FACT SHEET

CHECK UP ON THE AMERICAN ECONOMY

Despite moderating inflation, hourly earnings, and unemployment rates, the overall sentiment about the U.S. economy remains negative, with 44% of registered voters feeling the economy is getting worse, and only 24% think it's improving.

Did you know?...

- Headline inflation, which tracks key metrics of consumer spending like food, housing, and transportation, is currently at 3.3%, having fallen from a high of 9.1% in June 2022.

- Consumers are currently paying an average of $4.11 per gallon of gasoline, an increase of 29.5% from April 2025. Gas has risen in recent months, nearing $6.00 per gallon in California and surging by more than 40.0% in some states.

- Auto loan debt is the second largest category of debt behind mortgages. Americans owe $1.667 trillion in auto loan debt, accounting for 8.9% of overall consumer debt. 5.2% of outstanding auto debt was at least 90 days late at the end of the fourth quarter of 2025.

In February 2026, a Pew Research report identified that 66% of Americans are very concerned about the price of food and consumer goods, 71% are very concerned about the cost of healthcare, 62% are very concerned about the cost of housing, and 51% are very concerned about the price of electricity.

Check Up On The American Economy

Executive Summary

Despite moderating inflation, hourly earnings, and unemployment rates, the overall sentiment about the U.S. economy remains negative, with 44% of registered voters feeling the economy is getting worse, and only 24% think it's improving.

- **The Good:** Headline inflation has decreased significantly to 3.3%, down from a peak of 9.1% in June 2022. Staple food items have also seen significant price reductions. Unemployment is low, and Americans have seen a small increase in average hourly earnings after adjusting for inflation.
- **The Bad:** Other metrics indicate trouble for the American consumer, including high costs of housing exacerbated by high interest rates, rising electricity and gasoline prices, and rising auto and credit card delinquency rates.

Positive economic indicators:

1. Headline inflation, which tracks key metrics of consumer spending like food, housing, and transportation, is currently at 3.3%, having fallen from a high of 9.1% in June 2022.
2. Consumers have seen a decrease in price across a broad category of food staples including bacon (2.5%), eggs (62.3%), bread (3.8%), cheese (3.3%) potatoes (10.8%), and spaghetti (5.1%).
3. Americans have experienced a 0.3% increase in real average hourly earnings over the last year, after adjusting for inflation.
4. The national unemployment rate is currently at 4.3%.
5. In March 2026, 178,000 jobs were added to the U.S. economy.

Negative economic indicators:

1. 44% of people rate the economy as poor, and only 24% think the economy is getting better, according to a May 2026 poll by Napolitan News Service.
2. Consumers are currently paying an average of $4.11 per gallon of gasoline, an increase of 29.5% from April 2025. Gas has risen in recent months, nearing $6.00 per gallon in California and surging by more than 40.0% in some states.
3. Interest rates for a 30-year mortgage are currently 6.30%, up from an average of 2.96% in 2021, a 50- year low. While the median sales price of a home in 2026 has fallen slightly to $403,000, the high interest rates have made owning a home far less affordable.
4. Consumer electricity prices are forecasted to increase as high as 18% from 2022 to 2026.
5. 5.2% of outstanding auto debt is at least 90 days late. As of April 2026, the credit card balance of America totaled $1.277 trillion.

<u>Overall Sentiment</u>

The overall sentiment of the U.S. economy is negative, with 44% of registered voters rating the economy as Poor, up 8 points from April 2026 ago and near a high of 48% recorded in September 2024.

- According to a May 2026 poll by Napolitan News Service, 26% of registered voters rate the economy as Good or Excellent, with 44% of the voters rating the economy as Poor. 24% of voters say the economy is getting better, and 55% of voters believe the economy is getting worse.
- In February 2026, a Pew Research report identified that 66% of Americans are very concerned about the price of food and consumer goods, 71% are very concerned about the cost of healthcare, 62% are very concerned about the cost of housing, and 51% are very concerned about the price of electricity.

Inflation, Wage Growth And Low Unemployment

Headline inflation is currently at 3.3% having fallen from a high of 9.1% in June 2022. Americans have seen a 0.3% increase in real average hourly earnings since last year, after adjusting for inflation. The national unemployment rate is currently at 4.3%.

- Inflation has not been this high since February 2024. Headline inflation tracks key metrics of consumer spending like food, housing, and transportation to reflect the actual cost of living.
- The May 2026 Job Openings and Labor Turnover Survey from the Bureau of Labor Statistics found that hiring has risen to 3.5%, matching levels last seen in May 2024. Additionally, in March 2026, 178,000 jobs were added to the U.S. economy.
- Americans have seen a 0.3% increase in real average hourly earnings over the last year, after adjusting for inflation. When combined with a slight increase in the average amount of hours worked, the real average weekly earnings decreased by 0.9%.
- The national unemployment rate has fallen slightly and is currently at 4.3%.

Energy Prices

American families have seen energy costs increase notably over the past year, especially at the gasoline pump.

- Consumers are currently paying an average of $4.11 per gallon of gasoline, an increase of 29.5% from April 2025. Gas has risen in recent months, nearing $6.00 per gallon in California and surging by more than 40.0% in some states.
- Consumer electricity prices are forecasted to increase by 18% from 2022 to 2026, according to the U.S. Energy Information Administration. The recent rapid increase in demand for electricity to power data centers is likely to lead to higher rates for consumers.

Food Costs

According to the U.S. Bureau of Labor Statistics, consumers have seen a decrease in price across a broad category of food staples, including bacon, eggs, bread, cheese, potatoes, spaghetti, and macaroni.

- Over the last year, the average cost of bacon has fallen by 2.5%.

- The price of eggs has dropped over 62% since President Trump took office. On January 21, a carton of eggs cost $6.49. As of December 5, a carton of eggs costs $2.38 according to the USDA.
- Over the last year, the average cost of bread has fallen by 3.8%.
- Over the last year, the average cost of cheese has fallen by 3.3%.
- Over the last year, the average cost of potatoes has fallen by 10.8%.
- Over the last year, the average cost of spaghetti and macaroni has fallen by 5.1%.

Housing Costs

The median sales price of a house has fallen from a record high in 2022, but far higher interest rates have effectively made it less affordable to own a home. The average interest rate on a 30-year mortgage is currently 6.19% from a low of 2.96% in 2021.

- In the fourth quarter of 2022, the median sales price of a house rose a record high of $442,600. In the first quarter of 2026, the median sales price was $403,200.
- In 2021, the average 30-year mortgage rate was 2.96%, a 50-year low. Interest rates for a 30-year mortgage are currently 6.30% according to Freddie Mac.

Credit Card And Auto Loan Delinquency Rates

Auto loan debt is the second largest category of debt behind mortgages. Americans owe $1.667 trillion in auto loan debt, accounting for 8.9% of overall consumer debt. 5.2% of outstanding auto debt was at least 90 days late at the end of the fourth quarter of 2025. Credit card debt is also seeing higher delinquencies, with the percentage of Americans in December 2025 with credit cards at least 30 days delinquent on credit card payments ranged from a low of 14% in Iowa to a high of 37% in Mississippi.

- At the end of the fourth quarter of 2025, 5.2% of outstanding auto debt was at least 90 days late. The average car payment for a new vehicle is $767 a month, and used car payments are $537 a month.
- In April 2026, the credit card balance of America totaled $1.277 trillion, with the %age of Americans with credit cards at least 30 days delinquent on payments ranging from a low of 14% in Iowa to a high of 37% in Mississippi.