

## Economic & Market Watch Intelligence Brief

### Briefing

- In 1924, the median worker earned \$25,000 (in 2024 dollars). Today, more than 90% of full-time workers earn at least \$30,000. This means that the poorest 10% of today's full-time workers have the same purchasing power as a middle-class worker of a century ago. For example, the cost of 10,000 kWh of electricity has declined from 7% of the median household's income in 1947 to 2% today (Figure 1). And this is despite the fact that demand for electricity is almost 20 times what it was in 1947.
- Our standards of living have increased even though we're working less. In the 1800s, the average person worked more than 65 hours per week. With the industrial, computer and internet revolutions, people have become so productive they can afford to work less. Today's average employee works almost half as many hours versus 200 years ago (Figure 2).
- The number of wage earners per household has been declining since the 1960s, partly because retirees are living longer and independently (Figure 3). And for people who want to live in a dual-income household, washers, dryers, microwaves, dishwashers, refrigerators, cars and other machines have made it possible for both adults to work outside the home.

### Chart of the Week

Work required to afford*	1924 Median Worker	2024 \$7.25 / hour	1924 Top 1%	2024 Median Worker
Pound of bread	11 mins	20 mins	2 mins	4 mins
Pound of butter	1 hr	41 mins	10 mins	9 mins
Dozen eggs	1 hr	28 mins	10 mins	6 mins
Pound of coffee	51 mins	55 mins	8 mins	12 mins
Gallon of milk	1.1 hrs	33 mins	11 mins	8 mins
Pound of bacon	45 mins	57 mins	7 mins	13 mins
Gallon of gas	24 mins	28 mins	4 mins	6 mins
1 kWh electricity	4 mins	1 min	36 secs	19 secs
Movie ticket	30 mins	1.6 hrs	5 mins	22 mins
Air travel Cleveland to Detroit	3.7 wks	1.4 wks	3 days	1.6 days
Chevrolet (new, base model)	6.6 mos	1.7 yrs	1.1 mos	4.7 mos
Apartment rent (large city)	1.5 wks	2 mos	1.2 days	2 wks
Apartment rent (med. city)	1.4 wks	1.1 mos	1.2 days	1.1 wks
Apartment rent (small city)	1.3 wks	4.1 wks	1 day	4.7 days
Average home purchase	4.7 yrs	27.9 yrs	9.4 mos	6.3 yrs

\*Assumes the person is working 8 hours per day, 5 days per week, 52 weeks per year. Figures account for differences in prices, incomes, federal income tax rates, and the number of hours in the average work week. Employer-paid benefits, which average an additional 30% of today's worker's gross income, are not included here.

### Commentary

The holiday season is a good time to note the many blessings that creep into society so slowly that we tend to take them for granted. Over the past century, Americans have become so prosperous that the standard of living we call "poverty," our forebears called "middle class." Today's median worker lives a life similar to, sometimes better than, the richest 1% of 1924 workers (Chart of the Week).

Some things that appear to be more expensive today actually aren't. An average home today costs 6.3 times the median worker's annual wage, versus 4.7 times in 1924. But, today's average house is double the size of the average house in 1924—and, with falling family sizes, the square footage per occupant is quadruple! In 1924, 99% of houses did not have indoor plumbing, 70% did not have electricity and none had HVAC. Adjusted for quality, the average house today is actually less expensive than in 1924. Medical care prices are much higher today. But, to someone from 1924, the quality is science fiction. Poor Americans today have access to cures for diseases that routinely killed even the richest people of a century ago.

It's proper that we be concerned for those who have less and to do what we can to help make their lives better. But it's also proper to be thankful for the bounty we all enjoy relative to those who came before us.

### Snapshots

Figure 1. 10,000 kWh as Fraction of Median Family Income

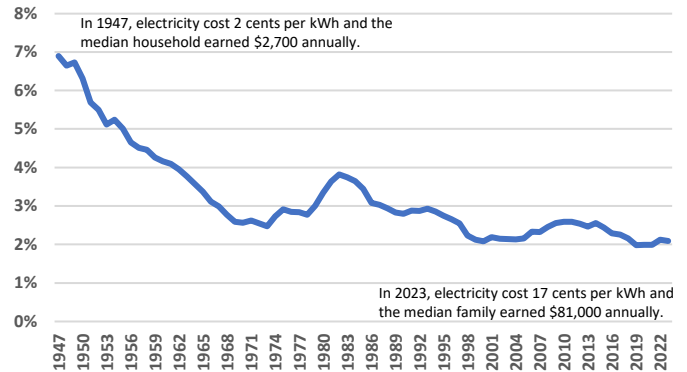


Figure 2. Average Hours Worked per Week

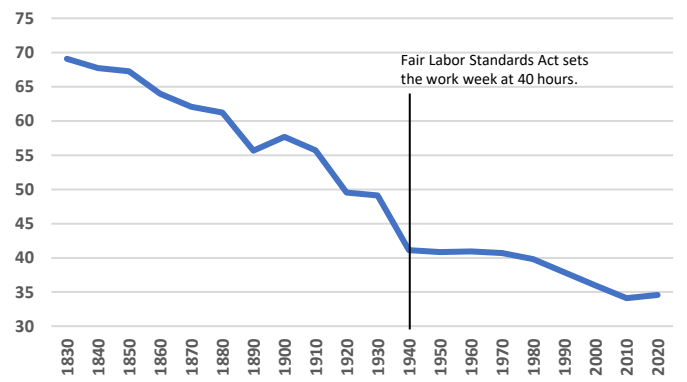
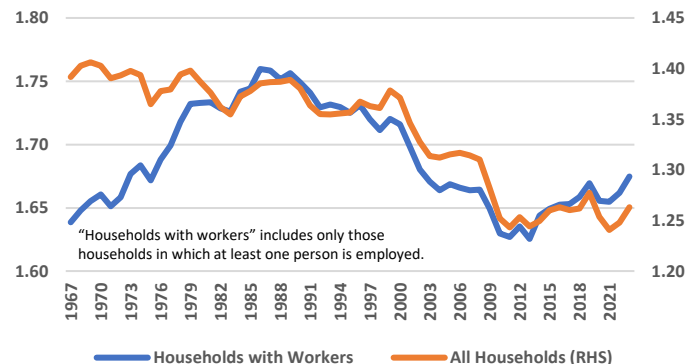


Figure 3. Number of Wage Earners per Household



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## Economic &amp; Market Watch Dashboard

## Key Indicators

INTEREST RATES<sup>1</sup>

2024

2025

	Current	Q4	Q1	Q2	Q3	Q4
Fed Funds Target <sup>2</sup> (%)	4.75	4.50	4.25	4.25	4.00	4.00
SOFR (%)	4.59	4.45	4.15	3.85	3.60	3.45
2Y UST (%)	4.22	4.10	3.90	3.60	3.65	3.60
5Y UST (%)	4.12	4.10	4.05	3.95	3.85	3.80
10Y UST (%)	4.22	4.30	4.25	4.15	4.15	4.15
30Y UST (%)	4.39	4.50	4.45	4.40	4.40	4.40

## ECONOMY

2024

2025

	Current	Q4	Q1	Q2	Q3	Q4
PCE Inflation ( %)	2.3	2.1	2.2	2.1	2.1	2.1
CPI Inflation ( %)	2.6	2.3	2.4	2.4	2.2	2.3
Real GDP (%)	2.8	1.9	1.8	1.9	1.9	2.0
Unemployment (%)	4.1	4.2	4.3	4.3	4.3	4.3
Consumer Spending (%)	3.5	2.3	2.0	1.9	2.0	2.0
Industrial Production (%)	(0.3)	0.8	1.3	1.2	1.3	1.5

## Equities &amp; Currency

Current

Year ago

DJIA	44,907	36,246
Nasdaq	19,343	14,305
S&P 500	6,032	4,595
US Dollar Index	\$1,282.87	\$1,234.11

## Commodities

Current

Year ago

Crude Oil (Per Barrel)	\$68.80	\$74.07
Natural Gas (Per MMBtu)	\$3.21	\$2.81
Coal (Per Short Ton)	\$14.05	\$13.95
Gold (Per Ounce)	\$2,646.40	\$2,071.00
Corn (Per Bushel)	\$422.25	\$464.50
Soybean (Per Bushel)	\$984.50	\$1,325.00

## Industry

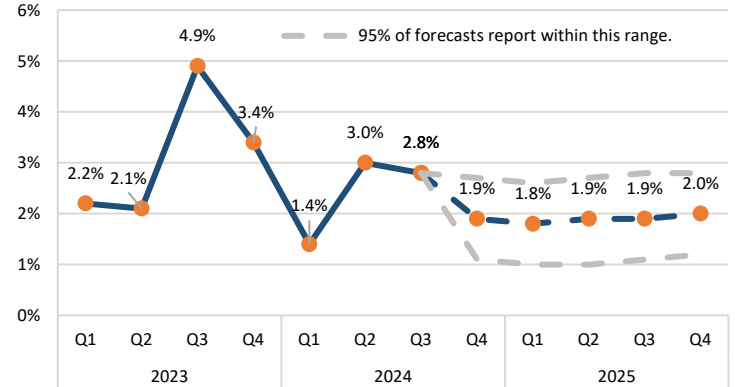
Current

Year ago

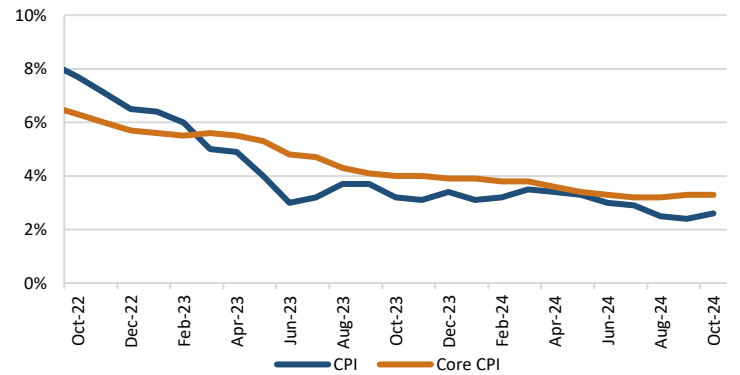
Natural Gas Storage (Billion Cubic Feet)	3,967	3,719
U.S. Daily Power Consumption (MWh)	10,933,746	10,080,034
World Container Index (Per 40ft)	\$3,331	\$1,382

## Forecasts

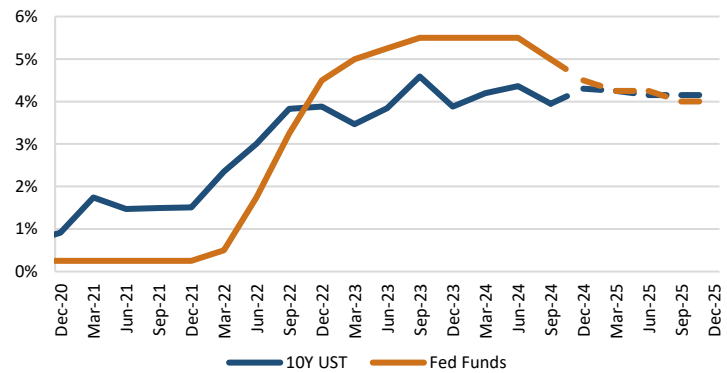
## Real GDP Growth Trend



## Headline vs. Core Inflation



## 10-Year U.S. Treasury vs. Fed Funds Trend

<sup>1</sup> Unless otherwise indicated, forecasts are from the Blue Chip Professional Forecasters<sup>2</sup> Target rate forecast is based on futures market contracts

Source: Blue Chip Financial Forecasts, Trading Economics, Moody's Analytics, Statista, Trading Economics, U.S. Bureau of Economic Analysis, U.S. Bureau of Labor Statistics, U.S. Energy Information Administration, U.S. Treasury Department, Federal Reserve Bank of Atlanta, Federal Reserve Bank of New York, Federal Reserve Bank of St. Louis, International Monetary Fund, World Bank, University of Michigan, The Conference Board.

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