

National Economic Trends



Multiple Jobs, Multiple Counting

In the first seven months of 1998, household survey employment grew at an annual rate of only 0.4 percent, well below its 20-year average growth rate of 1.7 percent a year. Over that same seven-month period, non-farm payroll employment grew at an annual rate of 2.1 percent, close to its 20-year average annual growth rate. As the graph at the top of Page 10 shows, a gap between the growth rates of payroll and household employment has existed for at least four years now, and it appears to be widening again. Similar gaps existed in the late 1970s and late 1980s, though neither persisted as long as the current one. The chart below shows the cumulative effect of these gaps since 1978: a convergence in the paths of household and payroll employment that began in the late 1980s. Can we account for the gaps and convergence?

Because the household and payroll series measure different outcomes, it is not unusual to observe differences in their growth patterns. The household employment series counts the number of *people* who are employed (currently, about 131 million), including agricultural workers, unpaid family workers and the self-employed. The payroll employment series, on the other hand, counts the number of *jobs* that are filled by wage and salary employees at nonfarm establishments (about 126 million). Thus, a gap exists between the two series because of the differences in the types of workers they include.

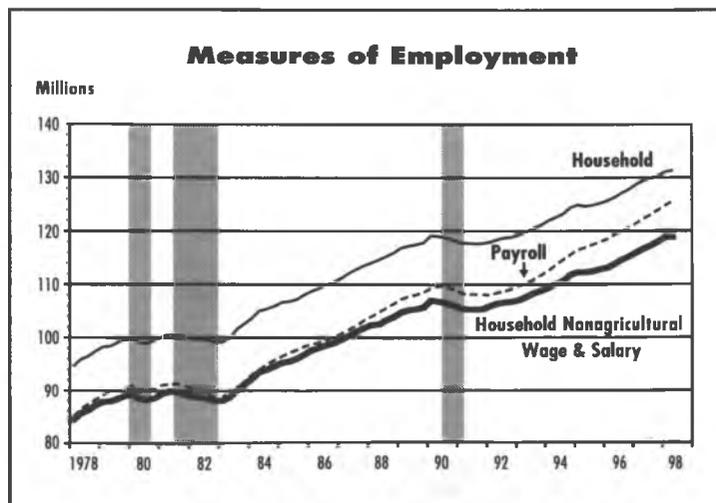
To adjust for this difference, the chart at right includes a third series that measures the number of wage and salary employees from the household survey who work at nonagricultural establishments (about 119 million workers). For most of the postwar era, this series tracked the payroll series closely, as would be expected. As the chart shows, however, this series has recently *not* been shadowing payroll

employment well; it is counting fewer workers. Where else can we look?

At multiple jobholders. Why? Because the payroll series, by counting jobs, double-counts people. And since labor markets are currently stretched about as thin as we have seen in decades, it is reasonable to believe that more people are working multiple jobs, thus driving up the growth rate of payroll employment while not affecting household employment. In fact, the data appear to show that the number of people working more than one job (about 8 million) has been increasing moderately since 1994, the earliest data available. Adding these workers to the level of household wage and salary workers stated above brings us close to the payroll employment level. (Workers with more than two jobs or jobs not on nonfarm payrolls distort this calculation.)

This answer may be too simple, though. Explaining the gap with multiple jobholders assumes that their importance has grown over time. But multiple jobholders' *share* of employment has remained pretty steady—around 6 percent—since 1994. So might multiple jobholders explain the earlier gaps? Perhaps, but, unfortunately, we are hindered by the lack of data.

—Adam M. Zaretsky



Views expressed do not necessarily reflect official positions of the Federal Reserve System

Table of Contents

Page	
3	Economy at a glance
4	Output and growth
7	Interest rates
8	Inflation and prices
10	Labor markets
12	Consumer spending
14	Investment spending
16	Government revenues, spending, and debt
18	International trade
20	Productivity and profits
22	Quick reference tables
27	Notes and sources

Conventions used in this publication:

1. Charts and tables contain data that were current on August 31, 1998.
2. Shaded areas indicate recessions, as determined by the National Bureau of Economic Research.
3. *Percent change* refers to simple percent changes. *Percent change from year ago* refers to the percent change from the same month or quarter in the previous year. The *percent change at annual rate* shows what the growth rate would be over an entire year if the same simple percent change continued for four quarters or twelve months. The percent change at annual rate of X between the previous quarter $t-1$ and the current quarter t is:

$$100 \times \left[\left(\frac{X_t}{X_{t-1}} \right)^4 - 1 \right]$$

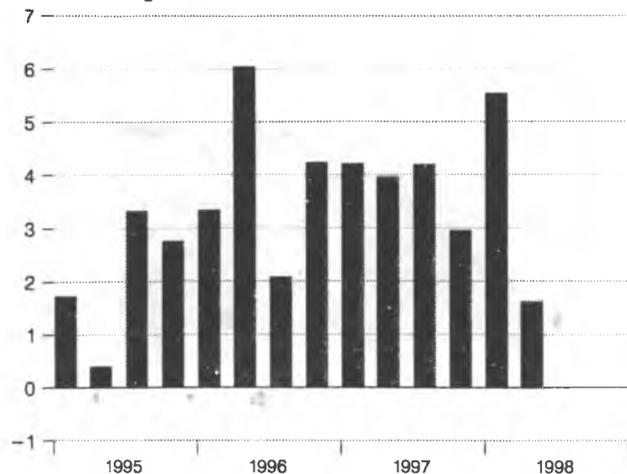
For monthly data replace 4 with 12.

4. All data with significant seasonal patterns are seasonally adjusted, unless labeled NSA.

National Economic Trends is published monthly by the Research Division of the Federal Reserve Bank of St. Louis. Single-copy subscriptions are available free of charge by writing Public Affairs Office, Federal Reserve Bank of St. Louis, Post Office Box 442, St. Louis, MO 63166-0442 or by calling (314) 444-8808 or (314) 444-8809. Subscription forms can also be filled out electronically at <http://www.stls.frb.org/research/order/pubform.html>. For more information on data, please call (314) 444-8573. Information in this publication is also included in the Federal Reserve Economic Data (FRED) electronic bulletin board at (314) 621-1824 or internet World Wide Web server at <http://www.stls.frb.org/fred>. The entire publication is also available electronically at <http://www.stls.frb.org/publications/net>.

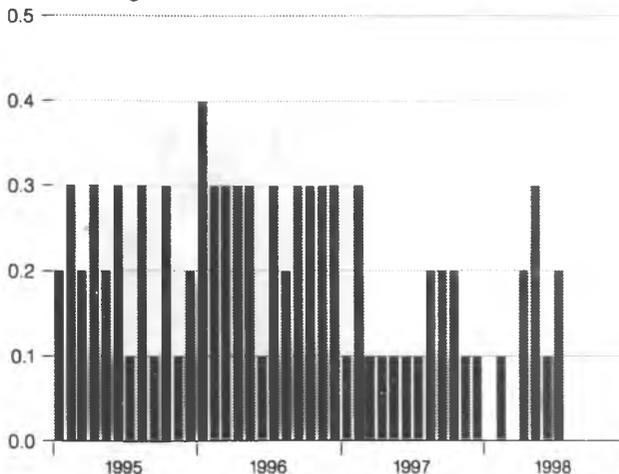
Real GDP Growth

Percent change at annual rate



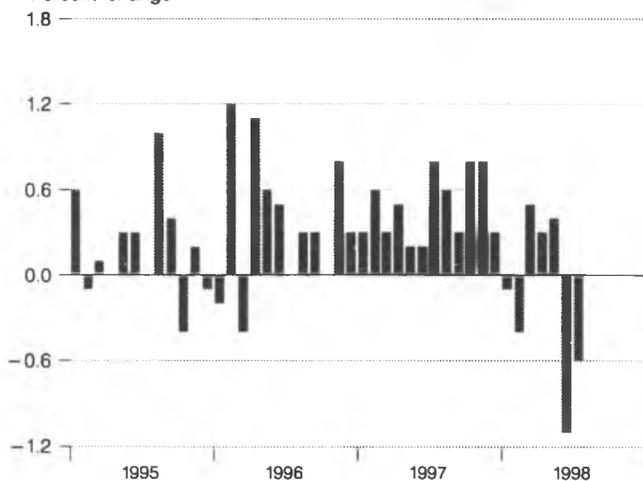
Consumer Price Index

Percent change



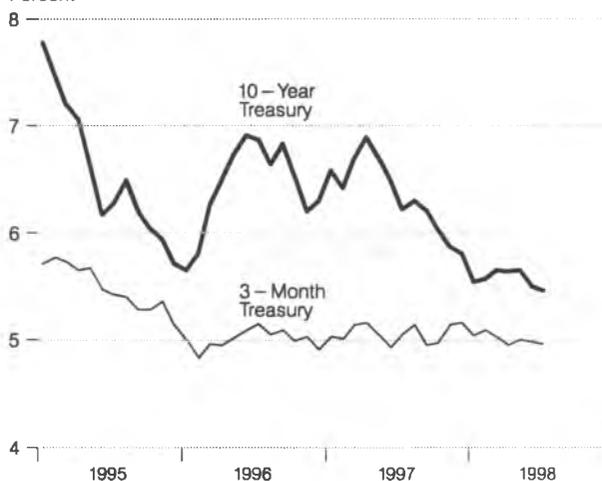
Industrial Production

Percent change



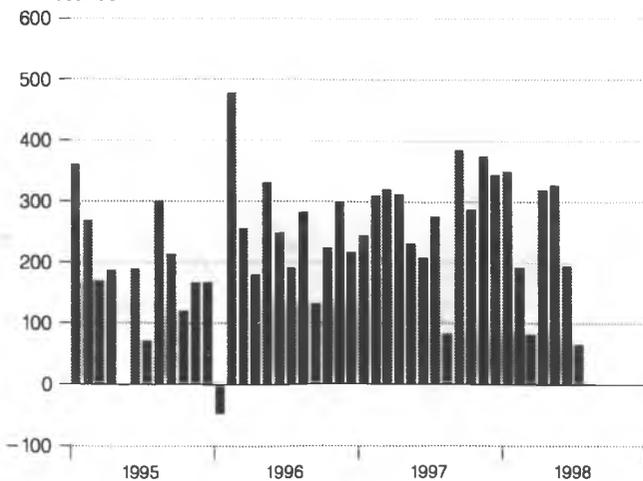
Interest Rates

Percent



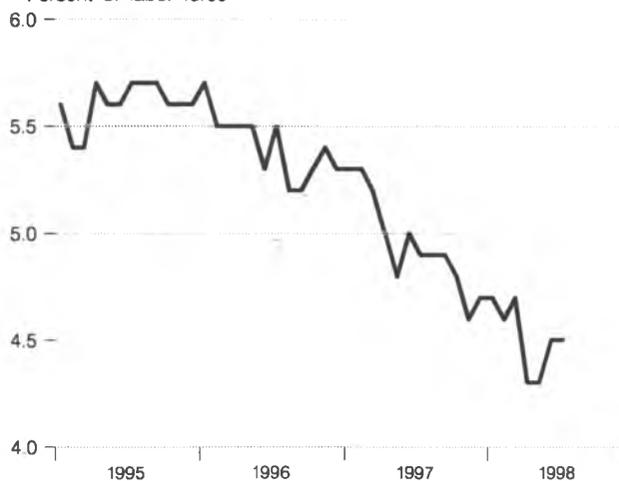
Change in Nonfarm Payrolls

Thousands



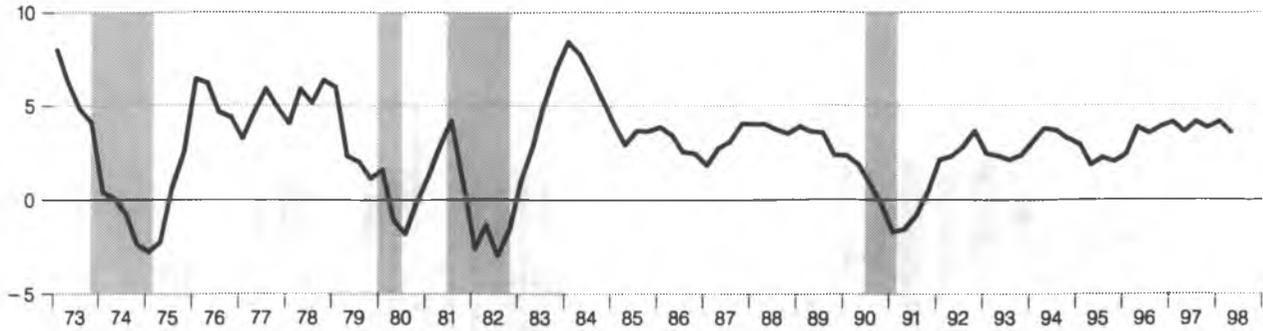
Unemployment Rate

Percent of labor force



Real Gross Domestic Product

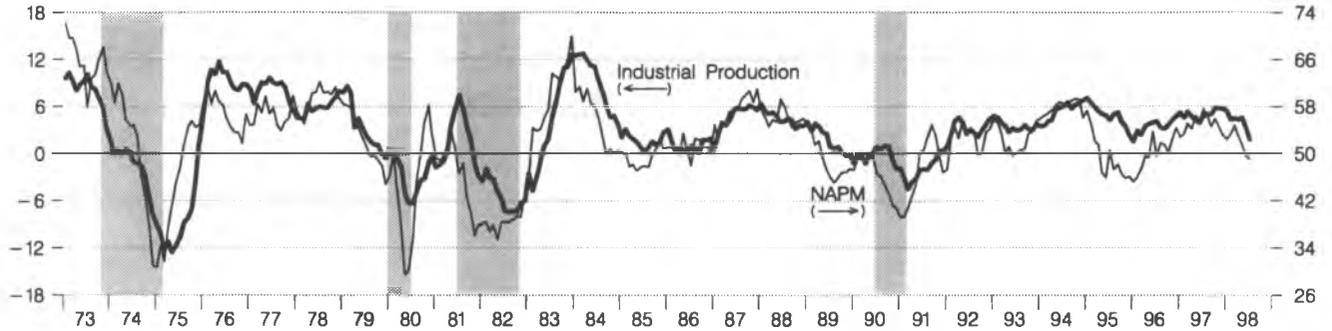
Percent change from year ago



Industrial Production and Purchasing Managers' (NAPM) Indexes

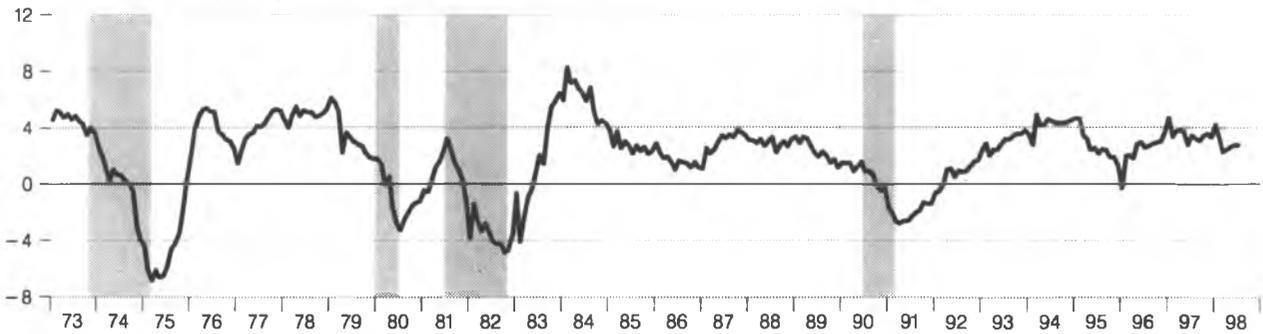
Percent change from year ago

Index



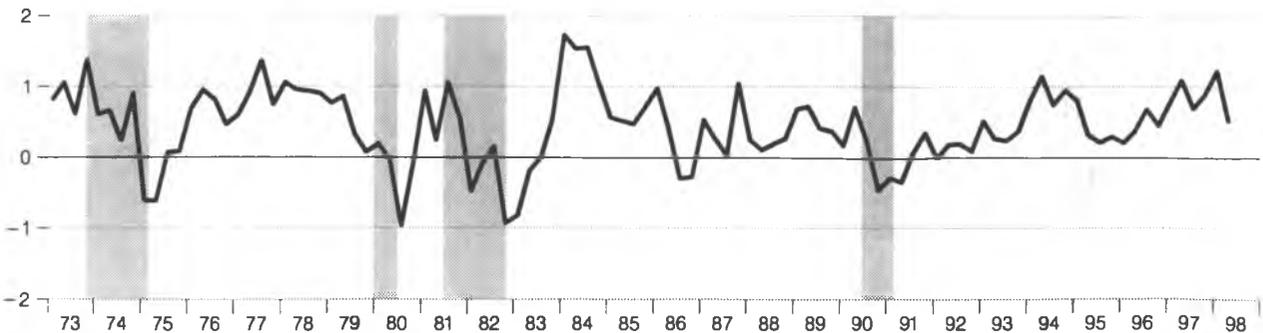
Aggregate Private Nonfarm Hours

Percent change from year ago



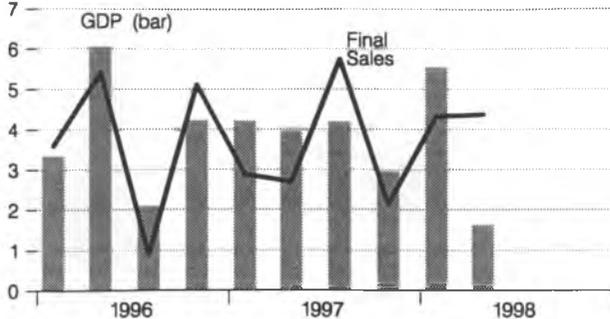
Real Change in Business Inventories

Percent of GDP



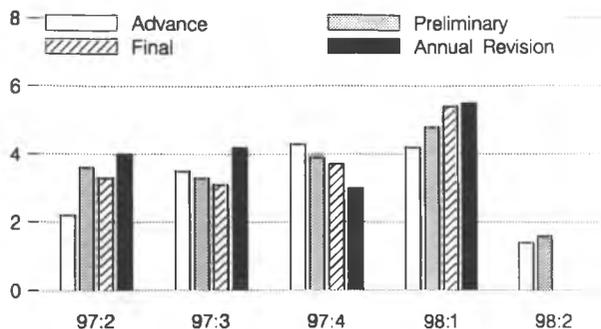
Real Final Sales and GDP

Percent change at annual rate



Real GDP Revisions

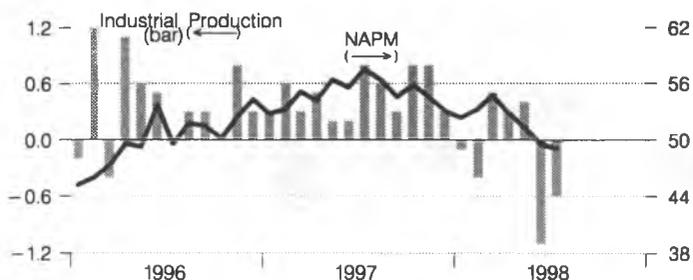
Percent change at annual rate



Industrial Production and NAPM Index

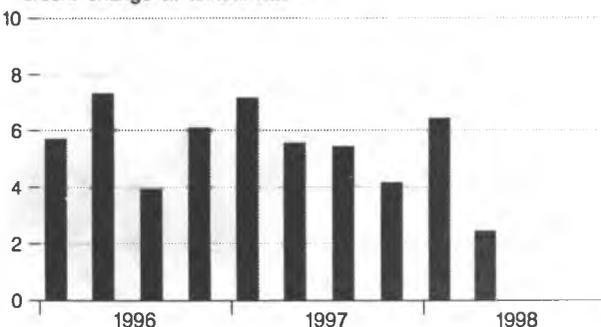
Percent change

Index



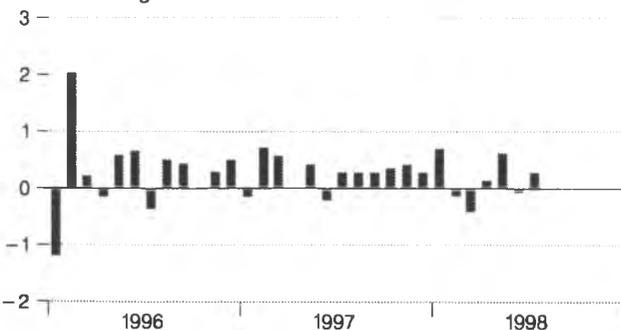
Nominal Gross Domestic Product

Percent change at annual rate



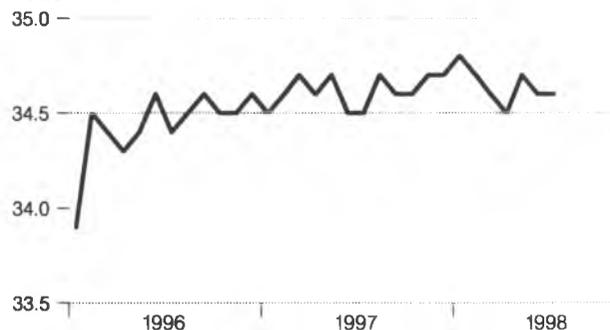
Aggregate Private Nonfarm Hours

Percent change



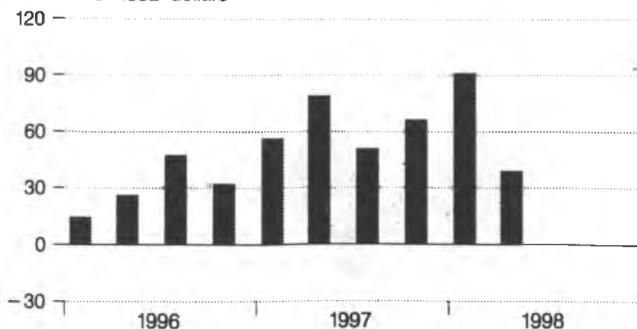
Average Weekly Private Nonfarm Hours

Hours



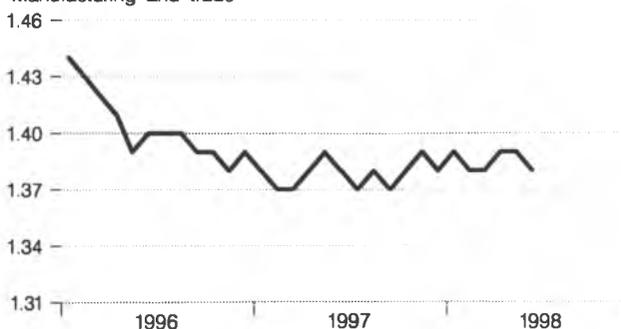
Real Change In Business Inventories

Billions of 1992 dollars



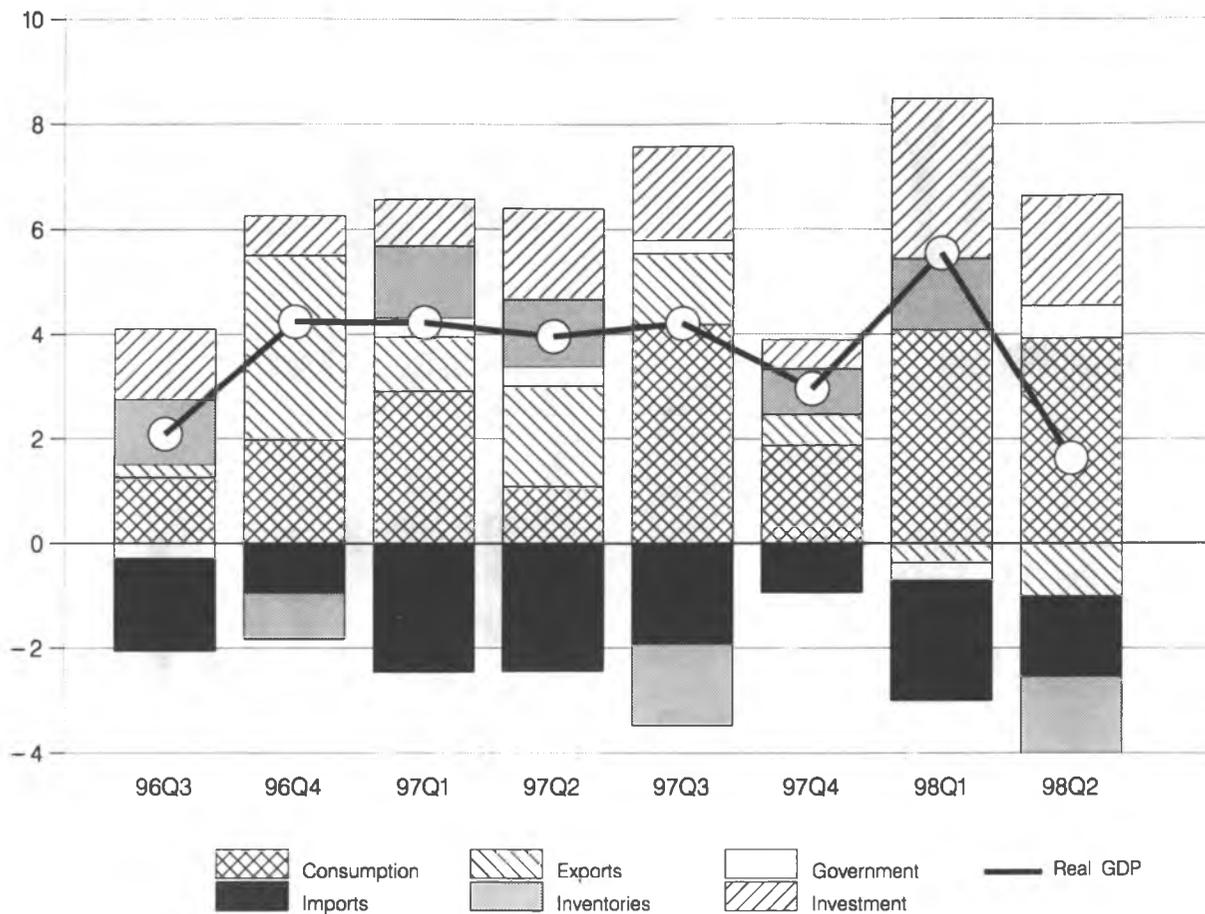
Inventory-Sales Ratio

Manufacturing and trade



Contribution of Components to Real GDP Growth

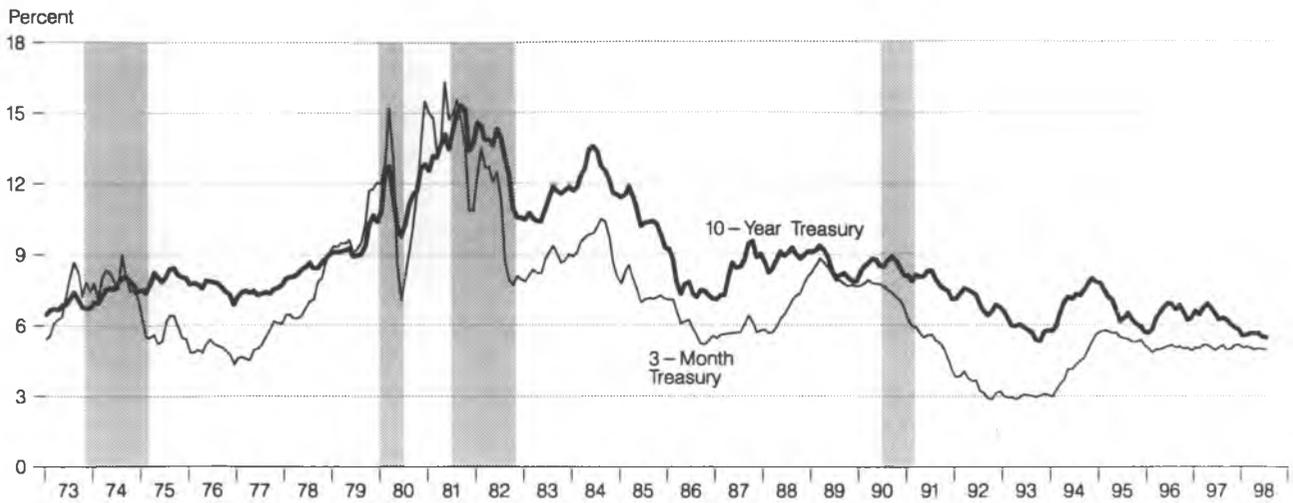
Percent change at annual rate



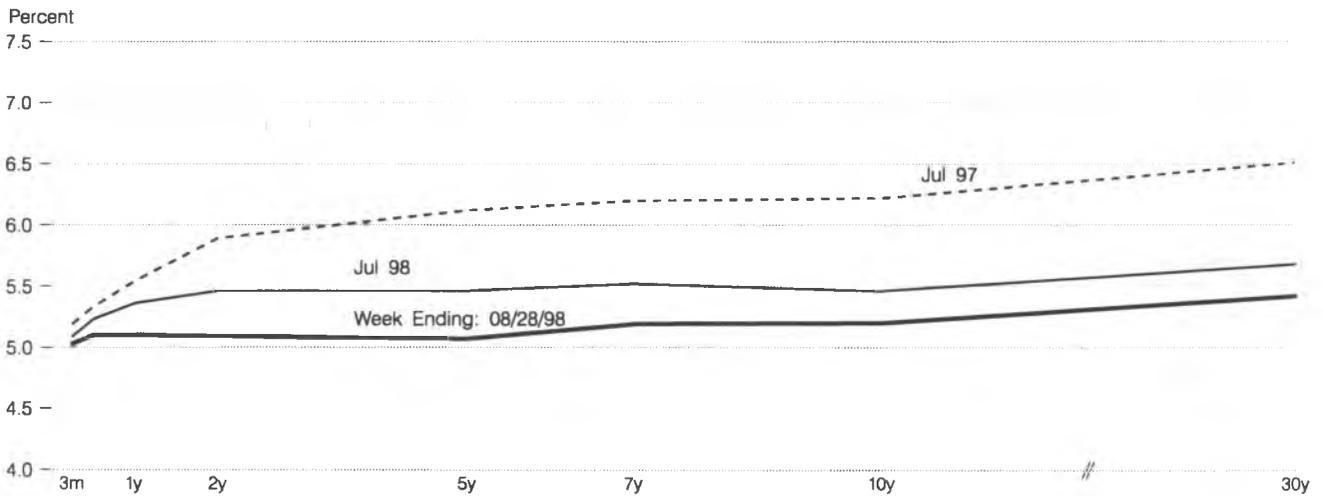
Contributions to Real GDP Growth Rate

	1996		1997				1998	
	3rd	4th	1st	2nd	3rd	4th	1st	2nd
Real GDP	2.08	4.23	4.21	3.95	4.20	2.95	5.55	1.63
Final Sales	0.90	5.08	2.86	2.68	5.69	2.13	4.28	4.32
Change in Inventory	1.23	-0.87	1.37	1.28	-1.54	0.85	1.36	-2.77
Consumption	1.25	1.97	2.90	1.08	4.17	1.87	4.08	3.93
Fixed Investment	1.36	0.76	0.89	1.74	1.80	0.56	3.05	2.08
Nonresidential	1.48	0.97	0.78	1.53	1.89	0.22	2.50	1.51
Residential	-0.07	-0.16	0.12	0.23	-0.02	0.31	0.58	0.56
Government	-0.29	0.00	0.37	0.38	0.25	0.02	-0.33	0.62
Federal	-0.32	-0.43	-0.18	0.23	-0.08	-0.13	-0.56	0.39
State and Local	0.04	0.43	0.55	0.15	0.33	0.15	0.23	0.23
Net Exports	-1.52	2.54	-1.44	-0.56	-0.60	-0.36	-2.66	-2.54
Exports	0.25	3.53	1.04	1.92	1.36	0.59	-0.38	-1.01
Imports	-1.77	-0.96	-2.46	-2.45	-1.94	-0.94	-2.29	-1.53
Residual	0.00	-0.24	0.10	-0.02	0.06	0.02	0.03	0.43

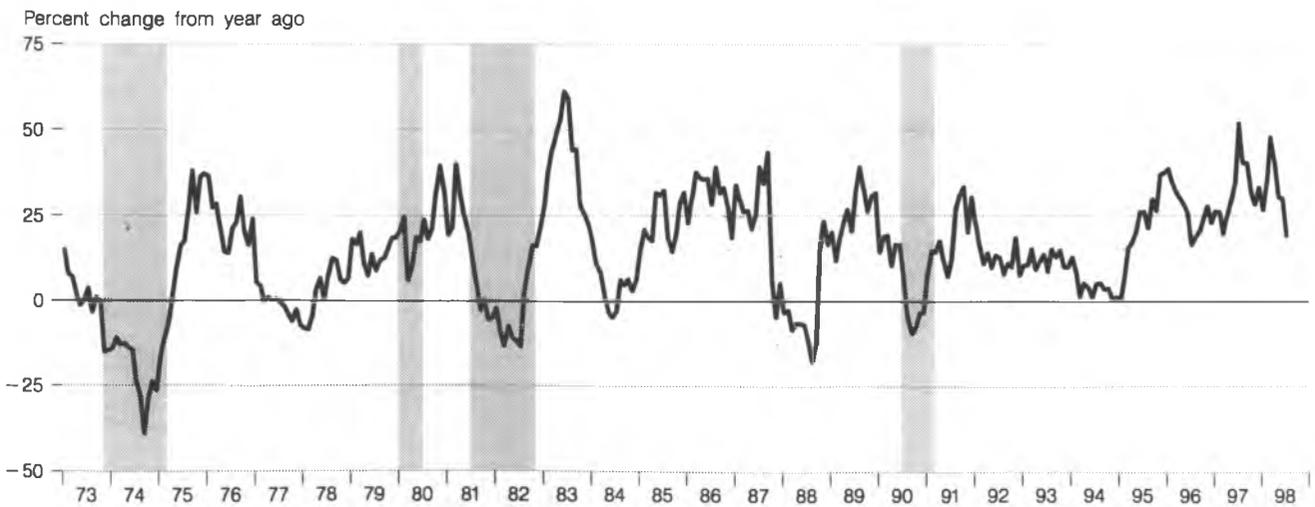
Interest Rates



Treasury Yield Curve

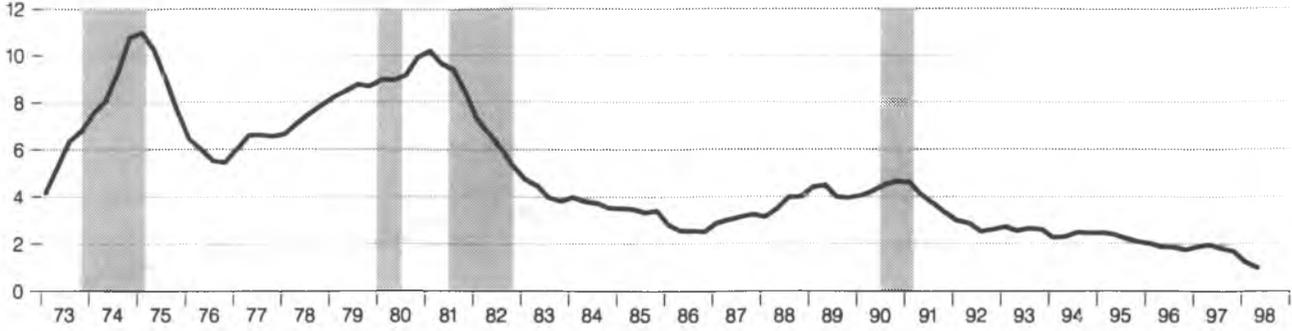


Standard and Poor's 500 Index with Reinvested Dividends



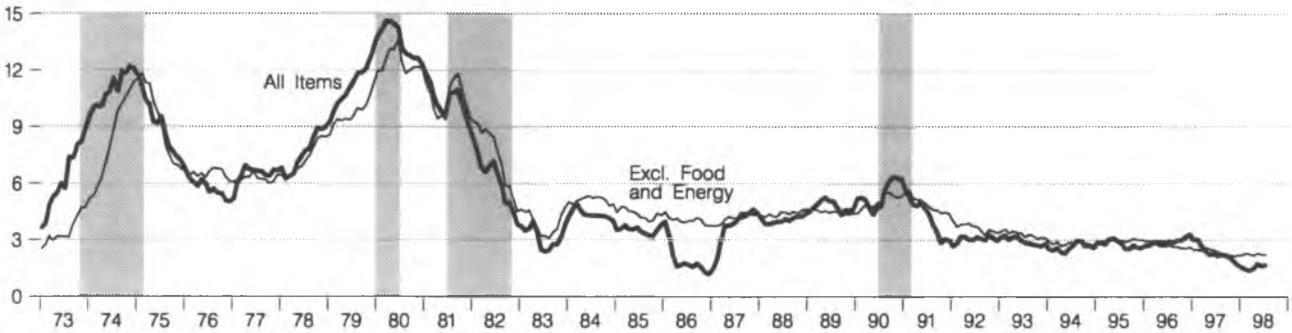
GDP Chain Price Index

Percent change from year ago



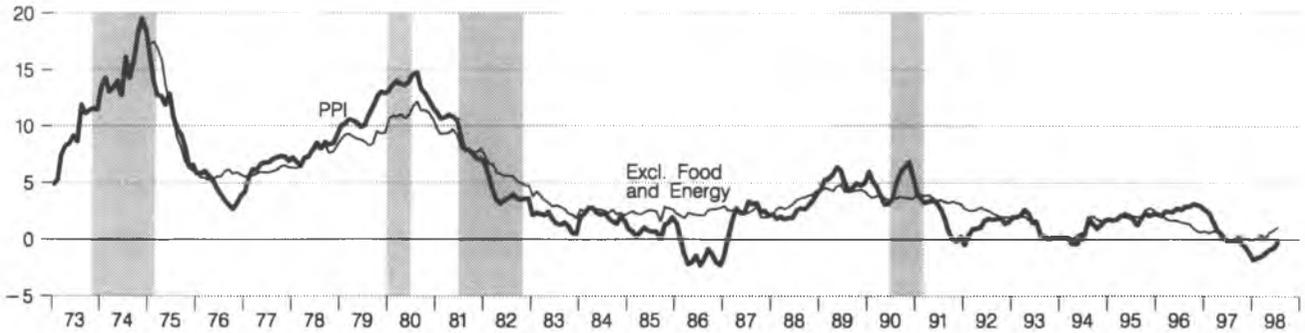
Consumer Price Index

Percent change from year ago



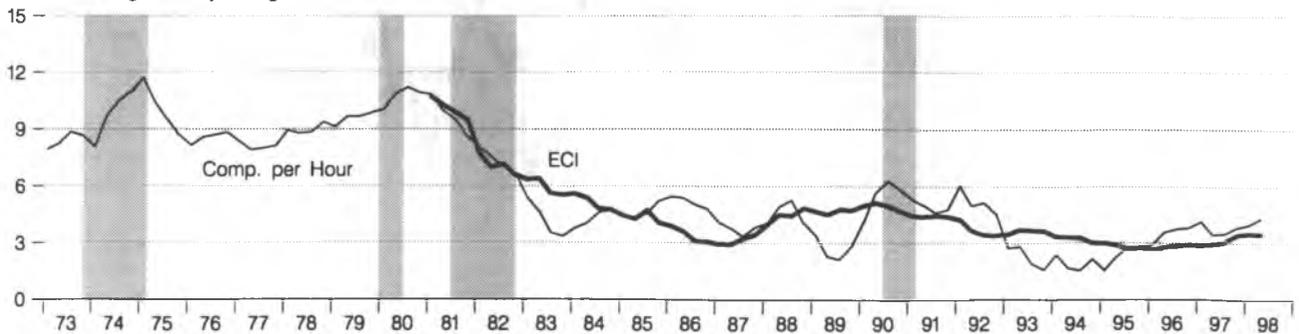
Producer Price Index, Finished Goods

Percent change from year ago



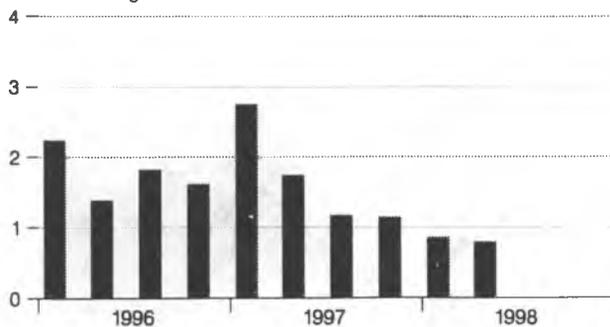
Employment Cost Index and Compensation per Hour

Percent change from year ago



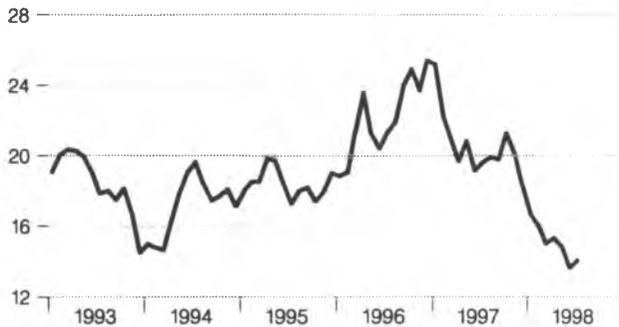
GDP Chain Price Index

Percent change at annual rate



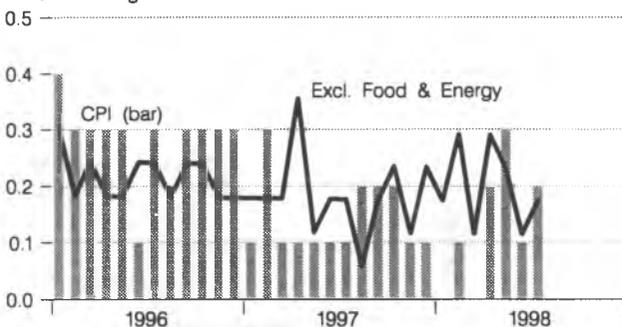
Crude Oil Price

Dollars per barrel



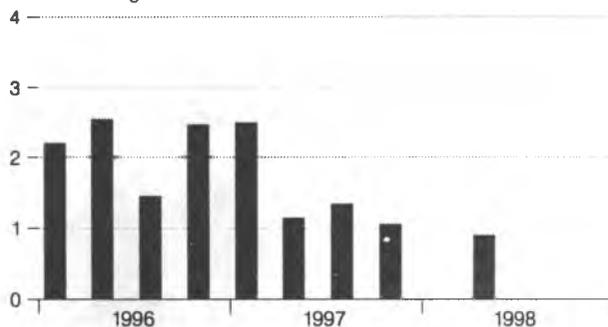
Consumer Price Index

Percent change



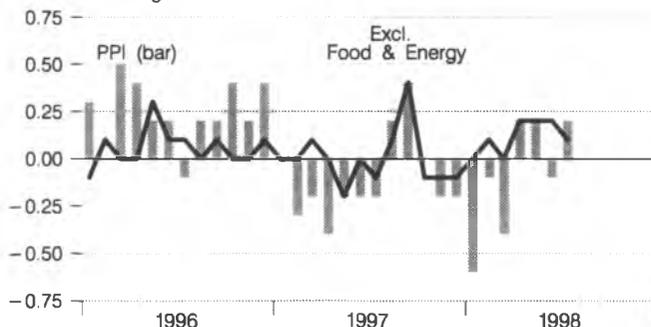
Consumption Chain Price Index

Percent change at annual rate



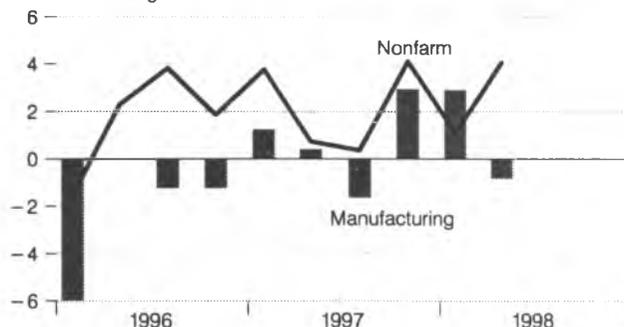
Producer Price Index, Finished Goods

Percent change



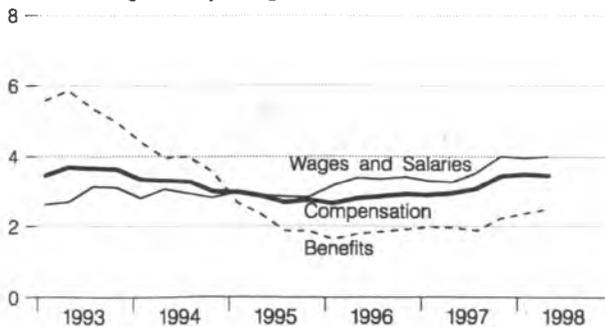
Unit Labor Cost

Percent change at annual rate



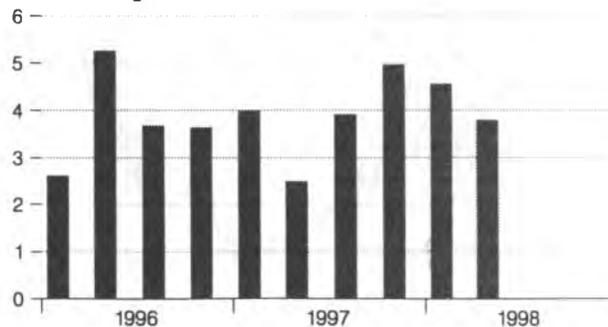
Employment Cost Index

Percent change from year ago



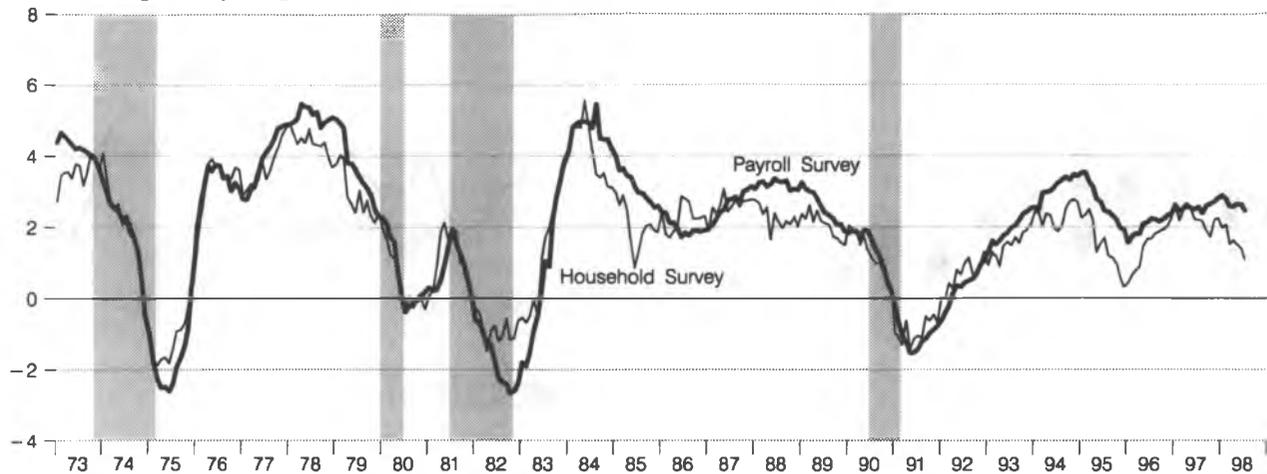
Compensation per Hour

Percent change at annual rate



Employment

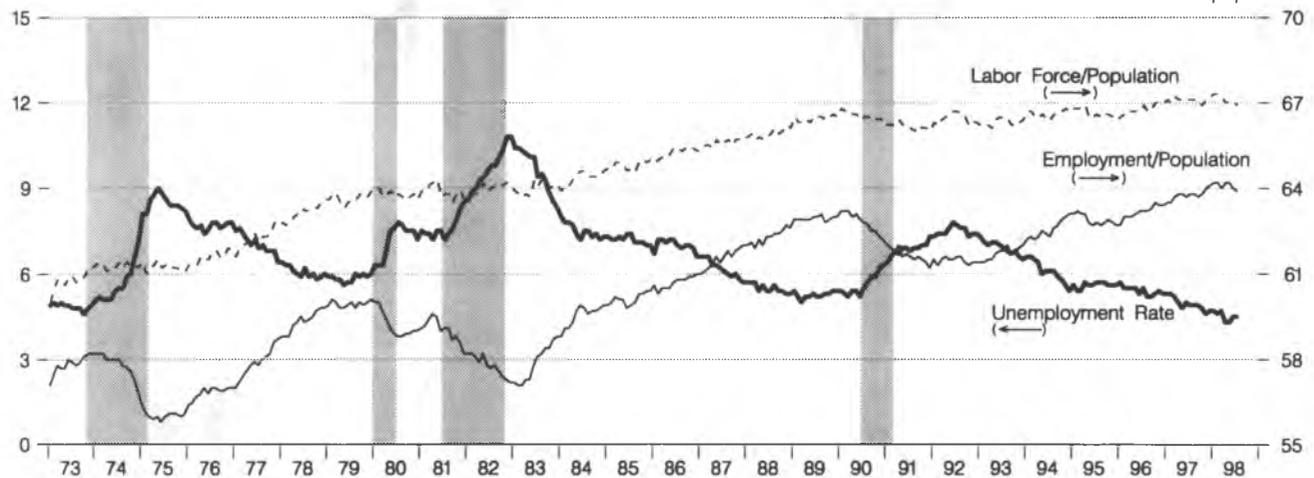
Percent change from year ago



Unemployment, Labor Force Participation and Employment Rates

Percent of labor force

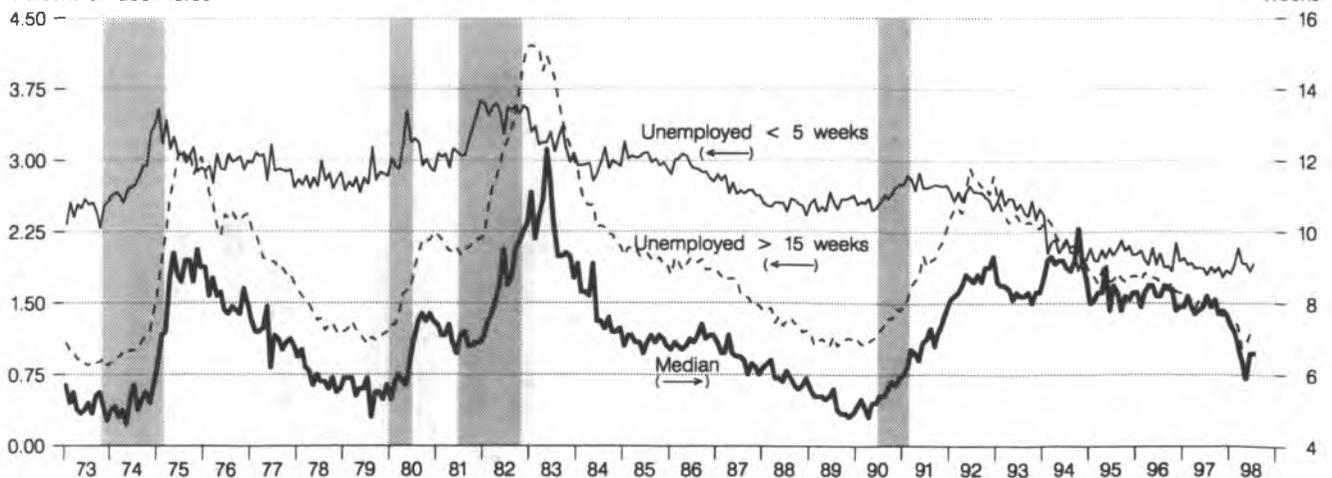
Percent of population



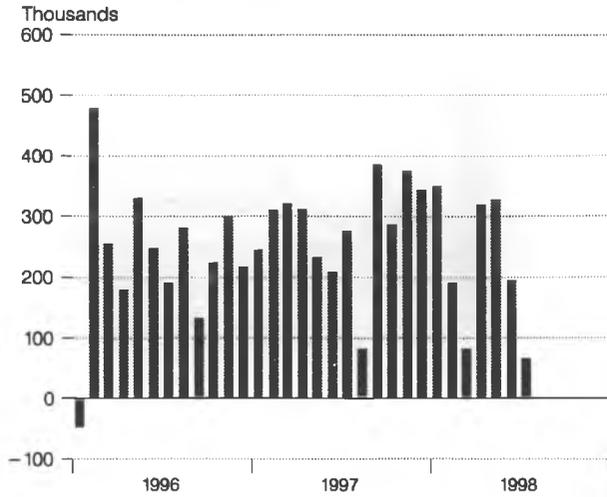
Duration of Unemployment

Percent of labor force

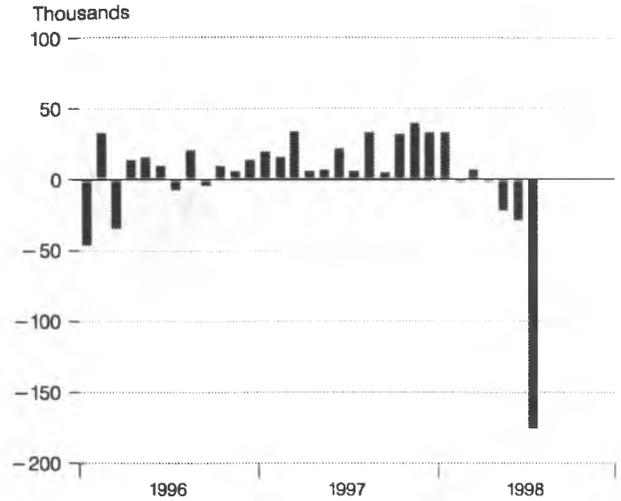
Weeks



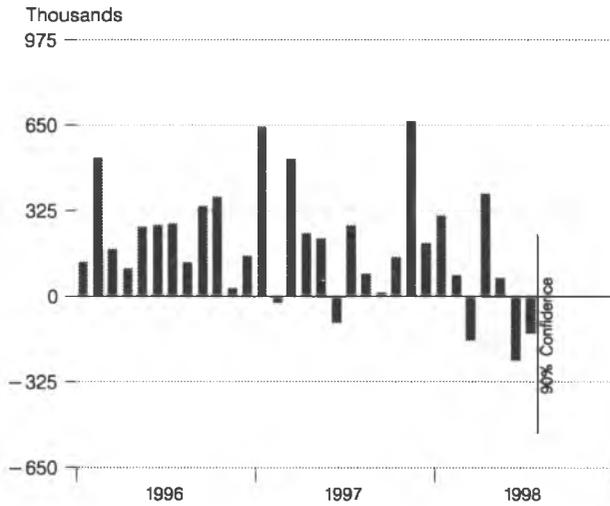
Change in Nonfarm Payrolls



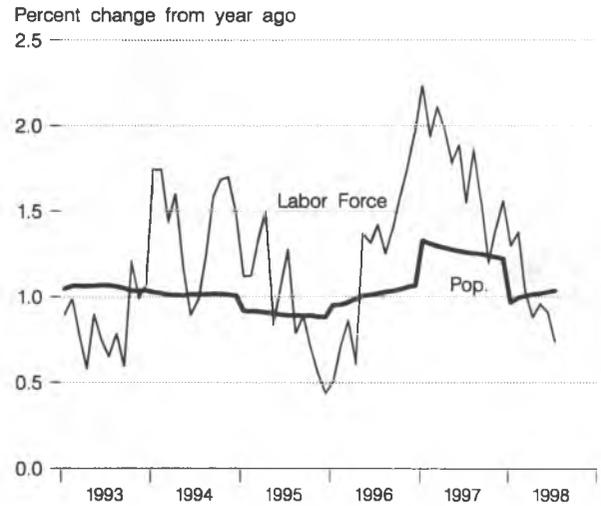
Change in Manufacturing Payrolls



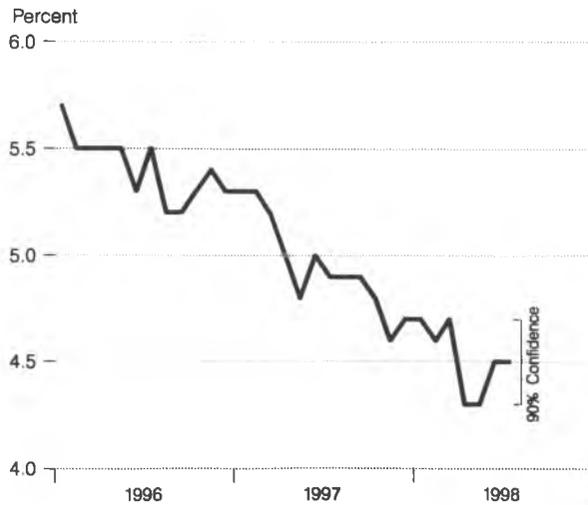
Change in Household Employment



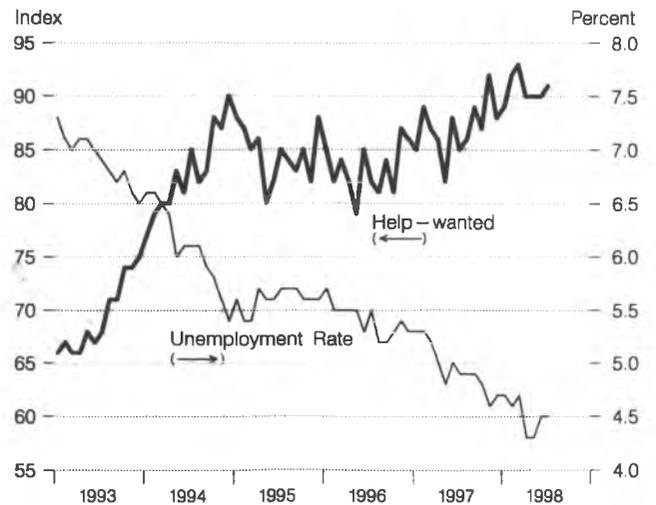
Labor Force and Population



Unemployment Rate

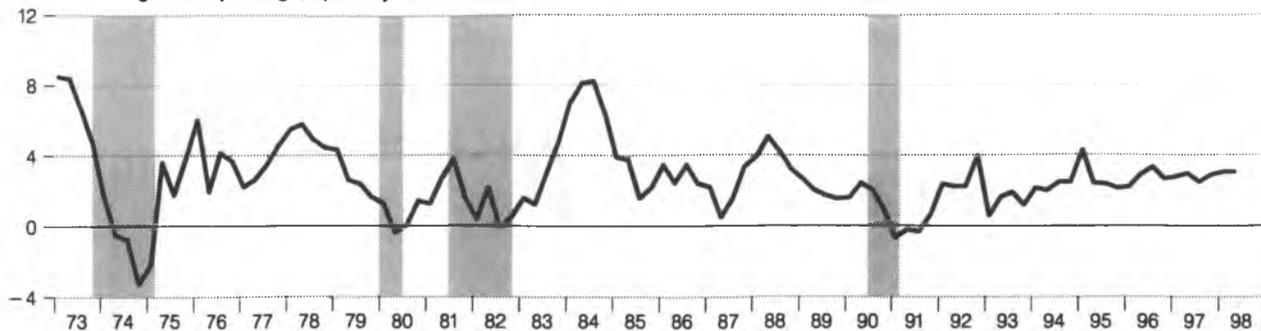


Help-Wanted Advertising



Real Disposable Income

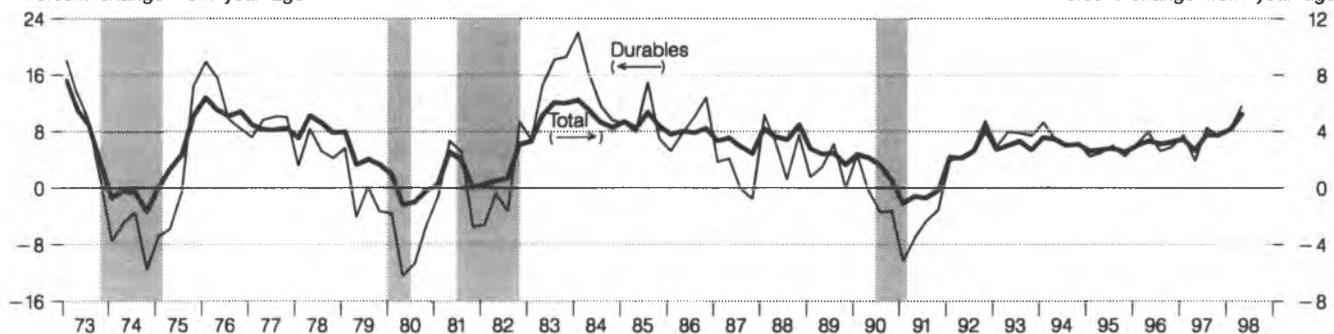
Percent change from year ago, quarterly data



Real Consumption

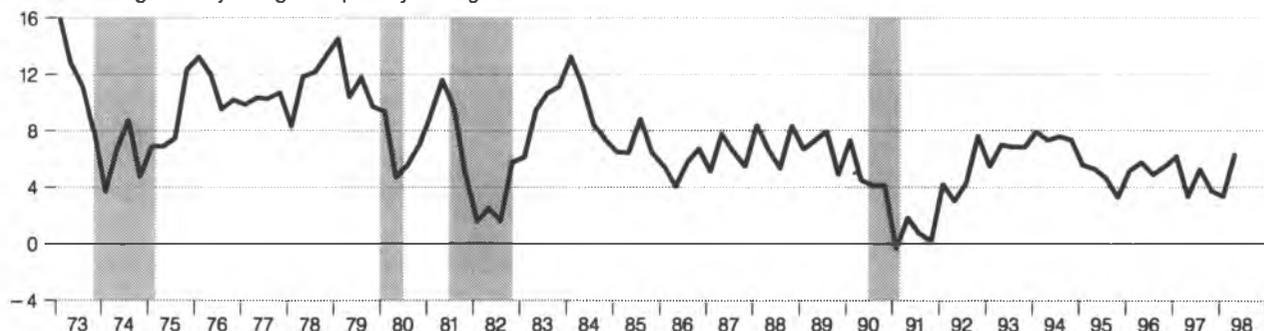
Percent change from year ago

Percent change from year ago



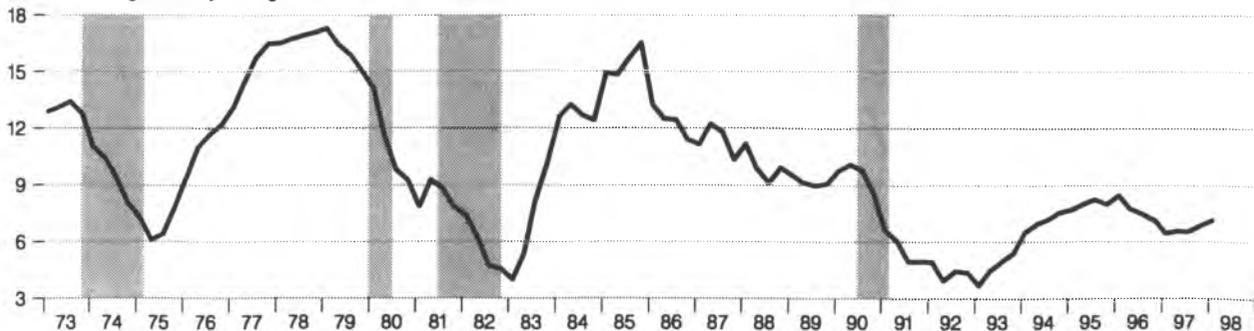
Retail Sales

Percent change from year ago of quarterly average

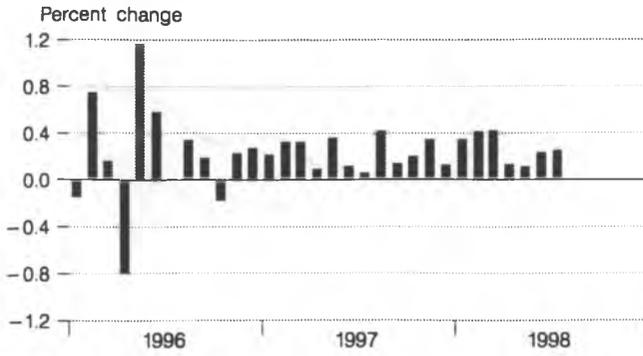


Household Debt Outstanding

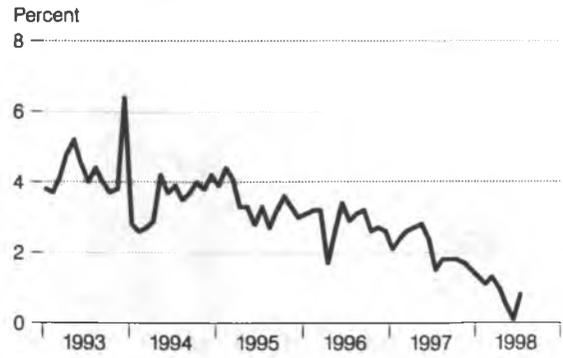
Percent change from year ago



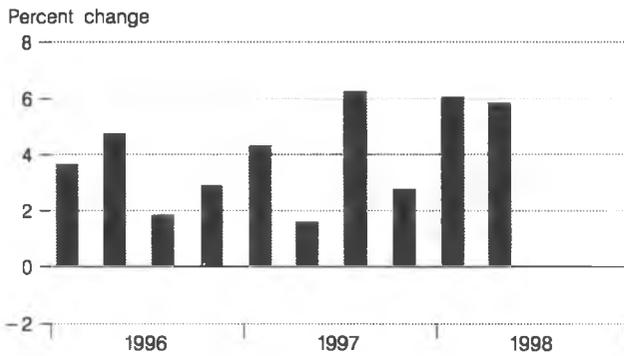
Real Disposable Income



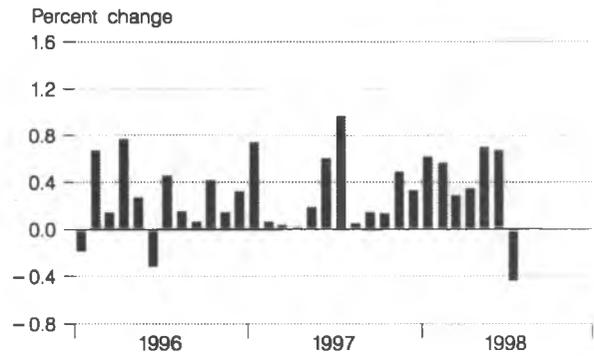
Personal Saving Rate



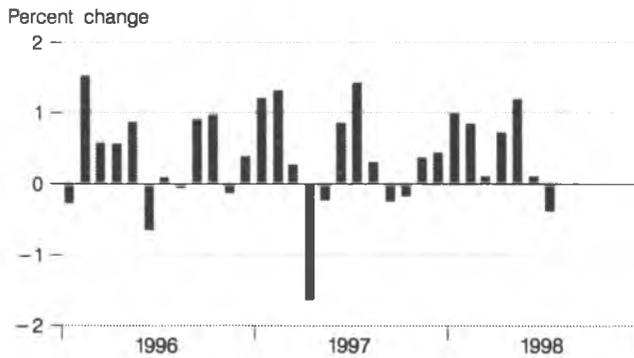
Real Consumption



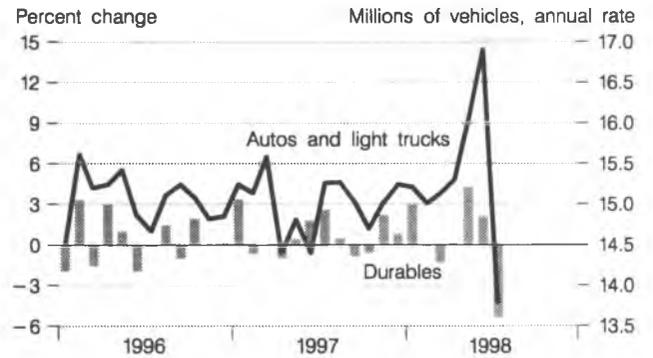
Real Consumption



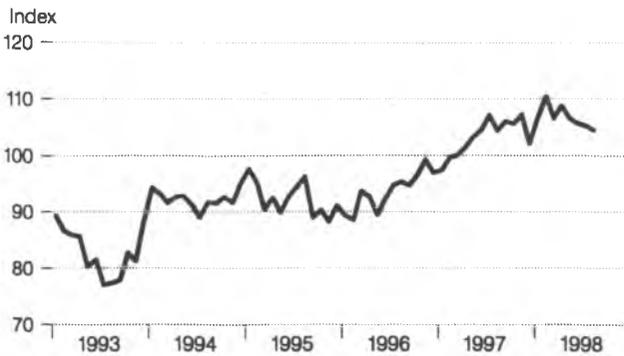
Retail Sales



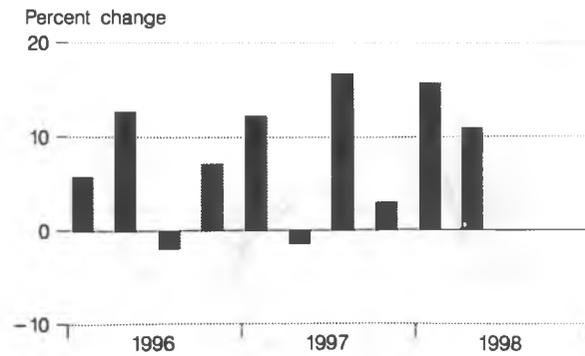
Real Durables Consumption and Vehicle Sales



Consumer Sentiment (U. of Michigan)

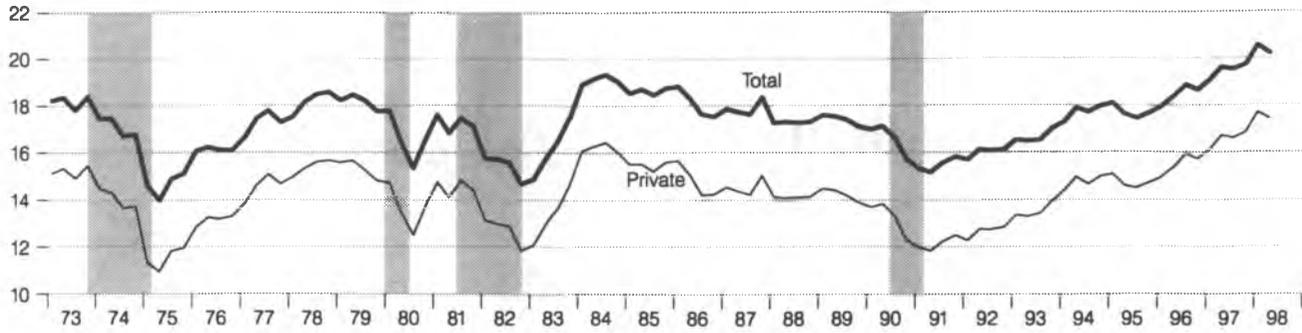


Real Durables Consumption



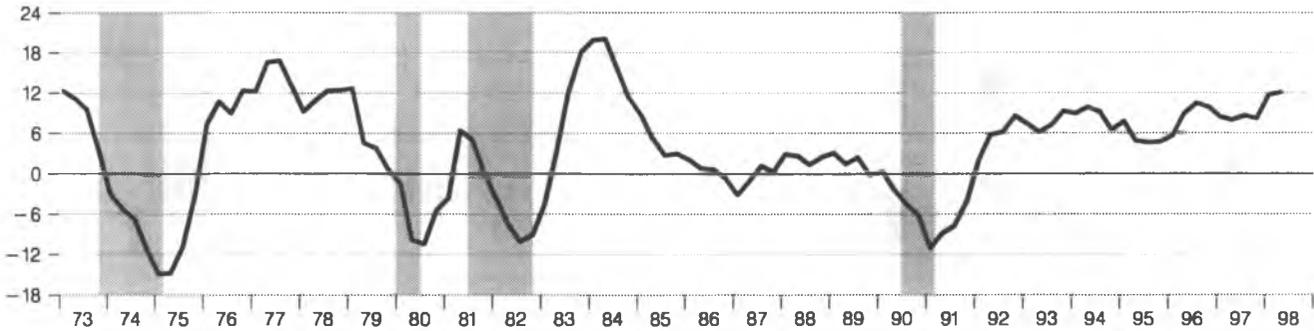
Real Investment

Percent of GDP



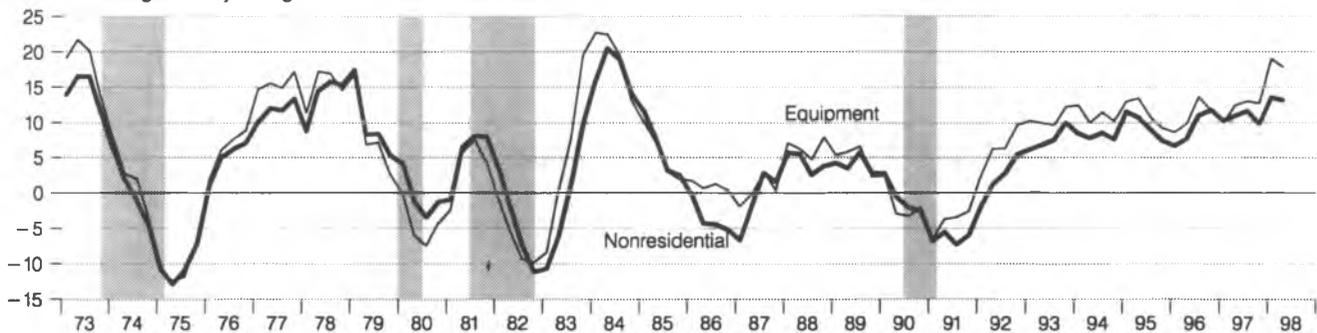
Real Private Fixed Investment

Percent change from year ago



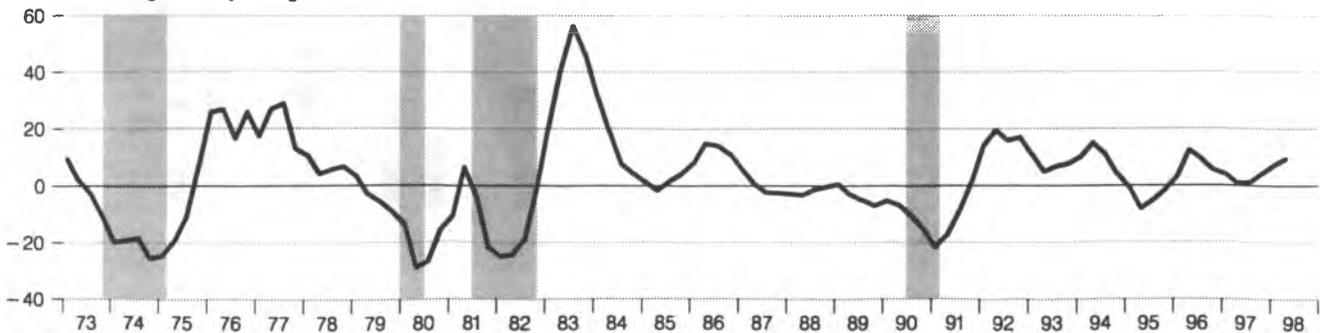
Real Nonresidential and Producers Durable Equipment Investment

Percent change from year ago

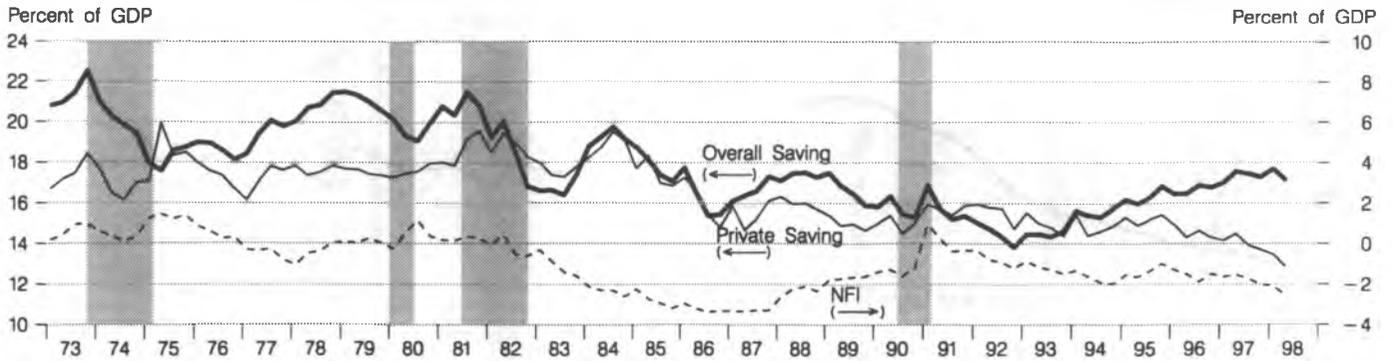


Real Residential Investment

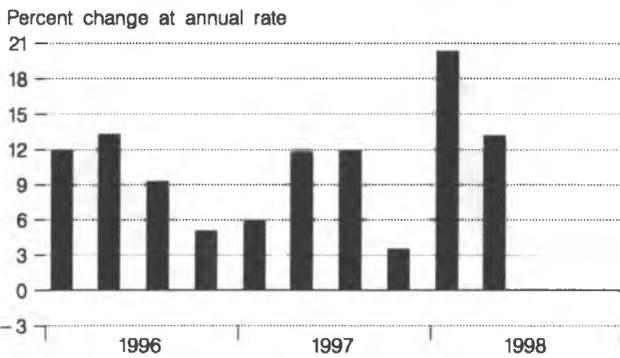
Percent change from year ago



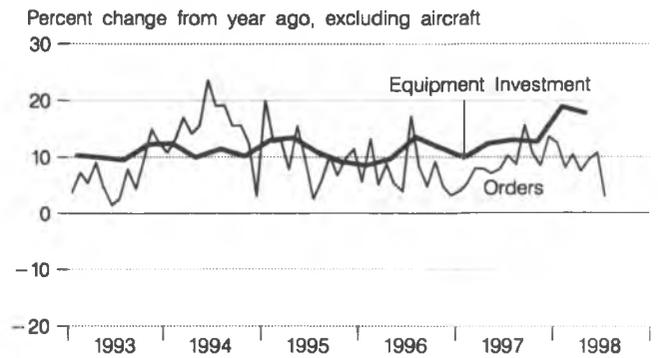
Gross Saving Rates and Net Foreign Investment



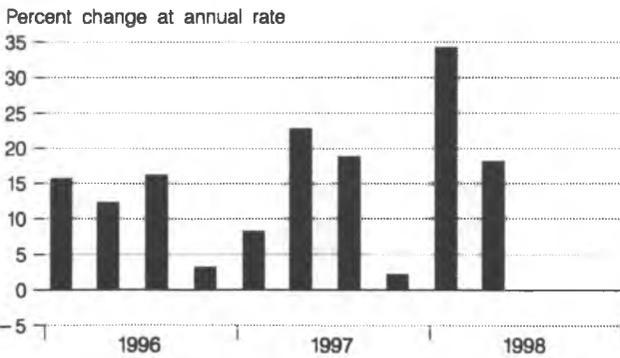
Real Private Fixed Investment



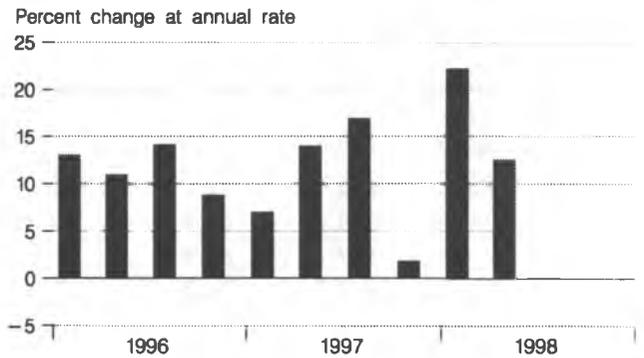
Nondefense Capital Goods Orders



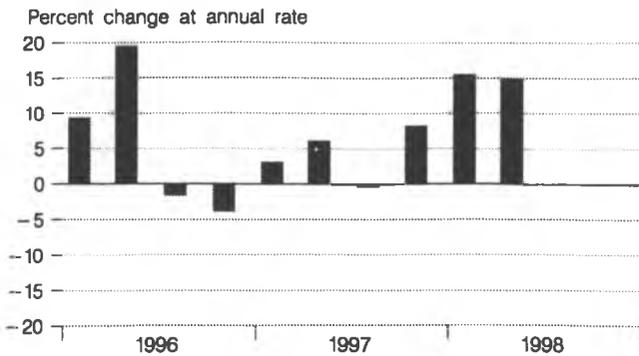
Real Equipment Investment



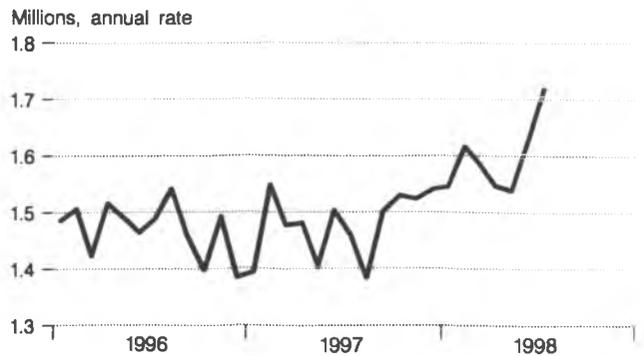
Real Nonresidential Investment



Real Residential Investment

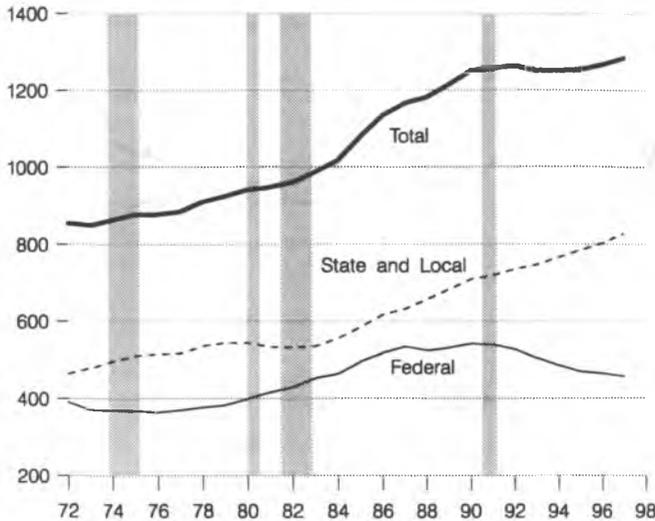


Housing Starts



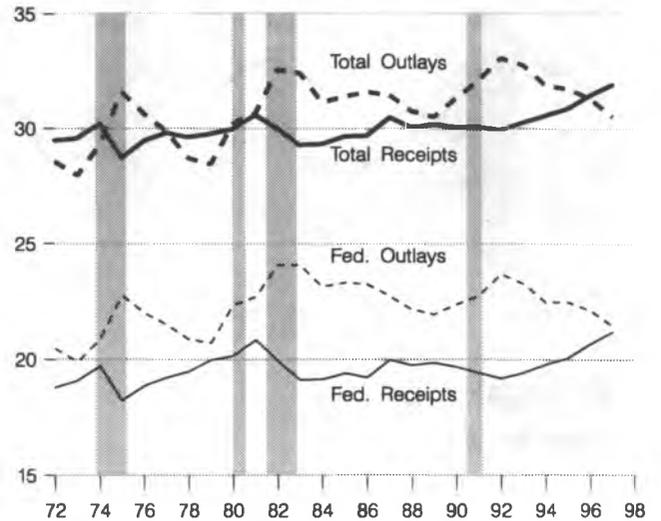
Govt. Consumption and Investment

Billions of 1992 dollars



Government Receipts and Outlays

Percent of GDP



Government Budgets

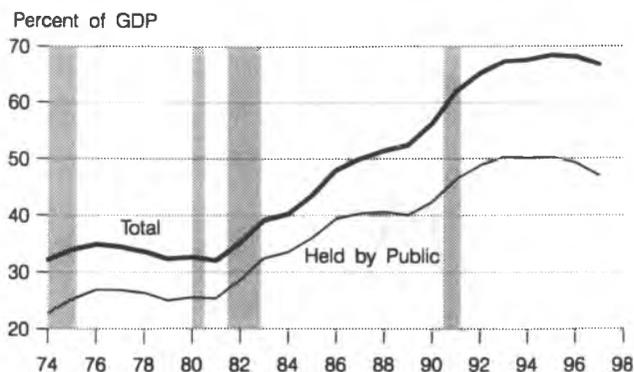
Billions of dollars

National Income Accounts Calendar Years

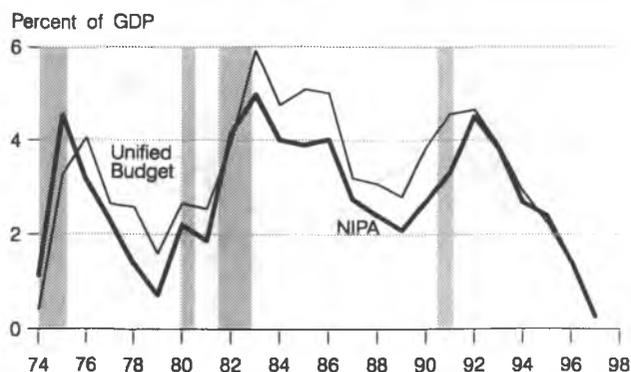
Unified Budget Fiscal Years

	State and Local			Federal			Federal		
	Receipts	Expenditures	Surplus or Deficit(-)	Receipts	Expenditures	Surplus or Deficit(-)	Receipts	Outlays	Surplus or Deficit(-)
1975	225.6	198.0	27.6	297.4	371.3	-73.9	279.1	332.3	-53.2
1976	253.9	217.9	36.0	343.1	400.3	-57.2	298.1	371.8	-73.7
1977	281.9	237.1	44.8	389.6	435.9	-46.3	355.6	409.2	-53.7
1978	309.3	256.7	52.6	446.5	478.1	-31.6	399.6	458.7	-59.2
1979	330.6	278.3	52.3	511.1	529.5	-18.4	463.3	504.0	-40.7
1980	361.4	307.0	54.4	561.5	622.5	-61.0	517.1	590.9	-73.8
1981	390.8	335.4	55.4	649.3	707.1	-57.8	599.3	678.2	-79.0
1982	409.0	357.7	51.3	646.4	781.0	-134.6	617.8	745.8	-128.0
1983	443.6	378.8	64.8	671.9	846.3	-174.4	600.6	808.4	-207.8
1984	492.0	405.1	86.9	746.9	902.9	-156.0	666.5	851.9	-185.4
1985	528.7	437.8	90.9	811.3	974.2	-162.9	734.1	946.4	-212.3
1986	570.6	475.7	94.9	850.1	1027.6	-177.5	769.2	990.5	-221.2
1987	594.9	511.1	83.8	937.4	1066.3	-128.9	854.4	1004.1	-149.8
1988	631.4	545.5	85.9	997.2	1118.5	-121.3	909.3	1064.5	-155.2
1989	681.0	585.9	95.1	1079.3	1192.7	-113.4	991.2	1143.7	-152.5
1990	728.9	648.8	80.1	1129.8	1284.5	-154.7	1032.0	1253.2	-221.2
1991	784.2	708.4	75.8	1149.0	1345.0	-196.0	1055.0	1324.4	-269.4
1992	844.3	758.0	86.3	1198.5	1479.4	-280.9	1091.3	1381.7	-290.4
1993	894.4	807.0	87.4	1275.1	1525.7	-250.6	1154.4	1409.4	-255.0
1994	949.2	852.3	96.9	1374.8	1561.4	-186.6	1258.6	1461.7	-203.1
1995	997.7	886.0	111.7	1460.3	1634.7	-174.4	1351.8	1515.7	-163.9
1996	1045.2	922.6	122.6	1584.7	1695.0	-110.3	1453.1	1560.5	-107.5
1997	1094.3	960.1	134.2	1719.9	1741.0	-21.1	1579.3	1601.2	-21.9

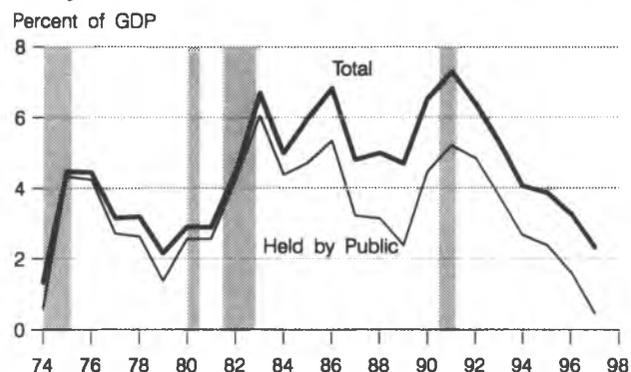
Federal Debt



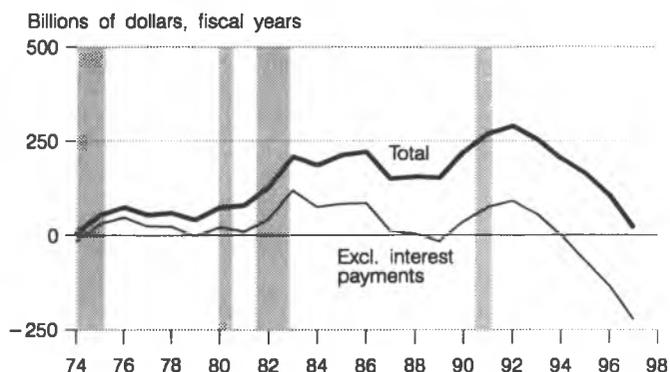
Federal Deficit



Change in Federal Debt



Federal Deficit, Unified Basis



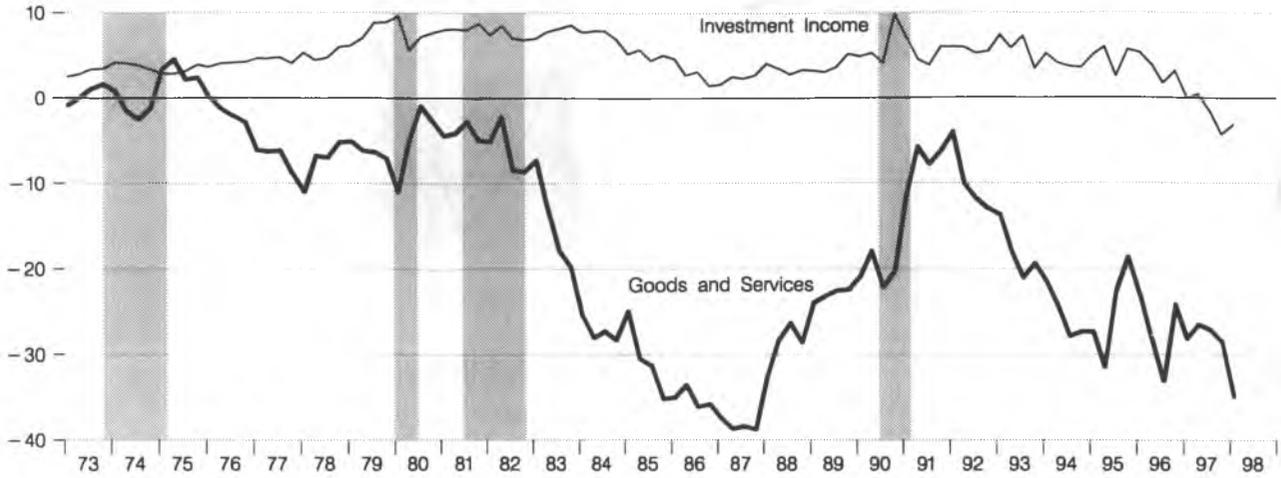
Federal Government Debt

Billions of dollars, end of month or fiscal year, excluding agency-issued debt

	Total Public Debt	Held by Agencies and Trusts	Held by Public		Held by Private Investors	
			Total	Federal Reserve Banks	Total	Foreign and International
1994	4692.8	1213.1	3479.7	355.2	3127.8	655.8
1995	4974.0	1320.8	3653.2	374.1	3279.5	848.4
1996	5224.8	1447.0	3777.8	390.9	3386.2	1026.1
1997	5413.1	1598.5	3814.7	436.5	3388.9	1266.0
1995						
March	4864.1	1254.7	3609.5	369.3	3239.2	729.2
June	4951.4	1316.6	3634.8	389.0	3245.0	784.2
September	4974.0	1320.8	3653.2	374.1	3279.5	848.4
December	4988.7	1304.5	3684.2	391.0	3294.9	862.2
1996						
March	5117.8	1353.8	3764.0	381.0	3382.8	936.6
June	5161.1	1422.4	3738.6	391.0	3347.3	960.3
September	5224.8	1447.0	3777.8	390.9	3386.2	1026.1
December	5323.2	1497.2	3826.0	410.9	3411.2	1135.6
1997						
March	5380.9	1506.8	3874.1	405.6	3451.7	1192.5
June	5376.2	1571.6	3804.6	426.4	3361.7	1221.9
September	5413.1	1598.5	3814.7	436.5	3388.9	1266.0
December	5502.4	1655.7	3846.7	451.9	3393.4	1278.0
1998						
March	5542.4	1670.4	3872.0	400.0	3430.7	1288.0
June	5547.9	NA	NA	NA	NA	NA

Trade and Investment Income Balances

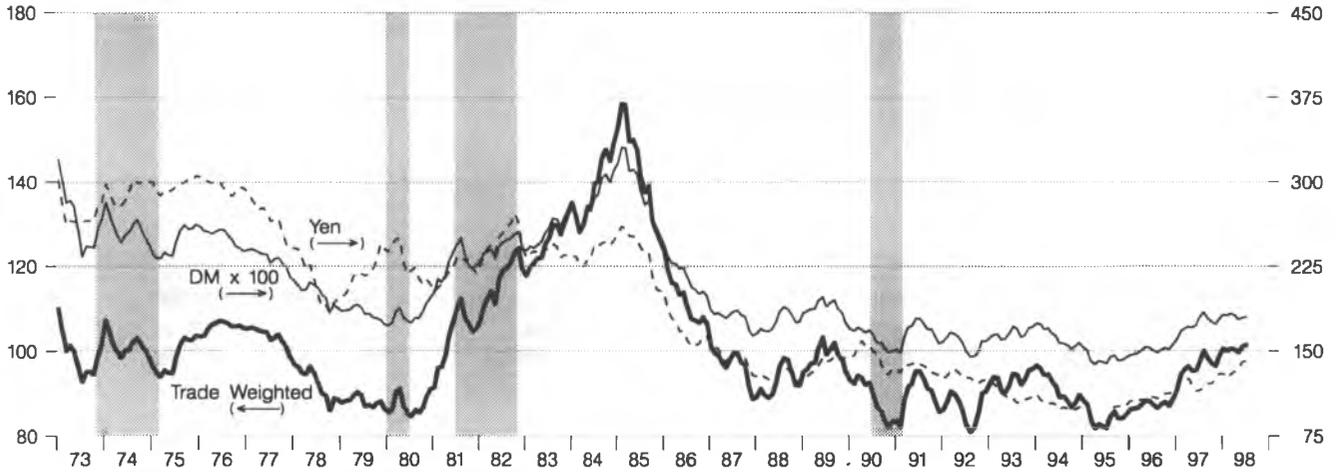
Billions of dollars, quarterly rate



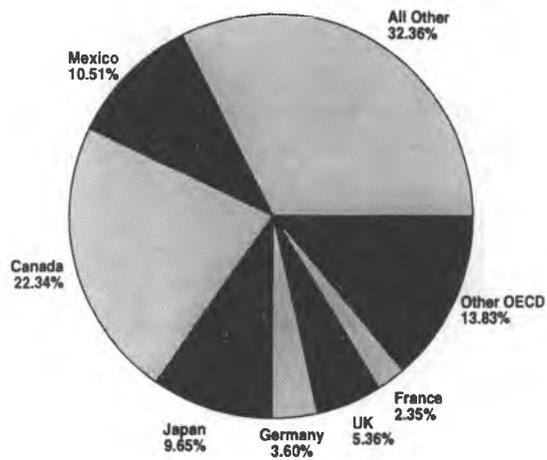
Exchange Rates

Index, March 1973 = 100

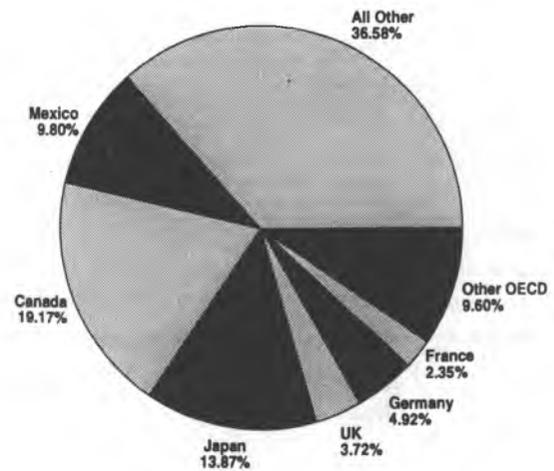
100 x (Deutsche mark/US\$)
Yen/US\$



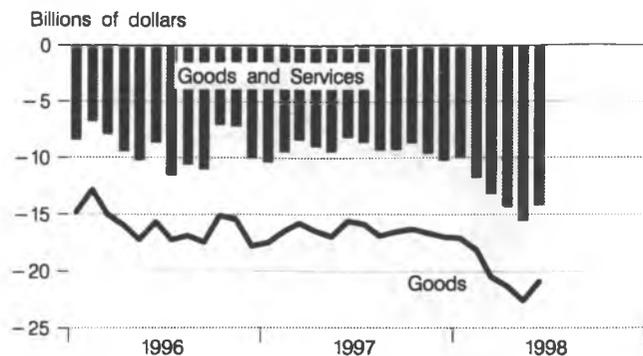
Goods Export Shares, 1997



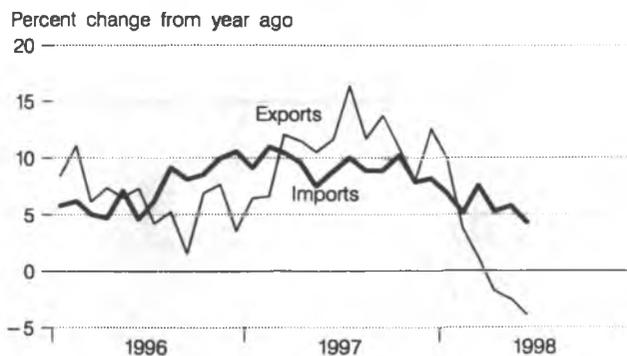
Goods Import Shares, 1997



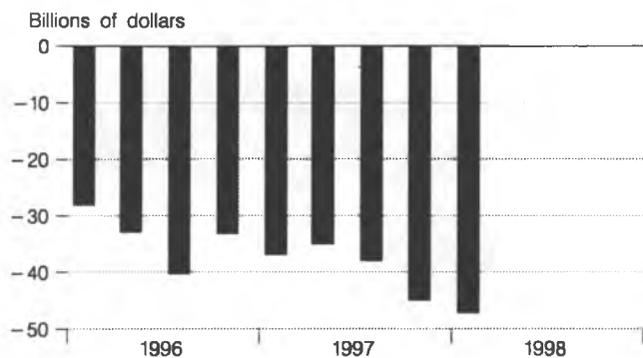
Trade Balance



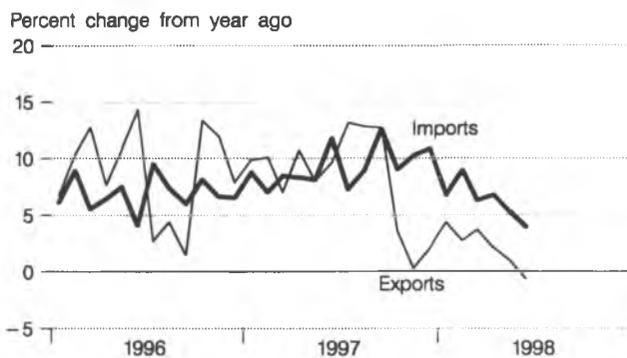
Goods Trade



Current Account Balance



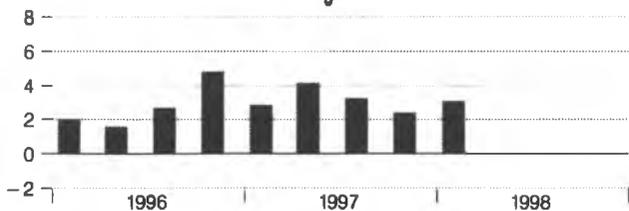
Services Trade



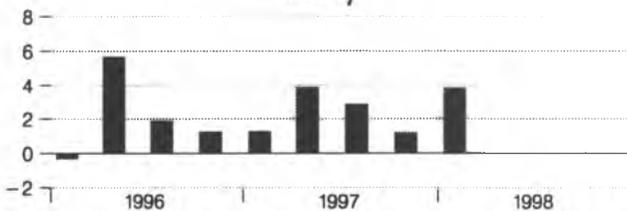
Real GDP Growth of Major Trading Partners

Percent change at annual rate

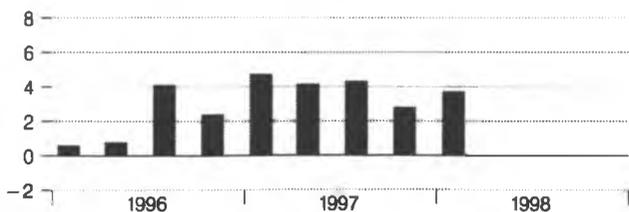
United Kingdom



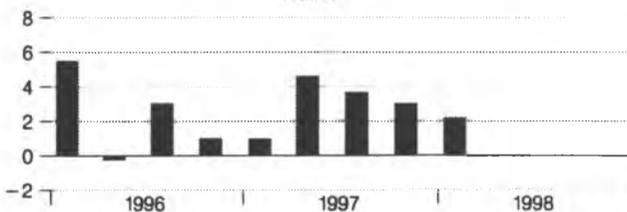
Germany



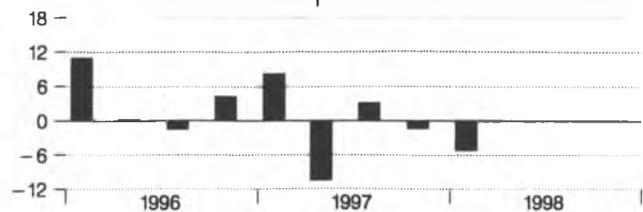
Canada



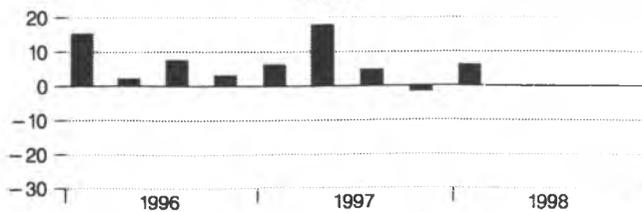
France



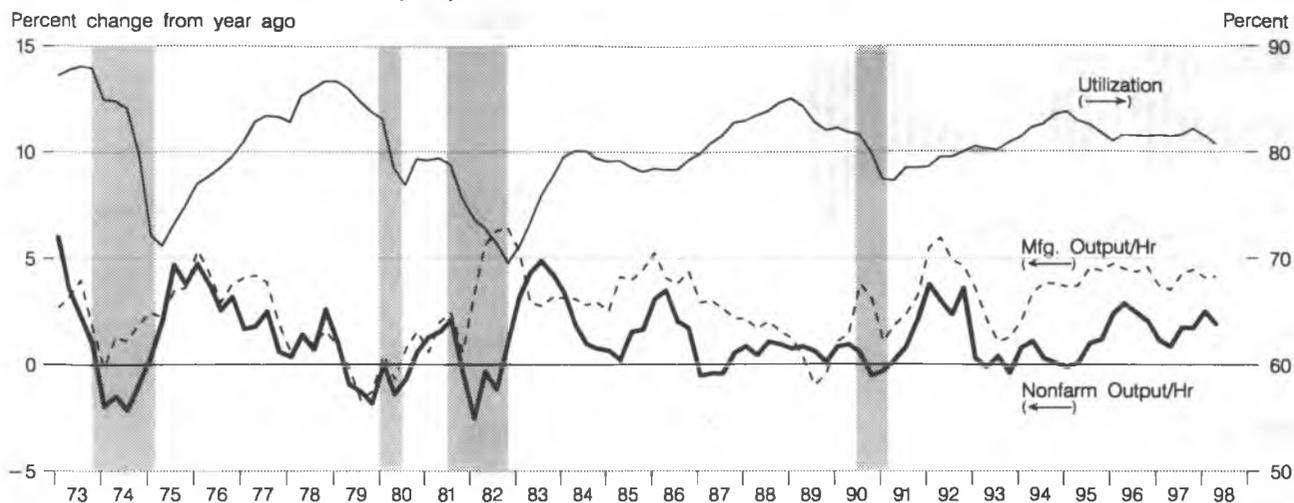
Japan



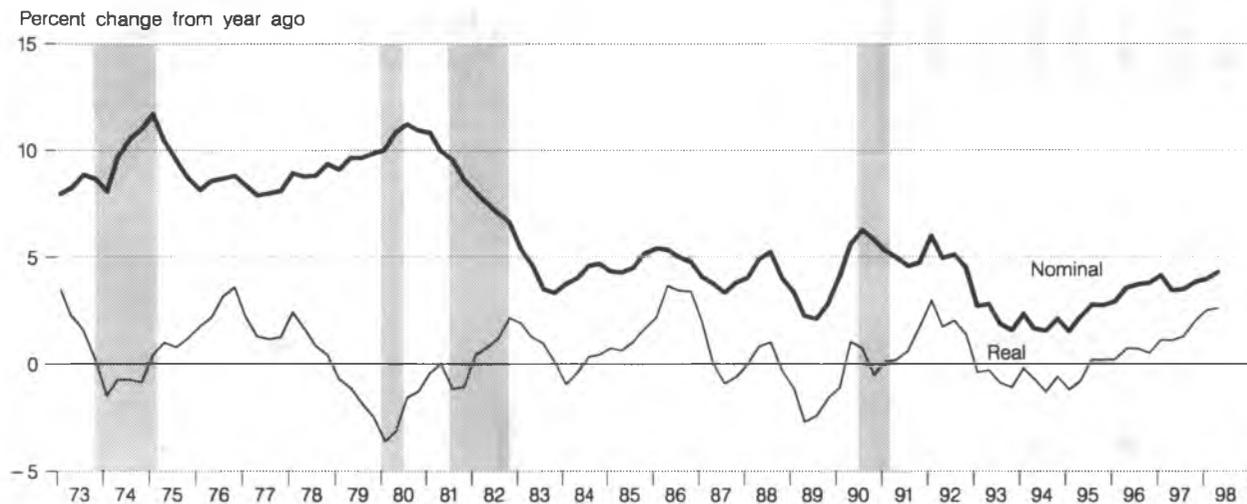
Mexico



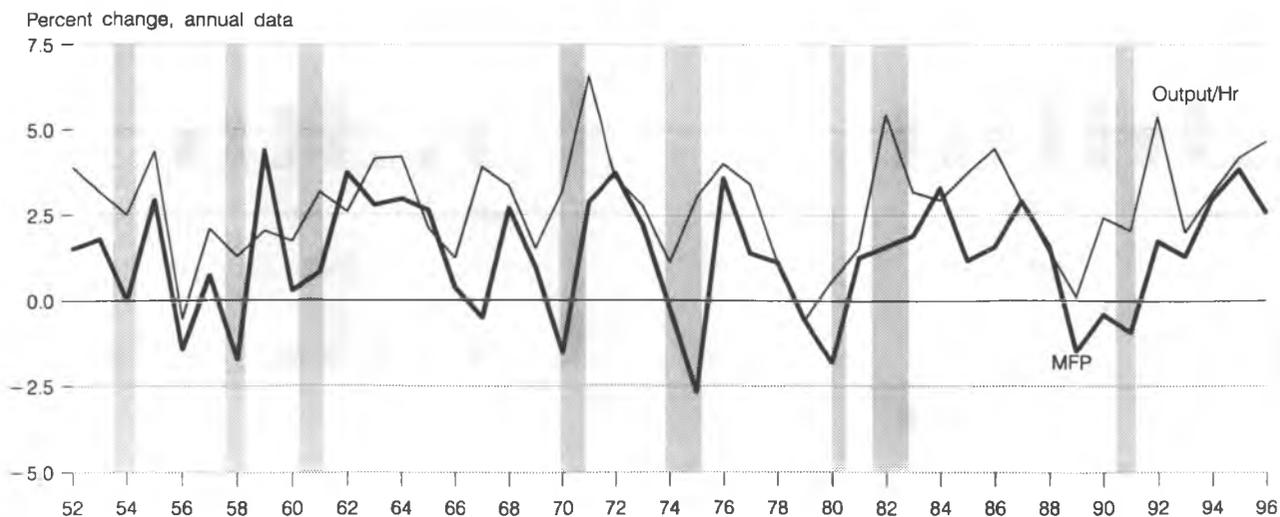
Output per Hour and Manufacturing Capacity Utilization



Nonfarm Compensation per Hour

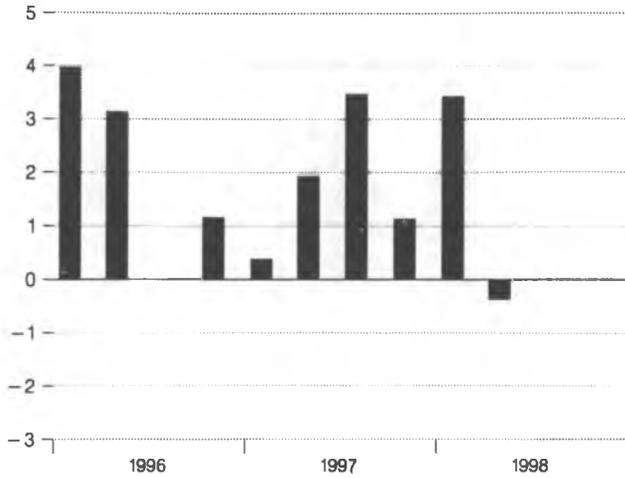


Output per Hour and Multifactor Productivity, Manufacturing



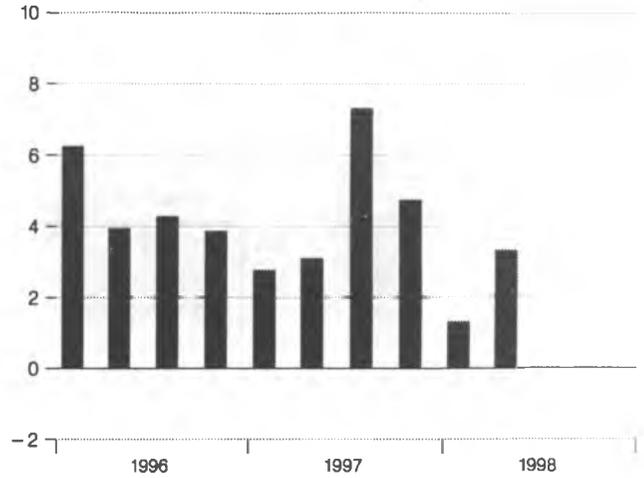
Nonfarm Output per Hour

Percent change at annual rate



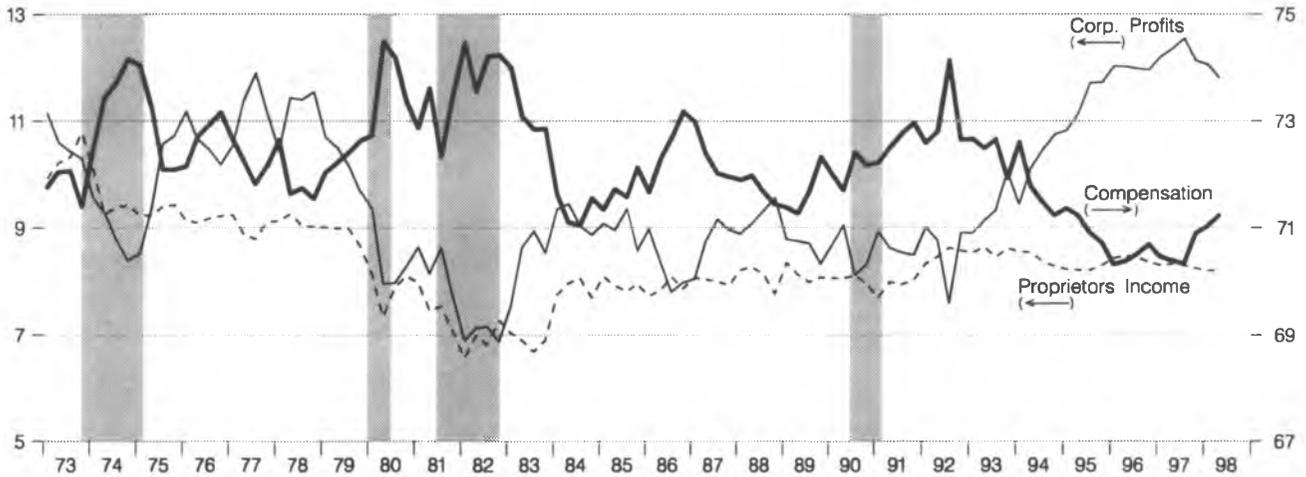
Manufacturing Output per Hour

Percent change at annual rate



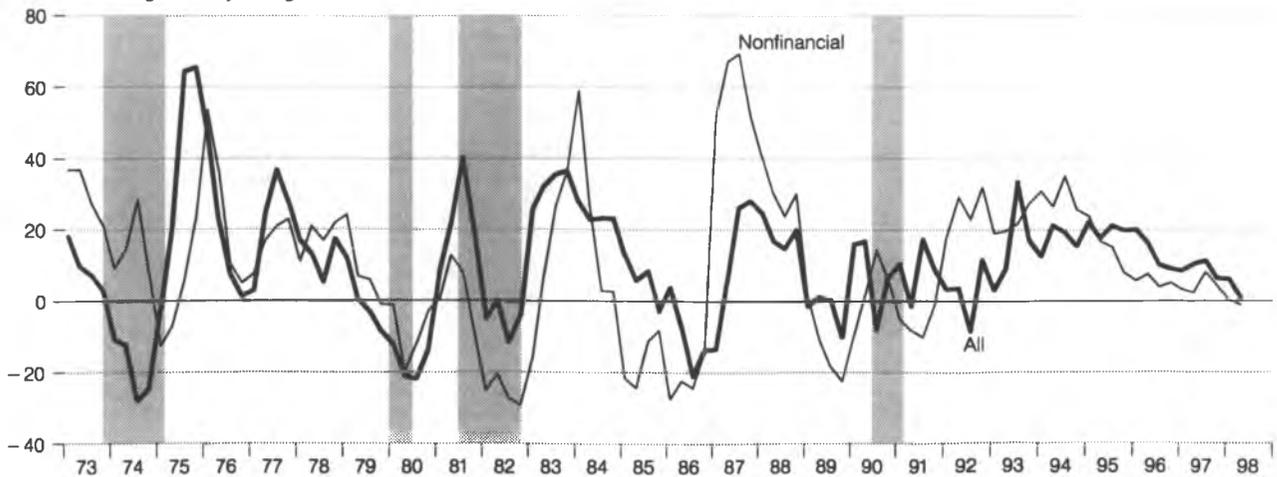
Selected Component Shares of National Income

Percent



Corporate Profits after Tax (with IVA and CCAadj)

Percent change from year ago



National Economic Trends

	Nominal GDP			Real GDP			Final Sales			Change in Business Inventories		
	Billions of \$	Percent change		Billions of 1992 \$	Percent change		Billions of 1992 \$	Percent change		Billions of 1992 \$		
		Annual rate	Year ago		Annual rate	Year ago		Annual rate	Year ago	Last qtr	Year/Year ago	
1993	6558.1		5.0	6389.563		2.3	6368.864		2.1		22.102	
1994	6947.0		5.9	6610.741		3.5	6551.247		2.9		60.552	
1995	7269.6		4.6	6761.732		2.3	6731.696		2.8		27.678	
1996	7661.6		5.4	6994.774		3.4	6961.608		3.4		30.024	
1997	8110.9		5.9	7269.779		3.9	7203.683		3.5		63.210	
1995 1	7170.8	4.3	5.5	6717.458	1.7	3.0	6661.774	2.2	2.9	54.278	60.857	
2	7210.9	2.3	4.3	6724.202	0.4	1.9	6700.010	2.3	2.7	21.668	47.300	
3	7304.8	5.3	4.6	6779.528	3.3	2.3	6761.698	3.7	2.8	14.705	38.560	
4	7391.9	4.9	4.2	6825.800	2.8	2.1	6803.302	2.5	2.7	20.061	27.678	
1996 1	7495.3	5.7	4.5	6882.000	3.3	2.4	6863.618	3.6	3.0	14.385	17.705	
2	7629.2	7.3	5.8	6983.909	6.1	3.9	6954.684	5.4	3.8	26.064	18.804	
3	7703.4	3.9	5.5	7020.002	2.1	3.5	6970.278	0.9	3.1	47.507	27.004	
4	7818.4	6.1	5.8	7093.124	4.2	3.9	7057.852	5.1	3.7	32.142	30.025	
1997 1	7955.0	7.2	6.1	7166.684	4.2	4.1	7108.063	2.9	3.6	56.310	40.506	
2	8063.4	5.6	5.7	7236.497	4.0	3.6	7155.530	2.7	2.9	79.048	53.752	
3	8170.8	5.4	6.1	7311.242	4.2	4.1	7256.265	5.8	4.1	50.988	54.622	
4	8254.5	4.2	5.6	7364.632	3.0	3.8	7294.812	2.1	3.4	66.496	63.211	
1998 1	8384.2	6.4	5.4	7464.668	5.5	4.2	7372.468	4.3	3.7	91.401	71.983	
2	8435.2	2.5	4.6	7494.892	1.6	3.6	7451.871	4.4	4.1	39.082	61.992	
	Consumption			Durables Consumption			Private Fixed Investment			Nonresidential Investment		
	Billions of 1992 \$	Percent change		Billions of 1992 \$	Percent change		Billions of 1992 \$	Percent change		Billions of 1992 \$	Percent change	
		Annual rate	Year ago		Annual rate	Year ago		Annual rate	Year ago		Annual rate	Year ago
1993	4343.563		2.9	523.841		7.2	842.772		7.6	600.167		7.6
1994	4485.981		3.3	561.189		7.1	915.536		8.6	648.361		8.0
1995	4605.570		2.7	589.094		5.0	965.965		5.5	710.636		9.6
1996	4752.376		3.2	626.120		6.3	1050.583		8.8	776.587		9.3
1997	4913.530		3.4	668.602		6.8	1137.951		8.3	859.364		10.7
1995 1	4555.270	1.9	2.6	575.185	-1.0	4.5	957.113	8.2	7.8	698.402	16.1	11.5
2	4593.628	3.4	2.7	583.520	5.9	5.0	957.826	0.3	4.9	710.167	6.9	10.8
3	4623.419	2.6	2.8	595.323	8.3	6.0	965.832	3.4	4.7	711.713	0.9	9.0
4	4649.962	2.3	2.6	602.357	4.8	4.5	983.091	7.3	4.8	722.273	6.1	7.3
1996 1	4692.076	3.7	3.0	610.970	5.8	6.2	1011.365	12.0	5.7	744.777	13.1	6.6
2	4746.553	4.7	3.3	629.505	12.7	7.9	1043.517	13.3	8.9	764.403	11.0	7.6
3	4768.285	1.8	3.1	626.486	-1.9	5.2	1067.067	9.3	10.5	790.138	14.2	11.0
4	4802.550	2.9	3.3	637.507	7.2	5.8	1080.385	5.1	9.9	807.036	8.8	11.7
1997 1	4853.398	4.3	3.4	656.277	12.3	7.4	1096.046	5.9	8.4	820.860	7.0	10.2
2	4872.683	1.6	2.7	653.766	-1.5	3.9	1126.991	11.8	8.0	848.184	14.0	11.0
3	4946.993	6.2	3.7	679.619	16.8	8.5	1159.292	12.0	8.6	882.181	17.0	11.6
4	4981.005	2.8	3.7	684.753	3.1	7.4	1169.492	3.6	8.2	886.231	1.8	9.8
1998 1	5055.062	6.1	4.2	710.259	15.8	8.2	1224.943	20.4	11.8	931.864	22.2	13.5
2	5127.305	5.8	5.2	729.131	11.1	11.5	1263.511	13.2	12.1	959.886	12.6	13.2

National Economic Trends

		Household Survey Employment				Nonfarm Payroll Employment				Nonfarm Aggregate Hours			
		Thousands	Change	Percent change		Thousands	Change	Percent change		Index	Percent change		
				Annual rate	Year ago			Annual rate	Year ago		Monthly rate	Annual rate	Year ago
1993		120259	1771		1.5	110692	2101		1.9	124.6			2.9
1994		123069	2810		2.3	114131	3440		3.1	129.9			4.2
1995		124903	1834		1.5	117187	3055		2.7	133.4			2.7
1996		126708	1805		1.4	119590	2403		2.1	136.6			2.4
1997		129557	2849		2.2	122677	3086		2.6	141.4			3.5
1996	1	125656	449	1.4	0.6	118459	524	1.8	1.7	134.5	0.2	1.0	1.2
	2	126323	667	2.1	1.3	119273	814	2.8	2.0	136.2	1.3	5.3	2.5
	3	127067	744	2.4	1.8	119974	701	2.4	2.2	137.3	0.8	3.1	2.7
	4	127787	720	2.3	2.1	120655	681	2.3	2.3	138.4	0.8	3.3	3.2
1997	1	128697	910	2.9	2.4	121461	805	2.7	2.5	139.7	1.0	3.9	3.9
	2	129387	690	2.2	2.4	122317	856	2.9	2.6	140.9	0.8	3.4	3.4
	3	129723	336	1.0	2.1	122995	678	2.2	2.5	141.7	0.6	2.3	3.2
	4	130421	698	2.2	2.1	123934	939	3.1	2.7	143.1	1.0	4.1	3.4
1998	1	131080	659	2.0	1.9	124795	862	2.8	2.7	144.3	0.8	3.2	3.2
	2	131348	268	0.8	1.5	125518	723	2.3	2.6	144.6	0.2	0.8	2.6
1996	Jul	126867	276	2.6	1.7	119741	192	1.9	2.2	136.6	-0.4	-4.3	2.6
	Aug	126995	128	1.2	1.8	120024	283	2.9	2.2	137.3	0.5	6.3	2.7
	Sep	127338	343	3.3	1.9	120157	133	1.3	2.1	137.9	0.4	5.4	2.8
	Oct	127715	377	3.6	1.9	120382	225	2.3	2.2	137.9	0.0	0.0	2.9
	Nov	127746	31	0.3	2.0	120683	301	3.0	2.3	138.3	0.3	3.5	3.0
	Dec	127899	153	1.4	2.2	120901	218	2.2	2.4	139.0	0.5	6.2	3.6
1997	Jan	128541	642	6.2	2.6	121146	245	2.5	2.6	138.8	-0.1	-1.7	4.7
	Feb	128515	-26	-0.2	2.2	121457	311	3.1	2.5	139.8	0.7	9.0	3.3
	Mar	129035	520	5.0	2.4	121779	322	3.2	2.5	140.6	0.6	7.1	3.7
	Apr	129275	240	2.3	2.6	122092	313	3.1	2.6	140.6	0.0	0.0	3.8
	May	129494	219	2.1	2.5	122325	233	2.3	2.5	141.2	0.4	5.2	3.7
	Jun	129392	-102	-0.9	2.2	122534	209	2.1	2.5	140.9	-0.2	-2.5	2.8
	Jul	129661	269	2.5	2.2	122811	277	2.7	2.6	141.3	0.3	3.5	3.4
	Aug	129747	86	0.8	2.2	122894	83	0.8	2.4	141.7	0.3	3.5	3.2
	Sep	129761	14	0.1	1.9	123280	386	3.8	2.6	142.1	0.3	3.4	3.0
	Oct	129910	149	1.4	1.7	123568	288	2.8	2.6	142.6	0.4	4.3	3.4
	Nov	130575	665	6.3	2.2	123944	376	3.7	2.7	143.2	0.4	5.2	3.5
	Dec	130777	202	1.9	2.3	124289	345	3.4	2.8	143.6	0.3	3.4	3.3
1998	Jan	131083	306	2.8	2.0	124640	351	3.4	2.9	144.6	0.7	8.7	4.2
	Feb	131163	80	0.7	2.1	124832	192	1.9	2.8	144.4	-0.1	-1.6	3.3
	Mar	130994	-169	-1.5	1.5	124914	82	0.8	2.6	143.8	-0.4	-4.9	2.3
	Apr	131383	389	3.6	1.6	125234	320	3.1	2.6	144.0	0.1	1.7	2.4
	May	131453	70	0.6	1.5	125562	328	3.2	2.6	144.9	0.6	7.8	2.6
	Jun	131209	-244	-2.2	1.4	125758	196	1.9	2.6	144.8	-0.1	-0.8	2.8
	Jul	131067	-142	-1.3	1.1	125824	66	0.6	2.5	145.2	0.3	3.4	2.8

		Unempl. Rate	Retail Sales				Industrial Production				Treasury Yields	
			Billions of dollars	Percent change			Index	Percent change			3-mo	10-yr
				Monthly/ quarterly	Annual rate	Year ago		Monthly/ quarterly	Annual rate	Year ago		
1993		6.9	2072.434			6.5	103.554			3.6	3.00	5.86
1994		6.1	2227.838			7.5	109.171			5.4	4.25	7.08
1995		5.6	2331.617			4.7	114.543			4.9	5.49	6.58
1996		5.4	2455.234			5.3	118.499			3.5	5.01	6.44
1997		5.0	2568.291			4.6	124.423			5.0	5.06	6.35
1996	1	5.6	602.441	1.7	7.1	5.2	116.105	0.5	2.0	2.3	4.93	5.91
	2	5.4	613.436	1.8	7.5	5.7	118.228	1.8	7.5	3.8	5.02	6.72
	3	5.3	614.749	0.2	0.9	4.9	119.270	0.9	3.6	3.5	5.10	6.78
	4	5.3	624.608	1.6	6.6	5.5	120.393	0.9	3.8	4.2	4.98	6.34
1997	1	5.3	639.631	2.4	10.0	6.2	121.940	1.3	5.2	5.0	5.06	6.56
	2	4.9	633.893	-0.9	-3.5	3.3	123.312	1.1	4.6	4.3	5.05	6.70
	3	4.9	646.873	2.0	8.4	5.2	125.119	1.5	6.0	4.9	5.05	6.24
	4	4.7	647.894	0.2	0.6	3.7	127.321	1.8	7.2	5.8	5.09	5.90
1998	1	4.7	660.975	2.0	8.3	3.3	127.702	0.3	1.2	4.7	5.05	5.59
	2	4.4	673.688	1.9	7.9	6.3	128.297	0.5	1.9	4.0	4.98	5.60
1996	Jul	5.5	204.374	0.1	1.1	5.1	118.943	0.0	0.5	4.1	5.15	6.87
	Aug	5.2	204.256	-0.1	-0.7	4.3	119.253	0.3	3.2	3.3	5.05	6.64
	Sep	5.2	206.119	0.9	11.5	5.2	119.613	0.3	3.7	3.2	5.09	6.83
	Oct	5.3	208.113	1.0	12.2	6.4	119.650	0.0	0.4	3.7	4.99	6.53
	Nov	5.4	207.844	-0.1	-1.5	5.2	120.587	0.8	9.8	4.3	5.03	6.20
	Dec	5.3	208.651	0.4	4.8	4.9	120.943	0.3	3.6	4.7	4.91	6.30
1997	Jan	5.3	211.170	1.2	15.5	6.4	121.288	0.3	3.5	5.2	5.03	6.58
	Feb	5.3	213.945	1.3	17.0	6.2	122.064	0.6	8.0	4.6	5.01	6.42
	Mar	5.2	214.516	0.3	3.3	5.9	122.468	0.3	4.0	5.3	5.14	6.69
	Apr	5.0	211.018	-1.6	-17.9	3.6	123.073	0.5	6.1	4.7	5.16	6.89
	May	4.8	210.532	-0.2	-2.7	2.4	123.316	0.2	2.4	4.3	5.05	6.71
	Jun	5.0	212.343	0.9	10.8	4.0	123.546	0.2	2.3	3.9	4.93	6.49
	Jul	4.9	215.363	1.4	18.5	5.4	124.527	0.8	10.0	4.7	5.05	6.22
	Aug	4.9	216.022	0.3	3.7	5.8	125.246	0.6	7.2	5.0	5.14	6.30
	Sep	4.9	215.488	-0.2	-2.9	4.5	125.585	0.3	3.3	5.0	4.95	6.21
	Oct	4.8	215.113	-0.2	-2.1	3.4	126.550	0.8	9.6	5.8	4.97	6.03
	Nov	4.6	215.914	0.4	4.6	3.9	127.528	0.8	9.7	5.8	5.14	5.87
	Dec	4.7	216.867	0.4	5.4	3.9	127.884	0.3	3.4	5.7	5.16	5.81
1998	Jan	4.7	219.004	1.0	12.5	3.7	127.813	-0.1	-0.7	5.4	5.04	5.54
	Feb	4.6	220.866	0.9	10.7	3.2	127.327	-0.4	-4.5	4.3	5.09	5.57
	Mar	4.7	221.105	0.1	1.3	3.1	127.966	0.5	6.2	4.5	5.03	5.65
	Apr	4.3	222.707	0.7	9.0	5.5	128.407	0.3	4.2	4.3	4.95	5.64
	May	4.3	225.370	1.2	15.3	7.0	128.945	0.4	5.1	4.6	5.00	5.65
	Jun	4.5	225.611	0.1	1.3	6.2	127.538	-1.1	-12.3	3.2	4.98	5.50
	Jul	4.5	224.739	-0.4	-4.5	4.4	126.788	-0.6	-6.8	1.8	4.96	5.46

National Economic Trends

		Consumer Price Index					Consumer Price Index less Food and Energy					Producer Price Index Finished Goods			
		Percent change				Percent change				Percent change					
		Index	Monthly/ quarterly	Annual rate	Year ago	Year to date	Index	Monthly/ quarterly	Annual rate	Year ago	Year to date	Index	Monthly/ quarterly	Annual rate	Year ago
1993		144.6			3.0		152.4			3.3		124.7			1.2
1994		148.3			2.6		156.7			2.8		125.5			0.6
1995		152.5			2.8		161.4			3.0		127.9			1.9
1996		157.0			2.9		165.8			2.7		131.3			2.6
1997		160.6			2.3		169.7			2.4		131.8			0.4
1996	1	155.1	0.8	3.2	2.8	3.2	164.2	0.7	2.6	2.9	2.6	129.9	0.9	3.8	2.2
	2	156.5	0.9	3.7	2.9	3.5	165.2	0.6	2.5	2.7	2.5	131.1	0.9	3.7	2.5
	3	157.5	0.6	2.4	2.9	3.1	166.3	0.7	2.7	2.7	2.6	131.5	0.3	1.2	2.8
	4	158.8	0.8	3.3	3.2	3.2	167.4	0.6	2.6	2.6	2.6	132.6	0.8	3.3	3.0
1997	1	159.6	0.5	2.2	2.9	2.2	168.3	0.5	2.2	2.5	2.2	132.7	0.1	0.2	2.1
	2	160.2	0.3	1.3	2.3	1.8	169.4	0.7	2.7	2.5	2.4	131.7	-0.8	-3.0	0.4
	3	160.9	0.5	1.9	2.2	1.8	170.2	0.4	1.7	2.3	2.2	131.4	-0.2	-0.8	-0.1
	4	161.8	0.5	2.1	1.9	1.9	171.1	0.5	2.1	2.2	2.2	131.6	0.2	0.6	-0.8
1998	1	162.0	0.1	0.5	1.5	0.5	172.1	0.6	2.4	2.3	2.4	130.5	-0.8	-3.3	-1.6
	2	162.8	0.5	2.0	1.6	1.2	173.2	0.7	2.7	2.2	2.5	130.4	-0.1	-0.3	-1.0
1996	Jul	157.2	0.3	3.1	2.9	3.5	166.0	0.2	2.9	2.7	2.7	131.3	-0.1	-0.9	2.6
	Aug	157.4	0.1	1.5	2.9	3.2	166.3	0.2	2.2	2.7	2.7	131.5	0.2	1.8	2.9
	Sep	157.8	0.3	3.1	3.0	3.2	166.7	0.2	2.9	2.6	2.7	131.8	0.2	2.8	2.9
	Oct	158.3	0.3	3.9	3.0	3.3	167.1	0.2	2.9	2.6	2.7	132.3	0.4	4.6	3.1
	Nov	158.8	0.3	3.9	3.2	3.3	167.4	0.2	2.2	2.6	2.7	132.5	0.2	1.8	3.0
	Dec	159.2	0.3	3.1	3.3	3.3	167.7	0.2	2.2	2.6	2.6	133.0	0.4	4.6	2.9
1997	Jan	159.4	0.1	1.5	3.0	1.5	168.0	0.2	2.2	2.5	2.2	133.0	0.0	0.0	2.5
	Feb	159.7	0.2	2.3	3.0	1.9	168.3	0.2	2.2	2.5	2.2	132.6	-0.3	-3.5	2.2
	Mar	159.8	0.1	0.8	2.7	1.5	168.6	0.2	2.2	2.4	2.2	132.4	-0.2	-1.8	1.5
	Apr	160.0	0.1	1.5	2.4	1.5	169.2	0.4	4.4	2.6	2.7	131.9	-0.4	-4.4	0.8
	May	160.1	0.1	0.8	2.2	1.4	169.4	0.1	1.4	2.5	2.5	131.7	-0.2	-1.8	0.5
	Jun	160.4	0.2	2.3	2.3	1.5	169.7	0.2	2.1	2.5	2.4	131.4	-0.2	-2.7	0.0
	Jul	160.6	0.1	1.5	2.2	1.5	170.0	0.2	2.1	2.4	2.4	131.1	-0.2	-2.7	-0.2
	Aug	160.9	0.2	2.3	2.2	1.6	170.1	0.1	0.7	2.3	2.2	131.3	0.2	1.8	-0.2
	Sep	161.3	0.2	3.0	2.2	1.8	170.4	0.2	2.1	2.2	2.2	131.8	0.4	4.7	0.0
	Oct	161.6	0.2	2.3	2.1	1.8	170.8	0.2	2.9	2.2	2.2	131.8	0.0	0.0	-0.4
	Nov	161.8	0.1	1.5	1.9	1.8	171.0	0.1	1.4	2.2	2.1	131.6	-0.2	-1.8	-0.7
	Dec	161.9	0.1	0.7	1.7	1.7	171.4	0.2	2.8	2.2	2.2	131.4	-0.2	-1.8	-1.2
1998	Jan	161.9	0.0	0.0	1.6	0.0	171.7	0.2	2.1	2.2	2.1	130.6	-0.6	-7.1	-1.8
	Feb	162.0	0.1	0.7	1.4	0.4	172.2	0.3	3.6	2.3	2.8	130.5	-0.1	-0.9	-1.6
	Mar	162.0	0.0	0.0	1.4	0.2	172.4	0.1	1.4	2.3	2.4	130.4	-0.1	-0.9	-1.5
	Apr	162.4	0.2	3.0	1.5	0.9	172.9	0.3	3.5	2.2	2.6	130.3	-0.1	-0.9	-1.2
	May	162.9	0.3	3.8	1.7	1.5	173.3	0.2	2.8	2.3	2.7	130.5	0.2	1.9	-0.9
	Jun	163.0	0.1	0.7	1.6	1.4	173.5	0.1	1.4	2.2	2.5	130.4	-0.1	-0.9	-0.8
	Jul	163.3	0.2	2.2	1.7	1.5	173.8	0.2	2.1	2.2	2.4	130.7	0.2	2.8	-0.3

Notes

Pages 4, 5: **Final sales** is gross domestic product (GDP) minus change in business inventories. **Advance, preliminary, and final GDP growth rates** are released during the first, second, and third months of the following quarter. Changes result from incorporation of more complete information. The **Purchasing Managers' Index** is a weighted average of diffusion indexes for new orders, production, supplier deliveries, inventories, and employment. The National Association of Purchasing Management (NAPM) surveys over 300 firms in 20 manufacturing industries, weighting responses by industry share of GDP. **Aggregate and average weekly hours** are paid hours of production and nonsupervisory employees. The inventory-sales ratio uses nominal (current-dollar) inventory and sales data.

Page 6: The **contribution** of a component X_t to the overall GDP growth rate in quarter t is $100 \times [(1 + (X_t - X_{t-1})/GDP_{t-1})^4 - 1]$. The sign is changed for **imports**. This calculation forces components to add up to the GDP growth rate before compounding and does not exactly match *Survey of Current Business*, Table 8.2. The **residual** line is calculated using the finest level of detail in the table.

Page 7: Ten-year **Treasury yields** are adjusted to constant maturity. Three-month yields are secondary market averages, but all rates used in the yield curves are adjusted to constant maturity. **Standard and Poor's 500 Index with Reinvested Dividends** shows the total return: capital gains plus dividends.

Pages 8,9: **Oil prices** are monthly averages of daily spot prices for West Texas intermediate crude (*Wall Street Journal*). **Consumer price index** is for all urban consumers. The **consumption chain price index** is the index associated with the personal consumption expenditures component of GDP. The **Employment Cost Index (ECI)** covers private nonfarm employers. **ECI compensation** refers to a fixed sample of jobs, while **compensation per hour** covers all workers in the non-farm business sector in a given quarter. In both cases, **compensation** is wages and salaries plus benefits.

Pages 10,11: **Nonfarm payroll employment** is counted in a survey of about 390,000 establishments (Current Employment Survey). It excludes self-employed individuals and workers in private households, but double-counts individuals with more than one job. The **household survey** (Current Population Survey) of about 50,000 households provides estimates of civilian employment, unemployment rate, labor force participation rate, and employment-population ratio. **Population** is civilian, noninstitutional, 16 years and over. New population controls introduced in January 1997 affect levels and growth rates of household survey employment, labor force and population. The unemployment rate and other ratios are minimally affected. 90 percent confidence intervals for the unemployment rate (± 0.2 percentage points) and change in household survey employment ($\pm 376,000$) measure uncertainty due to sample size. The household survey was changed in January 1994, so care should be exercised in making short-term comparisons around this date, particularly with the duration data shown on page 10. Other changes in the survey are detailed in Bureau of Labor Statistics, *Employment and Earnings*, Appendix A.

Pages 13: The **Michigan consumer sentiment index** shows changes in a summary measure of consumers' answers to five questions about their current and expected financial situation, expectations about future economic conditions, and attitudes about making large purchases. The survey is based on a representative sample of U.S. households.

Pages 14, 15: Overall **gross saving** includes government saving, which is the sum of the government surplus and capital consumption (see notes for pages 16 and 17). **Net foreign investment (NFI)** is U.S. investment abroad minus foreign investment in the U.S. Aside from a statistical discrepancy, NFI also equals the difference between gross domestic investment and saving.

Pages 16, 17: **Government consumption and investment** is current expenditures on goods and services, including capital consumption (depreciation) and gross investment, as reported in the National Income

and Product Accounts (NIPA). The **unified federal budget deficit** differs from **NIPA basis** in four main ways: (1) NIPA excludes transactions involving existing assets; (2) NIPA outlays exclude government investment and include consumption of government capital, while unified budget outlays do the reverse; (3) NIPA accounts exclude Puerto Rico and U.S. territories; and (4) various timing issues are handled differently. **Outlays and receipts** are from the NIPAs, except as noted. Since 1977, the federal **fiscal year** starts on October 1. Excluded agency debt was 0.6 percent of federal debt at the end of fiscal 1997. **Federal debt held by the public** includes holdings of the Federal Reserve System and excludes holdings of the social security and other federal trust funds. Federal grants in aid to state and local governments appear in both state and local receipts and federal outlays.

Pages 18, 19: The **trade balance** (shown on a balance of payments basis) is the difference between exports and imports of goods (merchandise) and services. It is nearly identical in concept to the **net exports** component of GDP, but differs slightly in accounting details. The **investment income balance** equals income received from U.S.-owned assets in other countries minus income paid on foreign-owned assets in the U.S. The investment income balance is nearly identical in concept to the difference between gross national product and gross domestic product, but differs in accounting details. The **current account balance** is the trade balance plus the balance on investment income plus net unilateral transfers to the U.S. from other countries.

Pages 20, 21: **Output per hour (Y/H)**, **unit labor cost (C/Y)**, and **compensation per hour (C/H)** are indexes which approximately obey the following relationship: $\%(Y/H) + \%(C/Y) = \%(C/H)$ with $\%(C)$ meaning percent changes. Unit labor cost is shown on page 9. **Real compensation per hour** uses the CPI to adjust for the effects of inflation. **Multifactor productivity** estimates changes in output that do not correspond to changes in quantities of labor, capital, or intermediate inputs. **Inventory valuation adjustments (IVA)** remove the effect of changes in the value of existing inventories from corporate profits and proprietors' income. (This change in value does not correspond to current production and therefore is not part of GDP). **Capital consumption adjustments (CCAdj)** increase profits and proprietors' income by the difference between estimates of economic depreciation and depreciation allowed by the tax code. Components of national income not shown are rental income of persons and net interest.

Sources

Bureau of Economic Analysis (BEA), U.S. Dept. of Commerce

National income and product accounts, international trade and investment data (except by country), auto and light truck sales

Census Bureau, U.S. Dept. of Commerce

Inventory-sales ratios, retail sales, capital goods orders, housing starts, exports and imports by country

Bureau of Labor Statistics (BLS), U.S. Dept. of Labor

All employment-related data, employment cost index, consumer and producer price indexes, unit labor cost, output per hour, compensation per hour, total factor productivity

United States Department of Treasury

Unified budget receipts, outlays, deficit, debt

Federal Reserve Board

Index of industrial production, treasury yields, exchange rates, capacity utilization, household debt

The Survey Research Center, The University of Michigan

Consumer sentiment index

The Conference Board

Help-wanted advertising index

Organization for Economic Cooperation and Development (OECD)

GDP for major trading partners (not available on FRED)

Federal Reserve Bank of St. Louis
Post Office Box 442
St. Louis, Missouri 63166

Subscriber:

Please include address label with
subscription inquiries or address changes.