CFC solutions cooperative news
Economic & Market Watch

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Intelligence Brief

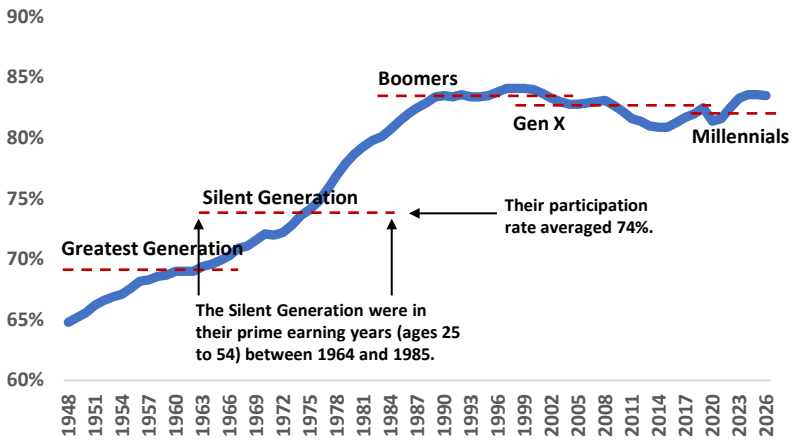
July 20, 2026

Briefing

- Median household incomes for Millennials and Gen Z are lower than for Gen X and Boomers (**Figure 1**). However, the comparison isn't appropriate because the generations are at different points in their careers.
- The correct comparison is household income of each generation at each age. For example, though the median Gen X household today earns about twice what the median Gen Z household earns today, when the median Gen X household was the same age as the median Gen Z household today, the median Gen X household earned around 20% less (adjusted for inflation). At each age in their careers, subsequent generations earn around 15% more (after inflation) than the preceding generations (**Figure 2**).
- A commonly posed argument is that later generations earn more because they have more dual-income households. But the data disagree. The average number of workers per working household (i.e., excluding those with no workers) has declined since the late 1970s (**Figure 3**). Another argument is that today's workers work longer hours. But again, the data disagree. The average worker today works 5% fewer hours per year than the average worker in 2000, 7% fewer than the average worker in 1970 and 11% fewer than the average worker in 1950.

Chart of the Week

Labor Force Participation Rates by Generation (Ages 25–54)



Commentary

The labor force participation rate measures the fraction of working-age adults who are either working or actively looking for work. The subset of adults aged 25 to 54 represent the most productive workers. They are old enough to have acquired education and skills yet young enough to be striving for promotions and better jobs.

Factors that can reduce the participation rate include more stay-at-home parents, increased incidence of disability or poor health, more early retirees, an aging population and unemployed workers becoming discouraged and giving up job searches.

A significant factor leading to the rise in labor force participation from the 1940s through the 1970s is home automation. Appliances and other labor-saving devices reduced the amount of work necessary to maintain a home. This made it possible for women (who provided the majority of home labor) to work outside the home. Because home labor was largely full-time work, the rise in the participation rate didn't represent an increase in labor so much as an increase in paid labor.

Snapshots

Figure 1. Median Household Income (2024)

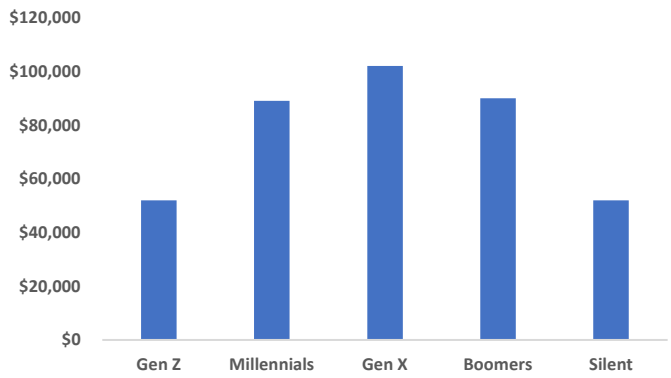


Figure 2. Actual and Projected Median Household Income
(2022 Dollars)

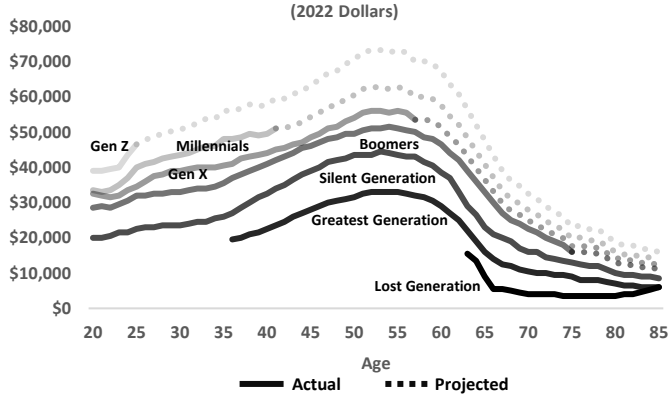
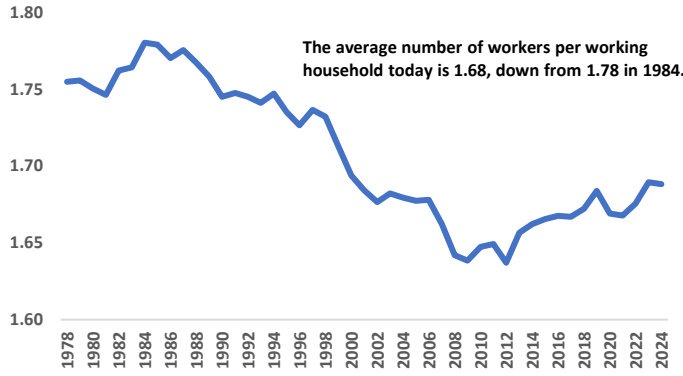


Figure 3. Workers per Working Household



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Key Indicators

INTEREST RATES[1]

	Current	2026 Q3	2026 Q4	2027 Q1	2027 Q2	2027 Q3
Fed Funds Target[2] (%)	3.75	4.00	4.00	4.25	4.25	4.25
SOFR (%)	3.59	3.64	3.64	3.59	3.50	3.42
2Y UST (%)	4.21	3.98	3.89	3.80	3.74	3.68
5Y UST (%)	4.30	4.08	4.02	3.97	3.93	3.90
10Y UST (%)	4.57	4.44	4.39	4.35	4.33	4.32
30Y UST (%)	5.09	4.94	4.86	4.87	4.86	4.85

ECONOMY

	Current	2026 Q3	2026 Q4	2027 Q1	2027 Q2	2027 Q3
PCE Inflation (YoY %)	4.1	2.8	2.5	2.5	2.3	2.1
CPI Inflation (YoY %)	3.5	2.9	2.5	2.4	2.3	2.2
Real GDP (QoQ %)	2.1	1.9	1.9	2.0	2.1	2.1
Unemployment (%)	4.2	4.3	4.3	4.3	4.3	4.3
Consumer Spending (QoQ %)	0.5	1.7	1.9	1.9	2.0	2.0
Industrial Production (YoY %)	1.7	1.4	1.2	1.6	1.7	1.7

Equities & Currency

	Current	Year ago	YoY Δ
DJIA	52,195	44,323	17.8%
Nasdaq	25,751	20,974	22.8%
S&P 500	7,492	6,306	18.8%
US Dollar Index	$1,217.47	$1,200.52	0.9%

Commodities

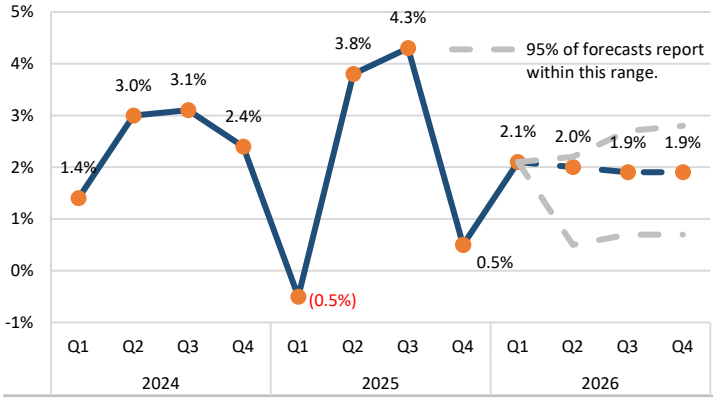
	Current	Year ago	YoY Δ
Crude Oil (Per Barrel)	$82.45	$65.95	24.7%
Natural Gas (Per MMBtu)	$2.86	$3.33	(13.9%)
Coal (Per Short Ton)	$13.00	$10.99	17.8%
Gold (Per Ounce)	$4,005.30	$3,398.90	17.8%
Corn (Per Bushel)	$4.50	$4.04	11.6%
Soybean (Per Bushel)	$12.25	$10.15	20.7%

Industry

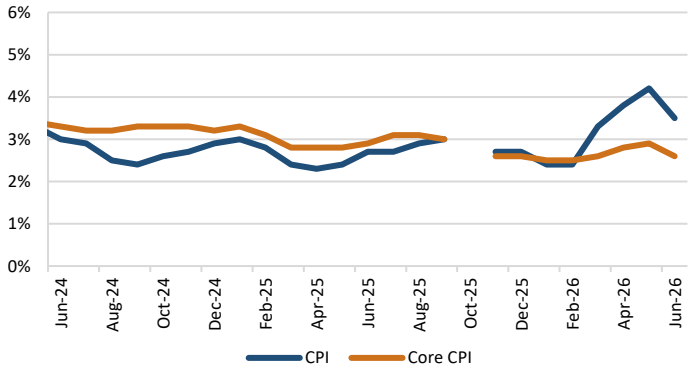
	Current	Year ago	YoY Δ
Natural Gas Storage (Billion Cubic Feet)	3,024	3,045	(0.7%)
U.S. Daily Power Consumption (MWh)	13,665,866	13,670,954	-
World Container Index (Per 40ft)	$4,547	$2,602	74.8%

Forecasts

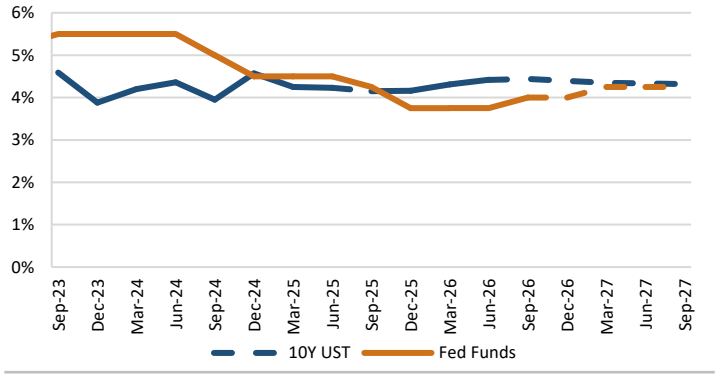
Real GDP Growth Trend



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.*

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.