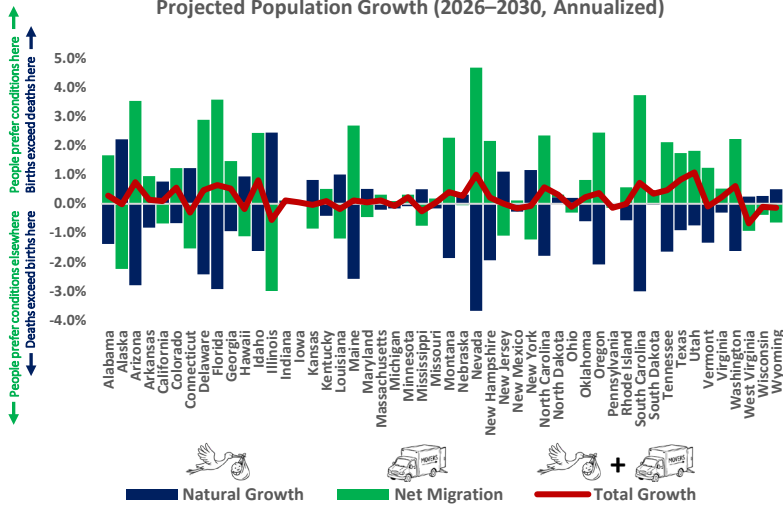


Briefing

- U.S. population growth is slowing and is expected to reach zero around 2080. Over the next five years, the fastest declines will be in West Virginia and Illinois, while the fastest growths will be in Utah, Nevada, Texas and Idaho (**Figure 1**). Total population growth is composed of two parts: net births (the “natural” growth rate) and net migration (people moving into the state). While population growths among the states are similar, the components can be markedly different (**Chart of the Week**).
- Population growth plays a significant role in determining economic growth. Among the states and on average over the past 15 years, a 1-percentage-point change in population growth has accompanied a 1.5-percentage-point change in economic growth in the same direction (**Figure 2**).
- Typically, the faster a state’s economy grows, the more job and investment opportunities emerge within the state. This attracts entrepreneurs and workers into the state from the outside and makes it more affordable for people within the state to have children. States whose populations are expected to grow faster than the median over the next five years (**Figure 1**) are also expected to see their economies grow 0.3 percentage points per year faster on average (**Figure 3**).

Chart of the Week

Projected Population Growth (2026–2030, Annualized)



Commentary

Because people’s incentives are the ultimate driving force in a market economy, population growth limits economic growth. The magnitude of the relationship varies based on factors from social attitudes to climate to technology. But over the long run, the slower a population grows, the slower its economy grows (**Figure 2**).

Projected annual population growth across the 50 states varies from negative 0.9% for West Virginia to positive 1.1% growth for Utah (**Chart of the Week**). But population growth conflates net birth and net migration rates.

The net migration rate reflects the relative attractiveness of a state (e.g., cost of living, job opportunities, taxation, climate, public services). For example, although Maine’s population is expected to only grow by 0.1% per year, its net migration rate is the fifth highest in the country, revealing it to be a very attractive state for people to move to. Conversely, Connecticut has a relatively high net birth rate (1.2%) but is unattractive enough that people are leaving the state at an even faster rate (1.5%), causing population decline.

Snapshots

Figure 1. Projected Population Growth (2026–2030, Annualized)

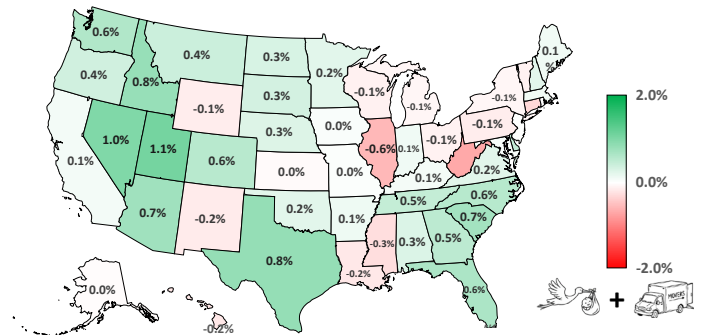


Figure 2. Population and Economic Growth (2012–2025, Annualized)

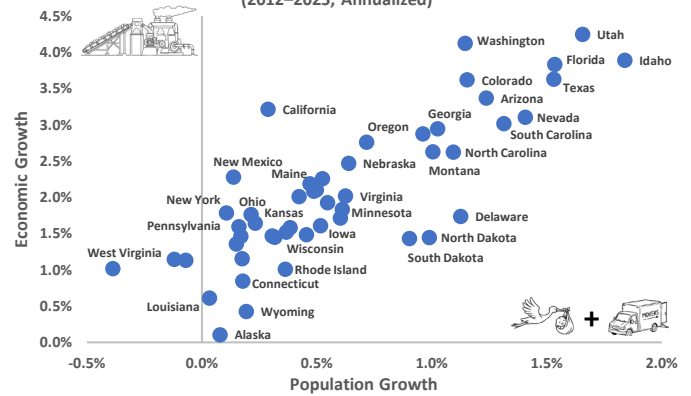
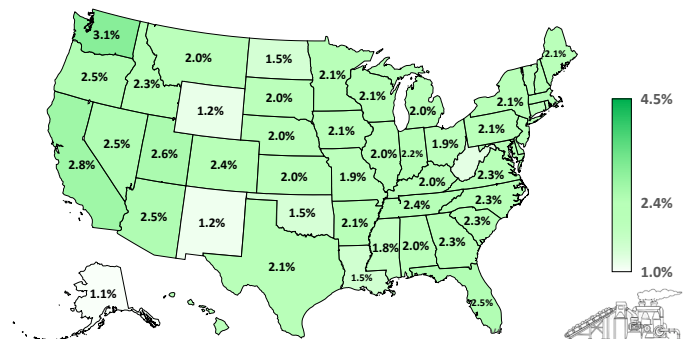


Figure 3. Projected Economic Growth (2026–2030, Annualized)



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Key Indicators

INTEREST RATES ¹	2026				2027	
	Current	Q2	Q3	Q4	Q1	Q2
Fed Funds Target ² (%)	3.75	3.75	3.75	3.75	3.75	3.75
SOFR (%)	3.60	3.60	3.50	3.40	3.30	3.30
2Y UST (%)	3.92	3.70	3.60	3.60	3.60	3.60
5Y UST (%)	4.04	3.90	3.80	3.80	3.80	3.80
10Y UST (%)	4.39	4.30	4.30	4.30	4.20	4.20
30Y UST (%)	4.97	4.90	4.90	4.80	4.80	4.80

ECONOMY	2026				2027	
	Current	Q2	Q3	Q4	Q1	Q2
PCE Inflation (YoY %)	3.5	4.6	2.4	2.5	2.5	2.3
CPI Inflation (YoY %)	3.3	5.6	2.3	2.3	2.4	2.3
Real GDP (QoQ %)	2.0	1.5	1.7	1.9	2.1	2.1
Unemployment (%)	4.3	4.4	4.5	4.5	4.5	4.4
Consumer Spending (QoQ %)	1.6	1.5	1.7	1.9	1.9	2.0
Industrial Production (YoY %)	0.7	1.1	1.2	1.4	1.6	1.7

Equities & Currency

	Current	Year ago	YoY Δ
DJIA	49,609	42,410	17.0%
Nasdaq	26,251	18,708	40.3%
S&P 500	7,407	5,844	26.8%
US Dollar Index	\$1,188.64	\$1,240.03	(3.2%)

Commodities

	Current	Year ago	YoY Δ
Crude Oil (Per Barrel)	\$96.90	\$63.88	56.5%
Natural Gas (Per MMBtu)	\$2.87	\$3.65	(21.2%)
Coal (Per Short Ton)	\$13.18	\$9.98	33.2%
Gold (Per Ounce)	\$4,730.00	\$3,236.70	46.1%
Corn (Per Bushel)	\$4.58	\$4.48	2.3%
Soybean (Per Bushel)	\$12.02	\$10.71	12.3%

Industry

	Current	Year ago	YoY Δ
Natural Gas Storage (Billion Cubic Feet)	2,205	2,130	3.5%
U.S. Daily Power Consumption (MWh)	9,703,376	9,782,942	(0.8%)
World Container Index (Per 40ft)	\$2,286	\$2,076	10.1%

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

Sources: © Oxford Economics, Blue Chip Financial Forecasts, Trading Economics, Moody's Analytics, Statista, Oxford 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

