



2026 Economic Outlook

Headlines

- **Economic performance in 2025 was heavily impacted by government policies**, especially regarding trade and immigration. Despite these headwinds, growth proved resilient, supported by a surge in AI-related investment and robust consumer spending that held up overall despite much weaker trends in income and job growth.
- **The outlook for growth in 2026 has improved in recent months**, driven by tailwinds, particularly front-loaded fiscal stimulus, looser monetary policy, continued AI investment, and resilient consumer spending. We look for real GDP growth of 2%, inflation near 2.5%, and an unemployment rate of 4.4% by year-end 2026.
- While the near-term outlook has improved, **downside risks remain elevated**, particularly in the second half of 2026. **Growth enters the year resting on unusually narrow pillars**, leaving the economy more exposed to domestic policy and geopolitical shocks.
- Firmer growth late in 2025, early signs of labor market stabilization, and an improving outlook for 2026 should **keep the Fed on hold through the first half of the year**.
- The **K-shaped consumer** and **AI-driven** investment cycle should remain central themes in 2026. AI-related capex was a key growth driver in 2025, while internal PNC data show that higher-income households continue to account for the bulk of consumer spending. This concentration, however, also represents a source of risk, leaving the economy more exposed to an equity market downturn that could disproportionately affect both investment and consumption.

Gus Faucher
augustine.faucher@pnc.com

Jay Hawkins
jay.hawkins@pnc.com

Stuart Hoffman
stuart.hoffman@pnc.com

Ershang Liang
ershang.liang@pnc.com

Brian LeBlanc
brian.leblanc@pnc.com

Rayhan Momin
rayhan.momin@pnc.com

Isfar Munir
isfar.munir@pnc.com

Kurt Rankin
kurt.rankin@pnc.com

Gagan Singh
gagan.singh@pnc.com



Growth outlook for 2026 improving

The economy in 2025 was dominated by **government policy** – most notably the fallout from large-scale changes to **tariffs and immigration**, as well as a **government shutdown**. Despite these headwinds, two powerful supports emerged over the course of the year. First, a **surge in AI-related capex** drove investment growth. Second, **consumer spending** held up remarkably well, supported by strong gains in the equity market.

We expect both dynamics to carry into 2026. **In addition, new tailwinds have emerged** that should help stabilize the labor market and keep overall growth on solid footing, particularly in the first half of the year. **We forecast real GDP growth of roughly 2 percent in 2026, with the unemployment rate holding near 4.4 percent by year-end.**

i. Fiscal policy will turn supportive especially in the first half of the year.

The **One Big Beautiful Bill Act (OBBBA)** represents a **material fiscal impulse** in 2026, which we estimate will add roughly 35 basis points to real GDP growth, concentrated in the first half of the year. **Larger tax refunds** should bolster consumer spending, while more generous depreciation provisions and lower effective corporate tax rates should support business investment. Tax refunds should be nearly 20% higher this year than last year, providing a meaningful impulse for growth in 26H1.

ii. Monetary policy is no longer restrictive.

For the first time in nearly three years, **monetary policy is now close to neutral** and no longer exerting a significant drag on economic activity. Moreover, the cumulative rate cuts delivered late in 2025 will provide additional support to interest-sensitive sectors in early 2026, further reinforcing growth.

iii. AI build out and wealth-driven spending gains look set to continue.

The fundamental engines that supported growth in 2025 should continue to do so in 2026. AI-related

capital expenditures remain a powerful and persistent source of investment growth, while strong household balance sheets and sizable wealth gains over recent years should continue to underpin consumer spending, particularly among higher-income households.

That said, both depend **on sustained optimism around AI**. A pullback in AI investment would weaken capex and, via equity markets, erode the wealth effects supporting consumption. As a result, these same engines represent a shared source of downside risk which we discuss in the next section.

iv. Tariff-related headwinds should ease.

The drag from trade policy is likely to diminish over the course of 2026. The Supreme Court appears poised to strike down a substantial portion of the Trump Administration’s **IEEPA-based tariffs**, which account for a large share of the recent increase in the effective tariff rate. We also expect limited political appetite to aggressively replace this lost revenue in a midterm election year where **affordability will be a central campaign issue**. As a result, we expect the effective tariff rate to end 2026 below its 2025 peak, though still elevated by historical standards. Risks remain, and President Trump’s recent threats of EU tariffs related to Greenland show that tariffs, and tariff volatility, is not going anywhere. Still, it appears to us that the bulk of the shock is now in the rearview mirror.

Bottom line: With fiscal, monetary, and trade policy all becoming less restrictive and AI investment and wealth-driven consumption likely to remain strong, **the U.S. economy enters 2026 on a firm footing.** These forces should be sufficient to stabilize the labor market and sustain the expansion through 2026.

Table 1: Baseline U.S economic outlook

Indicator	Annual (Q4/Q4)		
	2025f	2026f	2027f
Real GDP (Q4/Q4 %)	2.4	2.0	1.9
Core CPI (Q4/Q4 %)	2.8	2.6	2.3
Unemployment Rate (YE%)	4.5	4.4	4.3
Federal Funds (YE%)	3.75	3.25	3.25

YE% = year-end forecast for Q4, f = forecast, please see the expanded table for more forecast series



Risks remain elevated

Growth in 2025 rested on unusually narrow pillars. AI investment, equity-driven wealth effects, and spending by higher-income households have been the primary drivers, while job growth and income gains remain weak and uneven across industries and income groups. This concentration leaves the economy more exposed to shocks than in a broader-based expansion.

Continued weakening in the labor market is the most significant risk. While we expect hiring to stabilize in 2026, there is a chance that recent weakening persists. Historically, sustained softening in employment growth is incompatible with strong GDP growth, and a further deterioration in labor conditions would eventually feed through to consumer spending.

A pullback in AI enthusiasm presents a second risk. Equity markets – and by extension consumer spending – have become increasingly dependent on a small set of large technology firms. A market correction would have larger-than-normal spillovers to consumption than has historically been the case.

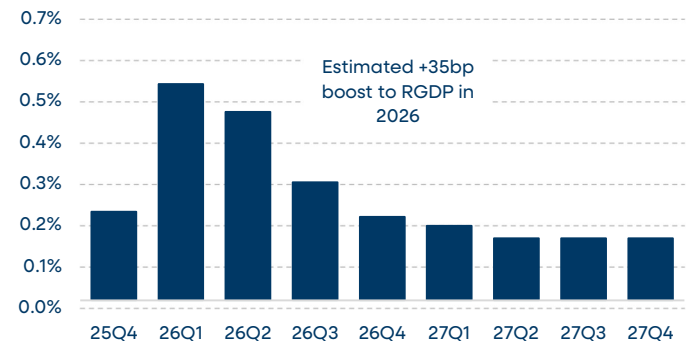
Domestic policy uncertainty and volatility remain high. The Administration continues to advance its agenda with frequent and sometimes abrupt shifts in trade, fiscal, and foreign policy actions. Policy uncertainty acts like a tax on firm investment decisions, and risks creating more financial market volatility in 2026. We were hopeful that the peak of tariff policy volatility was behind us, but President Trump’s recent threats of EU tariffs over Greenland shows that this can change quickly and abruptly.

Geopolitical risks also remain elevated. Rising global tensions – from U.S.-China competition to the conflict in Ukraine, instability in energy-producing regions, and disputes over strategic territories – pose downside risks to growth, upside risks to commodity prices, and the potential for market volatility and disrupted trade flows. Although not part of our baseline, any escalation could tighten financial conditions and weigh on the outlook.

Fiscal policy should provide a meaningful boost to growth in 26H1

The OBBBA, signed into law in July 2025, will be a meaningful source of fiscal stimulus in 2026. **We estimate the legislation will add roughly 35 basis points to real GDP growth this year.**

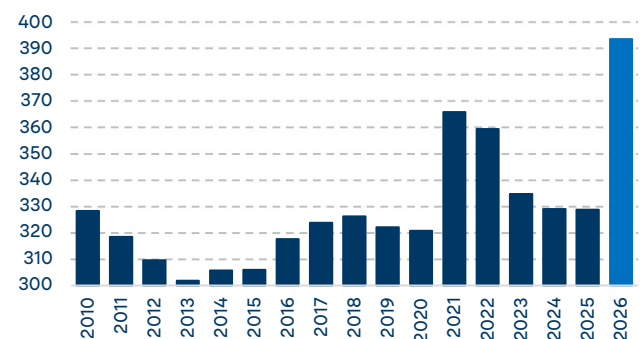
Figure 2: Estimated impact of OBBBA on quarterly annualized real GDP growth



Source: PNC estimates, UPenn Wharton

Corporate and individual tax cuts in the bill are largely front-loaded, with most of the relief occurring in 2026, while spending reductions are backloaded and phased in over subsequent years. As a result, fiscal policy will provide a net boost to economic activity in the year ahead, supporting both consumer spending through higher after-tax income and business investment through more favorable tax treatment.

Figure 3: Tax refunds expected to increase by \$65bn in 2026



Source: IRS, PNC



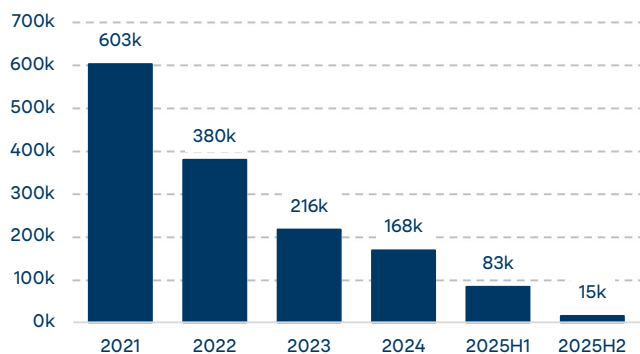
The most obvious place we will see the stimulus is consumer spending. Tax refunds in 2026 should be nearly 20% higher than last year, or about \$65bn more, which is a sizeable amount even relative to consumer spending. Similarly, take home pay will be higher throughout the year, extending the tail of the stimulus beyond tax season.

Other potential boosts from OBBBA include incremental support for business investment via accelerated depreciation and expensing provisions that reduce the effective cost of capital and can encourage some pull-forward in equipment and qualifying investment. In addition, select near-term federal outlays embedded in the package can add modest demand support. These effects are likely smaller and more diffuse than the household cashflow channel in 1H26, but they provide a secondary tailwind that reinforces the overall impulse.

Labor market (hopefully) stabilizes in 2026, job growth to remain weak

Job growth slowed sharply in 2025. While late-year federal layoffs associated with DOGE-related cuts distorted the headline data, the underlying private-sector trend weakened materially. In the second half of 2025, private payroll growth averaged roughly 30,000 per month, down from about 155,000 per month in 2024.

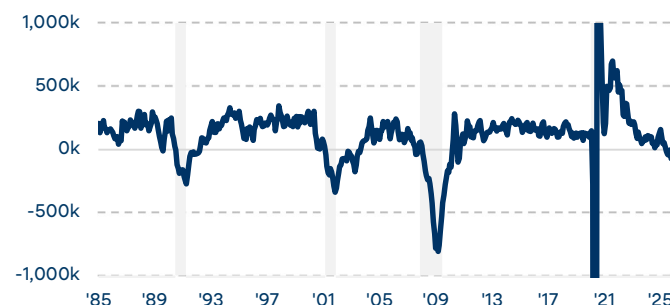
Figure 4: Average Job Growth Per Month by Year



Source: BLS

As Chair Powell has noted, this is very much a “low-hire, low-fire” labor market. Firms have been reluctant to lay off workers – the pace of separations remains historically low – but they have also been reluctant to expand headcount. Hiring rates have fallen to levels last seen during the depths of the pandemic and the slow recovery following the 2007–09 recession. This has disproportionately weighed on younger workers and on those who have lost jobs and are trying to re-enter the labor force.

Figure 5: Private job growth excluding education and healthcare (3M moving average)



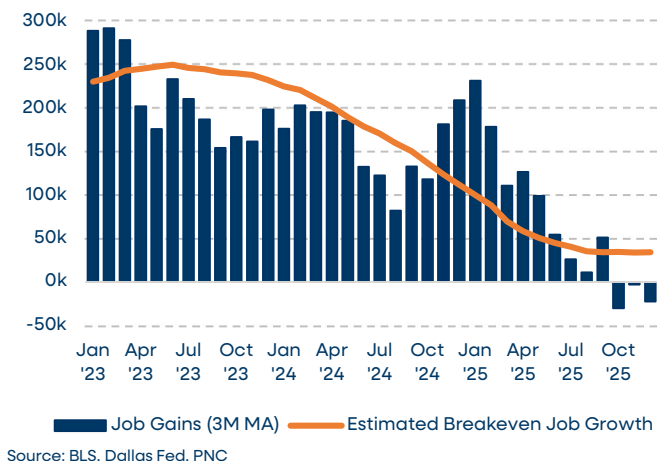
Source: BLS

We see two primary forces behind this slowdown. First, labor-supply growth has decelerated sharply as tighter immigration policy has reduced net inflows of workers. Second, labor demand has softened as firms have responded to higher tariff costs – and the need to fund large AI-related investments – by restraining hiring rather than passing costs through to prices. In other words, both supply and demand are contributing to weaker job growth.

We estimate that the monthly job gains needed to keep the unemployment rate stable in 2026 – the “breakeven” pace – will be roughly 50,000 per month, reflecting slower labor-force growth. That is close to what we expect in 2026. As a result, we forecast the unemployment rate will end 2026 near 4.4 percent, roughly unchanged from late 2025, as a soft but stable labor market replaces the overheated conditions of earlier years.



Figure 6: Nonfarm Payroll Job Gains vs. Estimated “Breakeven” Level of Job Growth

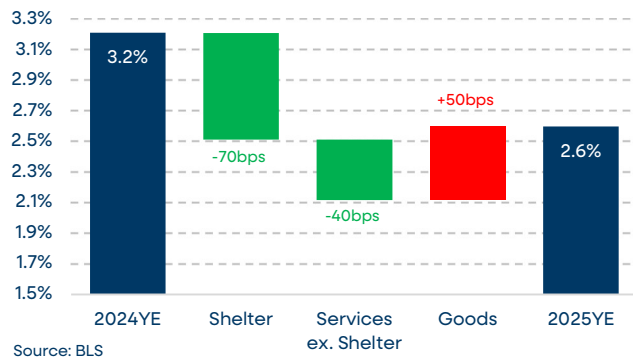


Still, as mentioned earlier, the labor market remains the biggest “what if” for the outlook in 2026. It is unusual for the labor market to soften to this extent without a recession occurring, and if we don’t see continued stabilization in 2026 it is likely that spending – and thus the economy more broadly – will slow further than our baseline forecast in 2026. Lastly, the breadth of job gains remains a concern, with healthcare responsible for over 80% of the job growth in recent months.

Inflation to average near 2.5% in 2026, tariff drag to lessen

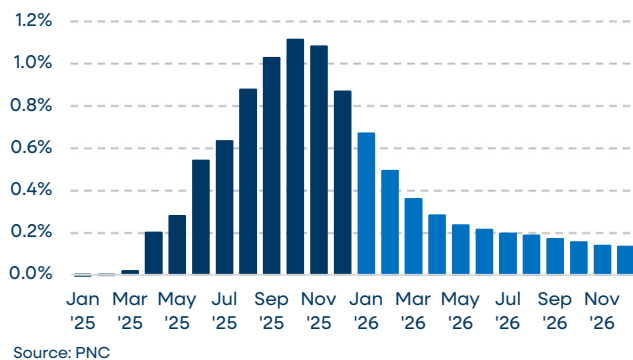
While the inflationary impact of tariffs in 2025 was smaller than many initially feared, it was nevertheless meaningful. **We saw a clear acceleration in core goods inflation** after the bulk of the tariffs were implemented that has offset continued improvement in services inflation throughout the year. **Core goods inflation is now the primary reason inflation remains above the Fed’s target**, and we feel this is very clearly a tariff story. As discussed later, the passthrough of tariffs into goods prices has been weaker than expected, but nonetheless present and an important source of inflation pressure in 2025.

Figure 7: Goods inflation from tariffs offset continued improvement in services inflation in ‘25



We expect tariffs to continue putting upward pressure on goods inflation in early 2026, but the peak impact is likely behind us. The trade policy outlook has improved relative to last year, even considering the renewed volatility around President Trump’s recent threats around tariffs related to Greenland. The Supreme Court appears likely to strike down a significant portion of the **IEEPA-based tariffs**, and the Trump Administration is unlikely to fully replace the lost revenue through other trade authorities in a midterm election year where affordability will be a central political issue. **As a result, tariff-related inflation pressures should gradually fade over the course of 2026.**

Figure 8: Estimated impact of tariffs on Core CPI, 3M annualized growth rates



Two additional factors support a more constructive inflation outlook. First, market-based measures of rent on newly listed apartments remain **well below pre-pandemic trends**, pointing to further cooling in



shelter inflation as these lower rents continue to feed through into official CPI and PCE measures.

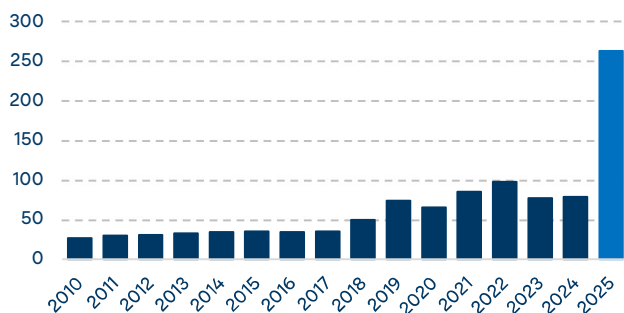
Second, the combination of a **softer labor market** and **improving productivity** should continue to restrain services inflation. Slower wage growth reduces cost pressures in labor-intensive sectors, while productivity gains – whether driven by technology adoption or organizational restructuring – allow firms to expand output without raising prices.

Taken together, these forces suggest that inflation should resume a gradual downtrend in 2026, even as the economy continues to grow at a solid pace. We look to inflation near 2.5% in 2026.

Still, tariffs had a meaningful impact on the U.S. economy in 2025

The effective tariff rate rose sharply in 2025, reaching its highest level in nearly a century. There is compelling evidence that over 95% of this increased tax burden was “paid for” by U.S. firms and U.S. consumers¹. In other words, the tariffs represented one of the largest tax increases imposed on the U.S. economy in decades. Yet, despite this shock, overall growth remained resilient – raising an important question: *how did the economy absorb such a large increase in trade taxes?*

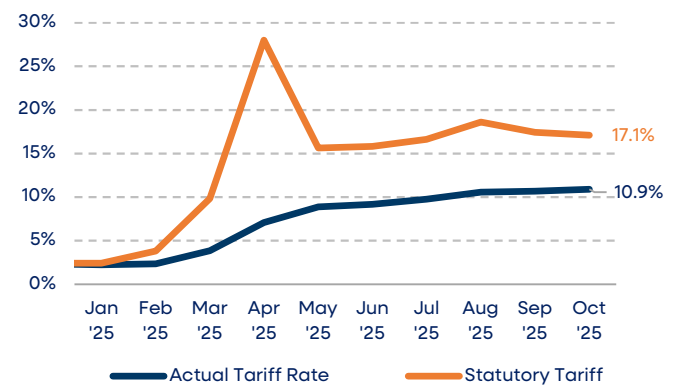
Figure 9: Annual import tariff revenue raised (\$bn)



Source: IRS, PNC

First, tariffs triggered a significant reordering of U.S. trade flows. Imports shifted away from higher-tariff countries and products toward lower-tariff alternatives. Firms exploited exemptions, reclassified goods, and restructured global supply chains to minimize tariff exposure. Absent these adjustments, we estimate the effective tariff rate would have been meaningfully higher than the roughly 11 percent level reached at the end of 2025.

Figure 10: The actual tariff rate paid by U.S. importers has stayed meaningfully below the statutory rate



Source: Census, Yale Budget Lab, PNC

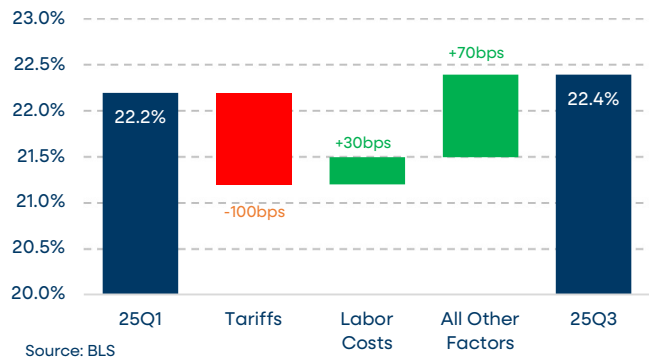
Second, firms passed through only a portion of the tariff costs to consumers. While goods price inflation clearly accelerated following the implementation of tariffs, the degree of pass-through was lower than initially expected and insufficient to fully offset the cost increase.

Instead, much of the adjustment occurred through firm behavior. Companies protected margins by restraining hiring, optimizing workforces, and cutting back on non-AI-related capital expenditures. These responses helped limit the near-term inflationary impact of tariffs but came at the cost of weaker job growth and investment. Without the offsetting tailwinds discussed earlier – particularly AI-related capex and wealth-driven consumer spending – economic growth would have slowed far more sharply in 2025.

¹ Kier Policy Brief (2025), “America’s Own Goal: Who Pays the Tariffs”



Figure 11: Factors explaining the change in nonfinancial corporate profit margins in 2025

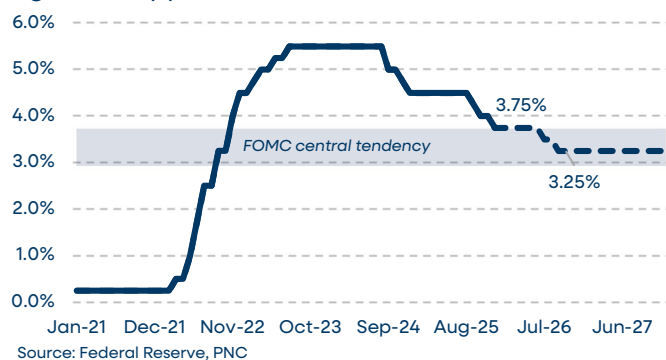


Fed to pause in the first half of 2026, remain patient

After holding the federal funds rate steady in the first three quarters of 2025, the FOMC eased monetary policy at the end of the year. The FOMC cut the fed funds rate at each of its last three meetings in 2025, by 25 basis points each time, with the rate ending the year in a range between 3.50% to 3.75%. **However, the process was contentious, with multiple dissents from FOMC voters.**

PNC expects the Fed to enter a prolonged pause in 2026, closely monitoring the effects of prior rate cuts while remaining firmly data dependent. Inflation remains above the central bank’s 2% objective, and there was little progress in slowing inflation in 2025. With risks still tilted toward higher inflation, in part because of tariffs, Fed communications suggest that FOMC members want to see more progress on inflation in 2026 before easing again.

Figure 12: Upper Bound of the Federal Funds Rate



But over the medium term the outlook is for additional rate cuts. FOMC members are generally more concerned about downside risks to the labor market – weaker job growth and a higher unemployment rate – than they are about higher inflation. They also generally believe that the current fed funds rate is above its neutral level, where it neither adds to nor subtracts from economic growth.

Chair Powell’s term as Fed Chair ends in May, introducing an additional consideration for the monetary policy outlook. President Trump has publicly expressed a preference for lower policy rates and indicated that future Fed appointments will reflect that objective. These dynamics increase the likelihood that the composition of the FOMC becomes more dovish in the second half of the year.

Given this, PNC’s expectation is that slowing inflation by mid-2026 will give the leeway for two 25 basis point cuts in the second half of the year, with the fed funds rate in a range between 3.00% and 3.25% to end 2026.

A two-speed, K-shaped economy?

We have previously described the economy’s underlying growth momentum as resting “**on unusually narrow pillars.**” Another way to frame this dynamic is that the **economy has become increasingly “K-shaped.”** A clear divergence has emerged between economic “haves” and “have-nots” across multiple dimensions: large firms continue to outperform small businesses, large-cap equities have significantly outpaced small-caps, and consumer spending is increasingly driven by higher-income households.

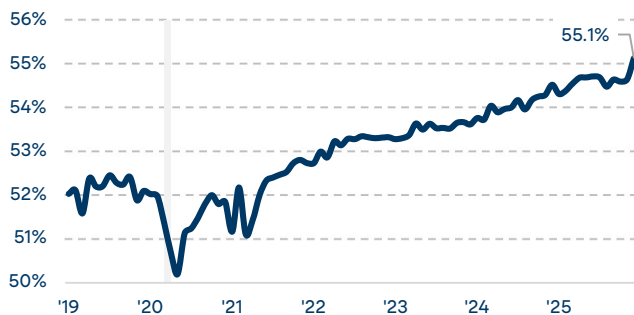
While the “upper arm of the K” has performed exceptionally well – and has been responsible for much of the economy’s resilience in recent years – it also represents a source of vulnerability. Greater confidence in the outlook for 2026 would come from an improvement in the breadth of growth, with momentum spreading more evenly across firms, sectors, and households. While this K-shaped



pattern is evident throughout the economy, **we focus in particular on consumer spending**, where internal PNC card data provide especially compelling evidence of this divergence.

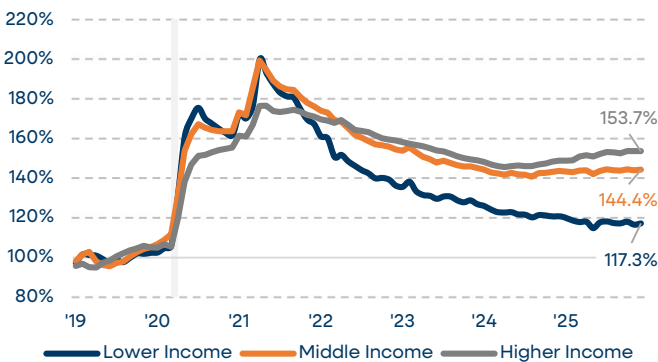
Lower-income households have experienced weaker wage growth in 2025, while inflation has steadily eroded their checking and savings balances. **According to internal PNC data, savings and checking account balances are now approaching pre-pandemic levels for the bottom-third of households by income.** In contrast, middle- and upper-income households continue to hold substantial cash buffers, with liquid balances still nearly 40 percent above 2019 levels.

Figure 13: Percent of aggregate card spending by top third of income earners



Sources: PNC internal data, seasonally adjusted by PNC, deflated using inflation

Figure 14: Median inflation-adjusted checking and savings deposit balances as a % of 2019 levels



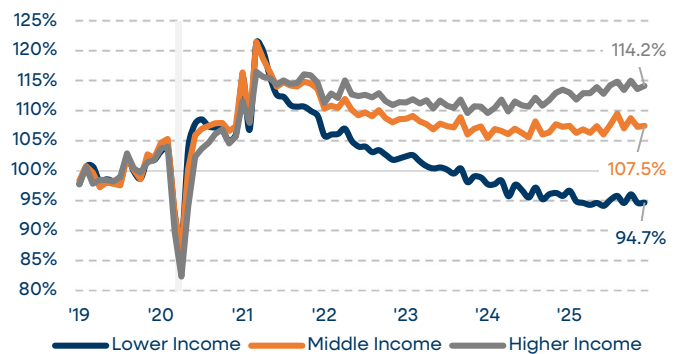
Sources: PNC internal data, seasonally adjusted by PNC, deflated for inflation

This divergence is now clearly visible in spending patterns. While aggregate consumer spending remains solid, it is increasingly being driven by

higher-income households. Lower-income spending, by contrast, has been flat in real terms for much of the past two years.

The result is a distinctly K-shaped consumer economy: one in which financial strength and spending power are concentrated among households with higher incomes and asset exposure, even as a growing share of consumers face tighter budget constraints.

Figure 15: Aggregate card spend by income as a percentage of 2019 levels, adjusted for inflation

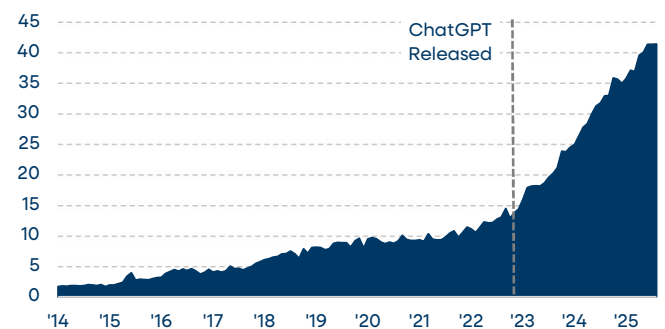


Sources: PNC internal data, seasonally adjusted by PNC, deflated using inflation

How is AI impacting the economy?

The launch of ChatGPT in late 2022 **catalyzed a powerful AI-driven capital-spending cycle** that has become a meaningful tailwind for U.S. economic growth. Investment in data centers, semiconductors, cloud infrastructure, and the energy systems that support them has surged, providing a substantial boost to industrial production, construction, and equipment spending.

Figure 16: Data Center Construction Spending (\$bn)

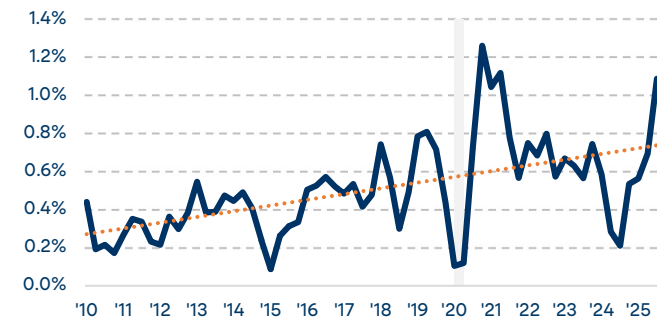


Source: Census



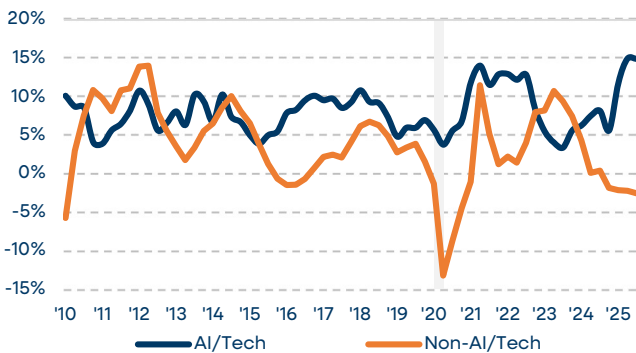
After properly accounting for imported content, we estimate that AI and the broader technology sector contributed close to one percentage point to real GDP growth in 2025 – far exceeding technology’s direct share of the economy. In addition to this investment impulse, the outsized equity market gains of AI-linked firms have generated large wealth effects, supporting consumer spending among higher-income households even as lower-income consumers retrenched under the combined pressure of inflation and tariffs.

Figure 17: Contributions to Real GDP Growth from AI and Tech (Percentage Points, 2Q Moving Average)



Source: BEA, PNC

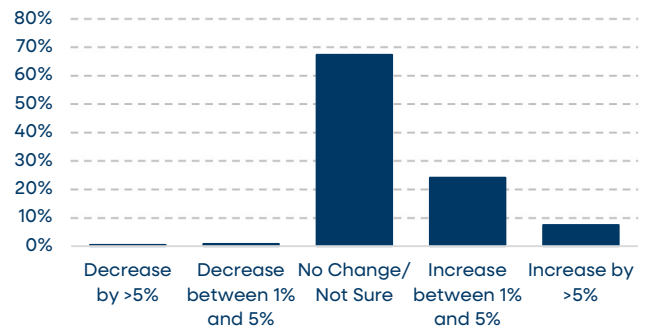
Figure 18: Business Capex: AI/Tech vs. Non-AI/Tech related investment (y/y growth)



Source: BEA, PNC

Despite this growth impact, the productivity story remains less clear. While measured productivity did improve in 2025, this appears to reflect labor-market dynamics more than true AI-driven efficiency gains. The “low-hire, low-fire” environment of 2025 mechanically raised output per worker as firms retained their most productive employees, rather than indicating a broad-based acceleration in AI-enabled output.

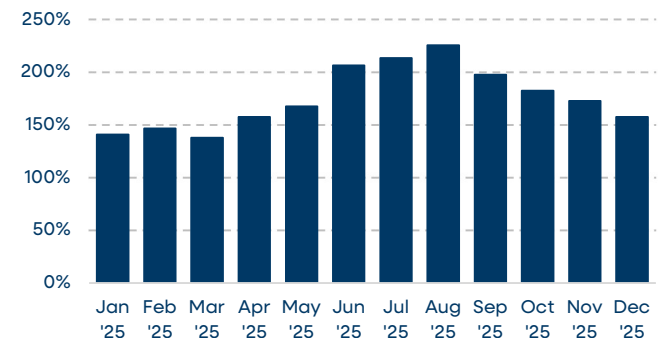
Figure 19: “Over the last 12 months, how has your firm’s use of AI affected labor productivity?”



Source: Richmond Fed CFO Survey, shows % of firms responses

By contrast, consumer adoption of generative AI is rising rapidly. Internal PNC data show paid Gen-AI subscriptions up more than 150 percent year-over-year in 2025, with penetration increasing across every generational cohort. This suggests that usage is spreading well beyond early adopters and enterprise pilots.

Figure 20: YoY percent change in household spending on Gen AI subscriptions

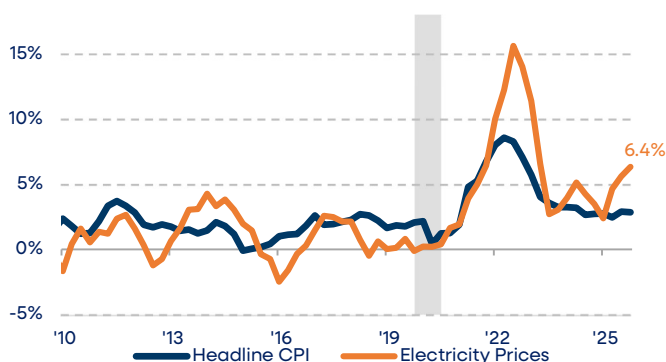


Source: PNC internal data

AI is also driving notable increases in energy and data-center-related infrastructure costs that are likely to feed into 2026 inflation. The hyperscaler-led data-center buildout is boosting load growth and accelerating investment in grid and generation capacity, tightening several regional power markets. In areas with heavy data-center expansion, capacity auction prices have surged and is likely to pass through to regulated retail rates over time.



Figure 21: YoY percent change in electricity prices has exceeded headline inflation



Source: BLS

Looking ahead, we expect AI-related capital spending to remain a major source of growth in 2026. In an environment where job and income growth are likely to remain constrained, this investment cycle will be a critical offset, helping to sustain overall economic momentum even as traditional consumer-driven growth cools.

2025 productivity gains: less AI, more workforce optimization

Beyond AI-related capital spending and resilient consumer demand, improved productivity formed a third source of strength in 2025. Measured productivity – output per worker – rose meaningfully over the year. While AI-driven efficiency gains hold substantial long-term promise, we do not view the 2025 improvement as *primarily* AI-driven.

Instead, firms responded to higher tariffs and elevated policy uncertainty by protecting margins through restrained hiring and reduced non-AI capital expenditures. At the same time, businesses optimized their workforces – retaining their most productive employees while limiting hiring of younger, less experienced workers who typically require time to reach peak productivity.

The result was a mechanical increase in output per worker, a dynamic more commonly observed during post-recession recoveries. What makes 2025 unusual is that this productivity boost occurred without a recession, reflecting firm behavior in

response to cost pressures and uncertainty rather than a broad-based technological acceleration.



Additional charts and tables

Table 2: Baseline U.S. Economic Outlook, Summary Table

Indicator	25Q3	25Q4f	26Q1f	26Q2f	26Q3f	26Q4f	27Q1f	2024	2025f	2026f	2027f
Output											
Nominal GDP (\$bn)	31,095	31,454	31,778	32,129	32,482	32,836	33,196	29,825	31,454	32,836	34,259
Percent Change Annualized	8.2	4.7	4.2	4.5	4.5	4.4	4.5	4.9	5.5	4.4	4.3
Real GDP (\$bn, '17 SAAR)	24,025	24,142	24,276	24,394	24,510	24,624	24,737	23,587	24,142	24,624	25,079
Percent Change Annualized	4.3	2.0	2.2	1.9	1.9	1.9	1.8	2.4	2.4	2.0	1.9
Consumer Spending	16,589	16,689	16,764	16,837	16,911	16,983	17,055	16,321	16,689	16,983	17,275
Percent Change Annualized	3.5	2.4	1.8	1.8	1.8	1.7	1.7	3.4	2.3	1.8	1.7
Business Fixed Investment	3,685	3,710	3,740	3,774	3,806	3,836	3,865	3,514	3,710	3,836	3,951
Percent Change Annualized	2.8	2.8	3.3	3.7	3.4	3.2	3.0	0.9	5.6	3.4	3.0
Residential Investment	768	763	761	760	762	766	771	791	763	766	792
Percent Change Annualized	-5.2	-2.7	-1.3	-0.1	0.7	2.0	2.8	1.3	-3.5	0.3	3.5
Change in Private Inventories	-30	-18	-6	13	27	36	40	17	-18	36	46
Net Exports	-957	-935	-936	-951	-963	-974	-981	-1,069	-935	-974	-1,001
Government Expenditures	4,015	3,979	3,999	4,006	4,013	4,021	4,032	4,004	3,979	4,021	4,062
Percent Change Annualized	2.2	-3.6	2.0	0.7	0.7	0.9	1.0	3.6	-0.6	1.1	1.0
Industrial Production ('12 = 100)	102	102	102	103	103	104	105	100	102	104	107
Percent Change Annualized	2.1	0.2	2.0	2.0	2.5	2.5	2.8	-0.9	2.1	2.2	3.0
Capacity Utilization (Percent)	76.2	76.0	76.2	76.4	76.6	76.8	77.0	75.5	76.0	76.8	77.5
Prices											
CPI (% Change Ann.)	3.1	2.8	2.7	2.7	2.7	2.6	2.6	2.7	2.8	2.7	2.5
Core CPI Index (% Change Ann.)	3.3	2.2	2.8	2.5	2.5	2.5	2.4	3.3	2.8	2.6	2.3
PCE Price Index (% Change Ann.)	2.8	2.8	2.5	2.6	2.6	2.5	2.5	2.4	2.8	2.5	2.3
Core PCE Price (% Change Ann.)	2.9	2.2	2.7	2.3	2.3	2.3	2.2	3.0	2.7	2.4	2.1
GDP Price Index (% Change Ann.)	3.7	2.7	1.9	2.5	2.5	2.5	2.6	2.5	3.0	2.4	2.4
Crude Oil, WTI (\$/Barrel)	65.8	59.6	62.0	65.0	68.0	70.0	73.4	70.8	59.6	70.0	78.9
Labor Markets											
Payroll Jobs (Millions)	159.5	159.6	159.7	160.0	160.3	160.6	160.9	158.6	159.6	160.6	161.7
Percent Change Annualized	0.2	0.1	0.2	0.8	0.8	0.8	0.8	1.2	0.6	0.7	0.7
Unemployment Rate (Percent)	4.3	4.5	4.5	4.5	4.5	4.4	4.4	4.1	4.5	4.4	4.3
Avg. Wkly Hours, Prod. Works.	33.7	33.7	33.7	33.7	33.7	33.7	33.7	33.7	33.7	33.7	33.7
Personal Income											
Average Hourly Earnings (\$)	31.4	31.7	32.0	32.2	32.4	32.7	32.9	30.6	31.7	32.7	33.7
Percent Change Annualized	3.8	3.7	3.0	3.0	3.0	3.0	3.0	4.1	3.7	3.0	3.0
Real Disp. Income (2017 \$bn)	18,117	18,167	18,250	18,333	18,413	18,520	18,609	17,843	18,167	18,520	18,899
Percent Change Annualized	0.8	1.1	1.8	1.8	1.8	2.3	1.9	2.4	1.8	1.9	2.0
Interest Rates (%)											
Prime Rate	7.4	6.8	6.8	6.8	6.4	6.3	6.3	7.6	6.8	6.3	6.3
Federal Funds	4.2	3.7	3.6	3.6	3.3	3.1	3.1	4.5	3.7	3.1	3.1
3-Month Treasury Bill	4.0	3.6	3.5	3.4	3.3	3.2	3.2	4.3	3.6	3.2	3.2
10-Year Treasury Note	4.1	4.1	4.1	4.1	4.1	4.1	4.1	4.4	4.1	4.1	4.1
30-Year Fixed Mortgage	6.4	6.2	6.1	6.2	6.2	6.2	6.2	6.7	6.2	6.2	6.2



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