

SPRING 2022

U.S. FORECAST



**Institute for
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UNIVERSITY OF CENTRAL FLORIDA

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U.S. FORECAST 2022 - 2025

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IN THIS U.S. FORECAST

- The U.S. economy is very close to, if not already in, a recession.
- We are calling this recession the Pasta Bowl Recession based on its forecast shape. A gradual decline into the recession which should last about a year before beginning a gradual climb out.
- Payroll job growth of 3.7% in 2022, which will turn negative in 2023 falling to -0.3, and fall further to -1.0% in 2024 before turning slightly positive at 0.6% in 2025.
- U.S. consumers provided the muscle that powered this recovery. Following the end of most lockdowns, consumers were ready to spend. High gasoline prices, food costs and housing costs have eroded their purchasing power and set the stage for a recession.
- Real consumption spending accelerated to 7.9% in 2021 but will ease to 2.3% in 2022, then to 0.4% in 2023 and then rise slowly to 1.1% in 2024 and 1.5% in 2025.
- The Federal Reserve cut interest rates to near-zero in the face of a COVID-19 policy induced recession, and the Fed's balance sheet has grown to \$8.9 trillion. The Fed is now playing catch-up as it shifts into inflation-fighting mode, which means rapid interest rate hikes going forward. In its battle against inflation, the Fed will get an assist from the Pasta Bowl Recession.
- Real GDP growth was -3.4% in 2020 but accelerated to 5.7% in 2021; it will ease to 1.4% in 2022, contract by 0.2% in 2023 and slowly rise to 1.0% in 2024 and then to 1.8% in 2025. An overly aggressive Fed could lead to a more severe recession.
- The housing market remains tight. High prices plus rising mortgage rates are eroding demand. Ultra-low inventories will underpin the sector. Housing starts will decline from 1.6 million in 2022 to 1.4 million in 2022 then hover at this level through 2025.
- 11.4 million job openings will provide a shock absorber for the impact of the recession on the labor market. The headline unemployment rate (U-3) is expected to rise from 3.6% in 2022 to 6.5% late in 2024 before beginning a gradual decline in 2025.
- Consumer price inflation will begin a slow decline in the second half of 2022, with energy and food prices slowing the pace of this decline. By the end of 2023, inflation will be close to the Fed's target level of 2% thanks to interest rate hikes and the recession.

Move over Gravy Boat, this one is the Pasta Bowl Recession

Let's cut to the chase: the U.S. economy is very close to, if not already in, a recession. There has been no official declaration as of now and likely will not be for more than a year.

When a recession hits the economy, the next set of questions are: What will the recession look like? How long will it last? How deep will it be?

These are the questions we faced in 2009 as we produced the May 2009 U.S. Forecast. (https://issuu.com/ucfbusiness/docs/usforecast_may09)

At that time the starting point of the Great Recession had already been declared as December 2007, with the announcement coming out in December of 2008. So, we set about describing our outlook for how that recession would play itself out. An excerpt of that forecast featuring this discussion is reprinted below.

THE SHAPE OF A RECESSION: *Alphabetic, Athletic Equipment and Other Metaphors.*

As the signs that the recession may be nearing a bottom become more frequent, the natural question is how will the rest of the recession and recovery play itself out? All recessions give way to the next expansion just as all expansions ultimately lead into recession. No two business cycles are exactly alike and, thus, the speculation has begun as to the shape of this particular recession and recovery.

One of the favorite sources of metaphors to describe the shape of the recession and subsequent recovery is the alphabet. Some of the letters used in this alphabet soup of business cycle descriptors include V, U, L and W. Let's examine each of these and their implied path that real GDP has followed in this cycle to date and where we are predicting the economy to go from here.

Figure 1 depicts the history and forecasted levels of real GDP over the course of this recession and our predicted recovery.

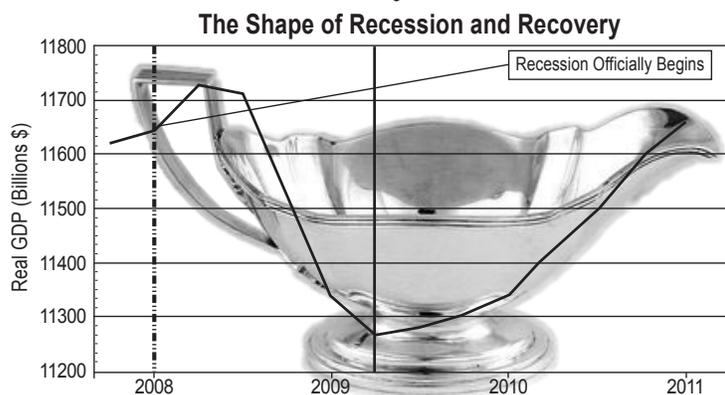
The recession officially began in December of 2007 after this start real GDP increased for two quarters before declining slightly in the 3rd quarter of 2008

and plunging in the 4th quarter and again in the first quarter of 2009. We were forecasting the recession to end in the 3rd quarter of 2009 making it a 19- or 20-month recession. The growth over the next several quarters had remained dampened; in fact, we were forecasting that the average growth rate over the six quarters following the end of the recession will be just 1.9%.

So how do the alphabetic classifications stack up to our projected path for the economy? Not very well, unfortunately. The V-shaped description implies that the recession would be a steep decline followed by an equally steep recovery that would occur immediately after the bottom is reached. A sharp decline followed rapidly by a sharp recovery. We eventually did get the sharp decline in real GDP growth, but only three quarters after the recession began. The recovery will not be as rapid as the steepest part of the economy's decline, so it looks like the V-shaped description is out.

How about the U-shaped recession/recovery? This suffers from the same symmetry problem as the V-shaped description. The U-shape implies both a

Figure 1



sharp decline as well as an equally sharp recovery separated by a prolonged period of stagnation in between. The possibility of a prolonged period of stagnation is not very likely given the magnitude of the stimulus put in place by the central bank and federal government, and once again, a steep recovery to form the second arm of the “U” does not appear to be in the cards.

The dreaded L-shaped recession features a steep drop on output followed by an extended period of no growth. I am not sure how an L-shaped recession is supposed to end or what comes after the no growth portion of the L. It reminds me of those movies that have no ending but leave the viewer to come to their own conclusion – I hate those kinds of movies. Fortunately, the massive stimulus mentioned above will preclude the L-shaped recession from coming to a theatre near you.

The last of our alphabet soup descriptors is the one that will be the new mantra of the perma-bears. The perma-bears are the folks who are always calling for the next great depression/apocalypse/judgment day/collapse of capitalism or another similar event. They have been repeatedly predicting that the next great depression was on its way for years attributable to Y2K, the dot com collapse, September 11, <insert your own major event here>, and the latest of course, the housing bubble. They have been emboldened by this recession, which has been particularly severe, and which began with the housing bust. As the end of this recession gets closer, they will more frequently predict, and indeed have already started predicting, a W-shaped pattern also known as the “double dip” recession.

Although the initial recovery will be muted, the slow building of momentum in the economy after an 18-month recession and massive stimulus will be difficult to knock off its tracks making a W-shaped pattern an unlikely outcome.

Having exhausted the English alphabet as a source of metaphor, we must move on to another descriptor, this time a sports-based one: the hockey stick shaped recession. While this one might have ice hockey fans smiling like the butcher’s dog, it suffers the same shortcoming as the L-shaped recession above. An extended period of no growth that corresponds to the blade on the hockey stick is not likely to happen. So, it is off to the penalty box for this metaphor.

How shall we describe this recession and recovery in light of the failure of this line-up of usual suspects? Alphabet and sports fans, don’t fret. I will offer you two alternatives that will be more accurate representations of how real GDP has/will behave over the course of this recession and recovery. But before I do that, let me introduce the true shape of this recession:

THE GRAVY BOAT™

As you can see, the gravy boat pictured above does bear some resemblance to Figure 1. The early part of the recession actually saw GDP rising, and this represents the ‘handle’ of the gravy boat. As we move past those first few quarters of the recession, GDP begins to plunge toward the bottom of the boat in the 4th quarter of 2008 and the 1st quarter of 2009 and as we move from there GDP, we gently taper to the bottom of this cycle in the 2nd/3rd quarter of 2009. After touching bottom, we begin to see GDP slowly climb like the graduated, tapered pouring spout of the gravy boat. The spout is longer and less steep than the back end of the gravy boat and, similarly, GDP will take a long time and will only slowly recover from the sharp plunge that it took in the earlier portion of the downturn.

If the Gravy Boat™ recession is not appetizing to you and you insist on having an alphabetical or sports-oriented metaphor, allow me to suggest some alternatives that are more accurate in shape to the path of real GDP that we are forecasting.

There is no letter in the English alphabet that is appropriate, so I scoured alphabets from around the world both past and present. From Cyrillic to Sinhala and from Chinese to cuneiform, I searched, and I believe I found a letter that is up to the task:

ㄹ This is a lowercase character from the Korean alphabet, pronounced NEE-Youn. The shape of this character captures the sharp decline in real GDP as well as its gradual rise from the nadir of this business cycle.

If you are seeking a replacement for the hockey stick, then I have a special Florida-centric alternative taken from another fast paced sport, Jai Lai. The baskets that the players in Jai Lai wear on their hand and use to hurl the ball, or pelota, at speeds in excess of 150 miles per hour is known as a cesta. The cesta pictured below has a shape that also will resemble the path of real GDP throughout



the recession and recovery more accurately than the hockey stick shaped path.

The commonality of the Gravy Boat, nee-youn, and cesta-shaped recessions is that all three characterize

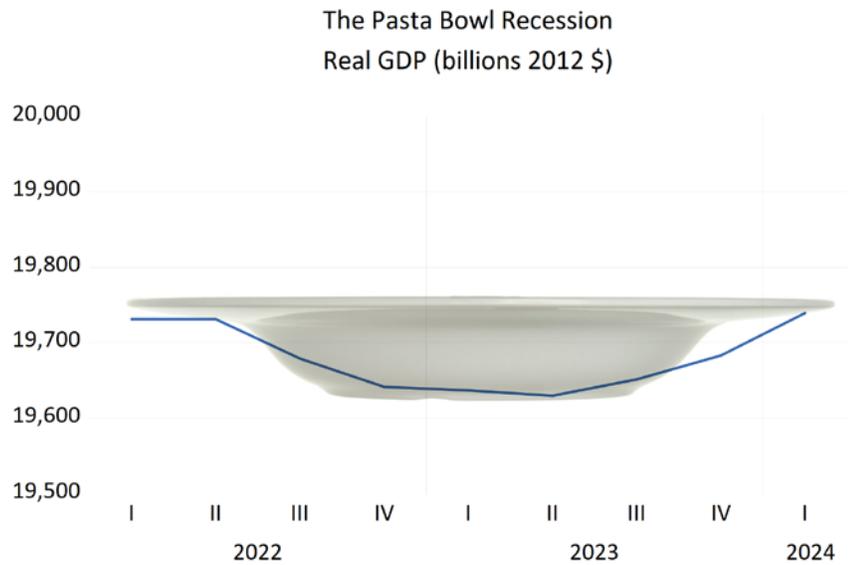
the recovery phase of this cycle as a slow and gradual process. Given the severity of the recession and the particular characteristics of this downturn, most notably the credit crisis, recovery is going to take some time. While we can all hope for a V-shaped recession, we almost certainly will not get one. In the meantime, please pass the mashed potatoes.

So here we stand, thirteen years after declaring the Gravy Boat recession and recovery which turned out to be an accurate description of the shape of that recession and recovery, facing another recession and the obligatory questions about it.

Once again, the English alphabet falls short of having a letter able to describe our projection of this recession and recovery, although the Arabic alphabet does have a few potential candidates.

Thus, we are falling back on the culinary world to

find a descriptor for the shape of this recession and recovery. So, without further ado, we give you:



THE PASTA BOWL RECESSION™

Why choose this piece of tableware? Well, the shape of course. Pasta bowls are described by Bon Appétit below:

“Pasta bowls are wide, low, and shallow—essentially plates with high walls, boasting the best that both plates and bowls have to offer. The base of a pasta bowl is flat rather than curved, giving you ample surface area for spreading a dish out rather than up. But the walls (which can be gently sloped or more perpendicular to the base, depending on your aesthetic tastes) keep the contents of your meal corralled together, with no risk of spilling over the sides. Grains and other bitsy ingredients, sloshing sauces, meaty drippings, dip swooshes, even chunky soups and stews benefit from being served in a dish like this, improving both the presentation (it matters) and the eating experience. Once you go pasta bowl, you never go back.¹”

1 <https://www.bonappetit.com/story/best-pasta-bowls>

As described pasta bowls are wide, low, and shallow. Our pasta bowl will have gently sloped sides as well. We have or will shortly slip gradually into this recession, it will not be a deep recession, but it will likely last four quarters - the wide part of the pasta bowl. When we emerge from this recession there will not be a rocket-propelled recovery as we experienced in 2020. We will emerge slowly out of the pasta bowl in the same manner we went into it.

This recession will begin and end with a whimper. It may also be just the cure that heals what ails our economy.

This mild slowdown should help the Fed in its efforts to bring inflation to heel. It should also give the global supply chain some breathing room and time to return to normal. It should allow gas and oil prices to come down from these highs. Furthermore, the price we must pay to achieve these goals, in terms of damage to the labor market, may not be as large as has been the case historically.

There is a lot of fat in the labor market right now and it has caused strong upward pressure on wages and salaries. There are currently 11.4 million job openings in the U.S. and the quits rate is 2.9, down from 3.0 in December---which was the highest level since the JOLTS² program started.

Prior to the 2001 recession, there were 5.1 million job openings. Prior to the 2007-2009 recession, there were 4.6 million job openings. There were 7.0 million job openings prior to the self-inflicted 2020 recession, but this is not a good gauge as that was not a naturally occurring downturn. So, as we enter the pasta bowl recession, the economy has more than double the number of openings that it did entering the 2001 and 2007 recessions. This should help mitigate the number of layoffs and increase in the unemployment rate we will have to endure this time around. With 11.4

million unfilled job openings, firms can eliminate openings as an alternative to, or in conjunction with, laying off workers. Inflation can come down with a smaller increase in the unemployment rate than has historically been the case. A silver lining in the recessionary cloud.

It is difficult to say precisely what month the pasta bowl recession will begin, but the pasta water has been salted, the pot is on the stove and has started to boil.

Recessions are always tough to swallow, but this one will not be as severe as the two recessions that preceded it. Just expect things to be a little al dente over the next year or so.

Mangia mangia.

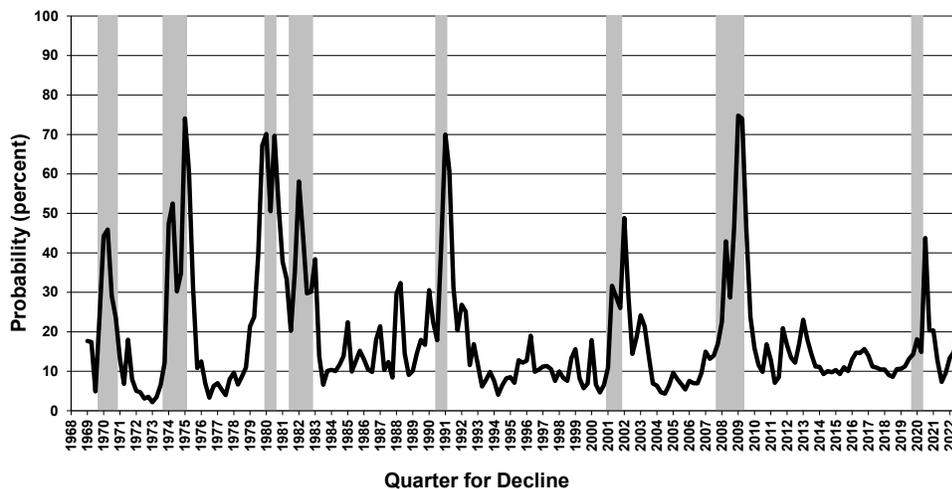
ANXIOUS INDEX

Fear of Recession Continues to Rise

The most recent release (2nd quarter of 2022) of the Survey of Professional Forecasters by the Federal Reserve Bank of Philadelphia states that the forecasters surveyed for the publication put a 19.74% chance that a decline in real GDP will occur in the 3rd quarter of 2022.

Figure 2.

The Anxious Index
One-Quarter-Ahead Probability of Decline in Real GDP
Quarterly, 1969:Q1 to 2022:Q3



The shading shows the period beginning with each NBER peak and ending with the corresponding trough.

Source: Survey of Professional Forecasters, Philadelphia Federal Reserve Bank

2 <https://www.bls.gov/jlt/>

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 April for the 2nd quarter of 2022, the index stands at 19.74, meaning forecasters believe there is a 19.74% chance that real GDP will decline in the 3rd quarter of 2022. This is up from 14.81% in the 1st quarter of 2022.

Figure 2 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 6.74 points higher than the average level during the previous economic recovery (13.00).

GDP OUTLOOK

Recessions are Never a Good Thing, but it Might be the Medicine We Need to Fix What Ails the Economy

The National Bureau for Economic Research (NBER) declared on June 8, 2020, that the longest economic expansion in U.S. history enjoyed its final month in February of 2020. This declaration meant that as of March, the U.S. economy was in recession. On July 19, 2021, the NBER declared that the recession had ended in April of 2020. This announcement meant that the deepest recession since the Great Depression was also the shortest recession in U.S. economic history (6 months was the previous record for the shortest recession.). It also confirmed that the economic lockdowns were the drivers of this horrible economic cycle.

Fiscal and monetary policy were unleashed in a historic manner to counter the toxic effect of the public health measures on the U.S. economy. While the combined policy effects were clearly not enough to offset the damage the lockdowns have done, they lessened the severity of the historic recession. The overreliance on fiscal stimulus as the recovery progressed at a more than robust pace turned out to

be overkill, but multi-trillion-dollar deficits seem to have had the same effects as blood in the water does with sharks, fueling a spending frenzy that continued for more than a year and a half after the recession ended. That frenzy has come to an end.

In the 4th quarter of 2019, real GDP grew at an annual rate of 1.9%. In the 1st quarter of 2020, the economy contracted by 5.1%, and then output plunged by 31.2% in the 2nd quarter before surging 33.8% in the 3rd quarter and rising by 4.5% in the 4th quarter of 2020.

In 2019, real GDP growth decelerated by 2.3% in the face of global economic weakness and uncertainty surrounding trade negotiations. This was of course pre-pandemic. In 2020, the economy contracted by 3.4% before rebounding to grow at an expected rate of 6.0% in 2021. From 2022-2025, average annual real GDP growth is expected to be just 1.0%, with the economy contracting by 0.2% in 2023, before gradually recovering in 2024 and 2025 with average growth of just 1.4%.

The Federal Reserve, late to the inflation show, has finally shifted gears from fighting the deleterious effects of COVID lockdowns to fighting an increasingly entrenched inflation problem. We expect the Federal Reserve to raise the Federal Funds rate target range at each of the remaining Federal Open Market Committee meetings through the end of the year. Expect the Fed to do these rate hikes in large increments, but the looming recession will do some of the work for the Fed and they will not have to raise rates as high as they would if the economy were still growing.

Beyond the end of 2022, the pressure on prices, should they persist beyond supply chain snafus, will lead to further interest hikes before reaching a new target range in the vicinity of 3.00%. While raising rates, the Fed will also have to navigate a reduction in the size of its balance sheet. The next four years will be challenging times for the central bank.

The Fed was in the process of reversing its balance sheet, which was engorged by three rounds of quantitative easing from battling the Great Recession. The balance sheet had contracted to \$3.76 trillion before the COVID-19 pandemic led to the resumption of asset purchases. By June 1st, 2020, the

Fed's balance sheet swelled to nearly \$7.2 trillion and stands at over \$8.9 trillion today.

CONSUMER SPENDING

High Gasoline Prices Continue to Erode Consumer Confidence

The U.S. consumer and the U.S. economy were devastated by the lockdowns and closures, a consequence of public health restrictions. As a result, consumer spending plummeted in the second quarter of 2020 by an annual rate of 33.4%. This followed a smaller decline in spending of 6.9% in the 1st quarter as public health restrictions were first rolled out in March of 2020.

In the 3rd quarter, pent-up demand from consumers who were also cooped-up in their homes was unleashed, leading to an annualized 41.4% growth in consumer spending for the quarter. In the 4th quarter of 2020, consumer spending grew more modestly at 3.4%. In the 1st quarter of 2021, consumers fueled by federal stimulus payments were again spending robustly, and consumption spending soared again to an annualized 11.4% rate of growth and maintained this pace in the 2nd quarter as spending grew 12.0%. As the rest of the COVID-19 pent-up demand was released, growth remained strong for the full year 2021 at 7.9%.

The CARES Act and subsequent stimulus payments plus supplemental unemployment insurance payments helped to ease some of the pain consumers felt from the public health lockdowns. In addition to these programs, increases in the child tax credit that are payable in advance put additional disposable income into the consumers' pockets which continued to fuel spending growth through 2021.

The Uncle Sam giveaway to consumers has ended. Inflation is hitting households hard. 62.8% of consumer expenditures go to food, shelter, and transportation and all three categories have seen outsized price increases over the past 20 months. Consumer confidence is at a 42-year low as of June. Consumer spending is nearly 69% of GDP and the erosion of confidence is a key reason the economy is going into recession

In 2019, consumer spending growth decelerated to 2.2% from 2.9% in 2018. The public health policies aimed at slowing the spread of COVID-19 caused spending growth in 2020 to contract by 3.8%. Consumption spending growth is expected to be 2.3% in 2022, 0.4% in 2023 and 1.1% in 2024 and 1.5% 2025.

INVESTMENT

The COVID-19 recession and presidential election in 2020 created an atmosphere of high uncertainty in the economy. Uncertainty is the enemy of investment spending, and business pullbacks on investment reflected this fact.

Nonresidential fixed investment spending eased in 2019 to 4.3% from 6.4% in 2018. In 2020, investment spending contracted by 5.3%

Spending on equipment and software turned negative in 2020 and contracted by 8.3%. In 2021 spending grew 13.1% - an outsized 21.4 percentage point swing. Average growth in this type of investment spending is expected to be -1.9% over the 2022-2025 timeframe, with the recession weighing on these expenditures until 2025.

Aircraft purchases are historically volatile, as a single aircraft order from a major airline can move this figure by tens of billions of dollars. The problems Boeing faced with its 737 Max planes weighed heavily in 2018-19. This caused a sharp reversal of growth in 2019 to -11.8%. 2020 made matters worse for the industry as air travel collapsed globally when the COVID-19 pandemic spread. In 2020, investment fell by 36.2%. That was followed by a sharp rebound in 2021 as investment surged 25.3%.

This rebound in 2021 is stalling in 2022 as airlines are facing labor shortages since there is no point in buying more aircraft if you don't have the pilots to fly them. Over the next four years, aircraft spending is expected to grow at an average of 9.4%, with growth hitting 37.0% in 2023 as the economy emerges from recession. Quarter-to-quarter and even year-over-year volatility in this type of investment spending is the rule, particularly in this COVID-impacted and supply-chain-challenged economic environment.

The 2016 slowdown in overall investment spending also reflected the negative impact of 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 seventy-year low of 404 in response to plunging oil prices. In the middle of the COVID recession, an oil price war broke out and at one point drove spot prices below zero. This price drop caused the U.S. rig count to further plummet to 282. Higher oil prices due in part to the strong economic recovery and the stoppage of the construction of the Keystone XL pipeline have pushed the rig count to 740 which is 270 higher than a year ago. The Russian invasion of Ukraine has pushed oil prices to record highs, and this historically would continue to drive the rig counts even higher, though the response has been muted under the Biden administration.

During 2015 and 2016, investment in mining and petroleum equipment contracted by 28.6% and 41.8%, respectively. In 2017, growth hit 39.0% and came in at 26.9% for 2018, before declining 1.6% in 2019 and plunging 37.5% in 2020. Investment will average 6.9% growth per year during 2022-2025 after surging 33.3% in 2022 and 23.3% in 2023. It will be hindered by the impacts of the green energy initiatives of the Biden administration in 2024-25 when we expect investment spending to contract during both years by an average of 14.5%.

Business nonresidential structures investment growth hit 4.2% in 2017 and decelerated to 4.0% in 2018. Spending growth further decelerated to 2.0% in 2019 before contracting by 12.5% in 2020 and again by 8.0% in 2021. Spending will continue to contract at an average rate of 5.1% during the final four years of our forecast horizon.

Interest rates plummeted during the pandemic. The Federal Reserve cut short-term interest rates to near-zero and kept them there for nearly two years. The interest rates on U.S. Treasury bonds fell to historic lows, but have since risen significantly. Rising interest rates are not good for investment, but the Fed has now switched gears to go into inflation-fighting mode. This will be an increasing headwind for business investment spending.

Business spending on industrial equipment will grow at an annual average rate of -1.7% from 2022-2025. Investment spending growth on computers and peripherals will average just 0.2% during 2022-2025. Spending on communications equipment should expand at an average annual rate of 2.9% during the same four-year span, with spending in 2022 expanding at a 12.6% rate with the continued rollout of 5G mobile internet technology.

Residential fixed investment growth hit 6.8% in 2020 before rising to 9.2% in 2021. Growth will average -1.5% during 2022-2025, as higher prices combined with rising mortgage rates erode demand.

We expect housing starts to continue to be relatively steady over the next several years, after reaching nearly 1.6 million in 2021 before decelerating to a level slightly below 1.38 million in 2025. Rising mortgage rates and high prices are headwinds - as will be the impending recession - and all three will continue to shape the residential sector going forward as will the ongoing shortage of housing that is plaguing the sector in many parts of the country.

GOVERNMENT SPENDING

Government budget management has become a series of continuing resolutions and lately a series of COVID-19 stimulus packages, devoid of any policy discussions or debates about priorities, problems, or objectives. Unsurprisingly, our public finances are adrift, and deficits climbed back to the \$1 trillion mark even before the torrent of spending from the pandemic. Some were quick to blame the resurgent deficits on the Tax Cut & Jobs Act, but since its signing, federal government revenues have grown. Unfortunately, spending grew even faster, and the deficit began growing again in 2016. This was all before public health measures plunged the economy into the deepest recession since the Great Depression, worsening the fiscal outlook.

Federal government spending grew just 0.3% in 2017. In 2018, it expanded by 3.0%, and in 2019, it rose again by 3.8% before jumping 5% in 2020. During the 2022-2025 period, federal government spending growth is going to be slightly negative, growing at an annual average pace of -0.2%. Over

the same time frame, state and local governments will see spending growth at an average rate of 1.0%. This modest growth in spending will be the smallest in 2022 before growth accelerates in the final three years of our forecast.

The federal budget deficit jumped in 2017 to over \$720 billion, then to \$928 billion in 2018, and \$1.05 trillion in 2019. Reaching \$3.1 trillion in 2020, the deficit will remain over \$1 trillion through the end of 2025. This is a reversal of course in fiscal policy after a four-year period in which we saw deficits shrinking from nearly \$1.3 trillion in 2011 to \$439 billion in 2015. While the Tax Cuts and Jobs Act boosted government revenue, federal budget deficits have increased at the same time; spending continued seemingly unchecked as the federal government moved from one continuing resolution to the next. COVID-19 public health measures moved the U.S. fiscal situation from bad to worse, and in 2020, the deficit soared to a historic \$3.1 trillion.

As we have discussed at some length in multiple forecasts previously, the U.S. continues to travel down an unsustainable fiscal path that will ultimately lead to a crisis if changes are not enacted, and with the current deficits, we are accelerating down the same path. The existing structure of our entitlement programs (65% of the federal budget is mandatory spending and is growing), 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 Biden administration, like those of its predecessors, will make any of the difficult but necessary changes to avoid this future crisis. This crisis-in-the-making is even more concerning because of a misguided belief among some lawmakers and even some fringe economists that deficits and the debt “don’t matter.”

We are projecting deficits through 2025 that will consistently average more than \$1.3 trillion. The amount that the projected deficits will add to the national debt over the next four years will be more than \$5.2 trillion, pushing the national debt total to nearly \$36 trillion and a debt to GDP ratio of

130%. If interest rates in the economy continue to rise, the burden of servicing this debt will rise as well. Spending by the Biden administration (and Congress) 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 or a deeper recession would also push projected deficits higher though the possibility of faster-than-projected economic growth would help mitigate the growth of these deficits.

Currently, the national debt is over \$30.5 trillion and rising. This represents a debt of nearly \$242,985 per taxpayer and \$91,635 per citizen. The unfunded liabilities of the U.S. are even more disturbing. These include Social Security, Medicare parts A, B, and D, and Federal debt held by the public and federal employee and veteran benefits, representing more than \$169.9 trillion in liabilities, boiling down to more than \$510,000 per citizen.³

NET EXPORTS

COVID-19 inflicted havoc on the global economy. International trade crumbled in the 2nd quarter of 2020. Real exports collapsed by 59.9% at an annual rate, while real imports plunged by 53.1%. But like the rest of the economy, the external sector came rushing back in the 3rd quarter of 2020. Real exports grew at an annual rate of 54.5% that quarter, with real imports growing at an 89.2% pace as consumer spending was reignited.

The U.S. dollar appreciated for five straight years against our major trading partners, including an outsized 15.8% appreciation in 2015. In 2016, this trend moderated; in 2017 and 2018, the dollar returned some of these gains. However, after the Fed raised interest rates and the U.S. economy experienced faster growth relative to our trading partners, the dollar appreciated again in 2019 at a 3.5% pace before depreciating 1.0% in pandemic-addled 2020. The depreciation of the dollar accelerated in 2021, falling 7.0% and will continue to do so through 2025, which will dampen import

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

growth and strengthen export growth over that period.

A weaker dollar decreases imports and raises exports by making our goods and services less expensive to foreigners, while at the same time making imported goods and services more expensive to U.S. consumers. This results in a reduction of the trade deficit, which is the difference between the dollar value of exports and the dollar value of imports.

The trade battle with China and China's aggression toward Taiwan does impart additional uncertainty into the outlook for foreign trade, but the overall impact has thus far not been large. After reaching phase one of the trade agreement, it appears the Biden administration is taking a much softer stance on all things related to China.

The Russia-Ukraine war, ensuing sanctions, and a rise in uncertainty will impact global trade, but Russia is a minor trading partner with the U.S. and the direct effects of any restriction in trade have been relatively small.

Overall, real export growth will resume, after a sharp contraction in 2020 and a subsequently sharp acceleration in 2021, through the end of our 2025 forecast horizon. Real import growth experienced a strong contraction in 2020, but growth recovered and will continue through 2025. Trade issues, war, and COVID-19 notwithstanding, real export growth from 2022-2025 will average 4.8%, while real import growth will average 3.0% over the same time frame.

Real net exports will average over -\$1.3 trillion during 2022-2025, with the trade balance slowly declining over that period, coming in at over -\$1.25 trillion in 2025.

UNEMPLOYMENT

The national headline unemployment rate (U-3) in May 2022 stood at 3.6%, down 11.2 percentage points from the April 2020 reading of 14.8%, which was the highest level *since the Great Depression era*. The labor force participation rate rose in May 2022 to 62.3% from the May 2021 rate of 61.6%.

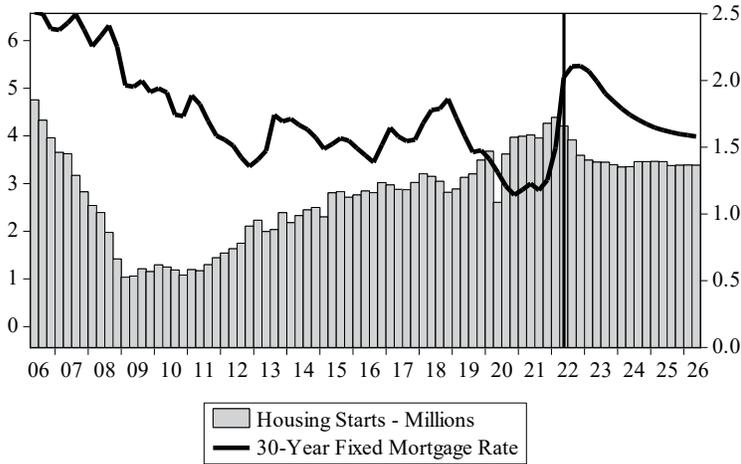
The May jobs report exceeded expectations as growth in payroll jobs was 390,000 with the expectation that the figure would be 328,000. The 21,169,000 increase in payroll employment since April 2020 comes after 21,991,000 payroll jobs were lost in March and April. The fact that these outsized job gains have yet to return us to pre-pandemic levels of payrolls shows there is still work to be done for the labor market to recover the jobs lost from a historic and self-inflicted recession.

The Bureau of Labor Statistics (BLS) produces alternative measures of labor market weakness, including the broadest measure of unemployment (U-6). U-6 accounts for discouraged workers (currently 415,000 workers), underemployed workers—working part-time but not by choice— (currently 4.3 million workers), and workers who are marginally attached to the labor force - those who 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 5.9 million-plus workers are counted in the May headline unemployment rate of 3.6%.

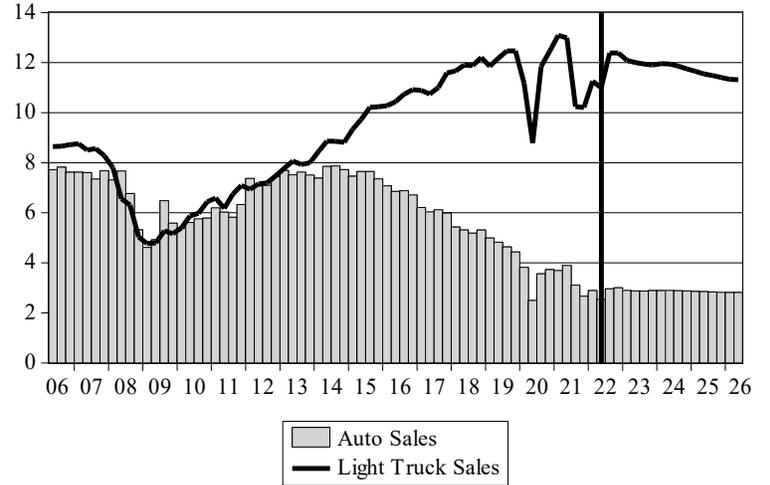
U-6 stands at 7.1% as of May 2022, down 5.7 points from the September 2020 level, and down 4.0 percentage points from the start of 2021. The current level of U-6 is higher than its 6.8% level in December 2019. U-6 was stuck in the double digits for more than seven years. It had been in the single digits for fifty-one consecutive months, beginning in December 2015 before surging during the lockdowns in April and May.

The spread between U-6 and U-3 measures of unemployment has ticked up to 3.5 percentage points and is 3.9 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, %)



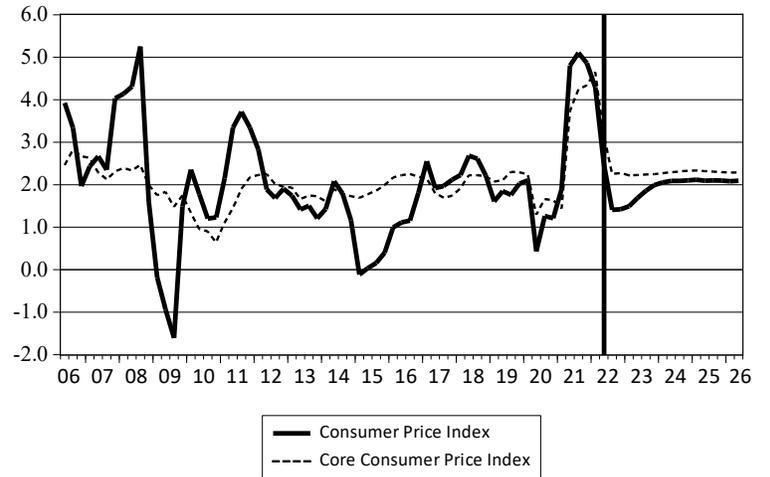
Automobile and Light Truck Sales
(Millions Vehicles)



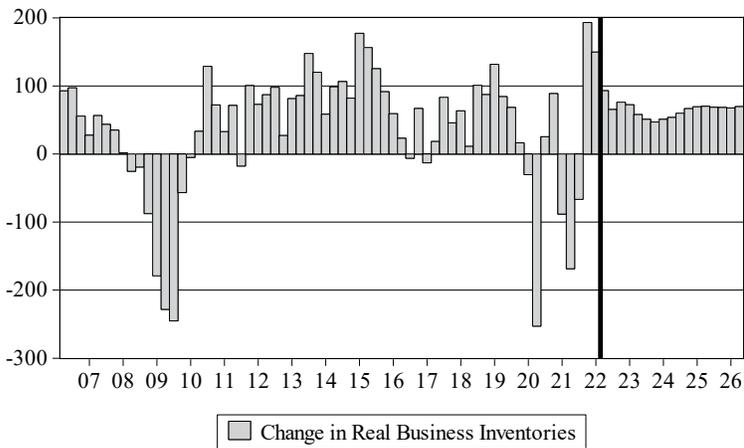
Civilian Unemployment Rate
(%)



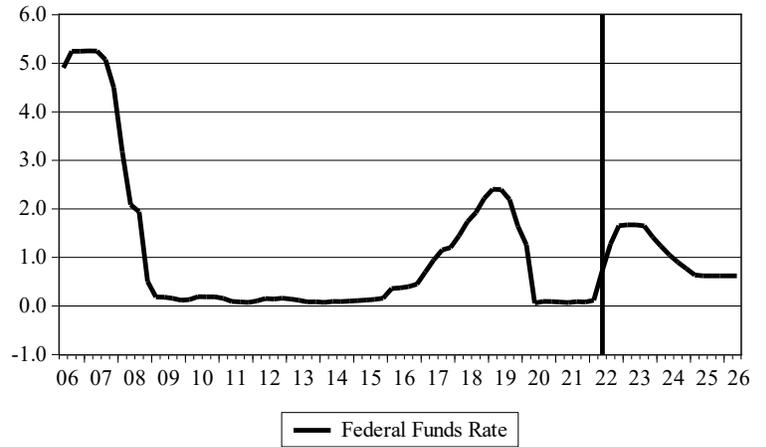
Consumer Prices
(% Change Year Ago)



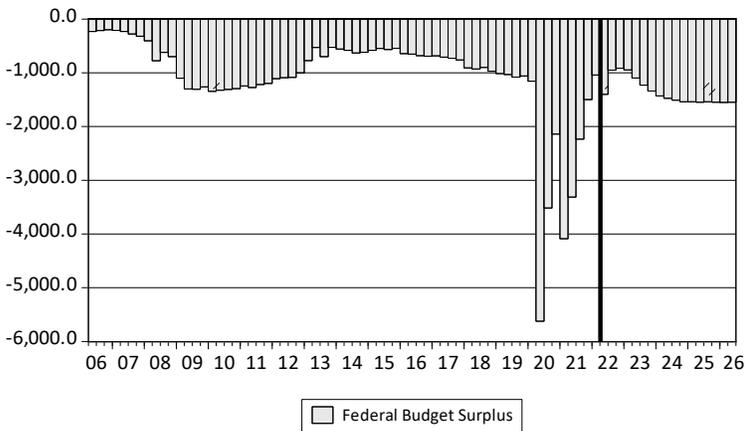
Change in Real Business Inventories
(Billions of 2012 Dollars)



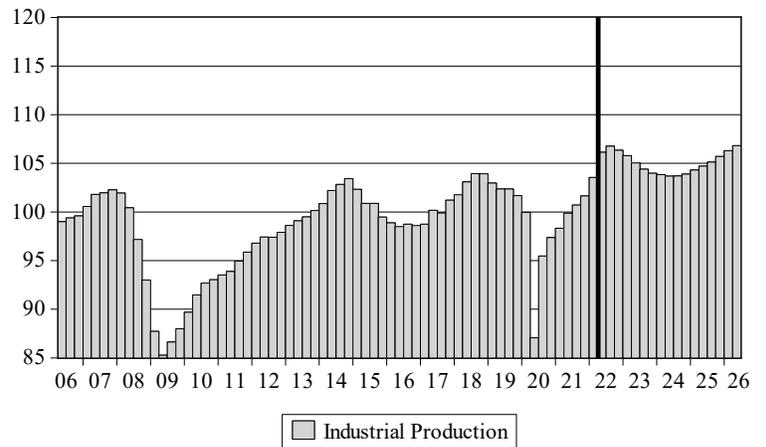
Federal Funds Rate
(%)



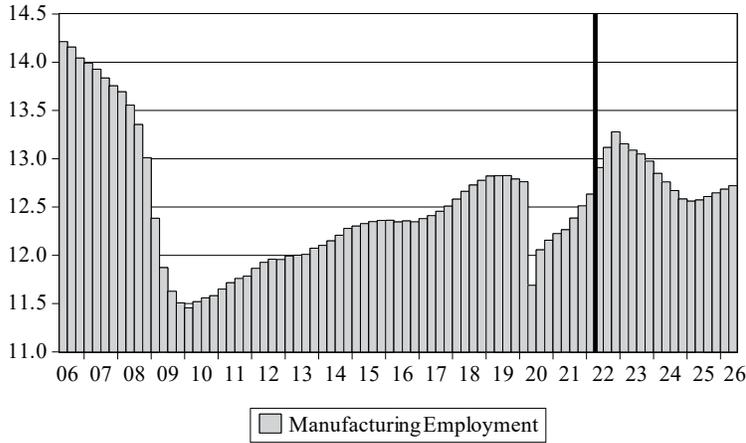
Federal Budget Surplus
(Billions of Dollars)



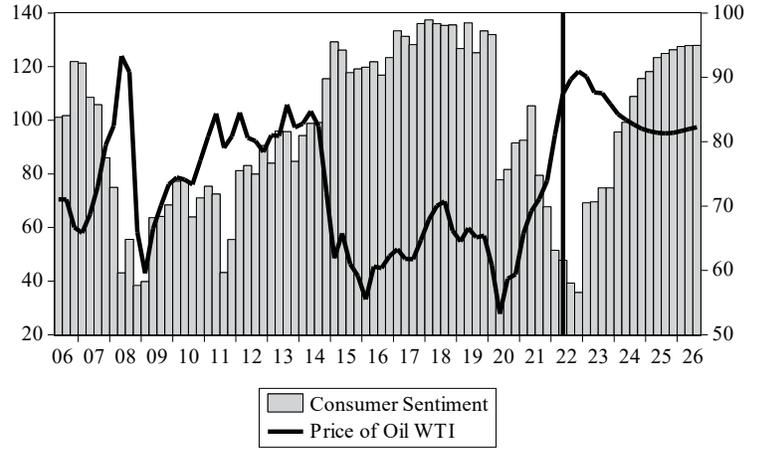
Industrial Production
(2012=100)



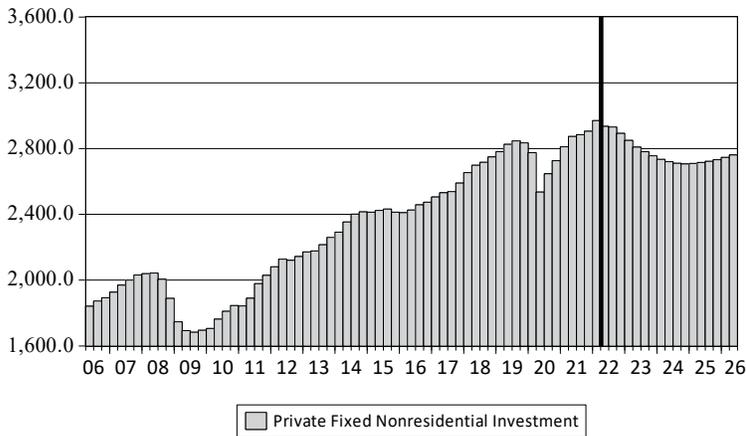
Manufacturing Employment
(Millions)



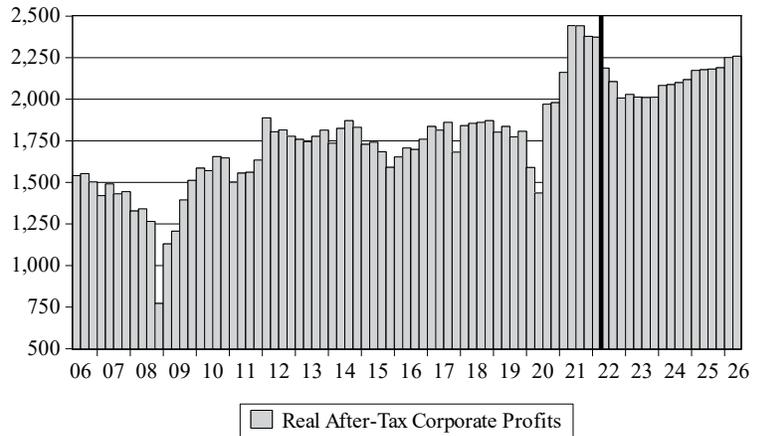
Oil and Consumer Confidence
Oil (\$ Per Barrel) - Left Axis



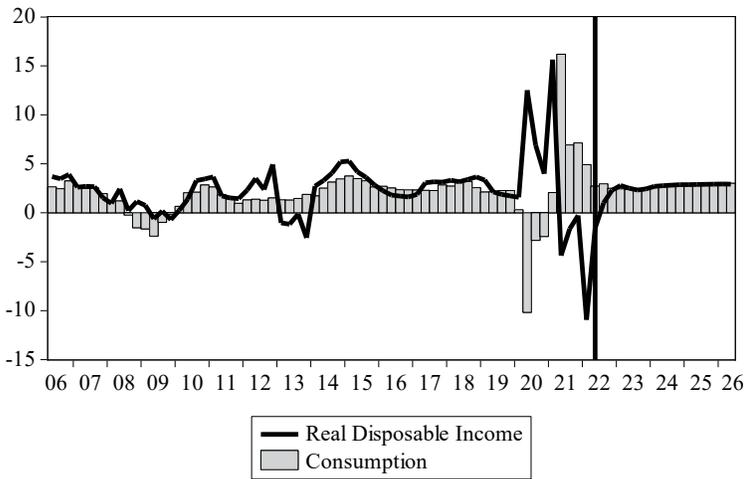
Private Fixed Nonresidential Investment
(Billions of Dollars)



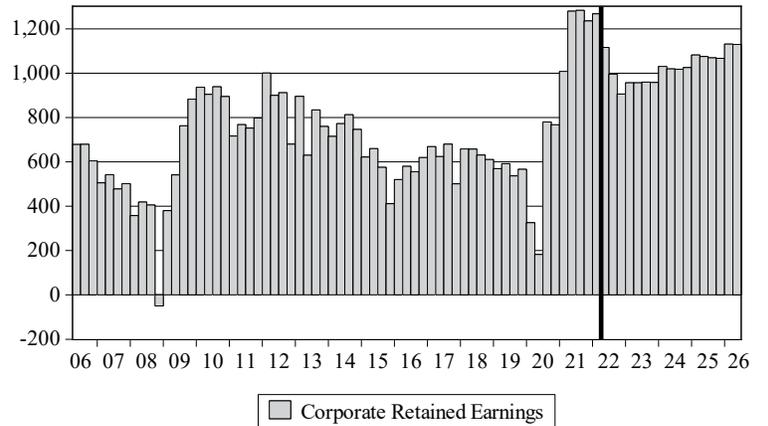
Real After-Tax Corporate Profits
(Billions of Dollars)



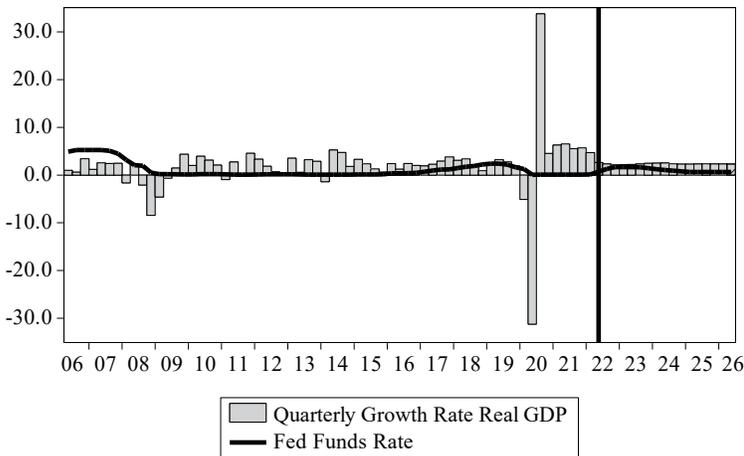
Real Disposable Income and Consumption
(% Change Year Ago)



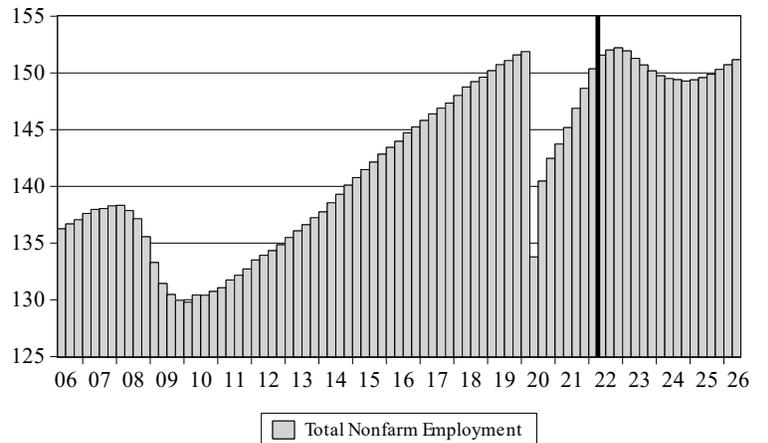
Corporate Retained Earnings
(Billions of Dollars)



Real GDP Growth and Federal Funds Rate
(%)

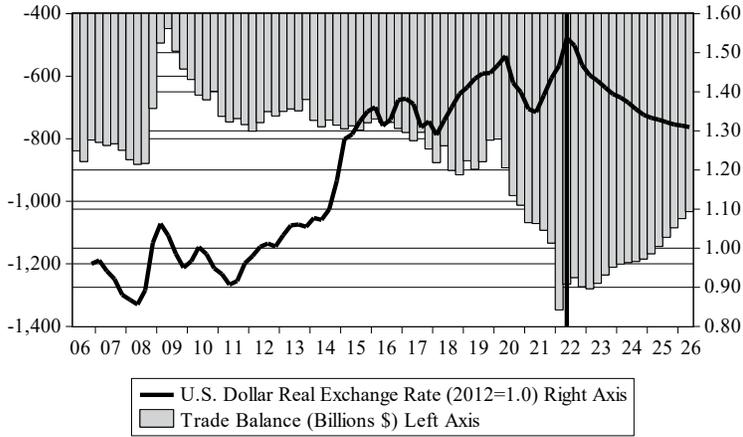


Total Nonfarm Payroll Employment
(Millions)

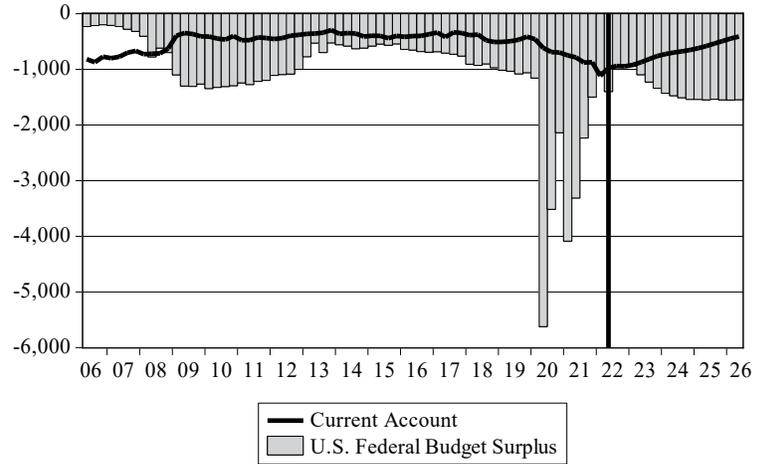


CHARTS

Trade Balance and Real Exchange Rate



Twin Deficits (Billions of Dollars)



Yield Curve (%)

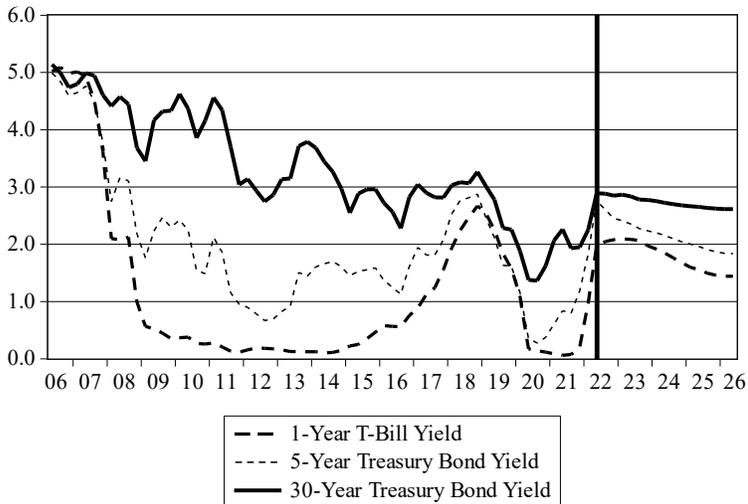


Table 1. Summary of the Long-Term Forecast of the U.S.

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

	2015	2016	2017	2018	2019	2020	2021	2022	Forecast		
									2023	2024	2025
Composition of Real GDP, Percent Change											
Gross Domestic Product	2.7	1.7	2.3	2.9	2.3	-3.4	5.7	1.4	-0.2	1.0	1.8
Final Sales of Domestic Product	2.4	2.2	2.3	2.8	2.2	-2.9	5.3	0.8	0.0	1.0	1.7
Total Consumption	3.3	2.5	2.4	2.9	2.2	-3.8	7.9	2.3	0.4	1.1	1.5
Durables	7.6	5.4	6.3	7.0	4.3	7.7	18.1	-1.4	-2.9	-0.2	0.8
Nondurables	3.4	2.5	2.7	2.5	2.9	3.1	9.1	-1.5	-1.6	1.0	1.5
Services	2.6	2.0	1.8	2.4	1.7	-7.5	5.8	4.4	1.6	1.4	1.6
Nonresidential Fixed Investment	2.3	0.9	4.1	6.4	4.3	-5.3	7.4	2.2	-4.5	-2.9	0.1
Equipment & Software	3.0	-1.8	2.8	6.4	3.3	-8.3	13.1	1.8	-6.7	-3.5	0.9
Information Processing Equipment	6.2	4.4	6.8	7.6	3.7	6.8	14.6	8.9	-6.5	-5.0	1.9
Computers & Peripherals	0.4	-0.3	5.7	13.6	3.2	10.2	12.9	12.2	-5.2	-5.8	-0.3
Communications Equipment	15.7	12.1	10.9	5.0	5.6	2.5	18.4	12.6	-6.0	-0.6	5.7
Industrial Equipment	0.1	-1.5	4.2	5.8	2.2	-4.9	14.0	4.7	-11.3	-1.9	1.9
Transportation equipment	12.3	-4.6	0.6	5.3	3.5	-35.7	7.4	-5.3	20.8	-2.8	-2.2
Aircraft	1.7	-10.7	36.2	-6.5	-11.8	-36.2	25.3	-1.0	37.0	0.7	1.1
Other Equipment	10.3	-20.6	-0.7	15.6	3.5	-26.4	16.7	-2.1	-8.9	-2.9	1.1
Structures	-0.9	-4.3	4.2	4.0	2.0	-12.5	-8.0	-6.7	-7.9	-4.7	-1.2
Commercial & Health Care	12.1	16.7	3.2	1.3	1.5	-1.4	-7.6	-16.2	-16.5	-0.4	-1.6
Manufacturing	34.4	-4.8	-13.4	-1.8	5.6	-13.4	-1.2	-7.7	-16.8	-11.2	-5.3
Power & Communication	3.4	2.2	-4.6	-5.7	7.4	-4.7	-14.2	-15.2	-21.4	-5.7	4.7
Mining & Petroleum	-28.6	-41.8	39.0	26.9	-1.6	-37.5	11.3	33.3	23.3	-14.7	-14.2
Other	10.5	7.2	3.9	1.4	-0.5	-13.8	-17.4	-8.6	-6.1	6.7	10.9
Residential Fixed Investment	10.2	6.6	4.0	-0.6	-0.9	6.8	9.2	-5.6	-4.6	2.7	1.6
Exports	0.3	0.4	4.1	2.8	-0.1	-13.6	4.5	5.3	3.3	5.3	5.0
Imports	5.2	1.5	4.4	4.1	1.2	-8.9	14.0	8.6	-0.5	2.4	1.5
Federal Government	0.0	0.5	0.3	3.0	3.8	5.0	0.6	-2.9	0.5	0.7	0.7
State & Local Government	3.0	2.8	0.6	0.4	1.3	0.9	0.4	0.2	0.6	1.4	1.7
Billions of Dollars											
Real GDP	17390.3	17680.3	18079.1	18606.8	19032.7	18384.7	19427.3	19695.7	19650.5	19848.3	20203.9
Nominal GDP	18206.0	18695.1	19479.6	20527.2	21372.6	20893.7	22996.1	24910.8	25886.4	26681.4	27604.1
Prices & Wages, Percent Change, Annual Rate											
GDP Deflator	1.0	1.0	1.9	2.4	1.8	1.3	4.2	6.8	4.1	2.0	1.6
Consumer Prices	0.1	1.3	2.1	2.4	1.8	1.2	4.7	8.0	4.5	1.7	1.5
Excl. Food & Energy	1.8	2.2	1.8	2.1	2.2	1.7	3.6	5.7	3.8	2.2	1.8
Producer Prices, Finished Goods	-3.3	-1.0	3.2	3.0	0.8	-1.3	8.9	13.8	3.6	0.9	1.0
Employment Cost Index - Total Comp.	2.1	2.1	2.5	2.9	2.7	2.7	3.6	5.8	4.1	2.9	2.6
Other Measures											
Oil - WTI (\$ per barrel)	48.7	43.2	51.0	64.9	57.0	39.2	68.0	109.4	110.7	99.4	95.4
Productivity (%change)	1.2	0.3	1.1	1.5	2.1	2.5	1.9	-2.2	0.2	2.3	1.7
Industrial Production (%change)	-1.4	-2.2	1.3	3.2	-0.8	-7.2	5.5	5.6	-0.8	-1.0	1.1
Factory Operating Rate	76.0	75.2	76.2	77.7	75.8	71.1	75.8	79.1	77.5	76.0	76.2
Nonfarm Inven. Chg. (Bil. of 2012 \$)	136.5	41.2	38.6	72.7	89.0	-35.3	-14.0	108.3	40.6	44.1	59.2
Consumer Sentiment Index	92.9	91.8	96.8	98.4	96.0	81.5	77.6	59.8	71.7	85.3	93.0
Light Vehicle Sales (Million units)	17.4	17.5	17.2	17.2	17.0	14.5	15.0	14.6	14.9	14.8	14.4
Housing Starts (Million units)	1.1	1.2	1.2	1.2	1.3	1.4	1.6	1.6	1.4	1.4	1.4
Existing House Sales (Million units)	4.6	4.8	4.9	4.7	4.7	5.1	5.4	4.9	4.6	4.6	4.5
Unemployment Rate (%)	5.3	4.9	4.4	3.9	3.7	8.1	5.4	3.9	5.3	6.4	6.3
Payroll Employment (%change)	2.1	1.8	1.6	1.6	1.3	-5.8	2.8	3.7	-0.3	-1.0	0.2
Federal Surplus (Unified, FY, bil. \$)	-109.1	-146.8	-166.5	-194.7	-246.1	-783.0	-693.9	-270.7	-245.5	-323.5	-362.7
Current Account Balance (Bil. \$)	-408.9	-397.6	-361.7	-438.2	-472.1	-616.1	-821.6	-996.4	-842.7	-688.8	-557.8
Financial Markets, NSA											
Federal Funds Rate (%)	0.1	0.4	1.0	1.8	2.2	0.4	0.1	0.9	1.6	1.0	0.6
3-Month Treasury Bill Rate (%)	0.1	0.3	0.9	1.9	2.1	0.4	0.0	1.1	1.6	0.9	0.6
1-Year Treasury Note Yield (%)	0.3	0.6	1.2	2.3	2.1	0.4	0.1	1.8	2.1	1.8	1.5
5-Year Treasury Note Yield (%)	1.5	1.3	1.9	2.7	2.0	0.5	0.9	2.4	2.3	2.1	1.9
10-Year Treasury Note Yield (%)	2.1	1.8	2.3	2.9	2.1	0.9	1.4	2.5	2.6	2.4	2.2
25-Year Treasury Note Yield (%)	2.8	2.6	2.9	3.1	2.6	1.6	2.1	2.7	2.8	2.7	2.6
30-Year Fixed Mortgage Rate (%)	3.9	3.6	4.0	4.5	3.9	3.1	3.0	5.0	5.0	4.4	4.1
S&P 500 Stock Index	2061.2	2092.4	2448.2	2744.7	2912.5	3218.5	4266.8	4190.8	4035.6	4128.3	4265.7
(Percent change)	6.8	1.5	17.0	12.1	6.1	10.5	32.6	-1.8	-3.7	2.3	3.3
Exchange Rate, Major Trading Partners	1.2	1.2	1.2	1.2	1.3	1.2	1.2	1.3	1.2	1.1	1.1
(Percent change (negative = depreciation))	15.8	1.2	-0.4	-2.1	3.5	-1.0	-7.0	-4.5	-1.7	-0.9	
Incomes											
Personal Income (Bil. of \$)	15685.2	16096.9	16850.2	17706.0	18424.4	19627.6	21092.8	21647.9	22377.2	23169.8	24112.6
(Percent change)	4.7	2.6	4.7	5.1	4.1	6.5	7.5	2.6	3.4	3.5	4.1
Disposable Income (Bil. of \$)	13745.3	14138.7	14801.2	15629.7	16219.3	17432.0	18507.6	18562.5	19522.7	20517.3	21337.6
(Percent change)	4.2	2.9	4.7	5.6	3.8	7.5	6.2	0.3	5.2	5.1	4.0
Real Disposable Income (Bil. Of 2012 \$)	13330.1	13575.7	13956.7	14429.3	14755.6	15676.2	16032.4	15129.0	15325.2	15871.3	16282.6
(Percent change)	4.0	1.8	2.8	3.4	2.3	6.2	2.3	-5.6	1.3	3.6	2.6
Saving Rate (%)	7.5	7.0	7.3	7.6	7.7	16.4	12.2	5.0	5.8	8.0	8.9
After-Tax Profits (Billions of \$)	1732.0	1758.1	1882.5	1977.5	1952.4	1908.4	2620.0	2565.9	2480.3	2611.5	2742.3
(Percent change)	-6.8	1.5	7.1	5.0	-1.3	-2.3	37.3	-2.1	-3.3	5.3	5.0

Table 2. Real Gross Domestic Product

	<i>History</i>							<i>Forecast</i>			
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Real GDP Billions 2012 \$											
Gross Domestic Product	17390.3	17680.3	18079.1	18606.8	19032.7	18384.7	19427.3	19695.7	19650.5	19848.3	20203.9
Final Sales of Domestic Product	17248.3	17630.6	18030.4	18528.8	18944.4	18395.9	19375.8	19522.5	19517.2	19713.5	20056.6
Total Consumption	11892.9	12187.7	12483.7	12845.0	13126.3	12629.9	13624.8	13941.7	13990.6	14150.9	14363.4
Durables	1400.6	1476.0	1568.4	1678.2	1749.7	1884.3	2225.1	2194.1	2130.5	2127.3	2143.5
Nondurables	2693.7	2760.5	2834.2	2903.6	2988.1	3080.5	3359.4	3309.2	3257.9	3291.9	3341.8
Services	7809.8	7968.5	8110.1	8305.7	8443.7	7808.5	8258.1	8620.7	8757.5	8879.7	9022.5
Nonresidential Fixed Investment	2420.3	2442.0	2541.4	2704.4	2822.0	2671.1	2868.5	2932.2	2799.0	2717.9	2719.8
Equipment & Software	1134.6	1114.6	1145.5	1218.8	1258.8	1154.0	1304.8	1328.9	1239.3	1195.9	1206.7
Information Processing Equipment	393.3	410.5	438.6	472.0	489.6	523.0	599.6	652.9	610.5	580.2	591.0
Computers & Peripherals	103.4	103.0	108.9	123.7	127.6	140.7	158.9	178.2	169.0	159.1	158.7
Communications Equipment	153.9	172.5	191.3	200.8	212.1	217.4	257.5	290.0	272.5	270.9	286.4
Industrial Equipment	216.7	213.4	222.5	235.4	240.6	228.8	260.8	272.9	242.0	237.4	241.9
Transportation Equipment	306.3	292.3	294.0	309.5	320.3	206.0	221.2	209.5	253.0	245.9	240.5
Aircraft	42.8	38.2	52.0	48.6	42.9	27.4	34.3	33.9	46.5	46.8	47.3
Other Equipment	81.0	64.3	63.8	73.8	76.4	56.2	65.6	64.2	58.5	56.8	57.5
Structures	534.1	511.0	532.5	553.6	565.0	494.2	454.7	424.2	390.6	372.1	367.7
Commercial & Health	136.0	158.8	163.8	166.0	168.5	166.2	153.7	128.7	107.5	107.1	105.4
Manufacturing	74.0	70.4	61.0	59.9	63.2	54.7	54.1	49.9	41.5	36.9	34.9
Power & Communication	116.4	118.9	113.5	107.0	114.9	109.5	93.9	79.7	62.6	59.1	61.9
Mining & Petroleum	119.9	69.7	96.9	123.0	121.0	75.6	84.2	112.2	138.4	118.0	101.2
Other	91.0	97.5	101.4	102.8	102.3	88.2	72.8	66.6	62.6	66.8	74.1
Residential Fixed Investment	555.4	592.1	615.9	612.3	606.7	648.0	707.7	668.4	637.5	654.6	664.8
Exports	2378.7	2388.4	2485.8	2555.6	2554.0	2207.6	2307.5	2431.0	2510.4	2644.5	2777.9
Imports	3100.4	3145.4	3285.2	3419.9	3459.2	3150.3	3591.9	3899.5	3880.2	3973.8	4031.9
Federal Government	1184.5	1190.5	1194.7	1231.0	1277.2	1340.7	1348.9	1310.3	1317.4	1326.4	1335.3
State & Local Government	1902.2	1956.3	1968.5	1976.4	2001.5	2019.9	2027.8	2031.8	2043.4	2072.5	2108.7

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

	2022Q1	2022Q2	2022Q3	2022Q4	2023Q1	2023Q2	2023Q3	2023Q4	2024Q1	2024Q2	2024Q3	2024Q4	2025Q1	2025Q2	2025Q3	2025Q4
Composition of Real GDP, Percent Change, Annual Rate																
Gross Domestic Product	-1.5	0.0	-1.1	-0.8	-0.1	-0.1	0.4	0.6	1.1	1.3	1.6	1.8	1.9	1.9	1.9	2.0
Final Sales of Domestic Product	-0.4	1.2	-0.5	-1.0	0.0	0.2	0.6	0.7	1.1	1.2	1.5	1.6	1.8	1.8	1.9	2.0
Total Consumption	3.1	1.5	-0.8	-0.8	1.0	0.7	0.7	0.6	1.3	1.4	1.6	1.4	1.5	1.4	1.6	1.7
Durables	6.8	1.9	-4.0	-7.5	-1.1	-1.8	-2.4	-2.5	1.7	0.5	1.7	0.6	0.4	0.4	1.0	1.8
Nondurables	-3.7	-4.5	-4.8	-3.2	-0.8	0.2	0.6	0.7	1.1	1.5	1.5	1.5	1.5	1.5	1.5	1.5
Services	4.8	3.5	1.2	1.3	2.0	1.3	1.3	1.2	1.4	1.5	1.6	1.6	1.6	1.6	1.7	1.8
Nonresidential Fixed Investment	9.2	-4.6	-0.6	-5.2	-5.8	-5.5	-3.9	-3.7	-3.1	-1.9	-1.5	-0.5	0.5	0.7	1.1	1.4
Equipment & Software	13.2	-8.1	-0.7	-8.3	-8.7	-7.6	-5.4	-4.8	-4.0	-1.6	-1.0	0.5	1.6	1.3	2.1	2.2
Information Processing Equipment	25.0	-1.0	-4.5	-5.0	-7.2	-9.5	-7.8	-6.3	-5.4	-3.3	-1.9	1.1	3.1	3.5	3.6	4.2
Computers & Peripherals	42.3	0.3	2.7	-4.2	-5.8	-10.0	-7.5	-7.0	-5.8	-5.1	-3.6	-1.0	0.7	1.1	1.6	2.1
Communications Equipment	34.1	-8.3	-4.1	-5.2	-6.3	-8.8	-5.2	-2.5	-1.2	3.5	3.5	5.8	6.9	6.3	5.8	5.2
Industrial Equipment	12.9	8.7	-27.4	-15.9	-10.7	-8.3	-4.0	-3.4	-1.3	-0.7	0.8	2.2	2.4	1.6	2.9	2.4
Transportation equipment	-9.5	-60.8	330.2	41.3	-0.1	10.9	-1.7	-4.3	-7.3	0.4	-3.2	-3.6	-2.2	-2.2	-1.2	-1.1
Aircraft	-29.6	65.4	70.7	71.2	31.4	21.0	19.5	-0.9	-9.2	0.5	-0.5	-2.0	1.4	-0.8	7.7	5.3
Other Equipment	25.0	-19.3	-13.6	-6.6	-6.5	-11.2	-4.1	-5.7	-2.6	-0.5	0.8	1.3	2.0	0.7	1.6	-0.5
Structures	-3.6	-12.0	-5.9	-8.0	-8.8	-8.8	-5.9	-5.3	-3.8	-4.4	-3.7	-2.9	-0.7	0.8	0.7	1.1
Commercial & Health Care	-18.3	-16.8	-20.8	-26.7	-19.2	-12.5	-0.9	0.8	4.3	-0.3	-3.4	-2.3	-0.8	-2.1	-0.8	-0.1
Manufacturing	8.0	-27.9	-12.1	-13.5	-16.9	-19.1	-15.6	-18.6	-4.8	-12.1	-3.3	-6.3	-7.3	-3.0	-3.4	-1.2
Power & Communication	-3.7	-30.1	-15.2	-25.7	-24.1	-21.6	-14.2	-10.5	-3.6	1.5	2.1	2.5	7.4	8.0	2.8	3.6
Mining & Petroleum	25.5	62.5	44.0	58.8	24.9	7.5	-7.4	-8.1	-19.5	-19.3	-22.4	-20.6	-15.5	-7.6	-3.3	-3.3
Other	-2.0	-22.5	-5.2	-9.5	-7.0	-3.9	2.9	2.2	7.0	9.1	15.5	14.4	11.7	9.2	6.6	5.2
Residential Fixed Investment	0.4	-14.3	-8.3	-7.3	-6.0	-0.1	0.7	3.9	2.7	2.5	3.4	5.0	1.5	-0.1	-1.8	-1.0
Exports	-5.4	15.5	2.5	0.6	1.3	3.4	4.9	5.8	5.7	5.5	5.1	5.1	5.1	4.9	4.9	4.8
Imports	18.3	1.6	-1.0	-3.2	-0.9	0.6	1.1	1.9	3.0	3.2	3.0	2.2	1.3	0.6	0.2	0.3
Federal Government	-6.1	2.3	1.0	-0.8	0.6	0.8	0.8	0.6	0.7	0.7	0.5	1.0	0.4	0.6	0.8	0.8
State & Local Government	-0.6	-0.2	0.3	0.8	0.4	0.4	1.0	1.5	1.5	1.7	1.9	1.2	2.2	1.9	1.6	1.2
Billions of Dollars																
Real GDP	19731.1	19731.1	19678.9	19641.6	19637.1	19630.0	19651.5	19683.2	19739.2	19802.9	19881.7	19969.3	20062.4	20154.8	20248.7	20349.8
Nominal GDP	24384.3	24805.8	25109.9	25343.4	25582.9	25792.8	25993.3	26176.7	26377.7	26569.0	26778.3	27000.7	27236.9	27472.9	27719.1	27987.3
Prices & Wages, Percent Change, Annual Rate																
GDP Deflator	8.1	6.7	6.1	4.6	3.9	3.5	2.7	2.2	1.9	1.6	1.6	1.6	1.6	1.6	1.7	1.9
Consumer Prices	9.2	8.7	6.5	6.1	4.1	3.3	2.4	1.9	1.5	1.2	1.1	1.4	1.7	1.6	1.6	1.8
Excl. Food & Energy	6.5	5.3	4.6	4.4	3.9	3.4	2.6	2.3	2.1	2.0	1.9	1.8	1.8	1.8	1.8	1.9
Producer Prices, Finished Goods	18.5	17.3	7.6	3.8	2.2	1.5	0.9	0.6	1.0	0.7	0.8	1.0	1.0	1.1	1.1	1.4
Employment Cost Index - Total Comp.	5.8	8.9	5.5	4.1	3.3	3.4	3.3	3.2	2.7	2.8	2.8	2.6	2.6	2.5	2.6	2.5
Other Key Measures																
Oil - WTI (\$ per barrel)	94.4	109.8	115.2	118.2	116.2	110.4	110.1	106.1	102.3	100.2	98.4	96.9	95.9	95.4	95.1	95.3
Productivity (%change)	-7.3	-4.1	-2.1	-1.3	1.0	1.9	2.2	2.2	2.7	2.0	2.1	2.4	1.6	1.4	1.0	0.8
Industrial Production (%change)	7.6	10.4	2.4	-1.5	-2.1	-2.9	-2.4	-1.6	-0.5	-0.6	0.1	0.8	1.6	1.5	1.6	2.2
Factory Operating Rate	77.9	79.4	79.9	79.4	78.7	77.8	77.1	76.5	76.2	76.0	75.9	75.9	76.0	76.1	76.2	76.4
Nonfarm Inven. Chg. (Bil. of 2012 \$)	176.5	113.7	75.5	67.4	57.0	40.8	33.8	30.6	35.5	39.5	46.8	54.6	58.1	59.8	59.2	59.6
Consumer Sentiment Index	63.1	61.6	58.0	56.6	70.5	70.7	72.8	72.8	81.5	83.0	87.0	89.8	90.9	93.1	93.7	94.3
Light Vehicle Sales (Million units)	14.1	13.5	15.3	15.4	15.0	14.9	14.8	14.8	14.8	14.8	14.7	14.6	14.5	14.4	14.3	14.2
Housing Starts (Million units)	1.7	1.7	1.6	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4
Existing House Sales (Million units)	5.4	4.8	4.7	4.6	4.6	4.5	4.6	4.6	4.6	4.6	4.6	4.6	4.6	4.6	4.5	4.5
Unemployment Rate (%)	3.8	3.7	3.9	4.2	4.6	5.2	5.6	5.9	6.2	6.4	6.4	6.5	6.5	6.4	6.3	6.1
Payroll Employment (%change)	4.7	3.3	1.2	0.5	-0.7	-1.7	-1.5	-1.4	-1.1	-0.7	-0.3	-0.3	0.3	0.5	0.8	1.2
Federal Surplus (NIPA Bil. \$)	-1042.2	-1400.8	-949.0	-913.8	-948.7	-1096.4	-1229.5	-1339.2	-1430.4	-1476.0	-1509.5	-1540.0	-1541.0	-1548.5	-1538.8	-1548.8
Current Account Balance (Bil. \$)	-1117.4	-978.8	-941.9	-947.3	-920.2	-874.0	-814.8	-761.6	-724.7	-698.4	-676.9	-655.1	-621.5	-581.6	-536.0	-492.1
Financial Markets, NSA																
Federal Funds Rate (%)	0.1	0.7	1.3	1.7	1.7	1.7	1.7	1.4	1.2	1.1	0.9	0.8	0.6	0.6	0.6	0.6
3-Month Treasury Bill Rate (%)	0.3	0.9	1.4	1.6	1.6	1.6	1.6	1.3	1.2	1.0	0.8	0.7	0.6	0.6	0.6	0.6
1-Year Treasury Note Yield (%)	1.0	2.0	2.0	2.1	2.1	2.1	2.1	2.0	1.9	1.8	1.8	1.7	1.6	1.6	1.5	1.5
5-Year Treasury Note Yield (%)	1.8	2.8	2.6	2.5	2.4	2.4	2.3	2.2	2.2	2.2	2.1	2.0	2.0	2.0	1.9	1.9
10-Year Treasury Note Yield (%)	1.9	2.8	2.7	2.7	2.7	2.6	2.5	2.4	2.4	2.4	2.3	2.3	2.3	2.2	2.2	2.2
25-Year Treasury Note Yield (%)	2.3	2.9	2.9	2.8	2.9	2.8	2.8	2.8	2.7	2.7	2.7	2.7	2.7	2.7	2.6	2.6
30-Year Fixed Mortgage Rate (%)	3.8	5.2	5.5	5.5	5.4	5.1	4.9	4.7	4.6	4.4	4.3	4.2	4.2	4.1	4.1	4.0
S&P 500 Stock Index	4467.0	4288.3	4020.8	3986.9	3999.7	4019.8	4047.5	4075.3	4090.2	4108.0	4136.1	4178.9	4215.8	4251.9	4282.4	4312.6
(Percent change)	-11.1	-15.1	-22.7	-3.3	1.3	2.0	2.8	2.8	1.5	1.8	2.8	4.2	3.6	3.5	2.9	2.9
Exchange Rate, Major Trading Partners	1.2	1.3	1.3	1.3	1.2	1.2	1.2	1.2	1.2	1.1	1.1	1.1	1.1	1.1	1.1	1.1
(Percent change (negative = depreciation))	5.4	19.0	-1.9	-8.2	-8.2	-6.4	-7.4	-6.8	-3.6	-4.9	-5.9	-5.4	-3.3	-2.5	-2.9	-2.9
Incomes																
Personal Income (Bil. of \$)	21258.3	21519.5	21804.7	22009.0	22139.7	22284.1	22453.2	22631.8	22860.4	23060.5	23271.2	23487.2	23737.7	23980.8	24232.6	24499.4
(Percent change)	4.8	5.0	5.4	3.8	2.4	2.6	3.1	3.2	4.1	3.5	3.7	3.8	4.3	4.2	4.3	4.5
Disposable Income (Bil. of \$)	18247.6	18421.4	18691.3	18889.5	19090.2	19375.0	19666.0	19959.5	20206.5	20416.7	20622.6	20823.2	21030.5	21237.2	21432.5	21650.3
(Percent change)	-0.2	3.9	6.0	4.3	4.3	6.1	6.1	6.1	5.0	4.2	4.1	3.9	4.0	4.0	3.7	4.1
Real Disposable Income (Bil. Of 2012 \$)	15197.3	15105.6	15121.1	15092.0	15115.6	15237.0	15389.3	15559.0	15697.8	15817.9	15932.7	16037.0	16137.5	16238.6	16327.8	16426.4
(Percent change)	-6.7	-2.4	0.4	-0.8	0.6	3.3	4.1	4.5	3.6	3.1	2.9	2.6	2.5	2.5	2.2	2.4
Saving Rate (%)	5.6	4.7	5.0	4.8	4.8	5.3	6.1	7.0	7.5	7.8	8.1	8.4	8.6	8.9	9.0	9.2
After-Tax Profits (Billions of \$)	2740.1	2573.0	2517.7	2432.9	2476.9	2472.6	2480.5	2491.0	2583.5	2596.6	2618.5	2647.3	2721.6	2734.0	2747.8	2765.9
(Percent change)	6.0	-22.3	-8.3	-12.8	7.4	-0.7	1.3	1.7	15.7	2.0	3.4	4.5	11.7	1.8	2.0	2.7

Table 4. Quarterly Gross Domestic Product

	2022Q1	2022Q2	2022Q3	2022Q4	2023Q1	2023Q2	2023Q3	2023Q4	2024Q1	2024Q2	2024Q3	2024Q4	2025Q1	2025Q2	2025Q3	2025Q4
Real GDP Billions 2012 \$																
Gross Domestic Product	19731.1	19731.1	19678.9	19641.6	19637.1	19630.0	19651.5	19683.2	19739.2	19802.9	19881.7	19969.3	20062.4	20154.8	20248.7	20349.8
Final Sales of Domestic Product	19503.1	19560.7	19537.2	19489.0	19488.4	19495.9	19524.4	19559.9	19611.7	19672.4	19744.7	19825.3	19915.5	20006.7	20101.7	20202.7
Total Consumption	13924.8	13975.7	13947.2	13919.2	13953.8	13978.7	14003.7	14026.1	14072.8	14122.5	14178.7	14229.7	14281.9	14333.1	14388.6	14450.0
Durables	2208.1	2218.6	2196.1	2153.7	2147.8	2137.9	2125.0	2111.3	2120.1	2122.6	2131.6	2134.8	2136.9	2139.1	2144.3	2153.8
Nondurables	3365.2	3326.3	3285.9	3259.6	3253.2	3254.7	3259.2	3264.5	3273.3	3285.7	3298.1	3310.6	3323.2	3335.6	3347.9	3360.3
Services	8545.8	8619.6	8644.8	8672.7	8715.1	8744.2	8772.7	8798.1	8828.2	8861.9	8897.3	8931.6	8967.7	9002.6	9040.0	9079.8
Nonresidential Fixed Investment	2969.9	2935.5	2931.2	2892.3	2849.5	2809.3	2781.5	2755.7	2733.9	2720.8	2710.3	2706.7	2709.9	2714.9	2722.6	2731.8
Equipment & Software	1358.4	1330.0	1327.8	1299.4	1270.3	1245.5	1228.3	1213.2	1200.8	1195.9	1192.8	1194.2	1199.0	1203.0	1209.2	1215.7
Information Processing Equipment	659.9	658.2	650.8	642.6	630.7	615.2	602.9	593.1	585.0	580.0	577.2	578.7	583.1	588.1	593.3	599.4
Computers & Peripherals	178.0	178.1	179.3	177.4	174.8	170.3	167.0	164.0	161.5	159.4	158.0	157.6	157.9	158.3	158.9	159.7
Communications Equipment	297.3	290.9	287.9	284.0	279.5	273.1	269.5	267.8	267.0	269.4	271.7	275.6	280.2	284.5	288.6	292.3
Industrial Equipment	282.4	288.3	266.1	254.9	247.8	242.4	240.0	238.0	237.2	236.8	237.2	238.5	240.0	241.0	242.7	244.1
Transportation Equipment	200.7	158.9	228.8	249.5	249.4	255.9	254.8	252.0	247.3	247.5	245.5	243.3	242.0	240.7	240.0	239.3
Aircraft	27.6	31.3	35.8	41.0	43.9	46.0	48.1	48.0	46.9	46.9	46.9	46.6	46.8	46.7	47.6	48.2
Other Equipment	68.3	64.8	62.5	61.4	60.4	58.6	58.0	57.1	56.8	56.7	56.8	57.0	57.3	57.4	57.6	57.5
Structures	440.0	426.1	419.7	411.0	401.7	392.6	386.6	381.4	377.8	373.5	370.0	367.3	366.6	367.3	368.0	368.9
Commercial & Health	139.6	133.3	125.7	116.4	110.3	106.7	106.4	106.6	107.8	107.7	106.8	106.1	105.9	105.4	105.1	105.1
Manufacturing	54.4	50.1	48.5	46.8	44.7	42.4	40.6	38.6	38.1	36.9	36.6	36.0	35.3	35.0	34.8	34.6
Power & Communication	88.4	80.8	77.5	72.0	67.2	63.2	60.9	59.2	58.7	58.9	59.2	59.6	60.6	61.8	62.2	62.8
Mining & Petroleum	94.4	106.6	116.8	131.1	138.6	141.1	138.4	135.5	128.3	121.6	114.2	107.8	103.3	101.3	100.5	99.6
Other	70.7	66.4	65.5	63.9	62.7	62.1	62.5	62.9	64.0	65.4	67.8	70.1	72.0	73.6	74.8	75.8
Residential Fixed Investment	698.6	672.1	657.7	645.4	635.5	635.4	636.4	642.5	646.8	650.8	656.3	664.4	666.8	666.7	663.7	662.0
Exports	2357.7	2444.0	2459.3	2462.9	2470.7	2491.6	2521.7	2557.7	2593.6	2628.3	2661.5	2694.7	2728.3	2761.4	2794.6	2827.6
Imports	3901.2	3916.4	3906.2	3874.3	3866.0	3872.0	3882.1	3900.9	3930.2	3961.7	3990.7	4012.6	4025.7	4031.5	4033.8	4036.6
Federal Government	1303.8	1311.3	1314.5	1311.7	1313.7	1316.3	1318.8	1320.8	1323.0	1325.3	1327.0	1330.4	1331.7	1333.8	1336.5	1339.0
State & Local Government	2030.7	2029.7	2031.4	2035.2	2037.3	2039.5	2044.6	2052.0	2059.5	2068.3	2078.0	2084.1	2095.5	2105.4	2113.7	2120.1

Table 5. Annual Employment

	<i>History</i>							<i>Forecast</i>			
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Millions											
Total Nonfarm Employment	141.8	144.3	146.6	148.9	150.9	142.1	146.1	151.5	151.0	149.5	149.8
Private Nonfarm	119.8	122.1	124.3	126.4	128.3	120.2	124.1	129.2	128.5	126.7	126.8
Mining	0.8	0.6	0.6	0.7	0.7	0.6	0.5	0.6	0.7	0.7	0.7
Construction	6.5	6.7	7.0	7.3	7.5	7.3	7.4	7.6	7.4	7.3	7.2
Manufacturing	12.3	12.4	12.4	12.7	12.8	12.2	12.3	13.0	13.1	12.7	12.6
Trade, Transportation and Utilities	26.8	27.2	27.4	27.6	27.7	26.7	27.7	28.4	27.5	26.6	26.1
Transportation & Warehousing	4.9	5.0	5.2	5.4	5.7	5.6	6.1	6.5	6.5	6.5	6.6
Financial Activities	8.1	8.3	8.4	8.6	8.8	8.7	8.8	8.9	8.9	9.0	9.1
Education & Health	22.0	22.6	23.2	23.6	24.2	23.3	23.7	24.2	24.2	24.6	24.8
Professional & Business Services	19.7	20.1	20.5	20.9	21.3	20.3	21.2	22.0	20.5	19.2	19.4
Information	2.8	2.8	2.8	2.8	2.9	2.7	2.8	2.9	2.8	2.6	2.7
Leisure & Hospitality	15.2	15.7	16.1	16.3	16.6	13.1	14.1	15.9	17.7	18.1	18.2
Government	22.0	22.2	22.3	22.5	22.6	22.0	22.0	22.3	22.5	22.7	23.0
Federal	2.8	2.8	2.8	2.8	2.8	2.9	2.9	2.9	2.9	2.9	2.9
State & Local	19.3	19.4	19.5	19.7	19.8	19.1	19.1	19.4	19.6	19.9	20.1
Growth Rates											
Total Nonfarm Employment	2.1	1.8	1.6	1.6	1.3	-5.8	2.8	3.7	-0.3	-1.0	0.2
Private Nonfarm	2.3	1.9	1.8	1.8	1.5	-6.3	3.3	4.1	-0.6	-1.4	0.0
Mining	-9.3	-18.9	1.5	8.2	0.0	-18.5	-6.1	14.6	19.5	1.9	-6.2
Construction	5.0	4.1	3.6	4.6	2.8	-3.2	2.2	2.5	-2.3	-1.9	-0.5
Manufacturing	1.2	0.1	0.7	2.0	1.0	-5.1	1.5	5.2	0.6	-2.7	-0.9
Trade, Transportation and Utilities	1.9	1.4	0.8	0.8	0.4	-3.7	3.9	2.3	-3.1	-3.2	-2.0
Transportation & Warehousing	4.5	3.0	3.6	4.8	4.4	-0.6	8.0	6.5	-0.1	0.7	1.2
Financial Activities	1.8	2.0	2.0	1.7	1.9	-0.6	0.8	1.9	-0.1	0.8	0.6
Education & Health	2.7	2.8	2.4	1.9	2.2	-3.7	1.7	2.2	0.1	1.7	0.7
Professional & Business Services	3.0	2.1	2.0	2.2	1.6	-4.5	4.6	3.4	-6.7	-6.3	1.1
Information	0.9	1.6	0.7	0.9	0.9	-5.0	4.0	4.1	-5.3	-6.1	2.8
Leisure & Hospitality	3.2	3.3	2.6	1.5	1.8	-20.8	7.4	13.1	11.1	2.2	0.7
Government	0.7	0.9	0.5	0.5	0.7	-2.8	0.1	1.3	1.0	1.0	1.2
Federal	0.9	1.3	0.3	-0.1	1.1	3.6	-1.6	-0.2	0.0	0.0	0.0
State & Local	0.7	0.9	0.5	0.6	0.6	-3.7	0.3	1.6	1.1	1.2	1.4

Table 6. Quarterly Employment

	2022Q1	2022Q2	2022Q3	2022Q4	2023Q1	2023Q2	2023Q3	2023Q4	2024Q1	2024Q2	2024Q3	2024Q4	2025Q1	2025Q2	2025Q3	2025Q4
Employment (Millions)																
Total Nonfarm Employment	150.4	151.6	152.0	152.2	151.9	151.3	150.7	150.2	149.7	149.5	149.4	149.3	149.4	149.6	149.9	150.3
Private Nonfarm	128.2	129.3	129.7	129.8	129.5	128.8	128.2	127.6	127.1	126.8	126.6	126.4	126.5	126.6	126.8	127.2
Mining	0.6	0.6	0.6	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
Construction	7.6	7.6	7.6	7.6	7.5	7.4	7.4	7.3	7.3	7.3	7.3	7.3	7.3	7.2	7.2	7.2
Manufacturing	12.6	12.9	13.1	13.3	13.2	13.1	13.0	13.0	12.8	12.8	12.7	12.6	12.6	12.6	12.6	12.6
Trade, Transportation and Utilities	28.5	28.6	28.5	28.0	27.7	27.6	27.3	27.2	27.0	26.6	26.5	26.3	26.1	26.0	26.0	26.1
Transportation & Warehousing	6.4	6.5	6.5	6.5	6.5	6.5	6.4	6.5	6.5	6.5	6.5	6.5	6.6	6.6	6.6	6.6
Financial Activities	8.9	8.9	9.0	9.0	9.0	8.9	8.9	8.9	9.0	9.0	9.0	9.0	9.1	9.1	9.1	9.1
Education & Health	24.1	24.2	24.3	24.2	24.2	24.1	24.2	24.3	24.5	24.6	24.7	24.7	24.8	24.8	24.8	24.8
Professional & Business Services	22.0	22.1	22.0	21.7	21.4	20.7	20.1	19.7	19.4	19.2	19.1	19.0	19.1	19.3	19.5	19.7
Information	2.9	3.0	2.9	2.9	2.9	2.9	2.8	2.6	2.6	2.6	2.6	2.6	2.7	2.7	2.7	2.7
Leisure & Hospitality	15.4	15.7	15.9	16.8	17.2	17.6	18.0	18.0	18.0	18.1	18.2	18.2	18.2	18.2	18.3	18.3
Government	22.2	22.3	22.4	22.4	22.4	22.5	22.5	22.6	22.6	22.7	22.8	22.9	22.9	23.0	23.0	23.1
Federal	2.9	2.9	2.9	2.9	2.9	2.9	2.9	2.9	2.9	2.9	2.9	2.9	2.9	2.9	2.9	2.9
State & Local	19.3	19.4	19.5	19.5	19.6	19.6	19.6	19.7	19.7	19.8	19.9	20.0	20.1	20.1	20.2	20.2
Growth Rates																
Total Nonfarm Employment	4.7	3.3	1.2	0.5	-0.7	-1.7	-1.5	-1.4	-1.1	-0.7	-0.3	-0.3	0.3	0.5	0.8	1.2
Private Nonfarm	5.4	3.6	1.1	0.4	-0.9	-2.1	-1.9	-1.8	-1.5	-1.0	-0.6	-0.6	0.1	0.4	0.8	1.3
Mining	11.2	19.3	20.7	27.5	24.4	16.1	10.6	6.9	0.7	-2.2	-6.4	-7.9	-7.7	-6.5	-3.9	-2.6
Construction	5.1	2.0	-1.6	-1.5	-3.5	-3.1	-2.8	-2.4	-2.0	-1.7	-0.6	-0.4	-0.5	-0.3	-0.5	-0.2
Manufacturing	4.0	9.0	6.6	5.1	-3.7	-1.9	-1.2	-2.3	-3.9	-2.7	-2.8	-2.7	-0.7	0.4	1.1	1.3
Trade, Transportation and Utilities	5.9	0.8	-1.1	-7.1	-3.2	-1.3	-4.4	-1.3	-3.5	-5.3	-2.6	-2.8	-2.2	-1.7	-0.2	0.6
Transportation & Warehousing	8.7	7.9	1.7	-1.2	1.4	-3.9	-1.5	0.4	2.4	2.0	0.2	0.4	2.1	1.2	1.0	0.9
Financial Activities	2.1	2.8	0.3	0.9	1.8	-4.3	-1.1	0.5	2.3	2.3	0.7	1.0	0.8	0.3	-0.3	-0.4
Education & Health	3.1	2.5	1.0	-0.8	0.1	-1.3	0.7	2.0	3.1	2.0	1.2	0.7	0.8	0.1	0.2	0.8
Professional & Business Services	5.2	1.6	-1.1	-5.3	-6.1	-12.2	-10.5	-8.3	-5.5	-4.1	-3.2	-0.7	2.3	2.8	4.0	5.1
Information	3.2	12.0	-7.9	-5.8	-1.5	-4.8	-12.9	-15.3	-9.9	4.2	6.2	0.7	4.0	2.9	0.9	0.8
Leisure & Hospitality	12.4	8.2	6.9	24.3	9.1	10.4	9.2	-0.2	-1.0	2.5	2.1	0.7	-0.6	1.1	0.7	0.6
Government	0.9	1.7	1.8	1.1	0.6	0.7	0.7	0.8	1.0	1.2	1.4	1.4	1.4	1.1	0.8	0.6
Federal	-0.3	0.0	0.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
State & Local	1.0	1.9	2.0	1.2	0.7	0.8	0.8	0.9	1.1	1.4	1.6	1.6	1.6	1.2	0.9	0.6

Table 7. Quarterly Implicit Price Deflators (2012=100)

	2022Q1	2022Q2	2022Q3	2022Q4	2023Q1	2023Q2	2023Q3	2023Q4	2024Q1	2024Q2	2024Q3	2024Q4	2025Q1	2025Q2	2025Q3	2025Q4
GDP	123.7	125.7	127.6	129.0	130.3	131.4	132.3	133.0	133.6	134.2	134.7	135.2	135.8	136.3	136.9	137.5
Consumption	120.1	122.0	123.6	125.2	126.3	127.2	127.8	128.3	128.7	129.1	129.4	129.8	130.3	130.8	131.3	131.8
Durables	96.4	96.4	96.7	96.6	96.1	95.0	93.8	92.6	91.4	90.4	89.4	88.7	88.3	87.8	87.3	86.9
Motor Vehicles	124.5	123.4	123.1	122.6	121.2	119.5	117.6	115.6	113.7	112.7	112.0	111.5	111.6	111.6	111.7	111.7
Furniture	99.7	101.9	102.5	102.5	102.5	101.4	100.1	99.1	97.8	96.8	95.8	95.1	94.5	94.0	93.4	92.9
Other Durables	85.0	84.6	85.1	85.3	85.6	85.2	84.8	84.3	83.8	83.3	82.6	82.1	81.8	81.4	81.1	80.7
Nondurables	109.5	113.0	115.1	117.6	118.7	119.6	120.1	120.2	120.3	120.3	120.2	120.1	120.2	120.2	120.5	120.9
Food	117.6	121.3	124.4	127.1	128.8	129.6	130.0	130.1	129.9	129.3	128.8	128.2	127.9	127.6	127.9	128.3
Clothing & Shoes	98.7	99.3	100.4	101.4	102.1	103.1	103.8	104.2	104.8	104.8	104.8	104.8	104.6	104.3	104.2	104.1
Gasoline & Oil	108.3	121.1	124.4	132.2	132.3	133.3	133.0	131.7	130.9	129.7	128.7	128.3	128.4	128.7	129.1	129.6
Fuel	106.9	119.6	122.8	130.5	130.6	131.6	131.3	130.0	129.3	128.0	127.0	126.6	126.7	127.1	127.4	128.0
Services	127.7	129.3	131.1	132.7	134.2	135.5	136.7	137.7	138.6	139.5	140.3	141.1	142.0	142.8	143.6	144.4
Housing	134.4	136.3	138.3	140.4	142.3	144.1	145.7	147.1	148.4	149.6	150.8	151.8	152.8	153.8	154.7	155.7
Electricity	122.4	124.9	128.2	126.4	127.2	123.1	121.6	120.3	119.8	118.0	117.5	118.7	120.7	121.7	121.1	121.5
Natural Gas	133.8	151.6	177.7	181.8	184.2	175.9	168.5	161.1	155.3	145.2	137.3	137.2	142.8	147.7	146.7	146.7
Water & Sewer	141.7	143.2	145.5	147.7	150.0	152.5	154.8	157.1	159.3	161.4	163.3	165.0	166.6	168.2	170.0	171.8
Telephone	68.0	67.3	68.2	69.5	69.0	68.2	67.3	66.4	65.6	65.0	64.1	63.2	62.4	61.7	61.2	60.6
Transportation	118.2	126.1	128.0	129.1	130.3	131.5	132.6	133.6	134.3	135.0	135.7	136.4	137.1	137.7	138.3	139.0
Other Services	126.8	128.8	130.6	133.1	135.3	137.1	138.3	139.4	140.7	141.7	142.6	143.5	144.4	145.2	145.9	146.8

Table 8. Percent Change in Implicit Price Deflators

	2022Q1	2022Q2	2022Q3	2022Q4	2023Q1	2023Q2	2023Q3	2023Q4	2024Q1	2024Q2	2024Q3	2024Q4	2025Q1	2025Q2	2025Q3	2025Q4
GDP	8.1	6.7	6.1	4.6	3.9	3.5	2.7	2.2	1.9	1.6	1.6	1.6	1.6	1.6	1.7	1.9
Consumption	7.0	6.3	5.6	5.1	3.7	2.8	2.0	1.6	1.4	1.1	1.1	1.3	1.5	1.4	1.5	1.6
Durables	6.6	-0.1	1.2	-0.4	-2.0	-4.5	-5.0	-5.2	-5.1	-4.3	-4.1	-3.2	-2.0	-2.1	-2.2	-2.0
Motor Vehicles	4.7	-3.4	-1.0	-1.5	-4.5	-5.5	-6.3	-6.5	-6.3	-3.6	-2.6	-1.7	0.3	0.2	0.1	0.2
Furniture	18.2	9.2	2.4	-0.2	-0.1	-4.3	-4.7	-4.3	-4.8	-4.3	-3.8	-3.2	-2.2	-2.2	-2.6	-2.3
Other Durables	4.6	-1.9	2.4	1.1	1.2	-1.8	-1.9	-2.4	-2.2	-2.6	-3.1	-2.3	-1.7	-1.8	-1.7	-1.6
Nondurables	14.9	13.7	7.6	8.9	3.9	3.0	1.5	0.6	0.3	-0.2	-0.2	-0.2	0.1	0.2	0.9	1.1
Food	11.4	13.5	10.5	8.9	5.3	2.7	1.2	0.3	-0.7	-1.6	-1.7	-1.8	-1.0	-1.1	0.9	1.3
Clothing & Shoes	11.8	2.1	4.9	4.0	2.8	4.0	2.7	1.5	2.1	0.1	0.0	0.1	-0.9	-0.9	-0.3	-0.7
Gasoline & Oil	60.6	56.3	11.2	27.8	0.2	3.0	-0.8	-3.9	-2.3	-3.7	-3.0	-1.3	0.3	1.0	1.2	1.6
Fuel	107.5	56.3	11.2	27.8	0.2	3.0	-0.8	-3.9	-2.3	-3.7	-3.0	-1.3	0.3	1.1	1.2	1.7
Services	4.5	5.2	5.7	4.9	4.6	4.0	3.4	3.0	2.8	2.4	2.4	2.4	2.4	2.3	2.2	2.4
Housing	5.4	5.6	6.0	6.2	5.6	5.2	4.5	4.0	3.5	3.3	3.1	2.9	2.6	2.6	2.5	2.4
Electricity	19.6	8.7	11.0	-5.4	2.6	-12.4	-4.8	-4.3	-1.7	-5.6	-1.9	4.2	6.9	3.6	-2.1	1.3
Natural Gas	2.3	64.7	88.8	9.6	5.4	-16.7	-15.8	-16.4	-13.7	-23.6	-19.9	-0.4	17.4	14.4	-2.5	-0.1
Water & Sewer	6.5	4.1	6.7	6.1	6.5	6.7	6.3	5.9	5.9	5.3	4.7	4.3	4.0	4.0	4.2	4.3
Telephone	-2.1	-4.4	5.9	7.3	-2.3	-4.8	-5.2	-5.2	-5.0	-3.6	-5.2	-5.7	-4.9	-4.3	-3.0	-3.8
Transportation	6.7	29.8	5.9	3.8	3.6	3.9	3.4	2.8	2.1	2.2	2.2	2.0	1.9	1.9	1.8	1.9
Other Services	4.8	6.2	5.9	7.8	6.9	5.2	3.6	3.3	3.7	3.1	2.5	2.6	2.3	2.2	2.2	2.4

Table 9. Annual Implicit Price Deflators (2012=100)

	<i>History</i>							<i>Forecast</i>			
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
GDP	104.7	105.7	107.7	110.3	112.3	113.7	118.5	126.5	131.7	134.4	136.6
Consumption	103.1	104.1	106.1	108.3	109.9	111.2	115.5	122.7	127.4	129.3	131.0
Durables	93.4	91.1	89.1	87.5	86.5	85.8	91.2	96.5	94.4	90.0	87.6
Motor Vehicles	100.5	99.4	98.2	97.8	98.0	99.9	113.1	123.4	118.5	112.5	111.6
Furniture	92.4	90.0	87.5	86.5	87.2	87.8	92.5	101.7	100.8	96.4	93.7
Other Durables	90.6	89.9	88.7	87.1	85.2	82.8	83.7	85.0	85.0	83.0	81.2
Nondurables	97.1	95.9	97.5	99.3	99.2	98.6	102.8	113.8	119.7	120.2	120.4
Food	104.1	103.0	102.9	103.4	104.4	108.0	111.4	122.6	129.6	129.1	127.9
Clothing & Shoes	100.1	99.8	99.2	99.3	97.9	92.9	94.8	100.0	103.3	104.8	104.3
Gasoline & Oil	68.7	61.1	68.9	78.0	75.3	64.2	85.9	121.5	132.6	129.4	128.9
Fuel	69.9	58.1	66.8	80.8	77.1	59.8	78.1	120.0	130.9	127.7	127.3
Services	106.8	109.2	112.0	115.1	117.8	120.3	124.2	130.2	136.0	139.9	143.2
Housing	108.4	112.0	115.9	119.8	123.9	127.5	130.7	137.4	144.8	150.2	154.3
Electricity	106.4	105.2	107.5	108.3	108.5	109.1	113.7	125.5	123.1	118.5	121.3
Natural Gas	99.0	96.6	104.3	104.3	102.8	103.0	120.1	161.2	172.4	143.7	146.0
Water & Sewer	112.8	116.8	120.7	124.9	128.9	133.0	137.7	144.5	153.6	162.2	169.1
Telephone	89.7	85.8	78.1	76.0	72.1	70.6	68.9	68.3	67.7	64.4	61.5
Transportation	102.7	103.3	104.6	106.9	109.0	107.8	113.5	125.4	132.0	135.3	138.0
Other Services	107.5	109.6	112.0	115.0	117.8	120.4	123.6	129.8	137.5	142.1	145.6

Table 10. Percent Change in Implicit Price Deflators

	<i>History</i>							<i>Forecast</i>			
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
GDP	1.0	1.0	1.9	2.4	1.8	1.3	4.2	6.8	4.1	2.0	1.6
Consumption	0.2	1.0	1.8	2.1	1.5	1.2	3.9	6.2	3.8	1.5	1.4
Durables	-2.2	-2.4	-2.3	-1.7	-1.2	-0.8	6.3	5.9	-2.2	-4.7	-2.7
Motor Vehicles	-0.1	-1.1	-1.2	-0.4	0.3	1.9	13.2	9.1	-4.0	-5.1	-0.7
Furniture	-2.4	-2.6	-2.8	-1.1	0.7	0.8	5.3	9.9	-0.9	-4.3	-2.8
Other Durables	-3.6	-0.8	-1.3	-1.8	-2.2	-2.8	1.0	1.6	-0.1	-2.4	-2.1
Nondurables	-3.5	-1.3	1.6	1.9	-0.1	-0.7	4.3	10.7	5.1	0.5	0.2
Food	1.1	-1.0	-0.1	0.5	1.0	3.4	3.1	10.1	5.7	-0.4	-0.9
Clothing & Shoes	-1.2	-0.3	-0.6	0.1	-1.4	-5.1	2.1	5.4	3.4	1.4	-0.5
Gasoline & Oil	-26.5	-11.1	12.8	13.2	-3.4	-14.8	33.8	41.5	9.1	-2.4	-0.4
Fuel	-28.8	-17.0	15.1	21.0	-4.6	-22.4	30.6	53.5	9.1	-2.4	-0.4
Services	1.8	2.2	2.5	2.8	2.4	2.1	3.3	4.8	4.5	2.8	2.4
Housing	3.1	3.3	3.5	3.4	3.4	2.9	2.5	5.1	5.4	3.7	2.7
Electricity	0.6	-1.1	2.2	0.7	0.2	0.6	4.2	10.3	-1.9	-3.7	2.3
Natural Gas	-11.9	-2.4	8.0	0.1	-1.5	0.2	16.6	34.2	7.0	-16.6	1.6
Water & Sewer	4.3	3.6	3.3	3.5	3.2	3.2	3.6	4.9	6.3	5.6	4.3
Telephone	-5.6	-4.3	-9.1	-2.7	-5.0	-2.2	-2.3	-1.0	-0.8	-4.9	-4.6
Transportation	0.4	0.6	1.2	2.1	2.0	-1.1	5.3	10.4	5.3	2.5	2.0
Other Services	2.0	2.0	2.2	2.8	2.4	2.2	2.7	5.0	5.9	3.4	2.4

Table 11. Personal Income and its Components

	<i>History</i>							<i>Forecast</i>			
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Personal Income Billions Current Dollars											
Personal Income	15685.2	16096.9	16850.2	17706.0	18424.4	19627.6	21092.8	21647.9	22377.2	23169.8	24112.6
Wages & Salaries	9699.4	9966.1	10426.1	10959.5	11447.7	11572.2	12598.7	13730.8	14221.5	14609.6	15145.6
Other Labor Income	1270.6	1293.9	1346.5	1434.3	1474.6	1464.4	1526.4	1583.8	1632.4	1675.0	1737.4
Nonfarm Income	1366.7	1389.2	1466.4	1541.5	1560.5	1579.9	1724.1	1792.0	1808.7	1858.5	1953.2
Farm Income	54.1	34.1	39.5	38.9	38.4	70.2	97.8	112.3	91.0	77.5	76.5
Rental Income	609.5	626.6	652.7	681.9	692.1	711.6	726.4	749.6	697.9	686.8	727.2
Dividends	1033.1	1077.4	1154.5	1253.3	1316.0	1297.8	1300.7	1357.9	1389.5	1455.0	1535.3
Interest Income	1441.8	1465.2	1553.4	1615.0	1652.0	1614.4	1640.7	1726.5	1929.6	2061.4	2111.4
Transfer Payments	2685.4	2777.0	2856.4	2976.3	3139.1	4241.1	4597.8	3914.1	4022.1	4240.6	4443.2
Personal Social Insurance Tax	635.4	657.9	693.8	735.7	771.8	795.8	864.9	938.7	964.4	984.2	1016.7
Percent Change, Annual Rate											
Personal Income	4.7	2.6	4.7	5.1	4.1	6.5	7.5	2.6	3.4	3.5	4.1
Wages & Salaries	4.9	2.7	4.6	5.1	4.5	1.1	8.9	9.0	3.6	2.7	3.7
Other Labor Income	3.5	1.8	4.1	6.5	2.8	-0.7	4.2	3.8	3.1	2.6	3.7
Nonfarm Income	-0.8	1.6	5.6	5.1	1.2	1.2	9.1	3.9	0.9	2.8	5.1
Farm Income	-20.1	-37.0	15.7	-1.3	-1.3	82.6	39.3	14.8	-19.0	-14.7	-1.4
Rental Income	1.1	2.8	4.2	4.5	1.5	2.8	2.1	3.2	-6.9	-1.6	5.9
Dividends	8.4	4.3	7.2	8.6	5.0	-1.4	0.2	4.4	2.3	4.7	5.5
Interest Income	7.9	1.6	6.0	4.0	2.3	-2.3	1.6	5.2	11.8	6.8	2.4
Transfer Payments	5.7	3.4	2.9	4.2	5.5	35.1	8.4	-14.9	2.8	5.4	4.8
Personal Social Insurance Tax	4.7	3.5	5.5	6.0	4.9	3.1	8.7	8.5	2.7	2.1	3.3

Table 12. Personal Consumption Expenditures (Current Dollars)

	2022Q1	2022Q2	2022Q3	2022Q4	2023Q1	2023Q2	2023Q3	2023Q4	2024Q1	2024Q2	2024Q3	2024Q4	2025Q1	2025Q2	2025Q3	2025Q4
Consumer Expenditures by Type Billions Current Dollars																
<i>Consumer spending on...</i>																
all goods & services	16719.7	17043.5	17240.3	17421.7	17622.9	17775.0	17895.3	17993.0	18114.8	18228.4	18352.2	18476.6	18612.3	18745.1	18887.0	19045.3
durable goods	2127.6	2138.9	2123.6	2080.5	2064.3	2031.2	1993.5	1954.7	1937.3	1918.4	1906.6	1894.0	1886.1	1878.1	1872.3	1871.0
furniture and appliances	489.8	494.9	484.7	476.7	471.7	468.5	466.6	463.5	460.8	457.1	452.6	448.3	444.4	441.1	437.9	435.0
information processing equipment	212.0	217.5	212.4	208.0	204.6	199.4	198.0	195.4	194.3	192.5	191.7	191.1	190.9	190.6	190.0	189.5
motor vehicles and parts	735.0	729.6	745.3	719.9	700.7	676.8	651.3	626.8	613.0	602.3	596.0	590.4	587.7	586.0	586.1	588.1
other durable goods	210.4	216.5	211.5	209.9	212.4	211.3	210.3	208.2	208.8	208.1	208.5	208.6	209.3	209.0	208.6	208.4
nondurables	3682.9	3759.7	3782.8	3833.8	3862.9	3893.3	3912.8	3925.3	3939.2	3951.9	3964.5	3977.5	3994.0	4010.9	4034.7	4061.0
clothing & shoes	488.9	496.5	494.9	499.9	508.0	520.4	529.2	537.4	543.7	550.0	554.7	559.3	562.3	566.4	570.2	574.3
fuel oil & coal	29.0	31.6	33.9	35.0	34.4	34.2	33.8	33.4	33.2	32.9	32.6	32.4	32.3	32.3	32.3	32.4
gasoline & motor oil	423.0	472.3	483.7	502.3	499.5	502.4	501.1	494.4	491.7	487.1	483.1	480.8	480.3	480.5	480.7	481.5
food	1290.9	1292.7	1308.5	1327.3	1341.7	1349.4	1352.8	1354.1	1352.7	1349.8	1347.0	1343.6	1342.6	1341.4	1346.2	1352.1
other nondurable goods	1451.2	1466.5	1461.8	1469.3	1479.4	1486.9	1495.9	1505.9	1517.9	1532.1	1547.2	1561.4	1576.5	1590.2	1605.2	1620.8
Consumer Expenditures by Type Billions 2012 Dollars																
<i>Consumer spending on...</i>																
all goods & services	13924.8	13975.7	13947.2	13919.2	13953.8	13978.7	14003.7	14026.1	14072.8	14122.5	14178.7	14229.7	14281.9	14333.1	14388.6	14450.0
durable goods	2208.1	2218.6	2196.1	2153.7	2147.8	2137.9	2125.0	2111.3	2120.1	2122.6	2131.6	2134.8	2136.9	2139.1	2144.3	2153.8
furniture and appliances	491.5	485.5	472.7	465.0	460.3	462.2	465.9	468.0	470.9	472.3	472.3	471.6	470.0	469.1	468.7	468.4
information processing equipment	345.4	360.7	350.2	338.7	333.1	328.5	331.1	332.3	336.9	339.4	344.0	349.0	353.2	357.2	360.7	363.9
motor vehicles and parts	591.9	591.4	605.6	587.1	578.1	566.4	554.0	542.3	539.0	534.5	532.4	529.6	526.7	524.9	524.9	526.5
other durable goods	271.0	281.2	273.2	271.6	275.6	276.6	277.4	277.4	280.3	282.3	285.9	288.2	290.9	292.2	293.2	294.6
nondurables	3365.2	3326.3	3285.9	3259.6	3253.2	3254.7	3259.2	3264.5	3273.3	3285.7	3298.1	3310.6	3323.2	3335.6	3347.9	3360.3
clothing & shoes	495.2	500.2	492.8	492.8	497.4	504.6	509.7	515.6	518.9	524.9	529.4	533.7	537.7	542.9	546.9	551.9
fuel oil & coal	26.8	26.4	27.6	26.8	26.4	26.0	25.7	25.7	25.7	25.7	25.6	25.6	25.5	25.4	25.4	25.3
gasoline & motor oil	394.2	389.9	388.9	379.9	377.5	376.9	376.7	375.4	375.5	375.6	375.3	374.8	374.1	373.3	372.4	371.5
food	1098.0	1065.3	1051.7	1044.3	1042.0	1041.0	1040.6	1040.9	1041.6	1043.6	1045.8	1047.9	1049.8	1051.7	1053.0	1054.1
other nondurable goods	1311.7	1308.1	1288.5	1280.8	1276.0	1273.5	1274.5	1276.0	1281.0	1286.1	1292.6	1299.7	1307.5	1314.3	1322.7	1330.7
Real Consumer Expenditures Annual Growth Rate																
<i>Consumer spending on...</i>																
all goods & services	3.1	1.5	-0.8	-0.8	1.0	0.7	0.7	0.6	1.3	1.4	1.6	1.4	1.5	1.4	1.6	1.7
durable goods	6.8	1.9	-4.0	-7.5	-1.1	-1.8	-2.4	-2.5	1.7	0.5	1.7	0.6	0.4	0.4	1.0	1.8
furniture and appliances	-3.9	-4.8	-10.1	-6.3	-4.0	1.7	3.3	1.7	2.6	1.1	0.0	-0.6	-1.3	-0.8	-0.3	-0.3
information processing equipment	2.8	18.9	-11.2	-12.5	-6.5	-5.3	3.2	1.4	5.7	2.9	5.5	6.0	4.9	4.6	4.1	3.6
motor vehicles and parts	16.5	-0.4	10.0	-11.7	-6.0	-7.9	-8.5	-8.2	-2.4	-3.4	-1.5	-2.1	-2.1	-1.3	0.0	1.2
other durable goods	0.8	15.9	-10.9	-2.3	5.9	1.5	1.2	-0.1	4.3	2.9	5.3	3.2	3.8	1.8	1.4	1.9
nondurables	-3.7	-4.5	-4.8	-3.2	-0.8	0.2	0.6	0.7	1.1	1.5	1.5	1.5	1.5	1.5	1.5	1.5
clothing & shoes	-4.9	4.2	-5.9	0.1	3.7	5.9	4.1	4.7	2.6	4.7	3.5	3.3	3.0	3.9	3.0	3.7
fuel oil & coal	-0.1	-5.2	19.8	-11.2	-6.9	-5.5	-3.9	-0.6	0.4	-0.5	-0.8	-1.2	-0.6	-1.0	-1.1	-1.4
gasoline & motor oil	-15.3	-4.3	-1.0	-9.0	-2.4	-0.6	-0.2	-1.4	0.2	0.0	-0.3	-0.5	-0.7	-0.8	-1.0	-0.9
food	-3.8	-11.4	-5.0	-2.8	-0.9	-0.4	-0.1	0.1	0.3	0.8	0.8	0.8	0.7	0.7	0.5	0.4
other nondurable goods	0.3	-1.1	-5.9	-2.3	-1.5	-0.8	0.3	0.4	1.6	1.6	2.1	2.2	2.4	2.1	2.6	2.4

Table 13. Personal Consumption Expenditures

	History							Forecast			
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Consumer Expenditures by Type Billions Current Dollars											
<i>Consumer spending on...</i>											
all goods & services	12263.5	12693.3	13239.1	13913.5	14428.7	14047.6	15741.6	17106.3	17821.6	18293.0	18822.4
durable goods	1307.6	1345.2	1396.6	1469.2	1513.3	1616.4	2026.2	2117.6	2010.9	1914.1	1876.9
furniture and appliances	294.2	308.5	322.7	345.5	360.2	390.4	469.7	486.5	467.6	454.7	439.6
information processing equipment	111.6	116.1	127.8	140.8	156.9	177.6	210.2	212.5	199.4	192.4	190.2
motor vehicles and parts	475.3	484.3	501.3	519.5	514.5	541.3	700.0	732.4	663.9	600.4	587.0
other durable goods	139.9	139.3	140.5	144.5	146.0	139.6	196.7	212.1	210.5	208.5	208.8
nondurables	2615.4	2646.7	2761.9	2884.5	2965.6	3037.4	3455.2	3764.8	3898.6	3958.3	4025.1
clothing & shoes	368.7	375.7	381.0	392.0	398.2	362.4	468.7	495.0	523.7	551.9	568.3
fuel oil & coal	19.7	16.5	18.9	22.0	20.9	18.0	23.1	32.4	33.9	32.8	32.3
gasoline & motor oil	289.7	259.2	291.0	328.4	316.7	228.7	336.3	470.3	499.3	485.7	480.7
food	921.0	940.6	973.1	1000.3	1030.9	1146.7	1234.8	1304.8	1349.5	1348.3	1345.6
other nondurable goods	1016.3	1054.6	1097.9	1141.8	1198.9	1281.5	1392.3	1462.2	1492.0	1539.6	1598.2
Consumer Expenditures by Type Billions 2012 Dollars											
<i>Consumer spending on...</i>											
all goods & services	11892.9	12187.7	12483.7	12845.0	13126.3	12629.9	13624.8	13941.7	13990.6	14150.9	14363.4
durable goods	1400.6	1476.0	1568.4	1678.2	1749.7	1884.3	2225.1	2194.1	2130.5	2127.3	2143.5
furniture and appliances	318.4	342.8	368.8	399.2	413.2	444.4	508.2	478.7	464.1	471.8	469.1
information processing equipment	132.7	148.3	170.1	193.4	230.9	284.5	340.9	348.7	331.3	342.3	358.8
motor vehicles and parts	472.8	487.2	510.4	531.2	524.9	542.0	623.2	594.0	560.2	533.9	525.8
other durable goods	161.8	163.5	168.3	178.6	187.8	186.5	257.1	274.3	276.7	284.2	292.7
nondurables	2693.7	2760.5	2834.2	2903.6	2988.1	3080.5	3359.4	3309.2	3257.9	3291.9	3341.8
clothing & shoes	368.5	376.6	384.2	394.9	406.6	390.2	494.3	495.2	506.8	526.7	544.9
fuel oil & coal	28.2	28.5	28.3	27.2	27.2	30.1	29.3	26.9	25.9	25.6	25.4
gasoline & motor oil	421.7	424.5	422.4	421.0	420.4	356.3	394.1	388.2	376.6	375.3	372.9
food	884.8	913.2	945.9	967.3	987.1	1062.0	1108.8	1064.8	1041.1	1044.7	1052.1
other nondurable goods	991.3	1015.6	1045.6	1081.2	1130.6	1196.4	1292.2	1297.3	1275.0	1289.8	1318.8
Real Consumer Expenditures Annual Growth Rate											
<i>Consumer spending on...</i>											
all goods & services	3.3	2.5	2.4	2.9	2.2	-3.8	7.9	2.3	0.4	1.1	1.5
durable goods	7.6	5.4	6.3	7.0	4.3	7.7	18.1	-1.4	-2.9	-0.2	0.8
furniture and appliances	9.2	7.7	7.6	8.2	3.5	7.6	14.4	-5.8	-3.0	1.6	-0.6
information processing equipment	2.3	11.8	14.7	13.7	19.4	23.2	19.8	2.3	-5.0	3.3	4.8
motor vehicles and parts	7.6	3.0	4.8	4.1	-1.2	3.3	15.0	-4.7	-5.7	-4.7	-1.5
other durable goods	9.0	1.1	2.9	6.1	5.2	-0.7	37.9	6.7	0.9	2.7	3.0
nondurables	3.4	2.5	2.7	2.5	2.9	3.1	9.1	-1.5	-1.6	1.0	1.5
clothing & shoes	3.5	2.2	2.0	2.8	3.0	-4.0	26.7	0.2	2.3	3.9	3.4
fuel oil & coal	5.3	0.9	-0.6	-4.1	0.0	10.8	-2.8	-8.1	-3.6	-1.1	-0.9
gasoline & motor oil	4.6	0.7	-0.5	-0.3	-0.1	-15.3	10.6	-1.5	-3.0	-0.4	-0.7
food	1.5	3.2	3.6	2.3	2.0	7.6	4.4	-4.0	-2.2	0.3	0.7
other nondurable goods	4.6	2.4	3.0	3.4	4.6	5.8	8.0	0.4	-1.7	1.2	2.2

Table 14. Business Fixed Investment

	<i>History</i>							<i>Forecast</i>			
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Billions Current Dollars											
Business Fixed Investment	2466.6	2469.3	2591.6	2780.6	2938.7	2799.6	3053.7	3311.8	3265.5	3203.0	3219.1
Producers Dur. Equipment	1119.5	1087.8	1117.4	1190.5	1231.3	1123.9	1274.9	1379.6	1327.7	1285.3	1298.7
Nonresidential Structures	584.4	560.4	599.3	633.3	672.6	597.2	580.2	630.5	628.6	620.6	624.0
Non-Farm Buildings	284.7	320.6	328.6	346.7	369.1	349.4	335.3	346.6	326.2	344.7	362.8
Commercial	118.6	145.3	154.3	163.8	174.4	175.6	172.8	177.7	157.4	161.3	159.4
Industrial	79.6	76.3	67.6	69.6	77.9	69.4	72.2	79.4	71.7	65.6	63.0
Other Buildings	86.5	99.0	106.6	113.2	116.8	104.4	90.2	89.5	97.2	117.9	140.5
Utilities	133.5	135.2	132.4	131.8	144.6	141.8	129.7	126.7	110.1	108.4	116.2
Mines & Wells	137.1	75.8	108.5	126.6	127.3	75.6	85.3	124.9	160.2	134.7	110.9
Billions 2012 Dollars											
Business Fixed Investment	2420.3	2442.0	2541.4	2704.4	2822.0	2671.1	2868.5	2932.2	2799.0	2717.9	2719.8
Producers Dur. Equipment	1134.6	1114.6	1145.5	1218.8	1258.8	1154.0	1304.8	1328.9	1239.3	1195.9	1206.7
Nonresidential Structures	534.1	511.0	532.5	553.6	565.0	494.2	454.7	424.2	390.6	372.1	367.7
Non-Farm Buildings	263.7	291.5	289.6	292.5	296.4	273.7	246.6	212.8	182.1	182.3	186.0
Commercial	110.7	133.7	138.6	141.7	144.0	142.1	130.6	109.1	87.1	83.7	79.7
Industrial	74.0	70.4	61.0	59.9	63.2	54.7	54.1	49.9	41.5	36.9	34.9
Other Buildings	79.1	87.5	90.0	90.9	89.4	77.5	63.0	55.0	54.6	62.9	72.5
Utilities	128.1	129.0	123.5	118.8	125.5	119.3	102.9	88.6	71.7	68.3	71.3
Mines & Wells	119.9	69.7	96.9	123.0	121.0	75.6	84.2	112.2	138.4	118.0	101.2
Annual Growth Rate											
Business Fixed Investment	2.3	0.9	4.1	6.4	4.3	-5.3	7.4	2.2	-4.5	-2.9	0.1
Producers Dur. Equipment	3.0	-1.8	2.8	6.4	3.3	-8.3	13.1	1.8	-6.7	-3.5	0.9
Nonresidential Structures	-0.9	-4.3	4.2	4.0	2.0	-12.5	-8.0	-6.7	-7.9	-4.7	-1.2
Non-Farm Buildings	18.8	10.5	-0.6	1.0	1.3	-7.7	-9.9	-13.7	-14.4	0.1	2.0
Commercial	12.8	20.8	3.6	2.2	1.6	-1.3	-8.1	-16.4	-20.1	-4.0	-4.7
Industrial	34.4	-4.8	-13.4	-1.8	5.6	-13.4	-1.2	-7.7	-16.8	-11.2	-5.3
Other Buildings	14.8	10.6	2.9	1.0	-1.7	-13.3	-18.7	-12.7	-0.8	15.1	15.2
Utilities	4.1	0.7	-4.3	-3.8	5.6	-5.0	-13.7	-13.9	-19.0	-4.8	4.4
Mines & Wells	-28.6	-41.8	39.0	26.9	-1.6	-37.5	11.3	33.3	23.3	-14.7	-14.2

Table 15. Government Receipts and Expenditures

	History							Forecast			
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Federal Government Receipts and Expenditures											
Receipts	3449.0	3463.8	3525.2	3569.0	3713.7	3684.5	4237.6	4826.3	4693.3	4585.8	4764.3
Personal Tax and Nontax Receipts	1532.6	1547.9	1613.6	1616.5	1708.6	1679.6	1990.0	2397.1	2208.1	2035.7	2130.7
Corp. Profits Tax Accruals	329.1	311.9	245.4	208.8	217.0	192.7	272.1	261.4	251.4	273.7	292.3
Indirect Business Tax and Nontax Accruals	140.3	136.5	131.6	163.6	174.7	158.0	173.8	197.2	201.0	203.0	204.0
Contributions for Social Insurance	1190.8	1224.4	1284.2	1345.4	1406.2	1444.6	1576.8	1717.9	1765.0	1800.9	1860.0
Expenditures	4009.2	4131.4	4245.9	4497.1	4761.1	6794.5	7021.4	5902.7	5846.7	6074.8	6308.6
Purchases Goods & Services	1221.8	1234.5	1262.8	1339.0	1414.9	1501.8	1565.0	1602.3	1673.8	1730.0	1775.8
National Defense	729.7	727.9	746.5	792.8	847.5	881.3	905.3	925.5	964.7	991.2	1012.0
Other	492.0	506.6	516.3	546.2	567.4	620.4	659.7	676.8	709.1	738.8	763.8
Transfer Payments	2568.1	2650.1	2727.1	2853.2	3007.9	4338.0	4811.7	3969.8	3875.1	4043.2	4210.3
To Persons	1969.9	2024.2	2098.8	2196.4	2324.4	3373.0	3628.9	2890.1	2973.8	3165.1	3322.0
To Foreigners	38.2	43.9	36.3	41.5	43.1	48.1	55.3	47.6	44.4	45.1	45.9
Grants in Aid to State & Local Gov't	533.1	556.7	560.5	582.5	609.2	880.5	1093.8	1003.1	827.4	801.5	808.9
Net Interest	401.2	424.6	447.0	505.4	545.8	510.7	493.9	549.6	565.9	596.8	625.6
Subsidies less Surplus of Gov't Entities	59.9	62.7	58.4	63.4	74.9	761.4	491.2	133.7	89.0	76.0	75.5
Surplus (+) or Deficit (-)	-560.2	-667.6	-720.7	-928.1	-1047.5	-3110.0	-2783.8	-1076.4	-1153.4	-1489.0	-1544.3
State and Local Government Receipts and Expenditures											
Receipts	2372.6	2429.1	2517.6	2650.6	2793.1	3096.6	3519.4	3674.1	3531.9	3539.0	3626.0
Personal Tax/Nontax Receipts	1598.4	1638.8	1724.7	1818.4	1927.0	1963.6	2159.6	2393.0	2412.9	2433.8	2500.5
Corporate Profits	407.4	410.3	435.4	459.8	496.5	515.9	595.2	688.3	646.4	616.8	644.3
Indirect Business Tax and Nontax Accruals	56.2	53.4	54.6	60.5	72.9	71.0	97.0	116.8	102.0	110.5	118.5
Contributions for Social Insurance	19.2	20.0	19.8	20.4	20.4	19.9	22.1	23.4	24.3	25.2	26.4
Federal Grants-In-Aid	533.1	556.7	560.5	582.5	609.2	880.5	1093.8	1003.1	827.4	801.5	808.9
Expenditures	2588.4	2673.8	2748.1	2846.4	2942.1	3020.5	3242.3	3475.5	3625.3	3775.7	3953.5
Purchases Goods & Services	2009.8	2068.5	2136.3	2233.0	2299.0	2357.8	2487.7	2704.5	2877.6	3026.0	3180.6
Transfer Payments	675.5	690.2	692.4	725.4	759.6	1033.5	1250.9	1163.5	993.9	974.8	989.4
Interest Received	203.9	216.2	219.4	208.7	228.1	218.2	213.3	202.2	206.4	214.4	222.7
Net Subsidies	2.5	3.5	8.2	8.5	11.3	17.4	14.8	8.2	5.7	5.7	5.7
Dividends Received	5.4	5.7	5.9	6.1	6.6	6.3	6.5	6.8	7.0	7.3	7.6
Surplus (+) or Deficit (-)	-215.8	-244.7	-230.6	-195.8	-149.0	76.1	277.1	198.5	-93.4	-236.7	-327.4

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

	History							Forecast			
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Billions of Dollars											
Net Exports Goods & Services	-526.2	-506.2	-539.9	-596.2	-596.3	-651.2	-918.2	-1112.5	-1053.3	-956.8	-847.2
Current Account	-408.9	-397.6	-361.7	-438.2	-472.1	-616.1	-821.6	-996.4	-842.7	-688.8	-557.8
Exports -Goods & Services	2268.7	2232.1	2383.8	2533.5	2519.7	2123.4	2478.3	2913.6	3044.6	3232.7	3428.1
Merchandise Balance	-761.9	-749.8	-799.3	-878.8	-861.5	-922.0	-1091.4	-1282.2	-1247.1	-1193.4	-1128.0
Food, Feed & Beverage	127.7	130.5	132.8	133.1	131.0	139.3	160.8	191.4	174.7	171.1	174.9
Industrial Supplies Excl Petroleum	418.1	387.6	459.4	536.9	526.4	450.4	616.2	804.5	805.2	807.2	851.7
Motor Vehicles & Parts	151.9	150.4	157.9	158.8	162.8	127.9	144.5	148.9	142.0	137.3	134.7
Capital Goods, Excl. MVP	539.8	520.0	533.7	563.4	548.0	460.5	519.5	601.1	670.6	765.9	829.0
Computer Equipment	46.8	45.1	46.1	49.5	46.9	41.1	46.5	48.6	48.7	57.3	64.0
Other	373.5	354.0	366.7	383.2	375.1	347.4	393.8	453.6	496.7	565.6	610.5
Consumer Goods, Excl. MVP	197.3	193.3	197.2	205.5	205.0	174.0	223.0	239.3	229.5	233.4	231.2
Other Consumer	61.8	65.8	65.8	71.5	68.6	64.5	76.6	91.3	97.9	107.0	111.5
Services	772.0	784.5	837.1	864.2	878.0	706.8	737.8	837.1	924.8	1010.8	1095.1
Billions of Dollars											
Imports -Goods & Services	2794.8	2738.4	2923.7	3129.7	3116.0	2774.6	3396.5	4026.1	4097.9	4189.5	4275.3
Merchandise	2289.6	2218.7	2369.9	2559.1	2517.9	2309.2	2850.4	3374.8	3385.2	3433.8	3479.8
Food, Feed & Beverage	128.8	131.0	138.8	148.3	151.6	155.4	183.5	197.7	187.3	192.0	193.5
Petroleum & Products	197.2	159.6	197.4	238.9	207.4	125.2	214.4	321.2	315.8	286.0	278.4
Industrial Supplies Excl Petroleum	290.9	277.8	305.7	335.3	311.8	299.2	421.7	487.5	404.1	368.8	377.8
Motor Vehicles & Parts	350.0	350.8	359.1	372.0	376.0	311.3	348.5	396.2	407.0	424.3	470.1
Capital Goods, Excl. MVP	607.2	593.6	642.9	694.2	679.1	648.5	766.3	849.8	823.6	835.8	850.5
Computer Equipment	120.3	114.6	128.4	142.2	130.8	145.9	170.4	181.3	171.0	174.8	175.0
Other	431.6	429.0	463.1	496.7	485.5	457.6	553.7	624.3	604.1	607.5	621.3
Consumer Goods, Excl. MVP	596.4	584.9	603.5	647.7	655.5	641.1	771.7	966.8	1081.6	1144.4	1104.4
Other Consumer	119.1	120.9	122.5	122.7	136.6	128.4	144.3	155.5	165.8	182.5	205.1
Services	505.3	519.7	553.8	570.6	598.1	465.4	546.1	651.3	712.7	755.7	795.5
Billions 2012 Dollars											
Net Exports Goods & Services	-721.7	-757.1	-799.5	-864.2	-905.3	-942.7	-1284.3	-1468.5	-1369.8	-1329.3	-1254.0
Exports G & S	2378.7	2388.4	2485.8	2555.6	2554.0	2207.6	2307.5	2431.0	2510.4	2644.5	2777.9
Imports G & S	3100.4	3145.4	3285.2	3419.9	3459.2	3150.3	3591.9	3899.5	3880.2	3973.8	4031.9
Exports & Imports % Change											
Exports G & S	-4.6	-1.6	6.8	6.3	-0.5	-15.7	16.7	17.6	4.5	6.2	6.0
Imports G & S	-3.2	-2.0	6.8	7.0	-0.4	-11.0	22.4	18.5	1.8	2.2	2.0
Real Exports G & S	0.3	0.4	4.1	2.8	-0.1	-13.6	4.5	5.3	3.3	5.3	5.0
Real Imports G & S	5.2	1.5	4.4	4.1	1.2	-8.9	14.0	8.6	-0.5	2.4	1.5

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