

SEPTEMBER 2017

U.S. FORECAST



**Institute for Economic
Competitiveness**

UNIVERSITY OF CENTRAL FLORIDA

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U.S. FORECAST 2017 - 2020

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IN THIS U.S. FORECAST

- Will autoimmune disease kill the economic recovery? The body politic is fighting back against the Trump administration. Could the hyper response of its immune system begin to destroy economic tissue of the eight-year-old recovery and precipitate recession?
- Faster economic growth and higher inflation will be products of Trump's proposed economic policy if that path can be followed—a big if, given the tumultuous first eight months of the administration.
- Average monthly payroll job growth since 2014 has been decelerating. The new administration should somewhat curtail this trend, although a rapid acceleration in job growth is unlikely.
- Average monthly payroll employment growth has decelerated the past three years. Uncertainty and regulatory burden have been hindering payroll job growth, which slowed to 1.8% in 2016 and will further slow to 1.6% in 2017, but will stabilize in 2018-2020 at 1.5%.
- The foreign sector will continue to be a drag on U.S. growth. A stronger dollar in a world of relatively weaker growth and rising interest rates in the U.S. will boost imports and depress exports. As a result, net exports will continue to fall through 2020. Uncertainty over trade deals continues to loom.
- The Federal Reserve raised interest rates again in June of 2017; the next 25 basis point hike will likely come this December. Stronger economic growth and higher inflation from Trump administration policies continue a faster pace of hikes over the next three years, with the federal funds rate hitting 3.25% by the end of the first quarter of 2020.
- Real GDP growth, which slowed to 1.5% in 2016, will hit 2.3% in 2017, 3.4% in 2018, and then slip to 3.1% in 2019 before easing to 3.0% in 2020, as the Federal Reserve tightens interest rates—assuming the Trump administration's economic policies are carried out.
- The housing market continues its recovery. The housing market will slowly improve through 2020, even with rising interest rates. Housing starts will rise from 1.24 million in 2017 to 1.63 million in 2020.
- The headline unemployment rate (U-3) is expected to decline to 4.0% in early 2020. Job growth will be enough to keep up with labor force growth through the end of the forecast horizon. Underemployment (U-6), a persistent problem in this recovery, stands at 8.6% as of August 2017, but it will also continue to decline through 2020.
- Inflation will accelerate in 2018, pushing the Fed to raise interest rates and to shrink its \$4.5 trillion dollar balance sheet. Core CPI inflation will average 2.4% during 2017-2020.



The body's immune system is designed to prevent and protect us from potentially harmful materials that may enter our body. Our skin, tears, mucus membranes, and stomach acid all work to prevent harmful foreign particles and substances from entering our bodies. If these barriers fail to prevent entry, then other parts of the immune system kick in, attacking and destroying the invader.

Immunity to antigens can be acquired by exposure, such as when you contract chickenpox, or passively via immunization that injects specific antibodies from another person or animal. Our blood has various cells, chemicals, and proteins that directly attack foreign substances or bolster the work of immune system cells. Inflammation and fever are other ways the body assists the immune system in doing its job.

As sophisticated and evolved as our immune system is, it is not foolproof. Inefficient response from our immune system can allow diseases to develop. Pathogens are tricky and can fool our immune systems into thinking they are not a threat or mutate in a way that the immune system doesn't recognize it, as the influenza virus does. An excessive immune system response can result in autoimmune disorders wherein the body attacks and damages its own tissues.

I think it is safe to say that President Trump is a foreign invader in the body politic. The response we have seen since his surprise election in November is analogous to the body politic's immune system reacting to this outside intruder. I do not think the immune system was as active when then candidate Trump went through the primary season, perhaps fooled by the seemingly unlikely chances of securing the nomination of the Republican Party. Even after securing the nomination, his election victory seemed unlikely, and the immune response, while heightened, was within norms until about 11 p.m. on election night, when the previously unfathomable became reality.

Since President Trump's election, that immune response has gone into overdrive and, I would argue, into the realm of autoimmune disease. Symptoms of this response began immediately with an attempt to change the votes of the Electoral College, political protests that have become disturbingly violent, claims that the election was hacked by the Russians, an ongoing investigation into alleged collusion of the Trump campaign with Russia to sway the election, and public calls for assassination or invoking the 25th amendment to remove the president from office. Politically, the president was attacked by members of

both political parties (to be sure, attacks have gone in both directions) and the process of legislation has yielded little fruit. While some 53 bills have been signed into law and 45 executive orders signed, the major planks of the administration's economic policy have yet to be put into place.

If this immune response continues to rage, and legislation to address the tax system and infrastructure spending do not get passed, there will be damage to the tissue of the U.S. economy and the economic recovery that is now eight years old will be at a heightened risk of coming to an end.

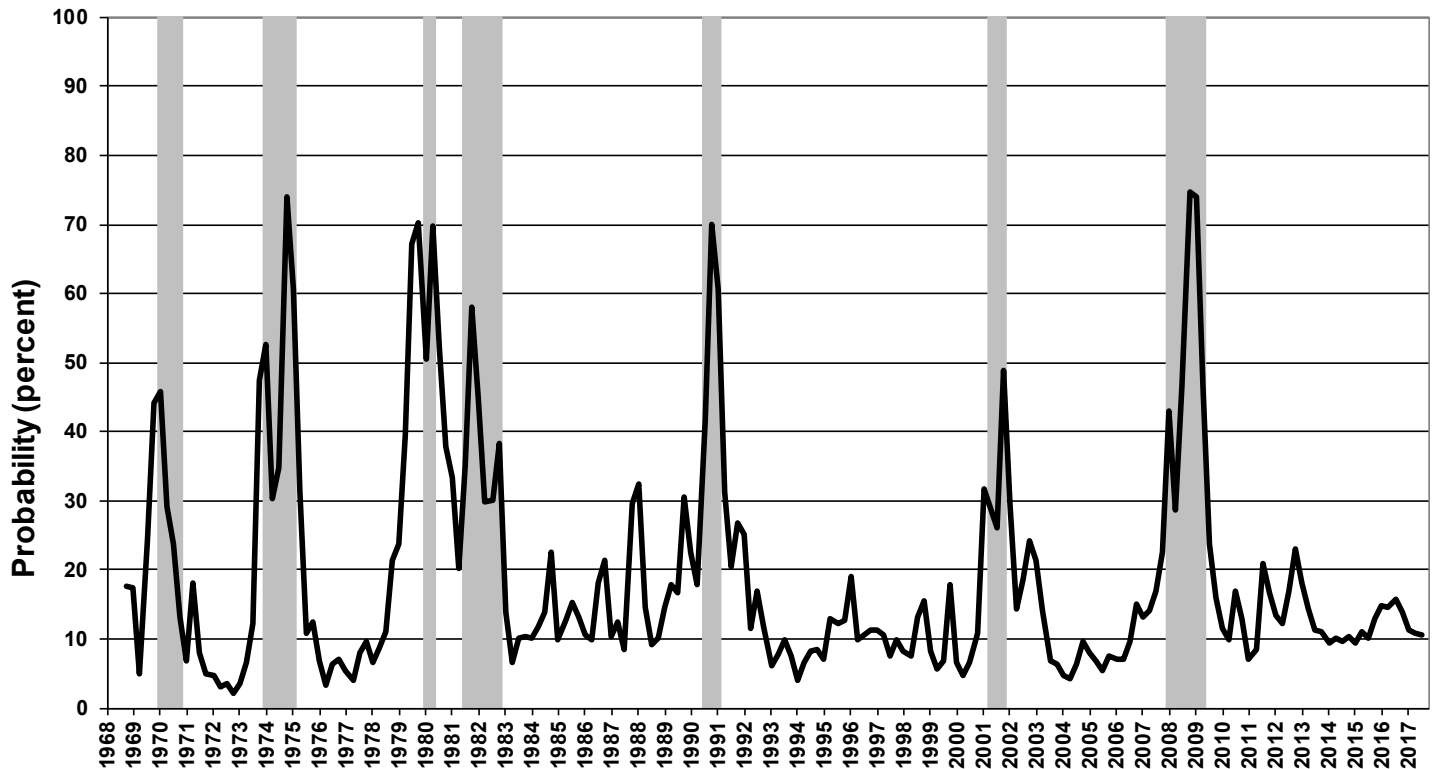
This quarter's forecast assumes that the autoimmune disease will subside over the next six months, enough so that there will be some tax relief and some infrastructure spending that makes its way through the chaos, helping to boost real GDP growth in

2018. I believe this will happen not because President Trump is suddenly accepted by the body politic, but because of the powerful force of self-interest. Republican-controlled Congress has an approval rating of just 16% (compared to 35% for President Trump) and if they fail to pass any significant legislation before the 2018 mid-term elections, many could lose their jobs in primary challenges or in the election itself.

If, however, the immune system continues to rage and, like healthcare legislation, tax reform and infrastructure spending fall victim to this immune response, our forecast will change. Instead of predicting an acceleration of economic growth above the moribund 2.0% this recovery has generated over the past eight years, the countdown to the recession will begin in earnest.

Figure 1.

**The Anxious Index
Probability of Decline in Real GDP in the Following Quarter
Quarterly, 1968:Q4 to 2017:Q3**



Source: Survey of Professional Forecasters, Philadelphia Federal Reserve Bank

ANXIOUS INDEX

Fear of Recession Continues to Slide

The most recent release (3rd quarter of 2017) of the Survey of Professional Forecasters by the Federal Reserve Bank of Philadelphia suggests that the 35 forecasters surveyed for the publication put a 10.46% chance that a decline in real GDP will occur in the 4th quarter of 2017.

One section of the Survey of Professional Forecasters asked panelists to estimate the probability that real GDP will decline in the quarter in which the survey is taken, as well as the probabilities of a decline in each of the following four quarters. The anxious index (a term coined by The New York Times reporter David Leonhardt) is the probability of a decline in real GDP in the quarter after a survey is taken. In the survey taken in early August of the 3rd quarter of 2017, the index stands at 10.46, which means that forecasters believe there is a 10.46% chance that real GDP will decline in the 4th quarter of 2017.

The forecasters also report a 6.74% chance that we are currently (as of the 3rd quarter of 2017) experiencing a contraction in real GDP—nearly one and a half percentage points lower than the probability the forecasters assigned for the 2nd quarter of 2017. According to the panel, the probability that real GDP growth will turn negative is averaging around 14.69% through the end of the 4th quarter of 2018, indicating that the forecasters' assignment of probability for a contraction in real GDP in the upcoming year is the lowest since the 4th quarter of 2015.

Figure 1 plots the historical values of the anxious index, where the gray bars indicate periods of recession in the U.S. economy. The current level of the anxious index is more than three points lower than the average level during the economic recovery (13.28).

GDP OUTLOOK

3.0% Annual Real GDP Growth Still on the Table

GDP growth did not get off to a fast start in 2017. Real GDP growth for the 1st quarter came in

at a weak 1.2% after expanding just 1.8% in the 4th quarter. Growth should be stronger in the second and third quarters, but if the economy is to see a sustained acceleration, it will require a significant shot of policy adrenaline. The economic platform proposed by the Trump administration should provide just the boost that this lackluster recovery needs, but tweeting it and implementing it are two different things, as was clearly demonstrated by the ill-advised attempt at healthcare reform. Tweeting and talking about policy does nothing, but if the administration is able to continue the regulatory roll back and move tax reform and infrastructure spending into legislative action (an increasingly bigger if), economic growth will accelerate and the life span of this eight-year-old economic recovery should be extended.

We are still incorporating these policies into our forecast for now. The second half of 2017 will be a critical period to see what, if any, legislative priorities make progress as well as the specific details of what this legislation includes.

The average rate of annual real GDP growth from 2010 through 2016 has been just 2.1%. Our forecast for average real GDP growth from 2017-2020 is right at 3.0%, with a projected acceleration of growth to levels greater than 3.0% in 2018 and 2019.

The likelihood of a recession taking place during our forecast horizon is a real risk; no recovery lasts forever, but they also do not come with expiration dates. Proposed economic policies could prolong the life of this recovery, but not indefinitely. All expansions give way to the next recession and no election or policy mix has ever prevented that from occurring, but it may be able to delay the inevitable.

In 2017, we are expecting real GDP growth to accelerate to 2.3%. Growth will jump to 3.4% in 2018, before decelerating to 3.1% in 2019 and 2.7% in 2020. The projected growth rate for 2018 would be the first time the U.S. economy experienced annual growth at 3.4% or higher since 2004.

The chance that economic growth could accelerate at an even faster pace than we are projecting seemed unlikely given the policy path we were on prior to the presidential election; however, now it is a possibility

as details of the economic policies pursued by the Trump administration become available, given that the legislation is enacted.

After raising the federal funds rate by 25 basis points in December of 2016 (just the second time the Fed has made such a move this recovery), it took the total increase in interest rates to 0.50% the past two years. We expect the central bank to continue to take baby steps as it raises interest rates, but the frequency of these steps will increase. As always, economic data will drive both the timing and the size of these interest rate changes, but the once-a-year, 25 basis point rate hike pattern of the past two years has come to an end in 2017.

After raising rates in March of this year, the Federal Reserve increased interest rates again in June and will likely do so again in December. They will continue with rate hikes in 2018 and 2019 until the anticipated target rate reaches 3.25% in the first quarter of 2020. The path of interest rate hikes will deviate from this projection if growth accelerates faster than projected or if the proposed policies of the Trump administration succumb to the immune response and there is a recession triggered by a failure to implement proposed policies or any of the still significant global risks to the economic expansion.

The Fed will also begin the process of shrinking its \$4.5 trillion balance sheet, swollen by three rounds of quantitative easing, in the 3rd or 4th quarter of this year and, like its efforts to raise the federal funds rate, we anticipate this to be a gradual process as well. However, like quantitative easing itself, this is uncharted water for monetary policy and there is no textbook or historical example on how best to carry this out. The possibility of a misstep in execution cannot be ruled out.

CONSUMER SPENDING

Rising Employment, Household Wealth, Rising Incomes, and Confidence Should Spur Consumers

The U.S. consumer has been playing the biggest role in supporting the economic expansion, tepid as it has

been, over the past three years. In 2014, real consumer spending growth was 2.9%, in 2015 it was 3.6%, and in 2016 spending grew at 2.7%.

In these three years, the contribution to GDP growth was outsized. In 2014, consumer spending contributed 81% of economic growth that year, 83% in 2015, and in 2016, it contributed 124% to real GDP growth of 1.6% that year. In other words, if not for consumer spending, the U.S. economy would have contracted in 2016.

Continued gains in employment, more rapidly rising wages, and improving household balance sheets should continue to provide a solid foundation for continued consumer spending growth. Tax cuts and spending programs proposed by the Trump administration should also boost consumer spending growth. These improving fundamentals and growth-oriented policies should boost consumption spending going forward from the depressed level in the 1st quarter of 2017, when growth was just 1.9%, down from the 4th quarter of 2016, during which growth was a more respectable 2.9%.

Consumer confidence surged post-election and then eased back slightly, but remains at levels that are the highest since 2000. Trump's tumultuous tenure in office thus far has not yet had an overall detrimental effect on consumers' optimism.

The next four quarters should show a strengthening of consumer spending growth. In the 3rd quarter of 2017, consumption spending growth will accelerate to 2.8%, as consumer confidence helps further open up consumers' wallets that were tight at the start of the year. In the 4th quarter of 2017 and 1st quarter of 2018, consumer spending growth should accelerate to 3.1% before rising further to 3.4% in the 2nd quarter of 2018.

Consumer spending, the largest component of GDP, is the critical piece supporting real GDP growth if this recovery is going to last and specifically if growth is to accelerate from the low levels that have characterized this recovery. The other main sectors of the economy have faced headwinds that have also suppressed growth. Business investment, as discussed below, has been weak, government spending is

currently doing little to boost GDP growth, and net exports will continue to pull down growth due to a strong dollar. Trump's proposed economic policies could change the first two in a positive way, but consumers will still need to provide momentum for this expansion going forward.

While the underpinnings of consumer spending continue to solidify, the labor market continues its recovery amid signs that job growth could be gaining steam. Stronger wage and salary growth are showing signs of reappearing, with annual wage growth last December hitting the highest annual pace of growth in this recovery. December's wage growth hit 2.9% after the wages labor market had been hovering around 2.1% for several years, but in April 2017, growth has slipped back to 2.5% where it is still hovering today. Once wage growth does accelerate, particularly if it is accompanied by tax cuts that raise consumers' disposable income, this could be the catalyst that takes consumer spending growth to a higher level.

The global economy, financial markets, and U.S. election-related uncertainty began to erode consumer confidence in the second half of 2015 and 2016 despite positive developments in other areas. As a result, consumer spending growth decelerated to around 2.7% in 2016 from 3.2% in 2015. Proposed tax policy and other economic policies aimed at stimulating economic growth by the Trump administration, as well as faster wage and salary growth that should accompany them, will help boost consumer spending growth. Consumption spending growth is expected to rise to 2.7% in 2017, to 3.2% in 2018, and accelerate further to 3.8% in 2019, holding there in 2020 as higher interest rates rein in both GDP growth and consumer spending.

INVESTMENT

After decelerating from 6.9% growth in 2014 to 2.3% growth in 2015, nonresidential fixed investment spending turned negative in 2016, contracting by 0.6%. The long and strange presidential election cycle carried with it a much higher level of uncertainty than previous elections and many businesses stayed on the

sideline when it came to investment spending, unsure of what tax and economic policies might be in place in 2017. The contraction in investment spending was close to what we would see during a recession.

Investment spending in this historically weak recovery has generally been weak, and we have discussed the role of uncertainty and the rapid growth in the regulatory burden as probable causes of this weakness in previous U.S. Forecast publications. This environment of uncertainty worsened during the presidential political cycle, but with the election now over and the regulatory burden already being rolled back, the environment for investment spending should improve decidedly, though uncertainty of a different kind is steadily creeping into the picture.

Proposals to change the corporate tax rate and incentivize the repatriation of profits held by U.S. corporations overseas along with proposed changes to allow companies to expense equipment instead of depreciating it would all boost investment spending if they can make it through the legislative process and the immune response.

Spending on equipment and software contracted in each of the first three quarters of 2016, following a contraction in the fourth quarter of 2015. The fourth quarter of 2016 pulled us back from the brink as spending on equipment and software increased by 1.8%. The outlook going forward should continue to strengthen considerably.

Purchases of aircraft again contracted by a significant amount in 2016, declining by 55.3% in the 1st quarter; however, in the 2nd quarter, those purchases soared by 91.6% before contracting again in the 3rd and 4th quarters of 2016 by an average of 39.5%. For the full year, 2016 aircraft spending contracted 24.8%. Over the next four years, spending on aircraft is expected to grow an average of 18.0%, but quarterly volatility in this type of investment spending is the norm.

The 2016 contraction in investment spending also reflected the negative impact of falling oil prices. Consumers enjoyed the low prices at the gasoline pump, but oil producers cut back on investments as oil prices dropped below \$40 per barrel early in 2016. The

rig count in the U.S. hit a more than seventy-year low of 404 in response to plunging oil prices. Oil prices have recovered from these lows, and the August 2017 count was 940, up 443 year over year.

During 2015, investment in mining and petroleum equipment contracted by 27.9% and further contracted in 2016 by 42.0%. In 2017, growth is expected to be 50.8% and average 14.9% per year during 2017-2020. While this isn't a return to \$80-a-barrel-level boom in spending, it is a good recovery for a sector that has taken some hits from both markets and regulators. Approval of new pipelines by the Trump administration has also given a boost to shale oil production in North Dakota.

However, it wasn't just aircraft and oil rigs that were driving the weakness in investment spending in 2015 and 2016.

As noted in 2015, the pace of real private nonresidential fixed investment growth decelerated to 2.4%. The weak start to 2016 and an environment of uncertainty resulted in a further deceleration of investment spending growth to -0.6%. Now that the presidential election is over and there is an increased likelihood of investment friendly policies on the way, business nonresidential investment growth will accelerate to 4.4% in 2017 and 4.7% in 2018, before rising to 5.5% in 2019 and then 4.4% in 2020.

Interest rates are currently still very low, even as the Fed has begun to push up the federal funds rate at what will be a somewhat faster—but not rapid—pace going forward, as well as embarking on the process of shrinking its \$4.5 trillion balance sheet. Eventually, higher interest rates will begin to drag on investment spending, as is the intention of tightening monetary policy. Higher rates will begin to slow those investment spending growth rates near the end of our forecast horizon.

Business spending on equipment and software will grow at an annual average rate of 5.5% from 2017 through 2020. Investment spending growth in computers and peripherals will accelerate in 2017 to 3.9%, 6.1% in 2018, and 7.1% in 2019, as upgrade cycles and investment friendly tax policy kick in. Spending on communications equipment should

expand at an average annual rate of 5.8% during 2017-2020, while industrial equipment purchases average 7.2% growth over the same time frame.

Investment growth in nonresidential structures has oscillated over the past three years. After growth jumped to 10.4% in 2014, it turned negative in 2015, with growth coming in at -1.8%. This was followed by another year of negative growth in 2016, with spending declining 3.9%. Investment in nonresidential structures will grow faster in 2017 and then decelerate in 2018 before accelerating again in 2019 and 2020 with growth hitting 6.5%, 1.8%, 3.2%, and 4.0%, respectively, in those four years.

Residential fixed investment growth improved to 10.5% in 2015 but eased again in 2016 to 5.6%. Growth will average 5.7% through 2017-2020, accelerating to a peak growth rate of 10.8% in 2018. In the final year of our forecast (2020), real residential fixed investment will be dampened by both higher mortgage rates—which are expected to average 6.5% on a 30-year fixed mortgage that year—and a slowing rate of price appreciation. In 2020, real residential fixed investment will be \$732 billion—\$140 billion less than its 2005 housing bubble peak.

We expect housing starts to continue to gradually accelerate over the next several years, reaching a level slightly above 1.62 million in 2020. Average levels of annual housing starts from 2017-2020 will be 1.5 million.

GOVERNMENT SPENDING

In 2016, federal government spending growth was slightly positive after being negative for five consecutive years. The five-year streak with negative federal government spending growth will become a five-year streak of positive growth with the projection that the next four years of the Trump administration will see an increase in some forms of spending. This will occur as proposed spending boosts on infrastructure and the military are implemented. In 2017, spending should expand 0.1% and in 2018, it will rise again by 0.8%. During the 2017 through 2020 period, federal government spending is expected to rise, growing at an annual average pace

of 0.3%. Over the same time frame, state and local governments will oversee spending growth at an average rate of 1.1%.

The federal budget deficit jumped in 2016 to nearly \$586 billion and will continue to increase over our forecast horizon through 2020. This reversal in course occurred after four years, during which we saw deficits shrinking from nearly \$1.3 trillion in 2011 to \$439 billion in 2015. In 2017, the deficit will grow to \$693.2 billion before easing in 2018, when it hits \$655.4 billion. The deficit grows much larger in 2019 as entitlement, infrastructure, and military spending coupled with tax cuts pushes it to \$848.9 billion before rising again in 2020 to more than \$892 billion.

The U.S. continues to travel down an unsustainable fiscal path that will ultimately lead to a crisis. The existing structure of entitlements, coupled with the demographics of an aging Baby Boomer generation, ensures that if no changes are made to these programs and how they are funded, we will eventually face a fiscal crisis. There has been no indication that the Trump administration, like those of its predecessors, will make any of the difficult but necessary changes to avoid this future crisis.

We are projecting deficits through 2020 that are smaller than the \$1 trillion-plus deficits that were the norm in 2009-2012; the amount that the projected deficits will add to the national debt over the next four years will be over \$3.90 trillion, pushing the national debt total to nearly \$23.0 trillion before interest. As interest rates in the economy rise, the burden of servicing this debt will rise as well. Tax cuts and spending programs implemented by the Trump administration could push this debt to even higher levels than we are currently projecting if interest rates rise more quickly than anticipated. Slower than projected economic growth would also push projected deficits higher.

Currently, the national debt is over \$19.9 trillion and rising. This represents a debt of nearly \$165,818 per taxpayer and \$61,330 per citizen. The unfunded liabilities of the U.S. are even more alarming. These include Social Security, Medicare parts A, B and D, Federal debt held by the public, and federal employee

and veteran benefits, representing more than \$107.3 trillion in liabilities, boiling down to \$890,509 per taxpayer.¹

NET EXPORTS

Net exports became a drag on real GDP growth in the U.S. in 2014, shaving off 0.16 percentage points from growth that year, and even more in 2015, when net exports shaved 0.73 percentage points off of real GDP. Last year, the drag on GDP eased, but still cost 0.23 percentage points.

The U.S. dollar has appreciated for four straight years against our major trading partners, including an outsized 16.1% appreciation in 2015. In 2016, this trend moderated, and in 2017-2018, it will give back some of these gains. As the Fed raises interest rates and the U.S. economy experiences faster growth, the dollar will again appreciate in 2019 and 2020.

Over time, a stronger dollar boosts imports and reduces exports by making our goods and services more expensive to foreigners and at the same time making imported goods and services less expensive to U.S. consumers. This results in a worsening of the trade deficit, which is the difference between the dollar value of exports and the dollar value of imports. The effects of currency changes take time to work on actual quantity of trade flows, resulting in what is known as the J-curve effect on net exports, when an appreciation of the dollar actually decreases the trade deficit before eventually increasing it.

Overall, real export growth continues through the end of our 2020 forecast horizon and is expected to accelerate through 2018 before easing somewhat in 2019 and 2020. Real import growth is expected to accelerate over the 2017-2019 time frame, remaining above export growth through 2020 when growth hits 7.6%, easing from 8.6% in 2019. Real export growth from 2017-2020 will average 4.7%, while real import growth will average 6.9% over the same time frame.

Real net exports will average -\$765.7 billion during 2017-2020, with the trade balance worsening in each

1 National debt data from: <http://www.usdebtclock.org/>

successive year and coming in at more than -\$988.6 billion in 2020. The sizeable appreciation of the dollar during 2012-2015 and anticipated appreciation in 2019-2020, anticipated wage and salary growth, and tax cuts along with weaker global growth relative to the U.S. will dampen demand for U.S. goods and services abroad and simultaneously stimulate American consumers' appetite for imported goods and services.

UNEMPLOYMENT

The national headline unemployment rate (U-3) in July dropped from the June reading of 4.4% to 4.3%, the lowest level since May of 2001. The unemployment rate declined, driven by a large increase in the number of employed, despite an equally large increase in the labor force. A total of 349,000 people joined the labor force in July as the labor force participation rate increased from 62.8% to 62.9%. The number of employed people increased by 345,000 in July.

The July jobs report showed continued growth in payroll jobs, with businesses adding 209,000 jobs after June's 231,000 job gain. The 209,000 increase in payroll employment in July was above the average growth in monthly payrolls for 2016 of 187,000. Average payroll job growth for 2015 came in at 226,000, which was down from 2014's average growth of 250,000. Job growth continued to decelerate last year and, whether July's job growth will be sustained or was just a bounce back from weaker job growth in March, remains to be seen. Excluding March's 50,000 gain in jobs, average monthly job growth in 2017 has been 207,000, which is an uptick of 20,000 jobs per month from the 2016 average. This late in the economic cycle (the recovery turned 8 years old in June), a rapid acceleration in job growth seems unlikely, but an end to the multi-year deceleration is possible, particularly if there is follow through on economic policy.

The July labor force participation rate of 62.9% remains depressed and is at its lowest point since March 1978. Since the end of the recession, the labor force participation rate is down 2.6 percentage points.

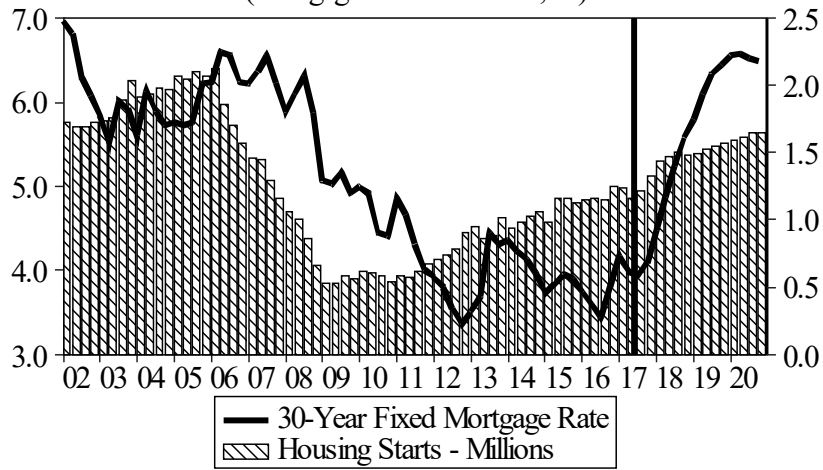
The Bureau of Labor Statistics (BLS) produces alternative measures of labor market weakness,

including the broadest measure of unemployment (U-6). U-6 takes into account discouraged workers (currently 448,000 workers), as well as those classified as underemployed (currently 5.3 million workers)—working part-time but not by choice—and workers who are marginally attached to the labor force that have looked for work in the past 12 months but are not currently looking, yet indicate a willingness to work (1.5 million workers). None of these 7.2 million-plus workers are counted in the headline unemployment rate of 4.3%.

U-6 stands at 8.6% as of July 2017, unchanged from the June 2017 level and down 1.5 percentage points from the July 2016 level. The current level of U-6 is down 8.5 points from its peak of 17.1% in April 2010. U-6 remained in double digits for more than seven years. It has been in single digits for twenty-three consecutive months beginning in October 2015.

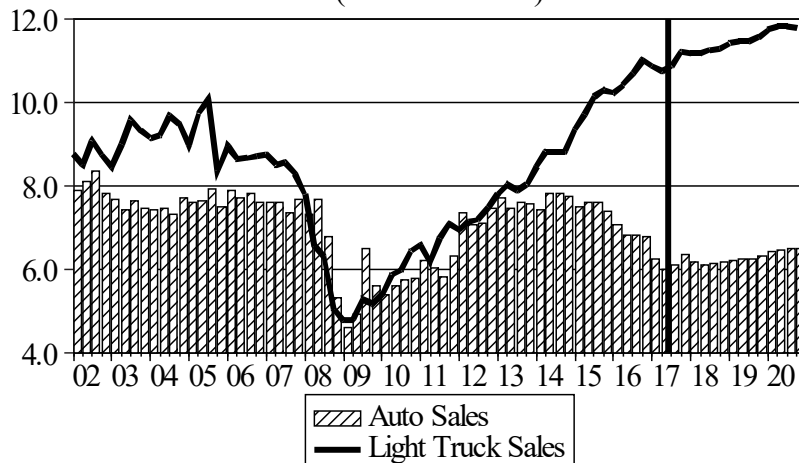
30-Year Mortgage Rates and Housing Starts

(Mortgage rates - Left axis, %)



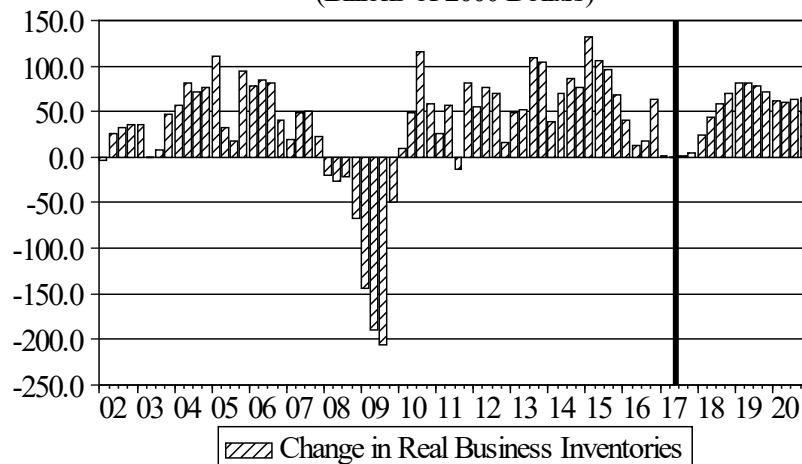
Automobile and Light Truck Sales

(Millions Vehicles)

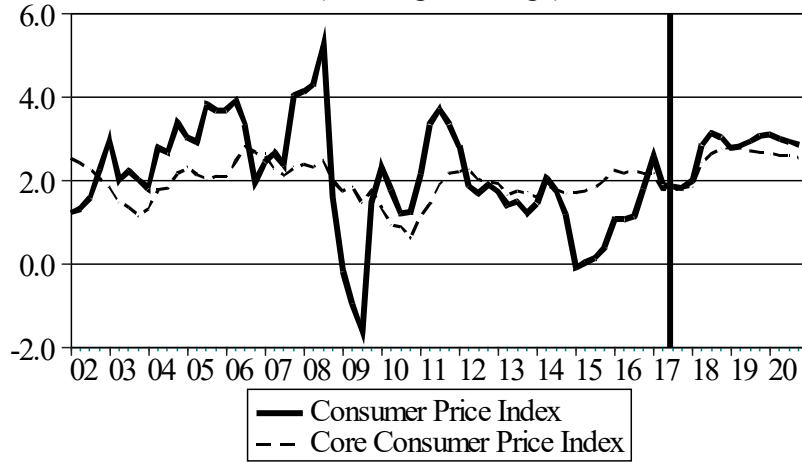


Change in Real Business Inventories

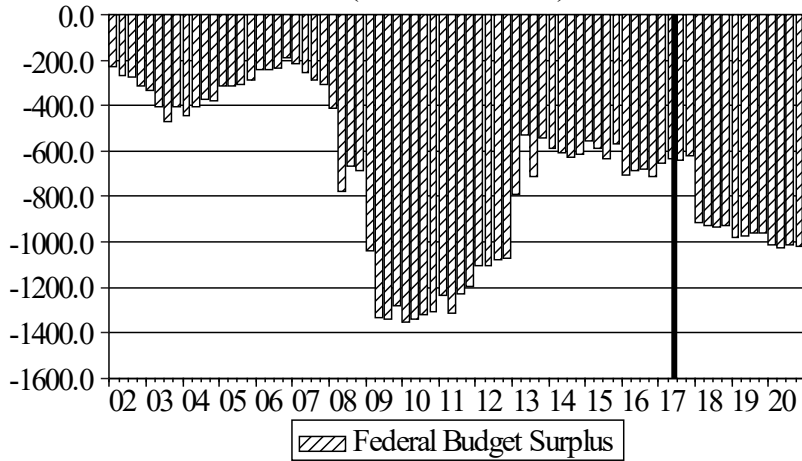
(Billions of 2000 Dollars)



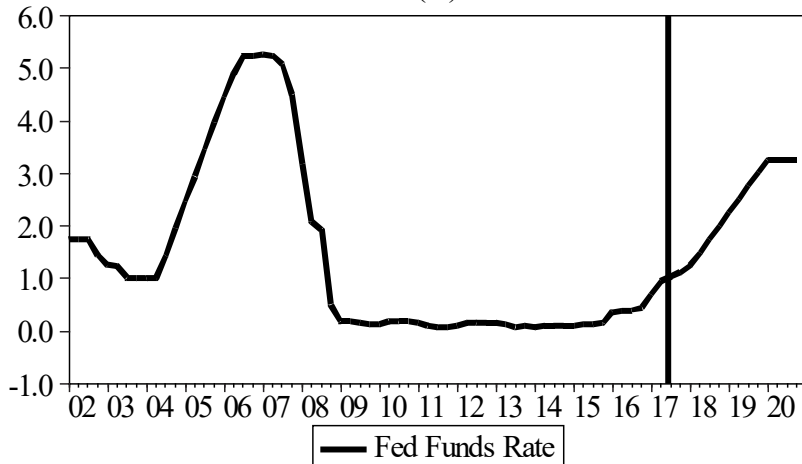
Consumer Prices (% Change Year Ago)



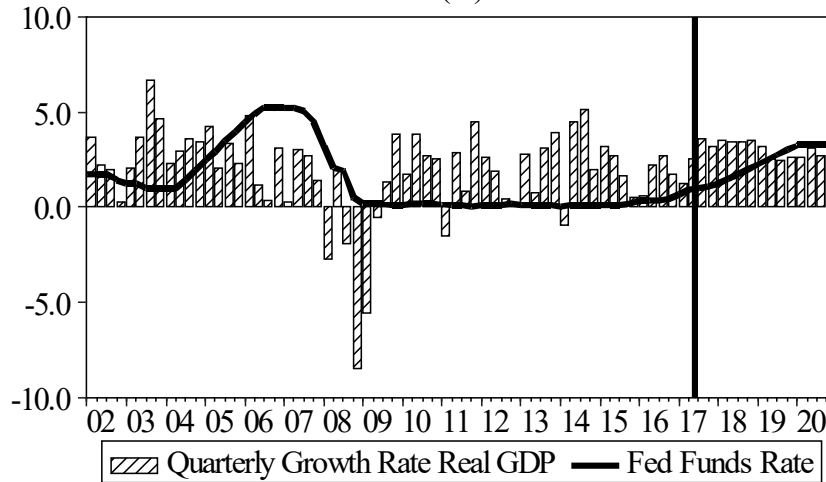
Federal Budget Surplus (Billions of Dollars)



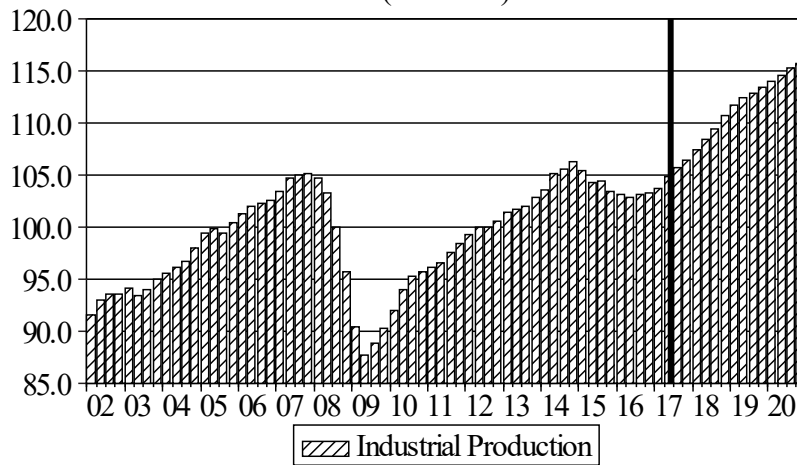
Federal Funds Rate (%)



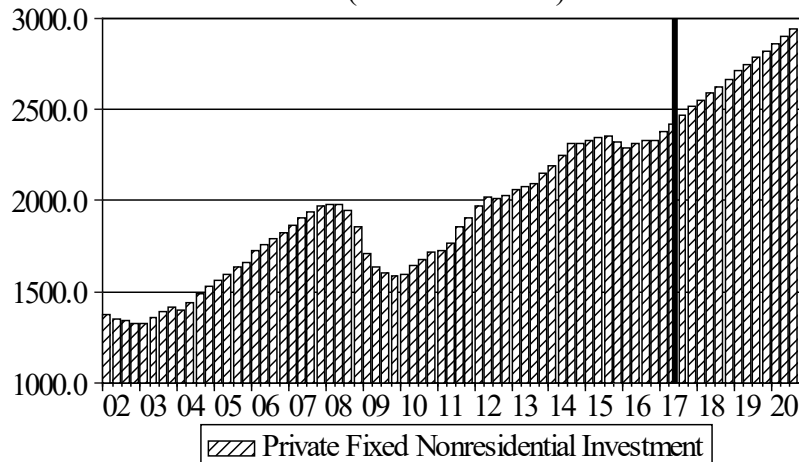
Real GDP Growth and Federal Funds Rate (%)



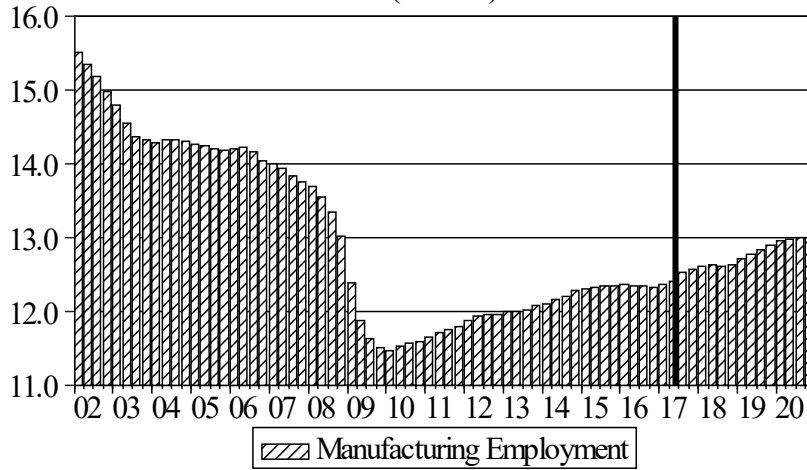
Industrial Production (2002=100)



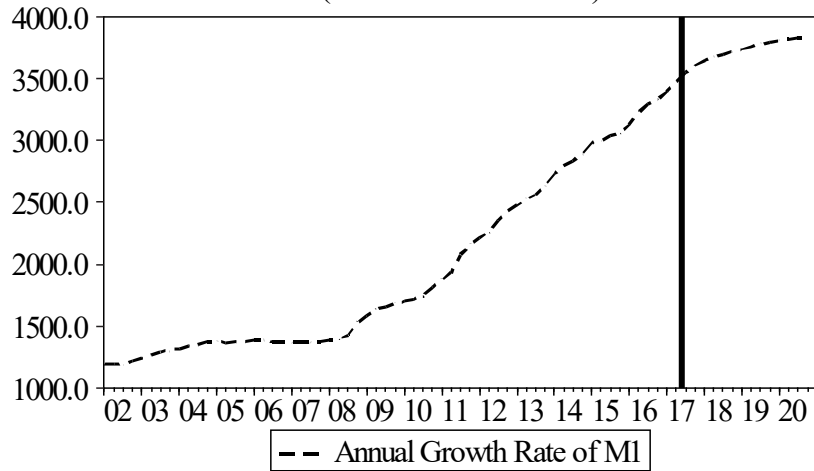
Private Fixed Nonresidential Investment (Billions of Dollars)



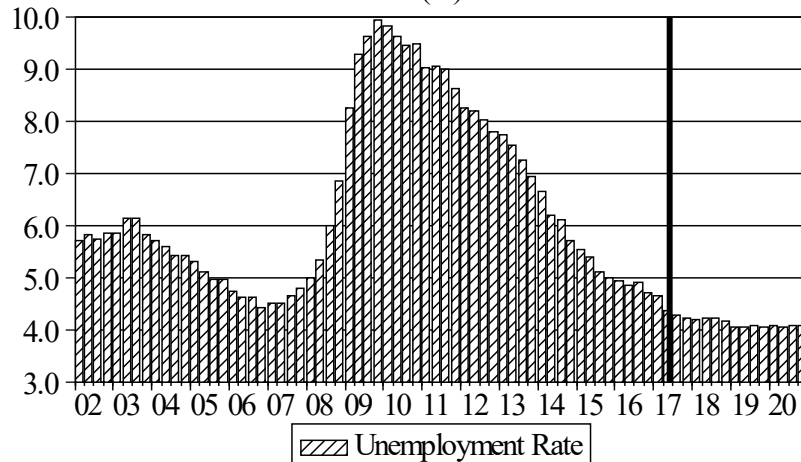
Manufacturing Employment (Millions)



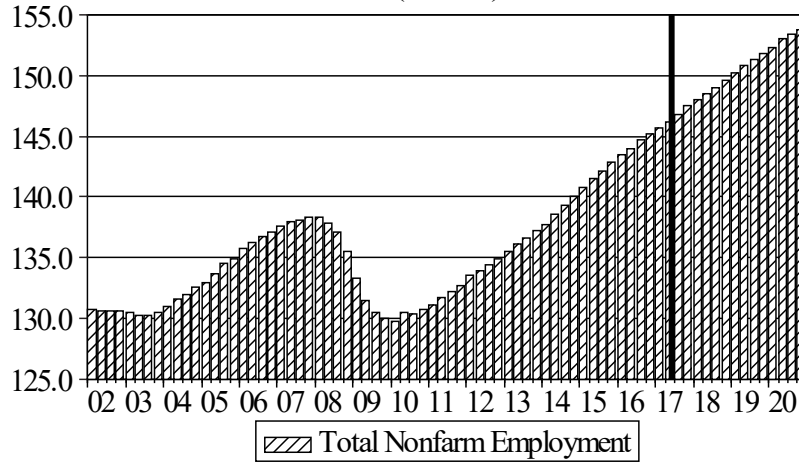
Money Supply (Annual Growth Rate %)



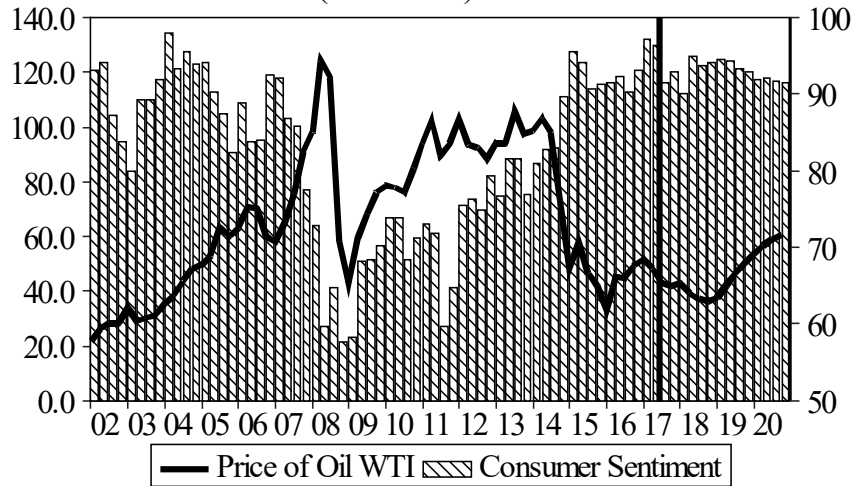
Civilian Unemployment Rate (%)



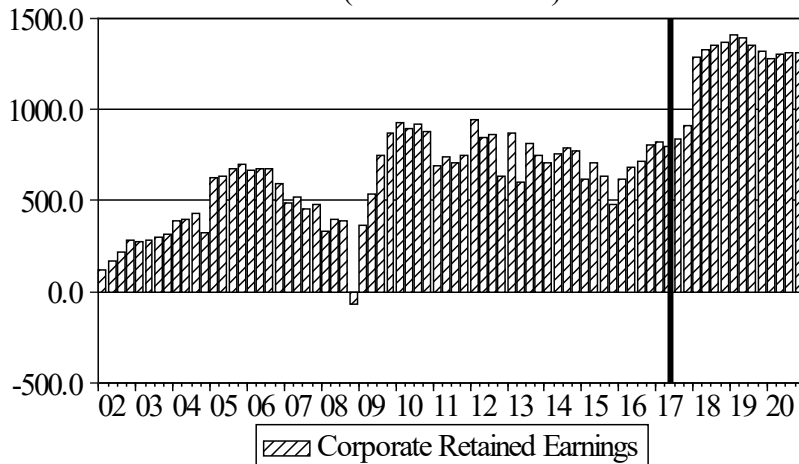
Total Nonfarm Payroll Employment (Millions)



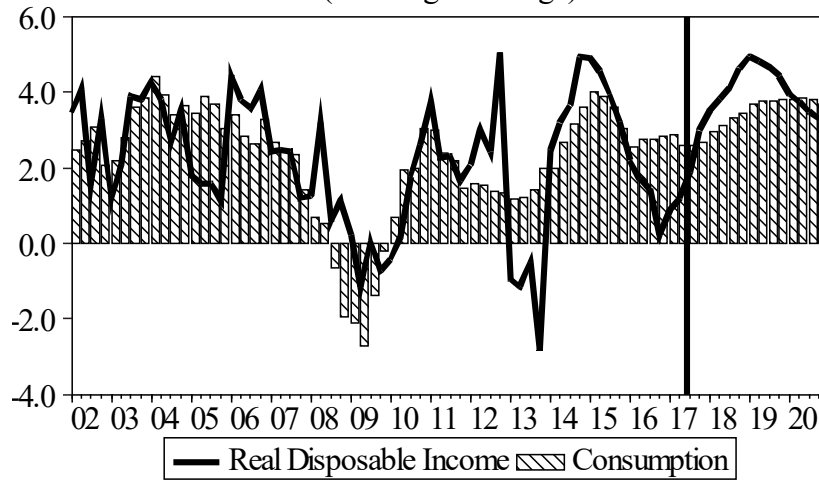
Oil and Consumer Confidence Oil (\$ Per Barrel) - Left Axis



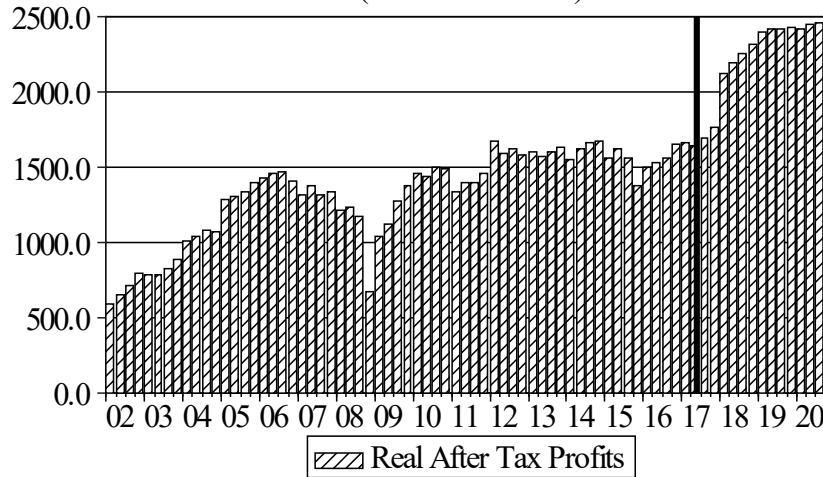
Corporate Retained Earnings (Billions of Dollars)



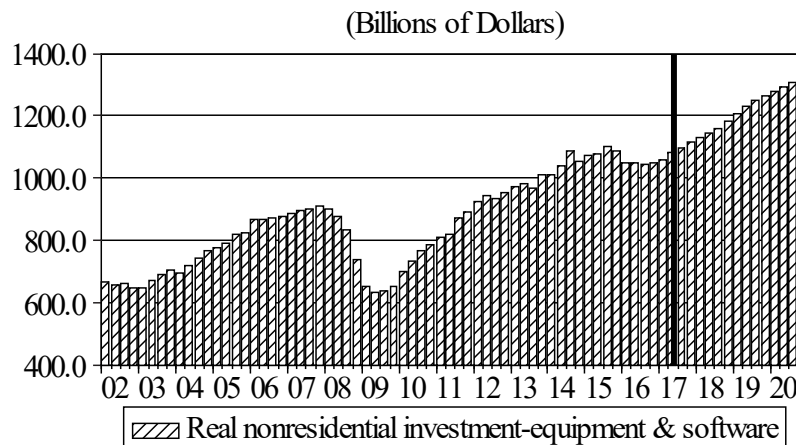
Real Disposable Income and Consumption (% Change Year Ago)



Real After Tax Profits (Billions of Dollars)



Real Investment Equipment & Software



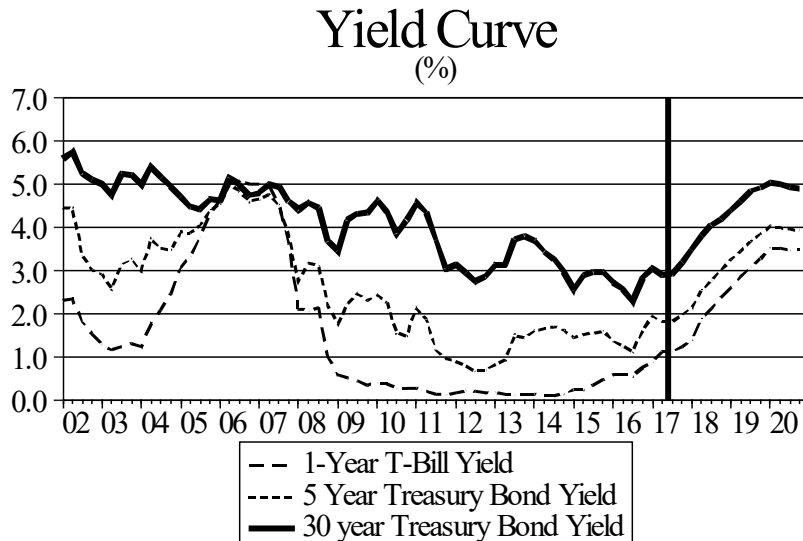
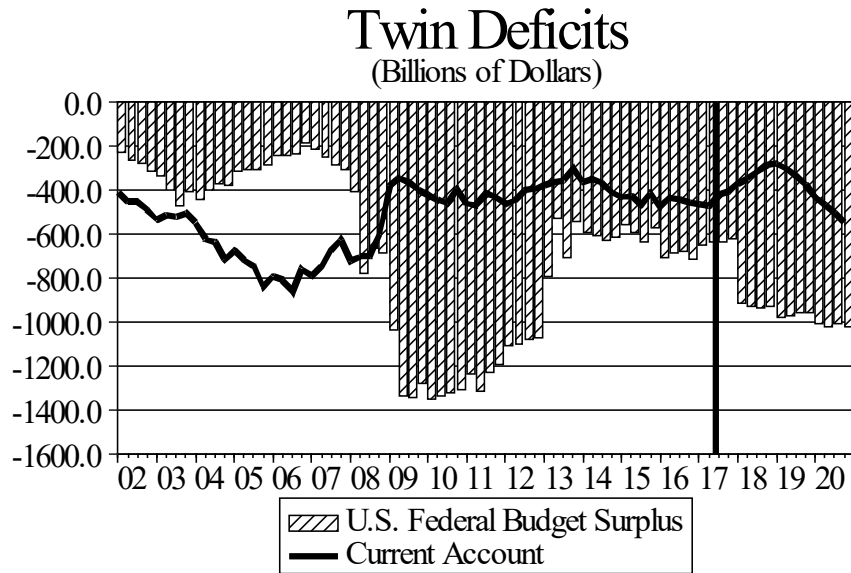
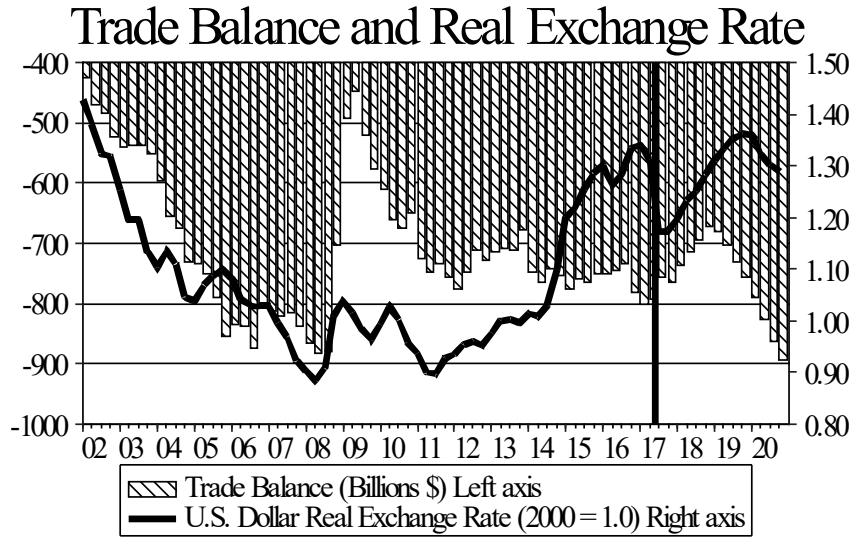


Table 1. Summary of the Long-Term Forecast of the U.S.

	2010	2011	2012	2013	2014	2015	2016	2017	Forecast		2020
									2018	2019	
Composition of Real GDP, Percent Change											
Gross Domestic Product	2.5	1.6	2.2	1.7	2.6	2.9	1.5	2.3	3.4	3.1	2.7
Final Sales of Domestic Product	1.1	1.7	2.1	1.5	2.7	2.6	1.9	2.5	3.2	2.9	2.8
Total Consumption	1.9	2.3	1.5	1.5	2.9	3.6	2.7	2.7	3.2	3.8	3.8
Durables	6.1	6.1	7.4	6.2	6.9	7.8	5.5	5.3	5.1	7.7	8.4
Nondurables	2.2	1.8	0.6	1.7	2.5	3.1	2.8	2.3	3.1	3.4	3.3
Services	1.2	1.8	0.8	0.6	2.4	3.2	2.3	2.4	3.0	3.3	3.2
Nonresidential Fixed Investment	2.6	7.6	9.1	3.5	6.9	2.4	-0.6	4.4	4.7	5.5	4.4
Equipment & Software	15.9	13.6	10.9	4.6	6.7	3.6	-3.4	3.9	6.1	7.1	5.0
Information Processing Equipment	10.0	1.6	6.0	4.9	3.7	4.3	1.8	6.3	3.3	6.8	6.0
Computers & Peripherals	11.2	-1.8	7.0	0.1	2.1	-3.5	-3.5	5.4	-4.0	3.5	4.5
Communications Equipment	13.6	2.0	4.9	10.5	8.7	15.5	5.3	11.1	4.4	3.4	4.4
Industrial Equipment	-0.2	21.0	9.4	-1.5	4.3	1.2	2.3	7.4	5.6	9.4	6.4
Transportation Equipment	80.2	37.6	23.5	12.8	13.3	12.3	-6.1	1.4	11.1	7.6	3.0
Aircraft	26.9	28.4	7.5	8.5	13.8	6.3	-24.8	14.0	25.8	23.3	8.7
Other Equipment	17.4	33.0	21.8	5.8	16.1	10.4	-22.4	-4.8	7.1	7.3	1.6
Structures	-15.7	2.3	13.3	1.4	10.6	-1.8	-3.9	6.5	1.8	3.2	4.0
Commercial & Health Care	-24.1	-0.3	8.6	3.5	12.9	10.7	14.6	6.6	7.1	6.3	8.1
Manufacturing	-27.7	-1.6	15.7	4.1	12.9	35.7	-6.4	-9.8	2.0	22.7	-8.0
Power & Communication	-15.9	-7.6	21.4	-4.3	17.3	-2.0	4.9	-3.6	-3.6	-2.9	-1.3
Mining & Petroleum	21.7	26.4	12.7	1.8	6.5	-27.9	-42.0	58.0	-2.7	-9.3	13.7
Other	-26.3	-9.1	9.5	4.3	7.1	10.6	7.4	-0.2	4.7	3.8	3.4
Residential Fixed Investment	-2.4	0.7	13.5	12.0	3.5	10.2	5.6	2.9	10.8	4.2	5.0
Exports	11.9	6.9	3.4	3.5	4.3	0.4	-0.3	4.4	7.2	4.0	3.3
Imports	12.8	5.6	2.2	1.1	4.5	5.0	1.3	4.0	7.5	8.6	7.6
Federal Government	4.4	-2.7	-1.9	-5.8	-2.4	-0.1	0.0	0.1	0.8	0.3	0.2
State & Local Government	-2.7	-3.3	-1.9	-0.8	0.5	2.3	1.2	0.1	0.8	1.9	1.4
Billions of Dollars											
Real GDP	14783.8	15020.6	15354.6	15612.2	16013.3	16471.5	16716.2	17095.6	17682.0	18228.2	18728.1
Nominal GDP	14964.4	15517.9	16155.3	16691.5	17427.6	18120.7	18624.5	19379.4	20551.6	21728.5	22854.5
Prices & Wages, Percent Change, Annual Rate											
GDP Deflator	1.2	2.1	1.8	1.6	1.8	1.1	1.3	1.7	2.5	2.6	2.4
Consumer Prices	1.6	3.1	2.1	1.5	1.6	0.1	1.3	2.0	2.8	2.9	3.0
Excl. Food & Energy	1.0	1.7	2.1	1.8	1.7	1.8	2.2	1.9	2.4	2.7	2.6
Producer Prices, Finished Goods	4.2	6.0	1.9	1.2	1.9	-3.3	-1.0	2.5	1.4	1.7	2.7
Employment Cost Index - Total Comp.	1.9	2.2	1.9	1.9	2.1	2.1	2.1	2.6	3.0	3.4	3.5
Other Measures											
Oil - WTI (\$ per barrel)	79.4	95.1	94.2	97.9	93.3	48.7	43.2	46.3	38.9	44.0	57.4
Productivity (% change)	3.3	0.1	0.9	0.3	1.0	1.2	0.0	1.3	2.5	1.9	1.7
Industrial Production (% change)	5.6	3.1	3.0	2.0	3.1	-0.7	-1.2	2.0	3.7	3.3	2.0
Factory Operating Rate	70.7	73.7	74.8	74.7	75.4	75.5	75.1	75.6	77.2	78.4	77.7
Nonfarm Inven. Chg. (Bil. of 2009 \$)	65.9	36.6	72.7	73.0	74.0	102.8	34.5	1.8	49.2	78.8	63.2
Consumer Sentiment Index	71.8	67.4	76.5	79.2	84.1	92.9	91.8	94.5	93.2	93.8	91.8
Light Vehicle Sales (Million units)	11.555	12.743	14.435	15.529	16.452	17.4	17.5	17.1	17.4	17.7	18.3
Housing Starts (Million units)	0.586	0.612	0.784	0.928	1.001	1.1	1.2	1.2	1.5	1.5	1.6
Existing House Sales (Million units)	3.705	3.792	4.125	4.475	4.333	4.6	4.8	5.0	5.3	5.2	5.3
Unemployment Rate (%)	9.6	8.9	8.1	7.4	6.2	5.3	4.9	4.4	4.2	4.1	4.1
Payroll Employment (% change)	-0.7	1.2	1.7	1.6	1.9	2.1	1.8	1.6	1.5	1.5	1.4
Federal Surplus (Unified, FY, bil. \$)	-1294	-1297	-1089	-680	-484	-439	-586	-693	-655	-849	-893
Current Account Balance (Bil. \$)	-431	-445	-426	-350	-374	-435	-452	-443	-330	-323	-489
Financial Markets, NSA											
Federal Funds Rate (%)	0.18	0.10	0.14	0.11	0.09	0.1	0.4	1.0	1.6	2.6	3.3
3-Month Treasury Bill Rate (%)	0.14	0.05	0.09	0.06	0.03	0.1	0.3	0.9	1.6	2.5	3.1
1-Year Treasury Note Yield (%)	0.32	0.18	0.18	0.13	0.12	0.3	0.6	1.1	1.9	2.9	3.5
5-Year Treasury Note Yield (%)	1.93	1.52	0.76	1.17	1.64	1.5	1.3	1.9	2.6	3.6	4.0
10-Year Treasury Note Yield (%)	3.21	2.79	1.80	2.35	2.54	2.1	1.8	2.4	3.3	4.2	4.5
30-Year Treasury Note Yield (%)	4.25	3.91	2.92	3.45	3.34	2.8	2.6	3.0	3.9	4.7	5.0
30-Year Fixed Mortgage Rate (%)	4.69	4.46	3.66	3.98	4.17	3.9	3.6	4.0	5.0	6.2	6.5
S&P 500 Stock Index	1139	1269	1380	1643	1931	2061	2092	2465	2641	2749	2892
(% change)	21.6	11.5	8.9	19.0	17.7	6.9	1.6	17.8	7.3	4.1	5.2
Exchange Rate, Major Trading Partners	0.970	0.913	0.947	0.977	1.009	1.2	1.2	1.1	1.1	1.2	1.2
(% change (negative = depreciation))	-2.8	-5.8	3.8	3.2	3.3	16.1	0.8	-3.2	-1.5	7.0	0.5
Incomes											
Personal Income (Bil. of \$)	12477	13255	13915	14074	14818	15553	15929	16465	17324	18487	19628
(% change)	3.2	6.2	5.0	1.2	5.3	5.0	2.4	3.4	5.2	6.7	6.2
Disposable Income (Bil. of \$)	11238	11801	12404	12396	13033	13615	13969	14436	15231	16217	17162
(% change)	2.7	5.0	5.1	0.0	5.1	4.5	2.6	3.3	5.5	6.5	5.8
Real Disposable Income (Bil. Of 2009 \$)	11055	11331	11688	11528	11939	12436	12609	12829	13346	13975	14482
(% change)	1.0	2.5	3.1	-1.4	3.6	4.2	1.4	1.7	4.0	4.7	3.6
Saving Rate (%)	5.6	6.1	7.6	5.0	5.7	6.1	4.9	3.9	4.7	5.6	5.5
After-Tax Profits (Billions of \$)	1470	1428	1683	1688	1744	1651	1688	1853	2464	2712	2800
(% change)	23.4	-2.9	18.1	0.3	3.3	-5.1	2.8	9.8	33.0	10.1	3.3

Table 2. Real Gross Domestic Product

	<i>History</i>							<i>Forecast</i>			
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Real GDP Billions 2009 \$											
Gross Domestic Product	14783.8	15020.6	15354.6	15612.2	16013.3	16471.5	16716.2	17095.6	17682.0	18228.2	18728.1
Final Sales of Domestic Product	14722.2	14979.0	15292.3	15521.1	15932.9	16354.3	16664.1	17075.0	17613.3	18129.7	18644.2
Total Consumption	10036.3	10263.5	10413.2	10565.4	10868.4	11264.3	11572.1	11882.9	12265.4	12727.7	13210.0
Durables	1085.7	1151.5	1236.2	1312.7	1403.1	1511.8	1595.1	1679.8	1765.0	1901.8	2060.6
Nondurables	2223.5	2263.2	2277.5	2316.1	2373.0	2446.8	2514.3	2571.5	2651.5	2741.4	2831.7
Services	6727.6	6851.4	6908.1	6951.3	7115.5	7340.1	7507.3	7686.9	7914.5	8173.1	8437.2
Nonresidential Fixed Investment	1673.8	1802.3	1964.2	2032.9	2172.7	2223.5	2210.4	2308.0	2417.5	2549.3	2662.0
Equipment & Software	746.7	847.9	939.2	982.3	1047.4	1084.5	1047.8	1088.8	1155.4	1237.5	1298.8
Information Processing Equipment	281.4	285.9	303.1	317.7	329.6	343.9	350.2	372.2	384.5	410.6	435.4
Computers & Peripherals	84.7	83.0	88.5	88.5	90.3	87.1	84.0	88.5	84.8	87.8	91.7
Communications Equipment	90.2	91.8	96.3	106.2	115.3	133.2	140.2	155.7	162.6	168.1	175.4
Industrial Equipment	151.3	183.3	199.8	196.7	205.0	207.3	212.1	227.8	240.5	263.0	279.7
Transportation Equipment	127.5	173.9	213.1	240.6	272.3	305.6	286.7	290.5	322.7	347.2	357.7
Aircraft	22.1	27.9	29.2	31.7	35.1	37.2	27.9	31.6	39.7	48.9	53.1
Other Equipment	36.2	48.1	58.1	61.3	71.1	77.8	60.3	57.2	61.3	65.7	66.8
Structures	366.3	374.7	423.1	428.8	474.0	465.4	446.4	475.2	483.8	499.4	519.1
Commercial & Health	95.2	94.7	102.8	106.4	120.2	132.9	152.3	162.0	173.5	184.3	199.2
Manufacturing	40.8	39.1	44.9	46.7	52.8	70.7	66.2	59.7	60.6	74.0	68.1
Power & Communication	80.4	74.1	89.7	85.7	98.5	95.2	99.5	95.8	92.4	89.7	88.5
Mining & Petroleum	87.8	110.9	123.8	126.0	134.2	95.9	54.5	84.7	81.3	73.6	83.7
Other	62.0	56.2	61.5	64.1	68.7	75.9	81.5	81.3	85.1	88.3	91.4
Residential Fixed Investment	382.4	384.5	436.5	488.3	505.2	556.9	587.5	604.6	670.0	697.6	732.3
Exports	1776.6	1898.3	1963.2	2031.5	2118.4	2127.1	2120.1	2213.9	2372.3	2467.4	2547.8
Imports	2235.4	2357.7	2410.2	2436.4	2546.1	2672.4	2706.3	2815.8	3026.1	3286.0	3536.3
Federal Government	1270.7	1236.4	1213.5	1142.8	1115.0	1114.1	1114.6	1115.3	1124.2	1127.1	1129.8
State & Local Government	1820.8	1761.0	1728.1	1714.1	1723.0	1762.8	1783.7	1786.3	1800.7	1835.4	1861.3

Table 4. Quarterly Gross Domestic Product

	2017Q1	2017Q2	2017Q3	2017Q4	2018Q1	2018Q2	2018Q3	2018Q4	2019Q1	2019Q2	2019Q3	2019Q4	2020Q1	2020Q2	2020Q3	2020Q4
Real GDP Billions 2009 \$																
Gross Domestic Product	16903.2	17010.7	17165.2	17303.2	17454.1	17604.1	17756.0	17913.7	18056.6	18171.0	18282.0	18403.2	18524.0	18668.5	18796.9	18923.1
Final Sales of Domestic Product	16883.5	16992.1	17145.1	17279.1	17410.6	17540.7	17677.5	17824.4	17954.6	18069.0	18183.7	18311.4	18440.8	18586.8	18712.2	18837.2
Total Consumption	11758.0	11839.7	11920.6	12013.4	12106.4	12208.5	12317.4	12429.3	12553.3	12668.8	12783.8	12904.9	13032.3	13157.2	13270.7	13380.0
Durables	1647.3	1672.7	1689.2	1710.1	1723.2	1746.6	1778.1	1812.4	1849.2	1882.8	1916.5	1958.6	2005.8	2045.8	2079.7	2111.3
Nondurables	2540.2	2564.3	2581.4	2600.3	2620.6	2641.3	2661.4	2682.5	2705.7	2730.2	2753.1	2776.7	2799.6	2822.1	2843.6	2861.6
Services	7621.0	7657.7	7706.7	7762.1	7822.1	7883.0	7945.3	8007.4	8077.5	8140.9	8205.1	8269.0	8336.1	8406.2	8470.7	8535.9
Nonresidential Fixed Investment	2263.6	2292.4	2323.9	2352.3	2373.4	2401.3	2429.5	2465.7	2503.6	2535.9	2564.8	2593.0	2622.2	2649.3	2675.2	2701.2
Equipment & Software	1059.4	1080.4	1098.5	1116.9	1131.0	1145.7	1160.7	1184.1	1208.3	1231.1	1247.8	1262.7	1277.7	1293.1	1306.3	1317.9
Information Processing Equipment	362.9	373.6	375.7	376.8	377.4	380.4	386.6	393.7	400.8	407.3	413.8	420.5	426.7	433.1	438.4	443.3
Computers & Peripherals	84.3	93.6	89.4	86.7	84.9	83.6	85.0	85.9	86.1	87.2	88.3	89.4	90.4	91.7	92.1	92.7
Communications Equipment	152.2	154.0	157.5	159.0	160.4	162.0	163.2	164.6	166.0	167.2	168.7	170.6	172.7	174.6	176.5	178.0
Industrial Equipment	219.9	225.9	231.8	233.7	235.3	237.7	241.9	246.9	253.6	260.4	266.7	271.2	275.6	279.4	281.3	282.4
Transportation Equipment	282.6	282.3	291.6	305.6	314.5	320.9	323.2	332.2	340.4	347.9	349.6	350.9	352.7	355.6	359.6	363.0
Aircraft	30.0	29.8	32.2	34.2	36.2	38.5	40.8	43.4	46.1	48.8	49.8	50.8	51.7	52.7	53.6	54.4
Other Equipment	56.0	58.6	57.3	57.1	60.6	61.0	59.6	64.0	65.1	65.7	65.9	66.2	66.3	66.7	67.0	67.1
Structures	468.0	473.6	479.6	479.6	477.9	481.7	485.8	489.8	494.6	495.9	500.7	506.2	512.3	516.5	520.8	526.7
Commercial & Health	162.0	159.7	161.4	164.9	167.4	172.2	175.5	178.8	180.2	181.9	185.7	189.5	193.1	196.7	200.8	206.1
Manufacturing	62.8	61.1	57.1	57.6	56.9	56.7	61.9	67.1	73.6	75.1	74.4	72.9	72.1	69.3	66.6	64.5
Power & Communication	97.4	94.3	96.5	95.1	93.1	93.0	91.9	91.4	90.1	89.5	89.5	89.7	89.4	89.1	88.3	87.3
Mining & Petroleum	71.5	86.8	91.6	88.9	85.8	83.9	79.8	75.9	73.5	72.3	73.2	75.4	78.3	81.5	85.4	89.6
Other	82.7	80.0	81.0	81.5	83.3	84.7	86.0	86.5	87.5	87.6	88.6	89.6	90.6	91.4	91.7	91.8
Residential Fixed Investment	605.5	594.9	598.6	619.6	641.9	664.7	684.7	688.6	688.8	691.5	701.0	709.1	716.4	725.9	738.8	748.2
Exports	2162.3	2183.9	2234.0	2275.2	2317.8	2356.4	2391.5	2423.5	2443.0	2459.8	2474.7	2491.9	2508.6	2532.9	2560.9	2588.7
Imports	2784.5	2798.8	2809.0	2870.8	2927.0	2997.4	3063.7	3116.5	3183.2	3253.9	3322.9	3383.9	3446.8	3505.8	3568.3	3624.5
Federal Government	1108.4	1114.6	1116.8	1121.5	1121.6	1123.7	1125.2	1126.4	1127.2	1127.7	1126.3	1127.4	1126.6	1135.1	1130.0	1127.4
State & Local Government	1786.2	1785.1	1784.5	1789.4	1794.5	1796.2	1799.8	1812.4	1822.0	1832.0	1840.5	1847.1	1853.0	1858.1	1863.9	1869.9

Table 5. Annual Employment

	<i>History</i>							<i>Forecast</i>			
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Millions											
Total Nonfarm Employment	130.35	131.94	134.17	136.38	138.94	141.81	144.31	146.56	148.83	151.05	153.12
Private Nonfarm	107.86	109.85	112.25	114.53	117.06	119.79	122.08	124.21	126.38	128.43	130.18
Mining	0.65	0.74	0.80	0.81	0.84	0.76	0.63	0.66	0.68	0.68	0.69
Construction	5.52	5.53	5.65	5.86	6.15	6.46	6.71	6.90	7.14	7.57	7.92
Manufacturing	11.53	11.73	11.93	12.02	12.19	12.34	12.35	12.47	12.62	12.80	12.98
Trade, Transportation and Utilities	24.64	25.07	25.47	25.86	26.38	26.88	27.24	27.39	27.41	27.51	27.62
Transportation & Warehousing	4.19	4.30	4.42	4.50	4.66	4.87	4.99	5.07	5.15	5.22	5.27
Financial Activities	7.70	7.70	7.78	7.89	7.98	8.12	8.28	8.45	8.62	8.68	8.79
Education & Health	19.97	20.32	20.77	21.09	21.44	22.02	22.62	23.12	23.38	23.47	23.71
Professional & Business Services	16.72	17.33	17.93	18.52	19.06	19.63	20.13	20.74	21.90	23.10	23.65
Information	2.71	2.67	2.67	2.71	2.73	2.75	2.77	2.73	2.67	2.68	2.73
Leisure & Hospitality	13.04	13.35	13.77	14.26	14.69	15.15	15.61	15.94	16.13	16.13	16.30
Government	22.49	22.09	21.92	21.85	21.88	22.02	22.23	22.35	22.45	22.62	22.94
Federal	2.98	2.86	2.82	2.77	2.73	2.76	2.80	2.81	2.76	2.71	2.81
State & Local	19.51	19.23	19.10	19.08	19.14	19.27	19.43	19.54	19.70	19.91	20.13
Growth Rates											
Total Nonfarm Employment	-0.71	1.22	1.69	1.65	1.87	2.07	1.76	1.56	1.55	1.49	1.37
Private Nonfarm	-0.80	1.84	2.19	2.03	2.21	2.33	1.91	1.75	1.75	1.63	1.36
Mining	11.68	13.57	2.08	2.94	3.82	-16.66	-12.25	10.56	0.50	-0.06	2.50
Construction	-3.35	1.93	1.74	4.31	5.58	5.00	2.78	2.79	4.72	6.04	3.97
Manufacturing	0.65	1.76	1.47	0.96	1.67	0.65	-0.17	1.90	0.59	2.12	0.68
Trade, Transportation and Utilities	0.76	1.97	1.46	1.86	2.06	1.52	1.24	0.36	-0.12	0.40	0.53
Transportation & Warehousing	2.14	2.33	2.61	1.91	4.67	3.91	1.96	1.10	1.89	1.03	1.09
Financial Activities	-0.90	0.47	1.29	1.22	1.48	1.83	2.07	2.21	1.43	0.80	1.30
Education & Health	1.71	1.92	1.97	1.38	2.08	2.97	2.51	2.10	0.43	0.65	1.15
Professional & Business Services	2.96	3.56	3.27	3.21	3.09	2.87	2.76	3.13	6.76	4.06	2.15
Information	-2.35	-0.41	-0.13	1.96	0.33	1.03	0.30	-2.08	-1.15	0.54	1.87
Leisure & Hospitality	1.26	2.80	3.11	3.63	2.97	3.46	2.31	2.26	0.36	0.05	1.55
Government	-0.94	-1.38	-0.38	-0.26	0.45	0.67	1.00	0.44	0.39	0.95	0.93
Federal	4.80	-0.85	-1.04	-2.53	-0.05	0.96	1.79	-0.57	-2.53	-1.10	4.35
State & Local	-1.31	-1.46	-0.28	0.07	0.53	0.63	0.89	0.58	0.81	1.23	1.05

Table 6. Quarterly Employment

	2017Q1	2017Q2	2017Q3	2017Q4	2018Q1	2018Q2	2018Q3	2018Q4	2019Q1	2019Q2	2019Q3	2019Q4	2020Q1	2020Q2	2020Q3	2020Q4
Employment (Millions)																
Total Nonfarm Employment	145.7	146.2	146.8	147.5	148.1	148.6	149.1	149.6	150.3	150.8	151.3	151.8	152.3	153.1	153.4	153.7
Private Nonfarm	123.4	123.9	124.4	125.1	125.6	126.1	126.6	127.1	127.8	128.2	128.6	129.1	129.5	129.9	130.4	130.8
Mining	0.6	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7
Construction	6.9	6.9	6.9	7.0	7.0	7.1	7.2	7.3	7.4	7.5	7.6	7.7	7.8	7.9	8.0	8.0
Manufacturing	12.4	12.4	12.5	12.6	12.6	12.6	12.6	12.6	12.7	12.8	12.8	12.9	13.0	13.0	13.0	13.0
Trade, Transportation and Utilities	27.4	27.4	27.4	27.4	27.4	27.4	27.4	27.4	27.5	27.5	27.5	27.5	27.6	27.6	27.6	27.7
Transportation & Warehousing	5.0	5.1	5.1	5.1	5.1	5.1	5.2	5.2	5.2	5.2	5.2	5.2	5.3	5.3	5.3	5.3
Financial Activities	8.4	8.4	8.5	8.5	8.6	8.6	8.6	8.7	8.6	8.7	8.7	8.7	8.7	8.8	8.8	8.8
Education & Health	22.9	23.1	23.2	23.3	23.3	23.4	23.4	23.4	23.4	23.4	23.5	23.6	23.6	23.7	23.7	23.8
Professional & Business Services	20.5	20.7	20.8	21.0	21.3	21.7	22.1	22.4	22.8	23.0	23.2	23.3	23.4	23.6	23.7	23.8
Information	2.7	2.7	2.7	2.7	2.7	2.7	2.7	2.7	2.7	2.7	2.7	2.7	2.7	2.7	2.7	2.7
Leisure & Hospitality	15.8	15.9	16.0	16.1	16.1	16.1	16.1	16.1	16.1	16.1	16.1	16.1	16.2	16.3	16.3	16.4
Government	22.3	22.3	22.4	22.4	22.4	22.4	22.4	22.5	22.5	22.6	22.6	22.7	22.8	23.1	23.0	22.9
Federal	2.8	2.8	2.8	2.8	2.8	2.8	2.7	2.7	2.7	2.7	2.7	2.7	2.7	3.0	2.8	2.7
State & Local	19.5	19.5	19.6	19.6	19.6	19.7	19.7	19.8	19.8	19.9	19.9	20.0	20.1	20.1	20.2	20.2
Growth Rates																
Total Nonfarm Employment	1.50	1.35	1.64	1.96	1.48	1.34	1.31	1.56	1.75	1.46	1.22	1.30	1.29	2.10	0.82	0.91
Private Nonfarm	1.73	1.54	1.85	2.20	1.62	1.57	1.52	1.71	1.93	1.51	1.26	1.38	1.35	1.26	1.46	1.33
Mining	12.13	15.08	4.62	8.62	1.15	1.04	0.11	-0.30	-1.08	-0.89	0.40	1.33	1.94	2.26	2.93	2.76
Construction	5.16	1.61	1.60	2.65	3.43	4.03	4.86	6.20	6.94	5.88	5.65	5.17	4.33	3.80	3.74	3.78
Manufacturing	1.37	0.89	4.25	1.00	1.42	0.93	-0.78	0.78	2.18	1.95	2.01	2.25	1.59	0.46	0.56	0.10
Trade, Transportation and Utilities	0.46	-0.19	0.06	1.12	-0.22	-0.38	-0.28	0.38	0.99	0.35	0.17	0.11	0.60	0.41	0.61	0.49
Transportation & Warehousing	0.77	1.87	0.79	0.96	2.44	2.24	1.36	1.53	1.23	1.20	0.87	0.81	1.07	0.91	1.32	1.08
Financial Activities	2.58	1.50	1.48	3.28	2.77	1.34	1.10	0.53	-0.10	0.69	1.22	1.38	1.23	1.05	1.45	1.46
Education & Health	1.97	2.06	2.30	2.06	0.68	0.41	0.48	0.14	-0.04	0.74	0.74	1.19	0.91	0.95	1.31	1.41
Professional & Business Services	2.80	2.76	2.44	4.51	6.40	7.52	6.65	6.48	6.80	4.28	2.84	2.34	1.74	2.26	2.48	2.12
Information	-3.23	-3.02	-0.81	-1.24	-6.72	-1.33	2.14	1.32	-0.34	0.02	0.75	1.72	1.98	1.62	2.02	1.84
Leisure & Hospitality	1.50	2.91	2.56	2.08	0.91	-0.06	0.46	0.13	-0.12	-0.04	-0.29	0.65	1.51	1.54	1.64	1.52
Government	0.26	0.31	0.52	0.66	0.71	0.06	0.11	0.68	0.75	1.17	0.98	0.90	0.95	7.06	-2.79	-1.49
Federal	-0.09	-0.85	-0.79	-0.55	-1.17	-3.31	-3.48	-2.17	-1.09	-1.10	-1.10	-1.10	-0.10	61.74	-25.64	-18.61
State & Local	0.31	0.48	0.71	0.83	0.99	0.55	0.62	1.09	1.01	1.49	1.26	1.17	1.09	0.94	1.08	1.11

Table 7. Quarterly Implicit Price Deflators (2009=100)

	2017Q1	2017Q2	2017Q3	2017Q4	2018Q1	2018Q2	2018Q3	2018Q4	2019Q1	2019Q2	2019Q3	2019Q4	2020Q1	2020Q2	2020Q3	2020Q4
GDP	112.8	113.0	113.5	114.2	115.0	115.9	116.6	117.4	118.1	118.8	119.6	120.3	121.0	121.7	122.4	123.0
Consumption	112.2	112.3	112.6	113.1	113.5	113.9	114.3	114.7	115.2	115.7	116.3	116.9	117.5	118.2	118.8	119.5
Durables	87.6	86.8	86.6	86.4	86.2	85.9	85.6	85.2	84.8	84.4	84.0	83.6	83.3	83.0	82.8	82.6
Motor Vehicles	109.4	108.7	108.8	109.4	109.9	110.3	110.6	110.7	110.9	111.0	111.1	111.3	111.5	111.8	112.0	112.3
Furniture	83.7	82.6	81.9	81.9	81.8	81.7	81.5	81.3	81.0	80.7	80.4	80.1	79.8	79.5	79.3	79.1
Other Durables	101.8	101.5	101.1	101.4	101.5	101.6	101.6	101.7	101.7	101.6	101.6	101.7	101.8	102.1	102.3	102.6
Nondurables	109.7	108.7	108.1	108.4	108.7	108.6	108.6	108.8	109.2	109.9	110.7	111.4	112.2	113.0	113.7	114.4
Food	109.3	109.9	109.9	110.4	110.7	110.9	111.2	111.5	111.9	112.3	112.8	113.3	113.9	114.5	115.1	115.7
Clothing & Shoes	104.8	103.2	103.3	103.2	103.2	103.1	102.9	102.7	102.5	102.3	102.1	102.1	102.1	102.1	102.2	102.3
Gasoline & Oil	109.4	100.0	93.3	93.0	93.0	89.7	87.6	86.7	88.1	92.4	96.2	99.6	103.0	106.5	109.1	111.0
Fuel	100.7	97.0	92.8	92.9	94.9	93.2	91.9	91.6	93.3	97.5	101.3	104.6	107.9	111.2	113.8	115.8
Services	117.6	118.2	119.0	119.6	120.3	121.0	121.7	122.3	123.0	123.7	124.5	125.2	126.0	126.8	127.7	128.5
Housing	118.5	119.3	120.2	121.1	121.8	122.6	123.3	124.0	124.7	125.4	126.1	126.8	127.6	128.4	129.2	130.1
Electricity	108.6	109.5	109.6	110.2	110.9	112.3	113.7	114.8	115.3	115.6	116.2	116.9	117.6	118.1	118.8	119.9
Natural Gas	88.0	91.1	91.6	89.3	91.5	91.7	89.4	88.1	86.0	84.8	85.5	84.7	83.8	84.0	85.1	85.1
Water & Sewer	141.9	143.1	144.3	145.6	146.9	148.3	149.7	151.1	152.6	154.1	155.6	157.1	158.6	160.2	161.7	163.3
Telephone	90.0	85.2	84.4	84.1	84.3	84.1	84.1	84.0	84.0	84.0	84.1	84.2	84.2	84.4	84.6	84.7
Transportation	112.4	112.9	113.6	114.4	115.1	115.7	116.4	117.1	117.8	118.5	119.3	120.1	120.8	121.6	122.4	123.1
Other Services	119.2	119.9	120.9	121.5	122.5	123.3	124.1	124.8	125.7	126.6	127.6	128.6	129.6	130.6	131.6	132.6

Table 8. Percent Change in Implicit Price Deflators

	2017Q1	2017Q2	2017Q3	2017Q4	2018Q1	2018Q2	2018Q3	2018Q4	2019Q1	2019Q2	2019Q3	2019Q4	2020Q1	2020Q2	2020Q3	2020Q4
GDP	2.0	1.0	1.5	2.5	3.1	2.9	2.7	2.5	2.6	2.5	2.5	2.4	2.5	2.2	2.3	2.3
Consumption	2.2	0.3	1.1	1.8	1.7	1.3	1.4	1.5	1.6	1.9	2.0	2.1	2.1	2.2	2.2	2.2
Durables	1.0	-3.4	-1.1	-0.8	-1.0	-1.3	-1.5	-1.7	-2.0	-2.0	-1.9	-1.7	-1.6	-1.3	-1.2	-1.1
Motor Vehicles	1.3	-2.6	0.5	2.1	1.9	1.3	1.1	0.6	0.4	0.5	0.6	0.7	0.7	0.9	0.9	1.0
Furniture	1.3	-5.1	-3.2	-0.2	-0.3	-0.5	-0.9	-1.1	-1.5	-1.5	-1.5	-1.5	-1.4	-1.3	-1.1	-1.0
Other Durables	3.6	-0.9	-1.8	1.2	0.6	0.3	0.1	0.1	0.0	-0.3	-0.1	0.3	0.7	1.0	1.0	1.1
Nondurables	3.6	-3.6	-2.5	1.2	1.0	-0.3	0.0	0.6	1.6	2.7	2.7	2.7	2.8	3.0	2.7	2.4
Food	0.3	2.0	0.1	1.7	1.1	0.9	0.9	1.1	1.5	1.5	1.7	1.8	2.0	2.1	2.2	2.1
Clothing & Shoes	4.7	-5.7	0.1	-0.2	-0.1	-0.4	-0.8	-0.6	-0.8	-0.8	-0.6	-0.3	0.0	0.3	0.2	0.2
Gasoline & Oil	25.0	-30.2	-24.4	-1.0	-0.3	-13.1	-9.1	-4.2	6.7	20.7	17.5	15.0	14.5	14.1	10.3	7.1
Fuel	28.3	-13.6	-16.5	0.8	8.9	-7.2	-5.4	-1.3	7.7	19.2	16.6	14.0	13.2	12.7	9.7	7.2
Services	2.0	2.1	2.6	2.3	2.3	2.3	2.2	2.2	2.2	2.3	2.5	2.5	2.5	2.6	2.6	2.6
Housing	3.2	2.9	3.1	2.8	2.5	2.4	2.3	2.3	2.3	2.3	2.3	2.5	2.5	2.5	2.5	2.6
Electricity	1.9	3.2	0.5	1.9	2.8	4.9	5.3	3.7	2.0	1.1	1.8	2.6	2.3	1.8	2.5	3.5
Natural Gas	9.7	14.6	2.2	-9.5	10.1	0.8	-9.4	-5.7	-9.5	-5.2	3.5	-3.8	-4.2	0.7	5.3	0.2
Water & Sewer	4.6	3.2	3.5	3.6	3.6	3.8	3.8	3.8	4.0	4.1	3.9	3.9	3.9	4.0	4.0	4.0
Telephone	-9.9	-19.8	-3.7	-1.4	1.3	-1.0	-0.1	-0.4	-0.2	0.1	0.4	0.3	0.4	0.5	0.9	0.6
Transportation	3.3	2.0	2.5	2.6	2.4	2.2	2.4	2.4	2.5	2.6	2.6	2.6	2.5	2.5	2.5	2.5
Other Services	1.1	2.4	3.4	2.1	3.3	2.7	2.4	2.5	2.8	3.0	3.0	3.1	3.2	3.2	3.2	3.1

Table 9. Annual Implicit Price Deflators (2009=100)

	<i>History</i>							<i>Forecast</i>			
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
GDP	101.2	103.3	105.2	106.9	108.8	110.0	111.4	113.4	116.2	119.2	122.0
Consumption	101.7	104.1	106.1	107.5	109.2	109.5	110.8	112.5	114.1	116.0	118.5
Durables	98.6	97.7	96.4	94.6	92.4	90.4	88.5	86.9	85.7	84.2	82.9
Motor Vehicles	105.7	108.9	110.2	110.8	110.8	110.8	109.7	109.1	110.4	111.1	111.9
Furniture	95.8	94.2	94.0	92.1	88.8	86.8	84.5	82.5	81.6	80.5	79.4
Other Durables	100.4	103.6	104.2	104.0	102.2	99.6	100.8	101.4	101.6	101.6	102.2
Nondurables	103.1	109.2	111.8	111.9	112.7	109.0	107.8	108.7	108.6	110.3	113.3
Food	100.3	104.3	106.7	107.8	109.8	111.0	109.9	109.9	111.1	112.6	114.8
Clothing & Shoes	99.3	101.1	104.6	105.4	105.6	104.3	103.9	103.6	103.0	102.3	102.2
Gasoline & Oil	118.2	149.3	154.7	149.7	145.5	107.0	95.3	98.9	89.3	94.1	107.4
Fuel	117.0	148.8	150.7	148.9	148.2	105.3	87.7	95.8	92.9	99.2	112.2
Services	101.7	103.5	105.8	108.3	110.9	113.1	115.9	118.6	121.3	124.1	127.3
Housing	100.1	101.4	103.5	106.0	108.8	112.1	115.9	119.8	122.9	125.7	128.8
Electricity	100.2	101.8	101.8	104.0	107.9	108.5	107.3	109.5	112.9	116.0	118.6
Natural Gas	98.1	95.1	85.7	90.1	96.2	84.8	82.7	90.0	90.2	85.3	84.5
Water & Sewer	106.3	111.8	118.0	123.3	127.9	133.7	138.6	143.7	149.0	154.8	160.9
Telephone	99.3	97.5	97.7	97.1	96.3	94.1	93.7	85.9	84.2	84.1	84.5
Transportation	102.0	104.8	106.8	108.3	109.5	109.9	111.2	113.3	116.0	118.9	122.0
Other Services	103.0	105.6	108.3	111.2	113.8	115.9	118.0	120.4	123.7	127.1	131.1

Table 10. Percent Change in Implicit Price Deflators

	History							Forecast			
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
GDP	1.8	1.9	1.9	1.6	1.6	1.1	1.5	1.8	2.8	2.5	2.3
Consumption	1.3	2.7	1.8	1.2	1.2	0.4	1.6	1.3	1.5	1.9	2.2
Durables	-2.1	-0.5	-1.6	-2.1	-2.4	-1.9	-2.7	-1.1	-1.4	-1.9	-1.3
Motor Vehicles	2.9	3.3	0.7	0.4	-0.2	-0.1	-1.4	0.3	1.2	0.5	0.9
Furniture	-4.4	-0.2	-0.4	-3.0	-3.0	-2.3	-2.9	-1.8	-0.7	-1.5	-1.2
Other Durables	0.6	3.2	-0.5	-0.6	-1.9	-2.7	2.3	0.5	0.3	0.0	0.9
Nondurables	2.2	5.9	1.9	-0.5	-0.3	-3.0	0.5	-0.3	0.3	2.4	2.7
Food	1.3	5.1	1.2	0.7	2.7	0.3	-1.7	1.0	1.0	1.6	2.1
Clothing & Shoes	-1.4	4.4	2.3	0.1	-0.4	-1.3	-0.1	-0.3	-0.5	-0.6	0.2
Gasoline & Oil	13.4	20.4	4.9	-4.5	-10.3	-17.5	7.7	-7.6	-6.7	15.0	11.5
Fuel	15.7	26.2	3.1	-1.2	-7.9	-29.6	6.9	-0.3	-1.3	14.4	10.7
Services	1.5	2.1	2.3	2.3	2.3	1.9	2.7	2.3	2.3	2.4	2.6
Housing	0.3	1.9	2.2	2.4	2.7	3.2	3.6	3.0	2.4	2.3	2.5
Electricity	0.5	2.4	-0.6	3.2	3.1	-0.6	0.4	1.9	4.2	1.9	2.5
Natural Gas	-1.2	-1.6	-4.1	2.4	6.1	-12.4	6.4	4.3	-1.1	-3.8	0.5
Water & Sewer	5.7	4.9	6.0	3.8	4.4	4.1	3.5	3.7	3.8	4.0	4.0
Telephone	-1.1	-1.5	0.1	-0.5	-2.1	0.2	-2.8	-8.7	0.0	0.2	0.6
Transportation	1.5	3.1	1.3	1.7	1.0	0.1	1.2	2.6	2.4	2.6	2.5
Other Services	2.7	2.8	2.2	2.9	2.2	1.6	1.9	2.2	2.7	3.0	3.2

Table 11. Personal Income and its Components

	History							Forecast			
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Personal Income Billions Current Dollars											
Personal Income	12477.1	13254.5	13915.1	14073.7	14818.2	15553.0	15928.7	16465.3	17324.1	18487.1	19628.5
Wages & Salaries	7961.5	8269.0	8609.9	8842.5	9256.5	9708.3	9978.6	10332.8	10843.2	11433.1	12037.5
Other Labor Income	1114.6	1142.0	1165.3	1199.0	1231.7	1278.0	1309.8	1346.0	1382.1	1426.5	1482.4
Nonfarm Income	986.7	1068.1	1179.8	1197.0	1247.7	1265.1	1298.7	1354.7	1446.9	1533.9	1600.5
Farm Income	46.0	75.6	61.6	87.8	68.2	53.7	43.2	33.6	28.7	26.8	24.9
Rental Income	402.8	485.3	525.3	567.1	611.7	662.5	707.4	743.8	756.5	757.1	759.2
Dividends	544.6	682.3	835.0	794.5	941.9	1019.8	962.5	978.7	1104.5	1317.4	1473.6
Interest Income	1195.1	1231.6	1288.8	1261.6	1303.3	1367.3	1415.3	1471.4	1532.1	1705.3	1916.4
Transfer Payments	2324.7	2360.5	2366.4	2428.0	2544.4	2684.4	2768.4	2855.5	2985.0	3164.2	3346.8
Personal Social Insurance Tax	514.7	423.9	437.2	577.8	607.3	636.6	661.7	693.7	729.3	770.7	813.1
Percent Change, Annual Rate											
Personal Income	3.2	6.2	5.0	1.2	5.3	5.0	2.4	3.4	5.2	6.7	6.2
Wages & Salaries	2.2	3.9	4.1	2.7	4.7	4.9	2.8	3.5	4.9	5.4	5.3
Other Labor Income	3.4	2.5	2.0	2.9	2.7	3.8	2.5	2.8	2.7	3.2	3.9
Nonfarm Income	5.3	8.2	10.5	1.5	4.2	1.4	2.7	4.3	6.8	6.0	4.3
Farm Income	30.4	66.2	-18.5	43.2	-21.4	-20.8	-19.3	-22.4	-12.7	-6.7	-6.9
Rental Income	20.1	20.8	4.4	8.9	8.0	8.5	5.5	4.7	0.8	-0.2	0.3
Dividends	23.8	23.5	46.4	-8.2	21.9	0.5	-4.7	6.1	17.1	18.4	8.2
Interest Income	-1.8	3.3	5.1	-2.7	4.7	5.0	4.4	2.9	7.4	12.2	11.6
Transfer Payments	7.5	0.4	1.2	2.5	6.0	4.4	3.1	3.1	5.3	6.0	5.6
Personal Social Insurance Tax	2.4	-13.5	5.2	43.9	5.7	5.1	2.5	6.2	5.2	5.6	5.5

Table 12. Personal Consumption Expenditures (Current Dollars)

2017Q1 2017Q2 2017Q3 2017Q4 2018Q1 2018Q2 2018Q3 2018Q4 2019Q1 2019Q2 2019Q3 2019Q4 2020Q1 2020Q2 2020Q3 2020Q4

Consumer Expenditures by Type Billions Current Dollars

Consumer spending on...

all goods & services	13191.6	13292.6	13419.9	13583.3	13745.6	13907.7	14079.5	14258.7	14458.8	14661.6	14868.8	15087.2	15317.2	15548.9	15769.4	15984.9
durable goods	1443.2	1452.8	1462.7	1477.9	1485.5	1500.9	1522.1	1544.7	1568.3	1588.9	1609.7	1637.9	1670.8	1698.5	1721.6	1742.9
furniture and appliances	332.9	335.0	336.7	340.3	344.0	348.1	352.6	356.6	360.4	364.3	368.3	373.4	378.9	384.5	390.2	395.6
information processing equipment	121.5	124.6	126.5	127.6	128.4	130.1	131.4	132.9	134.7	136.6	138.1	139.7	141.2	142.7	144.1	145.7
motor vehicles and parts	489.1	483.8	490.4	497.7	498.8	502.5	513.0	523.4	532.8	539.6	547.5	560.9	578.6	591.0	598.4	603.6
other durable goods	151.3	155.5	156.6	158.2	159.4	161.3	162.3	163.5	164.9	166.4	167.6	169.2	170.6	172.7	174.3	175.9
nondurables	2787.6	2788.2	2789.6	2818.5	2847.5	2867.9	2890.1	2917.5	2954.2	3001.2	3046.4	3092.7	3140.0	3188.3	3234.2	3274.3
clothing & shoes	396.0	399.0	402.0	407.8	409.7	413.0	414.3	417.2	421.9	425.7	429.4	433.4	438.1	442.2	446.1	449.6
fuel oil & coal	18.3	19.0	18.4	19.5	19.8	19.4	19.1	19.1	19.5	20.4	21.2	21.8	22.4	22.9	23.2	23.4
gasoline & motor oil	288.1	265.9	249.4	249.4	250.1	243.6	240.7	241.1	249.1	264.5	277.4	288.6	298.9	309.0	316.5	321.8
food	925.8	931.9	932.5	941.8	951.6	960.0	967.4	974.7	982.6	990.6	999.1	1007.5	1016.7	1026.2	1035.3	1044.6
other nondurable goods	1159.6	1172.5	1187.3	1199.9	1216.4	1231.9	1248.6	1265.3	1281.0	1299.9	1319.4	1341.4	1363.9	1387.9	1413.1	1434.9

Consumer Expenditures by Type Billions 2009 Dollars

Consumer spending on...

all goods & services	11758.0	11839.7	11920.6	12013.4	12106.4	12208.5	12317.4	12429.3	12553.3	12668.8	12783.8	12904.9	13032.3	13157.2	13270.7	13380.0
durable goods	1647.3	1672.7	1689.2	1710.1	1723.2	1746.6	1778.1	1812.4	1849.2	1882.8	1916.5	1958.6	2005.8	2045.8	2079.7	2111.3
furniture and appliances	397.8	405.6	411.1	415.6	420.5	426.0	432.5	438.6	445.0	451.5	458.3	466.3	474.9	483.4	492.0	500.0
information processing equipment	207.0	215.0	218.3	222.9	227.4	234.2	241.0	248.6	257.3	266.5	275.2	284.7	293.5	302.5	310.9	319.6
motor vehicles and parts	447.0	445.0	450.6	454.9	453.8	455.7	464.0	472.7	480.6	486.2	492.6	503.7	518.8	528.7	534.0	537.5
other durable goods	149.3	153.9	155.7	157.1	158.1	159.9	161.0	162.2	163.8	165.6	167.1	168.7	170.1	171.8	173.2	174.5
nondurables	2540.2	2564.3	2581.4	2600.3	2620.6	2641.3	2661.4	2682.5	2705.7	2730.2	2753.1	2776.7	2799.6	2822.1	2843.6	2861.6
clothing & shoes	378.0	386.5	389.3	395.1	397.0	400.7	402.8	406.2	411.6	416.2	420.4	424.6	429.2	432.9	436.5	439.7
fuel oil & coal	18.1	19.6	19.8	21.0	20.9	20.8	20.8	20.9	20.9	21.0	20.9	20.8	20.7	20.6	20.4	20.2
gasoline & motor oil	263.1	265.7	267.4	268.1	269.0	271.5	274.7	278.1	282.8	286.4	288.4	289.8	290.1	290.3	290.0	289.9
food	846.6	847.9	848.3	853.2	859.8	865.3	870.1	874.2	878.0	882.0	885.8	889.3	892.9	896.5	899.5	902.9
other nondurable goods	1044.8	1055.6	1067.6	1074.2	1085.0	1094.2	1104.5	1114.8	1124.8	1137.4	1150.3	1164.9	1179.2	1194.3	1209.4	1221.2

Real Consumer Expenditures Annual Growth Rate

Consumer spending on...

all goods & services	1.9	2.8	2.7	3.1	3.1	3.4	3.6	3.6	4.0	3.7	3.6	3.8	4.0	3.8	3.5	3.3
durable goods	-0.1	6.2	3.9	5.0	3.0	5.4	7.2	7.7	8.1	7.3	7.2	8.8	9.6	8.0	6.6	6.1
furniture and appliances	4.5	7.8	5.4	4.4	4.7	5.3	6.0	5.6	5.9	5.9	6.0	7.0	7.4	7.2	7.2	6.4
information processing equipment	10.4	15.6	6.1	8.5	8.0	12.0	11.6	12.7	13.9	14.3	13.2	13.7	12.5	12.2	11.0	11.3
motor vehicles and parts	-10.0	-1.7	5.0	3.9	-1.0	1.6	7.3	7.5	6.8	4.6	5.3	9.0	12.0	7.6	4.1	2.6
other durable goods	-3.2	12.5	4.6	3.6	2.4	4.7	2.6	3.2	3.8	4.5	3.5	3.9	3.2	4.2	3.1	3.1
nondurables	1.1	3.8	2.7	2.9	3.1	3.2	3.0	3.2	3.5	3.6	3.4	3.4	3.3	3.2	3.0	2.5
clothing & shoes	-3.8	9.0	3.0	5.9	2.0	3.7	2.1	3.4	5.3	4.5	4.1	4.0	4.3	3.5	3.3	2.9
fuel oil & coal	-44.9	32.2	4.9	23.8	-2.4	-0.7	-0.2	1.0	1.4	0.4	-1.1	-1.6	-2.0	-2.9	-3.3	-3.8
gasoline & motor oil	-3.3	3.8	2.6	1.0	1.4	3.6	4.7	5.1	6.7	5.1	2.9	1.8	0.5	0.2	-0.3	-0.2
food	1.2	0.6	0.2	2.3	3.1	2.6	2.2	1.9	1.8	1.8	1.7	1.6	1.7	1.6	1.4	1.5
other nondurable goods	4.7	4.2	4.6	2.5	4.1	3.4	3.8	3.8	3.6	4.6	4.6	5.2	5.0	5.2	5.2	4.0

Table 13. Personal Consumption Expenditures (2009 Dollars)

	History							Forecast			
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Consumer Expenditures by Type Billions Current Dollars											
<i>Consumer spending on...</i>											
all goods & services	10202.2	10689.3	11050.6	11361.2	11863.7	12332.3	12820.7	13371.8	13997.9	14769.1	15655.1
durable goods	1070.7	1125.3	1191.9	1241.7	1296.4	1367.1	1411.0	1459.1	1513.3	1601.2	1708.5
furniture and appliances	250.4	260.7	271.4	281.6	294.3	311.5	325.2	336.3	350.3	366.6	387.3
information processing equipment	90.3	91.9	98.6	101.7	105.8	110.8	116.3	125.0	130.7	137.3	143.4
motor vehicles and parts	342.0	363.5	395.8	416.1	441.9	472.2	480.8	490.3	509.4	545.2	592.9
other durable goods	110.0	121.4	127.3	133.1	137.8	143.4	148.6	155.4	161.6	167.0	173.4
nondurables	2292.1	2471.1	2547.2	2592.8	2674.1	2666.0	2710.4	2796.0	2880.8	3023.6	3209.2
clothing & shoes	320.6	338.9	354.3	363.6	376.0	385.5	393.7	401.2	413.6	427.6	444.0
fuel oil & coal	26.2	29.2	26.4	26.6	28.0	21.2	18.5	18.8	19.4	20.7	23.0
gasoline & motor oil	307.3	380.4	390.5	385.6	369.8	283.9	255.2	263.2	243.9	269.9	311.6
food	788.9	829.1	848.8	857.5	884.4	899.0	915.1	933.0	963.4	995.0	1030.7
other nondurable goods	849.2	893.5	927.3	959.5	1015.9	1076.5	1128.0	1179.8	1240.5	1310.4	1400.0

Consumer Expenditures by Type Billions 2009 Dollars

<i>Consumer spending on...</i>											
all goods & services	10036.3	10263.5	10413.2	10565.4	10868.4	11264.3	11572.1	11882.9	12265.4	12727.7	13210.0
durable goods	1085.7	1151.5	1236.2	1312.7	1403.1	1511.8	1595.1	1679.8	1765.0	1901.8	2060.6
furniture and appliances	261.5	276.6	288.7	305.8	331.3	359.0	384.7	407.5	429.4	455.3	487.6
information processing equipment	97.2	108.0	125.2	139.4	153.8	169.7	191.7	215.8	237.8	270.9	306.6
motor vehicles and parts	323.4	333.8	359.1	375.7	398.7	426.0	438.5	449.4	461.5	490.8	529.7
other durable goods	108.9	115.1	120.2	126.4	134.8	145.4	148.3	154.0	160.3	166.3	172.4
nondurables	2223.5	2263.2	2277.5	2316.1	2373.0	2446.8	2514.3	2571.5	2651.5	2741.4	2831.7
clothing & shoes	322.7	335.3	338.9	344.9	356.1	369.7	378.7	387.2	401.7	418.2	434.6
fuel oil & coal	22.4	19.6	17.5	17.8	18.9	20.1	21.1	19.6	20.8	20.9	20.5
gasoline & motor oil	259.9	254.7	252.5	257.6	254.2	265.4	267.9	266.1	273.3	286.8	290.1
food	786.5	795.1	795.7	795.2	805.8	810.2	832.4	849.0	867.3	883.8	898.0
other nondurable goods	833.0	863.2	880.7	908.2	949.5	993.0	1025.9	1060.6	1099.6	1144.3	1201.0

Real Consumer Expenditures Annual Growth Rate

<i>Consumer spending on...</i>											
all goods & services	3.1	1.5	1.3	2.0	3.6	3.0	2.8	2.7	3.5	3.8	3.7
durable goods	9.3	4.9	7.3	5.3	8.7	6.4	7.0	3.8	6.0	8.1	7.8
furniture and appliances	8.3	5.8	3.1	7.5	9.5	7.9	6.3	5.7	5.5	6.3	7.2
information processing equipment	16.8	13.9	16.7	7.3	13.6	7.7	15.7	10.6	11.6	14.5	12.3
motor vehicles and parts	11.0	1.5	7.4	2.5	8.7	4.1	8.0	-0.6	4.0	6.6	6.8
other durable goods	5.5	3.2	8.1	3.6	7.7	7.3	1.2	4.6	3.3	4.0	3.5
nondurables	3.3	0.4	0.8	2.6	2.8	2.8	2.5	2.7	3.2	3.5	3.1
clothing & shoes	7.6	1.1	0.9	2.5	5.7	2.0	2.3	3.6	2.8	4.5	3.5
fuel oil & coal	-7.6	-12.6	5.5	14.0	1.2	9.4	6.5	7.3	-0.6	-0.2	-3.0
gasoline & motor oil	2.2	-3.1	-0.9	3.3	-0.2	4.4	-1.2	1.1	3.8	4.2	0.0
food	2.1	-0.4	0.6	0.6	0.7	0.6	4.0	1.1	2.5	1.7	1.5
other nondurable goods	3.6	2.8	1.9	4.1	5.1	4.4	2.2	4.0	3.8	4.5	4.8

Table 14. Business Fixed Investment

	<i>History</i>							<i>Forecast</i>			
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Billions Current Dollars											
Business Fixed Investment	1658.2	1812.1	2007.7	2094.4	2268.3	2336.3	2316.3	2449.8	2609.5	2767.8	2923.0
Producers Dur. Equipment	731.8	838.2	937.9	982.8	1046.5	1081.9	1043.9	1096.2	1178.2	1257.0	1326.6
Nonresidential Structures	362.0	381.6	448.0	463.6	537.5	537.5	516.2	564.8	595.3	631.2	673.2
Non-Farm Buildings	173.7	170.2	191.6	203.8	234.4	280.8	311.5	324.4	351.7	393.7	420.1
Commercial	64.7	66.8	75.6	84.2	102.9	116.8	141.0	155.7	172.6	188.8	211.4
Industrial	39.8	39.0	45.8	48.8	57.0	77.7	73.1	67.3	70.6	89.0	85.1
Other Buildings	69.2	64.5	70.2	70.7	74.6	86.3	97.4	101.5	108.5	115.9	123.7
Utilities	93.3	90.7	112.2	108.9	126.3	125.5	129.6	129.0	131.4	134.1	137.2
Mines & Wells	86.2	112.3	134.1	139.4	163.1	118.4	63.4	100.4	100.0	90.8	101.2
Billions 2009 Dollars											
Business Fixed Investment	1673.8	1802.3	1964.2	2032.9	2172.7	2223.5	2210.4	2308.0	2417.5	2549.3	2662.0
Producers Dur. Equipment	746.7	847.9	939.2	982.3	1047.4	1084.5	1047.8	1088.8	1155.4	1237.5	1298.8
Nonresidential Structures	366.3	374.7	423.1	428.8	474.0	465.4	446.4	475.2	483.8	499.4	519.1
Non-Farm Buildings	179.3	172.3	188.8	196.0	218.2	256.3	279.0	283.0	297.1	323.0	333.5
Commercial	66.6	67.3	73.9	80.5	95.9	106.7	126.7	136.6	146.7	156.0	169.2
Industrial	40.8	39.1	44.9	46.7	52.8	70.7	66.2	59.7	60.6	74.0	68.1
Other Buildings	71.9	65.9	70.0	68.6	69.4	78.7	85.8	86.4	89.5	92.9	96.1
Utilities	89.8	82.8	99.1	95.1	108.8	106.4	109.4	105.1	102.9	101.3	100.2
Mines & Wells	87.8	110.9	123.8	126.0	134.2	95.9	54.5	84.7	81.3	73.6	83.7
Annual Growth Rate											
Business Fixed Investment	8.6	10.9	6.9	5.8	7.7	0.4	0.7	7.9	5.9	5.8	5.8
Producers Dur. Equipment	20.2	14.4	8.4	5.8	5.0	3.2	-3.4	8.8	6.1	6.3	5.6
Nonresidential Structures	-0.6	15.3	7.8	9.5	15.0	-8.6	4.4	10.0	5.6	6.0	6.8
Non-Farm Buildings	-21.1	14.7	7.3	9.8	20.8	11.2	14.0	2.7	12.1	9.2	6.5
Commercial	-16.8	14.7	9.9	18.7	20.3	9.8	27.1	5.7	11.9	9.3	12.9
Industrial	-28.8	37.4	8.1	9.1	37.8	15.0	-7.4	-4.4	22.2	14.4	-8.0
Other Buildings	-19.5	3.6	4.5	1.7	12.0	12.2	14.9	3.4	7.1	6.7	6.9
Utilities	19.0	2.4	18.4	17.5	-1.7	16.3	11.2	-1.1	1.9	2.3	1.0
Mines & Wells	53.6	36.6	1.9	8.0	28.9	-47.8	-29.3	110.7	-11.0	-2.0	17.2

Table 15. Government Receipts and Expenditures

	History							Forecast			
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Federal Government Receipts and Expenditures											
Receipts	2443.3	2574.1	2699.1	3138.4	3291.2	3441.4	3452.1	3612.8	3527.2	3762.8	4003.5
Personal Tax and Nontax Receipts	941.6	1129.1	1164.7	1302.0	1403.0	1528.5	1540.5	1595.4	1632.0	1771.6	1928.9
Corp. Profits Tax Accruals	298.7	299.4	363.1	378.1	436.6	437.1	401.2	424.8	226.9	229.5	225.7
Indirect Business Tax and Nontax Accruals	96.8	108.6	115.1	124.8	135.4	140.2	137.0	131.7	140.8	142.7	151.6
Contributions for Social Insurance	970.9	904.0	938.2	1091.3	1140.9	1193.4	1230.2	1290.1	1356.7	1433.7	1512.5
Expenditures	3772.0	3818.2	3789.1	3782.3	3901.4	4028.1	4149.4	4249.3	4453.6	4730.5	5019.8
Purchases Goods & Services	1303.9	1303.5	1292.5	1229.5	1218.2	1224.0	1231.5	1259.6	1295.2	1324.0	1353.5
National Defense	832.8	837.0	817.8	767.0	745.6	731.6	728.9	742.7	761.3	774.9	790.9
Other	471.1	466.5	474.7	462.5	472.5	492.5	502.6	516.9	533.8	549.1	562.7
Transfer Payments	2333.2	2327.0	2300.8	2346.2	2448.8	2572.8	2648.4	2714.5	2838.7	3005.8	3175.3
To Persons	1757.9	1779.9	1783.6	1823.5	1881.9	1967.2	2018.4	2078.2	2182.1	2326.0	2473.0
To Foreigners	53.5	57.6	55.3	53.9	52.8	53.3	53.6	52.8	54.9	55.9	56.8
Grants in Aid to State & Local Gov't	505.3	472.5	444.0	450.0	494.8	532.1	555.5	561.6	578.7	600.0	620.5
Net Interest	351.0	398.0	401.6	393.4	416.8	412.1	447.8	467.7	527.7	613.4	704.2
Subsidies less Surplus of Gov't Entities	57.4	66.7	66.5	69.9	65.6	61.5	64.8	63.9	63.8	64.1	64.3
Surplus (+) or Deficit (-)	-1328.7	-1244.2	-1090.1	-643.8	-610.2	-586.7	-697.3	-636.5	-926.4	-967.8	-1016.2
State and Local Government Receipts and Expenditures											
Receipts	1998.5	2030.5	2057.2	2136.8	2236.7	2350.7	2416.3	2479.0	2605.1	2742.5	2884.1
Personal Tax/Nontax Receipts	1305.7	1368.3	1416.1	1481.4	1526.7	1584.1	1628.7	1684.4	1781.9	1885.4	1994.0
Corporate Profits	297.6	324.1	346.7	375.9	382.6	409.4	419.6	433.8	461.0	498.6	537.6
Indirect Business Tax and Nontax Accruals	47.7	50.2	52.5	55.5	57.8	59.2	58.2	55.8	76.6	85.4	89.5
Contributions for Social Insurance	18.2	18.2	18.1	18.5	19.6	19.8	20.3	20.6	21.7	22.9	24.2
Federal Grants-In-Aid	505.3	472.5	444.0	450.0	494.8	532.1	555.5	561.6	578.7	600.0	620.5
Expenditures	2235.85	2246.40	2277.93	2327.28	2405.63	2497.03	2583.68	2666.25	2741.42	2854.8	2982.2
Purchases Goods & Services	1870.2	1865.3	1866.0	1886.6	1938.9	1994.9	2036.3	2091.3	2159.4	2261.6	2361.9
Transfer Payments	612.0	582.2	558.0	571.3	625.0	680.0	695.6	701.4	723.5	750.8	777.4
Interest Received	123.0	125.9	141.4	141.9	121.3	122.3	136.7	136.5	132.4	133.9	140.8
Net Subsidies	21.4	17.9	10.8	10.3	10.4	10.1	7.1	7.5	5.3	3.3	1.3
Dividends Received	2.3	2.7	3.3	3.6	3.8	4.2	4.6	4.8	4.9	5.0	5.0
Surplus (+) or Deficit (-)	-237.3	-215.9	-220.8	-190.5	-168.9	-146.4	-167.4	-187.2	-136.3	-112.3	-98.1

Table 16. U.S. Exports and Imports of Goods and Services

	<i>History</i>							<i>Forecast</i>			
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Billions of Dollars											
Net Exports Goods & Services	-512.7	-580.0	-565.7	-492.0	-509.5	-524.1	-521.2	-548.3	-430.7	-411.2	-514.3
Current Account	-430.7	-444.6	-426.2	-349.5	-373.8	-434.6	-451.7	-442.8	-330.3	-323.3	-488.6
Exports -Goods & Services	1852.3	2106.4	2198.2	2276.6	2373.6	2264.9	2214.6	2357.0	2570.4	2719.7	2887.1
Merchandise Balance	-648.7	-740.6	-741.2	-702.2	-751.5	-761.9	-752.5	-779.0	-704.6	-717.6	-843.2
Food, Feed & Beverage	107.72	126.25	133.05	136.16	143.72	127.74	130.56	138.38	142.56	149.3	153.6
Industrial Supplies Excl Petroleum	388.6	485.3	483.2	492.4	500.7	417.4	386.8	449.6	470.1	486.7	536.8
Motor Vehicles & Parts	112.0	133.0	146.2	152.7	159.8	151.9	150.3	162.4	182.7	194.9	203.5
Capital Goods, Excl. MVP	447.8	494.2	527.5	534.8	551.8	539.8	519.8	532.5	591.2	617.1	627.9
Computer Equipment	43.8	48.5	49.2	48.1	48.8	46.8	45.1	45.6	48.8	44.0	42.5
Other	332.1	365.4	383.9	381.7	389.8	373.4	353.8	368.1	409.8	434.4	448.1
Consumer Goods, Excl. MVP	164.9	174.7	181.0	188.1	198.4	197.4	193.4	201.8	227.0	244.1	259.8
Other Consumer	58.6	53.4	55.1	58.6	63.6	62.9	65.1	64.8	70.2	76.1	83.2
Services	572.7	639.5	672.2	713.9	755.7	767.7	768.5	807.4	886.6	951.6	1022.3
Billions of Dollars											
Imports -Goods & Services	2365.0	2686.4	2763.8	2768.6	2883.2	2789.0	2735.8	2905.3	3001.1	3130.9	3401.4
Merchandise	1949.8	2244.7	2305.8	2301.5	2396.1	2290.5	2224.2	2365.1	2424.0	2521.6	2742.4
Food, Feed & Beverage	92.5	108.3	111.1	116.0	126.8	128.8	131.0	140.5	133.0	128.4	138.0
Petroleum & Products	353.6	462.1	434.3	387.8	353.6	197.2	159.6	176.3	129.3	137.2	179.9
Industrial Supplies Excl Petroleum	249.4	292.7	288.8	291.3	316.2	290.5	277.2	313.5	353.4	360.8	381.1
Motor Vehicles & Parts	225.6	255.2	298.5	309.6	329.5	350.0	351.0	361.2	364.2	366.4	381.3
Capital Goods, Excl. MVP	450.4	513.4	551.8	559.0	598.8	606.8	593.9	640.6	682.2	700.3	735.5
Computer Equipment	117.3	119.7	122.3	121.2	122.0	120.3	114.5	123.8	121.7	120.6	121.5
Other	301.9	358.2	389.4	390.8	423.5	431.3	429.4	466.4	504.5	519.2	552.5
Consumer Goods, Excl. MVP	485.1	515.9	518.8	532.9	558.7	596.6	585.4	607.3	615.2	631.4	690.2
Other Consumer	93.1	97.1	102.4	105.0	112.4	120.7	126.1	125.6	146.6	197.1	236.4
Services	415.2	441.6	458.0	467.1	487.1	498.5	511.6	540.2	577.1	609.3	659.0
Billions 2009 Dollars											
Net Exports Goods & Services	-458.8	-459.4	-447.1	-404.9	-427.7	-545.3	-586.3	-601.9	-653.8	-818.6	-988.6
Exports G & S	1776.6	1898.3	1963.2	2031.5	2118.4	2127.1	2120.1	2213.9	2372.3	2467.4	2547.8
Imports G & S	2235.4	2357.7	2410.2	2436.4	2546.1	2672.4	2706.3	2815.8	3026.1	3286.0	3536.3
Exports & Imports %Change											
Exports G & S	15.3	8.7	3.4	5.6	1.7	-6.7	1.6	8.6	8.4	5.1	6.9
Imports G & S	15.0	10.9	0.3	1.2	4.3	-5.6	2.9	5.3	2.2	6.4	9.5
Real Exports G & S	10.1	4.2	2.2	6.0	3.1	-1.8	0.7	7.1	6.5	2.8	3.9
Real Imports G & S	12.2	3.5	0.3	2.5	6.3	2.9	2.7	4.2	8.6	8.6	7.1

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