

A joint ACG | CFA | FEI event

# Federal Reserve Update

The Olmsted | Sept. 24, 2025



**Presenter:**  
**Seema Sheth**  
SVP/Regional Executive  
Louisville Branch



**John Thurman**  
**President**





## EMPOWERING M&A PROFESSIONALS

- A national network comprised of 14,000 corporate deal professionals & advisors
- ACG deal sourcing and capital connection conferences across the U.S. attract thousands
- Market intelligence access and research
- Fosters working connections and leads
- Opportunity for Emerging Leaders/Young Professionals to grow
- **Annual Membership includes pre-paid attendance to local ACG speaker meetings and socials**



[ACGKentucky@acg.org](mailto:ACGKentucky@acg.org)  
[ACG.org/Kentucky](http://ACG.org/Kentucky)



## SPONSOR PARTNERS: GOLD

---



# ACG<sup>®</sup> Kentucky

## SPONSOR PARTNERS: SILVER

---



## EDUCATIONAL

---



## SUPPORTING

---



# UPCOMING EVENTS

---



## October 21

Tag Swag President David Horne explains how a long time Louisville family business reinvented itself from a traditional embroidery and screen-print shop into a scalable, tech-enabled merchandise partner.



## November 18

There's another appliance presence in Louisville that you may not know about.



## Coming Spring 2026

ACG's awards event recognizes the people and organizations driving impactful transactions in Louisville, Kentucky and the region.



# WELCOME



**Jim Schildt**

President

FEI Louisville



# What is FEI?

---

## Financial Executives International

- **Founded in 1931**
  - **The long-standing Louisville chapter, with a history spanning more than 80 years**
- **Over 10,000 members**
- **Outstanding research, training, CPE, and collaborative resources**
- **Our Mission is to advance the success of financial leaders, their organizations, and the profession**





## Gold Partners



J.P.Morgan



# Silver Partners

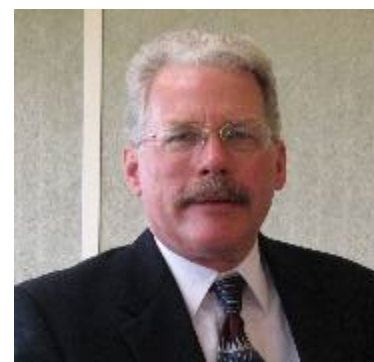


# FEI LEADERSHIP



## OFFICERS

Jim Schildt, President  
Zach Taylor, Treasurer  
Doug Wickenheiser, Membership



## DIRECTORS

Matt Monteiro, Strategic Partnerships  
Bill Ferko, Career Services  
Bill Stout, Academic Relations



Michael Chase, Programming  
Uric Dufrene, At-Large

Teresa Andrews, Chapter Administrator



# Upcoming Events

**10/28/2025      “Fraud and Forensics”**  
Luncheon at Big Springs Country Club



**11/18/2025      “State of the Economy”**

**J.P.Morgan**

**12/10/2025      “Holiday Social”**  
Big Springs Country Club







# Contact Information

## **Jim Schildt, President**

[JimS@FEILouisville.org](mailto:JimS@FEILouisville.org)

502-744-4604



## **Doug Wickenheiser, Membership**

[Doug.Wickenheiser@uoflhealth.org](mailto:Doug.Wickenheiser@uoflhealth.org)

502-819-6152



## **Matt Monteiro, Sponsorship**

[matt@bulletproof-finance.com](mailto:matt@bulletproof-finance.com)

502-386-3815



## **Teresa Andrews, Chapter Administrator**

[TAndrews4650@gmail.com](mailto:TAndrews4650@gmail.com)

502-694-5445/502-523-1607



**CFA Society  
Louisville**

**Donald Hunter, CFA  
President**





CFA Society Louisville is an association of local investment professionals. Consisting of portfolio managers, security analysts, investment advisors, and other financial professionals, we:

- Promote ethical and professional standards within the investment industry,
- Encourage professional development through the CFA Program and continuing education,
- Facilitate the exchange of information and opinions among people within the local investment community and beyond, and:
- Work to further the public's understanding of the CFA designation and investment industry.

As one of CFA Institute member societies, our society connects members to a global network of investment professionals.



**CFA Society  
Louisville**

## **Board of Directors**



**Donny Hunter**  
President



**Zachary Taylor**  
Vice President



**Keith Blakely**  
Treasurer



**Rob Robertson**  
Secretary



**Michael Campbell**  
Board Member



**Matthew Peery**  
Board Member





## **Upcoming Events**

**Thursday, October 30<sup>th</sup>**

- TopGolf Social

**Thursday, November 20<sup>th</sup>**

- Past Presidents Dinner

**December | Happy Holidays!**

- No Events

**January | Date: TBD**

- New Year Networking Event



Join us for an  
upcoming event!

[cfasocietyoflouisville  
@gmail.com](mailto:cfasocietyoflouisville@gmail.com)

# SPEAKER INTRODUCTION

---



**Seema Sheth**  
SVP, Regional Executive  
Louisville Branch  
Federal Reserve Bank of St. Louis





FEDERAL  
RESERVE  
BANK of  
ST. LOUIS

# US Regional Economic Outlook

September 2025

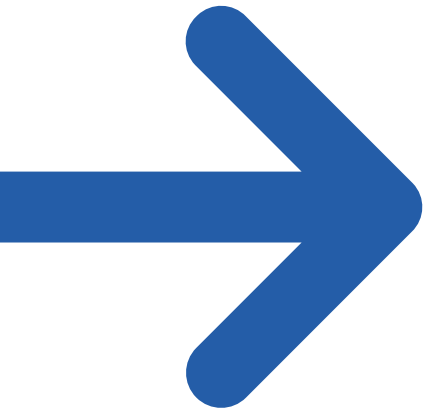
**Seema Sheth**

*SVP & Regional Executive  
Louisville Branch*

## DISCLAIMER

These views are my own and not necessarily those of the Federal Reserve Bank of St. Louis or the Federal Reserve System.





What is the Federal Reserve and why does it matter (to you)?

A historical black and white photograph of the Federal Reserve Building in New York City, featuring its iconic classical architecture with columns and arches. A large crowd of people in early 20th-century attire is gathered on the sidewalk in front of the building. The entire image is covered with a semi-transparent blue filter. Overlaid on the left side of the image is white text.

It's America's central bank,  
created by Congress in 1913  
to promote financial  
stability.

# What Does the Fed Do?

## KEY FUNCTIONS

Conduct  
monetary policy



Promote financial  
stability



Supervise and  
regulate financial  
institutions and  
activities

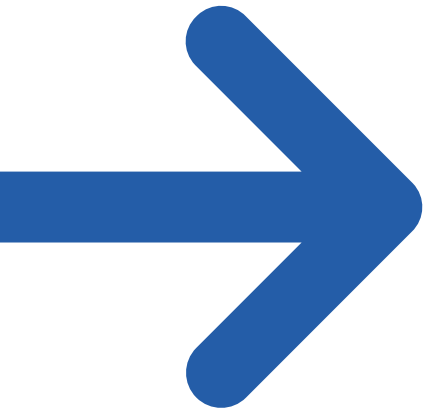


Foster payment and  
settlement system  
safety and efficiency



Promote  
consumer protection  
and community  
development





# Federal Reserve System



## CONGRESS

oversees the Federal Reserve System  
and its entities.

## FEDERAL OPEN MARKET COMMITTEE

consists of the members of  
the Board of Governors and  
Reserve Bank presidents.  
The Chair of the Board  
is the FOMC Chair.

## BOARD OF GOVERNORS

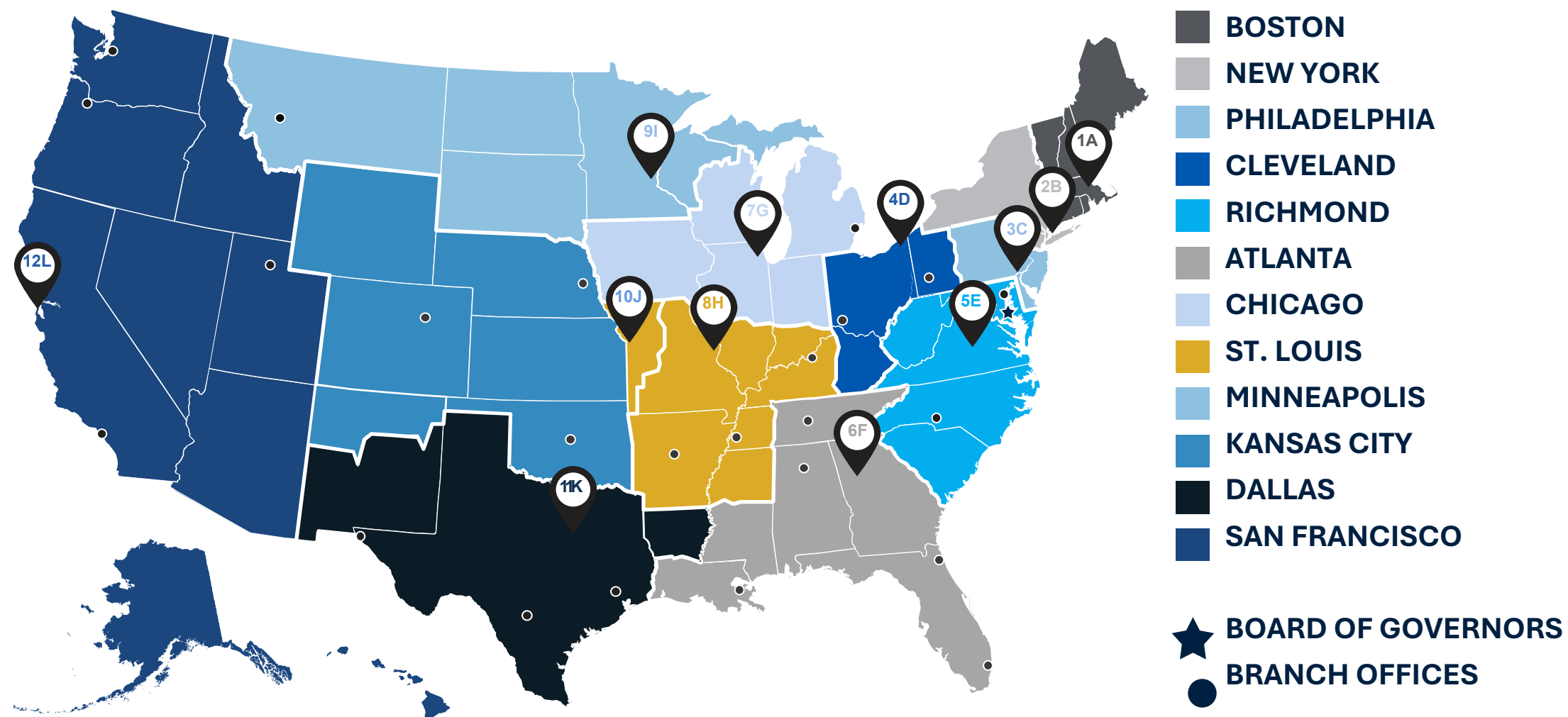
is an independent  
agency of the federal  
government.

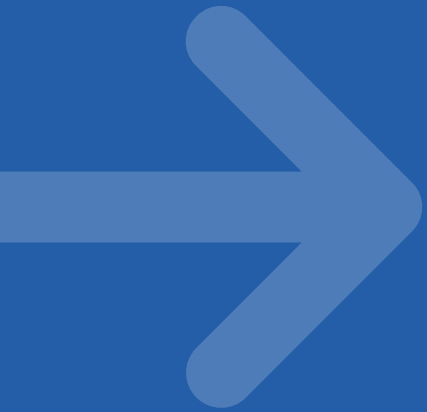
## FEDERAL RESERVE BANKS

are the operating arms  
of the Federal Reserve  
System and are supervised  
by the Board of Governors.



# Decentralized by Design





# The Federal Reserve System: Apolitical and Unbiased

# Independent and Accountable



**APOLITICAL:**  
Essential for  
monetary policy



**AUDITED  
EXTENSIVELY:**  
Internal audit  
External auditor: KPMG  
Board of Governors  
GAO

# Open and Transparent



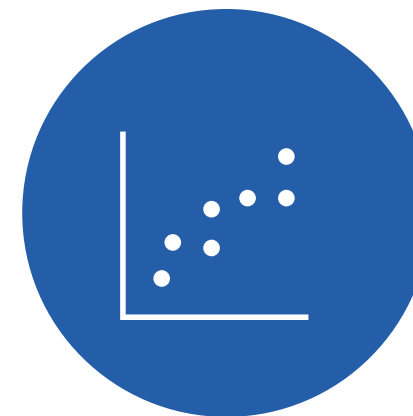
Regular reports  
& testimony to  
Congress



Statements,  
minutes,  
transcripts



Press  
conferences,  
media &  
speeches

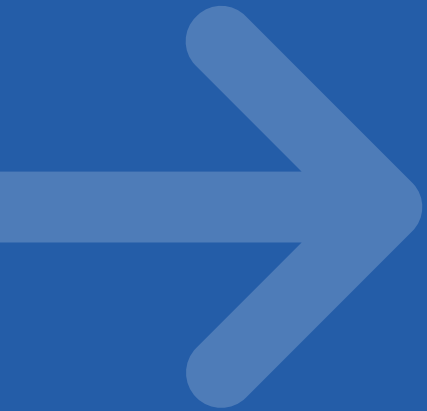


Economic  
forecasts



Inflation  
target





# Economic Conditions

Recent indicators suggest that growth of economic activity has moderated...The moderation in growth largely reflects a slowdown in consumer spending.

- Chair Powell, September 18<sup>th</sup> press conference



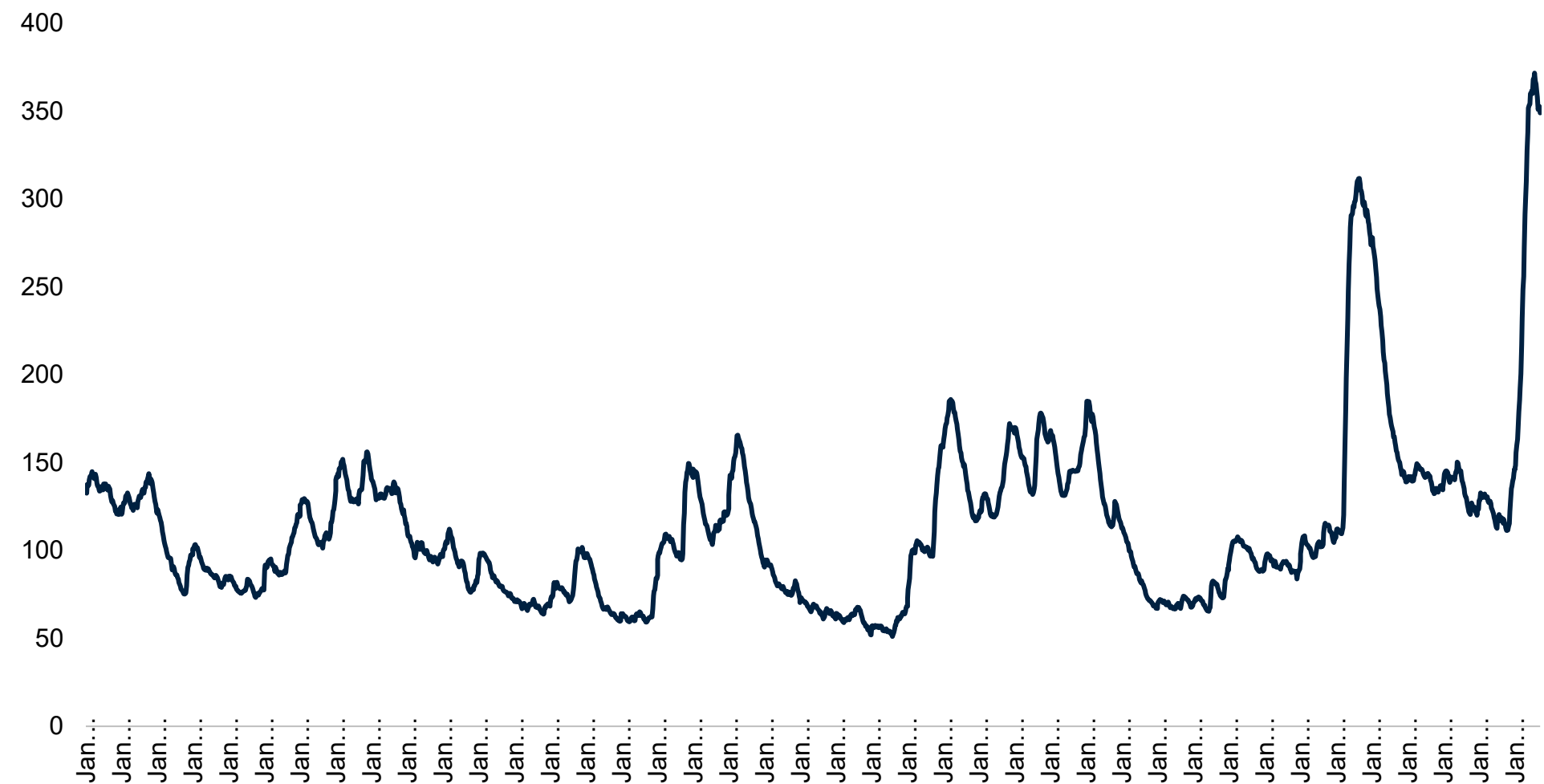
FEDERAL RESERVE BANK of ST. LOUIS



# Economic policy uncertainty shoots above pandemic records

**Economic Policy Uncertainty Index for United States**

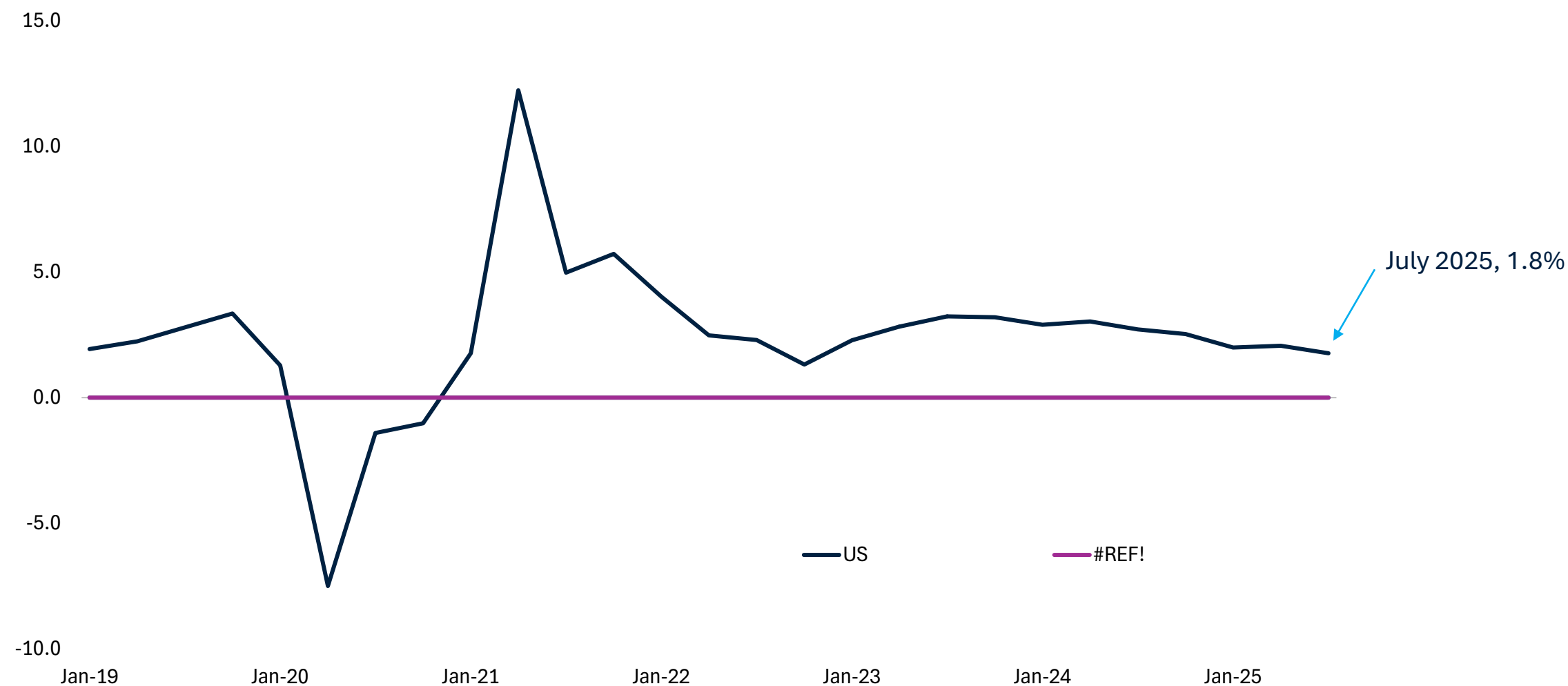
Index 100= Normal conditions



Source: Baker, Scott R.; Bloom, Nick; Davis, Stephen J. via FRED®, 5-day rolling average, Last Obs. 9/19/2025

# Real GDP growth has moderated in 2025

**Real Gross Domestic Product**  
Percent change from one year ago

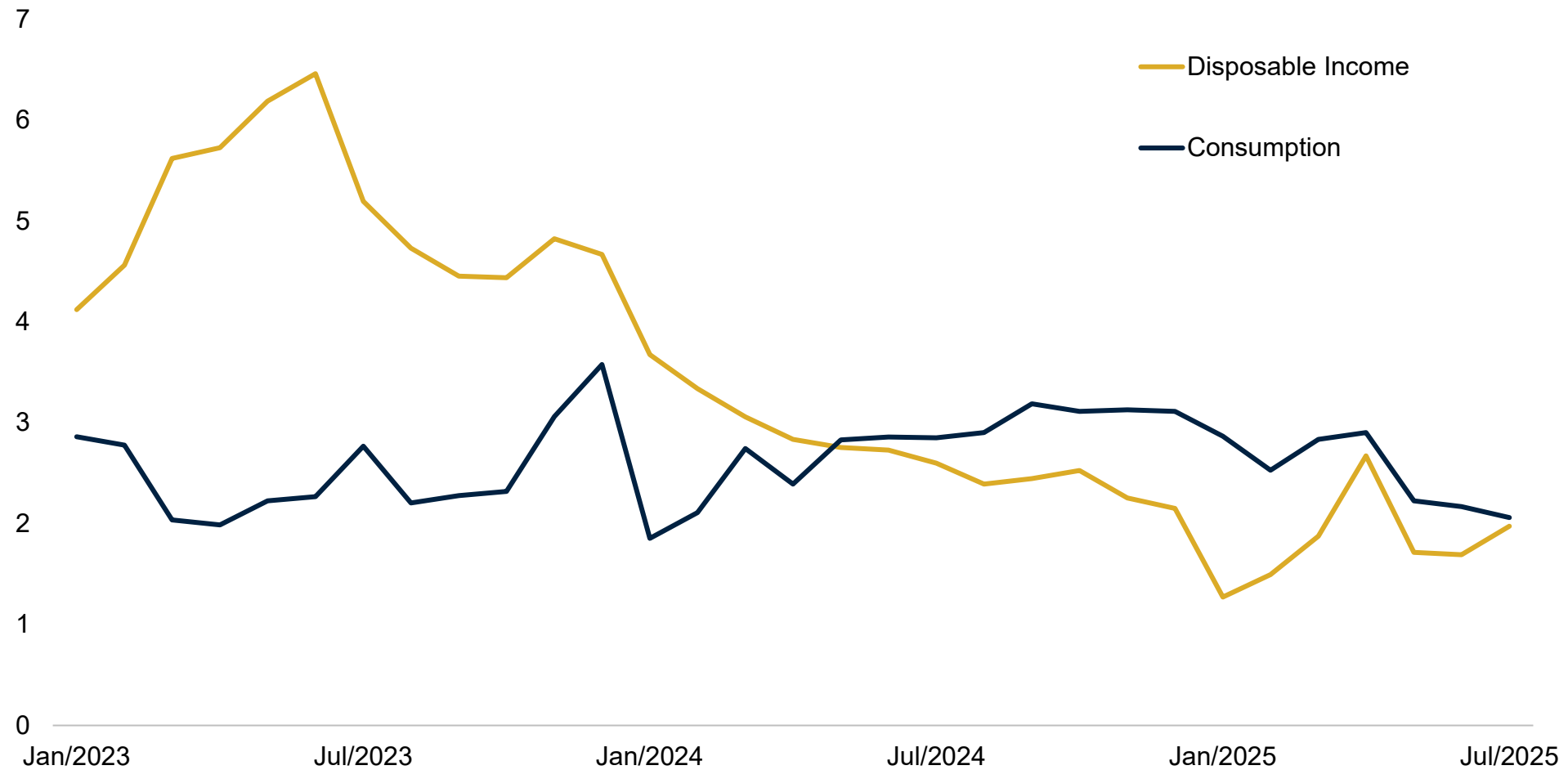


Source: BEA & S&P Global, Last observation 2025:Q3

# Slower growth of real income and consumption

## Real personal income and consumption growth

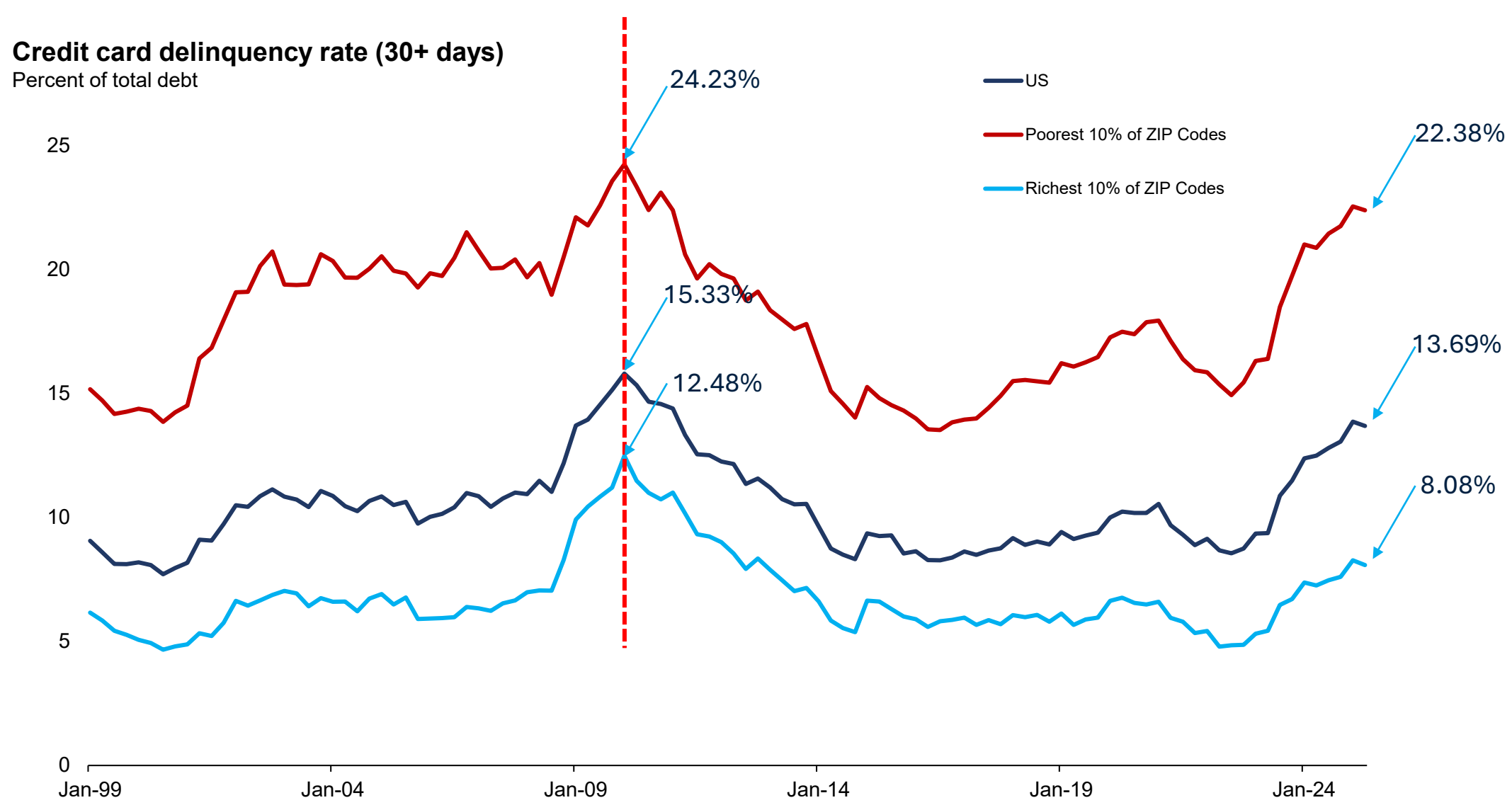
Percent change from one year ago



Source: BEA (Last Obs. 7/25)



# Credit card delinquency rates have risen

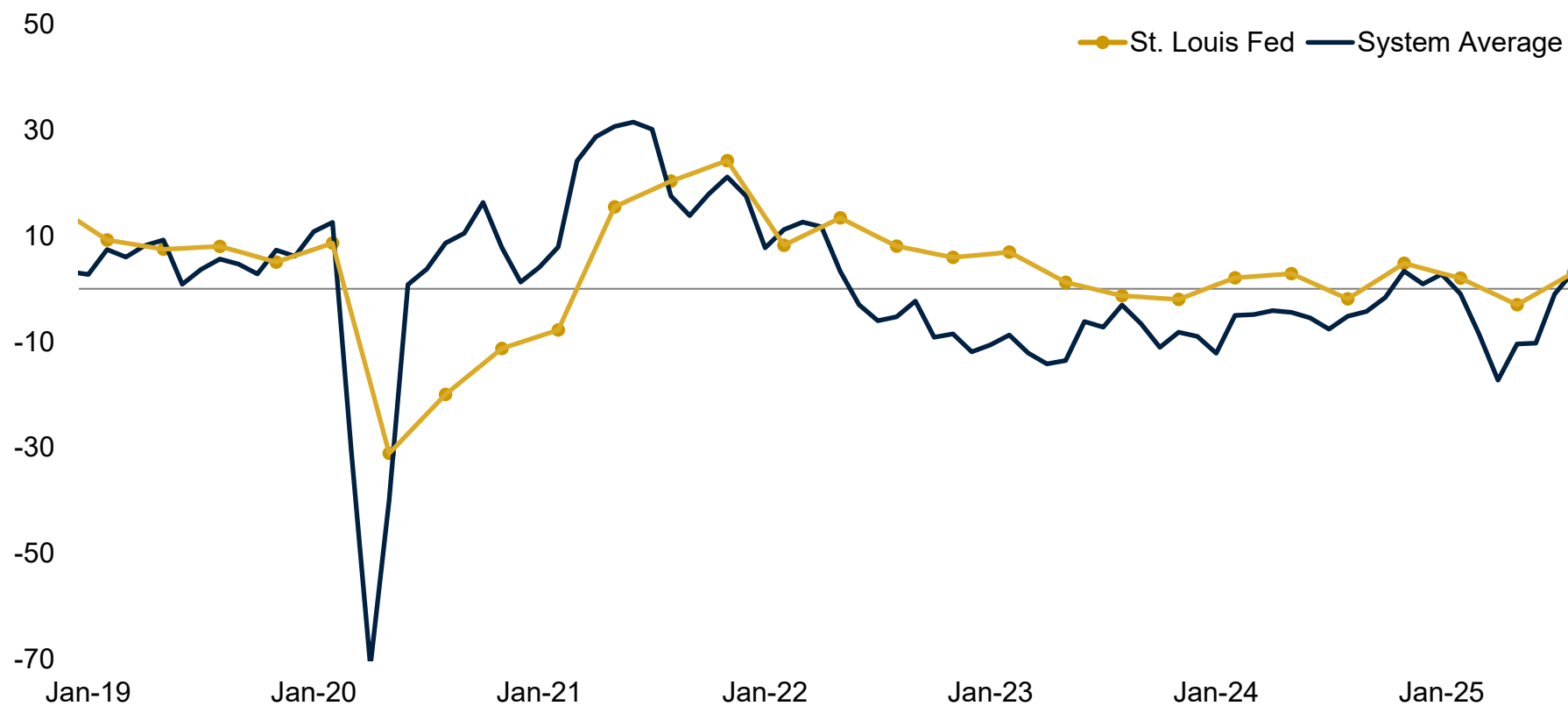


Sources: Federal Reserve Bank of New York/Equifax Consumer Credit Panel, Last Obs. 25:Q2

# Surveys indicate weaker economic data possible over next few months

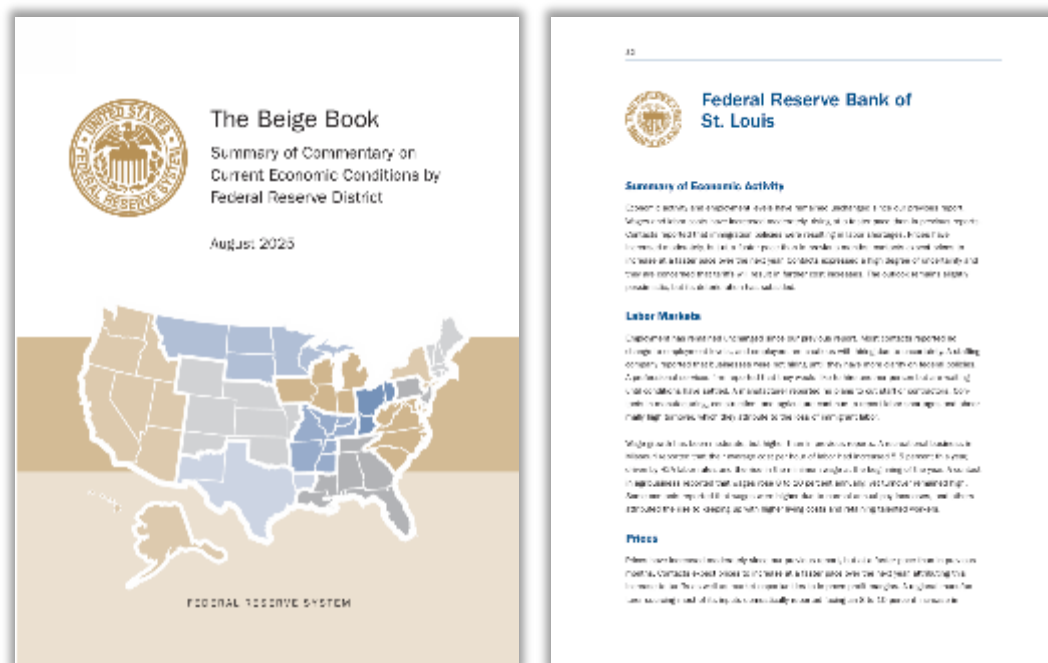
## Share of firms reporting improving business activity

Net % of respondents



Sources: Federal Reserve Banks of St. Louis, Dallas, Kansas City, Philadelphia, Richmond. Last Obs. 09/25

# Anecdotal Information is critical



FEDERAL RESERVE BANK of ST. LOUIS



# What are we hearing from industry contacts?



## Uncertainty

**Leading to hesitancy and a cautious approach to decision-making**

Businesses are delaying hiring and postponing development projects.

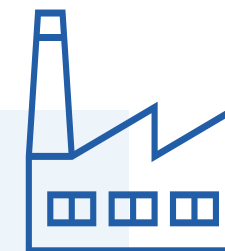
Households are pulling back on discretionary purchases

## Consumer Spending

**Reports have been mixed.**

Retailers and hospitality firms are offering deals and promotions to help price-sensitive customers stretch their dollars

Auto sales have been flat to slightly higher, robust demand for auto service parts.



## Manufacturing

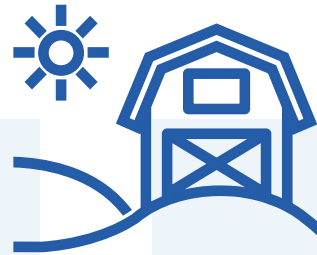
**Higher inventories, weaker than expected sales**

Tariffs and trade disruptions are increasing production costs

Contacts are creating plans to regionalize their supply chains

Focus on automation and AI to manage costs and labor shortages

# What are we hearing from industry contacts?



## Real Estate

### More listings, sluggish sales

Home prices are holding steady, and affordability remains an issue.

Commercial construction concentrated in data centers

New activity constrained by higher material costs and financing



## Agribusiness

### Strained conditions

Row crop prices are below break-even, and high yields not expect to generate positive net income.

Meat and poultry outlook is positive with low feed costs and stable demand.

Trade policy changes have led to higher input costs and lower export demand

## Banking

### Stable conditions, but concerns about household finances

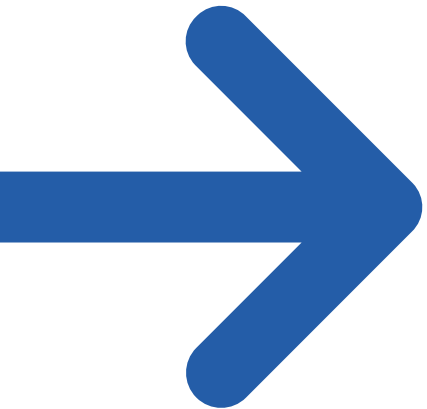
Loan demand has been slightly better than expected.

A slight increase in small business bankruptcies, but credit portfolios remain strong overall.

Delinquency rates expected to rise in fourth quarter





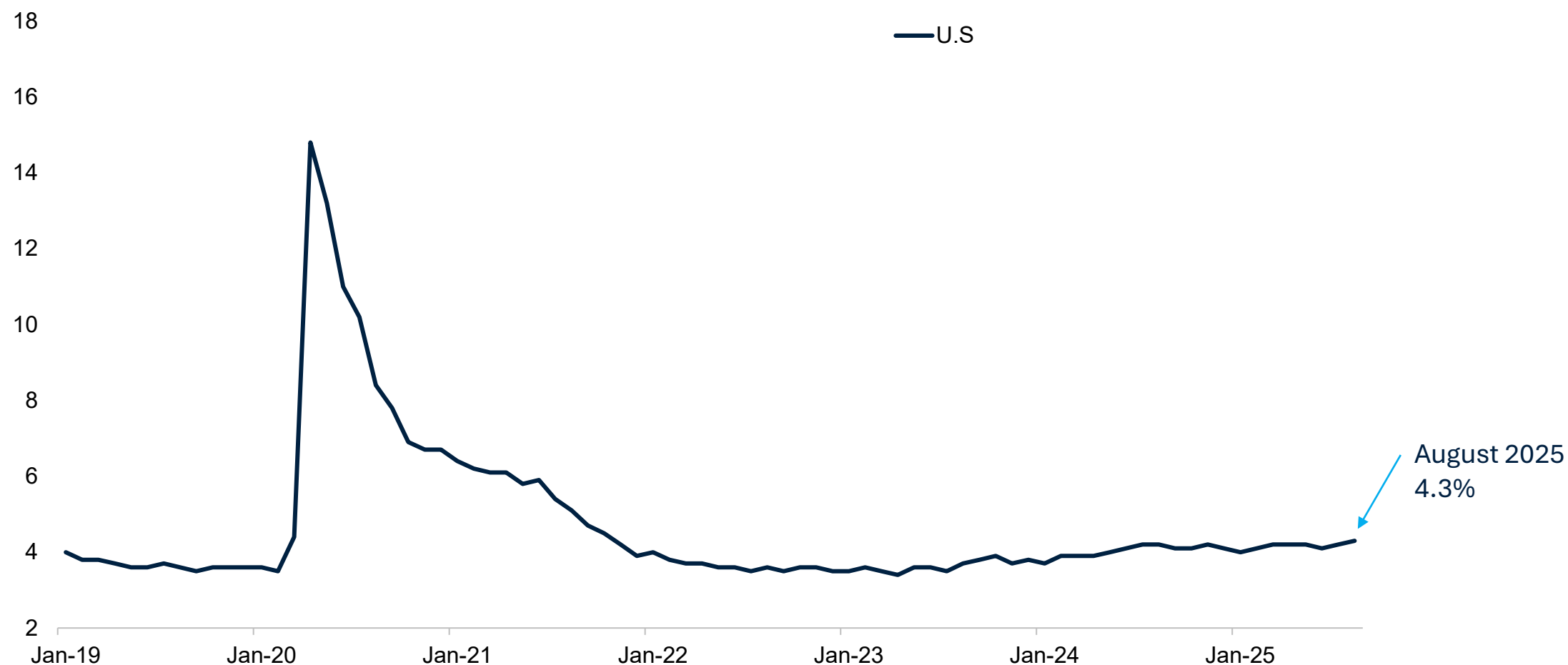


While unemployment remains low, it has edged up. Job gains have slowed and downside risks to employment have risen...A good part of the slowing reflects a decline in the growth of the labor force...Even so, labor demand has softened.

- Chair Powell, September 18<sup>th</sup> press conference

# Jobless rate remains low, but is drifting upward

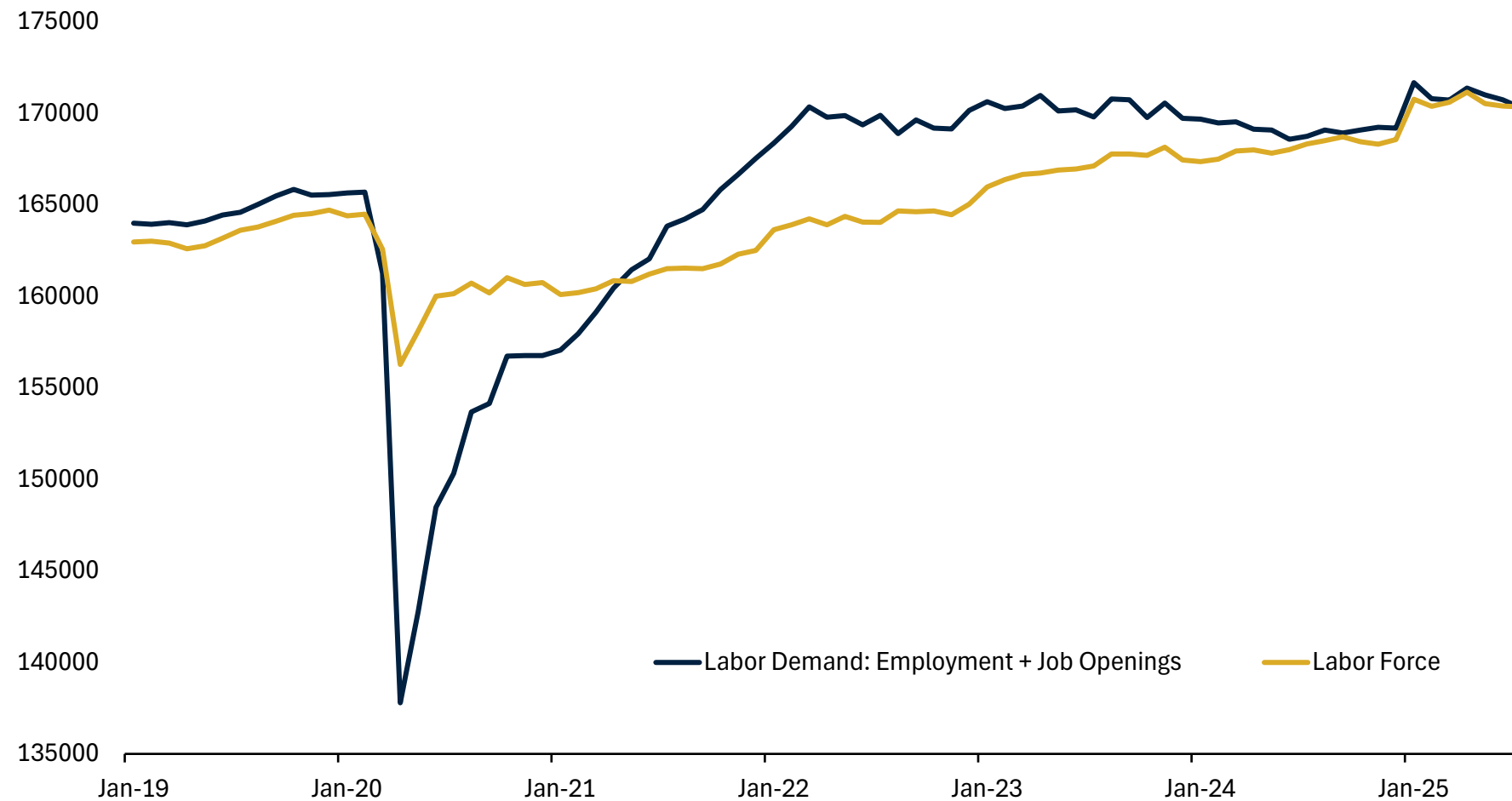
Unemployment Rate  
Percent



Source: BLS (Last Obs. US: 08/25, Region: 07/25)

# Labor supply and demand both cooling, but in balance

**Labor Supply and Labor Demand**  
Thousands



Sources: BLS; Labor Force Last Obs. 07/25

# Fewer job openings and fewer workers are quitting

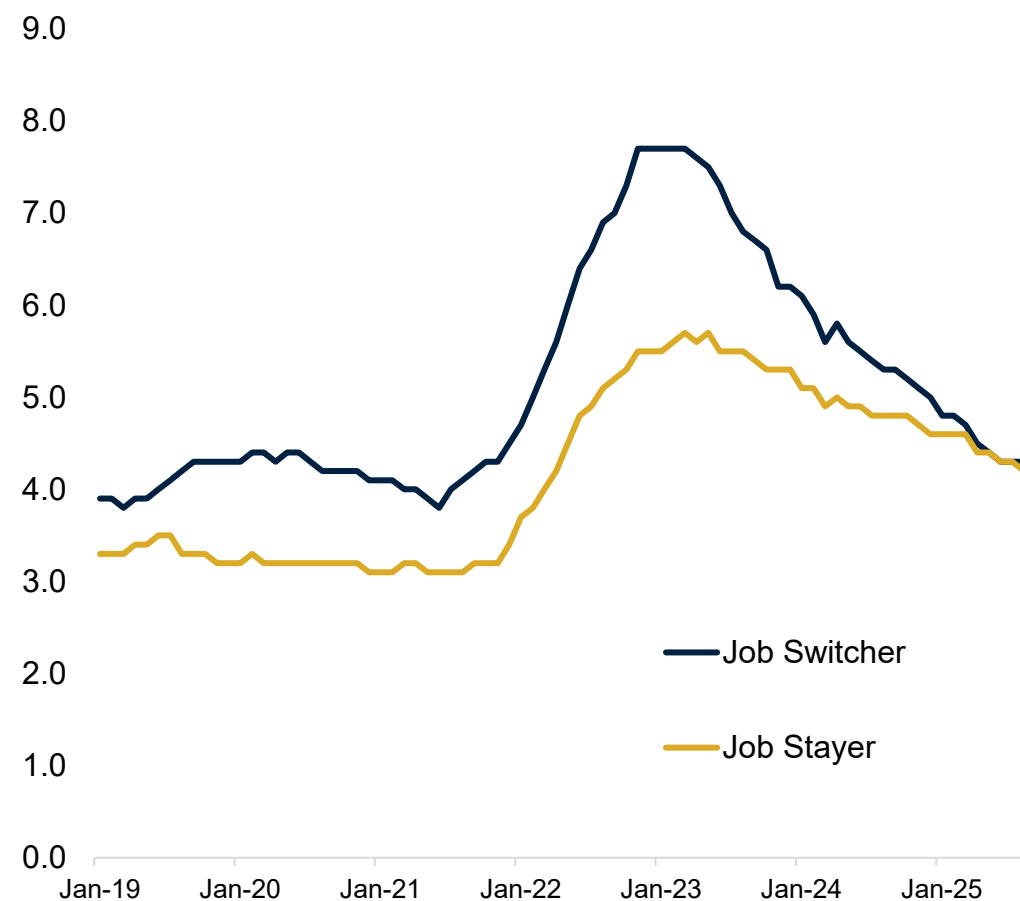


Notes and sources: BLS (Last Obs. 07/25)

# Wage growth slows, no relative gains for job switchers

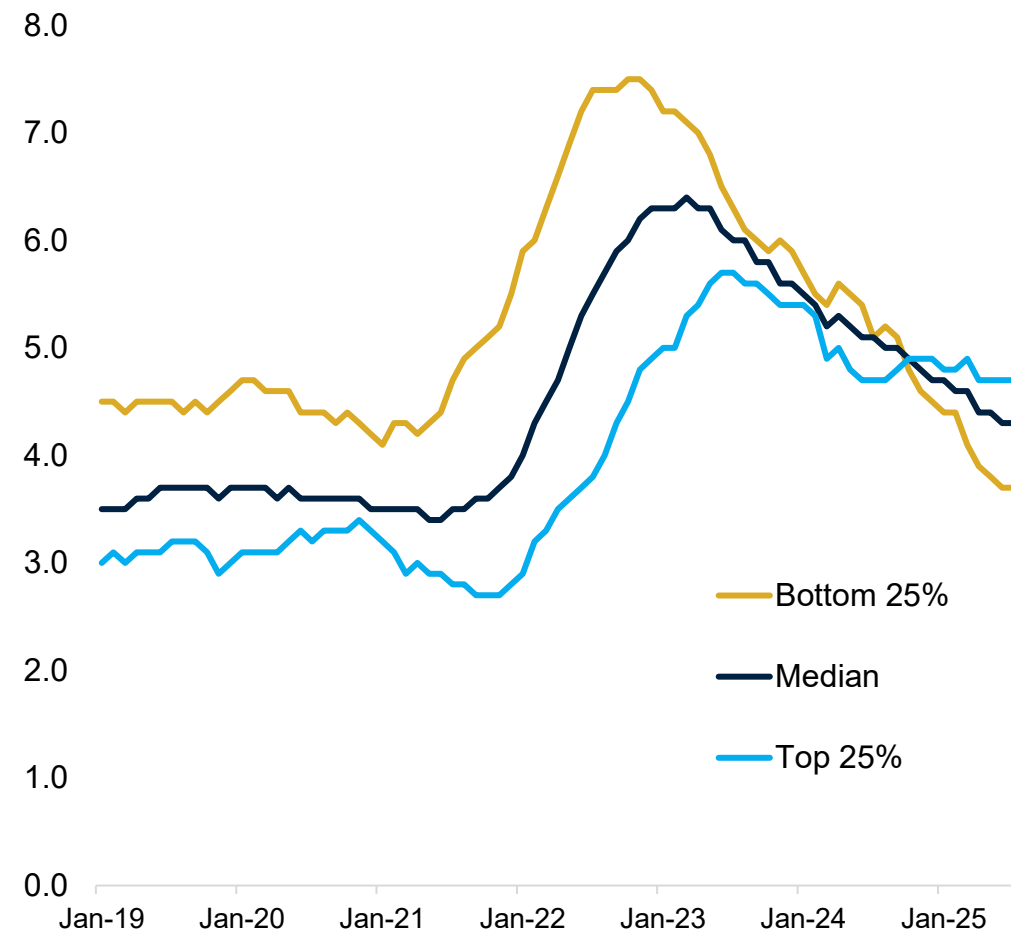
## Wage growth by employment status

Percent change from one year ago



## Wage growth by wage level

Percent change from one year ago

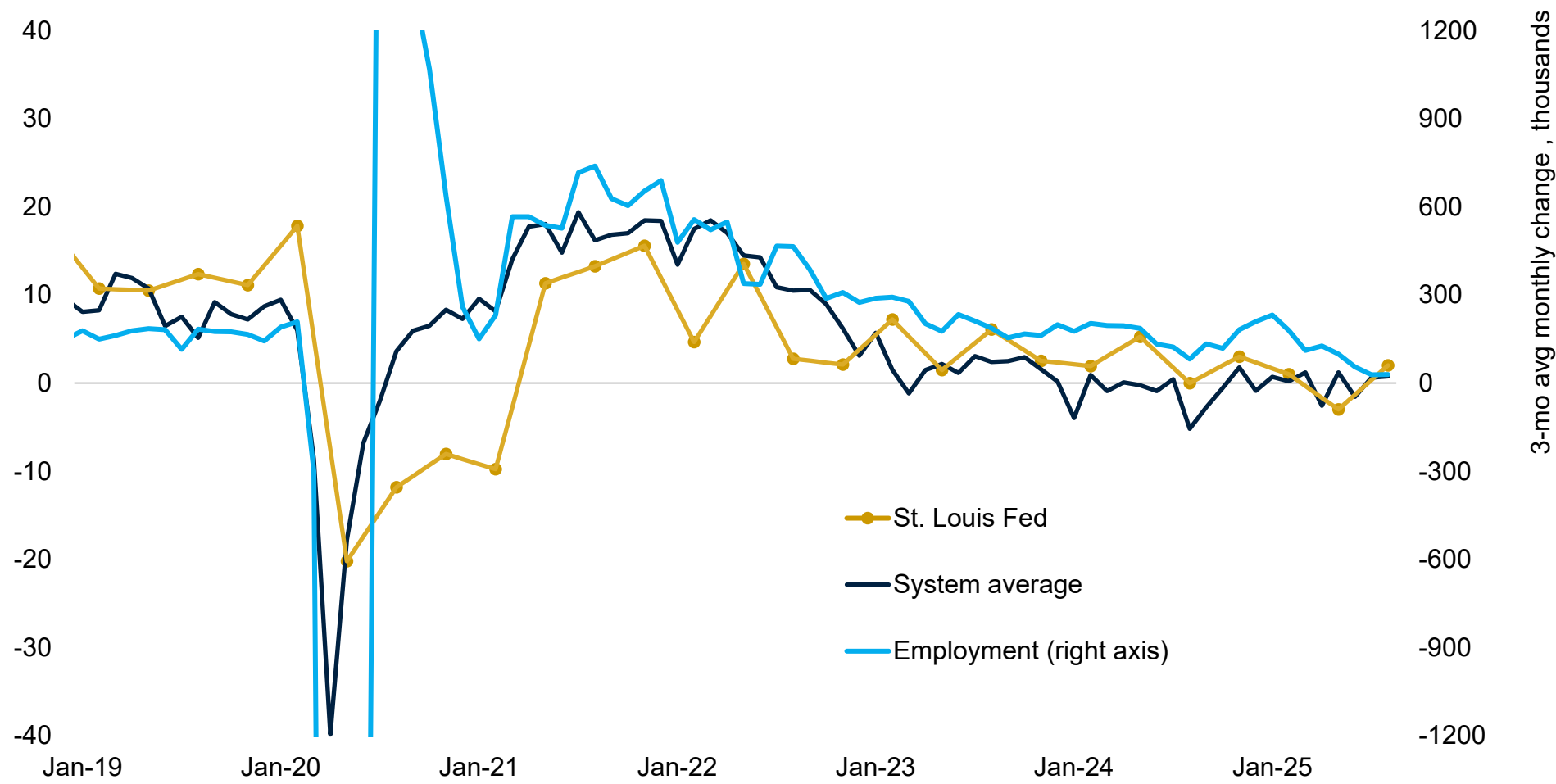


Sources: Federal Reserve Bank of Atlanta (Last Obs. 08/25)

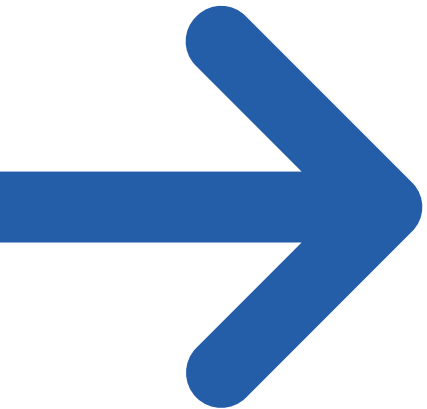


# Firms report plans to hold employment stable

Share of firms reporting higher employment  
Net % of respondents



Sources: Federal Reserve Banks of St. Louis, Dallas, Kansas City, Philadelphia, Richmond (Last Obs. 8/25), BLS. (Last Obs. 8/25)



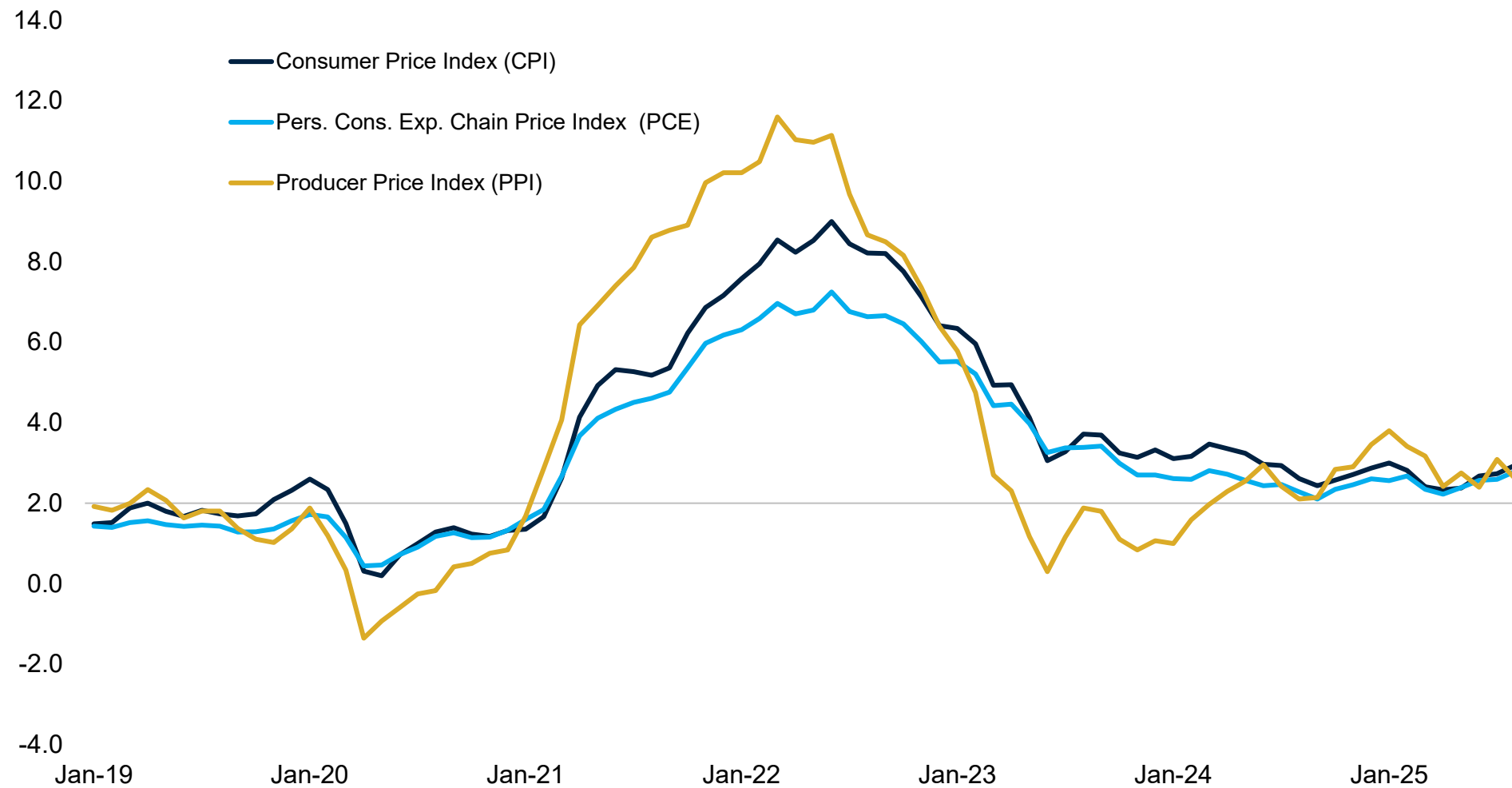
[Inflation] readings are higher than earlier in the year, as inflation for goods has picked up. In contrast, disinflation appears to be continuing for services. Near-term measures of inflation expectations have moved up.

- Chair Powell, September 18<sup>th</sup> press conference

# Inflation remains somewhat elevated after cooling sharply

## Consumer and producer inflation rates

Percent change from one year ago

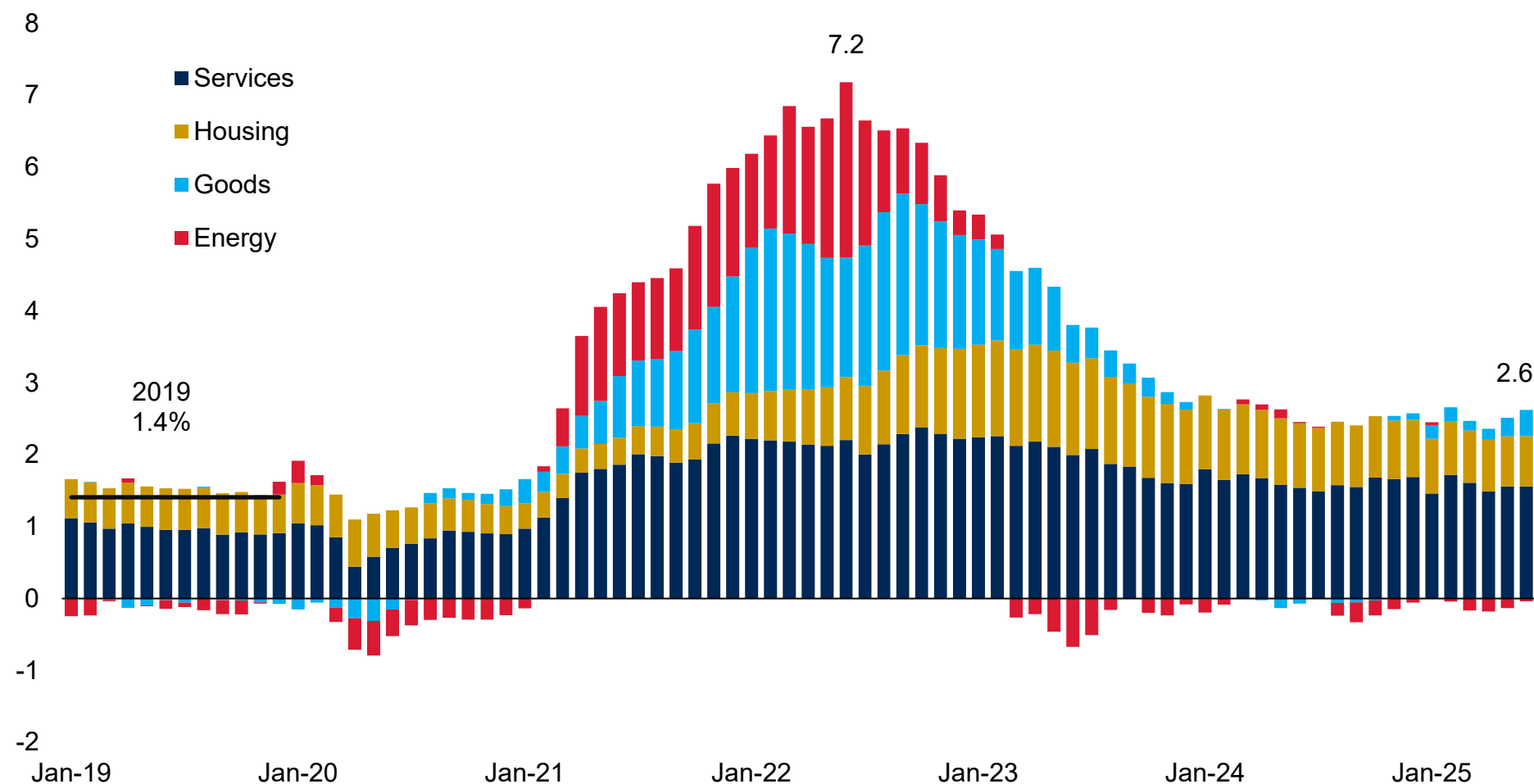


Sources: BLS, BEA, Cleveland Fed; Last obs. (08/2025)

# Goods inflation near 0% while housing and services inflation remain slightly higher than pre-pandemic

## PCE Inflation by Components

Contribution to the percent change from one year ago

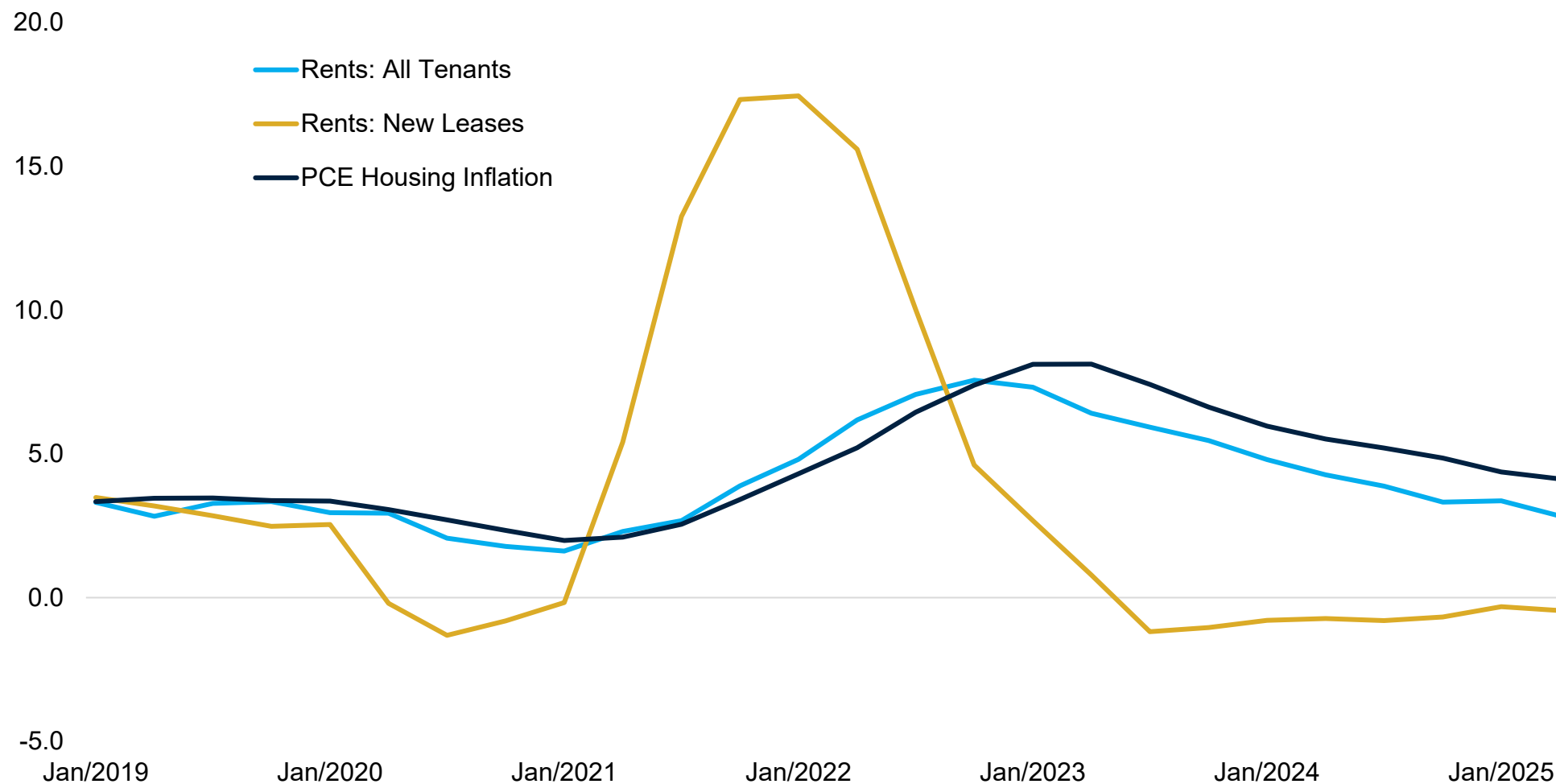


Source: BEA and authors calculations (Last Obs. 06/25)

# Market rents indicate slowing of housing inflation

## Market Rents and housing inflation

Percent change from one year ago

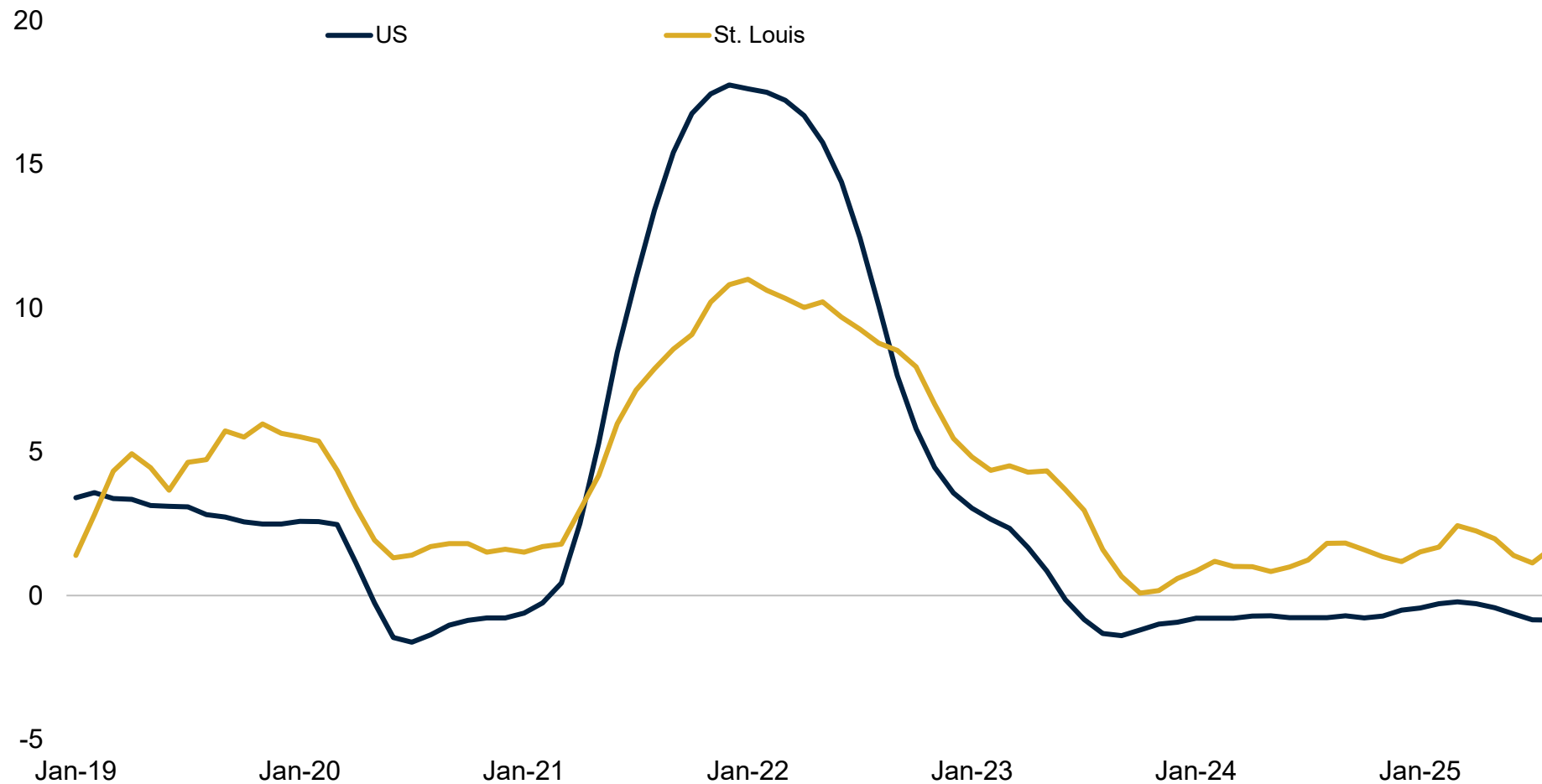


Sources: BLS (All Tenants), BEA (PCE), Apartment List (New Leases) (Last Obs. Apartment List Q2:25) (Last Obs. BLS, BEA Q2:25)

# Regional rent growth has been stronger than US average

## Rent growth on new leases

Percent change from one year ago

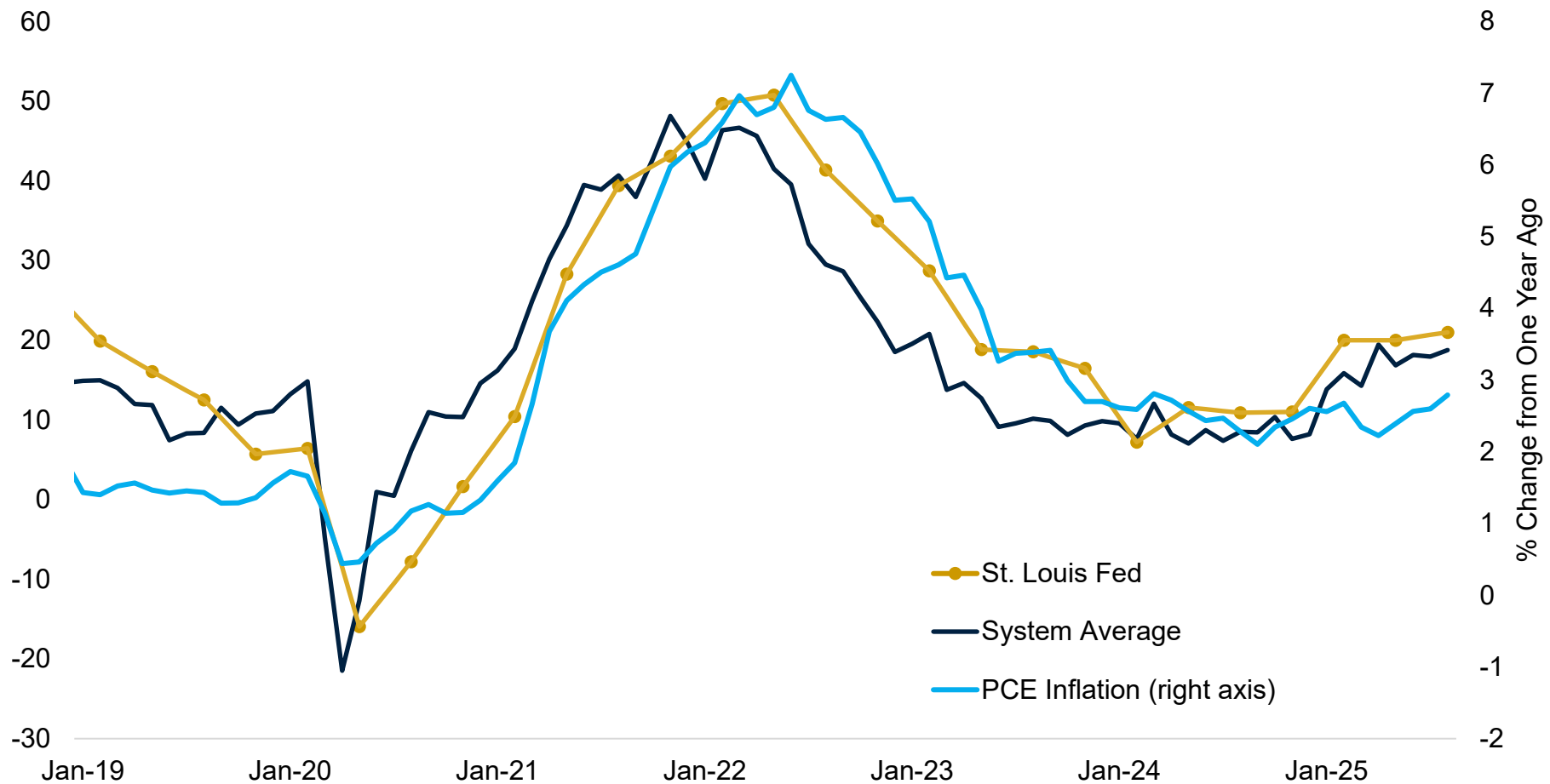


Sources: Apartment List (Last Obs. Q2:25)

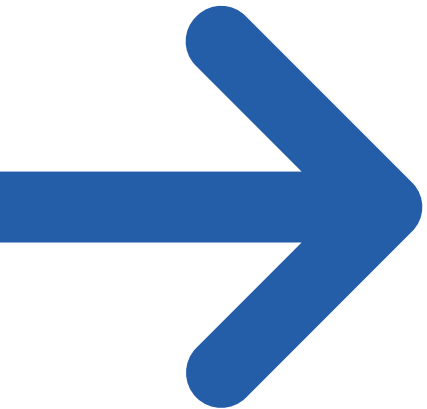


# Surveys indicate a greater share of firms raising prices

Share of firms reporting higher prices charged/recieved  
Net % of respondents



Sources: Federal Reserve Banks of St. Louis, Dallas, Kansas City, Philadelphia, Richmond (Last Obs. 08/25); BEA/Cleveland Fed (08/25)



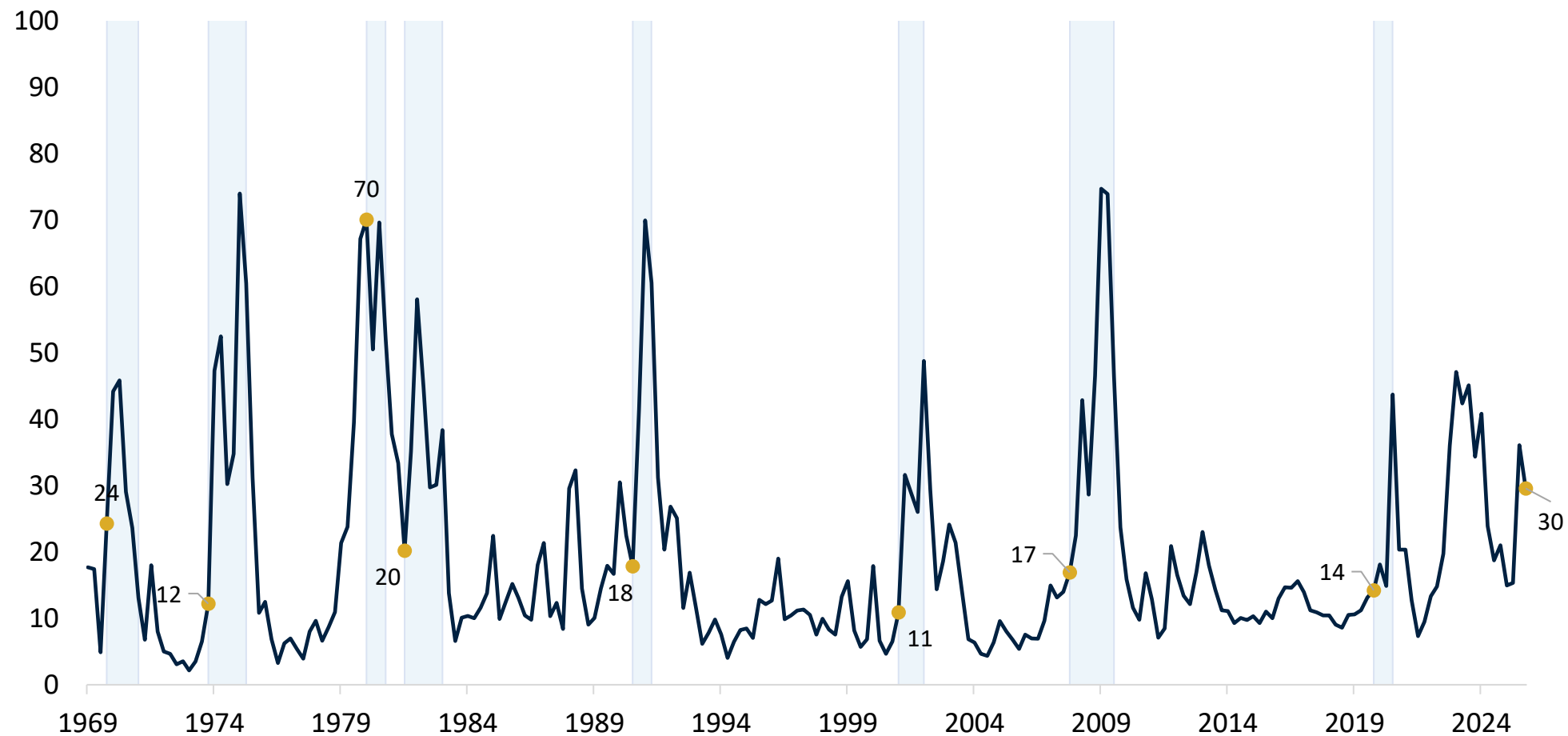
Changes to government policies continue to evolve, and their effects on the economy remain uncertain...risks to inflation are tilted to the upside and risks to employment to the downside, a challenging situation. When our goals are in tension like this our framework calls for us to balance both sides of our dual mandate.

- Chair Powell September 17<sup>th</sup> press conference

# Recession risk increased, but recessions are rarely predicted

## The Anxious Index

Probability of Decline in real GDP

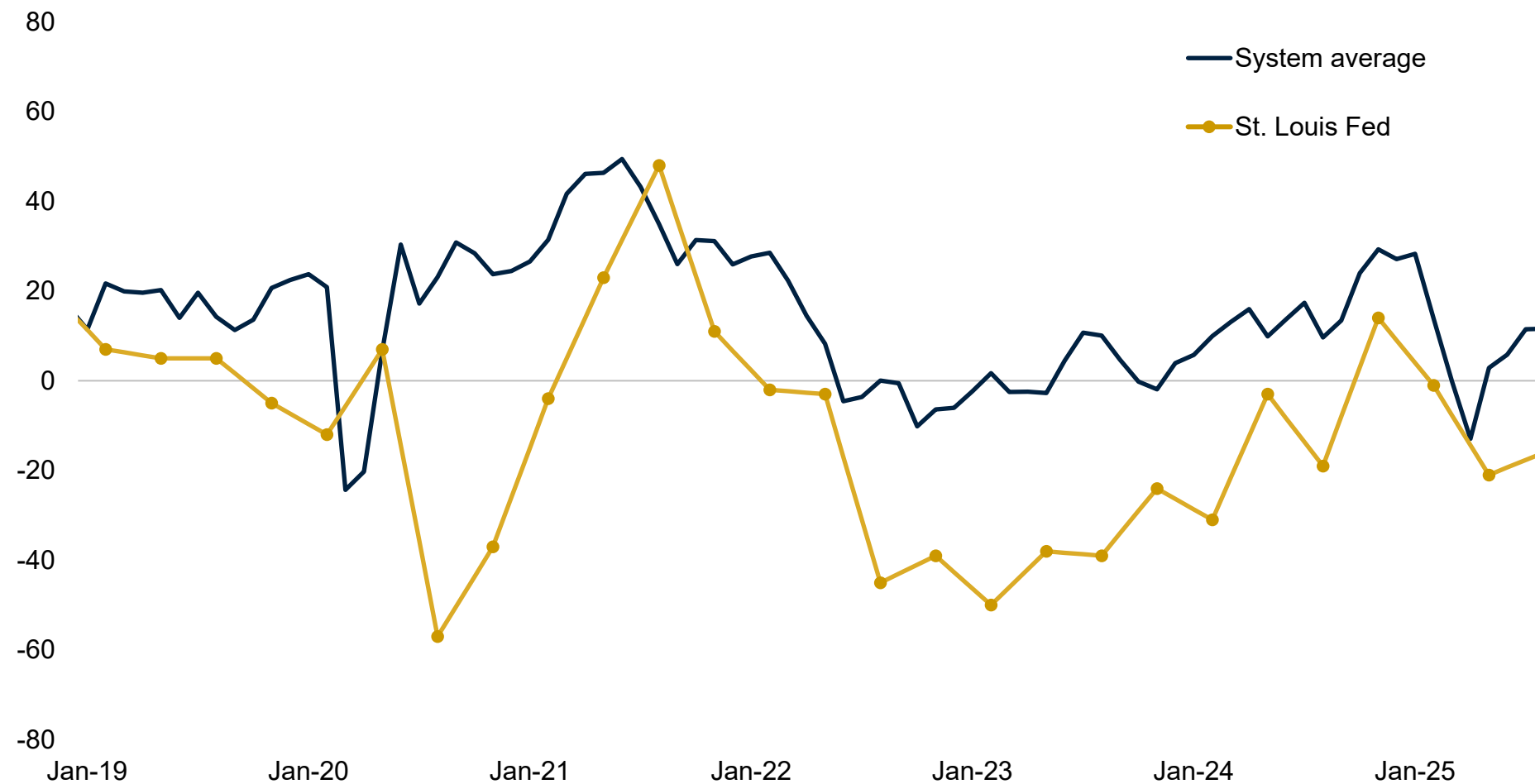


Notes and sources: Shaded areas indicate NBER recessions, Survey of Professional Forecasters (Last Obs. 2025:Q4)

# Contacts economic outlook is tepid but improving

**Share expecting economic outlook to improve over next 6-12 months**

Net % of respondents

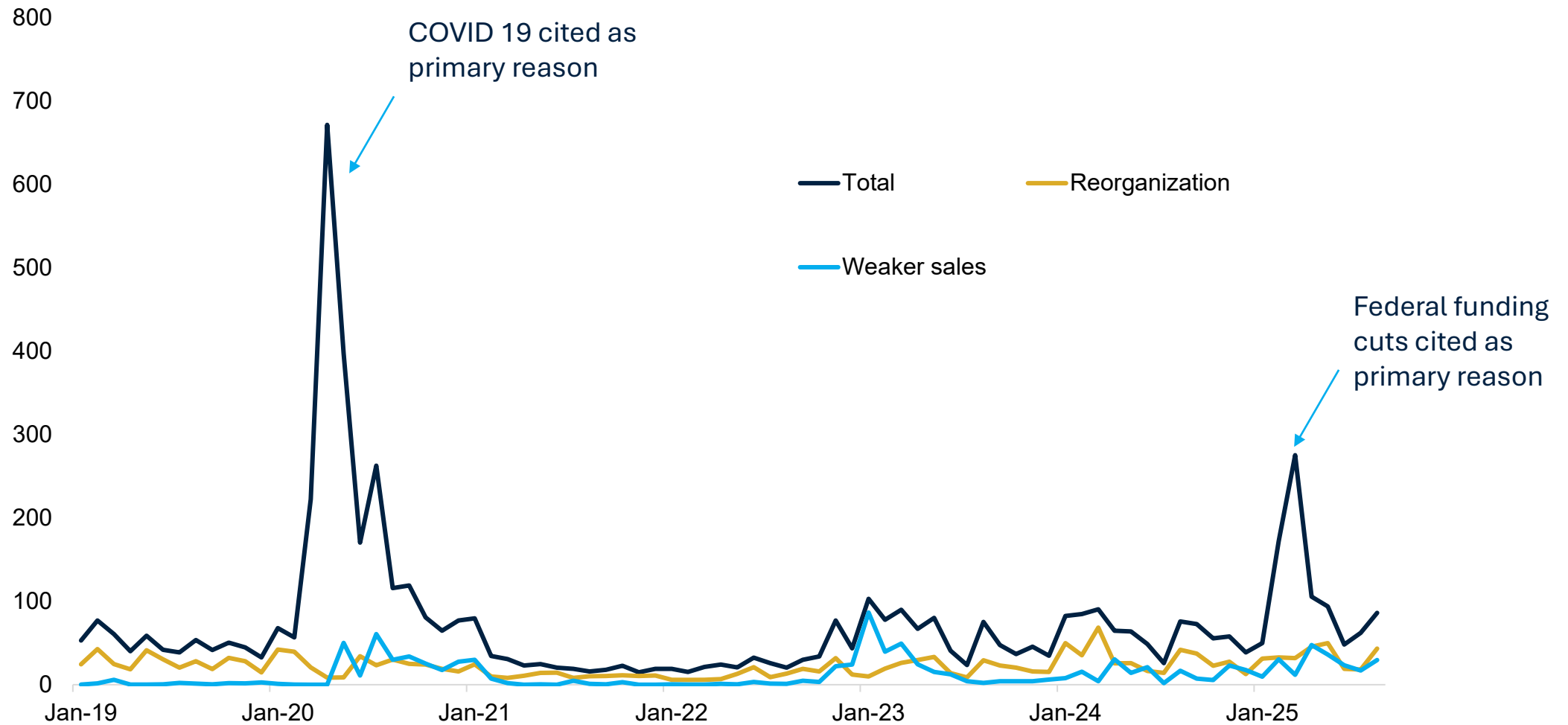


Sources: Federal Reserve Banks of St. Louis, Dallas, Kansas City, Philadelphia, Richmond (Last Obs. 08/25)

# Layoff announcements have increased since the start of the year

## Announced job cuts by reason

Thousands of Jobs

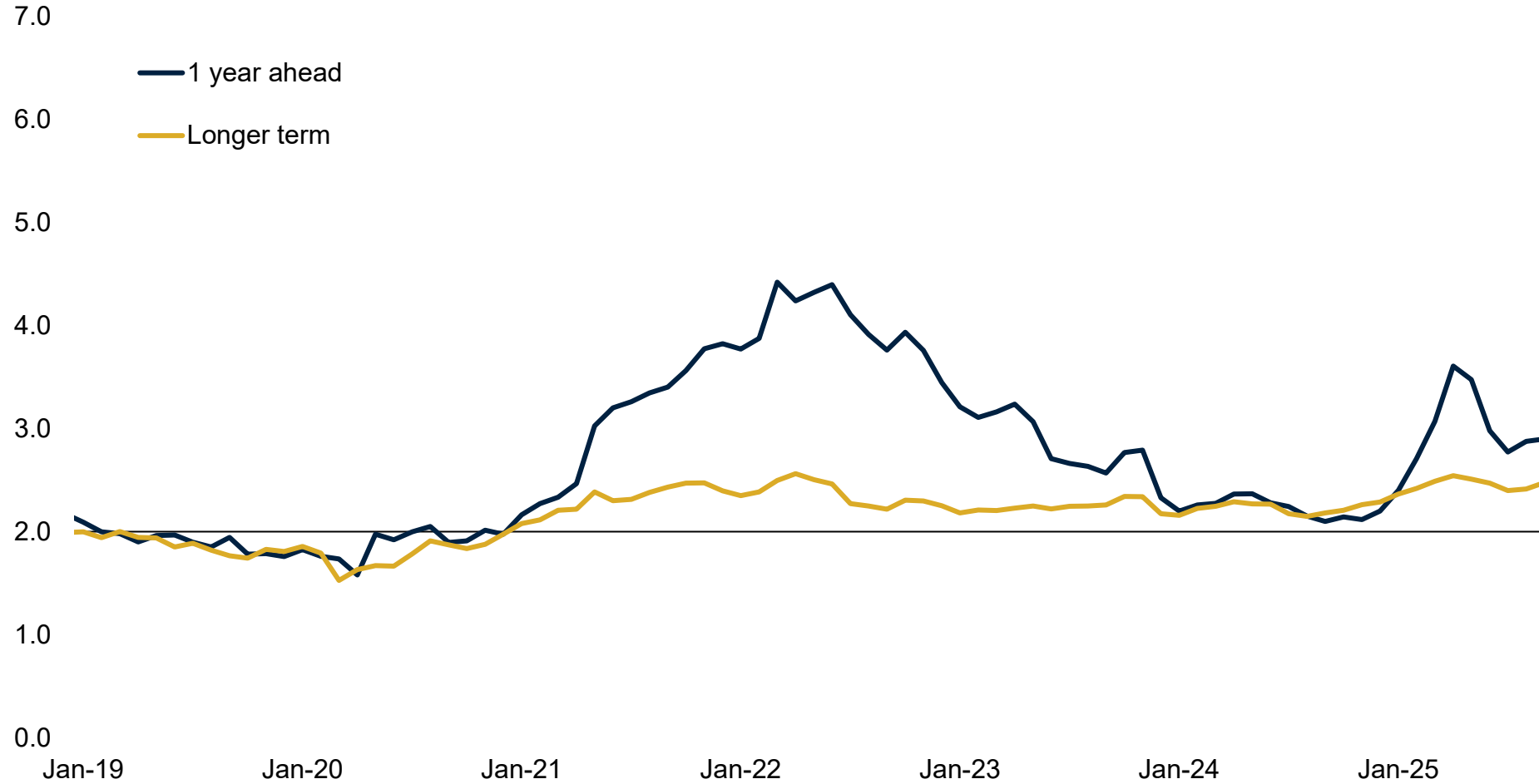


Source: Challenger, Gray, and Christmas, Last Obs. 08/25

# Inflation expectations have risen in recent months

## Inflation Expectations

Average annual percent change

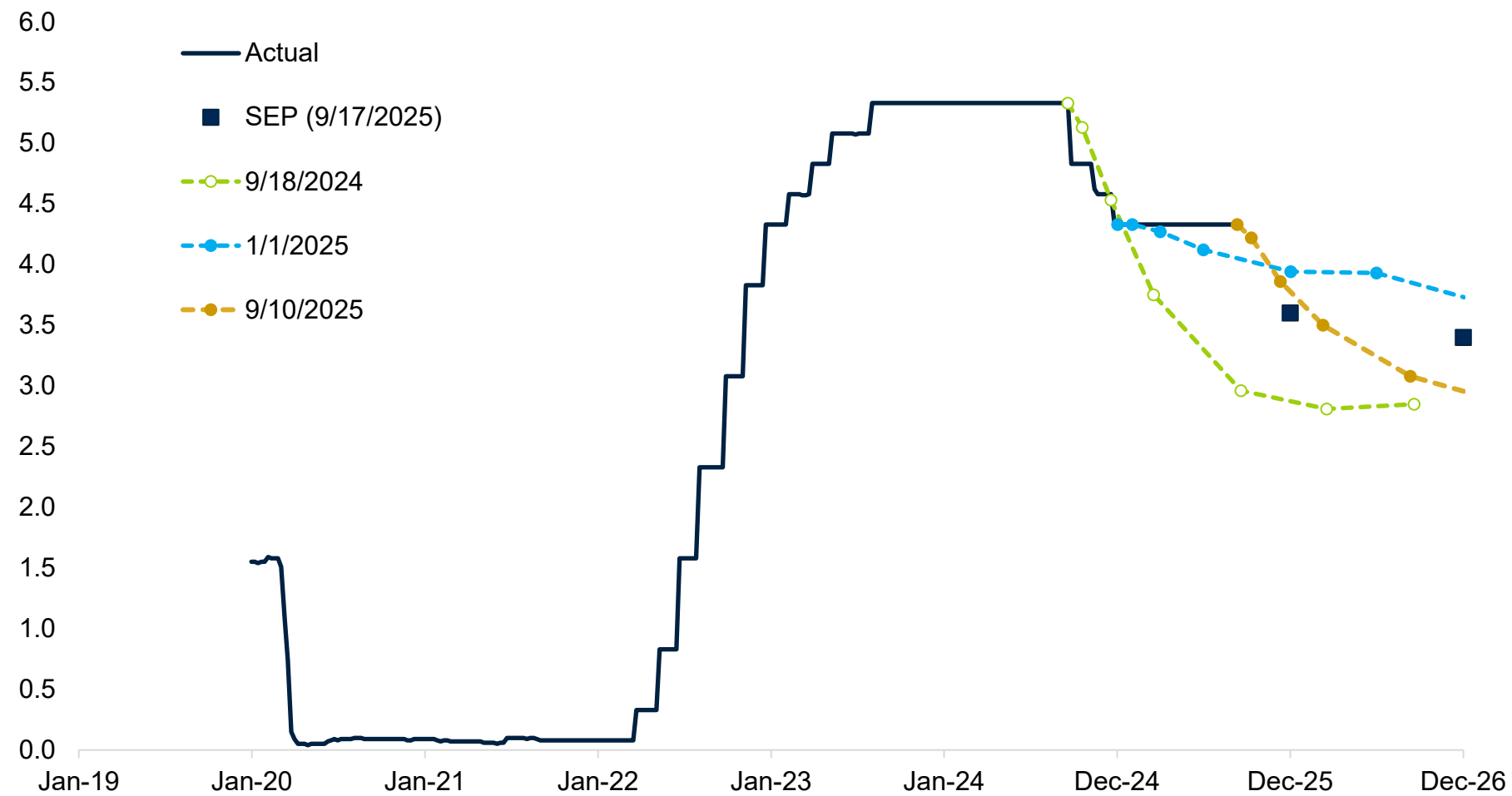


Notes and sources: Authors calculations based on data from University of Michigan, FRB NY, Blue Chip Surveys, and US Treasury (Last Obs. 09/25)



# Markets expect lower interest rates than 9 months ago

**Expected path of the federal funds rate**  
Percent



Notes and sources: Squares are median FOMC members path of the appropriate fed funds rate. Dashed lines are expected path based on fed funds futures

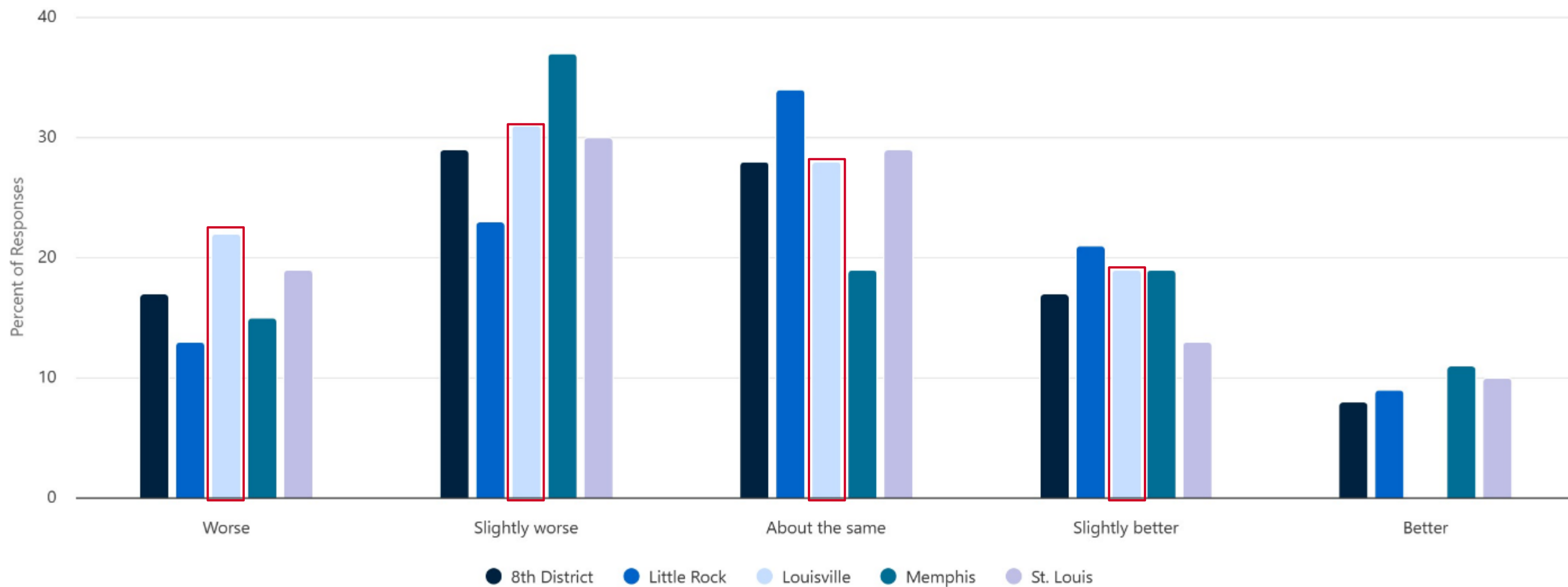
# Policymakers expect slower growth and elevated inflation

	2024 (Actual)	2025	2026	Longer run
Change in real GDP	2.5	1.6 <i>1.3 to 2.0</i>	1.8 <i>1.5 to 2.6</i>	1.8 <i>1.7 to 2.5</i>
Unemployment rate	4.2	4.5 <i>4.2 to 4.6</i>	4.4 <i>4.0 to 4.6</i>	4.2 <i>3.8 to 4.5</i>
PCE inflation	2.5	3.0 <i>2.5 to 3.2</i>	2.6 <i>2.2 to 2.8</i>	2.0 <i>2.0 to 2.0</i>
Federal funds rate	4.3	3.6 <i>2.9 to 4.4</i>	3.4 <i>2.6 to 3.9</i>	3.0 <i>2.6 to 3.9</i>

Notes and sources: FOMC Summary of Economic Projections, **September 2025**. Values are for Real GDP and PCE Inflation are Q4/Q4; Unemployment Rate is Q4 average; Federal Funds Rate is value at end of Q4. Longer-run represents where indicators are expected to converge in the absence of further shocks to the economy. Numbers in italics are range of projections.

# Mixed picture for regional outlook

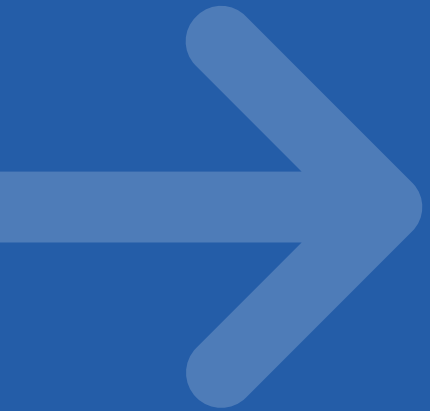
Figure 8: How do you expect local economic conditions to change over the next twelve months?



# Expectations for Improvement

Net percent of Louisville Zone Economic Conditions Responses

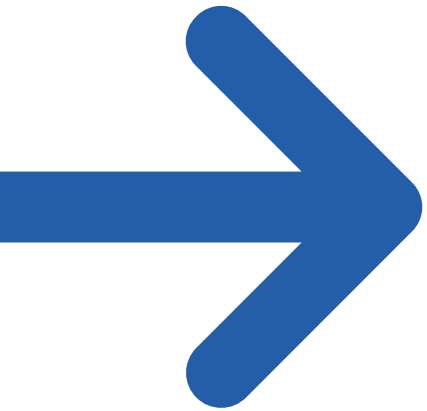




# Final Thoughts

# Key takeaways

- Economic activity has slowed in the first half of year, and uncertainty has risen. Changes in trade policy will have varying direct-effects on firms and economic sectors.
- Contacts expect little to no change in their employment levels and wage growth is slowing. There are increasing reports of layoffs, and attrition rates have declined. *Risks to job growth are tilted to the downside.*
- Inflation pressures remain moderate, but inflation expectations have risen, in part due to tariffs and higher costs of necessities. *Risks appear tilted toward the upside.*
- Financial conditions are accommodative, and the economy is not performing as though restrictive policy were holding it back inappropriately.
- FOMC's current policy stance guards against risks on the employment side of the mandate while remaining focused on persistently above-target inflation.



We understand that our actions affect communities, families, and businesses across the country. Everything we do is in service to our public mission and we at the Fed will do everything we can to achieve our maximum employment and price stability goals.

- Chair Powell September 17<sup>th</sup> press conference





We want to hear from you!

Please take a few minutes and  
share your insights on economic  
conditions

# Connect with the St. Louis Fed

Visit [stlouisfed.org](https://stlouisfed.org) for:



Follow us on X,  
LinkedIn, Instagram and  
more



## Explore the Economy Museum:

Learn about money,  
history and economics  
in person or online

