

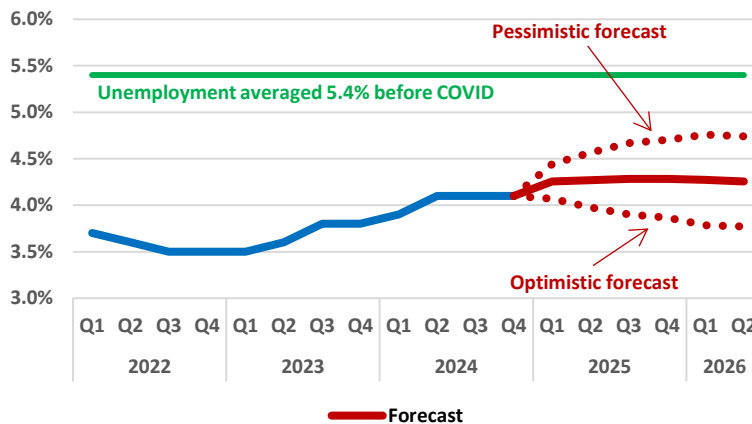
## Economic & Market Watch Intelligence Brief

### Briefing

- Unemployment classification U1 includes all people who have been unemployed for 15 weeks or more, or “long-term unemployment.” Subtracting U1 from headline unemployment (U3) yields those who have been unemployed for less than 15 weeks. Breaking out unemployment in this way reveals the marked difference between COVID and the Great Recession. While unemployment spiked higher during COVID, it remained largely short-term, versus mostly long-term during the Great Recession. Long-term unemployment is far more painful to households (Figure 1).
- U6 includes all unemployed and underemployed workers. U5 includes all unemployed (actively looking, discouraged and marginally attached). Subtracting U5 from U6 yields the underemployment rate—the fraction of workers who have been forced to work part time (Figure 2). This measure is useful because a person who is forced to take part-time work still shows up as “employed” in the headline employment numbers.
- U2 excludes people reentering the workforce from a hiatus, people entering for the first time and those who voluntarily quit. Subtracting U2 from U3 yields these newly and voluntarily unemployed (Figure 3). The Great Recession spike was due, in part, to former retirees seeking work.

### Chart of the Day

Headline Unemployment Rate (U3)



### Commentary

Counting the number of unemployed people sounds straightforward, but there are numerous and significant details involved. The Bureau of Labor Statistics (BLS) maintains the official labor market definitions and classifies unemployment into categories U1 through U6.

Headline unemployment numbers quoted in the media are BLS’s unemployment category U3 (Chart of the Week). This category includes those who don’t have jobs but are actively looking. “Actively looking” means that the person has searched, applied or interviewed for a job within the previous four weeks. If the person is not actively looking, how the person is classified depends on why the person isn’t looking.

People who are not actively looking because they believe there are no jobs available are classified as “discouraged” and included in U4. People not actively looking for non-economic reasons (e.g., health issues) are “marginally attached” (included in U5). People who can’t get full-time work and have taken part-time jobs as a fallback are “underemployed” (included in U6). People not looking for work because they do not want jobs (e.g., the retired, homemakers, full-time students) are not counted as part of the labor force.

### Snapshots

Figure 1. Unemployment by Duration

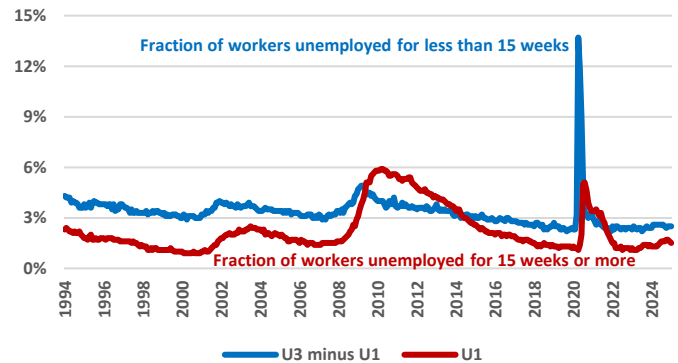


Figure 2. Underemployment Rate

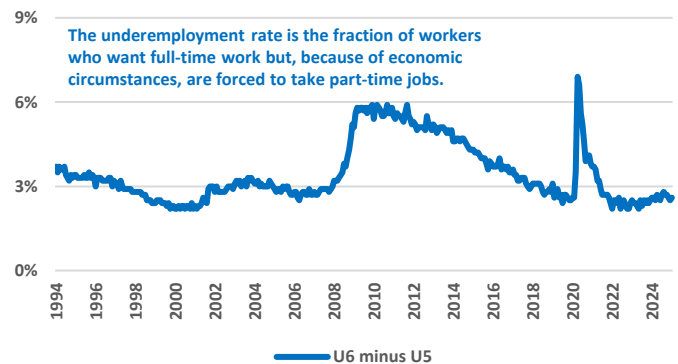
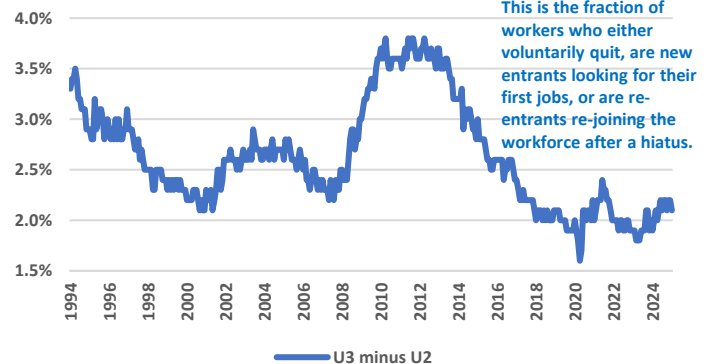


Figure 3. Voluntary and Newly Unemployed



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## Economic & Market Watch Dashboard

### Key Indicators

#### INTEREST RATES<sup>1</sup>

		2025				2026
	Current	Q1	Q2	Q3	Q4	Q1
Fed Funds Target <sup>2</sup> (%)	4.50	4.50	4.25	4.25	4.00	4.00
SOFR (%)	4.34	4.20	4.00	3.90	3.80	3.75
2Y UST (%)	4.21	4.15	3.95	3.90	3.90	3.75
5Y UST (%)	4.28	4.25	4.15	4.10	4.05	4.00
10Y UST (%)	4.44	4.45	4.40	4.40	4.35	4.25
30Y UST (%)	4.69	4.70	4.70	4.70	4.65	4.55

#### ECONOMY

		2025				2026
	Current	Q1	Q2	Q3	Q4	Q1
PCE Inflation (YoY %)	2.6	2.4	2.5	2.4	2.5	2.5
CPI Inflation (YoY %)	3.0	2.8	2.7	2.6	2.6	2.8
Real GDP (QoQ %)	2.3	2.1	1.9	1.9	1.9	2.0
Unemployment (%)	4.0	4.3	4.3	4.3	4.3	4.3
Consumer Spending (QoQ %)	4.2	2.2	2.1	2.1	1.9	2.0
Industrial Production (YoY %)	2.0	0.7	0.7	1.0	1.6	1.5

### Equities & Currency

	Current	Year ago
DJIA	43,581	39,132
Nasdaq	19,601	15,997
S&P 500	6,013	5,089
US Dollar Index	\$1,286.34	\$1,242.36

### Commodities

	Current	Year ago
Crude Oil (Per Barrel)	\$70.53	\$76.49
Natural Gas (Per MMBtu)	\$3.96	\$1.60
Coal (Per Short Ton)	\$14.20	\$13.95
Gold (Per Ounce)	\$2,950.00	\$2,038.60
Corn (Per Bushel)	\$4.86	\$3.99
Soybean (Per Bushel)	\$10.38	\$11.33

### Industry

	Current	Year ago
Natural Gas Storage (Billion Cubic Feet)	2,101	2,374
U.S. Daily Power Consumption (MWh)	14,017,830	10,799,213
World Container Index (Per 40ft)	\$2,795	\$3,659

<sup>1</sup> Unless otherwise indicated, forecasts are from the Blue Chip Professional Forecasters

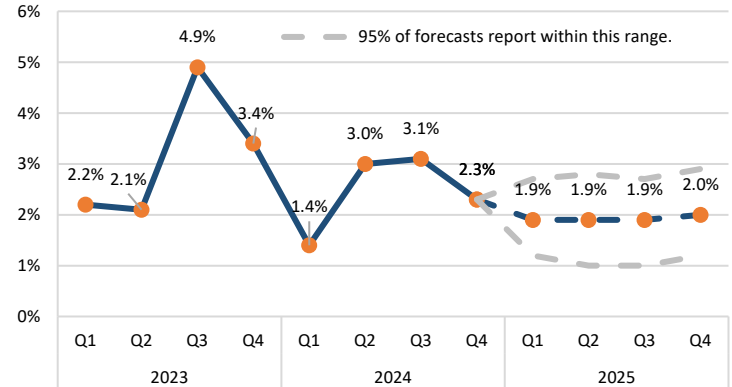
<sup>2</sup> Target rate forecast is based on futures market contracts

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.

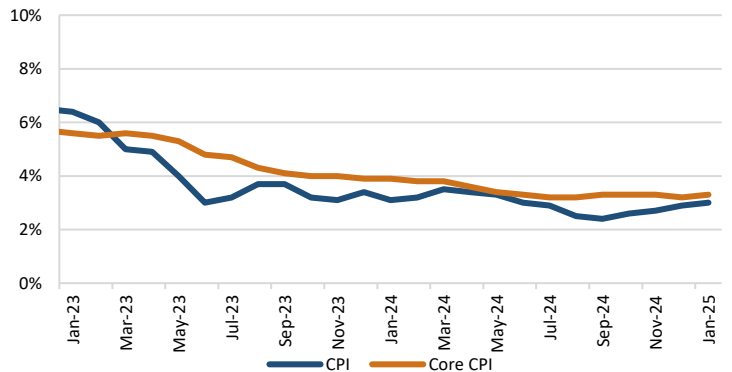
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### Forecasts

#### Real GDP Growth Trend



#### Headline vs. Core Inflation



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

