SOLUTIONS
Economic & Market Watch

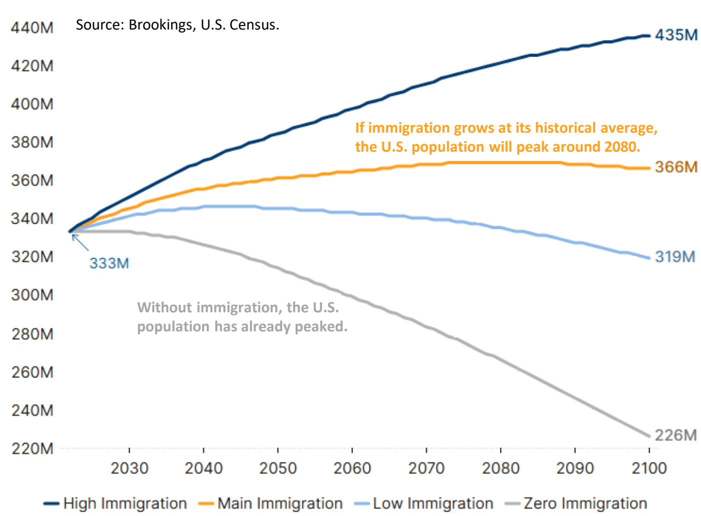
November 17, 2025

Economic & Market Watch Intelligence Brief

Briefing

- Since 1990, a 1 percentage point (pp) increase in the average U.S. labor force growth rate has accompanied a 1.8 pp increase in average gross domestic product (GDP) growth (**Figure 1**). The risk from slowing population growth is that labor force growth also slows, which slows economic growth.
- Labor force participation measures the fraction of working-age adults who have jobs or are looking for jobs. People not participating in the labor force include full-time students, stay-at-home parents and early retirees. These people are considered non-employed and do not count toward the unemployment rate. The labor force participation rate rose from the 1960s through 2000 as more women entered the workforce. The participation rate fell from 2000 through 2015 as some baby boomers took early retirements. The participation rate started to recover before being interrupted by COVID (**Figure 2**).
- Among U.S. states, greater population growth accompanies greater economic growth. On average, a 1 pp increase in population growth accompanies a 1.5 pp increase in economic growth. The causality runs in both directions: increased economic growth attracts people to a state and increased population growth generates more economic activity (**Figure 3**).

Chart of the Week: US Population Projections



Commentary

Economic growth causes an influx of immigrants seeking a better life, but increased population can also cause economic growth as more people means more labor and consumer demand. For the U.S., population growth numbers become alarming when one separates immigrants from domestic-born people. The U.S. domestic-born population peaked around 2020. Any further growth in the U.S. population now depends on immigration.

A large population isn't just important as a source of production and demand, but also of entrepreneurs. Just one Thomas Edison, Henry Ford, Steve Jobs or Elon Musk can change the economic landscape completely. Such uber-entrepreneurs create not just jobs, but entire industries. They create new products and processes that change forever the way we live. But such people are very rare. One way to get more of them is to have a larger population.

For example, if an uber-entrepreneur is so rare as to be only one out of every 10 million people, then a population of 300 million should give you about 30. A population of less than 10 million, like Switzerland's or Denmark's, might not give you any.

Snapshots

Figure 1. Labor Force vs. Economic Growth
(1990–2024, QoQ Annualized)

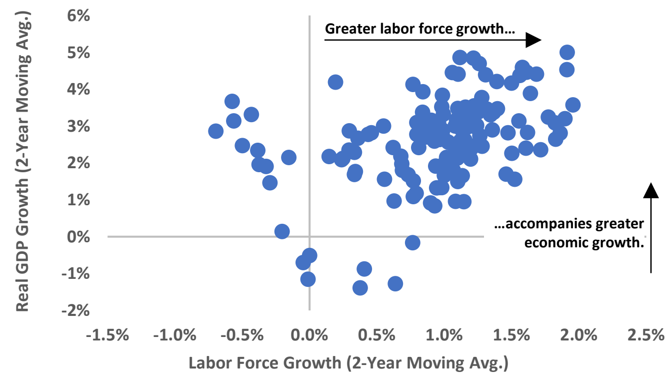


Figure 2. Labor Force Participation Rate

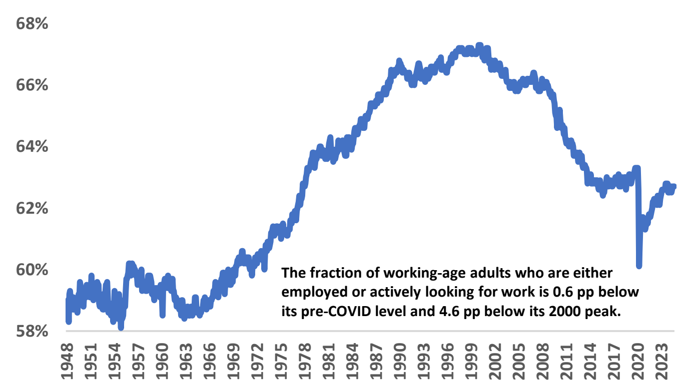
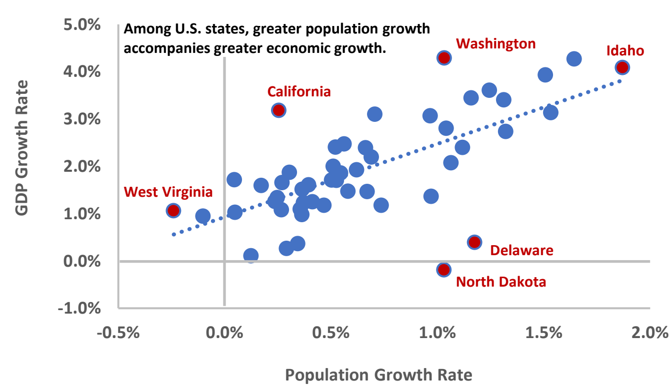


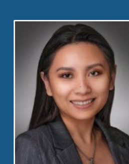
Figure 3. Population vs. Economic Growth for the 50 States
(2015–2024)



The Economic & Financial Research Team


John Suter, VP


Antony Davies, Director


Sam Kem, Sr. Analyst

Email: EconomicResearch@nrucfc.coop

Economic & Market Watch Dashboard

Key Indicators

INTEREST RATES[1]	2025		2026			
	Current	Q4	Q1	Q2	Q3	Q4
Fed Funds Target[2] (%)	4.00	4.00	3.75	3.50	3.25	3.25
SOFR (%)	3.95	3.54	3.33	3.19	3.11	3.06
2Y UST (%)	3.61	3.40	3.34	3.31	3.29	3.27
5Y UST (%)	3.73	3.59	3.57	3.57	3.57	3.56
10Y UST (%)	4.14	4.08	4.07	4.08	4.08	4.07
30Y UST (%)	4.74	4.61	4.60	4.60	4.58	4.55

ECONOMY	2025		2026			
	Current	Q4	Q1	Q2	Q3	Q4
PCE Inflation (YoY %)	2.7	3.0	2.7	2.4	2.3	2.3
CPI Inflation (YoY %)	3.0	3.0	2.9	3.1	2.9	2.6
Real GDP (QoQ %)	3.8	1.2	1.7	1.9	2	1.2
Unemployment (%)	4.3	4.4	4.5	4.5	4.5	4.4
Consumer Spending (QoQ %)	2.5	1.3	1.5	1.7	1.8	2.0
Industrial Production (YoY %)	0.9	1.4	0.9	1.0	1.2	1.5

Equities & Currency

	Current	Year ago
DJIA	47,190	43,445
Nasdaq	22,942	18,680
S&P 500	6,734	5,871
US Dollar Index	$1,218.70	$1,285.72

Commodities

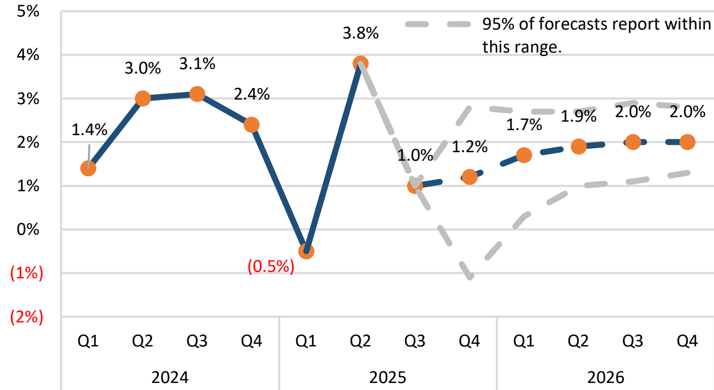
	Current	Year ago
Crude Oil (Per Barrel)	$60.04	$67.02
Natural Gas (Per MMBtu)	$4.46	$2.82
Coal (Per Short Ton)	$14.90	$14.10
Gold (Per Ounce)	$4,077.20	$2,570.10
Corn (Per Bushel)	$4.31	$4.24
Soybean (Per Bushel)	$11.38	$9.99

Industry

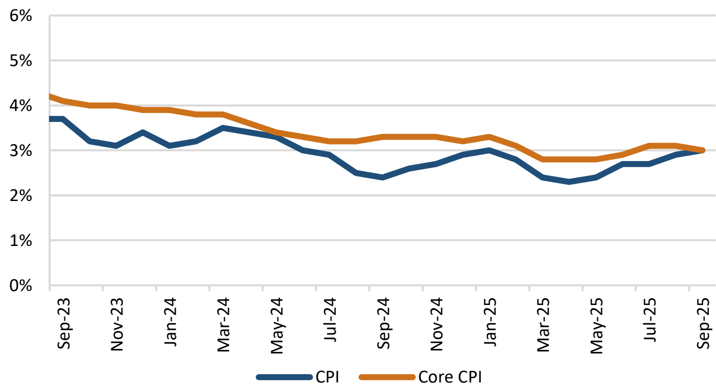
	Current	Year ago
Natural Gas Storage (Billion Cubic Feet)	3,960	3,969
U.S. Daily Power Consumption (MWh)	10,791,519	10,628,184
World Container Index (Per 40ft)	$1,859	$3,440

Forecasts

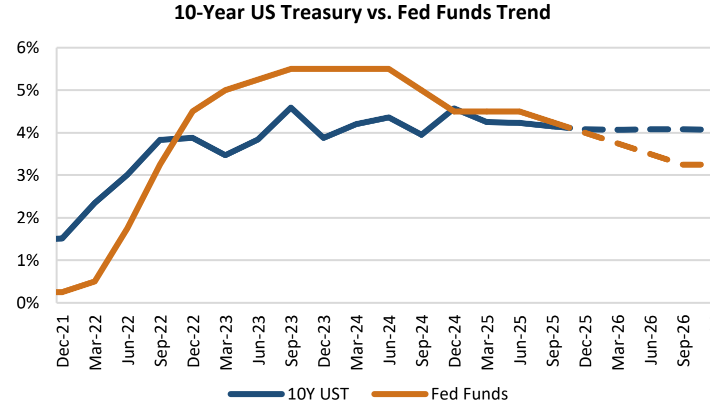
Real GDP Growth Trend



Headline vs. Core Inflation



10-Year US Treasury vs. Fed Funds Trend



[1] Unless otherwise indicated, forecasts are from the Blue Chip Professional Forecasters.
[2] 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.