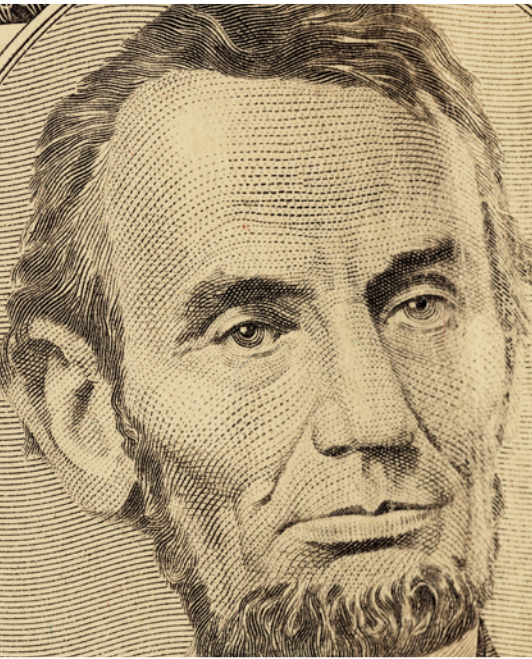


SUMMER 2024

U.S. FORECAST



**Institute for
Economic Forecasting**

UNIVERSITY OF CENTRAL FLORIDA

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The University of Central Florida is a public, multi-campus, metropolitan research university, dedicated to serving its surrounding communities with their diverse and expanding populations, technological corridors, and international partners. The mission of the university is to offer high-quality undergraduate and graduate education, student development, and continuing education; to conduct research and creative activities; to provide services that enhance the intellectual, cultural, environmental, and economic development of the metropolitan region; to address national and international issues in key areas; to establish UCF as a major presence; and to contribute to the global community.

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U.S. FORECAST 2024 - 2027

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IN THIS U.S. FORECAST

- Uncertainty, the fertilizer of recessions and Round-up to expansions, is on the rise.
- While we're not ready to break the glass and pull the alarm in case of recession, we find ourselves looking at that red box more frequently than just a few months ago.
- The national debt isn't going away. The debt is approaching \$35.2 trillion and the net interest payments on that debt are closing in on \$1 trillion PER YEAR.
- The labor market is cooling. Payroll job growth of 2.3% in 2023 is decelerating steadily starting at 1.6% in 2024, to 0.6% in 2025 and just 0.1% in 2026 before ticking up to 0.3% in 2027.
- Despite resistance to the effects of the Fed tightening thus far, the headline unemployment rate (U-3) is expected to gradually rise to 4.7% in 2027. The resiliency of the labor market played a large role thus far in keeping a recession at bay.
- High energy prices, food costs, and housing costs have steadily eroded consumer's purchasing power. Credit card debt is at record highs and delinquencies on this debt as well as on auto loans are rising.
- Real consumption spending eased to 2.5% in 2022 due to falling real wages. Spending decelerated to 2.2% in 2023 and will continue to do so falling below 2.0% by the end of 2024. Growth will slow to 1.8% in 2025 and 1.9% in 2026 before rising to 2.3% in 2027.
- Real GDP growth surged to 5.8% in 2021. It eased to 1.9% in 2022, before bumping to 2.5% in 2023 and though decelerating in the second half it will remain at 2.5% for 2024. Growth will slow to 1.5% in 2025. From there real GDP growth will drift higher hitting 1.8% in 2027.
- High prices combined with 7% plus mortgage rates eroded housing demand. However, persistently low inventories will support the sector. Housing starts declined from 1.6 million in 2022 to 1.42 million in 2023 and will ease reaching 1.34 million in 2024. But as interest rates decline, starts will creep up reaching 1.43 million in 2027.
- Core consumer price inflation will continue its slow decline. By the end of 2026, headline inflation will be close to the Fed's target level of 2%, but the Fed has signaled that interest rate cuts could happen before this target is reached. Many think the Fed will begin cutting rates this year, this could backfire.



Amid heightened levels of political uncertainty and policy uncertainty is a recession peeping over the horizon of the U.S. economy?

There are less than three months until the 2024 presidential election and in the past few weeks the Republican nominee survived an assassination attempt at a political rally and there has been a shocking lack of information regarding the event. The incumbent president who won the Democrat primaries to become their nominee dropped out of the presidential race and seemingly hand-selected his replacement.

While every presidential election cycle brings with it uncertainty regarding the outcome of the election (and therefore the policies that might be implemented the following year), this year's cycle has been bizarre to say the least: for one candidate there is no current information available regarding policy platform and the administration might pursue.

Financial markets have become increasingly skittish in recent days anticipating when the Federal Reserve might start cutting interest rates and (over)reacting to any disappointing economic data point. Interest rate futures markets are pricing in three interest rate cuts this year, of course, they also priced in multiple cuts in 2023

which did not materialize. What the Fed will do in the 4th quarter, if anything, just adds to the increasing air of economic uncertainty.

There are risks in both directions for the Fed, but with their preferred measure of inflation the personal consumption expenditures core price index is still at 2.8%, only down by 0.1% since the start of the year. I would hope that they err on the side of hitting 2.0% inflation target before worrying about a slowing economy. The notion that we can bring inflation down from over 9% back to its 2% target without any slowing of the economy is fanciful thinking at best and delusional at worst.

Additionally, as discussed as discussed in some detail in our last quarter's release of The U.S. Forecast, the deficit spending and national debt growth continues unabated. That debt is now approaching \$35.2 trillion and the net interest on that debt is rising rapidly to \$1 trillion per year. As we wrote last quarter:

“Non-stop, unnecessary deficit spending is not without consequences. Although the consequences may not have fully manifested

themselves, the article referenced at the top of this section demonstrates that the excessive national debt at a minimum can restrict flexibility when it comes to the federal budget. Money that must be committed to servicing the massive debt. Money that cannot be used to fix the crumbling infrastructure in the country, cannot be used to help the impoverished, cannot be used for providing seniors with healthcare nor spent on our nation's defense.

The national debt is a budgetary albatross that is restricting our options when it comes to federal spending and that albatross only gets larger when interest rates rise. The Fed's fight against inflation isn't over and it is not beyond the realm of possibility that the Fed could be forced to raise interest rates again to finally win this battle, further increasing the pain of the national debt."

The rapidly rising national debt and the increasing burden of servicing that debt only add to the growing air of uncertainty surrounding the outlook for the U.S. economy. Uncertainty is the fertilizer of recessions and the Round-Up of expansions.

Lastly, after more than two years with the cost of living rising faster than salaries and incomes, U.S. households have accumulated more than \$1 trillion in credit card debt—now at an average interest rate of 21.5%. Additionally, the sharp inflation in new and used automobile prices, coupled with rising loan rates, has left saddled borrowers with record levels of monthly car payments. We are now seeing an upward movement in the level of delinquencies in payments on both these types of borrowing.

I am increasingly feeling the beady eyes of recession peering at the U.S. economy. Our forecast is still for an economic slowdown but not a downturn, but the probability of the latter has continued to rise.

ANXIOUS INDEX

Fear of Recession Ticks Up After Two Quarters of Declines

The most recent release (3rd quarter of 2024) of the Survey of Professional Forecasters by the Federal Reserve Bank of Philadelphia states that the forecasters surveyed for the publication put a 20.01% chance that a decline in real GDP will occur in the 4th quarter of 2024.

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 July for the 3rd quarter of 2024, the index stands at 20.01, meaning forecasters believe there is an 20.01% chance that real GDP will decline in the 4th quarter of 2024. This is up from 18.74% in the survey taken in the 2nd quarter of 2024.

Figure 1 plots the historical values of the anxious index, where the gray bars indicate periods of recession in the U.S. economy. The current level of the anxious index is slightly less than 64 points higher than the average level during the 2009-2020 economic recovery (13.63).

GDP OUTLOOK

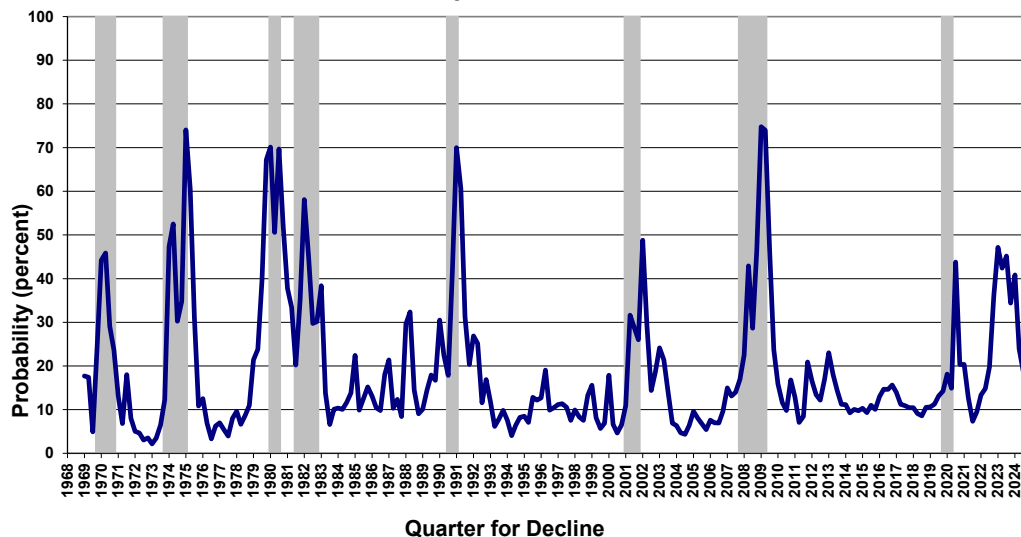
The Economy is Slowing and the Chances of Recession are Rising

The National Bureau for Economic Research (NBER) declared that a recession transpired during March and April of 2020. This announcement meant that the deepest recession since the Great Depression was also the shortest recession in U.S. economic history. It also confirmed that the economic lockdowns were the primary reason for this severe economic cycle.

Fiscal and monetary policy were unleashed in a historic manner to counter the poisonous effect of

Figure 1.

The Anxious Index
One-Quarter-Ahead Probability of Decline in Real GDP
Quarterly, 1969:Q1 to 2024:Q4



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

the public health measures on the U.S. economy. While the combined policy effects were clearly not enough to offset the damage the lockdowns had done, they lessened the severity and length of the historic recession. The overreliance on fiscal stimulus and an extremely loose monetary policy as the recovery progressed at a more than robust pace turned out to be overkill. Multi-trillion-dollar deficits fueled a spending frenzy in an environment of incredibly low interest rates that continued for nearly three years after the recession ended. That spending was the spark that ignited inflation and forced the Fed to take aggressive measures to rein inflation back to its target level – a battle that has not yet been won.

I still believe that in the first half of 2022, the U.S. economy experienced a shallow “pasta bowl” shaped recession. The reality of recessions in the U.S. is that they are determined based on the judgment of a small committee of economists who may or may not be influenced by political cycles, and 2024 is a presidential election year and that been unprecedented in the level of politicization surrounding it. There is no litmus test that can objectively determine when recessions start and end.

Many economic indicators suggested that we were headed for a recession in 2023, but this was not the case. Instead, we expect economic growth to slow for the United States in 2025, 2026 and 2027.

While the labor market showed no signs of the 2022 recession, the slowing of growth in 2024 and beyond will impact the labor market. I think we will see unemployment drifting higher as 2024 progresses, and this will continue into 2025 and 2026 before leveling out in 2027. Job growth will slow to a trickle but should not turn negative.

There will be another recession, but the widely expected 2023 downturn did not materialize. While another recession will happen, we may not be able to rely fully upon historical economic indicators to anticipate its arrival. In the meantime, we are anticipating a softening of real GDP growth with growth slowing from 2.5% in 2024 to 1.5% in 2025 before slowly drifting up to 1.8% in 2027.

My current level of unease with the outlook for the U.S. economy is rising along with the general level of uncertainty surrounding it. While I’m not ready to break the glass and pull the alarm in case of recession, I find myself looking at that red box more frequently than I was just a few months ago.

CONSUMER SPENDING

A Still Stable Labor Market has Propped up Consumer Spending but Credit Card and Auto Loan Delinquencies are Rising

U.S. consumers were hit hard by high inflation for two years and despite wage and salary growth the cost of living eroded all those wage gains and then some. Since the second quarter of 2021, real median weekly wage and salary growth has been negative; only recently has growth in real wages turned somewhat positive. This means that even though workers had more dollars in their paychecks, the amount of goods and services that they could purchase with these dollars was declining for more than two years. This declining purchasing power has set the stage for a slowing economy and may have cracked the door open for a potential recession.

The holes in consumers' budgets have been patched by savings from the COVID era and using credit card debt. These patches to consumers' budgets can only hold for so long. We can expect to see consumer spending give way to that erosion of real income in upcoming quarters.

Inflation has hit households hard. Roughly 63% of consumer expenditures go to food, shelter, and transportation; and all three categories have seen outsized price increases over the past two plus years. This has impacted lower income households disproportionately.

Consumer sentiment fell to an eight-month low in July 2024, and it seems consumers are poised to rein in spending growth.

The public health policies aimed at slowing the spread of COVID-19 caused spending growth in 2020 to contract by 2.5%. Consumption spending growth slowed from 8.4% in 2021 to 2.5% in 2022 and then to 2.2% in 2023. During 2024-2027, real consumer spending growth is expected to average 2.1%. Consumer spending growth will be dampened by the economic slowdown at 2.2% in 2024 and 1.8% in 2025 before picking up in the next two years to 1.9% in 2026 and 2.4% in 2027.

INVESTMENT

Higher interest rates and increasing levels of uncertainty will combine to slow investment spending in 2024 and it will likely continue to decelerate through the end of our forecast horizon in 2027.

The COVID-19 recession and the presidential election in 2020 created an atmosphere of high uncertainty in the economy. Uncertainty, an enemy of investment spending, caused businesses to pull back significantly on investment that year.

Presidential elections are a fork in the road when it comes to economic policy that can shape the type and profitability of private investment spending. Not knowing what policy path the economy will be traveling down can put investment projects on the sideline as businesses await the outcome of the election. The excessive uncertainty surrounding the 2024 cycle will likely have a protracted impact on investment spending.

Nonresidential fixed investment spending eased in 2019 to 3.7% from 6.9% in 2018. In 2020, investment spending contracted by 4.7% then rebounded to 5.9% growth in 2021 and 5.2% growth in 2022 that eased to 4.5% in 2023. During 2024-2027 we expect average growth in nonresidential investment spending to be just 2.1%, decelerating from 3.8% in 2024 to just 1.2% in 2027.

Spending on equipment and software turned negative in 2020 and contracted by 10.1%. In 2021, spending grew 6.4% — a 16.5 percentage point swing. Average growth in this type of investment spending is expected to average 2.6% over the 2024-2027 timeframe, after higher interest rates weighed on these expenditures in 2023 when growth was -0.3%.

Investment in aircraft is highly volatile and 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 -49.5%. 2020 made matters initially and temporarily worse for the industry as air travel collapsed globally when

the COVID-19 pandemic spread. But as things reopened in 2020, investment surged by 42.7%. That was followed by another downturn in 2021 as investment contracted by 11.6%.

This downturn from 2021 reversed in 2022 as air travel continued to grow and aircraft purchases still grew by 7.6% that year and 34.5% in 2023. Over the 2024-2027 period, spending on aircraft is expected to grow an average of 3.8%. This deceleration of growth comes as Boeing now faces more problems which is driving down growth to an expected -6.9% in 2024. Quarter-to-quarter and even year-over-year volatility in this type of investment spending is the rule, not the exception.

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 drove spot prices of oil below zero one day in March of that year. This price drop caused the U.S. rig count to further plummet to 282.

Lower oil prices over the past quarter and persistently unfriendly policy from the Biden administration have pushed the current rig count to 588 which is 66 rigs fewer than a year ago. Rig counts were over 1,000 as recently as 2019.

In 2018, investment in mining and petroleum equipment growth came in at 27.0% for 2018, before contracting by 0.2% in 2019 and plunging to -38.4% in 2020. Investment will average a 12.8% growth per year during 2024-2027 after growing 19.8% in 2022 and by just 0.6% in 2023. The outcome of the 2024 election could swing these projections significantly.

Business nonresidential structures investment growth contracted by 9.5% in 2020, by 3.2% in 2021 and then contracted for a third straight year by 2.1% in 2022. Nonresidential structures spending will grow at an average rate of just 1.1%

during 2024-2027, after growing at 13.2% in 2023.

Interest rates plunged in response to 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 grown significantly. Rising interest rates are not good for investment, but since the Fed has now switched gears to go into inflation-fighting mode and will likely have to keep interest rates elevated, though a small cut is possible in 2024. Higher borrowing costs and tighter credit conditions in the wake of the Silicon Valley Bank failure will be a persistent headwind for commercial real estate investment spending.

Business spending on industrial equipment will grow at an annual average rate of 2.4% from 2024-2027. Investment spending growth on computers and peripherals will average 6.6% during 2024-2027. Spending on communications equipment should expand at an average annual rate of 5.4% during the same period, with spending in 2026 expanding at an 8.3% rate.

Residential fixed investment growth hit 10.7% in 2021. Growth will average 2.1% during 2024-2027, as higher prices combined with higher mortgage rates have eroded demand and caused investment spending to contract 9.0% in 2022 and 10.6% in 2023.

We expect housing to continue a slow deceleration that commenced in 2023 and continue through 2025. Starts will rise gradually over the following two years. After reaching 1.6 million in 2021, starts will fall to 1.34 million in 2024 and then drift higher for the next three years hitting a level slightly 1.43 million in 2027. High home prices and a slowing economy are headwinds, but an expected decline in mortgage rates as the Federal Reserve begins loosening monetary policy—and the ongoing shortage of housing that is plaguing the sector in many parts of the country—will provide support against those headwinds thus providing support for home building.

GOVERNMENT SPENDING

The COVID-19 Spending Bacchanal Rages On

Government budget management has devolved into a series of continuing resolutions, COVID-19 stimulus packages, and spending that was made under the umbrella of a pandemic emergency declaration. Federal government spending is devoid of any policy discussions or debates about priorities, problems, or objectives. Unsurprisingly, our public finances remain adrift, and deficits climbed back to the \$1 trillion mark in 2019, even before the massive spending spurred on by the pandemic. This was all before public health measures plunged the economy into the deepest recession since the Great Depression, further worsening the fiscal outlook.

The pandemic is over but the spending spree in Washington, DC continues unabated. The vote to suspend the debt ceiling in June of 2023 removed the last restraint on our elected prodigals and as of today \$1.0 trillion is being added to the national debt roughly every 100 days.

Federal government spending growth was 3.8% in 2019 before jumping to 6.1% in 2020. During the 2024-2027 period, federal government spending growth is going to be slower, growing at an annual average pace of 0.9%. Over the same period, state and local governments will see spending growth at an average rate of 1.1%.

We are projecting deficits through 2027 that will consistently average more than \$1.66 trillion. The amount that the projected deficits will add to the national debt over the next four years will be \$6.7 trillion, pushing the total national debt to more than \$41.8 trillion and a debt-to-GDP ratio of approximately 129%. If higher interest rates return to the economy, the burden of servicing this debt will continue to rise as well. Slower-than-projected economic growth or a recession would also push projected deficits higher, though the possibility of faster-than-projected economic growth would help mitigate the growth of these deficits on the debt-to-GDP ratio.

Currently, the national debt is over \$35.1 trillion and rising. This represents a debt of nearly \$268,258 per taxpayer and \$104,246 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 \$218.1 trillion in liabilities, boiling down to more than \$646,062 citizens.¹

NET EXPORTS

A stronger dollar boosts imports and reduces exports by making our goods and services more expensive to foreigners, while at the same time making imported goods and services less expensive to U.S. consumers. This results in a worsening of the trade deficit, which is the difference between the dollar value of exports and the dollar value of imports. The opposite is true when the dollar undergoes a depreciation.

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 (depreciation) of the dollar initially decreases (increases) the trade deficit before eventually increasing (decreasing) it. Why? Importers and exporters do not enter contracts based on the total dollar value of the transaction, but rather on 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 which gives rise to the J-curve effect.

When the Federal Reserve begins to cut interest rates, this will lead to a multi-year depreciation of the dollar beginning at the end of 2024.

Overall, real export growth has resumed, after

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

a sharp contraction in 2020, and will continue through the end of our forecast horizon after accelerating sharply in 2021 and 2022. The appreciation of the dollar in 2022 caused a deceleration of this growth in 2023 and 2024. Real import growth also experienced a strong contraction in 2020, but growth recovered before contracting again in 2023. Import growth will resume in 2024 and will continue through 2027. Trade issues, economic slowdown, increasing geopolitical uncertainty, and lingering effects from COVID-19 notwithstanding, real export growth from 2024-2027 will average 3.5%, while real import growth will average 3.7% over the same period.

Real net exports will average over $-\$1.39$ trillion during 2024-2027, with the trade balance worsening over most of that period from $-\$1.32$ trillion in 2024 before reaching $-\$1.46$ trillion in 2027.

UNEMPLOYMENT

The national headline unemployment rate (U-3) in July 2024 stood at 4.3%, down 10.5 percentage points from the April 2020 reading of 14.8%, which was the highest level since the Great Depression era. This is the highest unemployment rate since October 2021. The labor force participation rate ticked up after falling in the previous month with the July 2024 rate at 62.7% rising back to the April 2024 rate. The labor force participation rate is still below pre-pandemic levels that were 63.3%.

The July jobs report fell short of expectations as growth in payroll jobs hit 114,000, while the expected growth of this figure was 175,000. Payrolls have surpassed February 2020 levels, adding nearly 6.4 million jobs on top of those jobs lost from the self-inflicted COVID-19 recession.

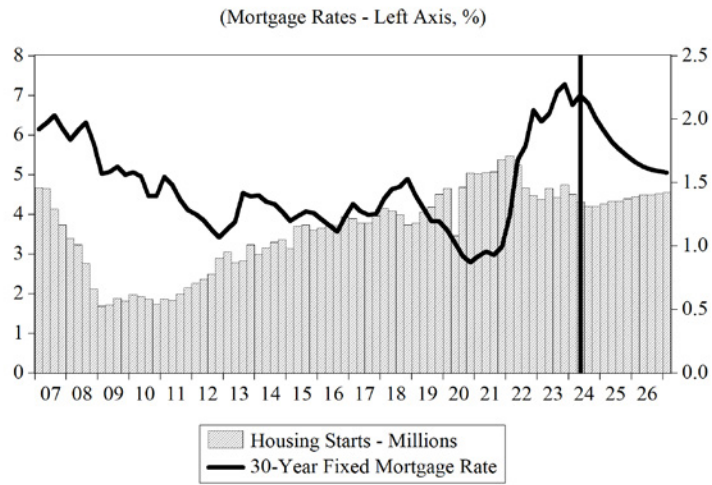
The Bureau of Labor Statistics (BLS) produces alternative measures of labor market weakness, including the broadest measure of unemployment (U-6). U-6 accounts for discouraged workers (currently 405,000 workers), underemployed

workers—working part-time but not by choice—(currently 4.57 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 (1.57 million workers). None of these 6.5 million-plus workers are accounted for in the July headline unemployment rate of 4.3%.

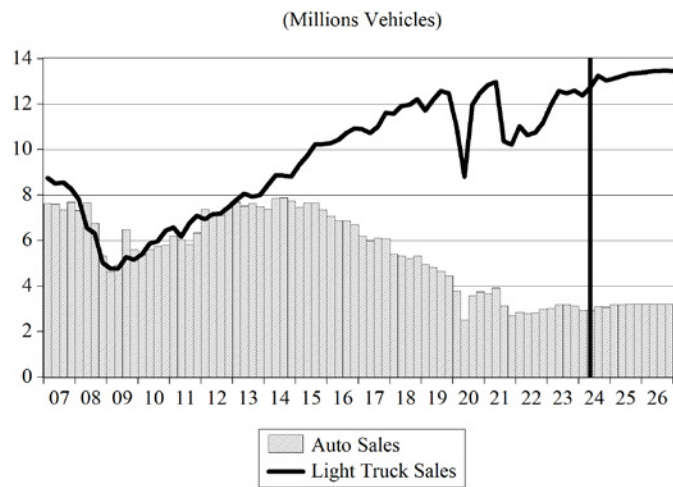
U-6 stands at 7.8% as of April 2024, down 5.0 points from the September 2020 level, and up 1.1 percentage points from the start of 2023. The current level of U-6 is on par with its level in November 2021. U-6 was stuck in double digits for more than seven years. It had been in single digits for fifty-one consecutive months, beginning in December 2015 before surging during the lockdowns in April and May of 2020.

The spread between U-6 and U-3 measures of unemployment sits at 3.5 percentage points and is 3.9 points below the peak spread of 7.4 points that took place in September 2011.

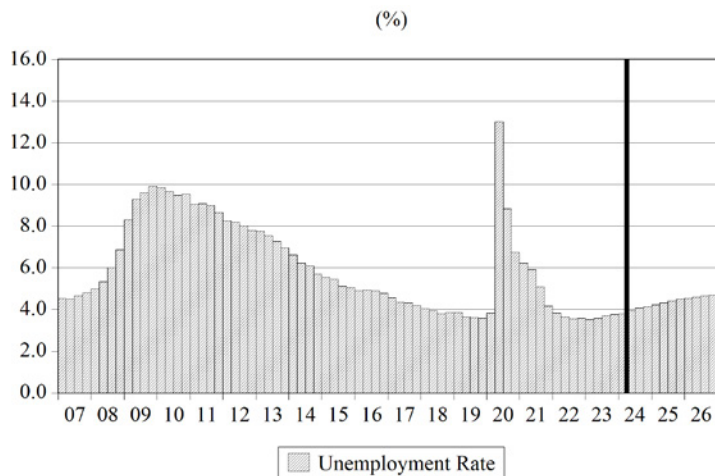
30-Year Mortgage Rates and Housing Starts



Automobile and Light Truck Sales

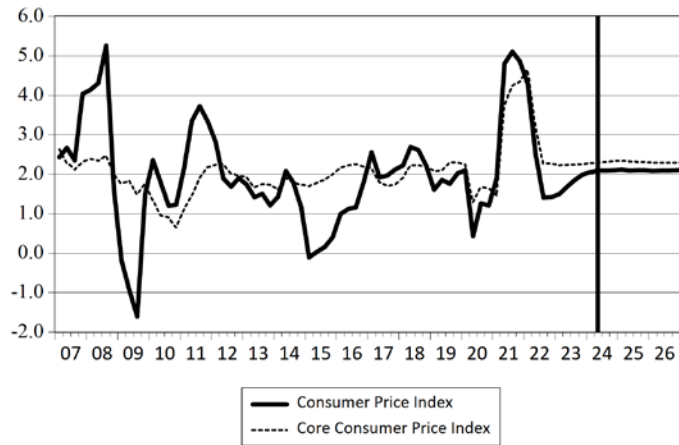


Civilian Unemployment Rate



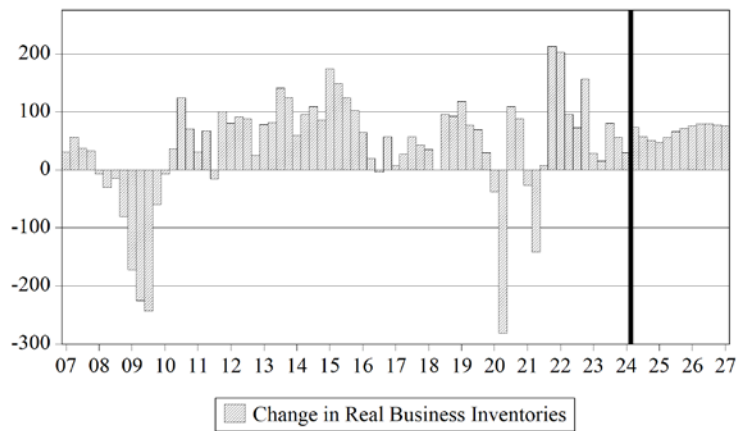
Consumer Prices

(% Change Year Ago)



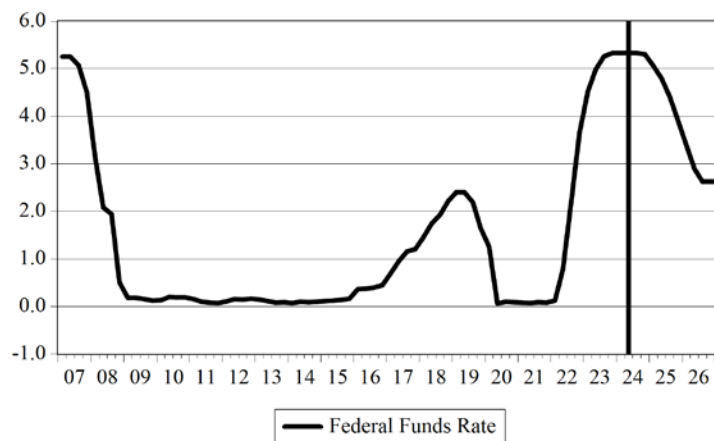
Change in Real Business Inventories

(Billions of 2012 Dollars)



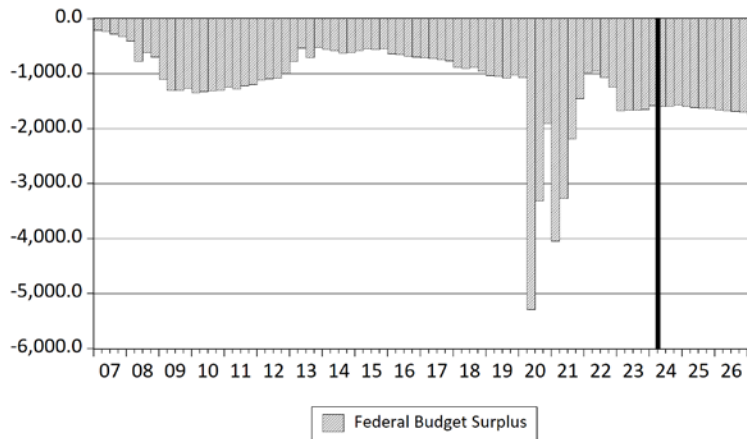
Federal Funds Rate

(%)



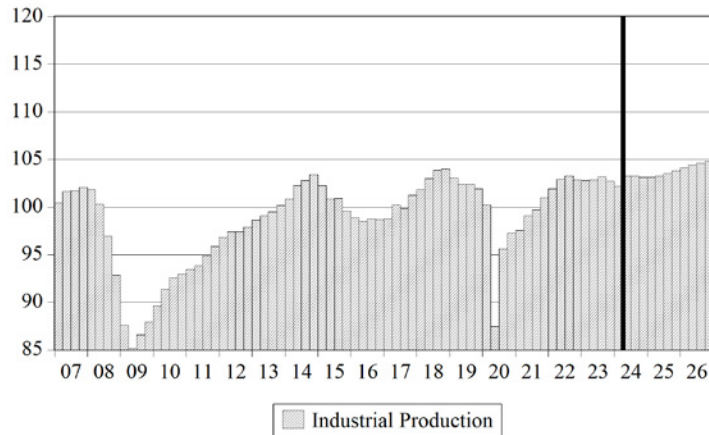
Federal Budget Surplus

(Billions of Dollars)



Industrial Production

(2012=100)

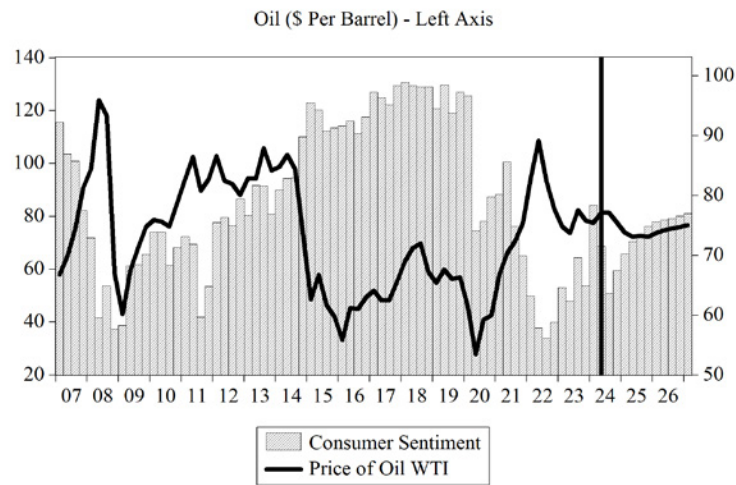


Manufacturing Employment

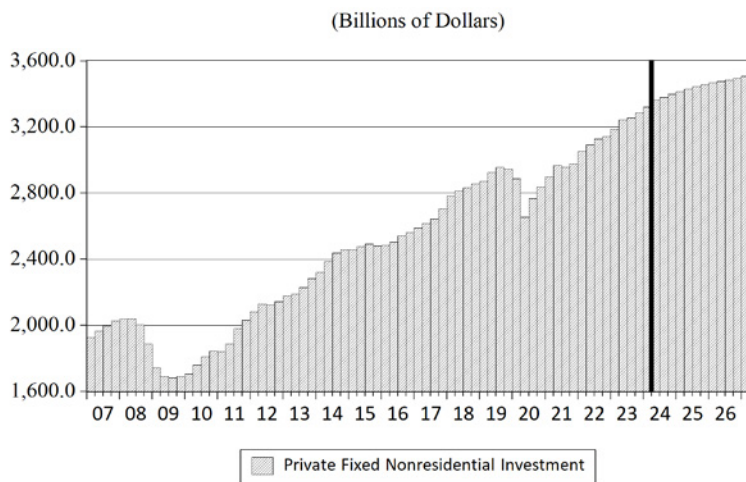
(Millions)



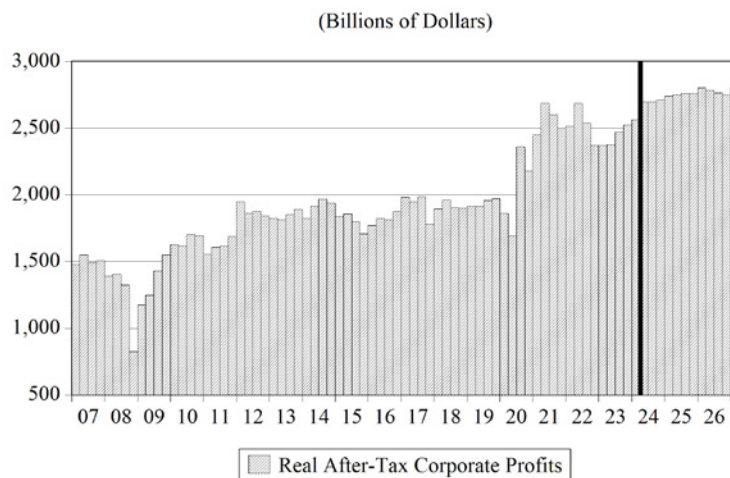
Oil and Consumer Confidence



Private Fixed Nonresidential Investment

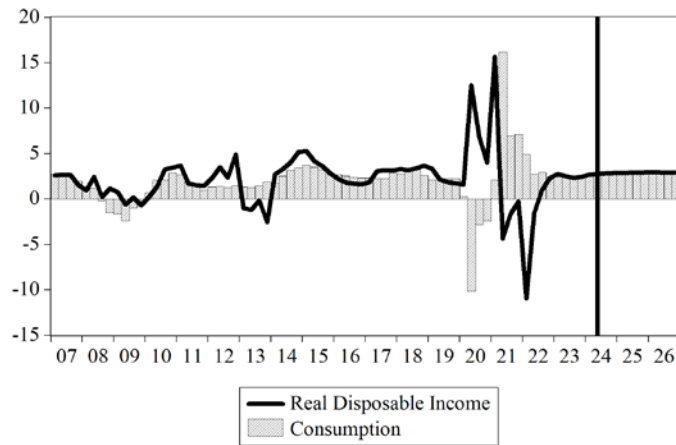


Real After-Tax Corporate Profits



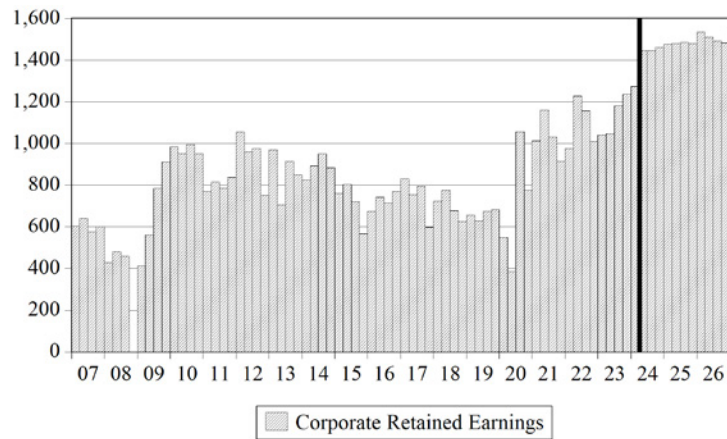
Real Disposable Income and Consumption

(% Change Year Ago)



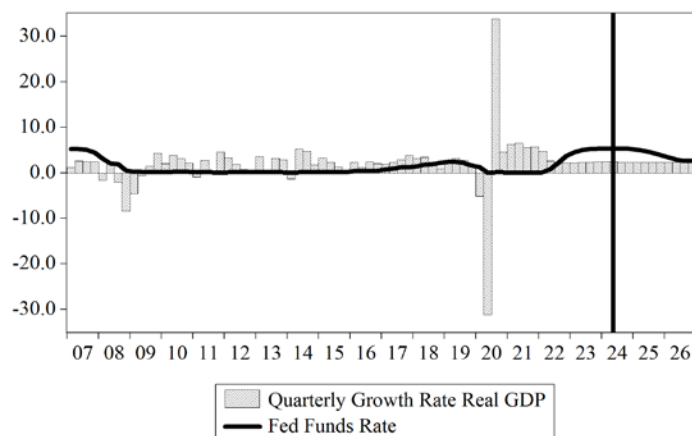
Corporate Retained Earnings

(Billions of Dollars)



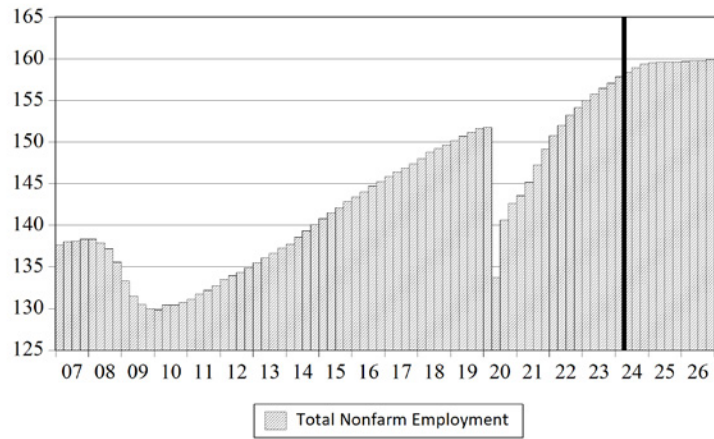
Real GDP Growth and Federal Funds Rate

(%)

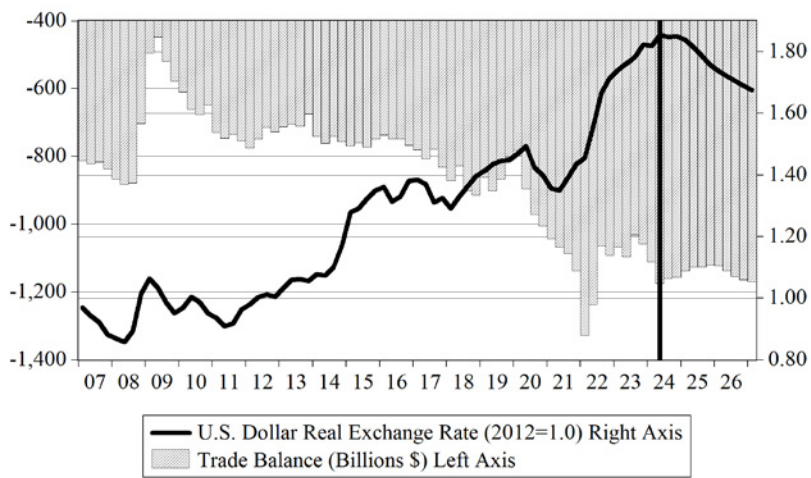


Total Nonfarm Payroll Employment

(Millions)

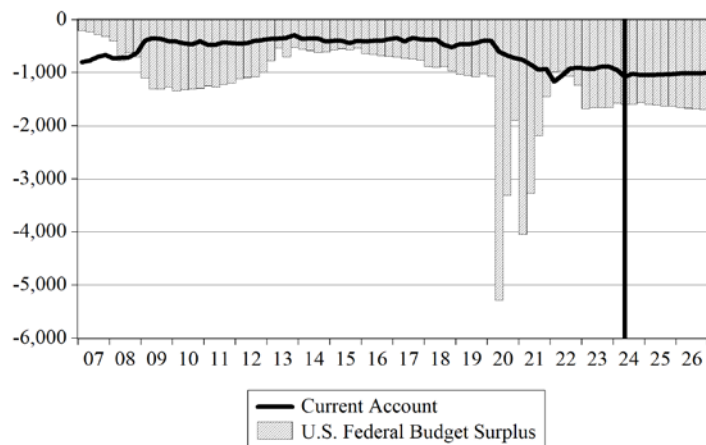


Trade Balance and Real Exchange Rate



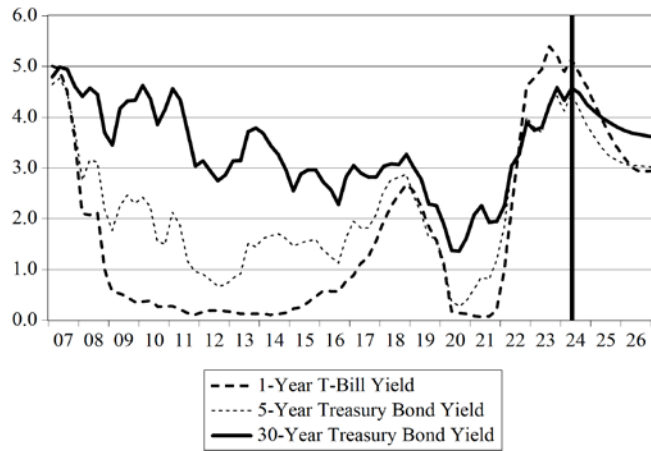
Twin Deficits

(Billions of Dollars)



Yield Curve

(%)



Change in Real Business Inventories

(Billions of 2012 Dollars)

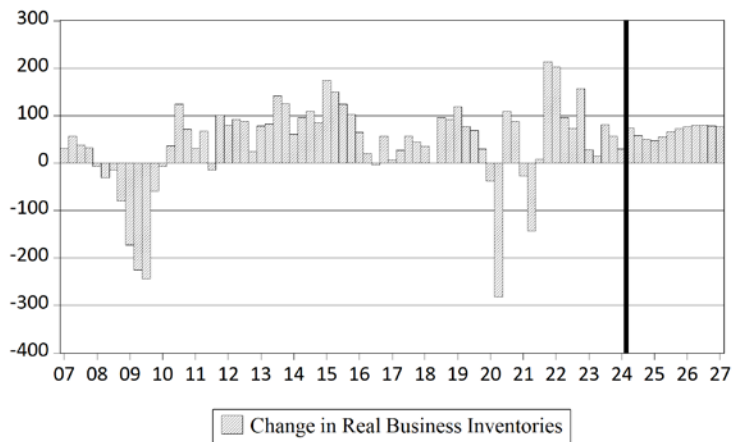


Table 1. Summary of the Long-Term Forecast of the U.S.

	History						Forecast			
	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Composition of Real GDP, Percent Change										
Gross Domestic Product	3.0	2.5	-2.2	5.8	1.9	2.5	2.5	1.5	1.7	1.8
Final Sales of Domestic Product	2.9	2.4	-1.7	5.5	1.3	2.9	2.4	1.5	1.6	1.8
Total Consumption	2.7	2.0	-2.5	8.4	2.5	2.2	2.2	1.8	1.9	2.3
Durables	6.6	3.3	8.0	16.7	-0.3	4.2	1.8	3.2	4.7	5.4
Nondurables	2.6	2.9	3.3	8.5	0.6	0.8	1.3	1.0	1.0	1.4
Services	2.2	1.5	-5.9	6.9	3.7	2.3	2.6	1.8	1.8	2.2
Nonresidential Fixed Investment	6.9	3.7	-4.7	5.9	5.2	4.5	3.8	2.0	1.3	1.2
Equipment & Software	5.9	1.1	-10.1	6.4	5.2	-0.3	2.3	2.8	2.5	2.7
Information Processing Equipment	8.0	3.0	0.7	9.6	7.6	-5.3	4.2	3.6	4.4	3.3
Computers & Peripherals	13.1	1.4	8.9	11.4	6.3	-9.1	15.0	3.3	4.3	3.7
Communications Equipment	5.7	3.1	-0.8	11.5	13.1	-4.3	-1.3	7.3	8.3	7.5
Industrial Equipment	4.8	1.8	-8.9	6.6	3.6	-1.2	1.2	0.6	3.3	4.4
Transportation Equipment	6.5	-3.5	-28.3	-2.7	7.9	26.5	4.6	5.6	-0.2	0.9
Aircraft	-2.7	-49.5	42.7	-11.6	7.6	34.5	-6.9	15.5	3.4	3.4
Other Equipment	16.6	3.2	-29.2	14.1	11.8	5.2	-7.7	4.5	-0.9	-1.6
Structures	5.8	2.5	-9.5	-3.2	-2.1	13.2	4.3	0.1	0.2	-0.2
Commercial & Health Care	1.4	1.5	3.2	-3.5	-8.7	0.7	0.1	4.5	2.3	4.0
Manufacturing	-1.7	5.6	-9.5	3.2	14.2	63.9	19.0	-12.6	-14.5	-9.6
Power & Communication	5.5	8.0	-1.5	-4.9	-14.6	3.0	2.8	-3.7	-7.9	2.2
Mining & Petroleum	27.0	-0.2	-38.4	16.8	19.8	0.6	-9.5	28.2	33.0	-0.4
Other	1.2	-0.3	-12.3	-13.9	0.6	9.9	1.9	0.4	0.9	1.2
Residential Fixed Investment	-0.7	-0.9	7.2	10.7	-9.0	-10.6	2.7	-1.3	4.1	2.9
Exports	2.9	0.5	-13.1	6.3	7.0	2.6	2.5	3.6	3.9	4.0
Imports	4.0	1.2	-9.0	14.5	8.6	-1.7	3.6	3.4	3.8	4.0
Federal Government	3.5	3.8	6.1	1.4	-2.8	4.2	2.2	0.9	0.6	0.0
State & Local Government	1.1	4.0	1.4	-1.3	0.2	4.0	3.4	0.7	0.1	0.2
Billions of Dollars										
Real GDP	18815.9	19280.1	18853.3	19946.8	20332.9	20849.9	21370.7	21694.9	22059.5	22454.3
Nominal GDP	20656.5	21521.4	21322.9	23594.0	25744.1	27360.9	28731.0	29848.3	31066.9	32300.5
Prices & Wages, Percent Change, Annual Rate										
GDP Deflator	2.3	1.7	1.3	4.6	7.1	3.6	2.4	2.3	2.4	2.1
Consumer Prices	2.4	1.8	1.2	4.7	8.0	4.1	3.0	2.2	2.5	2.1
Excl. Food & Energy	2.1	2.2	1.7	3.6	6.2	4.8	3.4	2.5	2.3	2.2
Producer Prices, Finished Goods	3.1	0.8	-1.3	8.9	13.4	1.5	0.7	0.5	1.9	1.8
Employment Cost Index - Total Comp.	2.9	2.7	2.6	3.6	5.1	4.4	4.0	3.5	3.7	3.2
Other Measures										
Oil - WTI (\$ per barrel)	64.9	57.0	39.2	68.0	94.8	77.6	79.5	72.8	74.9	77.8
Productivity (%change)	1.4	2.1	5.2	1.6	-1.9	1.5	2.1	1.4	1.9	1.8
Industrial Production (%change)	3.2	-0.7	-7.1	4.4	3.4	0.2	0.1	0.5	1.0	1.0
Factory Operating Rate	78.4	77.2	72.7	77.2	79.4	78.2	77.1	76.4	76.4	76.2
Nonfarm Inven. Chg. (Bil. of 2012 \$)	63.3	88.6	-19.0	14.8	145.9	46.3	52.6	54.0	74.7	76.1
Consumer Sentiment Index	98.4	96.0	81.5	77.6	59.0	65.4	70.2	72.7	76.0	76.4
Light Vehicle Sales (Million units)	17.2	17.0	14.5	14.9	13.8	15.5	15.9	16.5	16.7	16.5
Housing Starts (Million units)	1.2	1.3	1.4	1.6	1.6	1.4	1.3	1.4	1.4	1.4
Existing House Sales (Million units)	4.7	4.7	5.1	5.4	4.5	3.7	3.7	4.1	4.6	4.9
Unemployment Rate (%)	3.9	3.7	8.1	5.4	3.6	3.6	4.0	4.4	4.6	4.7
Payroll Employment (%change)	1.6	1.3	-5.8	2.9	4.3	2.3	1.6	0.6	0.1	0.3
Federal Surplus (Unified, FY, bil. \$)	-906.4	-1044.4	-2894.4	-2739.9	-1062.2	-1664.2	-1582.5	-1615.7	-1677.9	-1770.5
Current Account Balance (Bil. \$)	-439.8	-441.8	-601.2	-868.0	-1012.1	-905.4	-1024.2	-1036.2	-1009.7	-997.5
Financial Markets, NSA										
Federal Funds Rate (%)	1.8	2.2	0.4	0.1	1.7	5.0	5.3	4.5	2.9	2.6
3-Month Treasury Bill Rate (%)	1.9	2.1	0.4	0.0	2.0	5.1	5.2	4.3	2.6	2.4
1-Year Treasury Note Yield (%)	2.3	2.1	0.4	0.1	2.8	5.1	4.9	3.8	3.0	2.9
5-Year Treasury Note Yield (%)	2.7	2.0	0.5	0.9	3.0	4.1	4.1	3.3	3.0	3.0
10-Year Treasury Note Yield (%)	2.9	2.1	0.9	1.4	3.0	4.0	4.2	3.6	3.3	3.2
25-Year Treasury Note Yield (%)	3.1	2.6	1.6	2.1	3.1	4.1	4.4	3.9	3.7	3.6
30-Year Fixed Mortgage Rate (%)	4.7	4.1	3.2	3.0	5.4	6.8	6.7	5.8	5.2	5.0
S&P 500 Stock Index	2744.7	2912.5	3218.5	4266.8	4100.7	4284.2	5274.8	5234.8	5125.7	4957.7
(Percent change)	12.1	6.1	10.5	32.6	-3.9	4.5	23.1	-0.8	-2.1	-3.3
Exchange Rate, Major Trading Partners	1.2	1.3	1.2	1.2	1.3	1.3	1.3	1.3	1.2	1.2
(Percent change (negative = depreciation))	-2.3	3.5	-1.1	-4.1	10.1	0.3	0.9	-2.8	-4.8	-2.7
Incomes										
Personal Income (Bil. of \$)	17528.2	18356.2	19629.0	21407.7	21840.8	22961.3	24012.1	25195.1	26504.5	27790.9
(Percent change)	5.2	4.7	6.9	9.1	2.0	5.1	4.6	4.9	5.2	4.9
Disposable Income (Bil. of \$)	15454.0	16157.0	17372.5	18664.4	18702.5	20205.0	21004.9	22064.6	23244.3	24383.0
(Percent change)	5.7	4.5	7.5	7.4	0.2	8.0	4.0	5.0	5.3	4.9
Real Disposable Income (Bil. Of 2012 \$)	14315.6	14755.1	15696.5	16197.5	15235.0	15866.5	16087.0	16553.7	17061.4	17553.7
(Percent change)	3.6	3.1	6.4	3.2	-5.9	4.1	1.4	2.9	3.1	2.9
Saving Rate (%)	6.4	7.4	15.3	11.3	3.3	4.5	3.6	4.6	5.7	6.2
After-Tax Profits (Billions of \$)	2020.1	2077.6	2187.4	2844.5	2980.5	2974.5	3311.6	3468.0	3554.6	3628.8
(Percent change)	1.1	2.8	5.3	30.0	4.8	-0.2	11.3	4.7	2.5	2.1

Table 2. Real Gross Domestic Product

	<i>History</i>						<i>Forecast</i>			
	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Real GDP Billions 2012 \$										
Gross Domestic Product	18815.9	19280.1	18853.3	19946.8	20332.9	20849.9	21370.7	21694.9	22059.5	22454.3
Final Sales of Domestic Product	18742.4	19191.8	18857.1	19899.2	20160.4	20745.9	21250.3	21566.3	21913.1	22306.8
Total Consumption	12908.5	13166.9	12834.8	13913.7	14265.9	14582.9	14909.7	15173.9	15465.9	15828.9
Durables	1684.5	1739.6	1878.2	2192.7	2187.2	2278.6	2318.5	2392.8	2505.4	2639.5
Nondurables	2951.1	3035.3	3135.9	3401.2	3421.8	3450.4	3494.8	3529.9	3563.9	3612.3
Services	8316.3	8444.9	7949.6	8501.7	8817.8	9024.1	9261.1	9425.7	9593.2	9801.8
Nonresidential Fixed Investment	2819.6	2924.4	2786.2	2949.6	3104.3	3243.2	3366.2	3435.1	3480.8	3523.7
Equipment & Software	1266.5	1280.0	1150.8	1224.1	1287.8	1284.4	1314.5	1351.4	1385.4	1423.3
Information Processing Equipment	503.8	518.8	522.5	572.7	616.3	583.6	607.8	629.8	657.6	679.4
Computers & Peripherals	122.5	124.2	135.3	150.6	160.2	145.5	167.3	172.9	180.4	187.1
Communications Equipment	232.8	240.1	238.3	265.8	300.7	287.6	283.8	304.5	329.8	354.6
Industrial Equipment	246.0	250.5	228.3	243.3	252.1	249.1	252.2	253.6	262.0	273.4
Transportation Equipment	319.3	308.1	221.0	215.1	232.0	293.4	307.0	324.1	323.5	326.3
Aircraft	50.9	25.7	36.6	32.4	34.8	46.8	43.6	50.3	52.0	53.8
Other Equipment	72.9	75.2	53.2	60.8	67.9	71.4	66.0	68.9	68.3	67.2
Structures	567.6	581.7	526.3	509.5	498.8	564.8	589.2	590.0	591.1	589.9
Commercial & Health	166.2	168.7	174.1	168.0	153.3	154.3	154.5	161.5	165.1	171.7
Manufacturing	62.0	65.5	59.3	61.2	69.9	114.5	136.3	119.1	101.8	92.1
Power & Communication	120.0	129.5	127.6	121.4	103.6	106.8	109.8	105.7	97.4	99.5
Mining & Petroleum	111.4	111.2	68.5	80.0	95.8	96.4	87.2	111.9	148.7	148.2
Other	113.1	112.8	98.9	85.2	85.7	94.3	96.1	96.5	97.4	98.6
Residential Fixed Investment	622.6	616.7	661.2	732.2	666.4	595.6	611.6	603.7	628.8	647.3
Exports	2562.0	2575.1	2237.0	2378.9	2544.5	2611.5	2676.5	2773.3	2882.0	2998.4
Imports	3426.9	3467.9	3155.3	3612.0	3922.0	3856.2	3995.9	4132.6	4290.6	4461.1
Federal Government	1241.6	1289.2	1367.4	1386.1	1346.7	1403.5	1433.9	1447.1	1456.4	1455.9
State & Local Government	1995.2	2075.0	2105.0	2077.8	2082.7	2165.6	2240.3	2255.4	2257.8	2261.5

Table 4. Quarterly Gross Domestic Product

	2023Q4	2024Q1	2024Q2	2024Q3	2024Q4	2025Q1	2025Q2	2025Q3	2025Q4	2026Q1	2026Q2	2026Q3	2026Q4	2027Q1	2027Q2
Real GDP Billions 2012 \$															
Gross Domestic Product	21131.6	21205.7	21354.8	21426.0	21496.3	21560.4	21652.4	21735.2	21831.7	21924.6	22015.2	22102.6	22195.7	22298.8	22402.9
Final Sales of Domestic Product	21013.2	21109.1	21214.7	21300.5	21376.8	21443.8	21528.2	21601.4	21691.7	21780.4	21867.7	21954.9	22049.3	22153.2	22255.8
Total Consumption	14734.7	14788.0	14873.1	14955.2	15022.4	15078.7	15143.6	15202.6	15270.8	15341.5	15421.3	15506.3	15594.6	15687.4	15782.7
Durables	2310.1	2284.0	2310.4	2338.5	2341.2	2357.5	2380.1	2403.4	2430.1	2456.7	2488.7	2522.1	2553.9	2587.1	2621.6
Nondurables	3487.1	3477.9	3489.7	3501.4	3510.2	3518.6	3527.1	3533.1	3540.9	3548.4	3558.1	3568.7	3580.3	3592.9	3606.2
Services	9111.9	9186.5	9237.2	9284.2	9336.6	9370.7	9408.4	9442.4	9481.2	9522.8	9567.6	9615.6	9666.9	9720.7	9775.5
Nonresidential Fixed Investment	3286.0	3322.0	3364.0	3380.6	3398.2	3412.8	3429.5	3442.7	3455.3	3467.0	3476.6	3484.8	3494.7	3506.7	3517.4
Equipment & Software	1280.4	1285.6	1321.3	1323.2	1328.1	1337.4	1347.2	1356.1	1364.8	1373.7	1381.5	1388.6	1397.9	1408.3	1418.2
Information Processing Equipment	587.8	597.5	612.2	609.5	612.2	618.4	626.1	633.4	641.1	649.3	655.2	660.3	665.6	671.8	676.9
Computers & Peripherals	148.3	162.4	170.4	168.1	168.4	170.2	171.9	173.8	175.9	178.2	179.9	181.1	182.5	184.6	186.3
Communications Equipment	284.3	276.1	285.4	285.0	288.9	294.7	301.7	307.9	313.9	320.8	326.8	332.6	339.1	345.4	351.5
Industrial Equipment	246.6	254.1	252.0	250.4	252.1	251.5	252.5	254.3	256.1	257.6	260.9	263.6	266.0	269.0	272.1
Transportation Equipment	291.2	281.6	312.5	317.7	316.2	322.7	324.5	324.6	324.7	325.4	322.8	321.8	323.9	324.1	324.9
Aircraft	47.8	33.6	51.4	45.2	44.1	49.6	49.6	50.6	51.5	51.8	51.8	52.0	52.4	52.9	53.4
Other Equipment	65.1	67.9	62.8	64.5	68.5	68.7	69.0	69.1	68.8	68.6	68.4	68.2	67.9	67.7	67.4
Structures	588.7	593.6	588.5	586.9	587.7	588.3	589.9	590.7	591.1	591.4	591.3	591.1	590.7	590.5	589.6
Commercial & Health	158.3	157.3	151.4	150.8	158.4	159.3	160.1	162.6	163.9	165.2	163.6	164.8	166.9	169.4	169.8
Manufacturing	128.5	134.3	139.7	139.8	131.3	126.4	121.5	116.5	112.0	107.5	103.5	99.7	96.8	95.3	91.9
Power & Communication	110.3	110.4	110.6	108.6	109.4	108.6	106.8	104.6	102.7	100.8	97.8	95.3	95.6	98.0	98.5
Mining & Petroleum	89.1	87.2	87.4	86.8	87.5	96.2	108.3	117.2	125.7	134.1	148.5	156.3	156.0	148.9	153.2
Other	98.4	98.7	94.3	95.2	96.0	96.3	96.5	96.3	96.8	97.2	97.2	97.3	97.7	98.7	98.4
Residential Fixed Investment	602.7	625.5	623.4	604.3	593.3	594.4	599.7	606.3	614.4	620.7	626.6	631.8	635.9	641.2	644.9
Exports	2636.9	2647.2	2660.2	2686.7	2711.7	2734.2	2759.9	2786.0	2813.1	2839.8	2868.3	2896.0	2923.7	2953.2	2983.6
Imports	3872.8	3930.7	3997.3	4014.4	4041.2	4076.5	4112.6	4153.9	4187.6	4220.9	4267.4	4315.7	4358.3	4398.0	4440.7
Federal Government	1422.7	1421.8	1435.4	1437.2	1441.2	1442.8	1445.3	1448.6	1451.8	1454.0	1456.1	1457.3	1458.2	1457.2	1457.0
State & Local Government	2208.8	2225.3	2239.6	2245.4	2250.8	2253.9	2255.7	2255.9	2256.3	2256.8	2257.5	2258.1	2258.9	2259.8	2260.9

Table 5. Annual Employment

	2018	2019	History				Forecast			
			2020	2021	2022	2023	2024	2025	2026	2027
Millions										
Total Nonfarm Employment	148.9	150.9	142.2	146.3	152.5	156.1	158.6	159.6	159.8	160.2
Private Nonfarm	126.4	128.3	120.2	124.3	130.3	133.3	135.3	136.1	136.2	136.6
Mining	0.7	0.7	0.6	0.5	0.6	0.6	0.6	0.6	0.7	0.7
Construction	7.3	7.5	7.3	7.4	7.8	8.0	8.2	8.3	8.5	8.6
Manufacturing	12.7	12.8	12.2	12.4	12.8	12.9	12.9	12.7	12.3	12.1
Trade, Transportation and Utilities	27.5	27.7	26.6	27.7	28.6	28.8	29.0	28.8	28.6	28.4
Transportation & Warehousing	5.4	5.7	5.6	6.1	6.6	6.6	6.6	6.6	6.7	6.7
Financial Activities	8.6	8.8	8.7	8.8	9.1	9.2	9.2	9.4	9.5	9.5
Education & Health	23.6	24.2	23.3	23.6	24.3	25.3	26.4	26.8	27.0	27.3
Professional & Business Services	21.0	21.3	20.4	21.4	22.5	22.8	22.9	23.3	23.4	23.4
Information	2.8	2.9	2.7	2.9	3.1	3.0	3.0	3.1	3.1	3.0
Leisure & Hospitality	16.3	16.6	13.1	14.1	15.8	16.6	16.9	17.1	17.1	17.3
Government	22.5	22.6	22.0	22.0	22.2	22.8	23.3	23.5	23.6	23.7
Federal	2.8	2.8	2.9	2.9	2.9	2.9	3.0	3.0	3.0	3.0
State & Local	19.7	19.8	19.1	19.1	19.3	19.9	20.3	20.5	20.6	20.6
Growth Rates										
Total Nonfarm Employment	1.6	1.3	-5.8	2.9	4.3	2.3	1.6	0.6	0.1	0.3
Private Nonfarm	1.8	1.5	-6.3	3.4	4.9	2.3	1.5	0.6	0.1	0.3
Mining	8.2	0.0	-18.4	-7.1	9.0	6.2	-0.3	1.3	8.5	5.3
Construction	4.6	2.8	-3.2	2.5	4.4	3.3	2.8	1.3	1.7	1.8
Manufacturing	2.0	1.0	-5.1	1.6	3.7	1.0	0.0	-2.1	-2.6	-2.0
Trade, Transportation and Utilities	0.7	0.4	-3.7	3.9	3.6	0.7	0.6	-0.7	-0.9	-0.5
Transportation & Warehousing	4.8	4.4	-0.5	9.0	7.6	-0.6	0.2	0.9	0.5	0.3
Financial Activities	1.6	1.9	-0.6	1.2	2.9	1.5	0.6	1.2	1.0	0.3
Education & Health	1.9	2.2	-3.7	1.6	2.9	4.1	4.0	1.7	0.7	1.1
Professional & Business Services	2.2	1.6	-4.5	5.0	5.4	1.4	0.4	1.4	0.6	0.0
Information	0.9	0.9	-5.0	5.0	7.2	-1.1	0.3	1.5	0.2	-2.8
Leisure & Hospitality	1.5	1.8	-20.8	7.6	11.9	4.9	2.0	1.1	0.1	1.1
Government	0.5	0.7	-2.8	-0.1	1.0	2.6	2.5	0.8	0.2	0.3
Federal	-0.1	1.1	3.5	-1.5	-0.7	2.0	2.8	0.8	0.0	0.0
State & Local	0.6	0.6	-3.7	0.2	1.3	2.7	2.4	0.8	0.3	0.4

Table 6. Quarterly Employment

	2023Q4	2024Q1	2024Q2	2024Q3	2024Q4	2025Q1	2025Q2	2025Q3	2025Q4	2026Q1	2026Q2	2026Q3	2026Q4	2027Q1	2027Q2
Employment (Millions)															
Total Nonfarm Employment	157.1	157.8	158.4	158.9	159.4	159.5	159.6	159.6	159.7	159.7	159.7	159.8	159.9	160.0	160.1
Private Nonfarm	134.0	134.6	135.1	135.5	135.9	136.0	136.1	136.1	136.1	136.1	136.2	136.2	136.3	136.4	136.5
Mining	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.7	0.7	0.7	0.7
Construction	8.1	8.2	8.2	8.3	8.3	8.3	8.3	8.4	8.4	8.4	8.5	8.5	8.5	8.6	8.6
Manufacturing	12.9	13.0	13.0	13.0	12.9	12.8	12.7	12.6	12.5	12.4	12.4	12.3	12.3	12.2	12.1
Trade, Transportation and Utilities	28.9	28.9	29.0	29.0	29.1	29.0	28.8	28.8	28.7	28.6	28.6	28.6	28.5	28.5	28.4
Transportation & Warehousing	6.5	6.5	6.6	6.6	6.6	6.6	6.6	6.6	6.6	6.7	6.7	6.7	6.7	6.7	6.7
Financial Activities	9.2	9.2	9.2	9.3	9.3	9.3	9.3	9.4	9.4	9.4	9.5	9.5	9.5	9.5	9.5
Education & Health	25.7	26.0	26.3	26.5	26.7	26.8	26.8	26.8	26.9	26.9	27.0	27.0	27.1	27.2	27.3
Professional & Business Services	22.9	22.9	23.0	22.9	22.9	23.1	23.2	23.3	23.4	23.4	23.4	23.4	23.4	23.4	23.4
Information	3.0	3.0	3.0	3.0	3.1	3.1	3.1	3.1	3.1	3.1	3.1	3.1	3.1	3.0	3.0
Leisure & Hospitality	16.8	16.8	16.9	17.0	17.0	17.0	17.1	17.1	17.2	17.1	17.1	17.1	17.2	17.2	17.3
Government	23.0	23.2	23.3	23.4	23.5	23.5	23.5	23.5	23.6	23.6	23.6	23.6	23.6	23.6	23.6
Federal	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
State & Local	20.1	20.2	20.3	20.4	20.4	20.5	20.5	20.5	20.5	20.5	20.6	20.6	20.6	20.6	20.6
Growth Rates															
Total Nonfarm Employment	1.6	2.0	1.5	1.2	1.1	0.4	0.2	0.1	0.1	0.1	0.1	0.1	0.2	0.3	0.3
Private Nonfarm	1.4	1.8	1.5	1.2	1.1	0.3	0.2	0.0	0.1	0.1	0.1	0.1	0.2	0.3	0.3
Mining	-0.4	0.8	-3.3	-2.0	-2.4	0.6	3.9	6.9	7.4	8.5	10.7	10.8	8.1	4.1	3.2
Construction	2.9	3.6	2.3	1.8	2.1	0.0	1.1	1.3	2.0	1.7	1.9	1.7	1.6	1.9	1.7
Manufacturing	0.0	0.4	-0.1	0.1	-1.5	-2.3	-3.6	-3.5	-2.5	-2.7	-2.0	-2.0	-1.9	-2.0	-2.1
Trade, Transportation and Utilities	0.0	0.8	1.4	0.2	0.6	-1.1	-2.2	-1.2	-1.2	-1.0	-0.1	-0.4	-0.7	-0.7	-0.3
Transportation & Warehousing	-1.5	0.2	2.8	1.1	0.1	1.7	0.3	0.4	-0.2	0.8	0.5	0.6	0.7	0.3	-0.1
Financial Activities	0.3	-0.1	0.4	1.0	1.1	1.3	1.3	1.3	1.1	2.0	0.3	0.0	0.0	1.0	0.3
Education & Health	4.2	4.3	4.0	3.4	3.3	0.8	0.8	0.2	0.5	1.1	0.8	0.7	1.0	1.5	1.0
Professional & Business Services	0.1	1.2	0.2	-0.4	0.1	2.5	2.7	1.8	0.5	1.2	-0.3	-0.3	-0.7	0.3	0.1
Information	-1.2	2.8	0.4	2.9	3.5	2.6	-1.8	-0.6	3.5	2.5	-1.4	-3.7	-2.8	-2.2	-3.4
Leisure & Hospitality	2.7	1.5	1.3	1.3	0.8	0.3	2.6	0.8	0.5	-2.2	-0.1	1.4	2.1	0.0	1.8
Government	2.9	3.2	1.9	1.5	1.2	0.6	0.3	0.2	0.2	0.3	0.3	0.2	0.3	0.3	0.3
Federal	2.5	3.8	1.9	2.2	2.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
State & Local	3.0	3.1	1.9	1.4	1.1	0.7	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.4

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

	2023Q4	2024Q1	2024Q2	2024Q3	2024Q4	2025Q1	2025Q2	2025Q3	2025Q4	2026Q1	2026Q2	2026Q3	2026Q4	2027Q1	2027Q2
GDP	132.3	133.3	134.1	134.8	135.6	136.4	137.2	138.0	138.8	139.7	140.5	141.2	142.0	142.7	143.5
Consumption	128.4	129.4	130.3	130.9	131.6	132.2	132.9	133.7	134.4	135.2	135.9	136.6	137.2	137.9	138.6
Durables	95.3	95.2	94.6	94.0	93.5	92.9	92.4	92.0	91.6	91.3	90.9	90.5	90.1	89.8	89.4
Motor Vehicles	126.6	125.7	124.4	122.9	121.5	121.2	121.1	121.1	121.2	121.5	121.7	121.8	121.9	122.2	122.3
Furniture	98.7	98.5	97.1	96.5	96.2	95.7	94.9	94.5	94.0	93.7	93.2	92.7	92.2	91.7	91.1
Other Durables	85.5	84.6	85.3	86.0	85.7	86.0	85.8	85.6	85.3	85.2	85.0	84.8	84.6	84.5	84.4
Nondurables	116.2	116.1	116.8	116.7	116.6	116.6	116.8	117.2	117.6	118.3	118.8	119.3	119.7	120.2	120.6
Food	129.6	130.3	130.1	130.2	130.2	130.9	131.5	132.1	132.8	133.6	134.2	134.9	135.6	136.4	137.0
Clothing & Shoes	102.4	102.2	103.8	103.5	103.5	104.1	104.2	104.3	104.5	104.6	104.8	105.2	105.2	105.7	105.9
Gasoline & Oil	101.9	99.8	100.9	99.1	98.5	94.9	93.3	93.7	93.7	95.1	96.0	96.6	96.9	97.6	98.1
Fuel	106.8	100.8	100.4	100.6	100.1	97.1	95.4	95.2	95.1	96.6	97.5	97.9	97.9	98.4	98.6
Services	138.9	140.8	142.0	143.2	144.5	145.6	146.7	147.9	149.0	150.1	151.3	152.3	153.2	154.2	155.2
Housing	151.8	153.9	155.8	157.6	159.3	160.9	162.3	163.6	164.9	166.1	167.2	168.4	169.6	170.8	171.9
Electricity	137.9	141.3	141.8	142.6	144.7	145.2	147.7	151.2	153.0	154.2	157.0	158.3	158.3	157.9	157.3
Natural Gas	133.5	138.2	135.7	140.9	145.3	159.0	162.2	170.1	180.0	199.3	209.1	201.2	187.5	193.3	188.8
Water & Sewer	154.3	157.0	158.3	159.8	161.4	163.8	166.0	168.0	170.0	172.1	174.0	176.2	178.4	180.6	182.8
Telephone	63.6	63.3	63.2	63.5	64.1	63.2	62.6	62.2	61.6	60.8	60.0	59.3	58.8	58.1	57.5
Transportation	136.6	137.8	137.5	137.8	139.0	139.8	140.9	141.8	142.7	143.5	144.3	145.0	145.7	146.5	147.2
Other Services	136.5	138.3	140.1	141.8	143.0	143.9	144.8	145.9	146.9	147.8	149.1	150.5	151.7	152.7	154.0

Table 8. Percent Change in Implicit Price Deflators

	2023Q4	2024Q1	2024Q2	2024Q3	2024Q4	2025Q1	2025Q2	2025Q3	2025Q4	2026Q1	2026Q2	2026Q3	2026Q4	2027Q1	2027Q2
GDP	1.6	3.1	2.3	2.2	2.2	2.4	2.4	2.5	2.3	2.6	2.3	2.2	2.1	2.2	2.0
Consumption	1.8	3.4	2.6	2.0	2.1	1.9	2.0	2.3	2.1	2.4	2.3	2.0	1.8	2.0	1.9
Durables	-3.5	-0.5	-2.6	-2.5	-2.3	-2.2	-2.1	-1.8	-1.8	-1.1	-1.8	-1.7	-1.7	-1.5	-1.9
Motor Vehicles	-1.5	-2.8	-4.3	-4.6	-4.4	-1.3	-0.3	0.1	0.3	1.2	0.4	0.4	0.4	0.9	0.4
Furniture	-4.2	-0.9	-5.6	-2.5	-1.2	-2.2	-3.0	-2.0	-2.1	-1.2	-2.0	-2.3	-1.9	-2.4	-2.6
Other Durables	-4.0	-4.3	3.2	3.4	-1.2	1.2	-0.8	-1.2	-1.2	-0.6	-1.1	-0.6	-0.9	-0.5	-0.6
Nondurables	-0.2	-0.6	2.5	-0.2	-0.3	-0.1	0.5	1.5	1.4	2.4	1.6	1.6	1.6	1.7	1.3
Food	1.6	2.1	-0.4	0.3	0.0	2.2	1.8	1.9	2.0	2.5	1.9	2.0	2.0	2.3	2.0
Clothing & Shoes	-3.3	-0.8	6.4	-1.2	0.0	2.4	0.5	0.4	0.5	0.6	0.7	1.4	0.2	2.0	0.4
Gasoline & Oil	-9.6	-8.1	4.6	-7.2	-2.2	-13.8	-6.6	1.7	0.1	6.1	3.9	2.3	1.5	2.9	1.9
Fuel	-1.1	-20.4	-1.7	0.9	-2.1	-11.4	-6.7	-1.1	-0.3	6.4	3.9	1.4	0.3	2.1	0.7
Services	3.4	5.4	3.6	3.4	3.6	3.2	3.1	3.2	3.0	3.0	3.1	2.7	2.4	2.7	2.6
Housing	5.7	5.7	5.0	4.7	4.5	4.1	3.5	3.3	3.0	2.9	2.8	2.9	2.8	2.8	2.8
Electricity	9.1	10.3	1.4	2.1	6.2	1.4	7.1	9.8	4.8	3.2	7.3	3.6	-0.2	-0.8	-1.5
Natural Gas	-1.5	15.1	-7.0	16.1	13.0	43.5	8.3	21.0	25.4	50.2	21.1	-14.3	-24.6	13.1	-9.0
Water & Sewer	3.4	7.1	3.4	3.8	4.2	5.9	5.5	5.0	5.0	4.8	4.6	5.1	5.1	5.1	5.0
Telephone	-3.6	-1.5	-0.9	2.1	3.6	-5.1	-3.9	-2.8	-3.7	-4.8	-5.3	-4.6	-3.7	-4.2	-4.6
Transportation	6.1	3.4	-0.7	0.7	3.5	2.5	3.0	2.5	2.7	2.2	2.3	2.0	1.9	2.1	2.1
Other Services	1.2	5.3	5.3	4.9	3.6	2.4	2.7	2.9	3.0	2.4	3.5	3.8	3.2	2.8	3.3

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

	2018	2019	<i>History</i>				<i>Forecast</i>			
			2020	2021	2022	2023	2024	2025	2026	2027
GDP	109.8	111.6	113.1	118.3	126.6	131.2	134.4	137.6	140.8	143.8
Consumption	107.9	109.5	110.7	115.3	122.8	127.3	130.6	133.3	136.2	138.9
Durables	88.4	87.5	86.7	91.5	97.3	96.5	94.3	92.3	90.7	89.2
Motor Vehicles	99.3	100.1	101.8	113.4	126.7	126.9	123.6	121.1	121.7	122.4
Furniture	86.5	87.2	88.0	92.5	101.0	100.3	97.1	94.8	93.0	90.8
Other Durables	87.0	85.0	82.6	83.1	84.7	86.5	85.4	85.7	84.9	84.3
Nondurables	99.1	99.0	98.4	102.9	113.0	115.7	116.6	117.1	119.0	120.9
Food	103.4	104.5	107.9	111.3	122.8	128.9	130.2	131.8	134.6	137.4
Clothing & Shoes	99.3	98.0	93.1	95.0	99.9	102.6	103.2	104.3	105.0	106.0
Gasoline & Oil	78.1	75.5	64.4	85.9	112.3	101.6	99.6	93.9	96.1	98.5
Fuel	81.3	77.7	62.0	80.9	126.4	106.9	100.5	95.7	97.5	98.7
Services	114.5	117.1	119.4	123.9	130.6	137.2	142.6	147.3	151.7	155.7
Housing	119.8	123.9	127.4	130.6	138.2	148.6	156.6	162.9	167.8	172.5
Electricity	108.3	108.5	109.1	113.9	128.7	136.1	142.6	149.3	156.9	158.0
Natural Gas	104.3	102.8	103.0	120.2	151.2	139.6	140.0	167.8	199.3	187.6
Water & Sewer	124.8	128.8	132.9	137.7	143.9	151.8	159.1	166.9	175.1	184.0
Telephone	76.1	72.3	70.7	68.9	66.6	64.6	63.5	62.4	59.7	57.2
Transportation	106.8	109.0	107.7	112.7	125.6	134.7	138.0	141.3	144.6	147.6
Other Services	114.6	117.2	120.0	123.3	128.9	135.3	140.8	145.4	149.8	154.6

Table 10. Percent Change in Implicit Price Deflators

	2018	2019	<i>History</i>				<i>Forecast</i>			
			2020	2021	2022	2023	2024	2025	2026	2027
GDP	2.3	1.7	1.3	4.6	7.1	3.6	2.4	2.3	2.4	2.1
Consumption	2.0	1.4	1.1	4.2	6.5	3.7	2.5	2.1	2.2	2.0
Durables	-1.4	-1.0	-0.9	5.5	6.4	-0.8	-2.3	-2.2	-1.6	-1.7
Motor Vehicles	0.0	0.8	1.7	11.4	11.7	0.1	-2.5	-2.0	0.5	0.6
Furniture	-1.0	0.7	0.9	5.2	9.2	-0.7	-3.2	-2.4	-1.9	-2.3
Other Durables	-1.9	-2.3	-2.9	0.5	2.0	2.2	-1.3	0.3	-0.9	-0.7
Nondurables	1.9	-0.1	-0.7	4.6	9.8	2.3	0.7	0.4	1.7	1.6
Food	0.5	1.0	3.3	3.1	10.3	5.0	1.0	1.2	2.1	2.1
Clothing & Shoes	0.1	-1.3	-5.1	2.1	5.2	2.7	0.6	1.0	0.7	1.0
Gasoline & Oil	13.1	-3.4	-14.6	33.4	30.8	-9.5	-2.0	-5.7	2.4	2.4
Fuel	19.1	-4.4	-20.2	30.5	56.2	-15.4	-6.0	-4.8	1.8	1.3
Services	2.6	2.3	2.0	3.8	5.4	5.0	4.0	3.3	3.0	2.7
Housing	3.4	3.4	2.8	2.5	5.8	7.6	5.4	4.0	3.0	2.8
Electricity	0.7	0.2	0.6	4.3	13.0	5.7	4.8	4.7	5.1	0.7
Natural Gas	0.1	-1.5	0.2	16.7	25.7	-7.6	0.3	19.9	18.7	-5.8
Water & Sewer	3.5	3.2	3.2	3.6	4.5	5.5	4.8	4.9	4.9	5.0
Telephone	-2.7	-5.0	-2.2	-2.4	-3.4	-3.0	-1.7	-1.8	-4.3	-4.2
Transportation	2.1	2.0	-1.2	4.7	11.4	7.3	2.4	2.4	2.4	2.0
Other Services	2.5	2.3	2.4	2.7	4.6	5.0	4.0	3.3	3.0	3.2

Table 11. Personal Income and its Components

	2018	2019	History				Forecast			
			2020	2021	2022	2023	2024	2025	2026	2027
Personal Income Billions Current Dollars										
Personal Income	17528.2	18356.2	19629.0	21407.7	21840.8	22961.3	24012.1	25195.1	26504.5	27790.9
Wages & Salaries	10957.4	11447.9	11594.7	12545.9	13439.2	14234.0	14905.3	15522.7	16148.9	16790.7
Other Labor Income	1432.8	1472.4	1471.5	1526.8	1559.1	1620.7	1688.8	1759.0	1834.2	1907.7
Nonfarm Income	1463.2	1522.1	1539.4	1676.8	1709.1	1794.1	1877.7	2000.7	2115.8	2211.5
Farm Income	32.1	32.1	44.4	72.2	81.7	54.3	26.9	37.8	85.2	101.5
Rental Income	671.5	684.5	756.1	814.2	878.3	967.3	1033.9	1109.0	1200.3	1257.6
Dividends	1234.9	1346.5	1403.5	1699.2	1804.5	1840.6	1896.1	1979.6	2040.9	2092.9
Interest Income	1554.5	1603.4	1510.3	1515.5	1627.5	1772.8	1833.4	1971.4	2200.2	2447.7
Transfer Payments	2976.3	3144.3	4229.9	4641.9	4002.1	4100.7	4329.3	4530.9	4739.8	4973.9
Personal Social Insurance Tax	736.9	774.0	790.7	851.6	937.7	987.3	1033.6	1065.9	1104.3	1136.2
Percent Change, Annual Rate										
Personal Income	5.2	4.7	6.9	9.1	2.0	5.1	4.6	4.9	5.2	4.9
Wages & Salaries	5.1	4.5	1.3	8.2	7.1	5.9	4.7	4.1	4.0	4.0
Other Labor Income	6.5	2.8	-0.1	3.8	2.1	3.9	4.2	4.2	4.3	4.0
Nonfarm Income	5.4	4.0	1.1	8.9	1.9	5.0	4.7	6.5	5.8	4.5
Farm Income	-21.6	-0.2	38.4	62.8	13.1	-33.5	-50.4	40.3	125.5	19.1
Rental Income	4.6	1.9	10.5	7.7	7.9	10.1	6.9	7.3	8.2	4.8
Dividends	7.9	9.0	4.2	21.1	6.2	2.0	3.0	4.4	3.1	2.5
Interest Income	6.0	3.2	-5.8	0.3	7.4	8.9	3.4	7.5	11.6	11.2
Transfer Payments	4.2	5.6	34.5	9.7	-13.8	2.5	5.6	4.7	4.6	4.9
Personal Social Insurance Tax	6.1	5.0	2.2	7.7	10.1	5.3	4.7	3.1	3.6	2.9

Table 12. Personal Consumption Expenditures (Current Dollars)

	2023Q4	2024Q1	2024Q2	2024Q3	2024Q4	2025Q1	2025Q2	2025Q3	2025Q4	2026Q1	2026Q2	2026Q3	2026Q4	2027Q1	2027Q2
Consumer Expenditures by Type Billions Current Dollars															
<i>Consumer spending on...</i>															
all goods & services	18914.5	19142.5	19377.7	19579.5	19770.8	19939.2	20124.9	20318.3	20518.1	20737.0	20962.7	21183.1	21399.1	21635.4	21867.7
durable goods	2202.2	2174.6	2185.4	2198.2	2188.0	2190.9	2200.4	2211.7	2226.0	2244.0	2262.8	2283.2	2301.9	2323.0	2343.0
furniture and appliances	475.7	475.0	476.1	478.7	480.1	481.2	482.9	487.3	492.1	497.6	502.4	507.4	511.4	516.4	519.1
information processing equipment	324.4	329.3	335.0	338.7	339.7	341.1	343.1	341.7	339.8	338.0	336.9	335.7	333.5	332.6	332.2
motor vehicles and parts	758.4	725.2	725.8	734.2	720.2	715.6	714.2	714.2	716.9	721.6	727.1	734.3	740.1	746.8	752.9
other durable goods	185.3	187.3	188.8	188.7	189.2	191.7	194.3	195.8	197.1	198.5	199.5	200.3	200.8	201.4	202.2
nondurables	4053.5	4037.1	4075.5	4087.0	4094.6	4103.7	4118.8	4141.1	4164.2	4198.0	4226.6	4256.2	4286.4	4319.9	4350.2
clothing & shoes	520.6	523.9	528.1	531.3	531.7	536.4	542.0	548.9	551.2	555.9	562.8	571.1	574.3	580.4	588.1
fuel oil & coal	26.8	25.8	25.5	25.0	25.2	24.4	23.9	23.8	23.6	23.8	24.0	24.0	23.9	24.0	24.0
gasoline & motor oil	451.4	427.2	439.2	432.6	431.2	415.6	407.6	407.0	405.2	408.6	410.2	410.5	410.2	411.3	411.4
food	1456.6	1463.6	1468.7	1473.2	1476.2	1484.6	1492.3	1499.9	1508.4	1518.9	1527.9	1537.8	1548.3	1560.3	1571.4
other nondurable goods	1598.1	1596.6	1613.9	1625.0	1630.3	1642.7	1653.0	1661.5	1675.8	1690.8	1701.7	1712.8	1729.7	1744.0	1755.3
Consumer Expenditures by Type Billions 2012 Dollars															
<i>Consumer spending on...</i>															
all goods & services	14734.7	14788.0	14873.1	14955.2	15022.4	15078.7	15143.6	15202.6	15270.8	15341.5	15421.3	15506.3	15594.6	15687.4	15782.7
durable goods	2310.1	2284.0	2310.4	2338.5	2341.2	2357.5	2380.1	2403.4	2430.1	2456.7	2488.7	2522.1	2553.9	2587.1	2621.6
furniture and appliances	481.9	482.2	490.4	496.1	499.1	503.1	508.6	515.9	523.7	531.1	539.0	547.6	554.4	563.2	569.9
information processing equipment	590.8	589.3	602.0	615.3	618.9	634.0	643.3	646.7	649.8	652.0	657.7	663.5	665.5	672.2	679.4
motor vehicles and parts	599.5	577.3	584.1	597.3	592.6	590.6	589.9	589.8	591.6	593.7	597.6	602.9	607.0	611.1	615.5
other durable goods	244.8	251.7	252.2	249.5	251.0	254.0	258.6	262.0	265.0	268.0	270.6	272.4	274.5	275.8	277.8
nondurables	3487.1	3477.9	3489.7	3501.4	3510.2	3518.6	3527.1	3533.1	3540.9	3548.4	3558.1	3568.7	3580.3	3592.9	3606.2
clothing & shoes	508.6	512.8	508.9	513.5	513.9	515.4	520.1	526.1	527.6	531.3	536.9	542.9	545.7	548.8	555.6
fuel oil & coal	25.0	25.5	25.3	24.9	25.2	25.2	25.1	25.0	24.8	24.6	24.6	24.5	24.4	24.4	24.3
gasoline & motor oil	442.6	427.9	435.0	436.7	437.7	437.8	436.9	434.4	432.4	429.7	427.3	425.2	423.3	421.3	419.5
food	1123.6	1123.1	1128.1	1131.3	1133.6	1134.0	1134.7	1135.1	1135.9	1136.8	1138.2	1140.0	1142.0	1144.2	1146.7
other nondurable goods	1356.1	1356.1	1359.7	1362.7	1367.2	1373.7	1377.9	1380.1	1387.2	1392.7	1397.6	1402.6	1410.8	1419.5	1425.5
Real Consumer Expenditures Annual Growth Rate															
<i>Consumer spending on...</i>															
all goods & services	3.3	1.5	2.3	2.2	1.8	1.5	1.7	1.6	1.8	1.9	2.1	2.2	2.3	2.4	2.5
durable goods	3.2	-4.5	4.7	5.0	0.5	2.8	3.9	4.0	4.5	4.4	5.3	5.5	5.1	5.3	5.4
furniture and appliances	1.7	0.3	6.9	4.7	2.4	3.2	4.5	5.8	6.2	5.8	6.1	6.5	5.1	6.5	4.8
information processing equipment	13.4	-1.0	8.9	9.1	2.4	10.1	6.0	2.1	1.9	1.4	3.5	3.6	1.2	4.1	4.3
motor vehicles and parts	-1.7	-14.0	4.8	9.4	-3.1	-1.3	-0.5	-0.1	1.2	1.4	2.7	3.6	2.7	2.8	2.9
other durable goods	12.4	11.7	0.8	-4.2	2.4	5.0	7.4	5.3	4.7	4.6	4.0	2.7	3.1	2.0	2.9
nondurables	2.9	-1.1	1.4	1.3	1.0	1.0	1.0	0.7	0.9	0.8	1.1	1.2	1.3	1.4	1.5
clothing & shoes	3.5	3.3	-2.9	3.6	0.3	1.1	3.7	4.7	1.1	2.8	4.3	4.6	2.1	2.3	5.0
fuel oil & coal	-12.0	8.3	-3.0	-6.5	5.6	-0.6	-1.6	-1.4	-1.9	-3.3	-1.1	-1.2	-1.0	-1.3	-0.5
gasoline & motor oil	5.4	-12.6	6.8	1.6	0.9	0.1	-0.8	-2.3	-1.9	-2.5	-2.2	-2.0	-1.8	-1.8	-1.7
food	0.8	-0.2	1.8	1.1	0.8	0.1	0.3	0.1	0.3	0.3	0.5	0.6	0.7	0.8	0.9
other nondurable goods	4.1	0.0	1.1	0.9	1.3	1.9	1.2	0.6	2.1	1.6	1.4	1.4	2.4	2.5	1.7

Table 13. Personal Consumption Expenditures

	History						Forecast			
	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Consumer Expenditures by Type Billions Current Dollars										
<i>Consumer spending on...</i>										
all goods & services	13934.4	14417.6	14206.2	16043.0	17511.7	18570.6	19467.6	20225.1	21070.4	21987.1
durable goods	1488.8	1522.7	1628.9	2006.4	2128.9	2198.8	2186.6	2207.2	2273.0	2353.8
furniture and appliances	336.0	346.3	378.5	449.3	477.4	478.3	477.5	485.9	504.7	519.9
information processing equipment	164.3	180.6	225.5	268.3	295.2	316.2	335.7	341.4	336.0	332.1
motor vehicles and parts	550.0	545.1	547.0	700.8	730.8	768.0	726.3	715.2	730.7	756.8
other durable goods	134.4	135.6	129.5	170.6	182.2	183.0	188.5	194.7	199.8	202.9
nondurables	2925.4	3006.5	3084.2	3500.2	3868.1	3992.7	4073.5	4131.9	4241.8	4366.4
clothing & shoes	409.4	414.0	366.2	467.9	500.7	516.9	528.8	544.6	566.0	592.2
fuel oil & coal	25.0	23.8	19.9	24.6	32.6	27.1	25.4	23.9	23.9	24.0
gasoline & motor oil	341.7	328.7	238.4	361.1	477.5	444.0	432.5	408.8	409.9	412.0
food	1044.4	1082.0	1196.5	1287.7	1393.5	1442.3	1470.4	1496.3	1533.2	1576.7
other nondurable goods	1104.9	1158.0	1263.1	1359.0	1463.8	1562.4	1616.4	1658.3	1708.8	1761.4
Consumer Expenditures by Type Billions 2012 Dollars										
<i>Consumer spending on...</i>										
all goods & services	12908.5	13166.9	12834.8	13913.7	14265.9	14582.9	14909.7	15173.9	15465.9	15828.9
durable goods	1684.5	1739.6	1878.2	2192.7	2187.2	2278.6	2318.5	2392.8	2505.4	2639.5
furniture and appliances	388.3	397.4	430.2	485.6	472.7	477.1	492.0	512.8	543.0	572.4
information processing equipment	225.0	265.3	362.4	437.6	488.8	555.5	606.4	643.4	659.7	682.9
motor vehicles and parts	553.8	544.4	537.3	617.8	576.7	606.0	587.8	590.5	600.3	618.2
other durable goods	166.2	174.8	173.6	225.4	238.1	236.9	251.1	259.9	271.4	279.3
nondurables	2951.1	3035.3	3135.9	3401.2	3421.8	3450.4	3494.8	3529.9	3563.9	3612.3
clothing & shoes	412.2	422.4	393.6	492.5	501.0	503.9	512.3	522.3	539.2	558.8
fuel oil & coal	30.7	30.6	32.1	30.4	25.8	25.3	25.2	25.0	24.5	24.3
gasoline & motor oil	437.6	435.7	370.1	420.4	425.2	436.8	434.3	435.4	426.3	418.5
food	1009.7	1035.7	1108.6	1157.0	1134.9	1118.7	1129.0	1134.9	1139.2	1147.7
other nondurable goods	1051.3	1096.9	1185.4	1264.3	1300.4	1334.2	1361.4	1379.7	1400.9	1428.5
Real Consumer Expenditures Annual Growth Rate										
<i>Consumer spending on...</i>										
all goods & services	2.7	2.0	-2.5	8.4	2.5	2.2	2.2	1.8	1.9	2.3
durable goods	6.6	3.3	8.0	16.7	-0.3	4.2	1.8	3.2	4.7	5.4
furniture and appliances	6.3	2.3	8.3	12.9	-2.7	0.9	3.1	4.2	5.9	5.4
information processing equipment	17.8	17.9	36.6	20.7	11.7	13.7	9.2	6.1	2.5	3.5
motor vehicles and parts	3.9	-1.7	-1.3	15.0	-6.7	5.1	-3.0	0.5	1.7	3.0
other durable goods	5.6	5.2	-0.7	29.9	5.6	-0.5	6.0	3.5	4.4	2.9
nondurables	2.6	2.9	3.3	8.5	0.6	0.8	1.3	1.0	1.0	1.4
clothing & shoes	1.9	2.5	-6.8	25.1	1.7	0.6	1.7	2.0	3.2	3.6
fuel oil & coal	-2.4	-0.4	5.1	-5.5	-15.1	-2.1	-0.2	-0.8	-1.9	-1.0
gasoline & motor oil	-0.1	-0.4	-15.0	13.6	1.1	2.7	-0.6	0.2	-2.1	-1.8
food	2.8	2.6	7.0	4.4	-1.9	-1.4	0.9	0.5	0.4	0.7
other nondurable goods	3.7	4.3	8.1	6.7	2.9	2.6	2.0	1.3	1.5	2.0

Table 14. Business Fixed Investment

	2018	2019	History				Forecast			
			2020	2021	2022	2023	2024	2025	2026	2027
Billions Current Dollars										
Business Fixed Investment	2856.5	2993.1	2869.4	3078.4	3433.0	3716.1	3913.8	4033.6	4128.0	4224.3
Producers Dur. Equipment	1227.6	1241.5	1110.8	1188.2	1327.2	1381.4	1440.6	1483.6	1526.7	1575.6
Nonresidential Structures	636.6	678.7	623.2	623.9	700.5	839.8	878.4	893.9	920.0	943.1
Non-Farm Buildings	349.6	372.3	365.4	365.8	430.8	546.8	587.7	583.4	579.1	593.3
Commercial	163.9	174.6	185.4	191.8	218.7	236.0	233.6	246.9	260.7	278.5
Industrial	72.0	80.5	75.1	81.6	114.2	200.8	239.3	213.5	187.8	174.5
Other Buildings	113.7	117.2	105.0	92.3	98.0	110.1	114.9	123.1	130.6	140.3
Utilities	131.8	144.6	145.8	144.3	136.2	144.7	148.5	146.3	139.9	147.2
Mines & Wells	114.8	117.5	68.3	70.0	83.0	91.5	85.1	108.2	144.9	147.0
Billions 2012 Dollars										
Business Fixed Investment	2819.6	2924.4	2786.2	2949.6	3104.3	3243.2	3366.2	3435.1	3480.8	3523.7
Producers Dur. Equipment	1266.5	1280.0	1150.8	1224.1	1287.8	1284.4	1314.5	1351.4	1385.4	1423.3
Nonresidential Structures	567.6	581.7	526.3	509.5	498.8	564.8	589.2	590.0	591.1	589.9
Non-Farm Buildings	293.1	297.1	283.9	266.6	259.2	307.8	330.3	321.9	309.9	308.5
Commercial	139.2	141.4	147.0	142.1	130.9	131.7	130.8	135.3	138.2	143.4
Industrial	62.0	65.5	59.3	61.2	69.9	114.5	136.3	119.1	101.8	92.1
Other Buildings	91.6	90.0	77.9	64.3	59.8	63.6	65.6	69.6	71.9	75.0
Utilities	131.8	139.9	137.1	130.3	112.9	117.1	120.1	115.7	107.4	109.8
Mines & Wells	111.4	111.2	68.5	80.0	95.8	96.4	87.2	111.9	148.7	148.2
Annual Growth Rate										
Business Fixed Investment	6.9	3.7	-4.7	5.9	5.2	4.5	3.8	2.0	1.3	1.2
Producers Dur. Equipment	5.9	1.1	-10.1	6.4	5.2	-0.3	2.3	2.8	2.5	2.7
Nonresidential Structures	5.8	2.5	-9.5	-3.2	-2.1	13.2	4.3	0.1	0.2	-0.2
Non-Farm Buildings	1.0	1.3	-4.4	-6.1	-2.8	18.8	7.3	-2.6	-3.7	-0.5
Commercial	2.2	1.6	3.9	-3.3	-7.9	0.6	-0.7	3.5	2.1	3.8
Industrial	-1.7	5.6	-9.5	3.2	14.2	63.9	19.0	-12.6	-14.5	-9.6
Other Buildings	1.0	-1.8	-13.5	-17.5	-6.9	6.3	3.1	6.2	3.3	4.2
Utilities	6.5	6.1	-2.0	-5.0	-13.3	3.6	2.6	-3.7	-7.2	2.3
Mines & Wells	27.0	-0.2	-38.4	16.8	19.8	0.6	-9.5	28.2	33.0	-0.4

Table 15. Government Receipts and Expenditures

	2018	2019	History				Forecast			
			2020	2021	2022	2023	2024	2025	2026	2027
Federal Government Receipts and Expenditures										
Receipts	3583.1	3704.2	3775.2	4388.6	4976.3	4720.1	5090.3	5261.1	5456.6	5652.1
Personal Tax and Nontax Receipts	1614.3	1701.3	1753.5	2149.3	2505.4	2186.1	2405.4	2497.1	2602.1	2719.2
Corp. Profits Tax Accruals	225.0	210.5	221.8	279.9	368.9	409.9	463.1	470.5	479.0	488.6
Indirect Business Tax and Nontax Accruals	163.5	174.9	155.3	178.6	194.2	173.4	172.8	180.1	187.5	192.8
Contributions for Social Insurance	1346.6	1409.3	1434.6	1541.1	1685.0	1786.9	1871.3	1936.6	2005.7	2062.8
Expenditures	4489.5	4748.6	6669.6	7128.6	6038.5	6384.3	6672.8	6876.7	7134.5	7422.6
Purchases Goods & Services	1346.3	1422.2	1523.4	1594.3	1635.5	1771.7	1867.1	1924.8	1979.3	2021.0
National Defense	795.1	851.1	884.6	898.6	928.4	994.7	1046.9	1076.0	1105.8	1132.7
Other	551.2	571.1	638.8	695.7	707.1	777.0	820.1	848.9	873.5	888.3
Transfer Payments	2851.7	3009.1	4333.4	4858.0	3957.0	4007.1	4082.4	4174.3	4362.9	4589.3
To Persons	2194.9	2325.8	3367.0	3653.5	2890.6	2934.9	3094.2	3269.0	3451.3	3649.7
To Foreigners	41.5	43.3	50.5	57.7	83.1	81.1	53.5	45.9	46.6	47.1
Grants in Aid to State & Local Gov't	582.6	609.0	878.8	1110.3	948.9	952.2	894.9	817.6	824.4	851.0
Net Interest	505.9	539.6	495.3	553.0	703.9	915.8	1052.2	1116.2	1141.5	1164.8
Subsidies less Surplus of Gov't Entities	59.4	71.1	651.0	471.2	119.2	92.6	88.2	88.8	88.1	88.3
Surplus (+) or Deficit (-)	-906.4	-1044.4	-2894.4	-2739.9	-1062.2	-1664.2	-1582.5	-1615.7	-1677.9	-1770.5
State and Local Government Receipts and Expenditures										
Receipts	2643.2	2788.8	3078.0	3577.9	3662.4	3627.1	3689.9	3702.9	3815.7	3964.2
Personal Tax/Nontax Receipts	1813.6	1929.6	1941.0	2198.2	2407.6	2388.8	2481.6	2560.3	2652.4	2760.5
Corporate Profits	459.9	497.9	503.0	594.0	632.9	570.2	601.8	633.4	658.1	688.7
Indirect Business Tax and Nontax Accruals	60.1	73.5	72.9	110.9	158.6	159.4	169.3	168.7	171.7	175.2
Contributions for Social Insurance	20.4	20.7	20.0	22.2	22.5	21.9	25.6	27.0	28.0	29.1
Federal Grants-In-Aid	582.6	609.0	878.8	1110.3	948.9	952.2	894.9	817.6	824.4	851.0
Expenditures	2843.0	2994.7	3129.9	3334.6	3602.1	3777.2	3945.4	4070.7	4192.0	4326.8
Purchases Goods & Services	2244.1	2367.7	2471.3	2598.7	2811.3	2973.4	3152.9	3265.7	3374.5	3488.3
Transfer Payments	723.8	755.4	1029.3	1277.0	1138.0	1133.6	1093.6	1011.5	1026.3	1061.2
Interest Received	210.2	227.8	216.3	205.1	169.3	210.8	201.6	207.2	215.5	224.2
Net Subsidies	8.5	13.9	7.7	16.4	3.9	18.2	12.7	1.5	0.7	0.8
Dividends Received	6.0	6.5	6.2	6.3	6.6	6.8	6.8	7.1	7.4	7.7
Surplus (+) or Deficit (-)	-199.9	-205.9	-51.9	243.4	60.4	-150.1	-255.5	-367.8	-376.2	-362.6

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

	<i>History</i>						<i>Forecast</i>			
	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Billions of Dollars										
Net Exports Goods & Services	-593.1	-578.5	-626.4	-858.2	-971.1	-798.7	-866.3	-824.1	-814.3	-823.6
Current Account	-439.8	-441.8	-601.2	-868.0	-1012.1	-905.4	-1024.2	-1036.2	-1009.7	-997.5
Exports -Goods & Services	2538.1	2538.5	2150.1	2550.0	2995.0	3027.2	3143.3	3300.4	3477.5	3670.6
Merchandise Balance	-878.7	-857.3	-912.9	-1083.2	-1179.9	-1063.3	-1150.4	-1127.8	-1144.2	-1179.7
Food, Feed & Beverage	133.1	131.0	139.3	164.5	179.9	162.7	162.7	174.1	180.5	182.5
Industrial Supplies Excl Petroleum	536.9	526.4	451.1	617.9	812.5	719.5	735.4	764.1	831.8	877.8
Motor Vehicles & Parts	158.8	163.1	129.4	146.4	159.7	179.6	168.1	157.8	164.9	173.3
Capital Goods, Excl. MVP	563.4	550.7	463.4	521.3	573.1	602.2	641.4	721.1	742.6	786.7
Computer Equipment	49.5	46.9	41.2	46.7	49.9	48.9	60.8	54.8	56.8	58.8
Other	383.2	377.8	350.1	394.8	428.7	440.0	453.7	520.7	535.6	572.6
Consumer Goods, Excl. MVP	205.5	205.0	174.2	221.8	245.0	259.8	256.0	234.0	234.6	250.2
Other Consumer	71.5	68.5	64.4	74.1	93.2	107.5	110.0	115.9	121.7	128.3
Services	868.8	893.7	728.5	804.1	931.8	996.0	1069.7	1133.4	1201.5	1271.8
Billions of Dollars										
Imports -Goods & Services	3131.2	3117.0	2776.5	3408.3	3966.2	3825.9	4009.7	4124.5	4291.8	4494.2
Merchandise	2559.0	2516.7	2305.1	2842.4	3262.4	3111.8	3258.2	3328.8	3453.6	3610.6
Food, Feed & Beverage	148.3	151.6	155.4	183.3	209.6	202.4	211.4	213.8	220.8	227.7
Petroleum & Products	238.9	207.4	125.2	216.2	309.1	261.7	270.3	259.4	266.2	282.4
Industrial Supplies Excl Petroleum	335.3	311.5	298.4	420.0	493.8	407.9	417.9	431.8	459.1	471.5
Motor Vehicles & Parts	372.0	375.3	309.9	346.5	399.9	460.3	474.1	458.2	491.9	525.4
Capital Goods, Excl. MVP	694.2	679.1	647.1	763.6	869.3	865.2	927.5	974.3	1050.5	1077.0
Computer Equipment	142.2	130.8	145.8	169.5	180.4	155.9	202.4	198.2	204.2	209.5
Other	496.7	485.5	456.4	552.6	641.2	654.0	659.3	702.0	768.5	787.1
Consumer Goods, Excl. MVP	647.7	655.3	640.7	768.2	842.5	764.2	805.6	838.9	808.5	862.3
Other Consumer	122.7	136.5	128.4	144.5	138.3	150.1	151.4	152.4	156.6	164.3
Services	572.1	600.3	471.4	565.9	703.8	714.1	751.5	795.6	838.1	883.6
Billions 2012 Dollars										
Net Exports Goods & Services	-864.9	-892.8	-918.3	-1233.1	-1377.6	-1244.7	-1319.5	-1359.4	-1408.6	-1462.7
Exports G & S	2562.0	2575.1	2237.0	2378.9	2544.5	2611.5	2676.5	2773.3	2882.0	2998.4
Imports G & S	3426.9	3467.9	3155.3	3612.0	3922.0	3856.2	3995.9	4132.6	4290.6	4461.1
Exports & Imports % Change										
Exports G & S	6.3	0.0	-15.3	18.6	17.5	1.1	3.8	5.0	5.4	5.6
Imports G & S	6.8	-0.5	-10.9	22.8	16.4	-3.5	4.8	2.9	4.1	4.7
Real Exports G & S	2.9	0.5	-13.1	6.3	7.0	2.6	2.5	3.6	3.9	4.0
Real Imports G & S	4.0	1.2	-9.0	14.5	8.6	-1.7	3.6	3.4	3.8	4.0

Sean Snaith, Ph.D., is the director of the University of Central Florida's Institute for Economic Forecasting 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."

Snaith is a member of several economic organizations and national economic forecasting panels, including *The Wall Street Journal's* Economic Forecasting Survey, the Associated Press' Economy Survey, CNNMoney.com's Survey of Leading Economists, *USA Today's* Survey of Top Economists, Federal Reserve Bank of Philadelphia's Survey of Professional Forecasters, Bloomberg and Reuters.

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