FACT SHEET

# PULSE CHECK ON THE AMERICAN ECONOMY

The overall sentiment of the U.S. economy is mixed, with people under 30 feeling worse about their financial situation. Despite polling showing a negative sentiment for the national economy, more people rate their personal finances as “excellent or good” than “poor.”

## Did You Know?

- Inflation has not been this low since March 2021. Headline inflation tracks key metrics of consumer spending like food, housing, and transportation to reflect the actual cost of living.

- Consumers are currently paying an average of $3.19 per gallon of gasoline, continuing a downward trend. In May 2024, the average cost of a gallon of gasoline was $3.61.

- 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 2025, the median sales price was $416,900.

- At the end of 2024, 4.8% of outstanding auto debt was at least 90 days late. The average car payment for a new vehicle is $742 a month and used car payments are $525 a month.

## Overall Sentiment

According to a May 2025 poll by Napolitan News Service, 38% of Americans rate their personal finances as “excellent or good” compared to 22% who rate theirs as “poor.” 48% of people think the economy is getting worse and only 31% think the economy is getting better.

# Check Up On The American Economy

***Executive Summary***

Despite improvements in key economic indicators, the overall sentiment about the U.S. economy remains negative, particularly among younger Americans. While a plurality of Americans rate their personal finances as "excellent or good" (38%) compared to 22% who say "poor," nearly half (48%) believe the national economy is getting worse. Notably, four in ten Americans under 30 report they are "barely getting by" financially.

Headline inflation has decreased significantly to 2.3%, down from a peak of 9.1% in June 2022. This marks the lowest inflation rate since March 2021, signaling relief in the cost of consumer staples such as food, housing, and transportation. Gasoline and food staples in particular have seen significant price declines. Unemployment is low and Americans have seen a small increase in average hourly earnings after adjusting for inflation.

However, other metrics indicate trouble for the American consumer including high costs of housing exacerbated by high interest rates, rising electricity prices, and rising auto and credit card delinquency rates.

Positive economic indicators:

1. Headline inflation, inflation tracks key metrics of consumer spending like food, housing, and transportation, is currently at 2.3%, having fallen from a high of 9.1% in June 2022.

2. Consumers are currently paying an average of $3.19 per gallon of gasoline, continuing a downward trend. In May 2024, the average cost of a gallon of gasoline was $3.61.

3. Consumers have seen a decrease in price across a broad category of food stables including beef (10.9%), eggs (61%), bread (4.3%), strawberries (1.8%), tomatoes (8.6%), and lettuce (13.6%).

4. Americans have seen a 1.4% increase in real average hourly earnings over the last year, after adjusting for inflation.

5. The national unemployment rate is currently at 3.9%.

Negative economic indicators:

1. 48% of people think the economy is getting worse and only 31% think the economy is getting better according to a May 2025 poll by Napolitan News Service.

2. Interest rates for a 30-year mortgage are currently 6.89%, up from an average of 2.96% in 2021, a 50- year low. While the median sales price of a home in 2025 has fallen slightly to $416,900, the high interest rates have made owning a home far less affordable.

3. Consumer electricity prices have increased by 13% from 2022 to 2025.

4. 4.8% of outstanding auto debt is at least 90 days late. 12% of Americans with credit cards are at least 30 days delinquent on their credit card payments.

**Overall Sentiment**

The overall sentiment of the U.S. economy is negative, with people under 30 feeling worse about their financial situation. Despite polling showing a negative sentiment for the national economy, more people rate their personal finances as "excellent or good" than "poor."

- According to a May 2025 poll by Napolitan News Service, 38% of people rate their personal finances as "excellent or good" compared to 22% who rate theirs as "poor." 48% of people think the economy is getting worse and only 31% think the economy is getting better.
- 4 out of 10 Americans under 30 say they're "barely getting by" financially, while just 16% report doing well or very well according to a spring 2025 poll from the institute of Politics at Harvard Kennedy School.

**Inflation, Wage Growth And Low Unemployment**

Headline inflation is currently at 2.3%, having fallen from a high of 9.1% in June 2022. Americans have seen a 1.4% increase in real average hourly earnings over the last year, after adjusting for inflation. The national unemployment rate is currently at 3.9%.

- Inflation has not been this low since March 2021. Headline inflation tracks key metrics of consumer spending like food, housing, and transportation to reflect the actual cost of living.
- Americans have seen a 1.4% 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 increase by 1.7%.
- The national unemployment rate has held steady and is currently at 3.9%.

**Energy Prices**

American families have seen energy costs decline notably over the past year, especially at the gasoline pump. In mid-2024, gas prices were elevated – around $3.61 per gallon nationally in May 2024 – but by mid-2025 they have fallen by 11.5% to $3.19 per gallon.

- Consumers are currently paying an average of $3.19 per gallon of gasoline, continuing a downward trend. In May 2024, the average cost of a gallon of gasoline was $3.61.
- Consumer electricity prices have increased by 13% from 2022 to 2025, 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 stables including beef, eggs, bread, strawberries, tomatoes, and lettuce.

- Over the last year, the average cost of ground beef has fallen by 10.9%.
- The price of eggs has dropped over 61% since President Trump took office. On January 21, a carton of eggs cost $6.49. As of June 1, a carton of eggs costs $2.52 according to the USDA.
- Over the last year, the average cost of bread has fallen by 4.3%.
- Over the last year, the average cost of strawberries has fallen by 1.9%.
- Over the last year, the average cost of tomatoes has fallen by 8.6%.
- Over the last year, the average cost of iceberg lettuce has fallen by 13.6%.

**Housing Costs**

The median sales price of a house has fallen from a record high in 2022, but far higher interests rates have effectively made it less affordable to own a home. The average interest rate on a 30-year mortgage is currently 6.89% 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 2025, the median sales price was $416,900.
- In 2021, the average 30-year mortgage rate was 2.96%, a 50-year low. Interest rates for a 30-year mortgage are currently 6.89% according to Freddie Mac.

**Credit Card & Auto Loan Delinquency Rates**

Auto loan debt is the second largest category of debt behind mortgages. Americans owe $1.65 trillion in auto loan debt, accounting for 9.2% of overall consumer debt. 4.8% of outstanding auto debt was at least 90 days late at the end of 2024. Credit card debt is also seeing higher delinquencies, with 12% of credit cards at least 30 days delinquent.

- At the end of 2024, 4.8% of outstanding auto debt was at least 90 days late. The average car payment for a new vehicle is $742 a month and used car payments are $525 a month.
- As of the first quarter of 2025, about 12% of Americans with credit cards were at least 30 days delinquent on credit card payments, and roughly 14% of all credit card debt was delinquent.