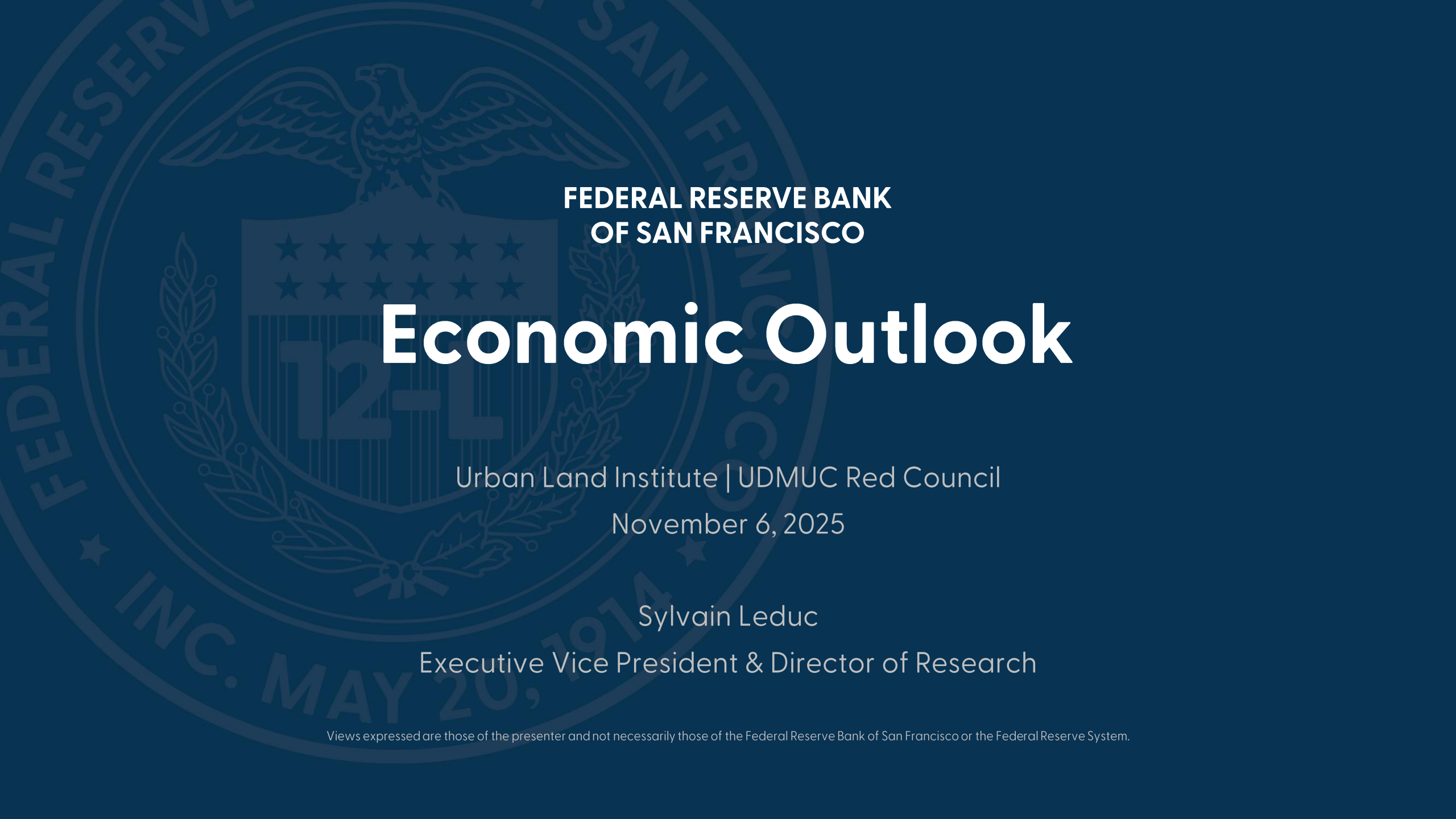




FEDERAL RESERVE BANK
OF SAN FRANCISCO

Economic Outlook

Urban Land Institute | UDMUC Red Council

November 6, 2025

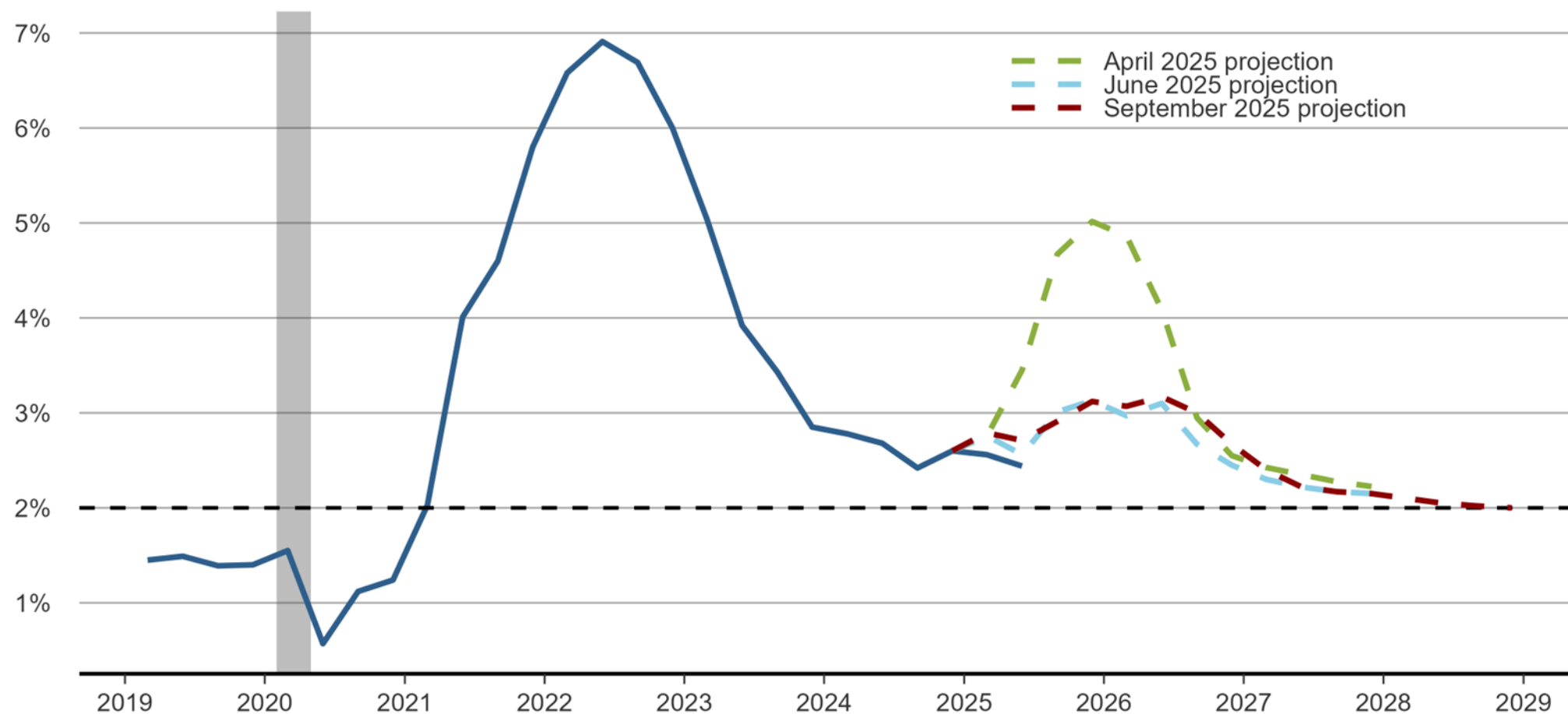
Sylvain Leduc

Executive Vice President & Director of Research

Views expressed are those of the presenter and not necessarily those of the Federal Reserve Bank of San Francisco or the Federal Reserve System.

Expecting a delayed landing

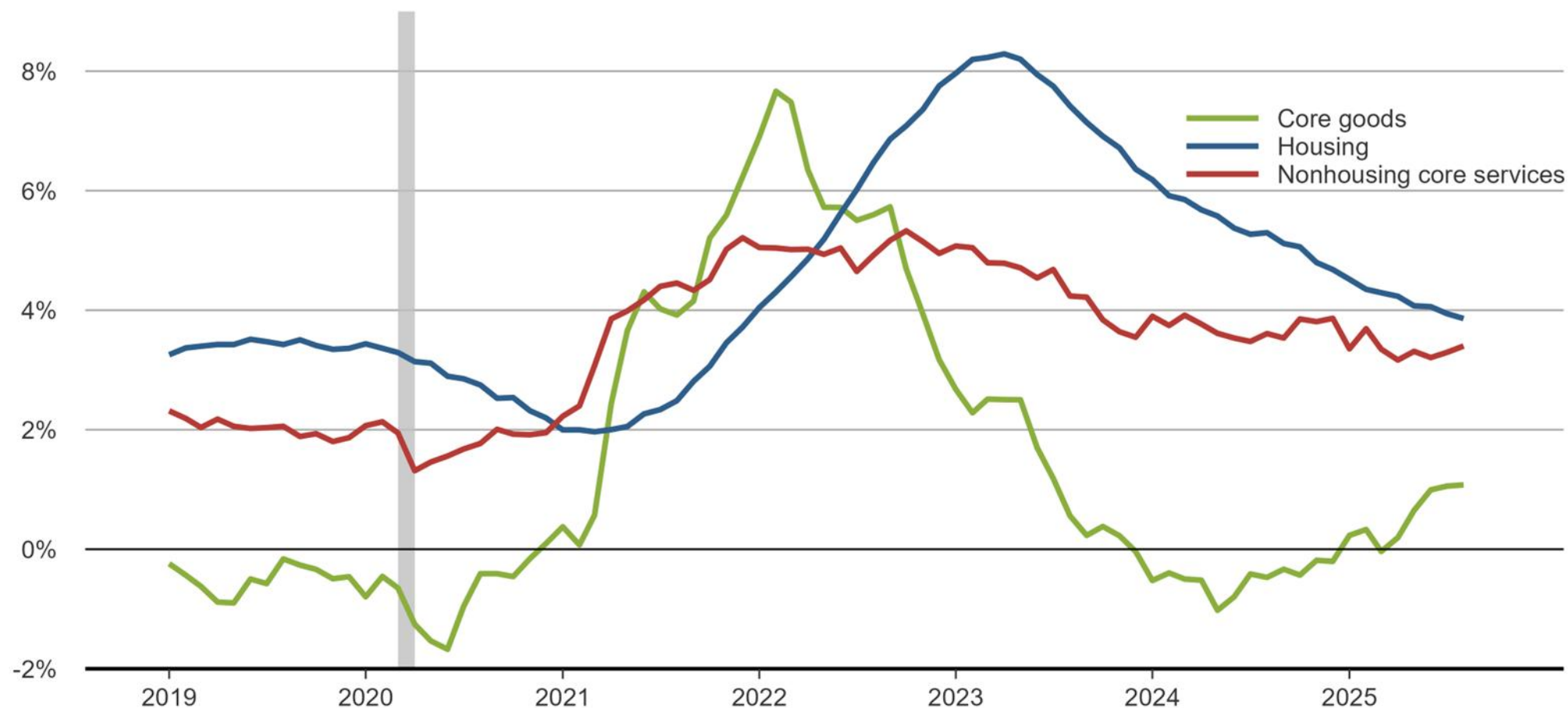
Headline PCE inflation and outlook



Note: Quarterly data, seasonally adjusted annual rates. The shaded area denotes a NBER recession.
Source: Bureau of Economic Analysis and FRBSF staff

Higher inflation driven by the goods sector

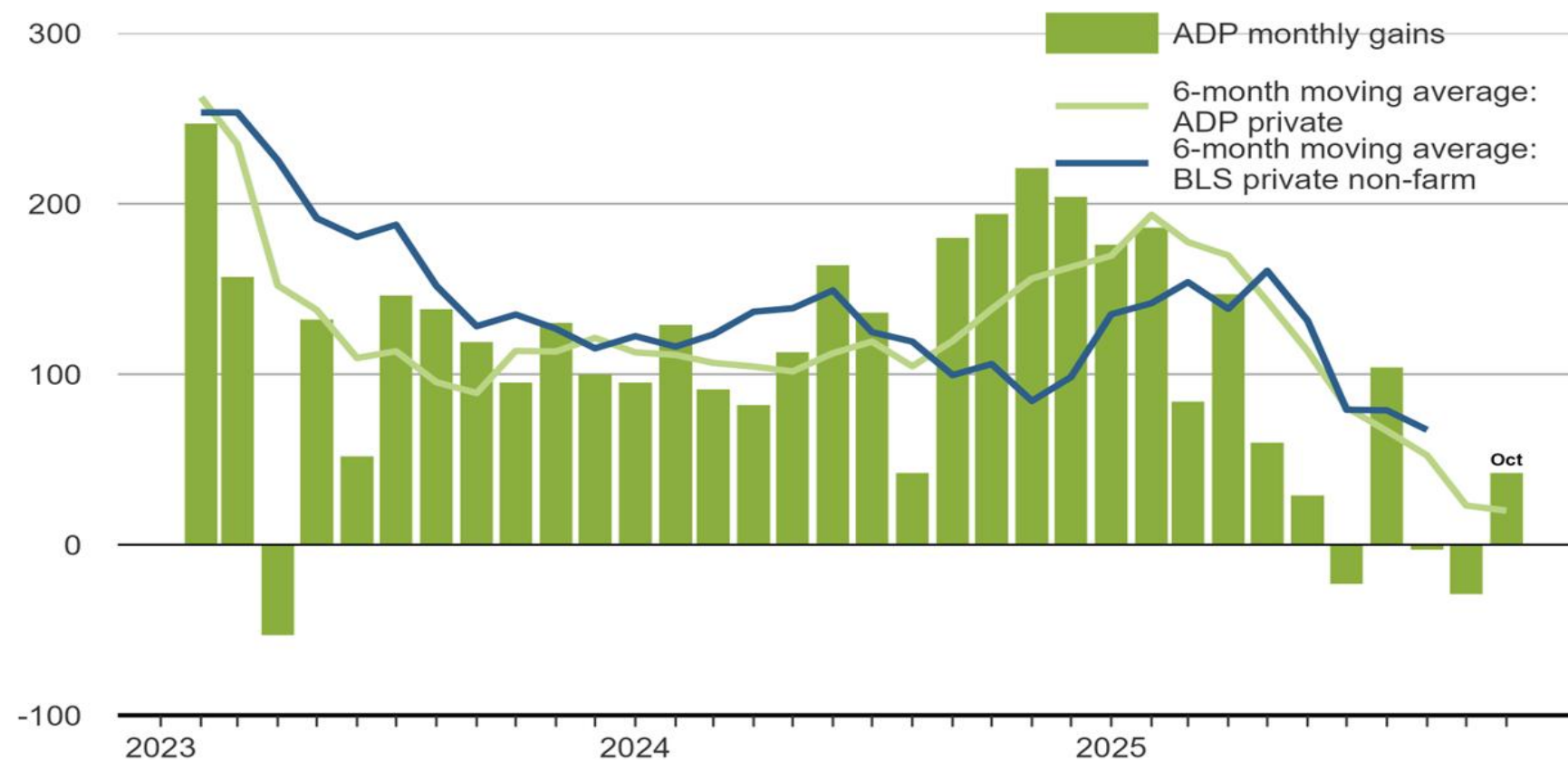
Components of 12-month core PCE inflation



Note: Year-over-year change. Shaded area denotes a NBER recession.
Source: Bureau of Economic Analysis via Haver Analytics

Job gains have declined notably

Private payroll employment (thousands)

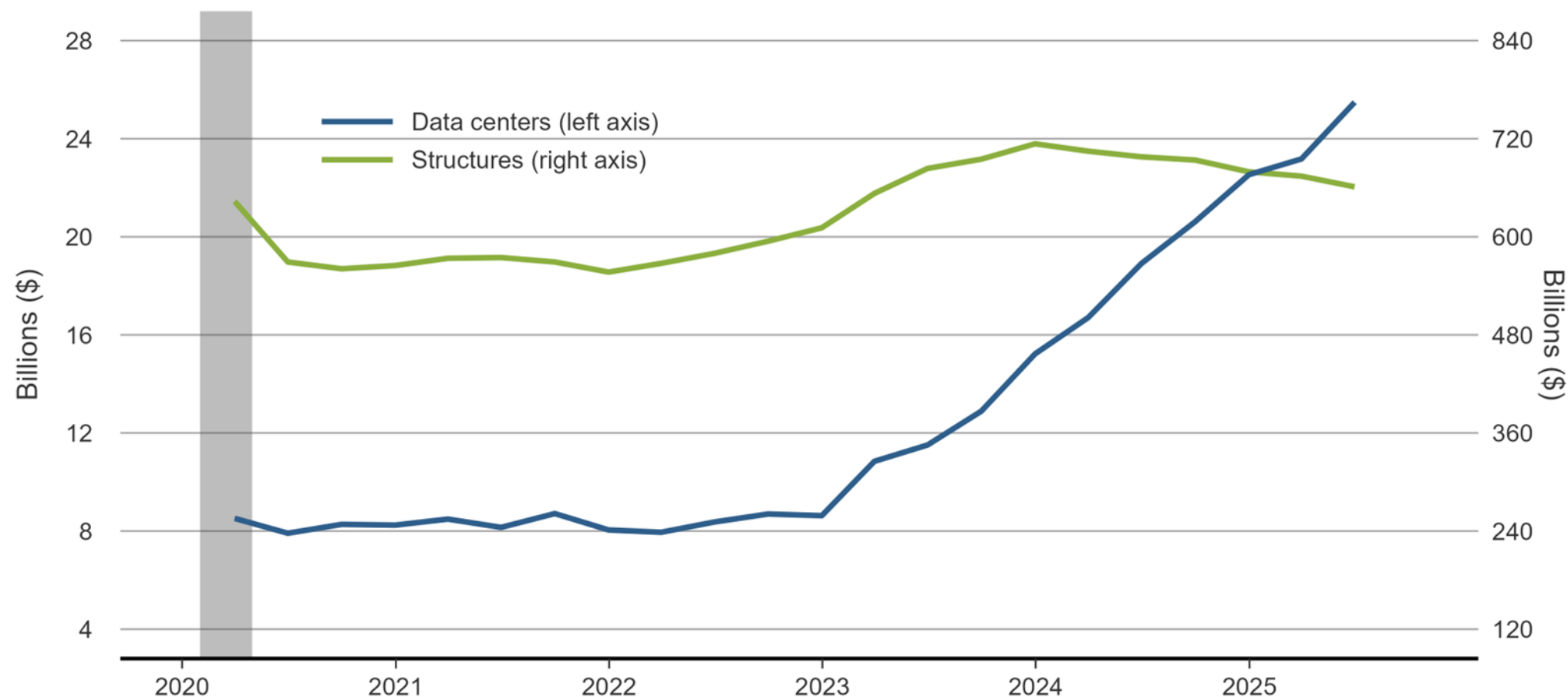


Note: Seasonally adjusted. Bars show month-over-month change.

Source: ADP Research Institute and Bureau of Labor Statistics via Haver Analytics

Investment in data centers rising steadily

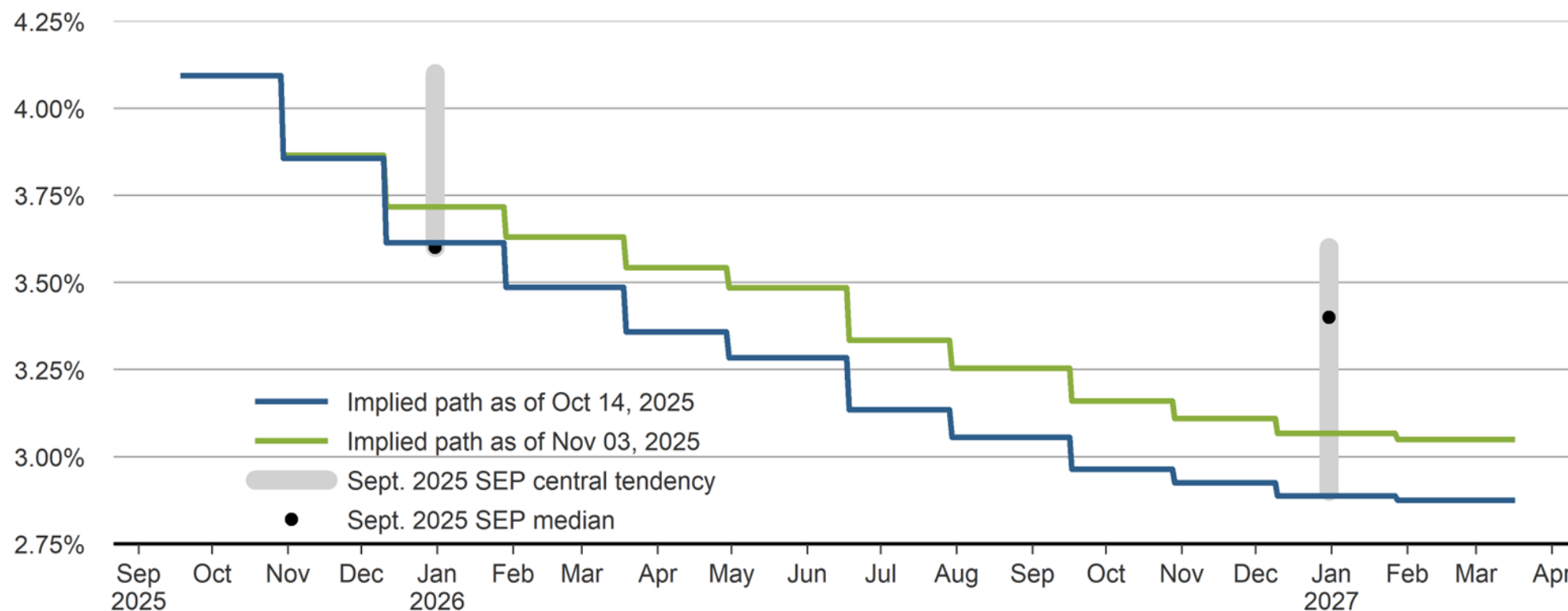
Real private investment: Data centers and structures



Note: Quarterly data, seasonally adjusted annual rates. Series are in chained 2017 dollars. Shaded areas denote NBER recession dates.
Source: Bureau of Economic Analysis via Haver Analytics

Market participants expect some policy easing

Expected federal funds rate



Notes: Effective FFR path as implied from futures contracts. Black dots represent Summary of Economic Projections (SEP) median estimate. Central tendency shading shown in gray.

Source: Bloomberg, Federal Reserve Board of Governors, and FRBSF staff calculations