

DECEMBER 2018

U.S. FORECAST



**Institute for Economic
Competitiveness**

UNIVERSITY OF CENTRAL FLORIDA

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U.S. FORECAST 2018 - 2021

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IN THIS U.S. FORECAST

- Faster growth (and Santa Claus) are comin' to town.
- No reason to pout or cry: the nice list is much longer than the naughty list for the U.S. economy.
- Payroll job growth of 1.6% is expected in 2018 and 2019 before easing to 1.1% in 2020 and 0.7% in 2021. For an economic recovery in its 10th year, we cannot expect stronger growth than this.
- Black Friday kicked off what should be considered a very strong holiday shopping season as U.S. consumers are in a near-perfect environment to support faster spending. Rising employment, ultra-low unemployment rates, stronger balance sheets, rising disposable incomes, historically high levels of consumer confidence, and faster wage growth are building a foundation for an acceleration of consumption expenditures.
- The Federal Reserve raised interest rates again in September 2018; the next 25 basis point hike will happen in December. Stronger economic growth and inflationary pressures from the Trump administration's policies will prompt further hikes over the next three years, with the federal funds rate hitting 3.25% by the end of the 4th quarter of 2021.
- Real GDP growth will accelerate to nearly 3.0% in 2018, and then rise to 3.2% in 2019, before easing to 2.9% in 2020 and 2.5% in 2021 as the Federal Reserve tries to keep the economy in the Goldilocks zone.
- The housing market continues to recover and will slowly improve through 2021 in the face of the headwind of rising mortgage rates. Housing starts will rise from 1.26 million in 2018 to 1.54 million in 2021.
- The headline unemployment rate (U-3) is expected to decline to 3.3% in mid-2019. Job growth will be sufficient to keep up with labor force growth through the end of the forecast horizon. The economy is very close to full employment and faster wage growth will indicate it has finally arrived.
- Headline CPI inflation's acceleration in 2018 is pushing the Fed to continue to raise interest rates and contract its balance sheet. Both headline CPI inflation and core CPI inflation will average 2.2% and 2.3% during 2018-2021.

STRONGER GROWTH IS COMIN' TO TOWN

The U.S. Economy's **Nice List**
is Much Longer
than Its **Naughty List**

YOU BETTER WATCH OUT, YOU BETTER NOT CRY.

BETTER NOT POUT, I'M TELLING YOU WHY:

STRONGER GROWTH IS COMING TO TOWN.

Social media-fueled pouting and crying are supplanting baseball as the national pastime, but when it comes to the economy, there is little reason to throw a tantrum. Lots of things are going well in the U.S. economy, but you would be hard-pressed to figure that out from reading the news or listening to the pundits. Because as my friends in the news media have told me many times: “if it bleeds, it leads.”

Fortunately, you have a little economic elf on your shelf who can lay it out for you.

I made a list. I checked it twice. I'm here to tell you some of what's naughty and nice about the U.S. economy.

NICE LIST

1. Real GDP growth is strong.
 - a. After growing 4.5% in the 2nd quarter, GDP expanded 3.5% in the 3rd quarter.
 - b. 3.0% real GDP growth is no longer just a memory—it's back.
 - c. The economy is in the 10th year of expansion and is poised to break the previous record length for a recovery (10 years).
2. The labor market is thriving.
 - a. Unemployment is at 3.7%—the lowest level since July of 1968.
 - b. Wages and salaries are growing at an annual rate of 3.1%—the fastest pace in the recovery to date—and are poised to accelerate.
 - c. Businesses added 250,000 jobs to payrolls last month, blowing past expectations.
 - d. Manufacturing jobs are growing at the fastest rate in more than 20 years.
 - e. The quits rate (people voluntarily leaving a job) is at 2.4%, the highest since April of 2001.
 - f. The number of job openings is greater than 7 million.
 - g. The job openings rate is 4.5%, the second highest on record.
 - h. The number of underemployed workers is half the level it was in 2010.
 - i. Food Stamp participation is down by 7.2 million individuals and \$24 billion since peaking in 2013.
 - j. The number of SSI (disability) recipients is down 25% from 2011.
3. U.S. household net worth is at a record \$107 trillion.
4. Inflation remains in check. The CPI rose 2.5% year-over-year, while the core CPI (excluding volatile food and energy) is up 2.1%.
5. Consumer confidence in October was at an 18-year high.

6. Oil and gasoline prices have fallen significantly over the past month (now at \$51 per barrel and \$2.55 per gallon).
7. Retail sales are up 5.4% year over year and are poised for a strong holiday shopping season.
8. The U.S. has reached an improved trade agreement with Canada and Mexico.
9. Significant regulatory reform is underway and will boost growth.

NAUGHTY LIST

1. Financial market volatility: after a stellar 2017, the stock market has been on a roller coaster.
2. Still no trade deal with China (I expect this to be resolved to our benefit).
3. Politics could undermine progress being made on the economy.
4. Interest rates are rising.
5. College Football Playoff System.

I can't see you when you're sleeping (restraining order), but I do know if the economy is bad or good, and looking at the economy's naughty or nice list you can see it's good—for goodness sake—because faster growth is coming to town.

ANXIOUS INDEX

Fear of Recession Ticks up in the 4th Quarter

The most recent release (4th quarter of 2018) of the Survey of Professional Forecasters by the Federal Reserve Bank of Philadelphia suggests that the 31 forecasters surveyed for the publication put a 10.60% chance that a decline in real GDP will occur in the 1st quarter of 2019.

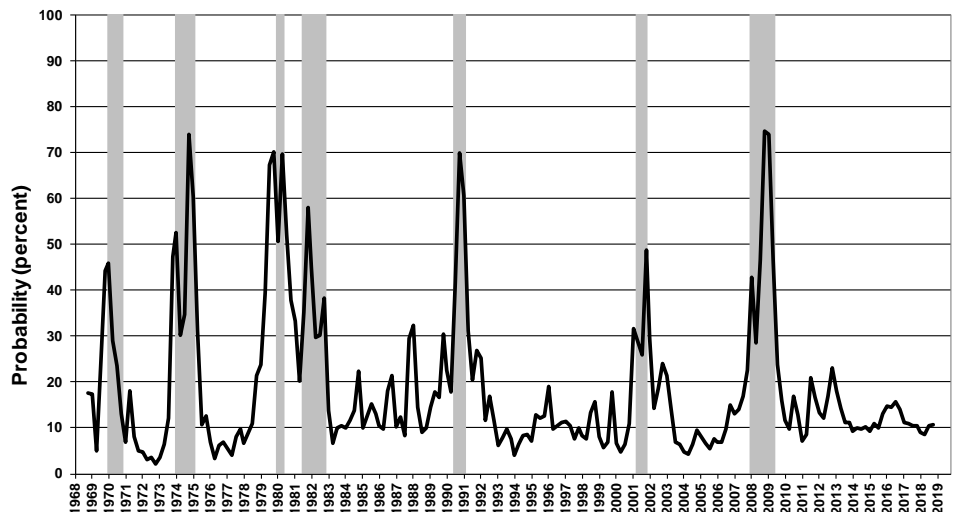
One section of the Survey of Professional Forecasters asked

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 is the estimated probability of a decline in real GDP in the quarter after a survey is taken. In the survey taken in October for the 4th quarter of 2018, the index stands at 10.60, which means that forecasters believe there is a 10.60% chance that real GDP will decline in the 1st quarter of 2019.

The forecasters also report a 5.66% chance that we are currently (as of the 4th quarter of 2018) experiencing a contraction in real GDP—0.9 percentage points lower than the probability the forecasters assigned for the 3rd quarter of 2018. According to the panel, the probability that real GDP growth will turn negative is averaging around 16.53% through the end of the 4th quarter of 2019, indicating that the forecasters' assignment of probability for a contraction in real GDP in the upcoming year is the lowest since the 3rd quarter of 2016.

The graph below 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 nearly 0.12 points

Figure 1.
The Anxious Index
Probability of Decline in Real GDP in the Following Quarter
Quarterly, 1968:Q4 to 2018:Q4



Source: Survey of Professional Forecasters, Philadelphia Federal Reserve Bank

higher than the average level during the economic recovery (10.36).

GDP OUTLOOK

Stronger Growth Amidst a Fed Headwind

Because of the Tax Cuts and Jobs Act, American workers are enjoying something they have not experienced much in this economic recovery: larger paychecks. More take-home pay will lead to higher consumer spending and support already high levels of consumer confidence and faster GDP growth.

The Tax Cuts and Jobs Act has given rise to 3.0% growth that will finally arrive in 2018 and accelerate into 2019. Our uninspiring recovery was in desperate need of a policy boost, and the tax reform law provides just what the recovery needed.

The tax cuts have been coupled with significant and ongoing regulatory rollbacks, and if an infrastructure spending bill is added to the mix, the strength and lifespan of the recovery will receive yet another boost.

The average rate of annual real GDP growth from 2010 through 2017 has been just 2.2%. Our forecast for average real GDP growth from 2018-2021 stands at 2.9%, with a projected acceleration of growth to levels equal to or greater than 3.0% in 2018 (3.0%) and 2019 (3.2%).

The probability of a recession taking place before the end of our 2021 forecast horizon will rise over time; no recovery lasts indefinitely, but recoveries also do not come with an expiration date. The economic policies of the Trump administration are extending the length of this recovery, but not indefinitely. All expansions give way to the next recession; no election or policy eggnog has ever prevented that from occurring, but the right policies can delay the inevitable, and these policies are currently in place.

In 2018, we are expecting real GDP growth to accelerate to near 3.0%. Growth will then jump to

3.2% in 2019 before decelerating to 2.9% in 2020 and 2.5% in 2021.

We expect the Federal Reserve to continue to take baby steps as it incrementally raises interest rates, and the frequency of these increases should average three (2019) or four (2018) moves per year through 2019. As always, economic data will drive both the timing and the size of these interest rate changes, but the general pace on both interest rate hikes and undoing quantitative easing should remain gradual. There is no reason for the Fed to upset the apple cart as long as inflation continues to be measured.

The Federal Reserve raised the federal funds rate in September 2018 and will likely follow with one additional increase this year. The central bank will continue with rate hikes in 2018 and 2019 until the anticipated target rate reaches 3.25% in the 4th quarter of 2021. The path of interest rate hikes will deviate from this projection if growth strays from our projected path, or if there is a recession during the next four years, which is an increasing possibility in the final two years of our forecast.

The Fed is continuing the process of gradually shrinking its balance sheet, which was engorged by three rounds of quantitative easing, and like its efforts to raise the federal funds rate, this will continue to be a gradual process as well. These efforts have reduced the size of the balance sheet from over \$4.5 trillion to \$4.1 trillion to date. However, similar to quantitative easing itself, this is uncharted water for monetary policy; there is no previous playbook to follow on how best to carry this out and, thus, it is possible that they may have deviated from the current course.

CONSUMER SPENDING

Ready for Liftoff

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 2015,

real consumer spending growth was 3.7%; in 2016, spending grew at 2.7%; and in 2017, consumer spending expanded again at 2.5%.

In these three years, the contribution to GDP growth was outsized. Consumer spending contributed 86% in 2015, and in 2016, it contributed 115% to real GDP growth of 1.6%. If not for consumer spending, the U.S. economy would have contracted in 2016 as business investment tumbled. In 2017, consumers again provided the bulk of growth, accounting for 79% of the 2.2% growth last year.

Continued strong gains in employment, acceleration in the growth of wages, and improving household balance sheets via rising home prices and financial asset values should continue to provide a solid underpinning for continued consumer spending growth. The Tax Cuts and Jobs Act also boosts consumer spending growth by raising disposable income; many workers began seeing larger paychecks after February of this year when the IRS released new withholding guidelines. These improving fundamentals and growth-oriented policies boosted consumption spending in the 2nd quarter to 3.8% and to 4.0% in the 3rd quarter. The economic environment should continue to support growth going forward.

The next three years should show a steady acceleration of consumer spending growth. Consumer spending, the largest component of GDP, is critical in supporting real GDP growth and extending the life of this economic recovery. The Trump administration's economic policies will boost business investment in a significant way, but consumers will still need to provide the momentum for this expansion going forward.

While other pillars that support consumer spending continue to strengthen, the labor market also continues its recovery as we close in on full employment. Stronger wage and salary growth have shown signs of reappearing as the labor market continues to tighten. The economy may not quite be at full employment just yet, but we are

getting closer and closer with each passing month. Once wage growth accelerates—accompanied by tax cuts that raise consumers' disposable income—it will be the catalyst that takes consumer spending growth to a higher level.

In 2016, consumer spending growth decelerated to 2.7% from 3.7% in 2015 and then slowed further in 2017 to 2.5%. The tax law and other economic policies aimed at stimulating economic growth by the Trump administration, as well as faster wage and salary growth, will help increase consumer spending growth going forward. Consumption spending growth is expected to be 2.7% in 2018, 3.3% in 2019, accelerating further to 3.5% in 2020, before easing to 3.3% in 2021.

INVESTMENT

Nonresidential fixed investment spending was unusually weak in 2016, expanding by only 0.5%. The lengthy and atypical presidential election cycle carried with it a much higher level of uncertainty than a usual election, and many businesses chose to stay on the sideline when it came to investment spending, unsure of what tax, regulatory, and other economic policies might be put in place in 2017. The behavior of investment spending in 2016 was very close to what we would expect to see during a recession, even though no recession was taking place.

Investment spending in this historically weak economic recovery has generally been weak. We have discussed the roles of uncertainty and the rapid growth in the regulatory burden as probable causes of this weakness in multiple issues of our *U.S. Forecast* publication. 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 is improving.

The Tax Cuts and Jobs Act significantly reduces the corporate tax rate and incentivizes the

repatriation of profits held by U.S. corporations overseas. Shortly after the law was signed, Apple announced it would repatriate some \$285 billion in profits it had been holding overseas. Coupled with proposed changes to allow smaller companies to immediately expense equipment instead of depreciating it, these provisions will all help to boost investment spending, contributing to stronger economic growth in the next few years.

Spending on equipment and software contracted for the full year in 2016, by 1.4%. In 2017, we saw a 7.5 percentage point swing in investment of this type, as the full year rebounded to 6.1% growth. The outlook going forward should continue to remain solid. Average growth in this type of investment spending is expected to be 5.4% over the 2018-2021 time frame, peaking at 7.1% in 2018.

Purchases of aircraft again contracted by 9.9% in 2016, but recovered by expanding to 10.2% in 2017. Over the next four years, spending on aircraft is expected to grow an average of 10.0%, but quarter-to-quarter and even year-over-year volatility in this type of investment spending is the rule, not the exception. A single order from an airline can move this figure by tens of billions of dollars.

The 2016 slowdown in investment spending also reflected the negative impact of the oil prices falling by nearly two-thirds. Consumers enjoyed the low prices at the gasoline pump, but oil producers—shale and otherwise—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 recovered from these lows and in October were above \$75 per barrel but now hover around \$50 per barrel. As a result, the U.S. November 2018 rig count was 1,079, up 156 year-over-year, though the recent plunge in prices is likely to put downward pressure on that rig count.

During 2015 and 2016, investment in mining and petroleum equipment contracted by 28.5% and 42.1%, respectively. In 2017, growth hit 44.1% and is expected to come in at 30.0% in 2018. It will average 11.2% per year during 2018-2021. This is a strong recovery for a sector that has taken some hits from both markets and regulators. The approval of new pipelines by the Trump administration has also given a boost to shale oil production in North Dakota. More rigs and more investment in petroleum inevitably means a higher supply that will dampen prices and future investment. The near-term gusher in spending will ultimately slow to a trickle as a result and in 2020 growth is expected to slow to just 1.0%.

The weak start to 2016 and an environment of political uncertainty resulted in a further deceleration of nonresidential investment spending growth to 0.5%. Now, with the election two years behind us and an investment-friendly policy in place (the Fed notwithstanding), business nonresidential investment growth hit 5.3% in 2017 and will accelerate to 6.8% in 2018, easing to 5.5% in 2019, further easing to 4.7% in 2020, and to 4.3% in 2021.

Interest rates, while still low by historical standards, are rising as the Fed continues to push up the federal funds rate and continues the process of shrinking its \$4.1 trillion balance sheet. In time, higher interest rates will begin to drag on investment spending, as is the intention of tighter monetary policy. Higher forecasted rates are driving the deceleration of investment spending growth rates in the final two years of our forecast horizon.

Business spending on industrial equipment will grow at an annual average rate of 4.9% from 2018-2021. Investment spending growth in computers and peripherals will also average 4.9% during 2018-2021. Spending on communications equipment should expand at an average annual rate of 5.2% during the same four-year span.

Investment growth in nonresidential structures has fluctuated over the past three years. Growth turned negative in 2015 and contracted further in 2016, with spending declining 2.9% and 4.8% in those two years. Investment in nonresidential structures grew faster in 2017 at 4.6%, and will accelerate again in 2018, before wavering in 2019 and then accelerating again in 2020-2021. During 2018-2021, growth is expected to average 4.1% over those four years.

Residential fixed investment growth hit 10.2% in 2015, then eased in 2016 to 6.6% before slipping further to 3.3% in 2017. Growth will average 2.5% through 2018-2021, accelerating to a peak growth rate of 5.2% in 2020. In the final year of our forecast (2021), real residential fixed investment will be dampened by both higher mortgage rates—which are expected to average 5.3% on a 30-year fixed mortgage that year—and a slower pace of price appreciation. In 2021, real residential fixed investment will be \$683 billion—\$180 billion less than its 2005 peak.

We expect housing starts to continue to gradually accelerate over the next several years, reaching a level slightly below 1.54 million in 2021. Average levels of annual housing starts from 2018-2021 will be 1.41 million.

GOVERNMENT SPENDING

In 2016, federal government spending growth was 0.4% after contracting for five consecutive years and was just 0.7% in 2017. This modest growth in spending will be significantly stronger over the next two years before growth decelerates in the final two years of our forecast. In 2018, spending should expand by 3.1%, and in 2019, it will rise again by 5.2%. During the period from 2018 to 2021, federal government spending is expected to rise, growing at an annual average pace of 2.0%. Over the same time frame, state and local governments will oversee spending growth at an average rate of 1.3%.

The federal budget deficit jumped in 2017 to over \$665 billion and will continue to increase in every year over our forecast horizon through 2021. This reversal of course after four years during which we saw deficits shrinking from nearly \$1.3 trillion in 2011 to \$439 billion in 2015, shows that the Tax Cuts and Jobs Act will grow not only the economy but also federal budget deficits. In 2017, the deficit grew by \$78.4 billion and will surge even higher in 2018, when it hits \$779.0 billion. The deficit will grow larger still in 2019, as entitlement and military spending—coupled with tax cuts—push it to \$939.6 billion before rising again in 2020 to \$960.0 billion. The deficit will continue to grow in 2021, when government spending will exceed revenue by \$989.1 billion.

The U.S. continues to travel down an unsustainable fiscal path that will ultimately lead to a crisis. The existing structure of our entitlement programs (62% of the federal budget is mandatory spending), coupled with the demographics of an aging Baby Boomer generation, ensures that if no changes are made to these programs and/or 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 2021 that will near the \$1 trillion level—the type of deficits that were the norm during 2009-2012. The amount that the projected deficits will add to the national debt over the next four years will be nearly \$3.67 trillion, pushing the national debt total to over \$25 trillion. As interest rates in the economy rise, the burden of servicing this debt will rise as well. Tax cuts implemented by the Trump administration will help 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, though the possibility of faster economic growth could help mitigate the growth of these deficits.

Currently, the national debt is over \$21.77 trillion and rising. This represents a debt of nearly \$178,338 per taxpayer and \$66,178 per citizen. The unfunded liabilities of the U.S. are even more striking. These include Social Security, Medicare parts A, B, and D, Federal debt held by the public, and federal employee and veteran benefits, representing nearly \$115.6 trillion in liabilities, boiling down to \$946,832 per taxpayer.¹

NET EXPORTS

Net exports have been a drag on real GDP growth in the U.S. over the past three years. In 2015, net exports shaved 0.78 percentage points off of real GDP growth. In 2016, the drag continued but lessened; net exports still reduced growth by 0.30 percentage points. Again, in 2017, net exports lowered real GDP growth by 0.31 percentage points.

The U.S. dollar appreciated for five straight years against our major trading partners, including an outsized 16.1% appreciation in 2015. In 2016, this trend moderated; in 2017 and 2018, the dollar continues to return some of these gains. However, as the Fed raises interest rates and the U.S. economy experiences faster growth, we expect that the dollar will appreciate again in 2019.

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.

However, the effects of currency changes take time to work on the actual quantity of trade flows, resulting in what is known as the J-curve effect on net exports. Because of this effect, an appreciation

of the dollar initially decreases the trade deficit before eventually increasing it. Why? Importers and exporters do not enter into contracts based on the total dollar value of the transaction, but rather the actual quantity of goods to be shipped (automobiles, flat screen televisions, etc.). As the exchange rate varies in the short run, the values of these shipments and, thus, net exports vary as well. Over time, however, the quantities do adjust in response to the exchange rate fluctuations and this is what gives rise to the J-curve effect.

Overall, real export growth continues through the end of our 2021 forecast horizon and is expected to accelerate in 2018 and 2020 before easing through the end of 2021. Real import growth is expected to accelerate through 2019, all the while remaining above export growth through 2021. Trade skirmishes notwithstanding, real export growth from 2018-2021 will average 4.3%, while real import growth will average 6.2% over the same time frame.

Real net exports will average more than -\$1.1 trillion during 2018-2021, with the trade balance worsening in each successive year, coming in at nearly -\$1.5 trillion in 2021. The sizeable appreciation of the dollar during 2012-2015 and another large anticipated appreciation in 2019, projected 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 October 2018 remained constant at the September 2018 reading of 3.7%, the lowest level since July of 1968. The unemployment rate remained constant despite the fact that there was both an increase in the number of unemployed people and in the size of the overall labor force.

1 National debt data from: www.usdebtclock.org

The labor force participation rate increased from 62.7% in September to 62.9% in October.

The October jobs report blew past expectations as growth in payroll jobs showed businesses adding 250,000 jobs after September's 118,000 job gain. The 250,000 increase in payroll employment in August was above the average growth in monthly payrolls for 2018 of 213,000, which is up from 2017's average of 182,000 and higher than 2016's average monthly growth of 195,000. Average payroll job growth for 2015 came in at 226,000, down from 2014's average growth of 250,000. This late in the economic cycle—the recovery having lasted nine years and counting—a rapid acceleration in job growth is unlikely, but the recent uptick in growth may very well be a result of the Tax Cuts and Jobs Act and other pro-growth policies of the Trump administration.

The October labor force participation rate of 62.9% remains depressed and is still below prerecession levels. 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 506,000 workers), as well as those classified as underemployed (currently just over 4.6 million workers)—working part-time but not by choice—and workers who are marginally attached to the labor force, who have looked for work in the past 12 months but are not currently looking, yet indicate a willingness to work (almost 1.5 million workers). None of these 6.6 million workers are counted in the headline unemployment rate of 3.7%.

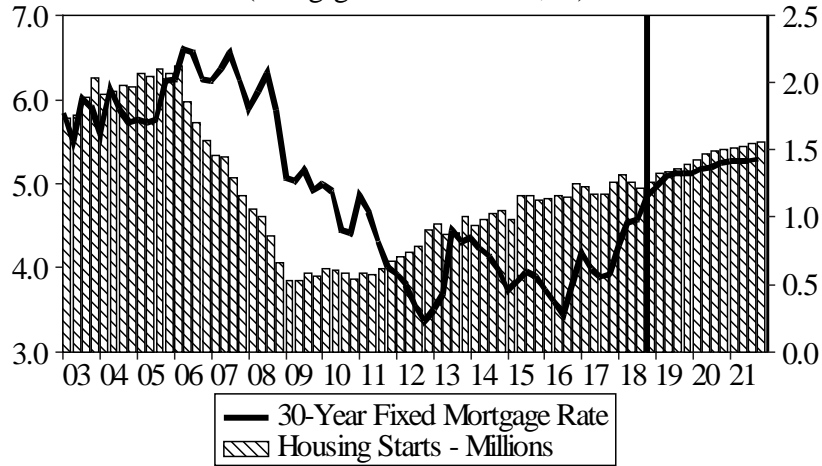
U-6 stands at 7.4% as of October 2018, down 0.1 percentage points from the September 2018 level, and down 0.8 percentage points from the start of the year. The current level of U-6 is down 9.7 points from its peak of 17.1% in April 2010.

U-6 was stuck in double digits for more than seven years. It has now been in single digits for thirty-seven consecutive months beginning in October 2015 and stands at the lowest level since April of 2001.

The spread between U-6 and U-3 measures of unemployment has ticked up to 3.7 percentage points, the lowest since November of 2007, and is 3.7 points below the peak spread of 7.4 points that took place in September of 2011.

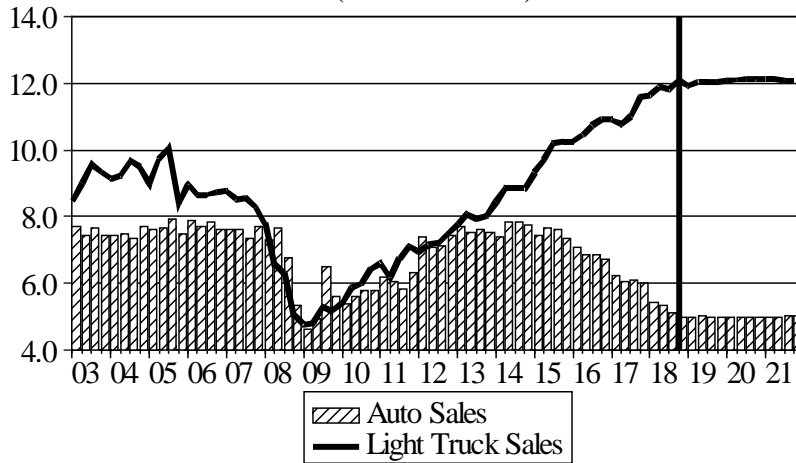
30-Year Mortgage Rates and Housing Starts

(Mortgage rates - Left axis, %)



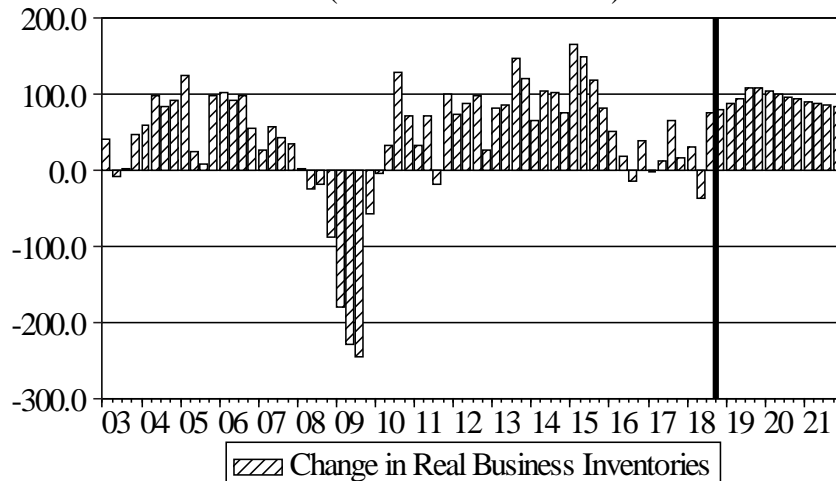
Automobile and Light Truck Sales

(Millions Vehicles)

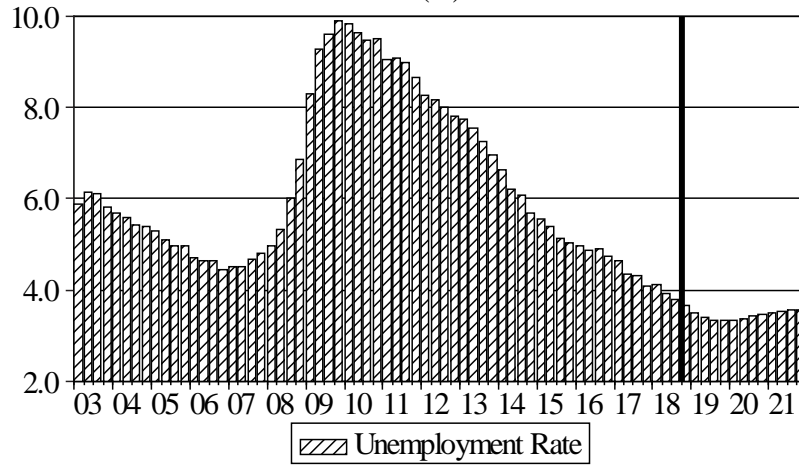


Change in Real Business Inventories

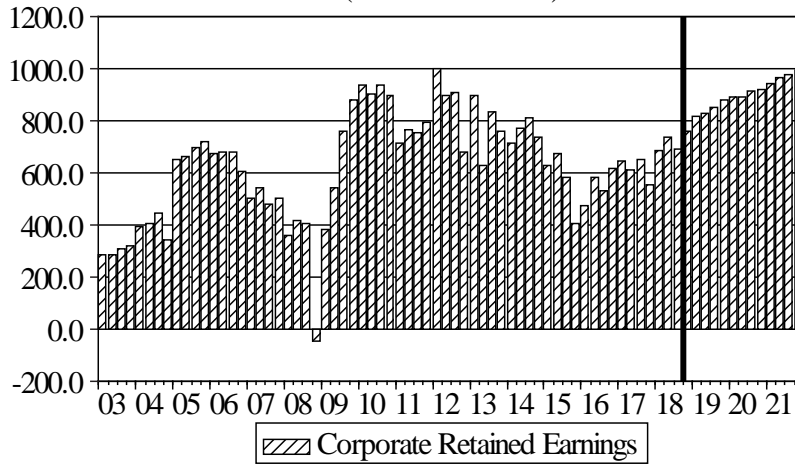
(Billions of 2009 Dollars)



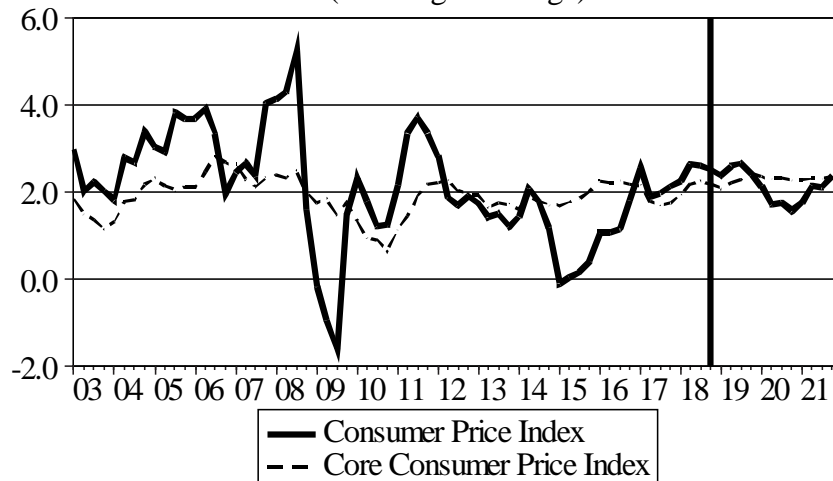
Civilian Unemployment Rate (%)



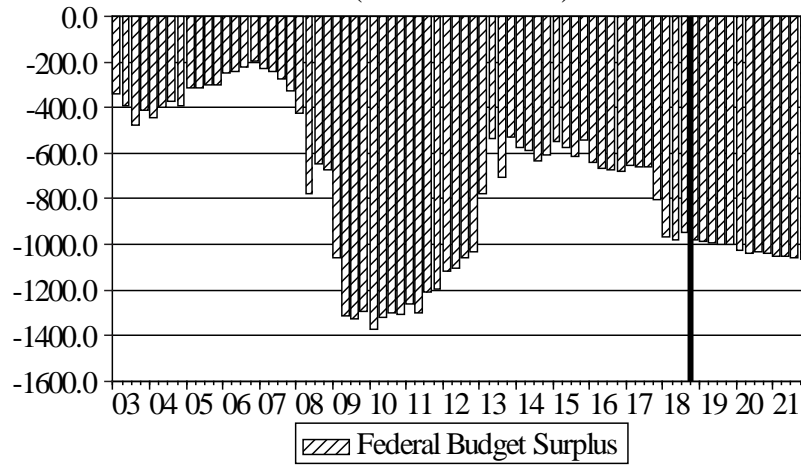
Corporate Retained Earnings (Billions of Dollars)



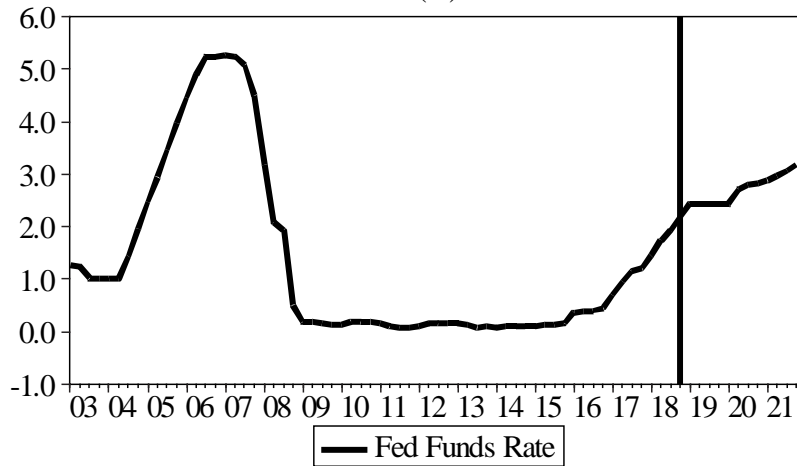
Consumer Prices (% Change Year Ago)



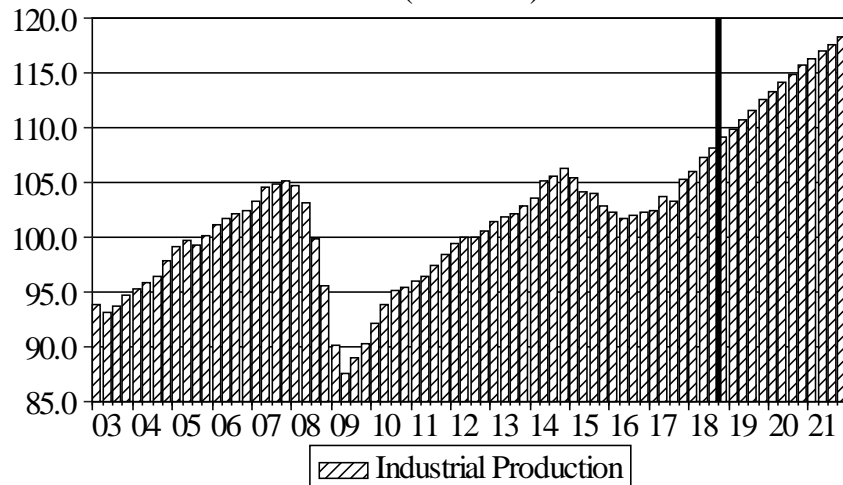
Federal Budget Surplus (Billions of Dollars)



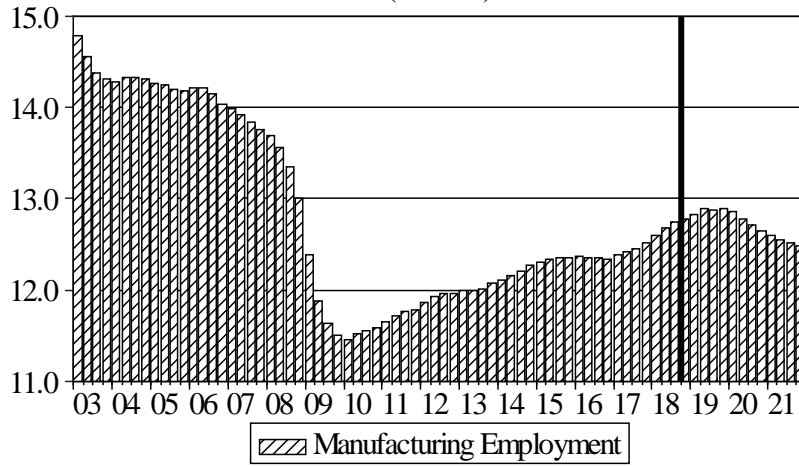
Federal Funds Rate (%)



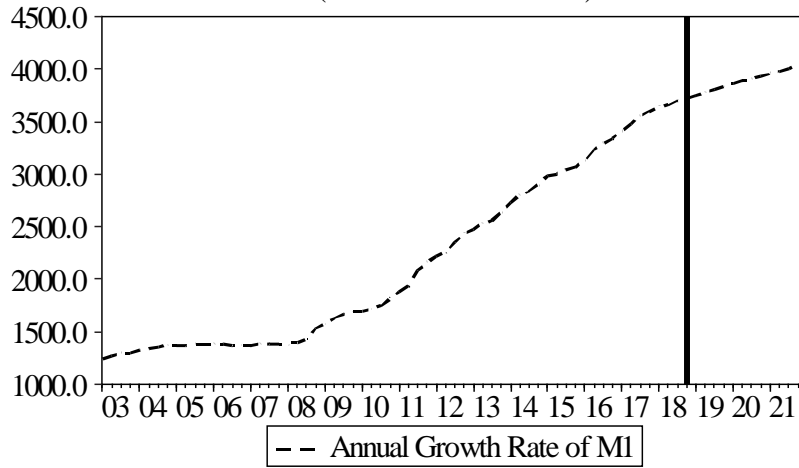
Industrial Production (2009=100)



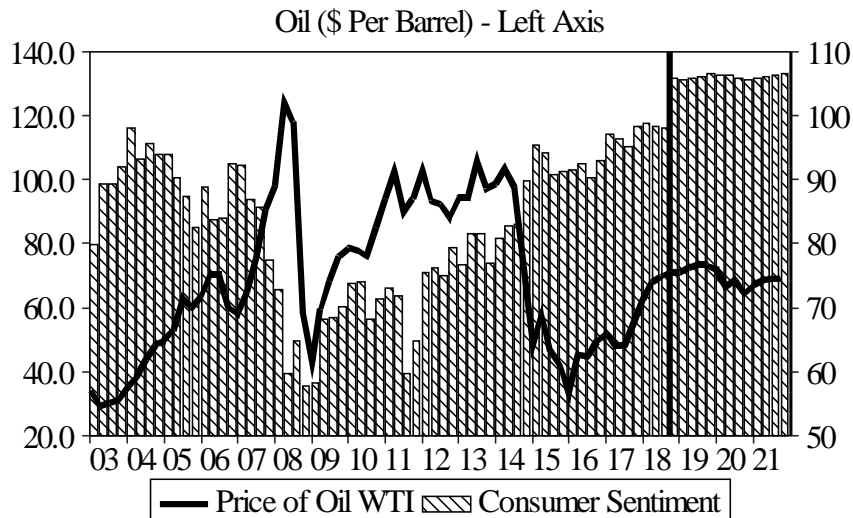
Manufacturing Employment (Millions)



Money Supply (Annual Growth Rate %)

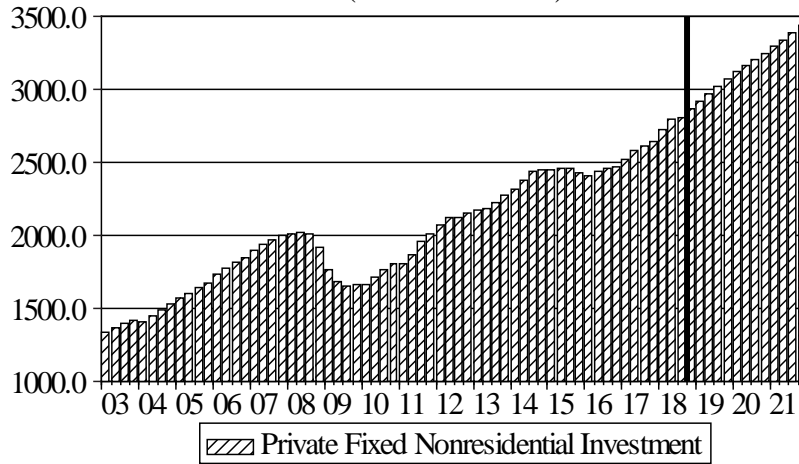


Oil and Consumer Confidence



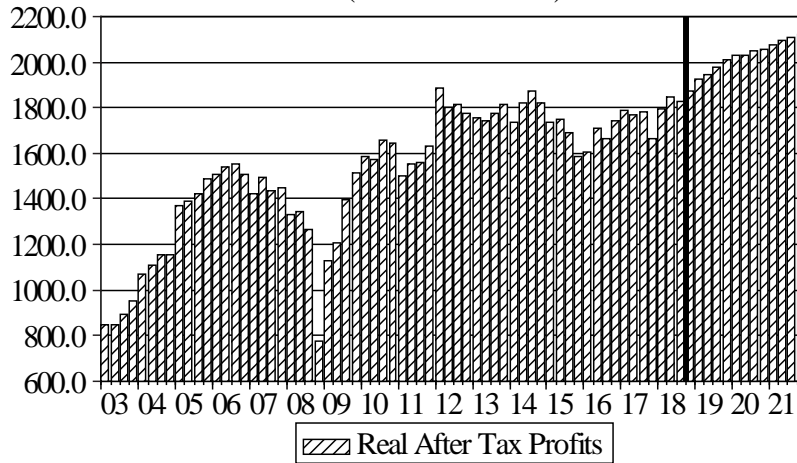
Private Fixed Nonresidential Investment

(Billions of Dollars)



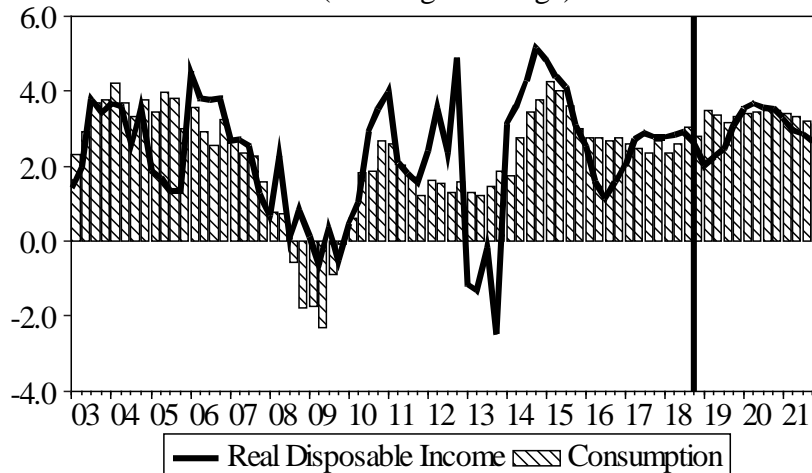
Real After Tax Profits

(Billions of Dollars)

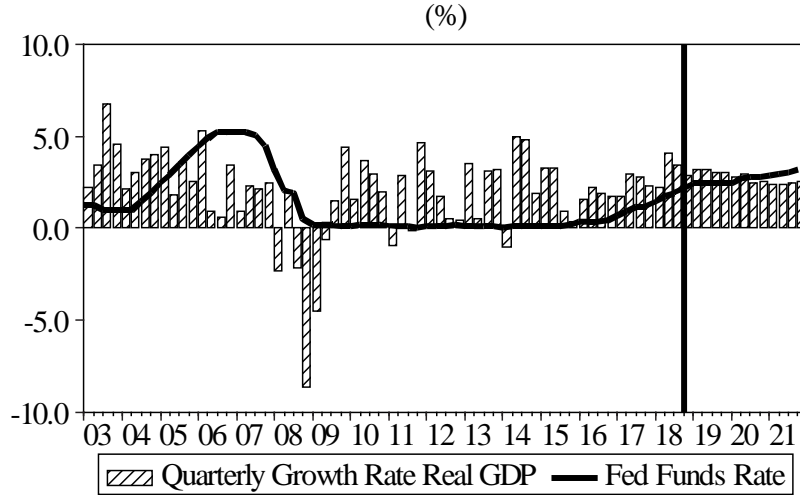


Real Disposable Income and Consumption

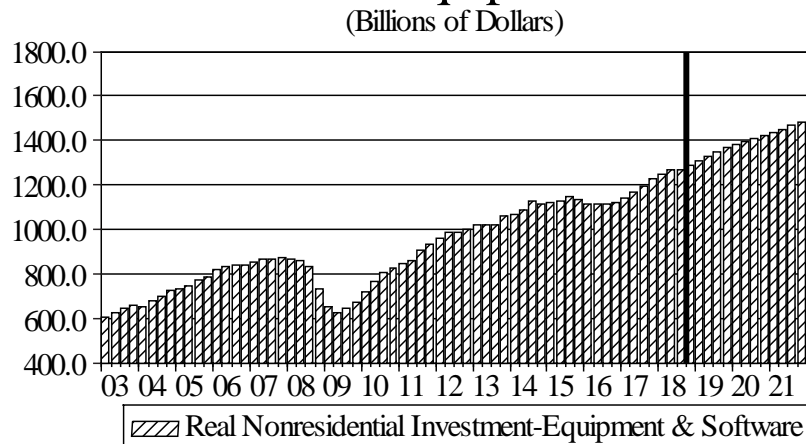
(% Change Year Ago)



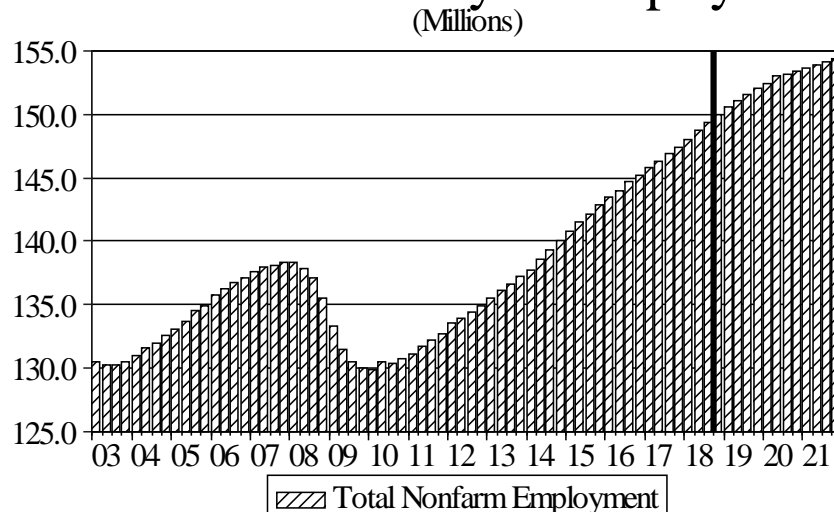
Real GDP Growth and Federal Funds Rate



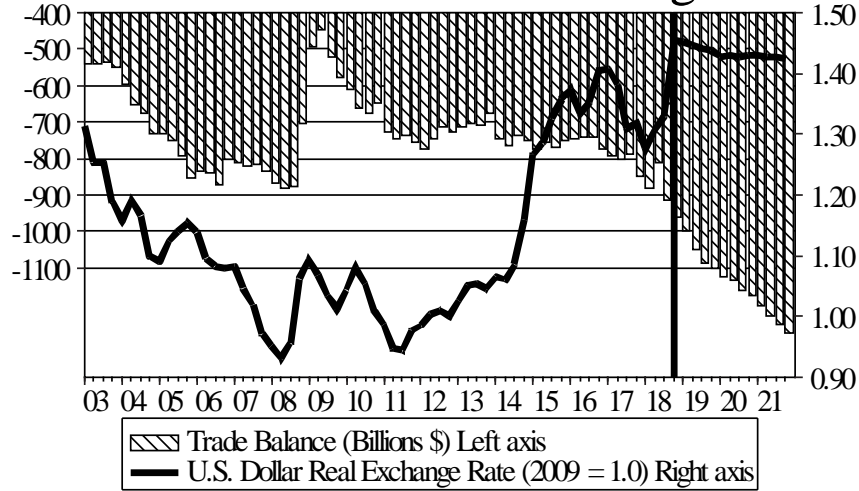
Real Investment Equipment & Software



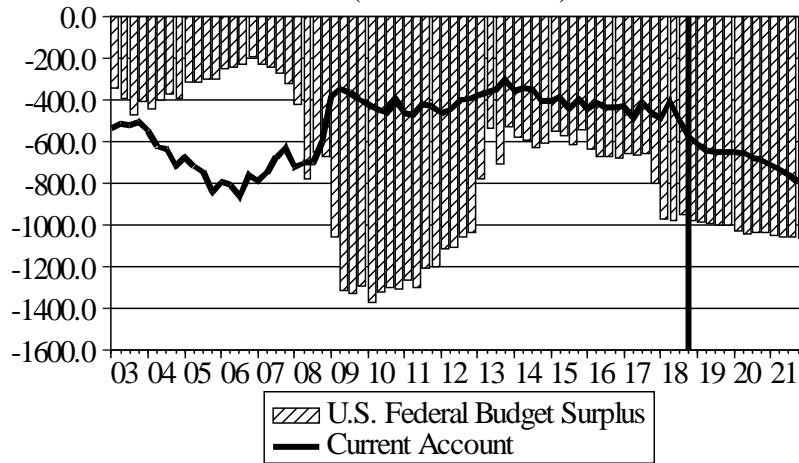
Total Nonfarm Payroll Employment



Trade Balance and Real Exchange Rate



Twin Deficits (Billions of Dollars)



Yield Curve (%)

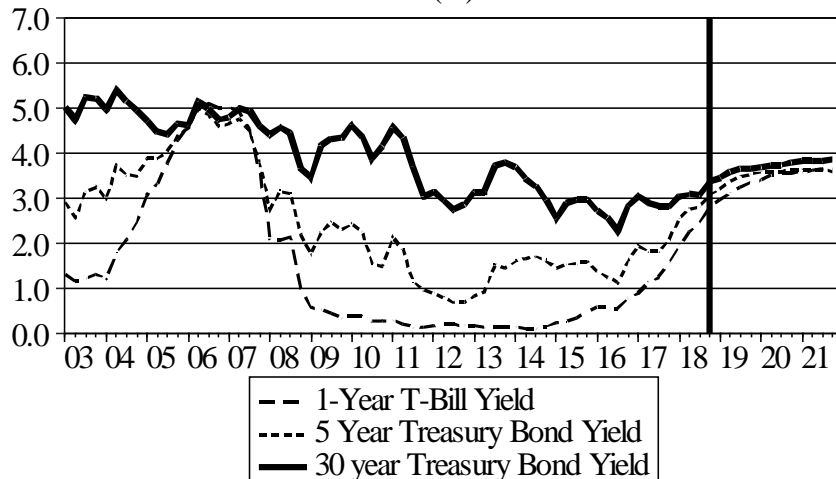


Table 1. Summary of the Long-Term Forecast of the U.S.

	2011	2012	2013	2014	2015	2016	2017	2018	Forecast		
									2019	2020	2021
Composition of Real GDP, Percent Change											
Gross Domestic Product	1.6	2.3	1.8	2.4	2.9	1.6	2.2	2.9	3.2	2.9	2.5
Final Sales of Domestic Product	1.6	2.1	1.6	2.6	2.6	2.1	2.2	2.8	3.0	2.9	2.6
Total Consumption	1.9	1.5	1.5	2.9	3.7	2.7	2.5	2.7	3.3	3.5	3.3
Durables	5.1	6.0	6.1	7.1	7.6	5.5	6.8	6.3	6.7	6.0	6.2
Nondurables	0.9	0.4	1.8	2.6	3.4	2.7	2.1	2.9	3.4	2.9	2.7
Services	1.7	1.2	0.6	2.4	3.2	2.3	2.0	2.1	2.8	3.2	3.0
Nonresidential Fixed Investment	8.6	9.6	4.1	6.9	1.8	0.5	5.3	6.8	5.5	4.7	4.3
Equipment & Software	13.5	11.1	4.7	6.8	3.1	-1.4	6.1	7.1	5.5	4.8	4.2
Information Processing Equipment	4.9	9.3	6.2	4.8	6.7	4.4	11.9	9.5	4.6	4.7	5.0
Computers & Peripherals	-0.1	10.5	-0.5	-0.3	0.9	-0.5	10.5	9.5	3.3	3.5	3.4
Communications Equipment	9.3	9.3	12.7	12.7	16.1	12.6	19.3	10.1	2.7	3.7	4.2
Industrial Equipment	19.9	8.8	-1.3	4.0	0.2	-1.2	6.6	5.2	4.6	5.6	4.1
Transportation Equipment	32.9	21.3	12.7	12.3	12.1	-4.7	-2.1	7.1	11.1	4.5	-1.7
Aircraft	13.5	2.2	5.7	15.0	2.2	-9.9	10.2	3.7	15.9	13.9	6.7
Other Equipment	27.9	19.6	6.6	14.3	10.9	-22.3	0.9	15.9	13.6	-0.2	0.4
Structures	2.7	13.5	1.3	10.7	-2.9	-4.8	4.6	4.8	3.0	4.2	4.3
Commercial & Health Care	-0.3	8.5	3.6	12.9	10.7	17.7	3.4	1.2	3.9	8.6	6.9
Manufacturing	-1.3	16.2	4.2	12.7	35.6	-5.1	-15.2	-9.6	1.7	2.1	3.9
Power & Communication	-7.6	21.4	-4.3	18.3	-2.4	0.5	-1.0	-0.5	-8.5	-0.3	0.6
Mining & Petroleum	26.4	12.9	1.6	6.9	-28.5	-42.1	44.1	30.0	10.6	1.0	3.2
Other	-8.2	10.7	3.3	8.2	9.4	7.2	1.9	1.3	5.3	6.5	4.8
Residential Fixed Investment	0.0	12.9	12.5	3.8	10.2	6.6	3.3	-0.3	1.5	5.2	3.5
Exports	7.2	3.4	3.6	4.3	0.6	-0.1	3.0	4.3	4.2	5.3	3.3
Imports	5.7	2.7	1.5	5.1	5.5	1.9	4.6	4.9	7.4	7.3	5.5
Federal Government	-2.6	-1.9	-5.5	-2.6	0.0	0.4	0.7	3.1	5.2	0.7	-0.9
State & Local Government	-3.5	-2.2	-0.3	0.1	3.0	2.1	-0.5	1.1	1.4	1.4	1.2
Billions of Dollars											
Real GDP	15840.7	16197.0	16495.4	16899.8	17386.7	17659.2	18050.7	18578.4	19181.8	19739.5	20235.6
Nominal GDP	15542.6	16197.0	16784.9	17521.7	18219.3	18707.2	19485.4	20508.2	21663.4	22813.8	23952.3
Prices & Wages, Percent Change, Annual Rate											
GDP Deflator	2.1	1.9	1.8	1.9	1.0	1.1	1.9	2.2	2.3	2.3	2.4
Consumer Prices	3.1	2.1	1.5	1.6	0.1	1.3	2.1	2.5	2.5	1.8	2.1
Excl. Food & Energy	1.7	2.1	1.8	1.7	1.8	2.2	1.8	2.1	2.2	2.3	2.3
Producer Prices, Finished Goods	6.0	1.9	1.2	1.9	-3.3	-1.0	3.2	3.2	2.7	1.8	1.8
Employment Cost Index - Total Comp.	2.2	1.9	1.9	2.1	2.1	2.1	2.5	2.9	2.9	3.1	3.2
Other Measures											
Oil - WTI (\$ per barrel)	95.1	94.2	97.9	93.3	48.7	43.2	51.0	67.9	72.5	68.0	68.4
Productivity (% change)	0.0	0.9	0.5	0.8	1.3	0.1	1.1	1.3	1.9	2.1	2.3
Industrial Production (% change)	3.1	3.0	2.0	3.1	-1.0	-1.9	1.6	3.8	3.3	3.0	2.5
Factory Operating Rate	73.6	74.9	75.0	75.8	75.8	74.6	74.8	75.7	76.6	76.9	76.7
Nonfarm Inven. Chg. (Bil. of 2009 \$)	48.4	89.9	98.2	90.3	127.8	28.4	27.4	42.6	97.5	95.2	85.0
Consumer Sentiment Index	67.4	76.5	79.2	84.1	92.9	91.8	96.8	100.3	106.1	106.1	106.3
Light Vehicle Sales (Million units)	12.7	14.4	15.5	16.5	17.4	17.5	17.1	17.1	17.0	17.1	17.1
Housing Starts (Million units)	0.6	0.8	0.9	1.0	1.1	1.2	1.2	1.3	1.4	1.5	1.5
Existing House Sales (Million units)	3.8	4.1	4.5	4.3	4.6	4.8	4.9	4.7	4.8	5.2	5.4
Unemployment Rate (%)	8.9	8.1	7.4	6.2	5.3	4.9	4.4	3.9	3.4	3.4	3.5
Payroll Employment (% change)	1.2	1.7	1.6	1.9	2.1	1.8	1.6	1.6	1.6	1.1	0.7
Federal Surplus (Unified, FY, bil. \$)	-1296.8	-1089.2	-680.2	-483.6	-439.1	-587.4	-665.8	-779.0	-939.6	-960.0	-989.1
Current Account Balance (Bil. \$)	-445.7	-426.8	-348.8	-365.2	-407.8	-432.9	-449.1	-489.8	-639.1	-668.2	-749.4
Financial Markets, NSA											
Federal Funds Rate (%)	0.1	0.1	0.1	0.1	0.1	0.4	1.0	1.8	2.4	2.7	3.0
3-Month Treasury Bill Rate (%)	0.1	0.1	0.1	0.0	0.1	0.3	0.9	2.0	2.5	2.5	2.8
1-Year Treasury Note Yield (%)	0.2	0.2	0.1	0.1	0.3	0.6	1.2	2.4	3.2	3.5	3.6
5-Year Treasury Note Yield (%)	1.5	0.8	1.2	1.6	1.5	1.3	1.9	2.8	3.4	3.6	3.6
10-Year Treasury Note Yield (%)	2.8	1.8	2.4	2.5	2.1	1.8	2.3	2.9	3.4	3.5	3.6
30-Year Treasury Note Yield (%)	3.9	2.9	3.4	3.3	2.8	2.6	2.9	3.1	3.6	3.7	3.8
30-Year Fixed Mortgage Rate (%)	4.5	3.7	4.0	4.2	3.9	3.6	4.0	4.6	5.1	5.2	5.3
S&P 500 Stock Index	1268.9	1379.6	1642.5	1930.7	2061.2	2092.4	2448.2	2782.0	2901.7	3011.6	3061.2
(% change)	11.5	8.9	19.0	17.7	6.9	1.6	17.0	13.7	4.3	3.8	1.6
Exchange Rate, Major Trading Partners	1.0	1.0	1.0	1.1	1.2	1.2	1.2	1.2	1.2	1.2	1.2
(% change (negative = depreciation))	-5.8	3.8	3.2	3.3	16.1	0.7	-0.5	-2.2	1.8	-0.4	-0.1
Incomes											
Personal Income (Bil. of \$)	13326.8	14010.1	14181.1	14991.8	15719.5	16125.1	16830.9	17585.8	18441.9	19475.2	20460.1
(% change)	6.2	5.1	1.2	5.7	4.9	2.6	4.4	4.5	4.9	5.6	5.1
Disposable Income (Bil. of \$)	11873.6	12501.2	12505.3	13206.4	13784.3	14170.9	14796.3	15528.0	16268.1	17162.6	18019.0
(% change)	5.0	5.3	0.0	5.6	4.4	2.8	4.4	4.9	4.8	5.5	5.0
Real Disposable Income (Bil. Of 2009 \$)	12099.9	12500.8	12339.1	12838.1	13366.5	13595.5	13949.3	14338.3	14690.5	15217.3	15664.4
(% change)	2.4	3.3	-1.3	4.0	4.1	1.7	2.6	2.8	2.5	3.6	2.9
Saving Rate (%)	7.2	8.9	6.4	7.4	7.6	6.7	6.7	6.6	5.6	5.7	5.4
After-Tax Profits (Billions of \$)	1537.2	1821.2	1788.7	1855.2	1737.0	1736.9	1831.2	1954.9	2127.7	2246.6	2350.5
(% change)	-1.6	18.7	-1.7	3.7	-6.3	0.2	5.6	6.9	8.8	5.6	4.6

Table 2. Real Gross Domestic Product

	<i>History</i>								<i>Forecast</i>		
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Real GDP Billions 2009 \$											
Gross Domestic Product	15840.7	16197.0	16495.4	16899.8	17386.7	17659.2	18050.7	18578.4	19181.8	19739.5	20235.6
Final Sales of Domestic Product	15796.5	16125.8	16386.2	16809.9	17253.6	17617.5	18008.7	18520.9	19069.5	19627.1	20132.8
Total Consumption	10843.8	11006.8	11166.9	11494.3	11921.9	12248.2	12558.7	12899.0	13329.9	13790.9	14241.2
Durables	1079.7	1144.2	1214.1	1301.0	1399.4	1476.8	1577.9	1677.0	1789.4	1896.3	2013.1
Nondurables	2482.9	2493.5	2538.5	2603.7	2691.7	2763.9	2822.0	2903.1	3002.9	3090.2	3172.3
Services	7282.1	7369.1	7415.5	7594.0	7840.0	8022.5	8184.5	8358.1	8592.5	8871.5	9139.0
Nonresidential Fixed Investment	1935.4	2118.5	2206.0	2357.4	2399.7	2411.2	2538.1	2710.2	2859.5	2994.2	3122.4
Equipment & Software	886.2	983.4	1029.2	1098.7	1132.6	1116.2	1183.7	1267.7	1337.3	1401.1	1459.5
Information Processing Equipment	303.2	331.2	351.8	368.6	393.5	410.9	459.8	503.4	526.6	551.3	578.9
Computers & Peripherals	93.9	103.5	103.0	102.6	103.5	103.0	113.8	124.5	128.6	133.1	137.6
Communications Equipment	95.9	104.8	118.1	133.1	154.6	174.0	207.4	228.2	234.3	243.1	253.3
Industrial Equipment	194.9	211.2	208.4	216.6	217.0	214.4	228.6	240.5	251.5	265.5	276.4
Transportation Equipment	177.8	215.3	242.5	272.2	304.9	290.5	284.3	304.6	338.5	353.6	347.7
Aircraft	34.6	35.2	37.1	42.2	42.9	38.5	42.3	43.7	50.4	57.2	61.0
Other Equipment	50.6	60.3	64.3	73.5	81.1	63.0	62.9	72.9	82.6	82.4	82.8
Structures	424.1	479.4	485.5	536.9	520.9	494.7	517.5	542.5	558.6	582.2	607.1
Commercial & Health	95.8	103.8	107.5	121.3	134.1	157.9	162.9	164.9	171.2	186.0	198.8
Manufacturing	40.6	46.8	48.7	55.0	73.7	69.9	59.3	53.6	54.4	55.6	57.7
Power & Communication	84.6	102.4	97.8	112.5	108.7	109.0	107.3	106.5	97.5	97.1	97.7
Mining & Petroleum	136.7	152.9	155.4	166.0	117.7	66.9	94.8	123.0	135.5	136.9	141.2
Other	66.5	73.6	76.1	82.3	90.0	96.5	98.2	99.4	104.7	111.5	116.9
Residential Fixed Investment	382.5	432.0	485.5	504.2	555.3	591.3	611.1	609.3	618.7	651.1	673.9
Exports	2119.0	2191.3	2269.6	2367.0	2380.6	2378.1	2450.1	2555.4	2662.5	2804.5	2898.3
Imports	2687.1	2759.9	2802.4	2944.7	3105.5	3164.4	3308.7	3470.3	3725.6	3996.6	4215.3
Federal Government	1311.1	1286.5	1215.3	1183.2	1183.0	1187.8	1196.4	1233.0	1296.9	1306.4	1294.3
State & Local Government	1892.2	1850.5	1845.3	1848.1	1903.9	1942.8	1932.3	1954.0	1982.0	2009.0	2032.3

Table 3. Quarterly Summary of the Forecast of the U.S.

	2018Q1	2018Q2	2018Q3	2018Q4	2019Q1	2019Q2	2019Q3	2019Q4	2020Q1	2020Q2	2020Q3	2020Q4	2021Q1	2021Q2	2021Q3	2021Q4
Composition of Real GDP, Percent Change, Annual Rate																
Gross Domestic Product	2.2	4.2	3.5	2.9	3.2	3.3	3.1	3.1	2.8	3.0	2.5	2.6	2.4	2.4	2.5	2.5
Final Sales of Domestic Product	1.9	5.4	1.4	2.9	3.1	3.2	2.8	3.1	2.9	3.1	2.6	2.6	2.5	2.5	2.5	2.6
Total Consumption	0.5	3.8	4.0	2.9	3.2	3.3	3.3	3.5	3.5	3.5	3.5	3.5	3.3	3.1	3.1	3.0
Durables	-2.0	8.6	6.9	9.1	6.0	5.8	5.3	5.9	5.9	6.1	6.6	6.3	6.5	5.8	5.7	5.6
Nondurables	0.1	4.0	5.2	2.7	4.2	2.5	2.6	2.9	3.0	3.1	2.8	3.1	2.5	2.4	2.4	2.4
Services	1.0	3.0	3.2	2.1	2.5	3.1	3.2	3.3	3.3	3.2	3.2	3.1	3.0	2.9	2.9	2.8
Nonresidential Fixed Investment	11.5	8.7	0.8	6.9	5.8	6.1	5.3	5.1	4.4	4.0	4.7	4.2	4.2	4.2	4.3	4.5
Equipment & Software	8.5	4.6	0.4	7.4	5.8	6.6	5.8	5.5	4.2	3.5	5.1	4.1	4.0	4.1	4.1	4.4
Information Processing Equipment	11.4	10.5	3.4	4.7	4.7	3.5	4.4	4.6	5.0	4.7	5.1	4.8	5.0	5.2	5.1	5.2
Computers & Peripherals	28.7	15.6	-3.3	4.5	2.5	3.5	3.9	3.8	3.7	2.8	3.6	2.9	3.6	3.5	3.5	3.7
Communications Equipment	4.2	11.5	1.5	2.2	2.5	1.0	2.8	3.5	4.1	4.3	4.7	4.2	4.1	4.1	4.1	4.1
Industrial Equipment	6.8	-3.2	10.2	3.7	2.4	5.9	5.6	7.0	6.1	4.7	4.0	4.5	4.6	2.8	3.5	6.1
Transportation Equipment	15.0	3.8	-6.8	25.9	13.3	12.2	10.9	4.8	3.4	4.0	1.4	-3.4	-6.3	-0.5	0.3	3.5
Aircraft	76.9	-8.8	-26.0	-3.4	48.0	24.5	39.9	16.6	6.3	8.6	8.3	6.7	6.2	5.6	7.0	6.2
Other Equipment	2.0	-2.4	43.5	15.4	9.5	17.1	7.6	-8.6	-2.1	0.0	0.4	1.3	-3.2	1.1	2.9	5.8
Structures	13.9	14.5	-7.9	2.8	3.5	4.9	4.7	4.4	4.1	3.9	4.1	4.2	4.3	4.3	4.5	4.7
Commercial & Health Care	14.0	-4.6	-4.9	1.5	3.2	7.6	11.5	15.2	6.5	4.7	8.0	6.8	8.9	5.0	5.5	7.8
Manufacturing	-6.4	-20.5	-5.0	7.0	3.9	4.5	6.3	-1.7	2.1	0.4	2.3	8.6	2.7	1.9	6.7	2.6
Power & Communication	22.9	10.6	-12.8	-3.6	-16.5	-7.8	-6.3	-4.7	4.9	6.3	1.2	-8.9	2.0	5.5	2.5	-0.1
Mining & Petroleum	31.0	95.7	-10.4	8.6	15.8	8.6	3.3	-1.6	-0.8	0.7	-0.5	9.3	0.4	3.5	4.1	3.8
Other	2.2	4.4	-5.6	2.5	10.4	8.7	5.7	7.3	6.5	6.0	6.8	4.7	4.3	4.1	4.0	5.9
Residential Fixed Investment	-3.4	-1.3	-4.0	-3.4	3.2	6.3	3.7	6.0	5.5	5.7	4.3	4.7	2.5	2.1	3.6	4.5
Exports	3.6	9.3	-3.5	4.3	5.0	4.8	5.8	6.7	6.0	5.1	3.6	2.8	2.7	3.7	3.5	3.9
Imports	3.0	-0.6	9.1	7.7	7.5	7.7	8.1	7.7	7.7	6.8	6.2	5.8	5.0	5.2	5.2	5.2
Federal Government	2.6	3.7	3.3	9.0	6.5	5.5	2.0	0.1	0.2	2.8	-2.5	-1.8	-0.6	-0.6	-0.7	-1.3
State & Local Government	0.9	1.8	3.2	1.5	0.8	1.1	1.1	1.4	1.4	1.7	1.1	1.5	0.9	1.0	1.1	1.0
Billions of Dollars																
Real GDP	18324	18512	18671	18807	18957	19111	19256	19404	19539	19683	19805	19931	20052	20173	20295	20423
Nominal GDP	20041	20412	20659	20921	21230	21516	21805	22102	22388	22677	22958	23232	23519	23804	24094	24393
Prices & Wages, Percent Change, Annual Rate																
GDP Deflator	2.0	3.0	1.7	2.2	2.7	2.1	2.3	2.4	2.4	2.2	2.5	2.3	2.5	2.4	2.4	2.5
Consumer Prices	3.5	1.7	2.0	2.9	2.9	2.6	2.2	1.9	1.8	1.0	2.4	1.2	2.5	2.5	2.3	2.3
Excl. Food & Energy	3.0	1.8	2.0	1.9	2.6	2.3	2.3	2.4	2.3	2.2	2.3	2.2	2.3	2.4	2.4	2.4
Producer Prices, Finished Goods	3.6	2.7	2.2	3.0	2.9	2.5	2.5	2.2	1.9	0.7	2.0	1.1	2.1	2.3	2.1	2.0
Employment Cost Index - Total Comp.	4.0	2.4	3.0	3.0	2.5	2.9	3.1	3.3	3.0	3.3	3.1	3.1	3.0	3.3	3.4	3.5
Other Key Measures																
Oil - WTI (\$ per barrel)	62.9	68.0	69.8	71.1	71.0	72.4	73.5	73.2	72.1	66.7	68.6	64.6	67.0	68.5	68.8	69.2
Productivity (% change)	0.3	3.0	2.2	0.9	2.1	2.0	1.9	2.1	2.0	2.2	2.0	2.3	2.2	2.3	2.4	2.4
Industrial Production (% change)	2.5	5.3	3.3	3.4	2.6	3.2	3.4	3.5	2.9	2.8	2.8	2.7	2.4	2.3	2.3	2.4
Factory Operating Rate	75.3	75.5	75.8	76.1	76.2	76.5	76.7	76.8	76.9	76.9	76.9	76.8	76.8	76.7	76.7	76.7
Nonfarm Inven. Chg. (Bil. of 2009 \$)	35.9	-31.0	81.4	84.1	90.2	91.2	103.7	104.7	99.9	96.5	93.1	91.5	88.4	85.9	83.2	82.6
Consumer Sentiment Index	98.9	98.3	98.1	106.0	105.7	106.0	106.2	106.6	106.3	106.4	106.0	105.7	105.9	106.1	106.4	106.6
Light Vehicle Sales (Million units)	17.091	17.207	16.944	17.071	16.9	17.0	17.0	17.0	17.1	17.1	17.1	17.1	17.1	17.1	17.1	17.1
Housing Starts (Million units)	1.317	1.261	1.218	1.258	1.3	1.3	1.4	1.4	1.4	1.5	1.5	1.5	1.5	1.5	1.6	1.6
Existing House Sales (Million units)	4.903	4.797	4.690	4.464	4.6	4.8	4.9	5.0	5.1	5.2	5.2	5.3	5.3	5.3	5.4	5.5
Unemployment Rate (%)	4.1	3.9	3.8	3.6	3.5	3.4	3.3	3.3	3.3	3.4	3.4	3.5	3.5	3.5	3.6	3.6
Payroll Employment (% change)	1.7	1.7	1.7	1.8	1.6	1.5	1.3	1.2	1.1	1.6	0.3	0.5	0.7	0.6	0.6	0.6
Federal Surplus (NIPA Bil. \$)	-970	-982	-948	-978	-983.9	-995.0	-1000.5	-1002.3	-1026.1	-1040.9	-1035.3	-1036.3	-1051.5	-1055.4	-1059.5	-1066.7
Current Account Balance (Bil. \$)	-487	-406	-493	-573	-611.8	-642.5	-652.7	-649.3	-653.8	-654.0	-676.8	-688.4	-710.2	-732.1	-761.2	-793.9
Financial Markets, NSA																
Federal Funds Rate (%)	1.45	1.74	1.92	2.19	2.4	2.4	2.4	2.4	2.4	2.7	2.8	2.8	2.9	3.0	3.1	3.2
3-Month Treasury Bill Rate (%)	1.56	1.84	2.04	2.39	2.6	2.5	2.5	2.4	2.4	2.6	2.6	2.6	2.7	2.8	2.8	2.9
1-Year Treasury Note Yield (%)	1.94	2.25	2.47	2.80	3.0	3.1	3.3	3.3	3.4	3.5	3.5	3.6	3.6	3.6	3.6	3.6
5-Year Treasury Note Yield (%)	2.54	2.77	2.81	3.09	3.2	3.4	3.5	3.5	3.6	3.6	3.6	3.6	3.6	3.6	3.6	3.6
10-Year Treasury Note Yield (%)	2.76	2.92	2.93	3.17	3.3	3.4	3.5	3.5	3.5	3.5	3.5	3.6	3.6	3.6	3.6	3.6
30-Year Treasury Note Yield (%)	3.03	3.08	3.07	3.37	3.5	3.6	3.6	3.7	3.7	3.7	3.7	3.8	3.8	3.8	3.8	3.9
30-Year Fixed Mortgage Rate (%)	4.27	4.54	4.57	4.85	5.0	5.1	5.1	5.1	5.1	5.2	5.2	5.2	5.3	5.3	5.3	5.3
S&P 500 Stock Index	2733	2703	2851	2841	2818.7	2889.9	2931.0	2967.3	2992.5	3006.9	3018.3	3028.7	3039.2	3053.0	3068.7	3084.0
(% change)	21.1	-4.2	23.7	-1.4	-3.1	10.5	5.8	5.1	3.4	1.9	1.5	1.4	1.4	1.8	2.1	2.0
Exchange Rate, Major Trading Partners	1.170	1.200	1.225	1.241	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2
(% change (negative = depreciation))	-11.9	10.5	8.9	5.3	-1.1	-2.3	-1.4	-0.2	-1.4	1.1	0.3	1.3	-0.5	-0.7	-0.6	-1.0
Incomes																
Personal Income (Bil. of \$)	17319	17500	17680	17844	18059	18317	18565	18825	19099	19357	19601	19844	20100	20339	20579	20823
(% change)	5.2	4.2	4.2	3.8	4.9	5.8	5.5	5.7	5.9	5.5	5.2	5.0	5.3	4.8	4.8	4.8
Disposable Income (Bil. of \$)	15289	15458	15613	15752	15939	16161	16375	16598	16837	17059	17272	17483	17707	17914	18122	18334
(% change)	7.0	4.5	4.1	3.6	4.8	5.7	5.4	5.6	5.9	5.4	5.1	5.0	5.2	4.8	4.7	4.8
Real Disposable Income (Bil. of 2009 \$)	14220	14307	14394	14433	14508	14630	14748	14877	15022	15167	15276	15404	15516	15614	15713	15814
(% change)	4.4	2.5	2.5	1.1	2.1	3.4	3.3	3.6	4.0	3.9	2.9	3.4	2.9	2.5	2.6	2.6
Saving Rate (%)	7.2	6.8	6.4	6.0	5.6	5.6	5.6	5.6	5.7	5.8	5.7	5.7	5.6	5.5	5.4	5.3
After-Tax Profits (Billions of \$)	1899.0	1962.3	1949.8	2008.6	2071.3	2100.9	2147.2	2191.3	2219.6	2229.8	2261.1	2275.9	2309.1	2341.1	2364.3	2387.5
(% change)	38.4	14.0	-2.5	12.6	13.1	5.8	9.1	8.5	5.3	1.8	5.7	2.6	6.0	5.7	4.0	4.0

Table 4. Quarterly Gross Domestic Product

	2018Q1	2018Q2	2018Q3	2018Q4	2019Q1	2019Q2	2019Q3	2019Q4	2020Q1	2020Q2	2020Q3	2020Q4	2021Q1	2021Q2	2021Q3	2021Q4
Real GDP Billions 2009 \$																
Gross Domestic Product	18324.0	18511.6	18671.5	18806.7	18957.1	19110.5	19255.9	19403.6	19538.7	19683.3	19805.4	19930.8	20051.6	20172.6	20295.3	20422.8
Final Sales of Domestic Product	18274.4	18515.9	18580.6	18712.8	18856.1	19003.6	19135.8	19282.3	19421.8	19569.7	19695.0	19822.1	19945.8	20069.1	20194.1	20322.2
Total Consumption	12722.8	12842.0	12968.5	13062.7	13167.5	13273.4	13381.4	13497.4	13615.1	13732.1	13849.2	13967.4	14080.1	14187.8	14295.3	14401.4
Durables	1628.2	1662.3	1690.1	1727.4	1752.6	1777.7	1800.7	1826.6	1853.0	1880.8	1911.2	1940.5	1971.3	1999.3	2027.1	2054.7
Nondurables	2858.6	2886.7	2923.7	2943.5	2974.1	2992.2	3011.8	3033.7	3056.1	3079.7	3100.7	3124.4	3143.8	3162.7	3181.9	3200.8
Services	8267.9	8329.8	8395.6	8439.0	8492.2	8557.4	8624.8	8695.8	8767.4	8836.6	8906.4	8975.6	9042.5	9107.0	9171.5	9235.2
Nonresidential Fixed Investment	2654.0	2710.1	2715.7	2761.2	2800.7	2842.3	2879.5	2915.8	2947.3	2976.6	3010.8	3042.2	3073.4	3105.2	3138.0	3173.0
Equipment & Software	1250.9	1264.9	1266.2	1289.0	1307.4	1328.5	1347.5	1365.6	1379.9	1392.0	1409.3	1423.3	1437.3	1451.7	1466.5	1482.4
Information Processing Equipment	490.5	502.9	507.2	513.1	519.0	523.4	529.1	535.0	541.5	547.8	554.7	561.2	568.1	575.3	582.5	589.9
Computers & Peripherals	121.3	125.7	124.7	126.1	126.9	128.0	129.2	130.4	131.6	132.5	133.6	134.6	135.8	137.0	138.2	139.4
Communications Equipment	222.9	229.1	229.9	231.1	232.6	233.1	234.8	236.8	239.1	241.7	244.5	247.0	249.5	252.0	254.6	257.2
Industrial Equipment	238.5	236.6	242.4	244.6	246.0	249.6	253.0	257.3	261.2	264.2	266.8	269.7	272.8	274.7	277.0	281.2
Transportation Equipment	300.7	303.5	298.2	315.9	325.9	335.4	344.2	348.3	351.2	354.7	355.9	352.8	347.1	346.7	347.0	350.0
Aircraft	46.2	45.2	41.9	41.5	45.8	48.4	52.6	54.7	55.5	56.7	57.8	58.8	59.7	60.5	61.5	62.5
Other Equipment	69.3	68.8	75.3	78.1	79.9	83.1	84.6	82.8	82.3	82.3	82.4	82.7	82.0	82.2	82.8	84.0
Structures	533.3	551.7	540.5	544.3	549.0	555.6	561.9	567.9	573.6	579.2	585.0	591.0	597.3	603.6	610.2	617.2
Commercial & Health	167.2	165.2	163.2	163.8	165.1	168.1	172.8	179.0	181.8	183.9	187.5	190.6	194.7	197.1	199.7	203.5
Manufacturing	56.0	52.9	52.2	53.1	53.6	54.2	55.0	54.8	55.1	55.1	55.4	56.6	57.0	57.2	58.2	58.5
Power & Communication	106.5	109.3	105.6	104.6	100.1	98.0	96.5	95.3	96.4	97.9	98.2	96.0	96.4	97.7	98.3	98.3
Mining & Petroleum	109.2	129.1	125.6	128.2	133.0	135.8	136.9	136.3	136.0	136.3	136.1	139.1	139.3	140.5	141.9	143.2
Other	99.2	100.2	98.8	99.4	101.9	104.0	105.5	107.4	109.1	110.7	112.5	113.8	115.0	116.2	117.3	119.0
Residential Fixed Investment	615.3	613.2	607.0	601.8	606.5	615.9	621.5	630.7	639.1	648.0	654.9	662.4	666.5	669.9	675.8	683.3
Exports	2517.8	2574.2	2551.2	2578.2	2609.7	2640.5	2678.1	2721.7	2761.4	2795.8	2820.5	2840.2	2859.3	2885.6	2910.2	2938.0
Imports	3420.1	3415.2	3490.2	3555.7	3620.6	3688.5	3761.4	3832.1	3903.6	3968.2	4028.7	4085.8	4135.9	4188.3	4241.5	4295.6
Federal Government	1213.1	1224.0	1234.1	1260.9	1280.8	1298.0	1304.3	1304.6	1305.2	1314.3	1305.9	1299.9	1298.0	1295.9	1293.6	1289.5
State & Local Government	1937.7	1946.6	1962.1	1969.5	1973.6	1978.9	1984.3	1991.1	1998.1	2006.3	2012.0	2019.6	2024.4	2029.6	2034.9	2040.2

Table 5. Annual Employment

	<i>History</i>								<i>Forecast</i>		
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Millions											
Total Nonfarm Employment	131.94	134.17	136.37	138.94	141.82	144.35	146.62	149.02	151.35	153.05	154.05
Private Nonfarm	109.85	112.25	114.52	117.06	119.79	122.12	124.30	126.66	128.90	130.29	131.25
Mining	0.74	0.80	0.81	0.84	0.76	0.62	0.63	0.69	0.72	0.73	0.75
Construction	5.53	5.65	5.86	6.15	6.46	6.73	6.95	7.24	7.51	7.82	8.19
Manufacturing	11.73	11.93	12.02	12.18	12.34	12.35	12.44	12.70	12.87	12.75	12.53
Trade, Transportation and Utilities	25.07	25.47	25.85	26.38	26.89	27.26	27.49	27.77	27.89	27.75	27.63
Transportation & Warehousing	4.30	4.42	4.50	4.66	4.87	5.01	5.17	5.35	5.51	5.52	5.52
Financial Activities	7.70	7.78	7.89	7.98	8.12	8.29	8.45	8.59	8.81	8.98	9.04
Education & Health	20.32	20.77	21.08	21.44	22.02	22.64	23.19	23.70	24.21	24.29	24.45
Professional & Business Services	17.33	17.93	18.52	19.06	19.63	20.05	20.47	20.95	21.64	22.67	23.14
Information	2.67	2.67	2.70	2.73	2.75	2.79	2.79	2.77	2.80	2.77	2.81
Leisure & Hospitality	13.35	13.77	14.26	14.69	15.15	15.66	16.06	16.33	16.47	16.62	16.83
Government	22.09	21.92	21.85	21.88	22.03	22.23	22.32	22.36	22.45	22.75	22.80
Federal	2.86	2.82	2.77	2.73	2.76	2.79	2.81	2.80	2.80	2.92	2.80
State & Local	19.23	19.10	19.08	19.14	19.27	19.44	19.52	19.57	19.65	19.83	20.00
Growth Rates											
Total Nonfarm Employment	1.22	1.69	1.64	1.88	2.08	1.78	1.58	1.63	1.57	1.12	0.65
Private Nonfarm	1.84	2.19	2.02	2.22	2.34	1.94	1.79	1.90	1.77	1.08	0.73
Mining	13.57	2.08	3.06	3.81	-16.56	-15.18	8.70	11.12	-0.06	3.44	0.89
Construction	1.93	1.74	4.36	5.58	5.03	3.32	3.30	4.44	3.55	4.75	4.60
Manufacturing	1.76	1.47	0.97	1.69	0.66	-0.12	1.46	2.09	0.83	-1.94	-1.26
Trade, Transportation and Utilities	1.95	1.48	1.84	2.08	1.50	1.39	0.71	0.83	0.21	-0.65	-0.40
Transportation & Warehousing	2.33	2.61	1.91	4.54	3.85	3.07	2.94	4.51	1.15	0.03	-0.10
Financial Activities	0.47	1.29	1.22	1.52	1.83	2.08	1.84	2.05	2.46	1.59	0.14
Education & Health	1.92	1.99	1.35	2.09	2.96	2.72	2.08	2.90	1.02	0.32	0.64
Professional & Business Services	3.58	3.27	3.16	3.16	2.88	1.83	2.22	1.82	5.26	3.51	1.70
Information	-0.41	-0.18	1.91	0.39	1.01	1.96	-1.25	0.49	-0.78	0.66	1.44
Leisure & Hospitality	2.80	3.11	3.62	2.95	3.46	2.93	2.30	1.60	0.22	1.55	1.05
Government	-1.38	-0.38	-0.27	0.47	0.67	1.00	0.13	0.31	0.51	0.88	0.74
Federal	-0.85	-1.04	-2.52	-0.06	0.95	1.46	-0.18	-0.06	0.00	3.89	0.00
State & Local	-1.46	-0.28	0.06	0.55	0.63	0.93	0.18	0.36	0.59	0.93	0.84

Table 6. Quarterly Employment

6. Quarterly Employment

	2018Q1	2018Q2	2018Q3	2018Q4	2019Q1	2019Q2	2019Q3	2019Q4	2020Q1	2020Q2	2020Q3	2020Q4	2021Q1	2021Q2	2021Q3	2021Q4
Employment (Millions)																
Nonfarm Employment	148.07	148.70	149.33	149.99	150.59	151.14	151.63	152.06	152.48	153.08	153.21	153.42	153.68	153.93	154.17	154.42
Agriculture, Forestry, Fishing and Hunting	125.75	126.37	126.94	127.59	128.18	128.71	129.16	129.55	129.86	130.12	130.47	130.72	130.94	131.15	131.35	131.55
Manufacturing	0.66	0.69	0.70	0.72	0.72	0.72	0.72	0.72	0.72	0.73	0.74	0.74	0.74	0.75	0.75	0.75
Construction	7.14	7.20	7.26	7.34	7.42	7.48	7.54	7.60	7.68	7.77	7.87	7.96	8.06	8.15	8.24	8.33
Retail Trade, Transportation and Utilities	12.61	12.68	12.74	12.78	12.83	12.89	12.88	12.89	12.86	12.77	12.72	12.64	12.59	12.55	12.52	12.48
Transportation & Warehousing	27.69	27.76	27.82	27.81	27.90	27.90	27.90	27.87	27.82	27.76	27.72	27.69	27.69	27.66	27.61	27.58
Information & Communications	5.27	5.31	5.35	5.46	5.49	5.50	5.52	5.52	5.52	5.52	5.52	5.53	5.53	5.53	5.52	5.52
Professional Services	8.54	8.56	8.59	8.68	8.72	8.78	8.84	8.89	8.93	8.97	9.00	9.03	9.04	9.03	9.04	9.04
Education & Health	23.46	23.58	23.73	24.02	24.12	24.22	24.25	24.27	24.25	24.27	24.30	24.35	24.39	24.43	24.47	24.50
Leisure, Hospitality and Business Services	20.77	20.92	21.06	21.02	21.17	21.46	21.82	22.13	22.41	22.61	22.77	22.90	23.01	23.09	23.18	23.29
Retail Trade	2.76	2.77	2.77	2.79	2.81	2.83	2.80	2.77	2.76	2.76	2.78	2.79	2.80	2.81	2.82	2.83
Leisure & Hospitality	16.24	16.29	16.36	16.44	16.51	16.45	16.46	16.47	16.50	16.57	16.68	16.73	16.75	16.80	16.86	16.91
Government	22.32	22.34	22.39	22.40	22.41	22.43	22.47	22.51	22.61	22.96	22.74	22.70	22.74	22.78	22.82	22.86
Federal	2.79	2.79	2.80	2.80	2.80	2.80	2.80	2.80	2.85	3.15	2.89	2.80	2.80	2.80	2.80	2.80
State & Local	19.53	19.54	19.59	19.60	19.61	19.63	19.67	19.71	19.76	19.81	19.85	19.90	19.94	19.98	20.02	20.06
Hourly Rates																
Nonfarm Employment	1.72	1.71	1.68	1.77	1.61	1.45	1.29	1.16	1.09	1.59	0.34	0.52	0.70	0.64	0.63	0.64
Agriculture, Forestry, Fishing and Hunting	2.05	1.97	1.80	2.05	1.87	1.63	1.40	1.21	0.97	0.80	1.06	0.76	0.68	0.62	0.61	0.63
Manufacturing	10.44	13.27	7.41	11.56	-0.39	-0.34	2.45	-1.98	3.19	5.26	3.63	1.47	1.14	0.61	0.74	1.07
Construction	6.47	3.30	3.42	4.24	4.16	3.43	2.89	3.52	4.08	4.67	4.99	4.93	4.74	4.47	4.44	4.44
Retail Trade, Transportation and Utilities	2.67	2.37	1.80	1.46	1.57	1.76	-0.46	0.44	-0.97	-2.65	-1.79	-2.42	-1.46	-1.49	-0.96	-1.17
Transportation & Warehousing	1.50	1.03	0.84	-0.05	1.25	0.08	-0.11	-0.39	-0.72	-0.82	-0.57	-0.52	-0.04	-0.38	-0.64	-0.55
Information & Communications	3.38	2.84	3.50	8.33	2.24	0.70	1.13	0.51	-0.18	-0.13	0.12	0.31	0.13	-0.02	-0.22	-0.26
Professional Services	1.53	1.32	1.22	4.11	1.85	2.83	2.85	2.32	2.03	1.61	1.47	1.25	0.19	-0.07	0.17	0.27
Education & Health	1.96	2.03	2.53	5.05	1.60	1.64	0.49	0.36	-0.22	0.22	0.52	0.77	0.66	0.79	0.59	0.53
Leisure, Hospitality and Business Services	2.31	3.02	2.66	-0.72	2.73	5.73	6.77	5.79	5.26	3.62	2.77	2.38	1.85	1.50	1.57	1.86
Retail Trade	-2.66	1.16	-0.48	3.95	2.15	3.03	-3.54	-4.75	-1.15	-0.18	2.20	1.76	1.81	1.43	1.69	0.84
Leisure & Hospitality	1.52	1.34	1.56	1.99	1.74	-1.38	0.14	0.41	0.58	1.68	2.76	1.18	0.54	1.24	1.27	1.15
Government	-0.16	0.25	0.95	0.19	0.13	0.44	0.67	0.83	1.77	6.26	-3.68	-0.84	0.77	0.75	0.73	0.71
Federal	-1.18	0.00	0.53	0.43	0.00	0.00	0.00	0.00	7.79	49.15	-29.11	-12.25	0.00	0.00	0.00	0.00
State & Local	-0.01	0.29	1.01	0.15	0.15	0.50	0.77	0.95	0.93	0.94	0.92	0.91	0.88	0.85	0.83	0.81

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

	2018Q1	2018Q2	2018Q3	2018Q4	2019Q1	2019Q2	2019Q3	2019Q4	2020Q1	2020Q2	2020Q3	2020Q4	2021Q1	2021Q2	2021Q3	2021Q4
GDP	109.3	110.2	110.6	111.2	112.0	112.6	113.2	113.9	114.6	115.2	115.9	116.6	117.3	118.0	118.7	119.4
Consumption	107.5	108.1	108.5	109.1	109.9	110.5	111.0	111.6	112.1	112.5	113.1	113.5	114.1	114.7	115.3	115.9
Durables	88.1	87.7	87.5	87.1	87.1	86.8	86.5	86.2	86.0	85.5	85.2	84.8	84.5	84.2	84.0	83.7
Motor Vehicles	97.6	97.3	98.0	97.7	98.1	98.3	98.5	98.6	98.8	98.8	98.9	98.9	99.0	99.1	99.3	99.5
Furniture	86.3	86.9	86.3	86.2	86.6	86.5	86.3	86.1	85.9	85.6	85.4	85.1	84.9	84.7	84.5	84.4
Other Durables	89.4	88.7	87.8	87.4	87.4	87.3	87.1	86.9	86.8	86.5	86.3	86.0	85.8	85.6	85.4	85.3
Nondurables	99.1	99.5	99.4	100.3	101.0	101.5	101.9	102.1	102.2	101.9	102.4	102.3	102.9	103.4	103.8	104.1
Food	103.1	103.4	103.5	103.6	103.7	104.1	104.4	104.8	105.3	105.7	106.2	106.7	107.2	107.7	108.1	108.5
Clothing & Shoes	100.2	100.3	98.6	98.7	98.9	99.0	99.0	99.0	99.0	98.9	98.8	98.7	98.6	98.6	98.5	98.5
Gasoline & Oil	77.0	77.6	79.3	85.2	87.3	89.5	90.4	89.4	87.8	83.6	84.8	81.2	82.8	84.0	84.2	84.4
Fuel	78.9	79.9	83.3	80.1	88.4	94.7	96.3	96.6	96.0	93.0	94.1	91.7	93.6	95.2	96.0	96.7
Services	113.8	114.6	115.3	116.1	117.0	117.8	118.6	119.4	120.2	121.0	121.9	122.7	123.5	124.3	125.2	126.1
Housing	118.0	119.1	120.1	121.0	122.0	123.0	124.0	124.9	125.8	126.8	127.6	128.5	129.4	130.2	131.0	131.9
Electricity	109.0	108.1	106.7	106.7	107.0	106.9	107.1	107.6	108.3	108.6	109.1	109.7	110.1	110.6	111.3	111.9
Natural Gas	105.6	105.0	103.0	102.6	103.2	101.1	100.0	100.2	102.0	101.8	102.2	102.8	102.5	103.0	104.5	105.5
Water & Sewer	122.9	124.3	125.4	126.4	127.6	128.3	128.9	129.8	130.6	131.6	132.7	134.0	135.3	136.7	138.2	139.6
Telephone	85.8	85.8	85.8	85.8	85.8	85.9	86.1	86.3	86.4	86.6	86.8	87.0	87.3	87.5	87.7	87.9
Transportation	105.4	106.3	107.3	108.4	109.2	110.0	110.7	111.2	111.7	112.1	112.7	113.2	113.8	114.4	115.0	115.6
Other Services	113.7	114.3	115.3	116.3	117.3	118.0	118.8	119.5	120.1	120.7	121.4	122.1	122.9	123.5	124.2	124.9

Table 8. Percent Change in Implicit Price Deflators

	2018Q1	2018Q2	2018Q3	2018Q4	2019Q1	2019Q2	2019Q3	2019Q4	2020Q1	2020Q2	2020Q3	2020Q4	2021Q1	2021Q2	2021Q3	2021Q4
GDP	2.0	3.0	1.7	2.2	2.7	2.1	2.3	2.4	2.4	2.2	2.5	2.3	2.5	2.4	2.4	2.5
Consumption	2.5	2.0	1.6	2.5	2.7	2.2	2.1	1.9	1.8	1.4	2.1	1.5	2.2	2.2	2.1	2.1
Durables	-1.1	-1.6	-1.0	-1.9	0.2	-1.4	-1.3	-1.4	-1.3	-1.9	-1.5	-1.9	-1.5	-1.3	-1.3	-1.2
Motor Vehicles	-0.5	-1.4	2.9	-1.0	1.5	0.7	0.7	0.7	0.7	-0.1	0.5	-0.1	0.4	0.6	0.6	0.7
Furniture	0.2	2.9	-2.6	-0.7	2.1	-0.7	-0.8	-1.0	-0.8	-1.5	-1.1	-1.5	-0.9	-0.8	-0.9	-0.7
Other Durables	1.9	-2.8	-4.3	-1.6	0.2	-0.7	-0.7	-0.9	-0.8	-1.3	-0.9	-1.3	-0.9	-0.8	-0.8	-0.8
Nondurables	3.9	1.4	-0.1	3.4	2.7	2.3	1.5	0.8	0.5	-1.1	2.0	-0.7	2.3	2.0	1.5	1.4
Food	0.2	1.2	0.4	0.2	0.7	1.4	1.3	1.5	1.6	1.8	1.8	1.9	1.9	1.7	1.6	1.6
Clothing & Shoes	8.8	0.5	-6.9	0.4	1.1	0.2	0.1	0.1	-0.1	-0.4	-0.3	-0.4	-0.3	-0.2	-0.2	-0.1
Gasoline & Oil	20.0	3.1	9.1	33.0	10.6	10.3	4.0	-4.2	-7.1	-17.6	5.5	-15.8	8.2	5.7	1.2	0.7
Fuel	38.9	5.2	18.0	-14.5	48.4	32.1	6.8	1.4	-2.6	-12.1	5.0	-9.8	8.5	6.8	3.6	3.1
Services	2.6	2.7	2.5	2.9	3.1	2.8	2.8	2.8	2.7	2.7	2.7	2.7	2.7	2.7	2.8	2.8
Housing	3.3	3.6	3.4	3.2	3.4	3.2	3.1	3.1	3.0	3.0	2.8	2.7	2.7	2.6	2.6	2.6
Electricity	1.5	-3.2	-4.9	-0.3	1.2	-0.1	0.7	1.6	2.8	1.3	1.9	1.9	1.4	1.9	2.6	2.3
Natural Gas	3.9	-2.4	-7.1	-1.8	2.4	-7.7	-4.4	0.8	7.5	-1.0	1.6	2.6	-1.0	1.9	6.0	3.9
Water & Sewer	3.0	4.4	3.7	3.4	3.7	2.1	2.2	2.6	2.8	3.1	3.3	3.8	4.0	4.4	4.3	4.2
Telephone	-1.4	0.1	-0.2	0.1	0.2	0.5	0.8	0.9	0.6	0.8	0.9	1.1	1.1	1.0	0.9	1.1
Transportation	-0.9	3.7	3.7	4.3	2.9	3.0	2.5	2.0	1.6	1.6	2.0	1.8	2.1	2.1	2.1	2.1
Other Services	3.9	2.0	3.5	3.7	3.3	2.6	2.6	2.3	2.0	2.1	2.3	2.4	2.4	2.1	2.1	2.4

TABLES

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

	<i>History</i>								<i>Forecast</i>		
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
GDP	98.1	100.0	101.8	103.7	104.8	105.9	107.9	110.3	112.9	115.6	118.4
Consumption	98.1	100.0	101.3	102.9	103.1	104.2	106.1	108.3	110.7	112.8	115.0
Durables	101.3	100.0	98.0	95.5	93.4	91.2	89.1	87.6	86.7	85.4	84.1
Motor Vehicles	98.7	100.0	100.5	100.6	100.5	99.4	98.2	97.7	98.4	98.8	99.2
Furniture	100.0	100.0	98.1	94.7	92.4	90.0	87.5	86.4	86.4	85.5	84.6
Other Durables	100.8	100.0	97.9	94.4	90.8	90.4	89.5	88.3	87.2	86.4	85.5
Nondurables	97.7	100.0	100.1	100.6	97.1	95.9	97.4	99.6	101.6	102.2	103.5
Food	97.7	100.0	101.0	102.9	104.1	103.0	102.9	103.4	104.3	106.0	107.9
Clothing & Shoes	96.5	100.0	101.0	101.3	100.0	99.8	99.2	99.4	99.0	98.8	98.5
Gasoline & Oil	96.6	100.0	97.2	93.5	68.7	61.0	68.9	79.8	89.2	84.3	83.8
Fuel	98.6	100.0	98.8	98.3	69.8	58.0	66.9	80.5	94.0	93.7	95.4
Services	97.8	100.0	102.3	104.9	106.8	109.3	112.0	115.0	118.2	121.5	124.8
Housing	97.8	100.0	102.3	105.0	108.2	111.8	115.6	119.6	123.5	127.2	130.6
Electricity	100.0	100.0	102.1	105.8	106.4	105.2	107.5	107.6	107.1	108.9	111.0
Natural Gas	110.8	100.1	104.9	112.3	99.0	96.6	104.3	104.0	101.1	102.2	103.9
Water & Sewer	95.0	100.0	104.4	108.1	112.8	116.8	120.7	124.8	128.6	132.2	137.5
Telephone	99.9	100.0	99.3	98.2	95.8	95.2	87.1	85.8	86.0	86.7	87.6
Transportation	98.1	100.0	101.0	102.3	102.5	103.4	104.7	106.9	110.3	112.4	114.7
Other Services	97.5	100.0	102.9	105.4	107.5	109.6	111.9	114.9	118.4	121.1	123.9

Table 10. Percent Change in Implicit Price Deflators

	<i>History</i>								<i>Forecast</i>		
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
GDP	2.0	2.1	1.8	1.6	0.9	1.5	2.0	2.2	2.4	2.3	2.5
Consumption	2.7	1.8	1.2	1.2	0.3	1.6	1.8	2.1	2.2	1.7	2.1
Durables	-0.3	-1.6	-2.2	-2.6	-2.0	-2.9	-1.9	-1.4	-1.0	-1.6	-1.3
Motor Vehicles	3.5	0.8	0.5	-0.3	-0.2	-1.5	-1.1	0.0	0.9	0.3	0.6
Furniture	0.0	-0.2	-2.9	-3.0	-2.4	-2.8	-3.0	-0.1	-0.1	-1.2	-0.8
Other Durables	2.5	-2.1	-2.5	-3.6	-4.0	0.5	-1.0	-1.7	-0.5	-1.1	-0.8
Nondurables	5.9	1.9	-0.6	-0.4	-3.1	0.4	1.6	2.2	1.8	0.2	1.8
Food	5.1	1.3	0.7	2.8	0.3	-1.8	0.7	0.5	1.2	1.8	1.7
Clothing & Shoes	4.2	2.6	0.3	-0.3	-1.3	0.0	-1.5	0.7	0.4	-0.3	-0.2
Gasoline & Oil	19.9	4.8	-5.3	-10.6	-16.8	7.6	15.1	16.3	5.2	-8.8	4.0
Fuel	26.2	3.4	-0.3	-8.8	-29.1	8.5	17.3	11.9	22.2	-4.9	5.5
Services	2.2	2.3	2.5	2.3	1.8	2.7	2.4	2.7	2.9	2.7	2.8
Housing	1.9	2.3	2.4	2.8	3.2	3.5	3.3	3.4	3.2	2.9	2.6
Electricity	2.6	-0.7	3.1	3.1	-0.6	0.4	2.3	-1.7	0.8	2.0	2.1
Natural Gas	-2.5	-4.3	2.2	6.6	-12.1	6.7	4.1	-1.9	-2.2	2.7	2.7
Water & Sewer	4.7	5.7	3.7	4.1	3.9	3.3	3.2	3.6	2.6	3.2	4.2
Telephone	-2.3	0.8	-1.0	-2.4	0.0	-3.0	-7.7	-0.4	0.6	0.9	1.0
Transportation	3.7	1.2	1.6	1.1	-0.4	1.1	2.0	2.7	2.6	1.7	2.1
Other Services	2.9	2.3	3.1	2.3	1.8	2.0	2.1	3.3	2.7	2.2	2.3

Table 11. Personal Income and its Components

	<i>History</i>								<i>Forecast</i>		
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Personal Income Billions Current Dollars											
Personal Income	13326.8	14010.1	14181.1	14991.8	15719.5	16125.1	16830.9	17585.8	18441.9	19475.2	20460.1
Wages & Salaries	8225.9	8566.7	8834.2	9248.1	9696.8	9956.2	10407.2	10877.7	11399.1	11995.7	12603.8
Other Labor Income	1107.3	1125.9	1194.7	1228.1	1272.8	1294.2	1348.1	1389.5	1439.9	1513.6	1590.1
Nonfarm Income	1164.4	1286.4	1315.2	1377.5	1365.5	1381.8	1462.0	1540.1	1605.8	1647.7	1677.0
Farm Income	64.9	60.9	88.3	70.1	56.4	37.5	38.9	31.6	31.2	62.4	80.3
Rental Income	478.6	518.0	557.0	608.4	651.8	694.8	730.2	762.8	827.7	884.2	917.8
Dividends	681.5	835.1	793.3	953.4	1033.3	1075.7	1108.6	1145.5	1201.3	1266.5	1311.0
Interest Income	1269.4	1330.5	1273.0	1347.8	1438.1	1440.9	1523.0	1610.5	1670.6	1810.9	1967.8
Transfer Payments	2358.7	2363.0	2424.3	2540.3	2683.0	2778.1	2859.7	2981.9	3132.5	3302.9	3469.8
Personal Social Insurance Tax	423.9	437.2	578.0	607.1	635.6	658.5	693.3	731.5	764.8	801.6	840.4
Percent Change, Annual Rate											
Personal Income	6.2	5.1	1.2	5.7	4.9	2.6	4.4	4.5	4.9	5.6	5.1
Wages & Salaries	3.8	4.1	3.1	4.7	4.9	2.7	4.5	4.5	4.8	5.2	5.1
Other Labor Income	2.2	1.7	6.1	2.8	3.6	1.7	4.2	3.1	3.6	5.1	5.0
Nonfarm Income	8.8	10.6	2.2	4.7	-0.9	1.2	5.8	5.3	4.3	2.6	1.8
Farm Income	70.6	-6.1	45.6	-19.4	-19.2	-33.4	4.3	-19.1	3.6	100.8	32.2
Rental Income	21.3	3.9	9.8	8.3	7.5	5.1	5.9	4.7	9.7	5.2	3.0
Dividends	23.6	46.5	-7.5	22.4	3.7	4.9	2.4	4.3	6.0	4.0	3.4
Interest Income	3.8	3.9	-2.7	6.9	6.8	0.7	8.9	2.9	5.7	9.0	8.5
Transfer Payments	0.4	1.1	2.5	6.2	4.6	3.5	2.9	4.9	5.1	5.4	5.0
Personal Social Insurance Tax	-13.1	4.8	44.8	5.4	4.4	3.8	5.4	5.7	4.5	4.9	4.9

Table 12. Personal Consumption Expenditures (Current Dollars)

2018Q1 2018Q2 2018Q3 2018Q4 2019Q1 2019Q2 2019Q3 2019Q4 2020Q1 2020Q2 2020Q3 2020Q4 2021Q1 2021Q2 2021Q3 2021Q4

Consumer Expenditures by Type Billions Current Dollars

Consumer spending on...

all goods & services	13679.6	13875.6	14067.3	14255.9	14466.4	14662.9	14857.8	15058.6	15259.5	15444.8	15658.7	15852.4	16067.5	16277.6	16486.4	16696.3
durable goods	1434.5	1458.7	1479.3	1504.3	1527.1	1543.6	1558.3	1575.3	1592.9	1609.0	1629.0	1646.1	1666.1	1684.4	1702.3	1720.2
furniture and appliances	324.1	331.3	335.1	337.9	344.8	349.8	353.4	357.2	362.1	366.3	371.2	376.0	381.3	386.2	390.7	395.4
information processing equipment	136.6	139.2	143.0	147.6	150.2	152.3	154.3	156.3	157.8	159.4	161.0	162.6	164.4	166.2	167.9	169.7
motor vehicles and parts	498.5	504.6	513.0	518.5	522.5	529.1	533.9	540.4	547.5	554.4	563.6	571.2	580.6	588.5	596.3	604.1
other durable goods	152.3	156.8	157.4	162.8	166.7	168.7	170.4	172.3	173.9	175.2	176.6	177.9	179.5	181.2	183.0	184.7
nondurables	2833.2	2870.8	2907.3	2951.8	3002.3	3037.7	3069.0	3097.3	3123.9	3139.6	3176.6	3195.5	3233.7	3269.5	3301.6	3333.2
clothing & shoes	385.5	394.8	398.6	401.1	406.8	410.5	414.9	419.3	423.2	426.2	428.8	431.5	433.5	435.5	437.3	439.2
fuel oil & coal	19.5	21.3	21.9	23.7	26.0	27.7	27.8	27.7	27.4	26.5	26.9	26.2	26.8	27.4	27.7	28.0
gasoline & motor oil	321.0	325.7	330.6	351.7	361.5	369.9	374.2	371.9	367.1	353.0	357.8	345.6	352.1	356.8	358.1	359.0
food	988.3	998.0	1008.8	1013.9	1021.9	1029.9	1038.3	1047.6	1057.3	1067.4	1078.0	1088.7	1099.1	1108.6	1117.9	1127.1
other nondurable goods	1118.8	1131.0	1147.3	1161.2	1186.1	1199.6	1213.8	1230.8	1248.9	1266.5	1285.2	1303.5	1322.3	1341.1	1360.5	1379.9

Consumer Expenditures by Type Billions 2009 Dollars

Consumer spending on...

all goods & services	12722.8	12842.0	12968.5	13062.7	13167.5	13273.4	13381.4	13497.4	13615.1	13732.1	13849.2	13967.4	14080.1	14187.8	14295.3	14401.4
durable goods	1628.2	1662.3	1690.1	1727.4	1752.6	1777.7	1800.7	1826.6	1853.0	1880.8	1911.2	1940.5	1971.3	1999.3	2027.1	2054.7
furniture and appliances	375.5	381.1	388.0	392.1	398.0	404.5	409.3	414.8	421.3	427.8	434.7	442.0	449.3	455.9	462.3	468.7
information processing equipment	185.6	192.2	197.5	204.7	210.7	217.1	222.9	228.1	232.7	238.3	243.7	249.2	255.0	261.0	267.0	273.4
motor vehicles and parts	510.7	518.6	523.5	530.4	532.6	538.3	542.2	547.9	554.1	561.2	569.9	577.7	586.5	593.5	600.5	607.3
other durable goods	181.1	188.2	192.5	200.3	205.2	208.3	211.1	214.4	217.1	219.7	222.4	225.1	227.9	230.9	233.9	236.9
nondurables	2858.6	2886.7	2923.7	2943.5	2974.1	2992.2	3011.8	3033.7	3056.1	3079.7	3100.7	3124.4	3143.8	3162.7	3181.9	3200.8
clothing & shoes	384.7	393.4	404.4	406.6	411.3	414.9	419.2	423.5	427.6	431.0	434.0	437.2	439.5	441.9	443.9	446.0
fuel oil & coal	24.8	26.7	26.3	29.7	29.4	29.3	28.9	28.7	28.6	28.5	28.5	28.6	28.7	28.8	28.9	28.9
gasoline & motor oil	416.9	419.7	416.9	413.1	414.0	413.4	414.0	416.0	418.2	422.0	422.2	425.7	425.2	424.9	425.2	425.6
food	958.6	965.2	974.6	979.0	985.1	989.4	994.1	999.2	1004.5	1009.7	1015.0	1020.4	1025.2	1029.7	1034.2	1038.5
other nondurable goods	1061.4	1069.5	1087.3	1100.1	1118.2	1128.6	1138.5	1148.9	1159.6	1170.7	1182.4	1193.8	1205.5	1216.9	1228.4	1239.7

Real Consumer Expenditures Annual Growth Rate

Consumer spending on...

all goods & services	0.5	3.7	3.9	2.9	3.2	3.2	3.3	3.5	3.5	3.4	3.4	3.4	3.2	3.1	3.0	3.0
durable goods	-2.0	8.4	6.7	8.8	5.9	5.7	5.2	5.7	5.8	6.0	6.5	6.1	6.4	5.7	5.5	5.4
furniture and appliances	1.7	6.0	7.3	4.2	6.0	6.6	4.8	5.3	6.3	6.2	6.5	6.7	6.6	5.9	5.6	5.5
information processing equipment	8.1	14.2	10.9	14.7	11.7	12.2	10.7	9.3	8.1	9.6	9.1	9.1	9.3	9.4	9.3	9.6
motor vehicles and parts	-13.3	6.2	3.7	5.3	1.6	4.3	2.9	4.2	4.6	5.1	6.2	5.4	6.1	4.8	4.7	4.5
other durable goods	5.1	15.7	9.0	16.3	9.8	6.1	5.3	6.2	5.1	4.9	4.9	4.8	5.1	5.2	5.1	5.1
nondurables	0.1	3.9	5.1	2.7	4.2	2.4	2.6	2.9	3.0	3.1	2.7	3.1	2.5	2.4	2.4	2.4
clothing & shoes	-7.6	9.1	11.2	2.2	4.6	3.5	4.2	4.1	3.9	3.2	2.7	3.0	2.2	2.1	1.8	1.9
fuel oil & coal	-26.4	30.6	-6.3	50.8	-3.7	-1.7	-4.8	-3.3	-1.3	-0.8	0.3	0.5	1.1	1.3	1.3	1.1
gasoline & motor oil	-1.7	2.7	-2.7	-3.7	0.9	-0.6	0.6	1.9	2.1	3.7	0.2	3.3	-0.4	-0.3	0.3	0.3
food	2.2	2.8	4.0	1.8	2.5	1.8	1.9	2.1	2.1	2.1	2.1	2.1	1.9	1.8	1.7	1.7
other nondurable goods	2.0	3.1	6.8	4.8	6.8	3.8	3.6	3.7	3.8	3.9	4.1	3.9	4.0	3.8	3.8	3.7

Table 13. Personal Consumption Expenditures (2009 Dollars)

	History								Forecast		
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Consumer Expenditures by Type Billions Current Dollars											
<i>Consumer spending on...</i>											
all goods & services	10641.1	11006.8	11317.2	11824.0	12294.5	12766.9	13321.4	13969.6	14761.4	15553.9	16382.0
durable goods	1093.5	1144.2	1189.4	1242.4	1306.6	1346.6	1406.5	1469.2	1551.1	1619.3	1693.2
furniture and appliances	246.9	253.9	263.6	274.2	288.1	301.3	315.4	332.1	351.3	368.9	388.4
information processing equipment	101.8	107.9	111.0	114.6	119.2	123.8	131.6	141.6	153.3	160.2	167.0
motor vehicles and parts	365.2	396.6	417.5	442.3	473.9	483.7	498.2	508.6	531.5	559.2	592.4
other durable goods	121.8	126.9	129.7	135.2	139.3	139.9	145.9	157.3	169.5	175.9	182.1
nondurables	2424.6	2493.5	2540.6	2619.2	2613.1	2649.7	2749.6	2890.8	3051.6	3158.9	3284.5
clothing & shoes	332.6	345.2	350.5	358.0	366.3	373.0	379.7	395.0	412.9	427.4	436.4
fuel oil & coal	27.0	24.1	25.3	26.4	19.7	15.9	17.0	21.6	27.3	26.8	27.5
gasoline & motor oil	386.8	397.8	393.0	376.9	289.5	258.9	290.0	332.3	369.4	355.9	356.5
food	819.5	846.2	864.0	897.6	921.0	944.2	965.8	1002.3	1034.4	1072.8	1113.2
other nondurable goods	858.7	880.2	907.8	960.2	1016.6	1057.6	1097.2	1139.6	1207.6	1276.0	1351.0

Consumer Expenditures by Type Billions 2009 Dollars

<i>Consumer spending on...</i>											
all goods & services	10843.8	11006.8	11166.9	11494.3	11921.9	12248.2	12558.7	12899.0	13329.9	13790.9	14241.2
durable goods	1079.7	1144.2	1214.1	1301.0	1399.4	1476.8	1577.9	1677.0	1789.4	1896.3	2013.1
furniture and appliances	246.9	253.9	268.8	289.5	311.8	334.7	360.4	384.2	406.6	431.5	459.1
information processing equipment	94.8	107.9	119.5	130.7	142.0	158.5	175.5	195.0	219.7	241.0	264.1
motor vehicles and parts	370.1	396.6	415.3	439.8	471.4	486.5	507.2	520.8	540.2	565.7	596.9
other durable goods	119.9	126.9	134.0	147.5	160.8	162.9	172.5	190.5	209.7	221.1	232.4
nondurables	2482.9	2493.5	2538.5	2603.7	2691.7	2763.9	2822.0	2903.1	3002.9	3090.2	3172.3
clothing & shoes	344.6	345.2	347.1	353.4	366.1	373.9	382.9	397.3	417.2	432.5	442.8
fuel oil & coal	27.4	24.1	25.6	26.8	28.3	27.5	25.4	26.9	29.1	28.6	28.8
gasoline & motor oil	400.3	397.8	404.2	403.2	421.6	424.4	420.9	416.7	414.4	422.0	425.2
food	839.0	846.2	855.5	872.1	884.9	916.8	938.9	969.4	992.0	1012.4	1031.9
other nondurable goods	871.6	880.2	906.1	947.6	991.7	1018.4	1045.1	1079.6	1133.6	1176.6	1222.6

Real Consumer Expenditures Annual Growth Rate

<i>Consumer spending on...</i>											
all goods & services	1.2	1.6	1.9	3.8	3.0	2.8	2.7	2.8	3.3	3.5	3.1
durable goods	3.6	6.4	5.1	9.2	6.0	6.8	7.7	5.6	5.7	6.2	5.9
furniture and appliances	3.5	2.4	7.3	8.5	7.7	6.3	9.6	4.9	5.8	6.6	6.0
information processing equipment	18.7	13.4	7.7	12.2	6.2	13.3	10.4	12.5	11.4	9.3	9.7
motor vehicles and parts	0.4	7.8	1.4	9.6	4.3	7.3	5.0	0.7	3.3	5.4	5.1
other durable goods	3.0	8.4	6.2	10.9	7.7	0.2	8.5	12.1	7.0	5.0	5.2
nondurables	-0.2	0.7	2.8	3.0	3.0	2.0	3.1	3.0	3.1	3.0	2.4
clothing & shoes	0.6	0.3	0.9	3.9	2.5	1.4	4.7	4.0	4.2	3.2	2.0
fuel oil & coal	-15.0	7.1	23.2	-1.1	8.8	1.9	4.5	16.4	-3.3	-0.3	1.2
gasoline & motor oil	-2.1	-1.2	2.7	1.4	3.6	-1.2	0.1	-1.3	0.7	2.3	0.0
food	-0.7	1.6	1.6	1.5	1.4	4.4	2.8	2.7	2.1	2.1	1.8
other nondurable goods	1.3	1.2	4.4	5.1	4.5	1.0	3.6	4.2	4.4	3.9	3.8

Table 14. Business Fixed Investment

	<i>History</i>								<i>Forecast</i>		
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Billions Current Dollars											
Business Fixed Investment	1907.5	2118.5	2211.5	2394.3	2449.7	2442.1	2587.9	2796.3	2998.3	3182.8	3362.2
Producers Dur. Equipment	881.3	983.4	1027.0	1090.8	1118.3	1090.9	1150.4	1233.7	1315.5	1386.4	1450.0
Nonresidential Structures	404.5	479.4	492.5	577.1	572.2	545.7	585.4	635.1	676.5	723.1	774.3
Non-Farm Buildings	170.5	191.8	204.1	234.9	281.7	318.6	323.6	334.7	356.2	388.5	427.8
Commercial	67.0	75.6	84.3	103.0	116.9	144.5	153.6	161.6	170.5	188.9	210.0
Industrial	39.6	46.8	49.9	58.1	79.3	75.7	65.8	62.0	65.1	68.2	73.2
Other Buildings	63.9	69.4	70.0	73.8	85.5	98.4	104.2	111.1	120.6	131.3	144.6
Utilities	90.7	112.2	108.9	126.3	125.5	124.7	126.3	129.9	127.6	137.6	148.7
Mines & Wells	124.7	152.9	155.6	187.8	136.5	74.4	107.4	141.6	161.7	162.1	160.4
Billions 2009 Dollars											
Business Fixed Investment	1935.4	2118.5	2206.0	2357.4	2399.7	2411.2	2538.1	2710.2	2859.5	2994.2	3122.4
Producers Dur. Equipment	886.2	983.4	1029.2	1098.7	1132.6	1116.2	1183.7	1267.7	1337.3	1401.1	1459.5
Nonresidential Structures	424.1	479.4	485.5	536.9	520.9	494.7	517.5	542.5	558.6	582.2	607.1
Non-Farm Buildings	175.0	191.8	199.3	222.0	261.0	289.6	285.1	281.7	292.8	313.0	332.3
Commercial	69.0	75.6	82.5	98.2	109.2	132.9	137.9	140.1	144.9	157.8	169.1
Industrial	40.6	46.8	48.7	55.0	73.7	69.9	59.3	53.6	54.4	55.6	57.7
Other Buildings	65.4	69.4	68.0	68.9	78.2	86.9	87.8	87.9	93.1	99.5	105.3
Utilities	93.6	112.2	107.6	123.1	120.5	119.1	117.3	116.1	107.6	107.5	108.3
Mines & Wells	136.7	152.9	155.4	166.0	117.7	66.9	94.8	123.0	135.5	136.9	141.2
Annual Growth Rate											
Business Fixed Investment	11.7	7.1	5.9	7.9	-0.9	1.5	7.2	8.5	7.3	5.7	5.7
Producers Dur. Equipment	13.2	8.8	4.5	5.3	1.0	-2.1	9.2	6.0	6.9	4.6	4.7
Nonresidential Structures	16.6	8.4	10.2	16.1	-10.2	3.5	6.3	9.8	7.6	6.6	7.4
Non-Farm Buildings	14.7	7.3	10.8	21.0	11.4	15.1	-1.1	4.2	9.5	8.6	10.2
Commercial	14.6	9.6	19.7	20.2	10.0	28.4	-0.1	5.8	10.7	9.2	11.4
Industrial	38.0	8.5	11.1	38.6	15.2	-7.2	-11.5	-2.2	5.9	6.3	7.1
Other Buildings	3.3	4.4	2.3	12.3	11.6	17.8	5.1	6.2	10.0	9.1	10.1
Utilities	2.4	18.4	25.8	-6.4	13.8	10.0	-7.2	8.1	-0.8	8.6	9.6
Mines & Wells	40.3	4.2	4.9	34.1	-47.9	-31.8	89.6	33.3	10.7	-0.6	-1.1

Table 15. Government Receipts and Expenditures

	History								Forecast		
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Federal Government Receipts and Expenditures											
Receipts	2572.8	2700.3	3139.0	3292.2	3446.3	3475.5	3558.8	3509.1	3725.1	3927.4	4125.1
Personal Tax and Nontax Receipts	1130.3	1165.8	1302.3	1403.1	1528.3	1545.7	1613.4	1617.5	1713.8	1822.4	1924.3
Corp. Profits Tax Accruals	224.0	274.7	298.4	339.6	329.6	327.1	284.6	156.7	173.7	187.7	200.5
Indirect Business Tax and Nontax Accruals	108.6	115.2	125.5	136.3	140.4	137.7	131.5	161.9	216.5	229.9	240.6
Contributions for Social Insurance	903.2	938.0	1091.8	1140.3	1191.4	1225.0	1283.2	1348.0	1409.6	1477.4	1549.0
Expenditures	3814.7	3779.0	3776.9	3894.0	4015.2	4140.6	4254.2	4478.9	4720.5	4962.0	5183.4
Purchases Goods & Services	1298.9	1286.5	1226.6	1214.2	1220.9	1232.2	1265.2	1325.1	1422.7	1466.7	1485.9
National Defense	834.0	814.2	764.2	742.5	729.5	727.3	743.9	779.8	839.6	869.3	884.3
Other	465.0	472.4	462.4	471.6	491.3	504.9	521.3	545.3	583.1	597.4	601.5
Transfer Payments	2326.6	2299.5	2344.4	2446.9	2573.3	2656.7	2725.2	2839.7	2971.9	3129.9	3283.0
To Persons	1779.5	1781.8	1821.5	1879.5	1966.8	2024.1	2091.7	2178.5	2292.6	2428.5	2559.7
To Foreigners	57.6	55.3	53.9	52.8	52.7	54.7	52.4	55.3	55.5	57.3	58.3
Grants in Aid to State & Local Gov't	472.5	444.4	450.1	495.1	533.4	557.1	559.3	582.9	600.3	618.9	638.5
Net Interest	399.2	401.2	393.4	415.3	402.9	428.3	452.9	513.1	551.9	594.9	644.1
Subsidies less Surplus of Gov't Entities	65.8	65.4	69.3	64.8	60.3	63.0	62.8	66.6	62.1	60.8	60.0
Surplus (+) or Deficit (-)	-1242.0	-1078.6	-637.9	-601.8	-568.9	-665.1	-695.4	-969.8	-995.4	-1034.6	-1058.3
State and Local Government Receipts and Expenditures											
Receipts	2030.4	2056.3	2145.6	2259.4	2368.6	2421.9	2484.2	2598.1	2723.7	2853.7	2985.0
Personal Tax/Nontax Receipts	1366.4	1414.7	1490.6	1543.5	1592.8	1628.5	1689.8	1770.4	1864.0	1959.2	2054.5
Corporate Profits	322.9	343.1	373.5	382.3	406.9	408.6	421.2	440.3	460.0	490.2	516.8
Indirect Business Tax and Nontax Accruals	48.4	50.7	53.9	56.6	56.3	53.9	52.9	60.5	70.0	75.7	80.6
Contributions for Social Insurance	17.9	17.2	17.7	18.7	19.2	20.0	20.6	21.7	22.5	23.6	24.7
Federal Grants-In-Aid	472.5	444.4	450.1	495.1	533.4	557.1	559.3	582.9	600.3	618.9	638.5
Expenditures	2305.43	2339.06	2411.03	2496.14	2592.22	2667.75	2743.33	2833.10	2933.6	3059.5	3194.6
Purchases Goods & Services	1849.4	1850.5	1905.8	1952.9	2013.3	2058.8	2109.2	2206.5	2304.0	2403.5	2510.9
Transfer Payments	576.5	550.1	560.8	616.2	673.7	689.0	690.7	721.6	745.2	770.0	796.0
Interest Received	198.6	215.9	205.9	196.0	200.9	213.7	217.2	209.6	206.0	211.3	218.1
Net Subsidies	13.7	8.1	6.3	4.4	2.8	1.2	3.5	3.8	1.1	-1.9	-4.9
Dividends Received	3.4	4.1	4.7	5.1	5.2	5.5	5.9	6.4	6.8	7.1	7.4
Surplus (+) or Deficit (-)	-275.1	-282.8	-265.4	-236.7	-223.6	-245.8	-259.1	-235.0	-209.9	-205.7	-209.7

TABLES

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

	<i>History</i>								<i>Forecast</i>		
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Billions of Dollars											
Net Exports Goods & Services	-579.5	-568.6	-490.8	-508.3	-521.4	-520.6	-578.4	-631.7	-766.1	-807.2	-853.9
Current Account	-445.7	-426.8	-348.8	-365.2	-407.8	-432.9	-449.1	-489.8	-639.1	-668.2	-749.4
Exports -Goods & Services	2103.0	2191.3	2273.4	2371.0	2265.0	2217.6	2350.2	2544.5	2707.6	2895.3	3037.1
Merchandise Balance	-741.0	-741.1	-700.5	-749.9	-761.9	-751.1	-807.5	-892.1	-1058.7	-1148.7	-1243.0
Food, Feed & Beverage	126.2	133.0	136.2	143.7	127.7	130.5	132.7	143.2	131.7	146.6	155.8
Industrial Supplies Excl Petroleum	485.3	483.2	492.4	500.7	418.1	387.3	456.2	538.2	611.4	691.9	745.5
Motor Vehicles & Parts	133.0	146.2	152.7	159.8	151.9	150.3	157.6	161.5	169.8	178.3	180.5
Capital Goods, Excl. MVP	494.2	527.5	534.8	551.8	539.8	519.9	533.6	563.5	593.9	588.7	581.1
Computer Equipment	48.5	49.2	48.1	48.8	46.8	45.1	46.0	48.6	49.4	54.8	56.9
Other	365.4	383.9	381.7	389.8	373.5	353.9	366.5	384.7	407.1	395.6	385.7
Consumer Goods, Excl. MVP	174.7	181.0	188.1	198.4	197.3	193.3	197.1	203.2	202.2	213.8	217.1
Other Consumer	48.8	50.7	55.1	60.5	59.5	61.3	58.6	68.0	72.8	80.0	88.5
Services	640.7	669.7	714.2	756.1	770.7	774.9	814.3	866.8	925.9	996.0	1068.5
Billions of Dollars											
Imports -Goods & Services	2682.5	2759.9	2764.2	2879.3	2786.5	2738.1	2928.6	3176.2	3473.7	3702.5	3891.1
Merchandise	2240.5	2301.4	2296.4	2391.5	2287.3	2221.0	2378.5	2589.1	2855.0	3060.8	3224.2
Food, Feed & Beverage	108.3	111.1	116.0	126.8	128.8	131.0	138.8	147.8	152.6	166.2	176.0
Petroleum & Products	462.1	434.3	387.8	353.6	197.2	159.6	199.6	252.3	296.4	277.9	269.6
Industrial Supplies Excl Petroleum	292.8	288.9	291.3	316.3	290.8	277.8	306.3	342.6	434.2	484.9	515.6
Motor Vehicles & Parts	255.2	298.5	309.6	329.5	350.0	351.1	359.8	371.8	370.6	373.8	390.5
Capital Goods, Excl. MVP	513.4	551.8	559.0	598.8	607.2	593.9	643.6	698.4	709.7	752.1	805.6
Computer Equipment	119.7	122.3	121.2	122.0	120.3	114.6	128.5	145.0	148.3	153.6	155.7
Other	358.2	389.4	390.8	423.5	431.6	429.3	463.7	500.5	499.7	530.8	580.5
Consumer Goods, Excl. MVP	515.9	518.8	532.9	558.7	596.4	585.2	603.9	650.7	761.2	866.1	917.7
Other Consumer	92.8	97.9	99.9	107.8	116.9	122.5	126.4	125.4	130.4	139.7	149.3
Services	441.9	458.5	467.8	487.8	499.1	517.2	550.0	587.1	618.7	641.7	666.9
Billions 2009 Dollars											
Net Exports Goods & Services	-568.1	-568.6	-532.8	-577.7	-724.9	-786.2	-858.7	-915.0	-1063.1	-1192.1	-1317.0
Exports G & S	2119.0	2191.3	2269.6	2367.0	2380.6	2378.1	2450.1	2555.4	2662.5	2804.5	2898.3
Imports G & S	2687.1	2759.9	2802.4	2944.7	3105.5	3164.4	3308.7	3470.3	3725.6	3996.6	4215.3
Exports & Imports % Change											
Exports G & S	9.1	3.2	5.9	1.7	-6.6	1.8	8.4	6.5	7.7	5.8	5.1
Imports G & S	10.9	0.3	1.1	4.4	-5.5	2.9	8.5	7.9	9.2	5.3	5.4
Real Exports G & S	4.6	2.1	6.1	3.1	-1.5	0.9	4.7	3.4	5.6	4.4	3.4
Real Imports G & S	3.8	0.6	3.1	6.8	3.4	3.1	5.5	4.8	7.8	6.6	5.1

Sean Snaith, Ph.D., is the director of the University of Central Florida's Institute for Economic Competitiveness and a nationally recognized economist in the field of business and economic forecasting.

Snaith is the recipient of multiple awards for the accuracy of his forecasts, his research and his teaching. He has served as a consultant for local governments and multinational corporations such as Compaq, Dell and IBM. Before joining UCF's College of Business, he held teaching positions at Pennsylvania State University, American University in Cairo, the University of North Dakota and the University of the Pacific.

Snaith is frequently interviewed in international, national and regional media. He has been quoted in *The Wall Street Journal*, *USA Today*, *The New York Times*, *The Economist* and *The Guardian* and has appeared on CNBC, Fox Business Network, The Nightly News with Brian Williams, Al Jazeera, the BBC and CBC, China Central TV, Sky News, Nippon TV and the Business News Network, based in Toronto.

Snaith is a sought-after speaker known for his engaging and humorous presentations. He has built a national reputation for his unique ability to explain complex subject matter in a digestible manner. He earned praise from one business editor for having "an uncanny knack of making economics not only understandable but interesting."

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