates needed to accommodate population growth. Importantly, labor supply remained elevated, allowing the unemployment rate to hold at low levels without adding inflationary pressures. Headline inflation cooled further as energy prices decreased on balance over the quarter, though further progress is needed to bring core inflation to a level consistent with the Federal Reserve's target.

Still, encouraging economic news in the fourth quarter does not assure similar performance in the current quarter. The economic situation can change quickly due to geopolitical and domestic events. Yet, despite many uncertainties and headwinds, the U.S. economy proved resilient and strong in 2023 and remains well-positioned as we move into 2024. The Administration remains focused on further expanding our economy's productive capacity as we implement significant investments in our nation's clean energy, manufacturing capacity, and infrastructure.

REAL GROSS DOMESTIC PRODUCT (GDP)

Real GDP growth remained strong in the fourth quarter of 2023, rising by 3.3 percent at an annual rate, after exceptionally strong growth in the third quarter of 4.9 percent (see Table 1 – Real Gross Domestic Product). Significantly, growth in the fourth quarter was largely driven by underlying private domestic demand, including sustained momentum in personal consumption expenditures (PCE) and faster growth in business fixed investment. Over the four quarters of 2023, real GDP growth accelerated to 3.1 percent—the fastest annual pace this Administration and the third fastest annual pace since before the Global Financial Crisis.

Decomposing GDP into smaller components can be helpful in tracking the economy's performance. The four components we consider are: (1) private domestic final purchases (PDFP), the most persistent and stable components of output: personal consumption, business fixed investment, and residential investment; (2) government consumption and investment; (3) net international purchases (U.S. exports less U.S. imports); and (4) intermediate demand (or the change in private inventories). Examined separately, each component delivers specific information about activity in various sectors that can be useful in predicting the future path of growth.

The first component, PDFP, is particularly important to analyze: it measures the private sector's capacity to drive self-sustaining growth and, therefore, may signal the direction of future economic performance. In the fourth quarter, real PDFP growth was a strong 2.6 percent at an annual rate, which accounted for 2.2 percentage points of total GDP growth. Although slowing modestly, personal consumption expenditure (PCE) growth remained close to the third quarter pace, as household finances were underpinned by strong labor market conditions and rising incomes in real terms. Spending on goods and services grew solidly. Household purchases of goods rose at a slower rate than in the third quarter. By contrast, the growth rate for consumption of services accelerated in the fourth quarter, driven by larger contributions from most components, save for expenditures on rent of rent of housing, food services, and financial service. On net, household spending on services accounted for roughly 55 percent of PCE's contribution to GDP growth.

Business fixed investment accelerated in the fourth quarter, reflecting growth in all three major components. Investment in equipment turned positive in the fourth quarter, while spending on intellectual property products grew for the fourteenth consecutive quarter. Meanwhile, investment in structures slowed sharply in the fourth quarter, dropping from 11.2 percent annualized in the third quarter to 3.2 percent—largely driven by less investment in commercial and health care buildings, as well as other structures.

Residential investment, the final component of PDFP, posted growth in the fourth quarter, marking this sector's first back-to-back quarters of expansion in three years. Although growth slowed to 1.0 percent in the final quarter of 2023 from 6.7 percent in the third quarter, the slower growth largely reflected weakness in brokers' commissions and other types of residential investment, which partially offset a gain in single-family construction.

The other three components of GDP (government spending, net exports, and inventory changes) all made positive contributions to fourth quarter growth. Total government spending contributed solidly to growth in the fourth quarter, but paces of growth were softer at all levels of government—though state and local government expenditures accounted for more than two-thirds of the increase. International trade was a net positive contributor to real GDP growth as the increase in exports outweighed import growth, resulting in a narrower trade deficit in the fourth quarter. The change in private inventories, which can exhibit wide swings from quarter to quarter, added only slightly to growth in third quarter after a large contribution in the third quarter. Notably, this decline in the contribution from the change in private inventory investment explains most of the deceleration in real GDP growth from the third to the fourth quarters.

LABOR MARKETS

In the final quarter of 2023, the U.S. labor market exhibited solid employment gains, low unemployment, and stable labor force participation near post-pandemic highs. In addition, signs of cooling pointed to continuing realignment between labor demand and labor supply (see Table 2 – Labor Market Indicators).

The average pace of payroll job creation slowed in the fourth quarter to 165,000 per month. Although down from the third quarter average of 221,000 per month, the fourth quarter pace was still well above that needed to accommodate population growth. The unemployment rate also trended lower over the quarter and ended the year at 3.7 percent, down 0.1 percentage points from September. A broader measure of labor underutilization is the underemployment rate, which includes those working part-time for economic reasons and those marginally attached to the labor force. Although the underemployment rate stepped up to 7.1 percent at the end of the fourth quarter, it remains historically low; for comparison, the underemployment rate in 2019—a period generally viewed as a full-employment environment —averaged 7.2 percent throughout the year. Indeed, weekly unemployment insurance claims since late November have come in persistently below 2018 and 2019, when labor markets were likely at full employment. On average, initial unemployment claims (NSA) during the weeks ending January 13 and 20 were 12.0 percent below corresponding weeks in 2018 and 2019. Continuing claims data also have fallen below comparable 2018 and 2019 readings and are consistent with strong labor markets.

Meanwhile, labor supply and demand continued to realign in the fourth quarter. Labor supply held at or near post-pandemic highs: at 62.7 percent in the fourth quarter, total labor force participation was unchanged from the third quarter average. Although total LFPR edged down a bit in December, the year-end rate still was 62.5 percent—or 0.2 percentage points higher than a year earlier—while the prime-age (ages 25 to 54) LFPR was 83.2 percent, up 0.7 percentage points over the year.

Meanwhile, demand for labor continued to ease. Job openings (or vacancies) have trended lower since peaking at 12.0 million in March 2022. This downtrend continued during the first two months of the fourth quarter (latest available data), during which the average number of job openings fell to 8.8 million, down 435,000 from the third quarter average. As a result, the ratio of job vacancies to unemployed workers has declined from a peak of 2.0 in March 2022. As of November, there were 1.4 job openings per unemployed worker, down by 0.1 from the corresponding month in the third quarter. Although the ratio still is above the pre-pandemic high of 1.2, the downtrend since March 2022 confirms that labor demand and supply are realigning.

INFLATION

Headline inflation slowed considerably during the fourth quarter and, by the end of the quarter, was down on a year-over-year basis by nearly two-thirds of its peak in June 2022. Core inflation, meanwhile, maintained a steady pace throughout the third and further quarters; by the end of the year, core inflation was down roughly 40 percent from its peak in autumn of 2022.

As measured by the consumer price index (CPI), the average rate of monthly inflation during the fourth quarter was 0.1 percent, down from an average of 0.4 percent during the third quarter (see Table 3 – Inflation and Wage Growth Indicators). Headline inflation was held down by falling energy prices, which declined an average of 1.5 percent per month in the fourth quarter, after rising 2.4 percent on average in the third quarter. Despite the decline in energy prices in the fourth quarter, recent developments suggest upside price risk to energy and headline inflation. Geopolitical tensions in Ukraine and the Middle East, as well as OPEC+

production cuts, have added uncertainty to the energy outlook—though OPEC+ oil production cuts have encouraged output growth among non-OPEC+ countries, including the United States, and mitigated the price impact. For the other non-core components of inflation, average monthly food inflation was stable in the fourth quarter, remaining at the third quarter's average pace of 0.2 percent—that is, near rates seen prior to the pandemic.

Excluding energy and food, core CPI inflation remained stable in the second half of 2023—though inflation rates of core components diverged. Over the fourth quarter, core inflation averaged 0.3 percent per month, unchanged from the third quarter. Core goods prices decreased for the second consecutive quarter—though the pace of deflation was roughly half that in the third quarter. By contrast, core services inflation remained elevated. Sustained upward pressure from rent of housing services (rent of primary residential and owners' equivalent rent)—which is the largest share of core inflation—sets a high floor to core services inflation, though it has eased slowly. The fourth quarter pace of inflation for rent of housing services matched that of the previous two quarters but was 6.4 percent on a year-over-year basis in December, the slowest pace twelve-month pace since July 2022. For non-housing core services, inflation held steady at an elevated pace in the fourth quarter.

Inflation as measured by the PCE price index assigns different weights for different components and uses a different methodology in its calculation than the CPI. Nonetheless, the drivers of both measures of inflation and the patterns in the fourth quarter are broadly similar.

HOUSING MARKETS

New Residential Construction: On net, new home construction supported economic activity in the fourth quarter, with growth rates of all but the early stages of home building improving relative to the third quarter (see Table 4 – Housing Market Indicators). The pace of growth of total building permits—which precede future home construction—slowed slightly due to more moderate growth in the single-family sector. Multi-family permits, meanwhile, declined at a slower pace, extending the downtrend that began in the latter half of 2022. Meanwhile, growth of total housing starts turned positive in the fourth quarter, owing to a renewed growth in multi-unit starts. For the next two stages of production, the inventory of homes under construction was unchanged at the end of the fourth quarter, but home completions returned to positive growth. On a year-over-year basis, total home completions rose at the fastest pace since before the pandemic, signaling favorable developments for housing supply throughout 2023.

Homes Sales and Inventories: Ongoing housing affordability challenges—stemming from both high home prices and elevated, though declining, mortgage rates—continued to constrain existing home sales in the fourth quarter (see Table 4 – Housing Market Indicators). Sales of total existing homes declined for the third consecutive quarter and were down by 6.2 percent over 2023. Even so, the pace of decline over 2023 was less than a fifth of that in 2022. Meanwhile, inventories of homes for sale fell to a 21-month low in December 2023, likely reflecting in part the reluctance of owners of existing homes to sell when they may be locked into low mortgages.

Accordingly, prospective homeowners have maintained their focus on the new home market, where sales of single-family units rose for five consecutive quarters before pulling back in the fourth quarter: sales of new single-family homes declined 1.6 percent per month, on average, after rising 0.7 percent in the third quarter. Starting in the summer of 2022, the strength of new home sales had weighed on the inventory-to-sales ratios (the number of months of sales that current inventories can support) but in the last two quarters, inventories for new homes have increased, from a low of 7.1 months in July 2023 to an average 8.3 months in the fourth quarter.

Home Prices and Rents: Home prices maintained a rapid pace of growth during the early part of the fourth quarter, but some measures moderated significantly (see Table 5 – Home Price and Rent Indicators). Although growth in the S&P/Case-Shiller's national home price index slowed modestly in October (last available data as of January 29), the pace of house price growth in the FHFA purchase only-index was nearly 60 percent lower than in the third quarter. Nonetheless, according to both home price measure, house prices set fresh record highs at the start of the fourth quarter.

For renters, measures of shelter cost growth were mixed in the fourth quarter. The CPI for rent of primary residence rose 5.7 percent at an annual rate in the fourth quarter—though both rates were marginally slower than in the second quarter. However, measures of new rental agreements continue to suggest a favorable outlook for the rent CPI, which is a lagged measure and trails prices from rental unit listing services by about a year. Listing services data indicate that after slowing significantly in the third quarter, rental inflation turned negative in the fourth quarter, which may suggest further progress bringing down shelter inflation in coming quarters.

RISKS TO THE OUTLOOK

Even amid substantial economic growth and a gradual easing of labor markets, inflation has fallen substantially from the highs of mid-2022. We expect this trend to continue over the next year and anticipate that inflation will return to historical norms. However, there are risks to this outlook on both sides. Geopolitical risks or persistently strong demand growth without comparable supply expansion could push inflation above consensus forecasts. Alternatively, a significant cooling in the labor market could bring inflation down faster—but with greater cost for American workers.

Geopolitical instability and supply chain disruptions: Russia's war in Ukraine continues to add uncertainty to the medium-term outlook. In addition, the ongoing conflict in the Middle East and drought conditions at the Panama Canal create further concerns of supply chain disruptions and could renew upward pressures on energy and goods prices. Fortunately, major impacts to the U.S. economy have not materialized to date, but these remain important risks to monitor.

Consumer slowdown and labor market cooling: Strong consumption in 2023 supported the economy, fueled by real income growth and a reduced saving rate. Households have drawn down much of their excess savings from the pandemic period, but household net worth as a share of disposable personal income remains high relative to historical levels. Households should be able to continue to grow consumption from growth in real incomes, but a risk remains that a slowdown in consumption could cool the labor market quickly, which could again reduce consumption and further slow the economy. This concern is particularly notable in areas with rising delinquency and default rates. In general, however, higher delinquency rates still reflect normalization from the low levels that persisted following pandemic income support programs.

CONCLUSION

The American economy remains strong, with rising incomes, a healthy labor market, and easing inflation. Going forward, we must continue to invest in expanding our economy's productive capacity in ways that benefit all Americans—what Secretary Yellen has called "modern supply-side economics." The Biden-Harris Administration's investments in our clean energy and manufacturing sectors, as well as in our public infrastructure, are oriented toward this goal. The Administration remains committed to helping foster continued improvements like those we saw in 2023.

TABLE 1 - REAL GROSS DOMESTIC PRODUCT

	Percent Change (annual rate)		Contribution to GDP Growth (percentage points)	Percent Change (Q4 / Q4)	
	2023 Q3	2023 Q4	2023 Q4	2022	2023
Real GDP Growth	**4.9**	**3.3**	--	**0.7**	**3.1**
Private Domestic Final Purchases (PDFP)	**3.0**	**2.6**	**2.2**	**0.8**	**2.7**
Personal Consumption Expenditures (PCE)	3.1	2.8	1.9	1.2	2.6
Goods	4.9	3.8	0.9	-0.6	3.5
Services	2.2	2.4	1.1	2.1	2.2

	Percent Change (annual rate)		Contribution to GDP Growth (percentage points)	Percent Change (Q4 / Q4)	
	2023 Q3	2023 Q4	2023 Q4	2022	2023
Business Fixed Investment	1.5	1.9	0.3	5.6	4.1
Equipment	-4.4	1.0	0.1	5.3	-0.1
Structures	11.2	3.2	0.1	0.8	14.8
Intellectual Property Products	1.8	2.1	0.1	8.3	2.6
Residential Investment	6.7	1.0	0.0	-17.4	-0.1
Total Government Purchases	**5.8**	**3.3**	**0.6**	**0.8**	**4.3**
Federal	7.1	2.5	0.2	-0.1	4.0
State and Local	5.0	3.7	0.4	1.3	4.5

	Percent Change (annual rate)		Contribution to GDP Growth (percentage points)	Percent Change (Q4 / Q4)	
	2023 Q3	2023 Q4	2023 Q4	2022	2023
Net Exports (billions of real (2017) dollars)	**-931**	**-908**	**0.4**	**30**	**57**
Imports (percent change, annual rate)	4.2	1.9	0.3	2.1	-0.2
Exports (percent change, annual rate)	5.4	6.3	0.2	4.3	2.1
Change in Private Inventories (billions (2017) dollars)	**78**	**83**	**0.1**	**-55**	**-69**

Source. Bureau of Economic Analysis, *Gross Domestic Product (Advance Estimate), Fourth Quarter 2023.*

* Percentage point contribution to GDP growth.

TABLE 2 - LABOR MARKET INDICATORS

	Average Monthly Change (thousands)	Annual Change (December - December)

Establishment Survey	**Average Monthly Change (thousands)**		**Annual Change (December - December)**	
Establishment Survey	**2023 Q3**	**2023 Q4**	**2022**	**2023**
Establishment Survey	**2023 Q3**	**2023 Q4**	**2022**	**2023**
Payroll Employment	**221**	**165**	**4793**	**2697**
Private Sector	**153**	**115**	**4518**	**2025**
Manufacturing	2	-2	390	12
Construction	17	17	265	197
Service Providing	132	101	3814	1803
Education and Health Services	98	89	935	1051
Leisure and Hospitality	41	26	1058	466
Temporary Help Services	-17	-33	-30	-207
Government	68	50	275	672
State and Local Education	36	24	114	317

	Monthly Average		Annual Change (December - December)	
Household Survey	**2023 Q3**	**2023 Q4**	**2022**	**2023**
Household Employment (% Total Population)	**60.4**	**60.3**	**0.5**	**0.0**
Prime-Age (% of Population Ages 25 to 54)	80.8	80.6	0.9	0.3
55+ (% of Population Ages 55+)	37.7	37.5	0.5	-0.5
Unemployment Rate, U-3 (% of Total Labor Force)	**3.7**	**3.7**	**-0.4**	**0.2**
Underemployment Rate, U-6*	6.9	7.1	-0.8	0.6
Long-Term (27+ weeks)	0.8	0.7	-0.5	0.0
Labor Force Participation Rate (% Total Population)	**62.7**	**62.7**	**0.3**	**0.2**
Prime-Age (% of Population Ages 25 to 54)	83.5	83.3	0.5	0.7

	Monthly Average		Annual Change (December - December)	
Household Survey	**2023 Q3**	**2023 Q4**	**2022**	**2023**
55+ (% of Population Ages 55+)	38.7	38.6	0.3	-0.4

	Monthly Average		Annual Change (December - December)	
Job Openings and Labor Turnover Survey	**2023 Q3**	**2023 Oct - Nov**	**2021**	**2022**
Job Openings (thousands)	**9256**	**8821**	**4972**	**-592**
Private Sector	8257	7831	4543	-595
Professional Business Services	1609	1626	663	-82
Education and Health Services	1923	1866	921	-100
Leisure and Hospitality	1274	1192	1068	21

	Monthly Average		Annual Change (December - December)	
Job Openings and Labor Turnover Survey	**2023 Q3**	**2023 Oct - Nov**	**2021**	**2022**
Separations Rate (% of Payroll Employment)	**3.6**	**3.5**	**0.1**	**-0.3**
Quits Rate	2.3	2.3	0.5	-0.3
Layoffs and Discharges Rate	1.1	1.0	-0.4	0.1
Job Openings per Unemployed Person	**1.49**	**1.39**	**1.24**	**0.10**

Sources. Bureau of Labor Statistics, *The Employment Situation - December 2023; Job Openings and Labor Turnover - November 2023.*

1 The U6 measure is the broadest measure of unemployment, and includes those marginally attached to the labor force as well as those working part-time for economic reasons.

TABLE 3 - INFLATION AND WAGE GROWTH INDICATORS

	Average Monthly Percent Change		Percent Change (December / December)[1]	

Inflation	**Average Monthly Percent Change**		**Percent Change (December / December)**	
Inflation	**2023 Q3**	**2023 Q4**	**2022**	**2023[1]**
Consumer Price Index (CPI)	**0.4**	**0.1**	**6.5**	**3.4**
Foods	0.2	0.2	10.4	2.7
Energy	2.4	-1.5	7.3	-2.0
Core (ex. Food and Energy) CPI	**0.3**	**0.3**	**5.7**	**3.9**
Core Goods	-0.3	-0.1	2.1	0.2
Core Services ex. Rent of Shelter[2]	0.4	0.4	6.2	3.9
Rent of Shelter	0.5	0.5	7.7	6.4
PCE Price Index	**0.3**	**0.0**	**5.4**	**2.6**
Core PCE Price Index	0.2	0.1	4.9	2.9

	Percent Change (annual rate)		**Percent Change (December / December)**	

Wages and Earnings	Percent Change (annual rate)		Percent Change (December / December)	
Wages and Earnings	2023 Q3	2023 Q4	2022	2023
Average Hourly Earnings (AHE), Total Private[3]	**3.7**	**4.3**	**4.8**	**4.1**
Good Producing	5.2	5.2	4.5	5.4
Services Providing	3.4	4.2	4.8	3.8
Employment Cost Index (ECI), Wages & Salaries, Total Private[4]	**4.3**	--	**5.1**	--
Good-Producing Industries	3.3	--	4.9	--
Service-Providing Industries	4.3	--	5.2	--
Real AHE, Private[3]	**-1.1**	**2.6**	**-1.6**	**0.8**
Good Producing	0.4	3.3	-1.9	2.1

Wages and Earnings	Percent Change (annual rate)		Percent Change (December / December)	
	2023 Q3	2023 Q4	2022	2023
Services Providing	-1.4	2.2	-1.4	0.5

Sources. Bureau of Labor Statistics, *Consumer Price Index - December 2023; The Employment Situation - December 2023; Employment Cost Index - September 2023.* Bureau of Economic Analysis, *Personal Income and Outlays, December 2023.*

"1 For CPI, 12-month growth is not seasonally adjusted.

2 Imputed from CPI Data.

3 All private, non-farm employees.

4 ECI for Q4 will be published on Wednesday, January 31."

TABLE 4 - HOUSING MARKET INDICATORS

New Residential Construction	Thousands	Average Monthly Percent Change		Percent Change (December / December)	
	Dec '23	2023 Q3	2023 Q4	2022	2023
Building Permits, Total	**1493**	**0.7**	**0.5**	**-27.7**	**6.0**
Single-Family	999	1.4	1.2	-34.8	33.6

	Thousands	Average Monthly Percent Change		Percent Change (December / December)	
New Residential Construction	**Dec '23**	**2023 Q3**	**2023 Q4**	**2022**	**2023**
Units Authorized but Not Started, Total[1]	**266**	**0.6**	**-1.3**	**10.6**	**-8.9**
Single-Family[1]	140	0.2	-0.2	-1.4	0.7
Housing Starts, Total	**1460**	**-1.5**	**2.5**	**-24.1**	**7.6**
Single-Family	1027	1.3	2.1	-27.1	15.8
Units Under Construction, Total[1]	**1679**	**-0.3**	**0.0**	**11.1**	**-1.0**
Single-Family[1]	671	-0.6	0.0	-1.8	-11.4
Housing Completions, Total	**1574**	**-0.7**	**2.6**	**4.0**	**13.2**

	Thousands	Average Monthly Percent Change		Percent Change (December / December)	
New Residential Construction	**Dec '23**	**2023 Q3**	**2023 Q4**	**2022**	**2023**
Single-Family	1056	-0.6	2.2	-2.5	6.1

	Thousands	Average Monthly Percent Change		Percent Change (December / December)	
Home Sales	**Dec '23**	**2023 Q3**	**2023 Q4**	**2022**	**2023**
Existing Homes, Total	**3780**	**-1.7**	**-1.5**	**-34.0**	**-6.2**
Single-Family	3400	-1.7	-1.2	-33.5	-6.1
New Homes, Single-Family	**664**	**0.7**	**-1.7**	**-23.4**	**4.4**

	Thousands	Average Months' Supply (inventory / sales)		Change in Month's Supply (December / December)	
Inventories of Home for Sale	**Dec '23**	**2023 Q3**	**2023 Q4**	**2022**	**2023**

	Thousands	Average Months' Supply (inventory / sales)		Change in Month's Supply (December / December)	
Inventories of Home for Sale	**Dec '23**	**2023 Q3**	**2023 Q4**	**2022**	**2023**
Existing Homes, Total	**1000**	**3.3**	**3.5**	**1.1**	**0.3**
Single-Family	870	3.3	3.4	1.1	0.3
New Homes, Single-Family	**453**	**7.5**	**8.3**	**2.9**	**-0.3**

Sources. Census Bureau, *Monthly New Residential Construction, December 2023; Monthly New Residential Sales, December 2023.* National Assocation of Realtors, *Existing-Home Sales*.

1 Units at the end of the period, levels not at an annual rate

TABLE 5 - HOME PRICE AND RENT INDICATORS

	Percent Change (annual rate)		Percent Change (December / December)	
Home Price Indices (HPI)	**2023 Q3**	**2023 Q4**	**2021**	**2022**
S&P Core Logic Case-Shile National HPI[1,2]	**9.1**	**8.1**	**19.0**	**5.7**
Composite 20-City HPI[1,2]	9.9	7.9	18.6	4.8

	Percent Change (annual rate)		Percent Change (December / December)	
Home Price Indices (HPI)	**2023 Q3**	**2023 Q4**	**2021**	**2022**
FHFA Purchase-Only HPI[1]	**9.3**	**3.9**	**17.8**	**6.8**
Zillow Total Home Value Index (HVI)	**5.5**	**2.3**	**15.9**	**9.9**
Bottom-Tier Homes HVI	6.3	2.7	13.7	10.7

	Percent Change (annual rate)		Percent Change (December / December)	
Rent Indices	**2023 Q3**	**2023 Q4**	**2022**	**2023**
CPI Rent of Primary Residence	**5.7**	**5.7**	**8.4**	**6.5**
Zillow Observed Rent Index	**3.9**	**-2.1**	**7.6**	**3.3**

Sources. Standard & Poor's, *S&P CoreLogic Case-Shiller Home Price Indices*. Federal Housing Financing Agency, *Home Price Index (HPI) Monthly Report. Zillow, Housing Data*. Bureau of Labor Statistics, *Consumer Price Index - December 2023.*

1 Annualized monthly rate through October. S&P and FHFA house price indices next published on January 30.

2 12-month percent change not seasonally adjusted.