

Economy

Economy facts

This chapter provides a foundation for understanding labor market, inflation, economic growth, and trade trends. As Congress weighs policies that influence the country's economy, the data here offers context for assessing the current outlook and the potential effects of legislation.

Inflation and interest rates

- Inflation was less than 4% year-over-year from mid-2023 through mid-2025 after peaking at 9.0% in June 2022.
- Housing has been the largest contributor to CPI increases due to both rising prices and its weight of 44% in household budgets.
- The Federal Reserve lowered the federal funds rate three times in 2024 after raising it 11 times from 2022–2023.
- When the Fed raises or lowers rates, it affects expectations in financial markets. This can change long-term interest rates like mortgage rates, which often move with the 10-year Treasury yield.

Jobs and labor market

- Employers added about 2.0 million jobs in 2024, higher than the 2000 to 2023 average annual increase of 1.1 million.
- The national unemployment rate was 4.0% in 2024. It ranged from 1.8% in South Dakota to 5.6% in Nevada.
- The labor force participation rate held steady at 62.6%, still below pre-pandemic highs but recovering from 2020 lows.
- Job openings declined to 4.7% in 2024 from a peak of 6.8% in 2022, while layoff rates remained at 1.1%.

Economic growth

- GDP reached \$29.2 trillion in 2024.
- Real GDP, which is GDP adjusted for inflation, rose 2.8% in 2024, surpassing the 2000 to 2023 average growth rate of 2.2%.
- State-level growth varied, with Utah and South Carolina exceeding 4% growth while Iowa and North Dakota shrank by less than 1%.

International trade

- Imports totaled \$4.1 trillion in 2024, led by capital goods (e.g., semiconductors) and services like international travel.
- Exports reached \$3.2 trillion. Top categories included petroleum products and professional consulting services.
- The US had a \$903.5 billion trade deficit in 2024, with a \$1.2 trillion goods deficit and \$311.9 billion services surplus.
- Mexico became the nation's top trading partner in 2024, followed by Canada and China. These countries made up 36% of imports and 32% of exports.
- In FY 2024, the US collected \$77.0 billion in customs duties revenue, including revenue from tariffs and other import fees. It accounted for less than 2% of federal revenue.

How quickly are prices increasing? What's increasing the most?

The Consumer Price Index (CPI) is a common measure of price inflation. The 12-month percent change in CPI began rising in early 2021, peaking at 9.0% in June 2022. Year-over-year inflation has since cooled. It's been below 4.0% since June 2023 and 3.0% or less since June 2024. Compared to January 2021, transportation prices in June 2025 increased more than any other CPI category, about 28%. This was followed by housing (26%) and food and beverages (24%).

Consumer Price Index

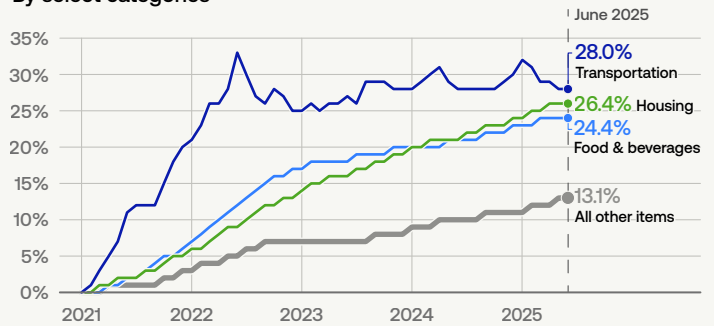
12-month percent change



Source: Bureau of Labor Statistics
Note: Seasonally adjusted.

Percent change in Consumer Price Index from January 2021

By select categories



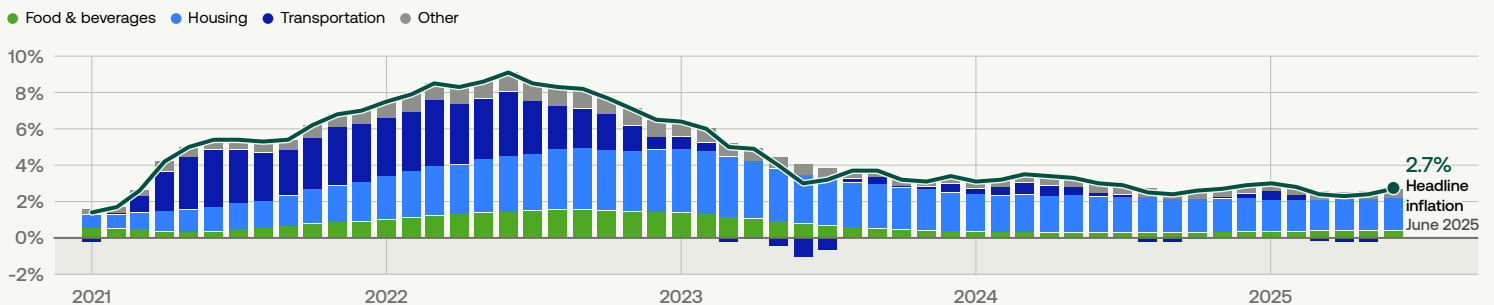
Source: Bureau of Labor Statistics
Note: Seasonally adjusted.

What contributes the most to increases in the CPI?

Housing has been the largest driver of CPI increases since mid-2022, surpassing transportation, which includes prices of motor vehicles and gasoline. Note that the items that contribute the most to inflation aren't always the ones with the biggest price jumps. The CPI is weighted based on how much people spend on each category. For example, transportation prices increased more sharply than housing from January 2021 to June 2025. Since transportation makes up a smaller part of household spending, it is given less weight in the CPI, therefore contributing less to the increase in the index.

Components of year-over-year percent change of CPI

By select categories



Source: Bureau of Labor Statistics
Note: Not seasonally adjusted.

How does the Federal Reserve aim to influence inflation?

The Federal Reserve (Fed) increases the federal funds rate to bring down inflation. It increased the target rate seven times in 2022 and four times in 2023. The Fed then lowered the target rate three times in 2024 to 4.25%–4.5%. The PCE price index measures the prices of goods and services consumers purchase and is the Fed’s preferred inflation measure. Inflation inched toward the Fed’s target rate of 2% year-over-year in 2023 through the beginning of 2025.

Federal funds rate



Source: Board of Governors of the Federal Reserve System

Personal Consumption Expenditures (PCE) price index

12-month percent change



Source: Bureau of Economic Analysis
Note: Seasonally adjusted.

How does the Federal Reserve affect interest rates faced by consumers?

When the Federal Reserve raises the federal funds rate, it increases the rate banks use when lending to each other. Banks typically pass these increased borrowing costs to consumers by raising the interest rates on credit cards, business loans, and other products. Long-term rates are especially influenced by the 10-year Treasury yield, which reflects, among other things, investors’ expectations about future Fed decisions. Expectations shift as the Fed raises or lowers its rate, moving many long-term interest rates as well. For example, the 30-year fixed mortgage rate closely tracks the 10-year Treasury yield.

Yield on 10-year Treasury securities vs. 30-year mortgage rate

Monthly average

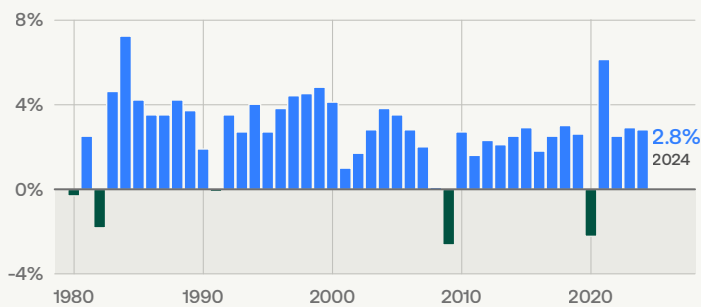


Source: Federal Reserve Bank of St. Louis

Is the economy growing?

In 2024, US GDP reached \$29.2 trillion. Real GDP (rGDP), which accounts for inflation, increased 2.8%, which was above the 2000 to 2023 average annual rate of 2.2%. From 2023 to 2024, rGDP decreased in two states, Iowa and North Dakota. It increased by less than 1.0% in South Dakota, Nebraska, and Wyoming. It increased by more than 4.0% in Utah and South Carolina.

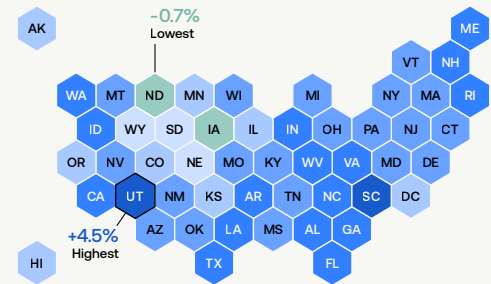
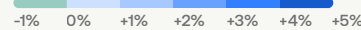
Annual percent change in real GDP



Source: Bureau of Economic Analysis

Percent change in real GDP (2023 vs. 2024)

By state

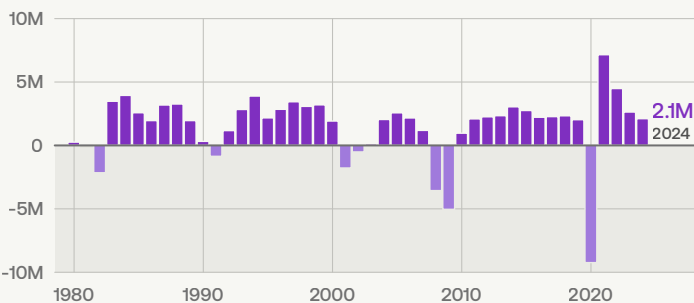


Source: Bureau of Economic Analysis

How many more people are employed compared to 2023?

US employers added about 2.1 million jobs in 2024. From 2000 to 2023, employment increased by 1.1 million each year, on average. Change in 2024 was higher than this average, but lower than the annual increases from the past three years. From 2023 to 2024, Alaska had the highest employment increase at 2.1%, and Massachusetts and Iowa had the lowest, less than 0.2% each.

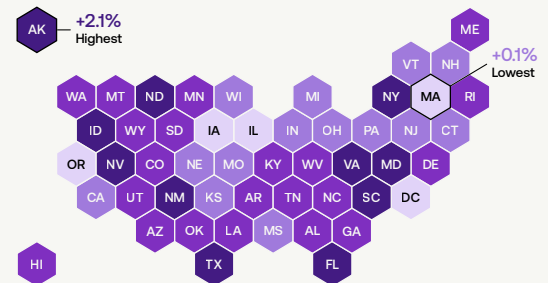
Net change in employment (jobs)



Source: Bureau of Labor Statistics

Percent change in annual average employment (2023 vs. 2024)

By state



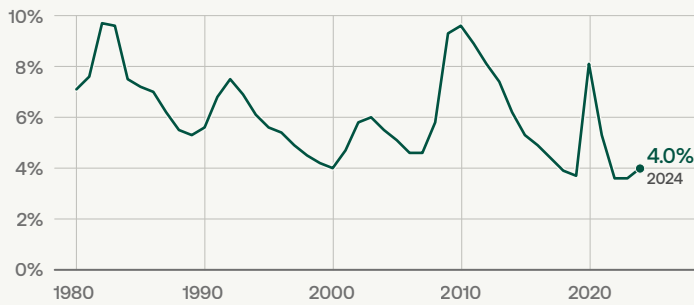
Source: Bureau of Labor Statistics

What is the unemployment rate and how does it vary by state?

The average unemployment rate was 4.0% in 2024, 0.4 percentage points above the 2022 and 2023 rates. State rates ranged from a low of 1.8% in South Dakota to a high of 5.6% in Nevada.

Unemployment rate

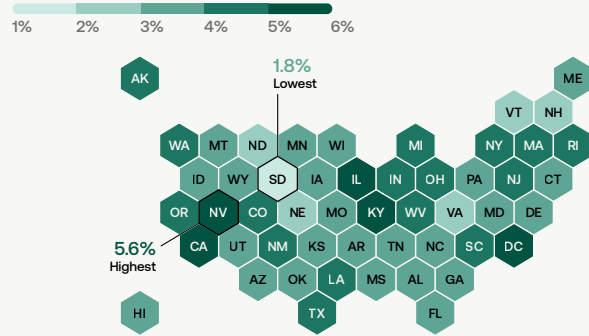
Annual average



Source: Bureau of Labor Statistics

Unemployment rate (2024 average)

By state



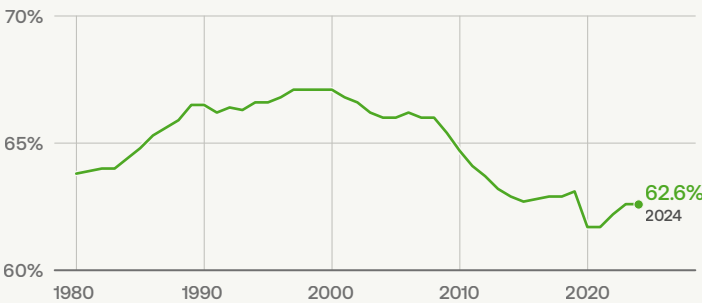
Source: Bureau of Labor Statistics

What is the labor force participation rate and how does it vary by state?

The labor force participation rate is the share of the population age 16 and older that is either employed or looking for work. It peaked between 1997 and 2000. It hit a low of 61.7% during the pandemic and reached 62.6% in 2023, remaining unchanged in 2024. The rate was higher than 68% in six states and lower than 58% in five states.

Labor force participation rate

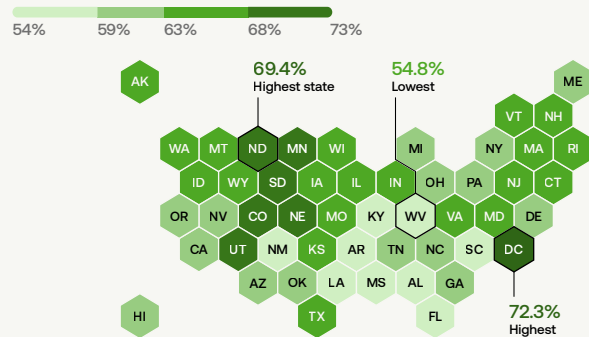
Annual average



Source: Bureau of Labor Statistics

Labor force participation rate (2024 average)

By state

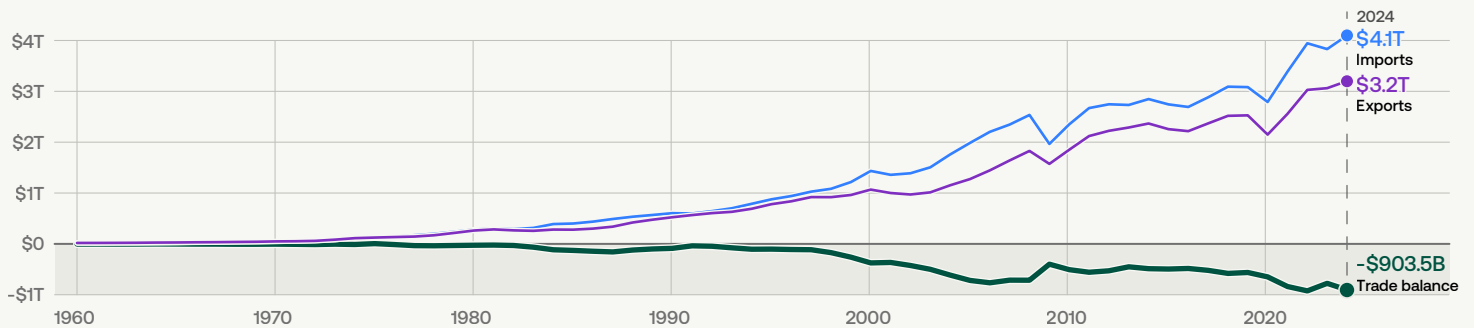


Source: Bureau of Labor Statistics

What does US international trade look like?

US sales abroad are exports, and US purchases from abroad are imports. When a nation imports more than it exports, it's called a trade deficit. The US has had a trade deficit from 1976 to 2024. In 2024, the US imported \$4.1 trillion and exported \$3.2 trillion, leading to a \$903.5 billion trade deficit.

Trade balance

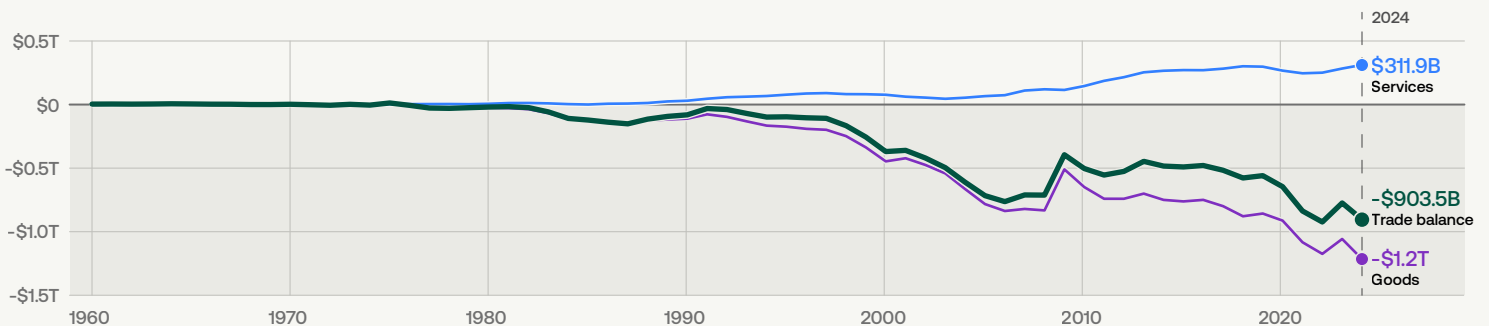


Source: Bureau of Economic Analysis
 Note: Not adjusted for inflation.

How much does the US trade in goods and services?

Trade can also be divided into goods and services. Net trade in services has been positive since 1971, meaning the US exported more services than it imported each year. On the other hand, the nation imports more goods than it exports, leading to a negative net goods trade. The US goods deficit has exceeded \$1 trillion in the last four years, not adjusted for inflation. In 2024, the US had a \$311.9 billion services surplus and a \$1.2 trillion goods deficit.

Net trade of goods and services



Source: Bureau of Economic Analysis
 Note: Not adjusted for inflation.

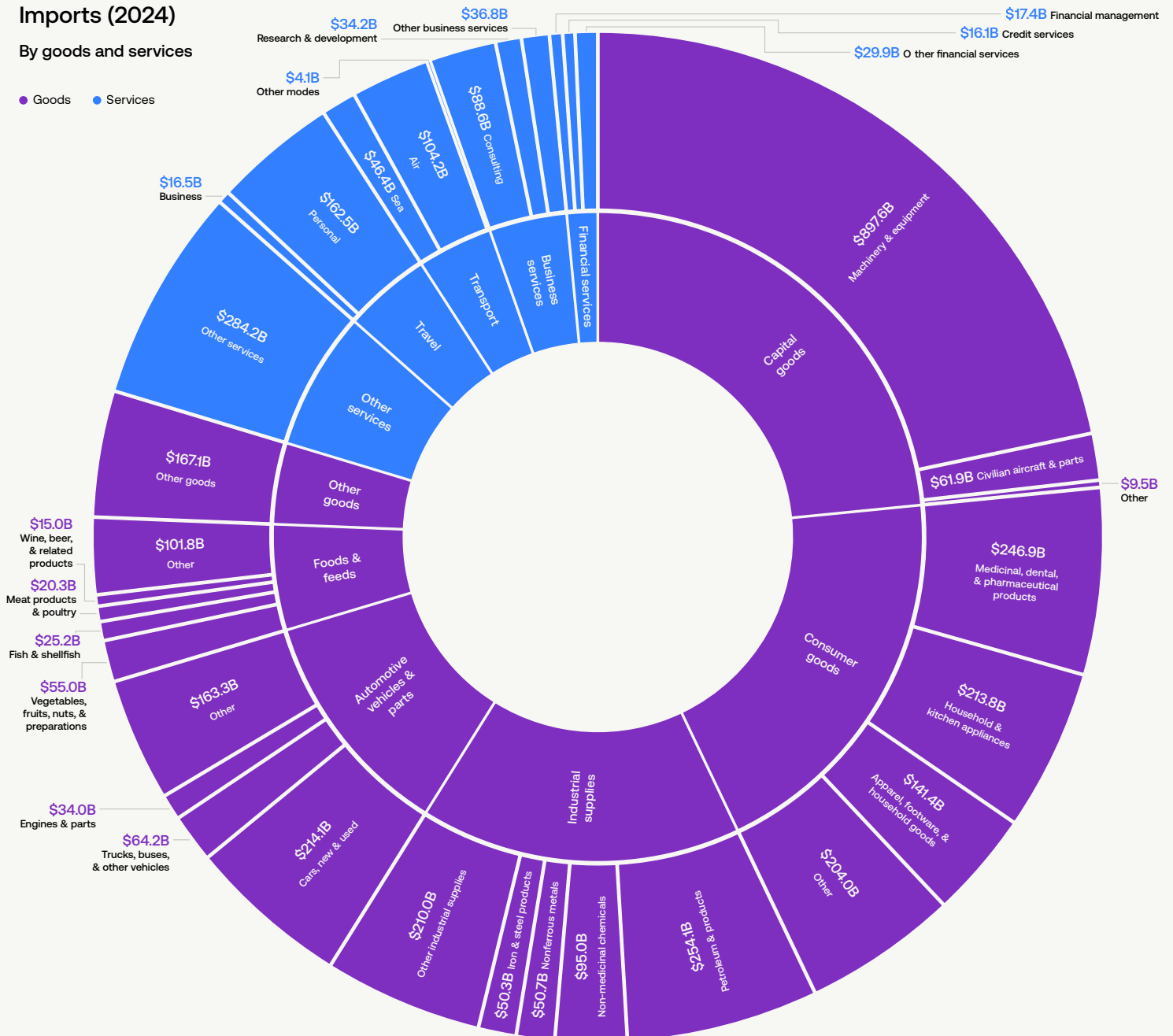
What does the US import?

In 2024, \$3.3 trillion (80%) of imports to the US were goods. The other \$840.9 billion (20%) were services. The largest categories of imports were capital goods (goods used to produce other goods, as opposed to goods purchased by consumers), mainly comprised of machinery and equipment, like semiconductors and scientific equipment. It was followed by consumer goods, composed of medical products, household appliances, and other goods for personal use. Travel was the predominant imported service, including what US residents spent abroad for accommodation, food, and other expenses.

Imports (2024)

By goods and services

● Goods ● Services



Source: Bureau of Economic Analysis

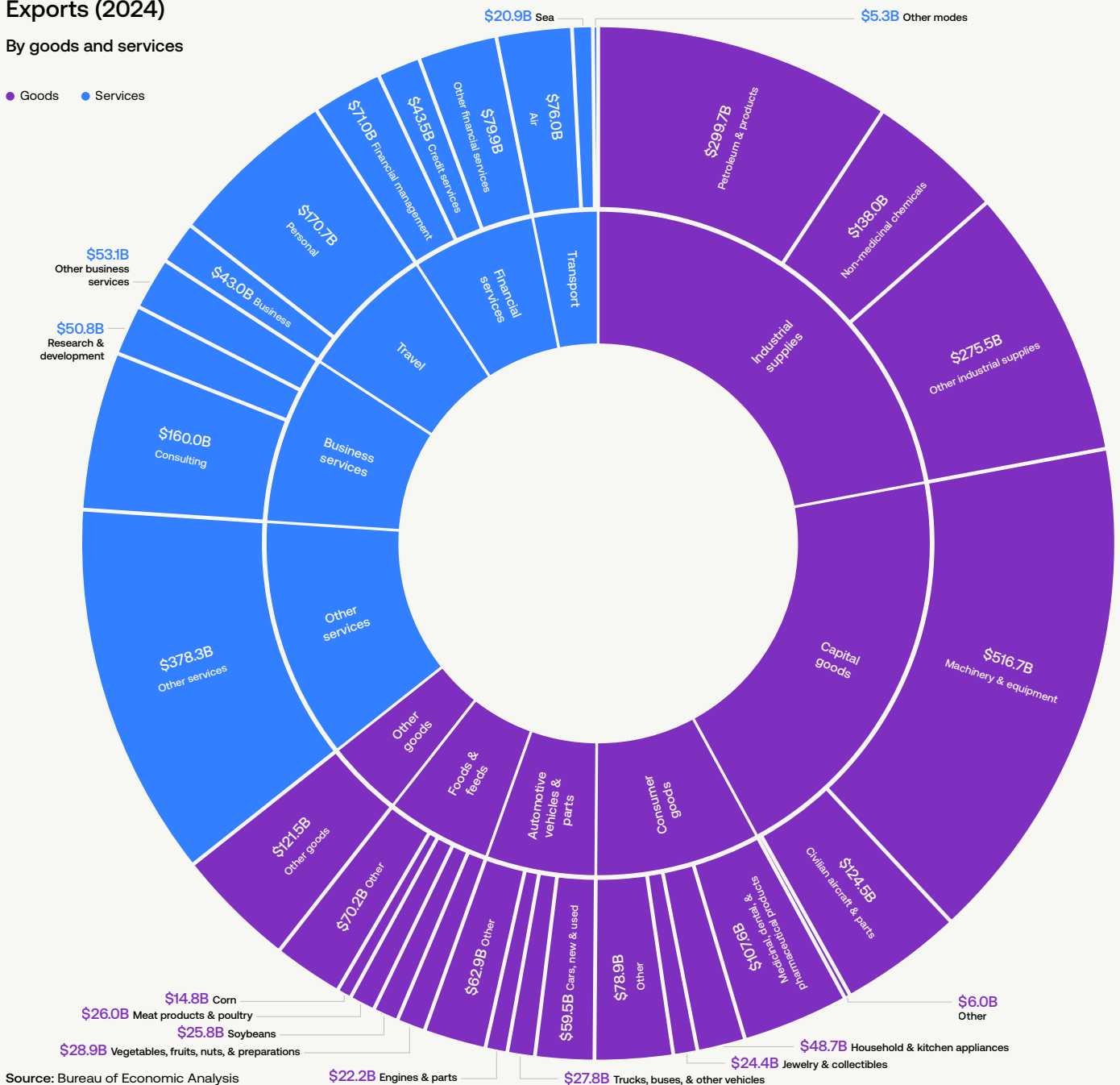
What does the US export?

In 2024, \$2.1 trillion (64%) of exports from the US were goods, while the other \$1.2 trillion (36%) were services. The largest categories of exports were industrial supplies, mainly comprised of petroleum products and non-medicinal chemicals. It was followed by capital goods, including machinery and civilian aircraft. The largest service exported was business services, primarily professional and management consulting.

Exports (2024)

By goods and services

● Goods ● Services



Source: Bureau of Economic Analysis

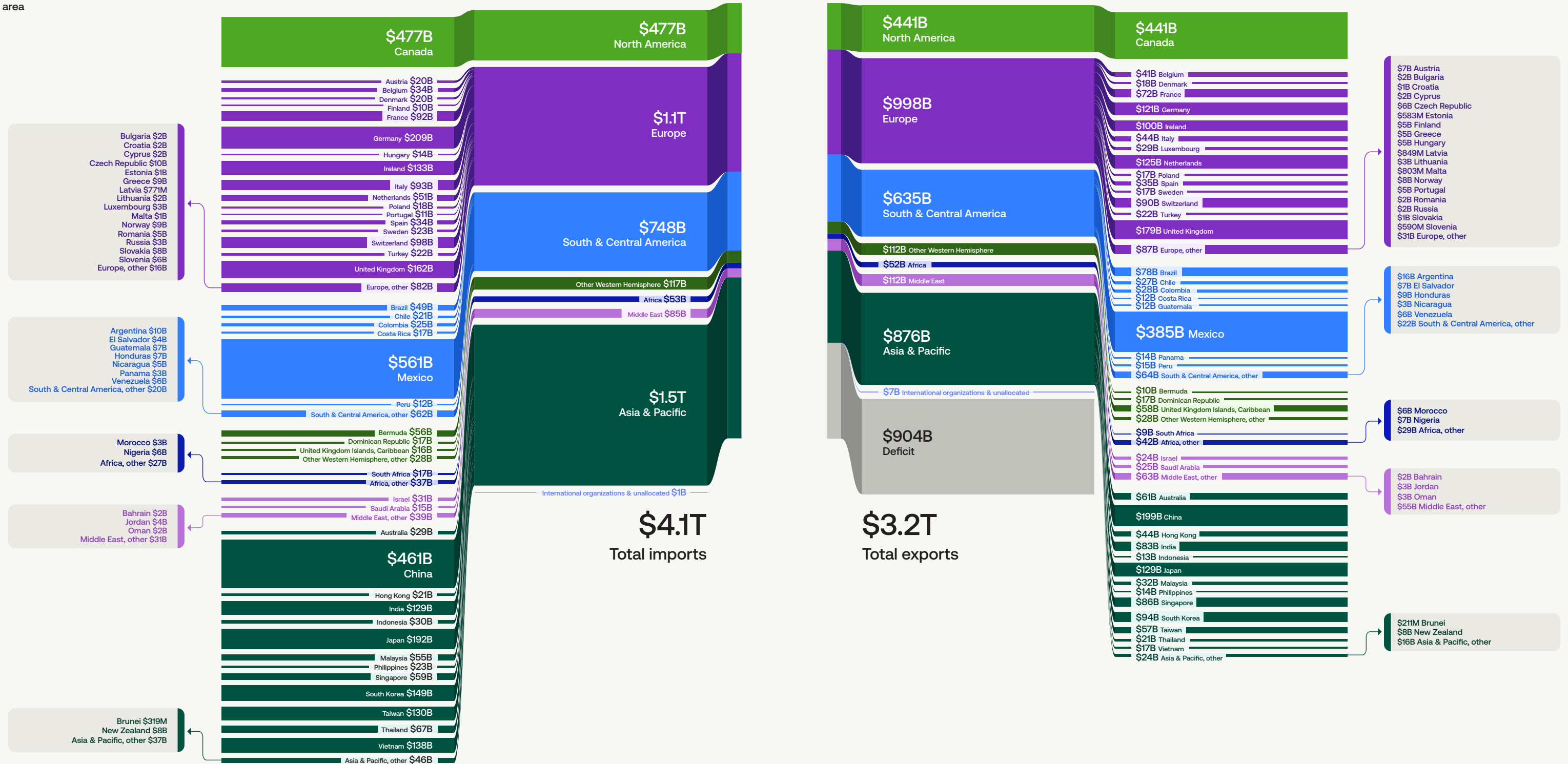
Who does the US trade with?

In 2024, the US imported the most from the Asia and Pacific region and Europe, at values over \$1 trillion each. The countries the US imported most from were Mexico, Canada, China, Germany, and Japan, each valued at over \$190 billion. Combined, these five countries accounted for 46% of imports to the US.

In 2024, the US exported the most to Europe and the Asia and Pacific region, \$998.0 billion and \$876.5 billion, respectively. The countries receiving the most US exports were Canada, Mexico, China, the United Kingdom, and Japan, each valued over \$129 billion. Combined, these five countries accounted for 41% of exports.

Imports and exports (2024)

By area

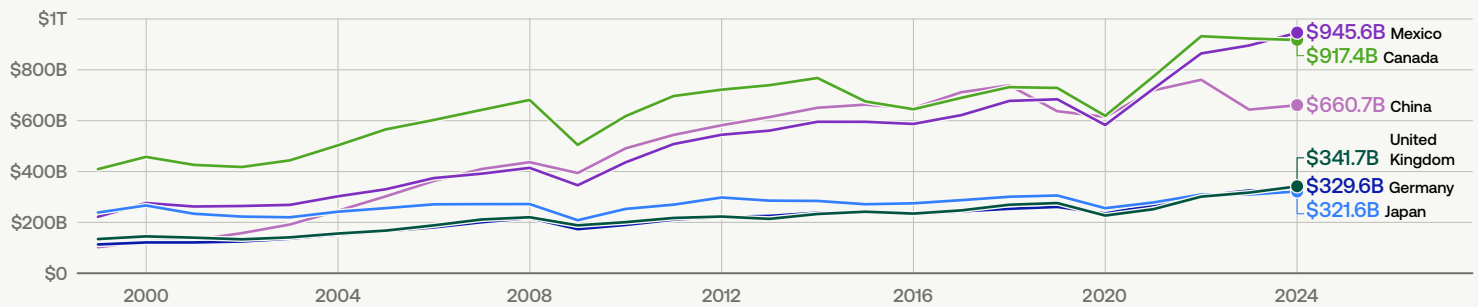


Source: Bureau of Economic Analysis
 Note: Source classifies Mexico as part of South & Central America.

Who are the US' top trading partners? How have they changed over time?

When adding the value of imports and exports, Mexico, Canada, and China have been the US' top trading partners since 2004. In 2024, Mexico became the nation's top trading partner for the first time since data became available in 1999. China went from being the sixth top trading partner in 1999 to the first throughout 2016 to 2018. As of 2024, it was third after Mexico and Canada.

Total trade value with top trading partners

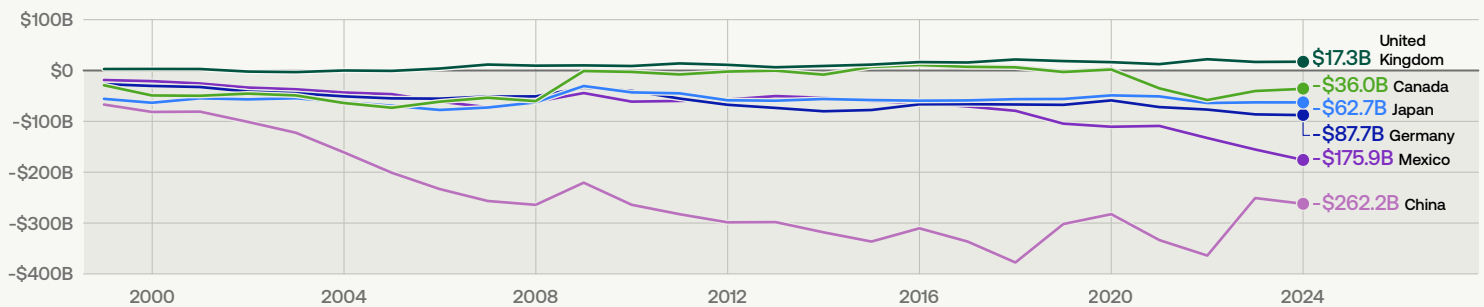


Source: Bureau of Economic Analysis
Note: Not adjusted for inflation.

Does the US import more from or export more to its top trading partners?

The US had a trade deficit with five of its six top trading partners in 2024. The largest deficit was with China at \$262.2 billion, followed by Mexico at \$175.9 billion. From 2023 to 2024, the US trade deficit grew most with Mexico (up 13%) and fell most with Canada (down 11%).

Net trade balance with top trading partners



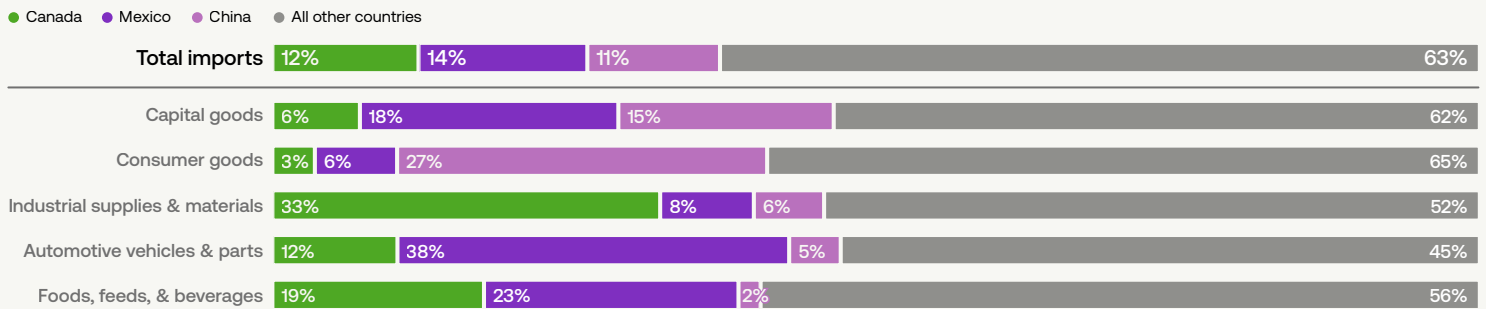
Source: Bureau of Economic Analysis
Note: Not adjusted for inflation.

Where does the US get the most imports from?

In 2024, Mexico accounted for nearly 14% of all imports to the US, the most of any nation. Canada was second, followed by China. Together, these countries accounted for 36% of total US imports. Capital goods were the top US import category; Mexico accounted for 18% of these goods and China another 15%.

Total and top five US imports (2024)

By top trading partner



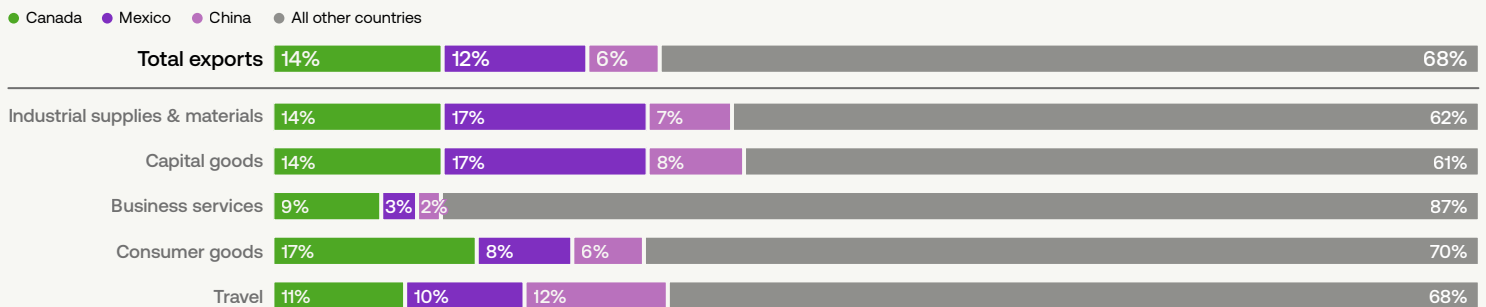
Source: Bureau of Economic Analysis
 Note: Categories may not add to 100% due to rounding.

Which countries receive the most US exports?

In 2024, Canada received nearly 14% of all US exports, the most of any nation. Mexico was the second largest destination, followed by China. Together, these countries accounted for about one-third of total US exports. The leading US export category was industrial supplies; Mexico purchased 17% of these goods. Canada bought another 14%.

Total and top five US exports (2024)

By top trading partner



Source: Bureau of Economic Analysis
 Note: Categories may not add to 100% due to rounding.

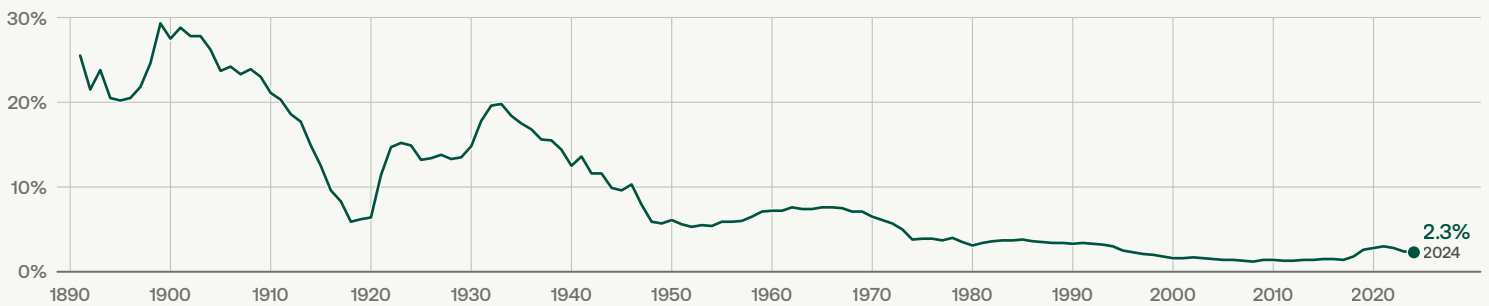
At what rate are imports taxed?

The average effective tariff rate shows how much the US collects in customs duties as a percentage of the total value of imported goods. Customs duties include tariffs on goods and other import fees. It estimates how much tariffs cost, on average, across all goods brought into the country. Imports may have different tariff rates (or none at all) depending on a range of factors, including country of origin, product type, trade agreements, value, and quantity.

From 1891 to 1933, the average effective tariff rate was about 19%. The rate mostly decreased over the next several decades, until it increased from 2018 to 2021. In 2024, the rate decreased to 2.3% from 2.4% in 2023. The data does not yet reflect recent changes in tariff policy.

Average effective tariff rate

Customs duty revenue as a share of good imports



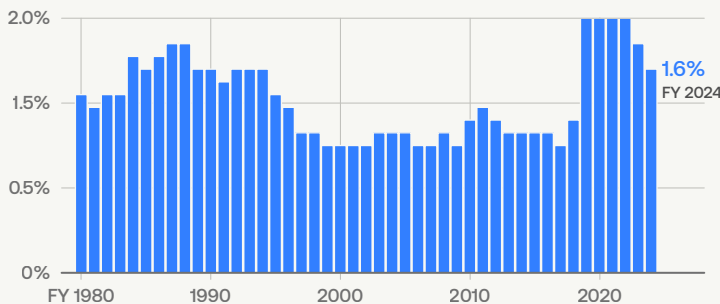
Source: US International Trade Commission

How much tariff revenue does the US collect?

In FY 2024, the federal government collected \$77.0 billion in customs duties (1.6% of total federal revenue). This was down 29% from the peak of \$108.2 billion in FY 2022. Since 1980, customs duties have not exceeded 2% of revenue.

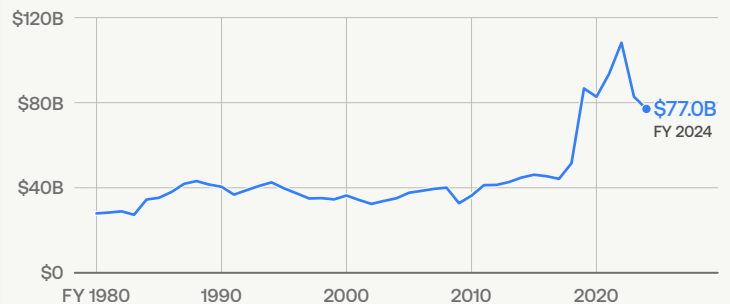
Customs duties revenue

As a share of federal revenue



Source: USAFacts aggregation of data from Office of Management and Budget, Census Bureau, and Bureau of Economic Analysis

Customs duties revenue



Source: USAFacts aggregation of data from Office of Management and Budget, Census Bureau, and Bureau of Economic Analysis
Note: Adjusted for inflation (FY 2024 dollars).

Chapter sources and data timeliness

Economic activity is among the most consistently and rigorously measured areas of American life and several federal agencies produce timely, detailed economic data. The Bureau of Labor Statistics, for example, releases monthly reports on inflation, employment, and job openings — core economic indicators. However, there are still gaps in the data. One notable limitation is that the federal government does not separately report revenue collected from tariffs. Instead, it combines tariff revenue with other customs-related collections under the broader category of “customs duties,” making it difficult to assess the fiscal impact of specific trade policies.

Publishing agency	Program	Publication name	Data updates
Bureau of Labor Statistics	Consumer Price Index	CPI news release	Updates monthly for most recently completed month
	Current Employment Statistics	Employment Situation Summary	
	Local Area Unemployment Statistics		
	Current Population Survey		
	Job Openings and Labor Turnover Survey (JOLTS)	JOLTS news release	Updates monthly for data from two months prior
Bureau of Economic Analysis	National Income and Product Accounts	Gross domestic product	Updates quarterly for most recently completed quarter
	Regional Economic Accounts	Gross domestic product by state	
	International Transactions Accounts	US international trade in goods and services	
Federal Reserve Bank of St. Louis	FRED Economic Data	Market yield on US Treasury securities at 10-year constant maturity	Updates daily for most recently completed business day
		30-year fixed rate mortgage average in the United States	Updates weekly for most recently completed Thursday
		Personal consumption expenditures: Chain-type price index	Updates monthly for most recently completed month
Board of Governors of the Federal Reserve System	Federal Reserve Board Data	Federal funds effective rate	Updates monthly for most recently completed month
US International Trade Commission	DataWeb	US Ad Valorem Equivalent (AVE) duties & preference programs	Annually for the most recently completed year
Office of Management and Budget	President’s Budget	Historical tables	Annually for the most recently completed fiscal year

See sources and notes section at the end of this report for detailed citation information.

Chart sources and notes

For each **chapter**, all chart names are listed, and additional information is provided for each.

1. Chart sources and notes are structured as follows:

Chart title: Source(s)

Note(s):

2. For all population-adjusted data where the source does not provide adjustments, we use intercensal/postcensal estimates from the US Census Bureau, unless otherwise noted. Source details can be found in the citations for the “Population” chart below.
3. Fiscal years (FY) are equivalent to the federal fiscal year, unless otherwise noted. The federal fiscal year begins on October 1 of the previous year and ends on September 30 of the following year. For example, FY 2024 began on October 1, 2023, and ended on September 30, 2024.
4. USAFacts compiles data for government revenue, spending, and debt, as well as on family and individual income and taxes from various government sources, including the Office of Management and Budget, the Census Bureau, the Bureau of Economic Analysis, and the Federal Reserve. The full citations are not included below; to see detailed descriptions and notes about our methodology for compiling this data, please visit: <https://usafacts.org/methodology>.

Economy

Consumer Price Index, 12-month percent change: BLS (2025). *CPI for All Urban Consumers (CPI-U)* (All items in US city average, all urban consumers, seasonally adjusted (CUSR0000SA0). Retrieved from BLS One-Screen Data Search, All Urban Consumers (Current Series)). <https://data.bls.gov/PDQWeb/cu>.

Percent change in Consumer Price Index, by select categories, from January 2021: (1) BLS (2025). *CPI for All Urban Consumers (CPI-U)* (CUSR0000SAA, CUSR0000SAE, CUSR0000SAF, CUSR0000SAG, CUSR0000SAH, CUSR0000SAM, CUSR0000SAR, CUSR0000SAT). Retrieved from BLS One-Screen Data Search, All Urban Consumers (Current Series). <https://data.bls.gov/PDQWeb/cu>.

Components of year-over-year percent change of CPI-U: BLS (2025). Consumer Price Index (Current Release, Table 7. Consumer Price Index for All Urban Consumers (CPI-U): US city average, by expenditure category). <https://www.bls.gov/news.release/cpi.t07.htm>.

Federal funds rate: Board of Governors of the Federal Reserve System (2025). *FRED* (Federal Funds Effective Rate [FEDFUNDS]). Federal Reserve Bank of St. Louis. <https://fred.stlouisfed.org/series/FEDFUNDS>.

Personal Consumption Expenditures price index, 12-month percent change: BEA (2024, February). *FRED* (Personal Consumption Expenditures: Chain-type Price Index [PCEPI]). Federal Reserve Bank of St. Louis. <https://fred.stlouisfed.org/series/PCEPI>.

Yield on 10-year Treasury securities vs. 30-year mortgage rate, monthly average: (1) BEA (2025). *FRED* (Market Yield on US Treasury Securities at 10-Year Constant Maturity, Quoted on an Investment Basis [DGS10]). Federal Reserve Bank of St. Louis. <https://fred.stlouisfed.org/series/DGS10>; (2) BEA (2025). *FRED* (30-Year Fixed Rate Mortgage Average in the United States [MORTGAGE30US]). Federal Reserve Bank of St. Louis. <https://fred.stlouisfed.org/series/MORTGAGE30US>.

Annual percent change in real gross domestic product (GDP): BEA (2025). *National Income and Product Accounts* (Table 1.1.1. Percent Change from Preceding Period in Real Gross Domestic Product, Series: Annual). Retrieved from interactive data tables. <https://www.bea.gov/itable/national-gdp-and-personal-income>.

Percent change in real GDP (2023 vs. 2024): BEA (2025). *State annual gross domestic product (GDP) summary* ([SAGDP] Real gross domestic product (million of chained 2017 dollars)). Retrieved from interactive data tables. <https://www.bea.gov/itable/regional-gdp-and-personal-income>.

Net change in employment (jobs): US Bureau of Labor Statistics (2025). *Employment, Hours, and Earnings from the Current Employment Statistics survey (National)* (All employees, thousands, total nonfarm, not seasonally adjusted (CEU0000000001); Data type: "All employees, thousands", Super sector: "Total nonfarm", More formatting options: "12-Month Net Change" view). <https://data.bls.gov/PDQWeb/ce>.

Percent change in annual average employment (2023 vs 2024), by state: BLS (2025). *State and Metro Area Employment, Hours, & Earnings* (Table 1. Employees on nonfarm payrolls in States and selected areas by major industry). <https://www.bls.gov/sae/tables/annual-average/home.htm>.

Unemployment rate, annual average: BLS (2025). *Labor Force Statistics from the CPS* ((Unadj) Unemployment Rate (LNU04000000)); Retrieved from BLS One-Screen Data Search, Labor Force Statistics. <https://data.bls.gov/PDQWeb/in>.

Unemployment rate (2024 average), by state: BLS (2025). *Unemployment Rates for States, 2024 Annual Averages*. <https://www.bls.gov/lau/lastrk24.htm>.

Labor force participation rate: BLS (2025). *Labor Force Statistics from the CPS* ((Unadj) Labor Force Participation Rate (LNU01300000)). Retrieved from BLS One-Screen Data Search, Labor Force Statistics. <https://data.bls.gov/PDQWeb/in>.

Labor force participation rate (2024 average), by state: BLS (2025). *Economic News Release*. Table 1. Employment status of the civilian noninstitutional population 16 years of age and over by region, division, and state, 2023–24 annual averages. <https://www.bls.gov/news.release/srgune.t01.htm>.

Job openings rate: BLS (2025). *Job Openings and Labor Turnover Survey* (Table A. Job openings, hires, and total separations by industry, not seasonally adjusted). Retrieved from BLS One-Screen Data Search, Job Openings and Labor Turnover Survey. <https://data.bls.gov/PDQWeb/jt>.

Job openings rate (2024 annual average), by state: BLS (2025). *Job Openings and Labor Turnover Survey* (Industry: Total nonfarm; Data Elements: Job openings; Rate and/or level: Rate; Seasonal Adjustment: Not seasonally adjusted, select all states). Retrieved from BLS One-Screen Data Search, Job Openings and Labor Turnover Survey. <https://data.bls.gov/PDQWeb/jt>.

Layoff and discharge rate: BLS (2025). *Job Openings and Labor Turnover Survey* (Table A. Job openings, hires, and total separations by industry, not seasonally adjusted). Retrieved from BLS One-Screen Data Search, Job Openings and Labor Turnover Survey. <https://data.bls.gov/PDQWeb/jt>.

Layoff and discharge rate (2024 annual average), by state: BLS (2025). *Job Openings and Labor Turnover Survey* (Industry: Total nonfarm; Data Elements: Layoffs and discharges; Rate and/or level: Rate; Seasonal Adjustment: Not seasonally adjusted). Retrieved from BLS One-Screen Data Search, Job Openings and Labor Turnover Survey. <https://data.bls.gov/PDQWeb/jt>.

Trade balance: BEA (2025). *International Trade in Goods and Services* (Current Release, US Trade in Goods and Services, 1960–present, Table 1. US International Trade in Goods and Services). <https://www.bea.gov/data/intl-trade-investment/international-trade-goods-and-services>.

Net trade of goods and services: Ibid.

Imports (2024), by goods and services: (1) BEA (2025). *International Transactions, International Services, and International Investment Position Tables* (Table 3.1. US International Trade in Services). Retrieved from interactive data tables. <https://www.bea.gov/itable/international-transactions-services-and-investment-position>.

Exports (2024), by goods and services: Ibid.

Imports and exports (2024), by area: BEA (2025). *International Transactions, International Services, and International Investment Position Tables* (Table 1.5. US International Trade in Goods and Services by Area and Country, Series: Annual). Retrieved from interactive data tables. <https://www.bea.gov/itable/international-transactions-services-and-investment-position>.

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Net trade balance with top trading partners: Ibid.

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