



# National Economic Trends

## Growth and the Current Account Deficit

The U.S. current account deficit grew at an average annual rate of 9 percent between 1990 and 1997 increasing from \$77.0 billion to \$140.5 billion. By the end of 1999, the deficit had surged to \$331.5 billion, an annual increase of nearly 54 percent over two years. What explains this sharp increase? The simple answer is that the U.S. economy continued to grow strongly during 1998 and 1999, while the economies of some of our key trading partners contracted.

The table shows the main components of the current account balance. The second and third rows show the difference between U.S. exports and imports of goods and services, respectively. The balance on income has two parts: the difference between returns on U.S. investments in other countries and returns earned by foreigners on investments in the United States, and the difference between compensation paid to U.S. workers abroad and foreign workers in the United States. Net unilateral transfers consist primarily of U.S. grants to foreign countries and private remittances.

The growth rate of U.S. imports depends in part on the growth of the U.S. economy, whereas the growth rate of U.S. exports depends in part on the growth of foreign output. As income rises, individuals and businesses increase their purchases of both domestic and foreign produced goods. Between 1990 and 1997, U.S. imports of goods rose by 8.4 percent annually. The annual growth rate of goods exports was only slightly lower at 8.3 percent. Goods imports continued to grow at an annual rate of 8.4 percent between 1997 to 1999, as U.S. growth remained strong, but the average annual growth rate of exports fell to 0.3 percent.

The Asian crisis is largely responsible for this change. As a result of the crisis, exports of goods to Asia declined by 12 percent during 1998. Exports to the four countries most affected by the crisis (Korea,

Indonesia, Malaysia and Thailand) fell by 31 percent. U.S. goods exports to Asia increased in 1999 but were below 1995 levels.

Service exports also declined in 1998, led by a fall in travel and transportation receipts. Visitors to the United States from Asia declined by 14 percent. In addition, the decline in goods shipments resulted in smaller freight revenues.

The Asian financial crisis and a subsequent slowdown in growth in Latin America also affected the balance on income. There was both a shift in the flow of assets toward the United States and an increase in the return on assets in the United States relative to returns abroad. Thus, in 1998, for the first time during the postwar period, payments to foreigners on investments in the United States exceeded U.S. receipts on foreign investment. This difference increased in 1999. In addition, earnings of U.S. companies operating abroad fell during 1998 and remained below pre-crisis levels in 1999.

A continued improvement in the world economy should raise the growth rate of U.S. exports and the return on U.S. investment abroad. A slowdown in growth in the United States should lower the growth rate of imports and reduce both the return on, and inflows of, investment in the United States. Either of these scenarios should reduce the U.S. current account deficit. However, so long as growth in the United States remains above that of our major trading partners, large deficits are likely to remain.

—Patricia S. Pollard

U.S. Current Account – Major Components  
\$ billions

|                            | 1997   | 1998   | 1999   |
|----------------------------|--------|--------|--------|
| Balance on Current Account | -140.5 | -217.1 | -331.5 |
| Balance on Goods           | -196.7 | -246.9 | -345.6 |
| Balance on Services        | 90.7   | 80.0   | 80.1   |
| Balance on Income          | 6.2    | -6.2   | -18.5  |
| Net unilateral transfers   | -40.8  | -44.0  | -48.0  |

Source: U.S. Department of Commerce, Bureau of Economic Analysis

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## ***Conventions used in this publication:***

1. Shaded areas indicate recessions, as determined by the National Bureau of Economic Research.
2. *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:

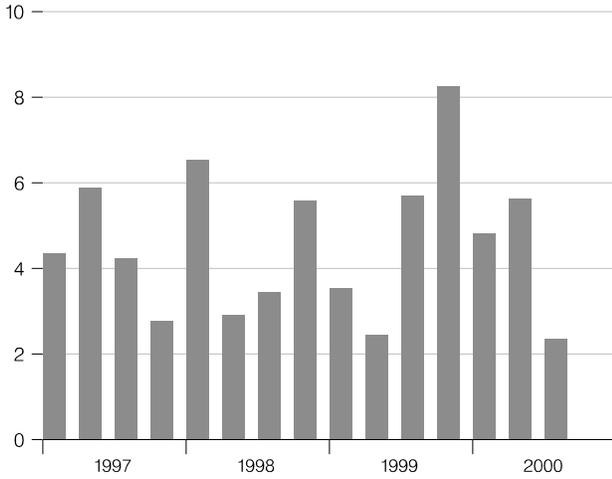
$$100 \times \left[ \left( \frac{X_t}{X_{t-1}} \right)^4 - 1 \right]$$

For monthly data replace 4 with 12.

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

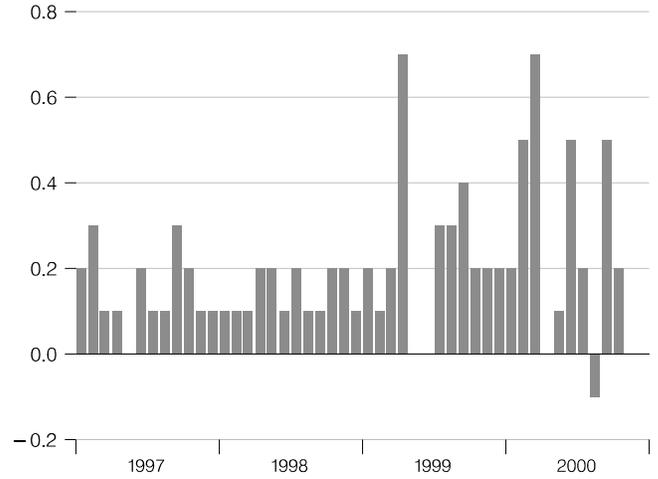
### Real GDP Growth

Percent change at annual rate



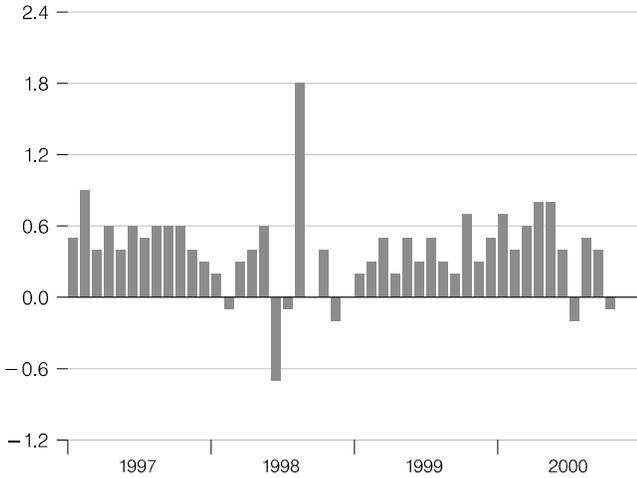
### Consumer Price Index

Percent change



### Industrial Production

Percent change



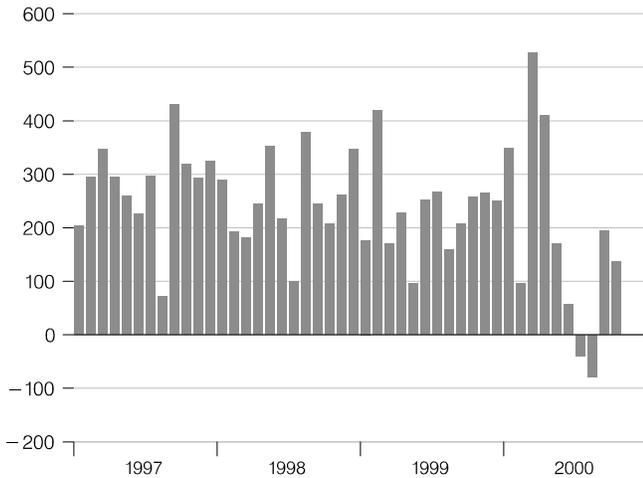
### Interest Rates

Percent



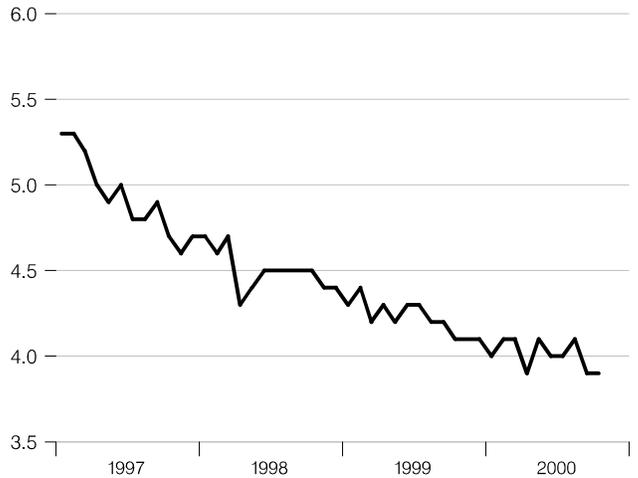
### Change in Nonfarm Payrolls

Thousands



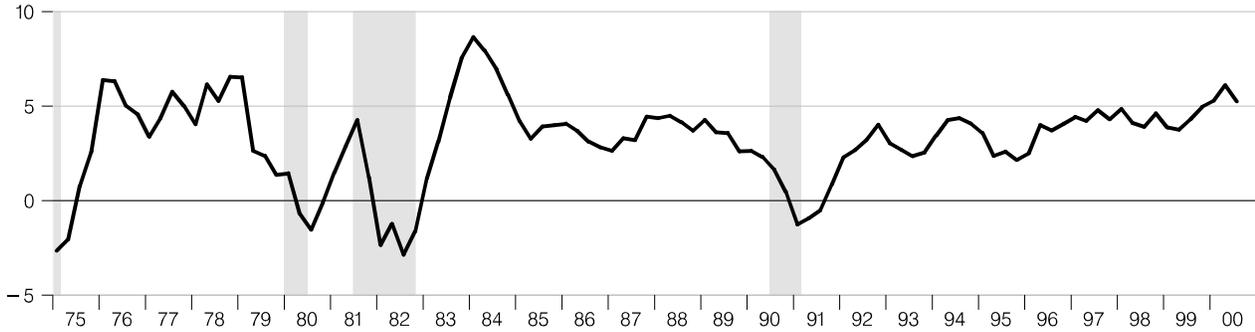
### Unemployment Rate

Percent of labor force



### Real Gross Domestic Product

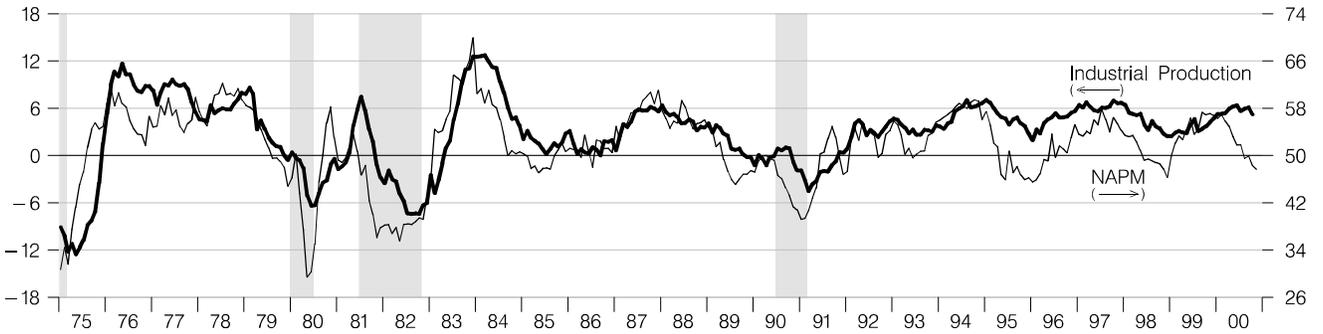
Percent change from year ago



### Industrial Production and Purchasing Managers' (NAPM) Indexes

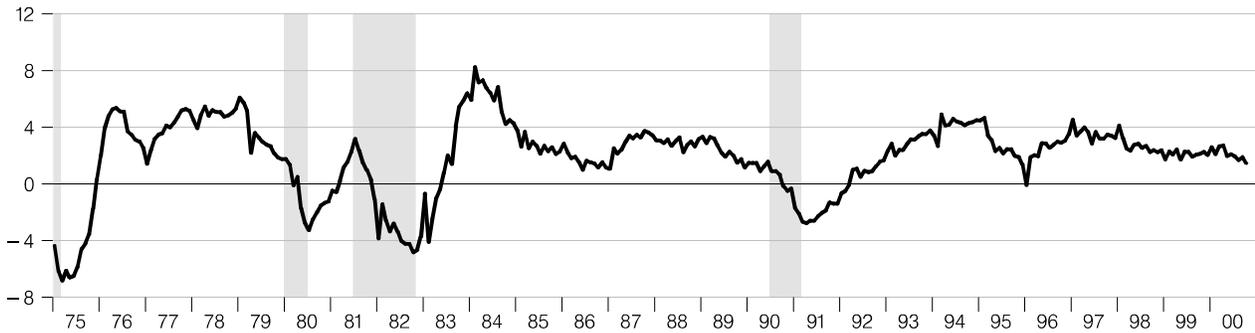
Percent change from year ago

Index



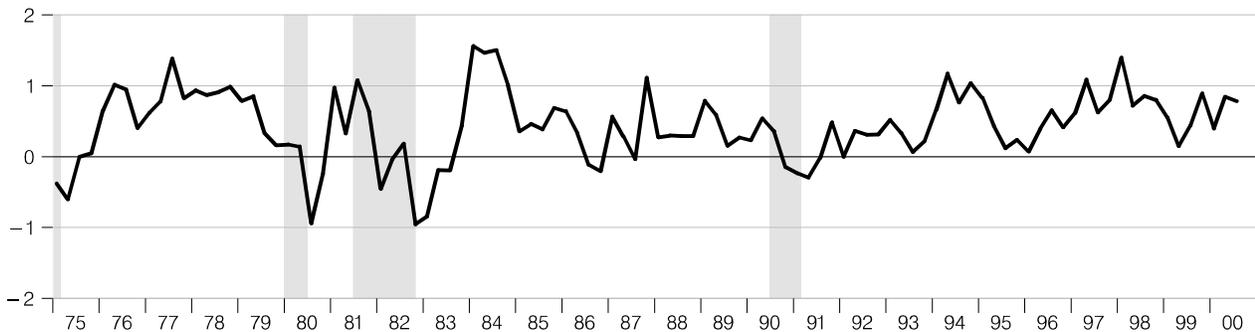
### Aggregate Private Nonfarm Hours

Percent change from year ago

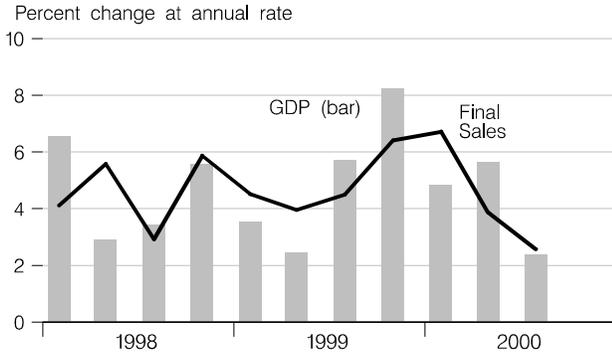


### Real Change in Private Inventories

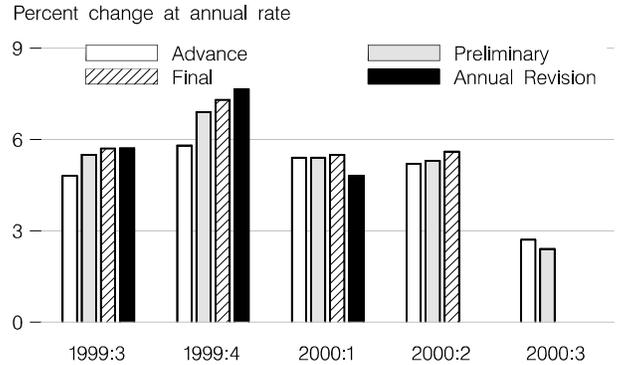
Percent of GDP



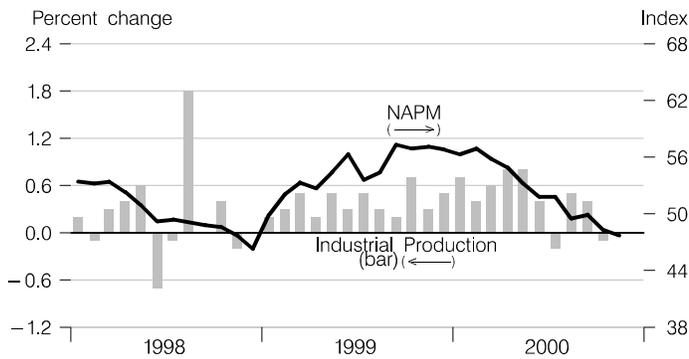
### Real Final Sales and GDP



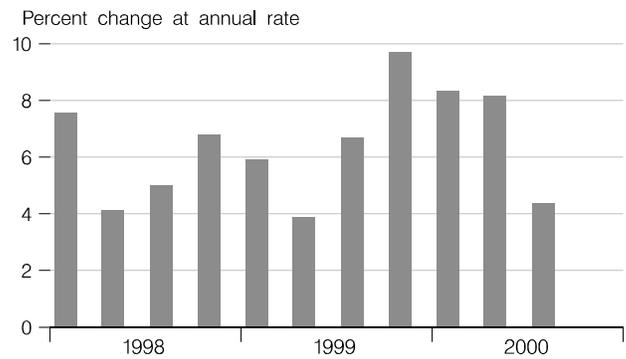
### Real GDP Revisions



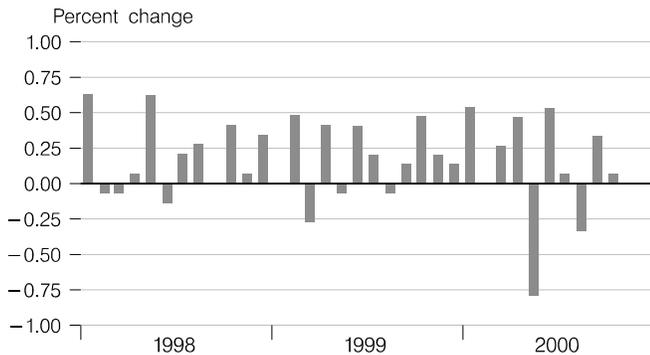
### Industrial Production and NAPM Index



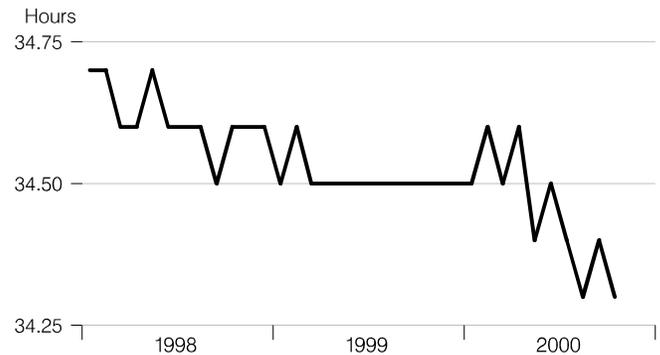
### Nominal Gross Domestic Product



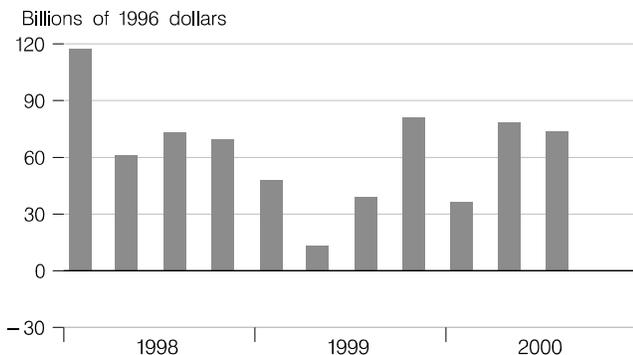
### Aggregate Private Nonfarm Hours



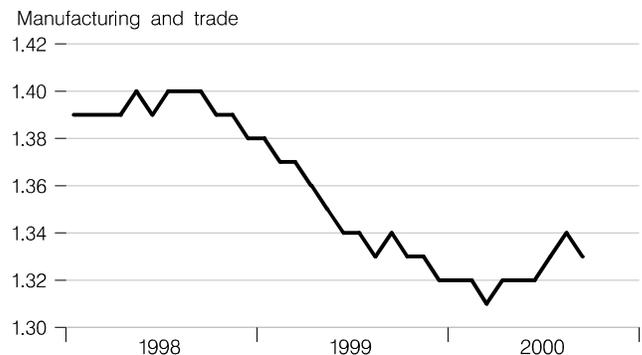
### Average Weekly Private Nonfarm Hours



### Real Change in Private Inventories

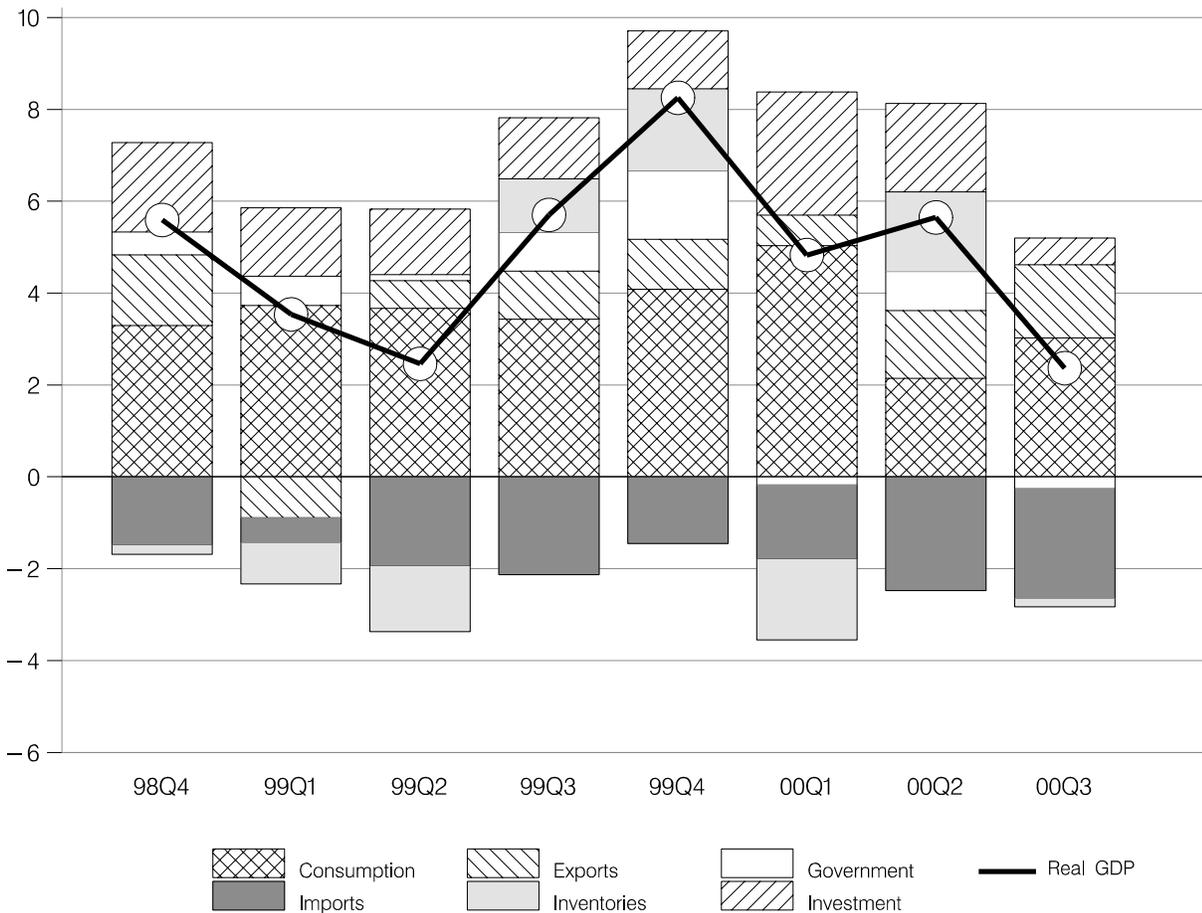


### Inventory-Sales Ratio



### Contribution of Components to Real GDP Growth

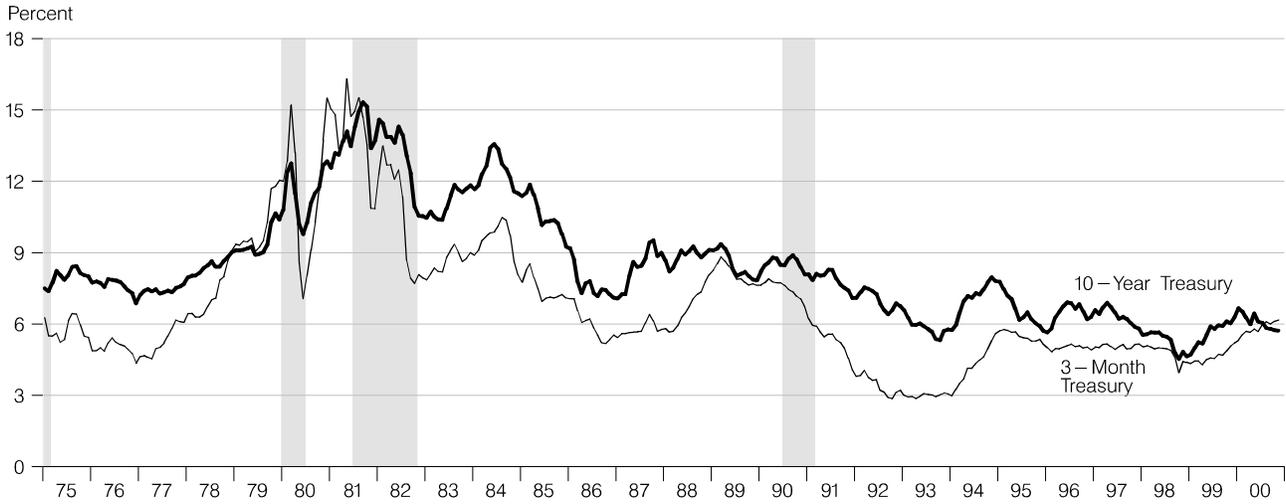
Percent change at annual rate



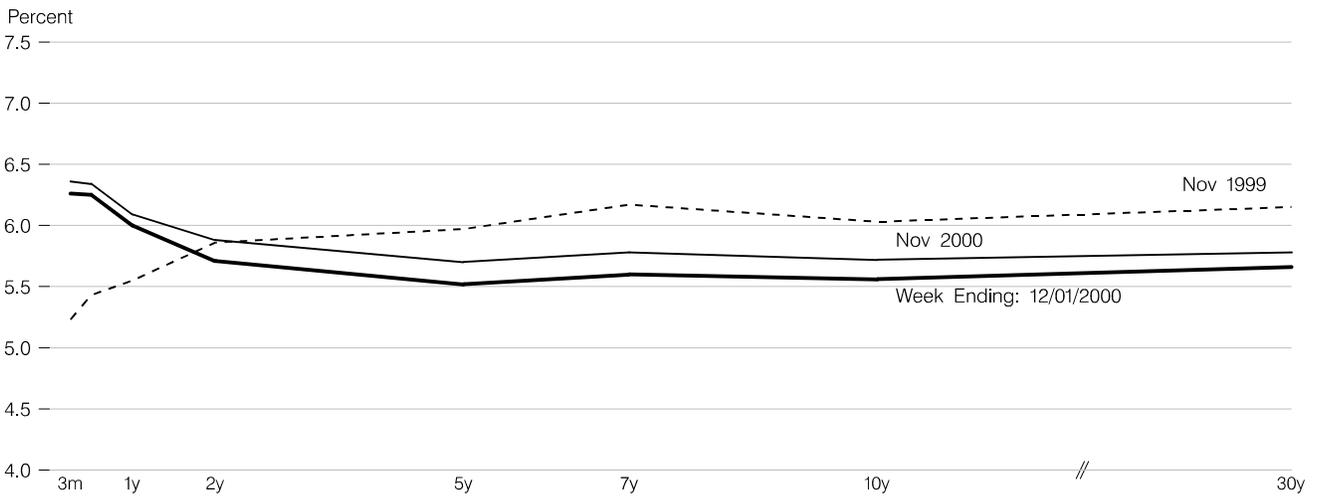
### Contributions to Real GDP Growth Rate

|                     | 1998  | 1999  |       |       |       | 2000  |       |       |
|---------------------|-------|-------|-------|-------|-------|-------|-------|-------|
|                     | 4th   | 1st   | 2nd   | 3rd   | 4th   | 1st   | 2nd   | 3rd   |
| Real GDP            | 5.59  | 3.54  | 2.46  | 5.70  | 8.25  | 4.83  | 5.65  | 2.36  |
| Final Sales         | 5.79  | 4.43  | 3.88  | 4.53  | 6.47  | 6.59  | 3.92  | 2.54  |
| Change in Inventory | -0.20 | -0.89 | -1.42 | 1.17  | 1.78  | -1.76 | 1.73  | -0.18 |
| Consumption         | 3.29  | 3.73  | 3.67  | 3.43  | 4.08  | 5.03  | 2.14  | 3.02  |
| Fixed Investment    | 1.95  | 1.49  | 1.43  | 1.33  | 1.26  | 2.68  | 1.93  | 0.58  |
| Nonresidential      | 1.58  | 1.15  | 1.18  | 1.47  | 1.22  | 2.54  | 1.87  | 1.04  |
| Residential         | 0.37  | 0.34  | 0.25  | -0.13 | 0.03  | 0.14  | 0.06  | -0.46 |
| Government          | 0.50  | 0.64  | 0.13  | 0.84  | 1.50  | -0.18 | 0.85  | -0.26 |
| Federal             | 0.23  | -0.13 | 0.12  | 0.41  | 0.79  | -0.93 | 0.97  | -0.57 |
| State and Local     | 0.27  | 0.78  | 0.01  | 0.43  | 0.71  | 0.75  | -0.12 | 0.31  |
| Net Exports         | 0.05  | -1.44 | -1.35 | -1.08 | -0.37 | -0.94 | -1.00 | -0.79 |
| Exports             | 1.54  | -0.89 | 0.60  | 1.05  | 1.09  | 0.67  | 1.48  | 1.60  |
| Imports             | -1.49 | -0.55 | -1.95 | -2.13 | -1.45 | -1.61 | -2.48 | -2.39 |
| Residual            | -0.07 | 0.16  | 0.31  | 0.05  | -0.11 | 0.10  | -0.12 | 0.04  |

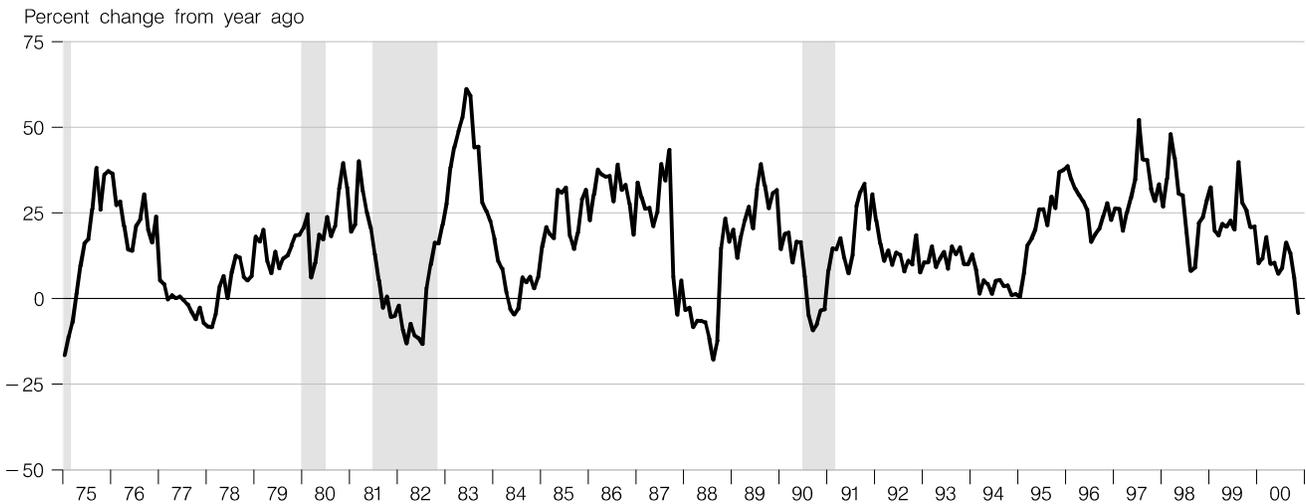
### Interest Rates



### Treasury Yield Curve

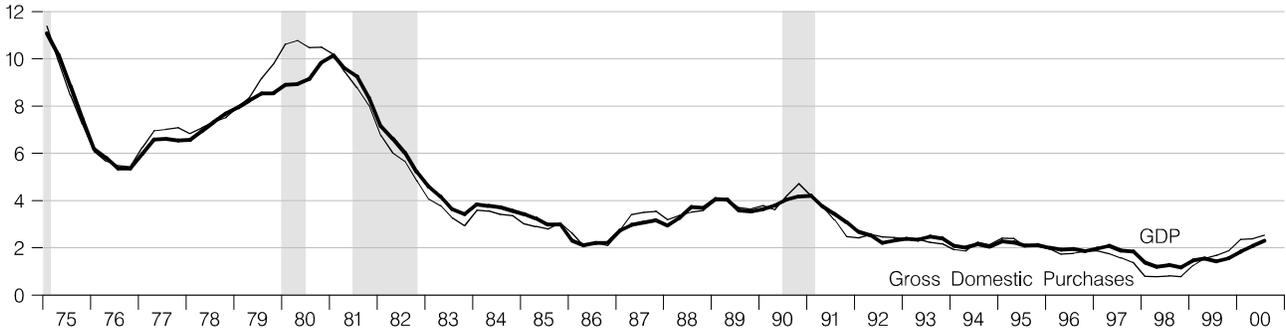


### Standard and Poor's 500 Index with Reinvested Dividends



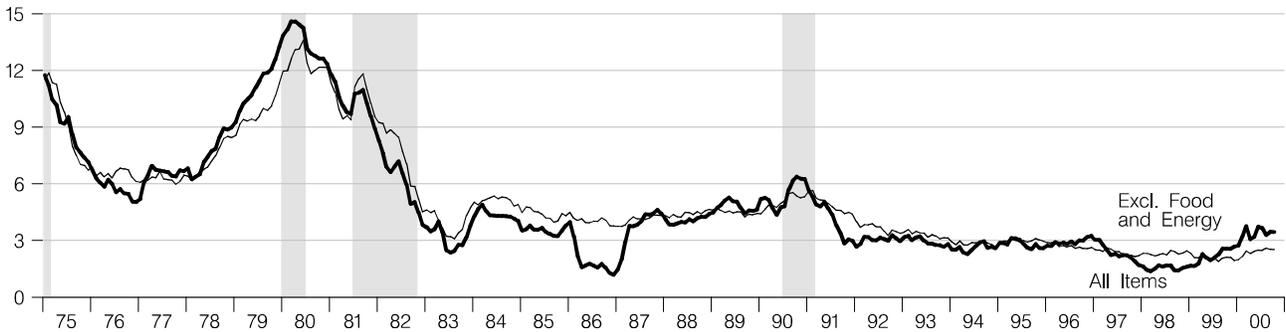
### NIPA Chain Price Indexes

Percent change from year ago



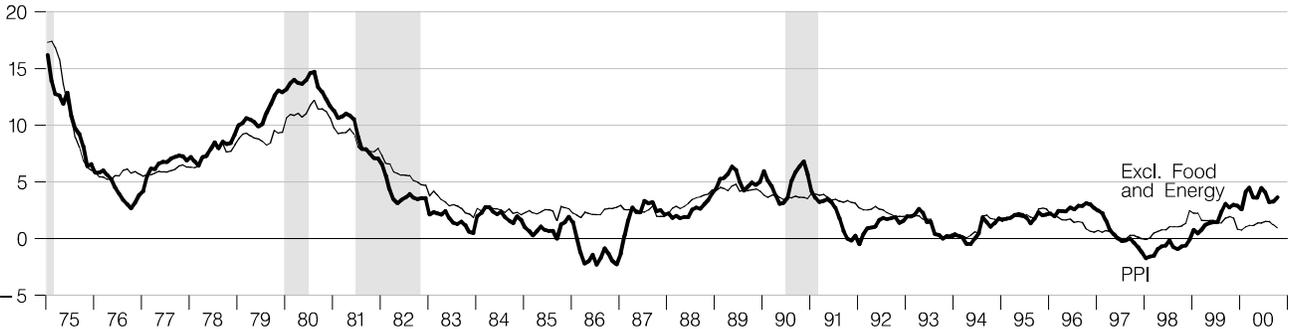
### Consumer Price Index

Percent change from year ago



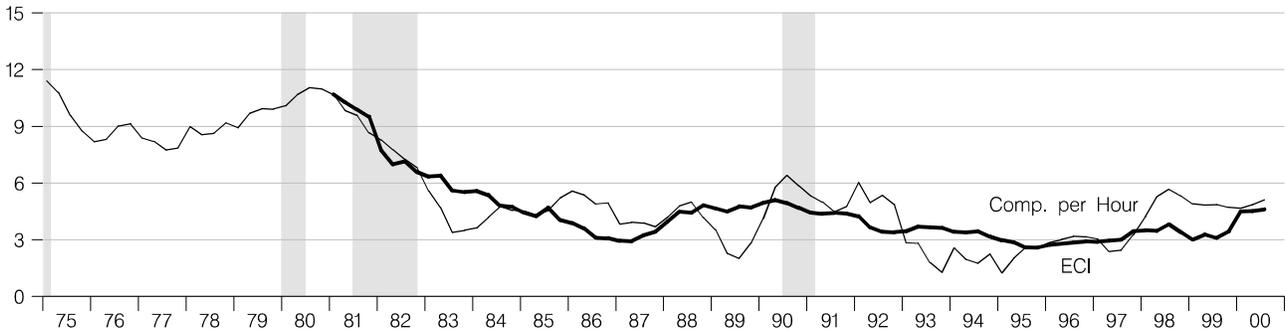
### Producer Price Index, Finished Goods

Percent change from year ago



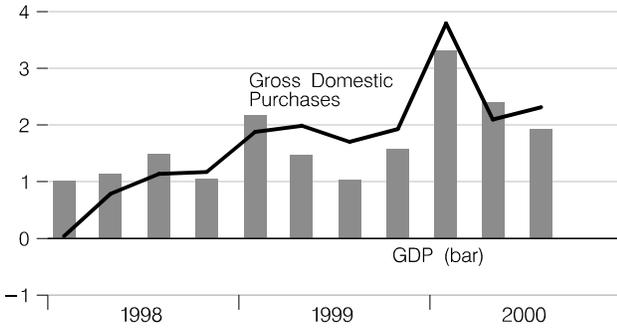
### Employment Cost Index and Compensation per Hour

Percent change from year ago



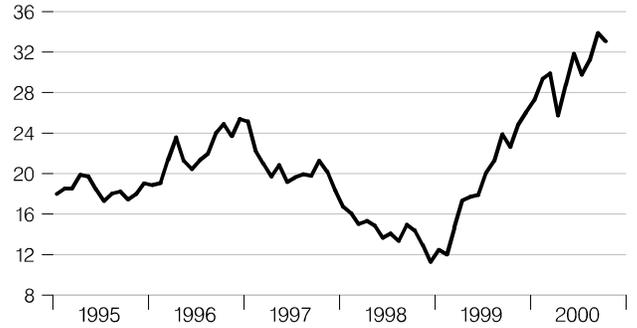
### NIPA Chain Price Indexes

Percent change at annual rate



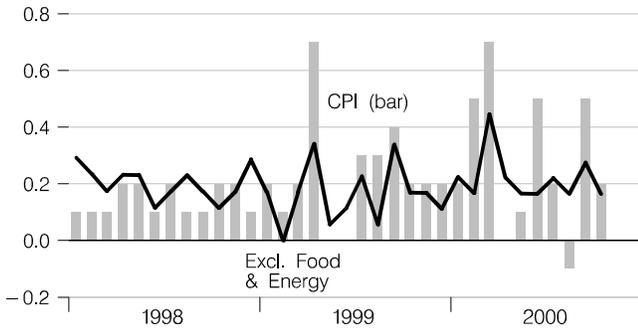
### Crude Oil Price

Dollars per barrel



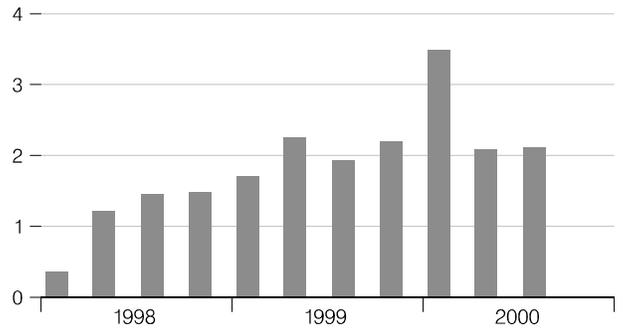
### Consumer Price Index

Percent change



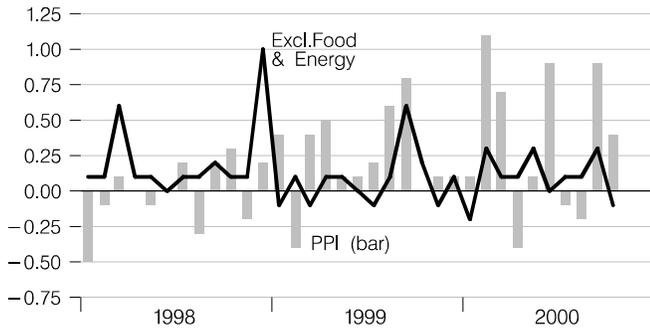
### Consumption Chain Price Index

Percent change at annual rate



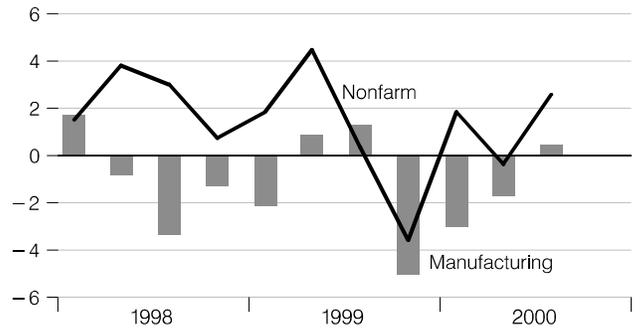
### Producer Price Index, Finished Goods

Percent change



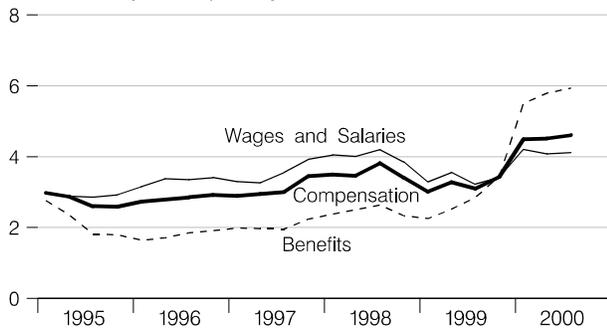
### Unit Labor Cost

Percent change at annual rate



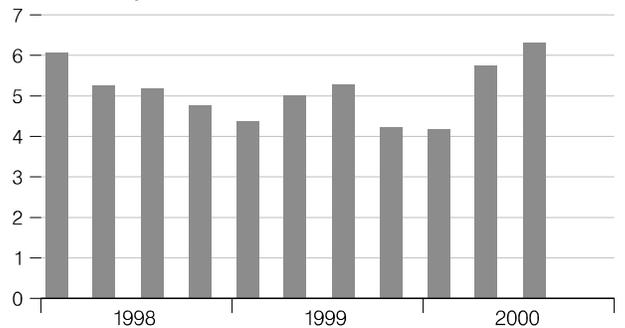
### Employment Cost Index

Percent change from year ago



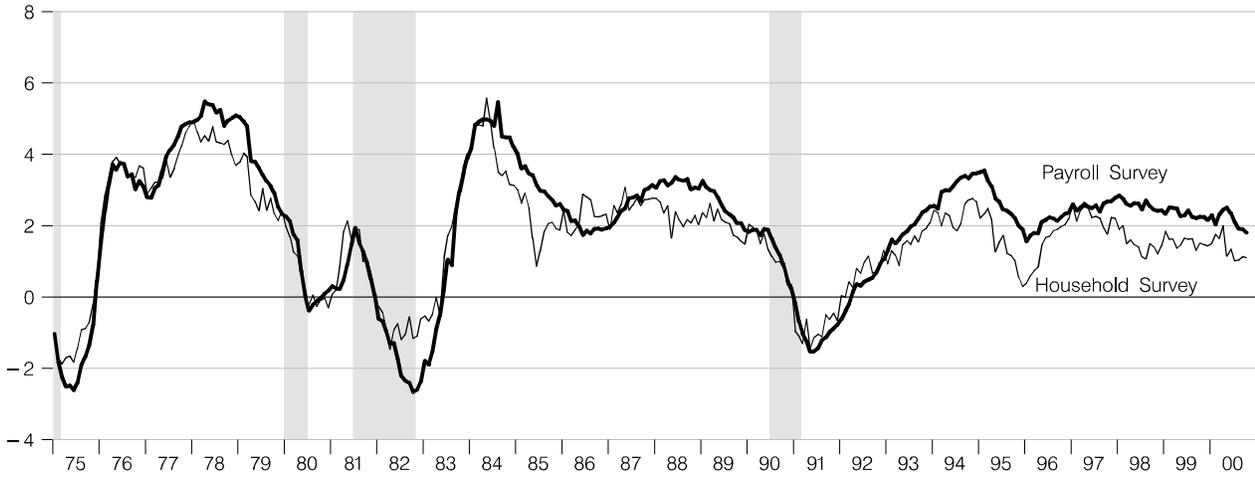
### Compensation per Hour

Percent change at annual rate



### Employment

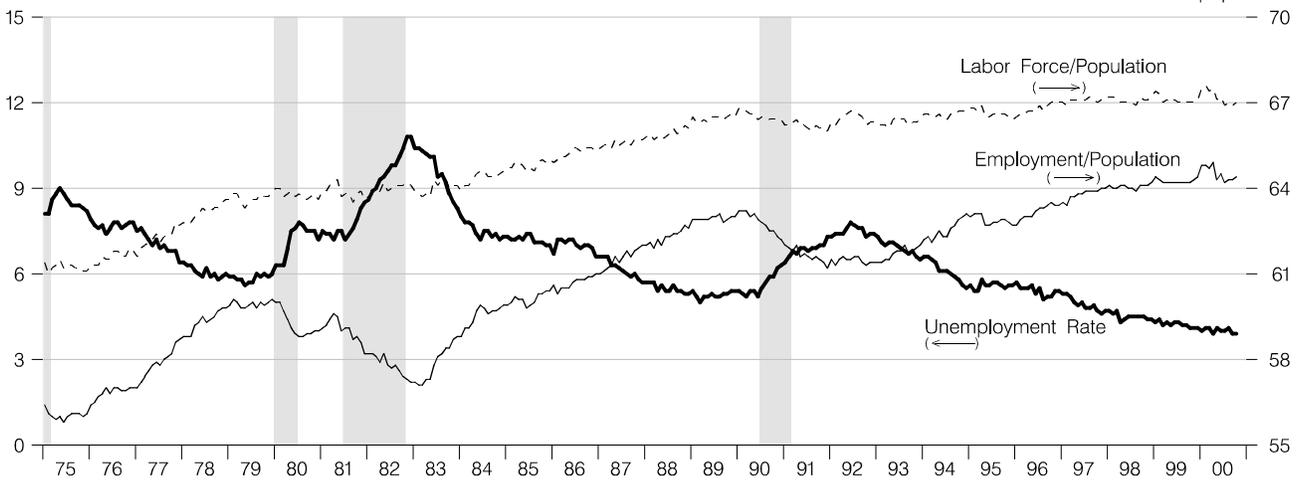
Percent change from year ago



### Unemployment, Labor Force Participation and Employment Rates

Percent of labor force

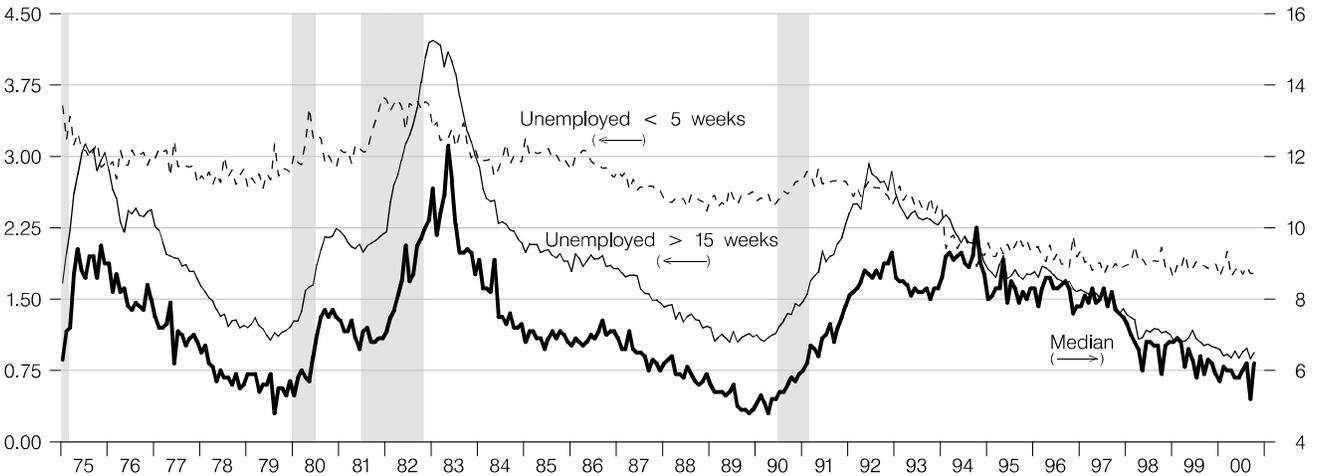
Percent of population



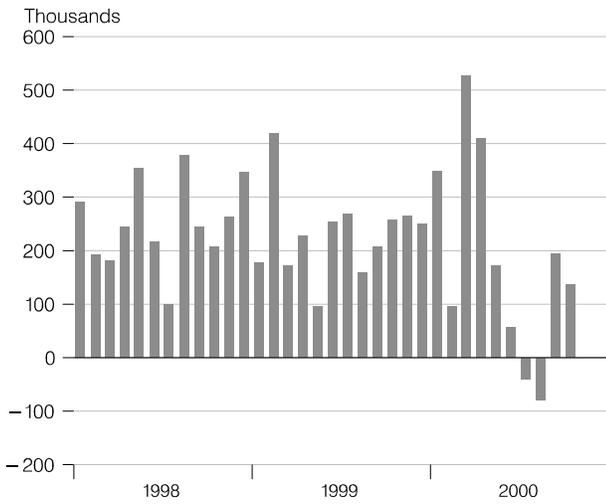
### Duration of Unemployment

Percent of labor force

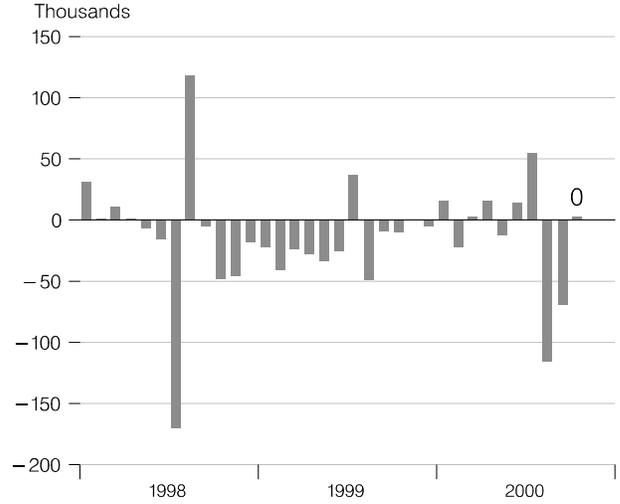
Weeks



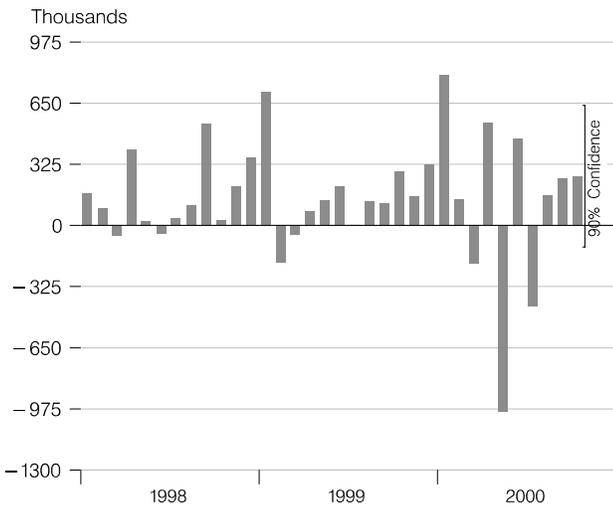
### Change in Nonfarm Payrolls



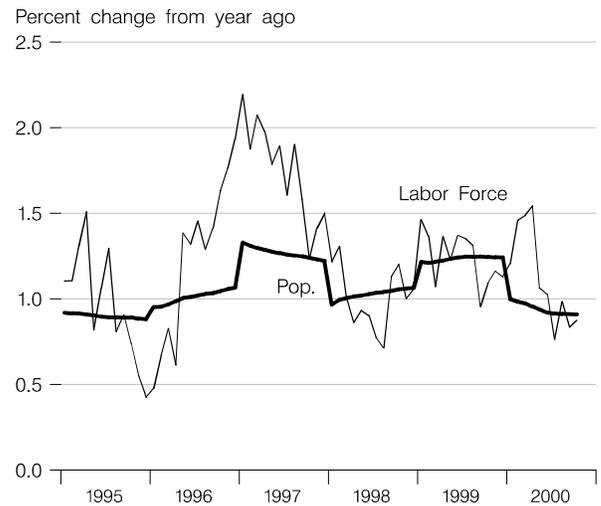
### Change in Manufacturing Payrolls



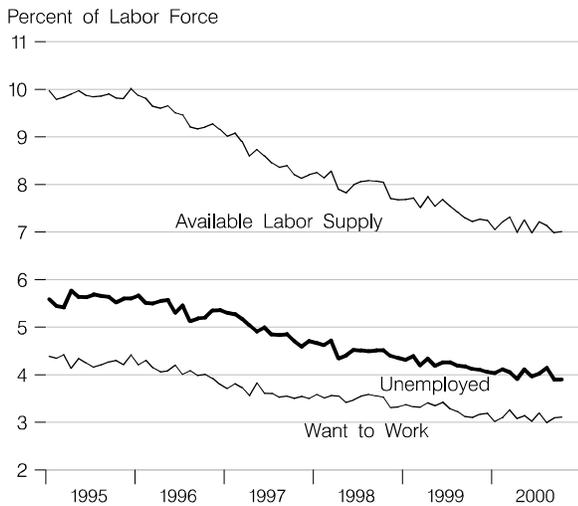
### Change in Household Employment



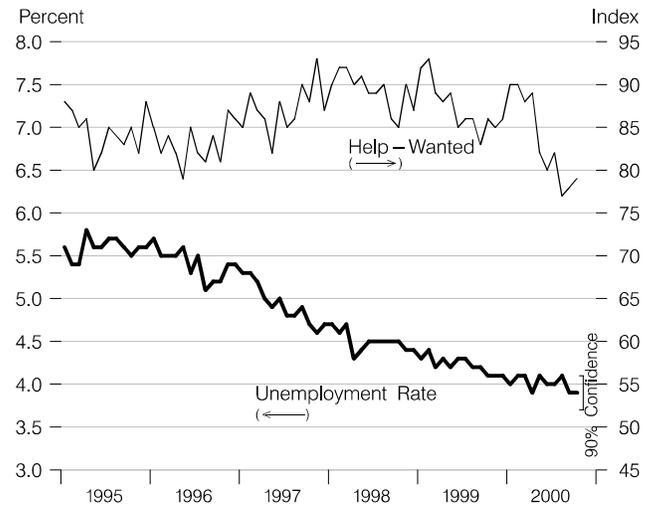
### Labor Force and Population



### Available Labor Supply and Components

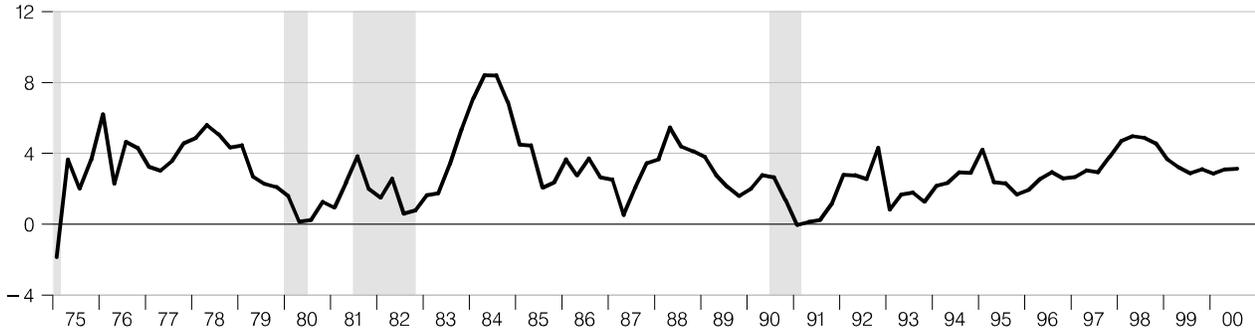


### Unemployment Rate and Help-Wanted Advertising Index



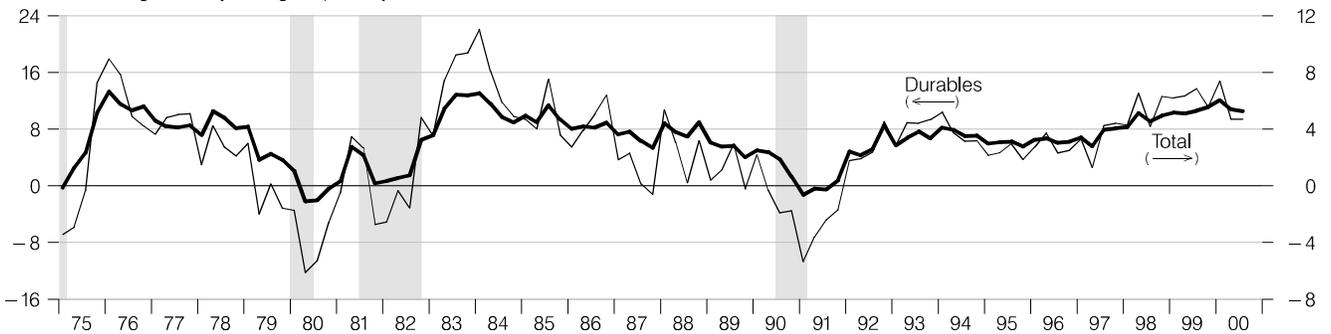
### Real Disposable Personal Income

Percent change from year ago, quarterly data



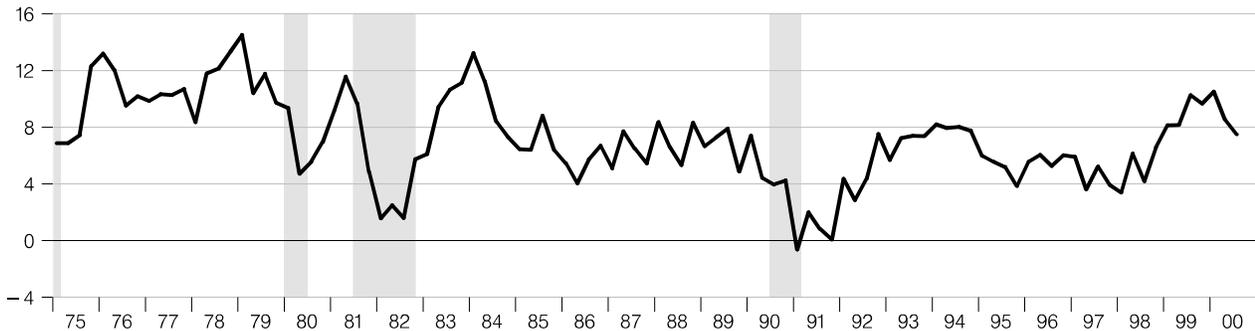
### Real Consumption

Percent change from year ago, quarterly data



### Retail Sales

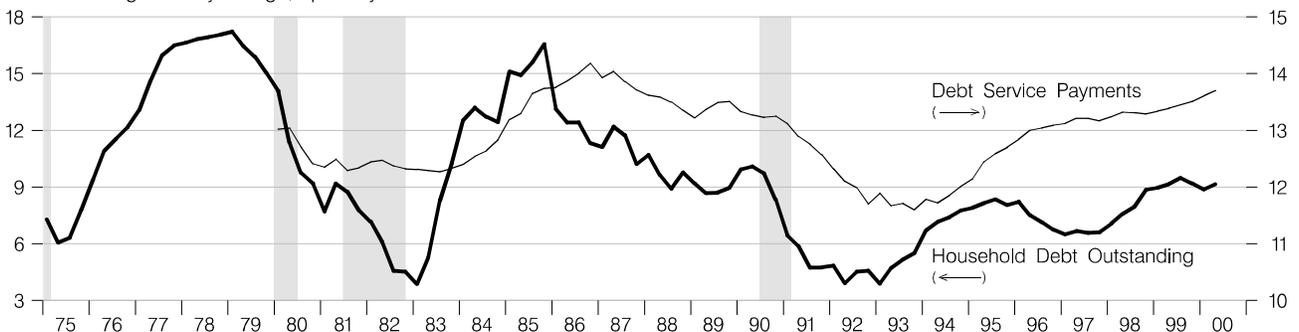
Percent change from year ago, quarterly average



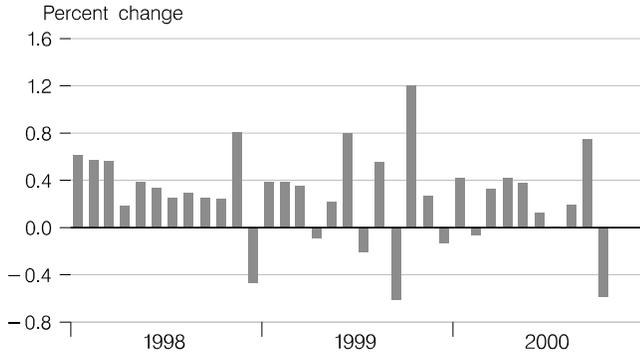
### Debt Service Payments as a Percent of Disposable Income and Household Debt Outstanding

Percent change from year ago, quarterly data

Percent



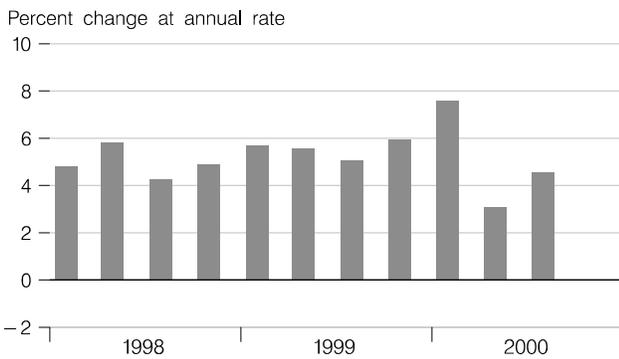
### Real Disposable Personal Income



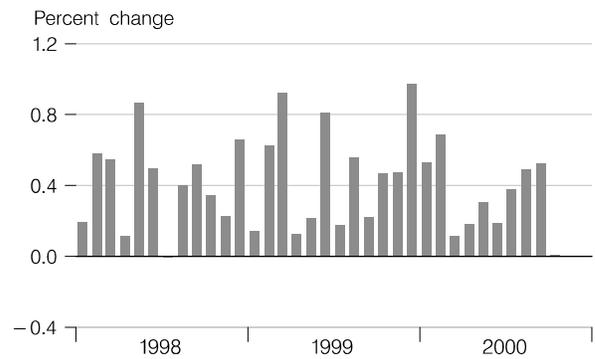
### Personal Saving Rate



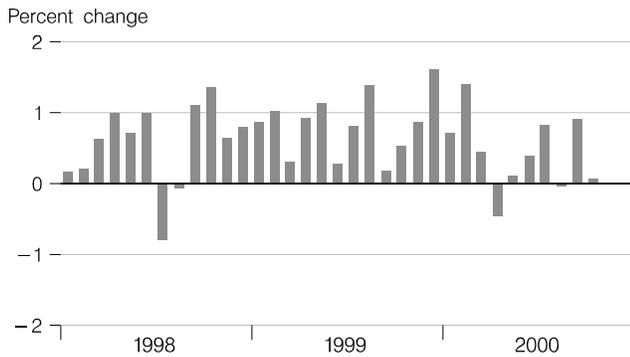
### Real Consumption



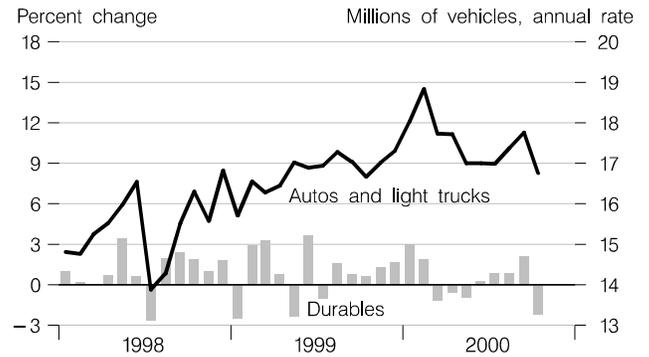
### Real Consumption



### Retail Sales



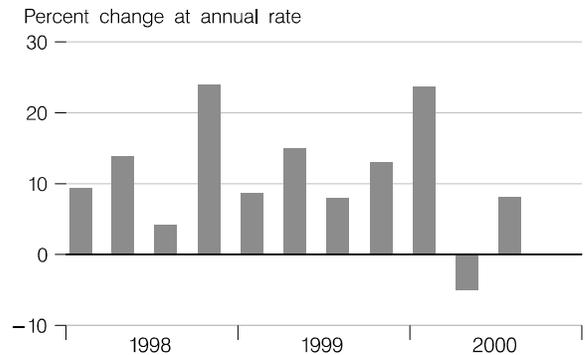
### Real Durables Consumption and Vehicle Sales



### Consumer Sentiment (U. of Michigan)

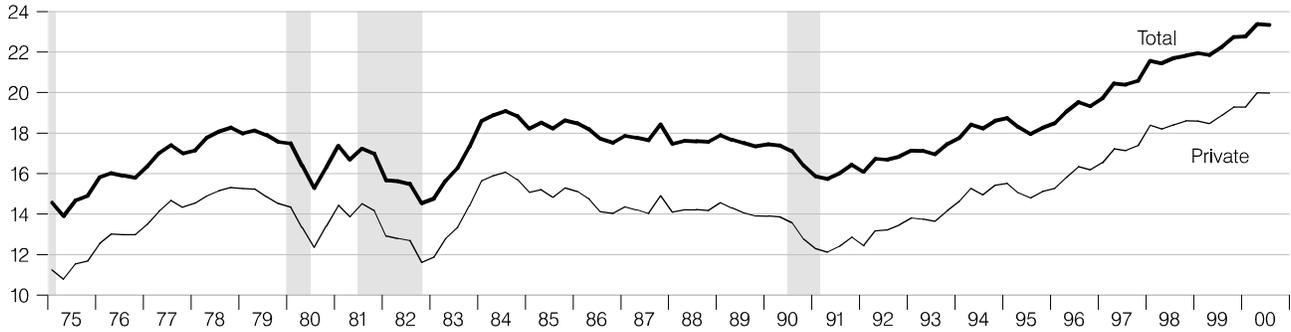


### Real Durables Consumption



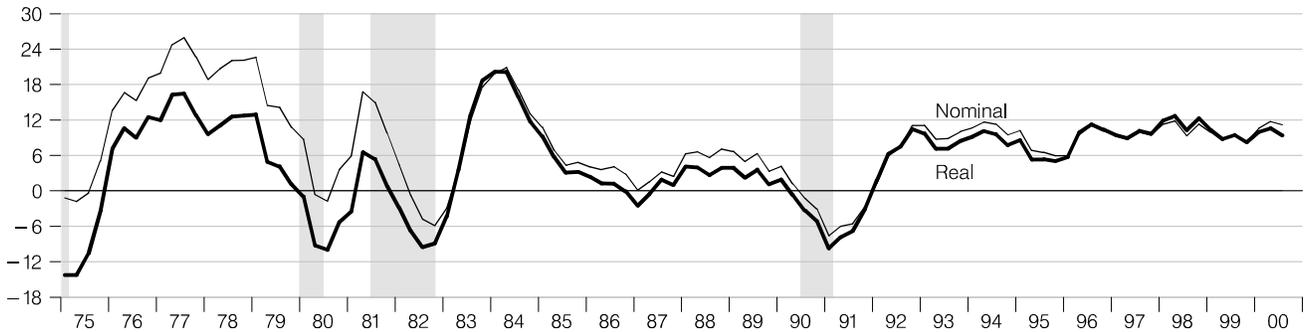
### Real Investment

Percent of GDP



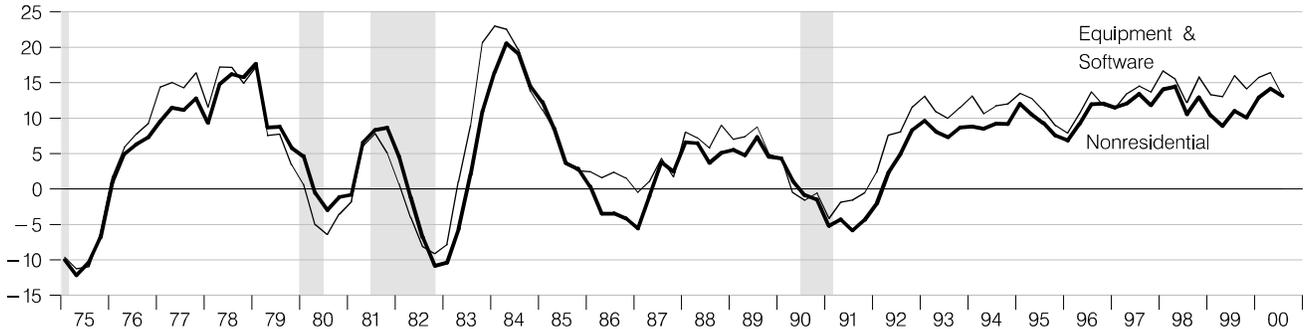
### Private Fixed Investment

Percent change from year ago



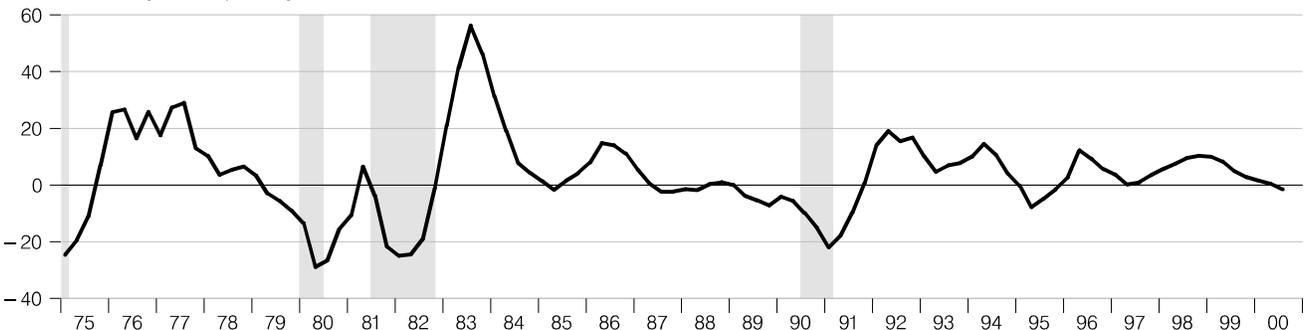
### Real Nonresidential Fixed and Equipment & Software Investment

Percent change from year ago

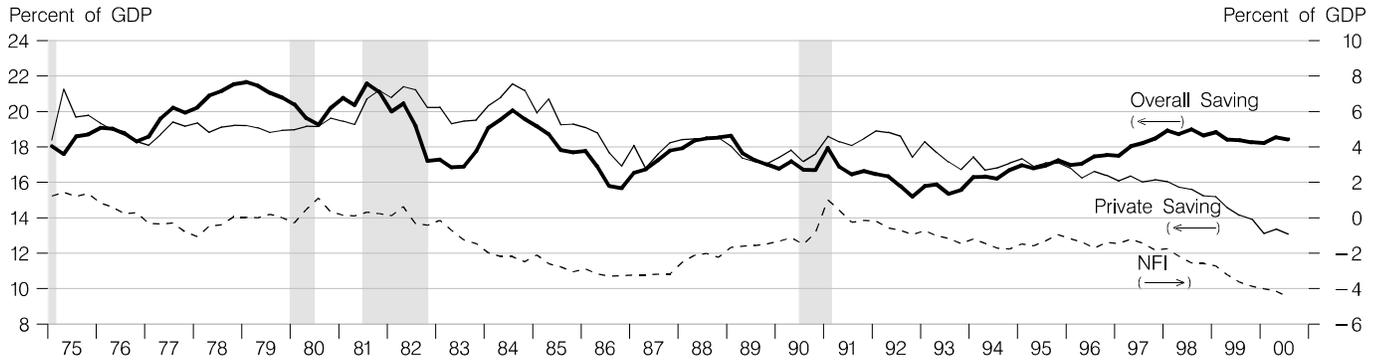


### Real Residential Fixed Investment

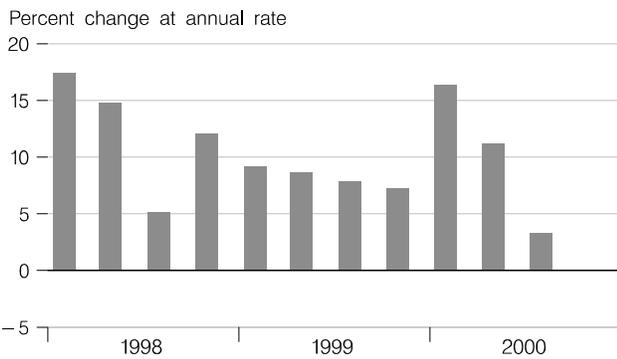
Percent change from year ago



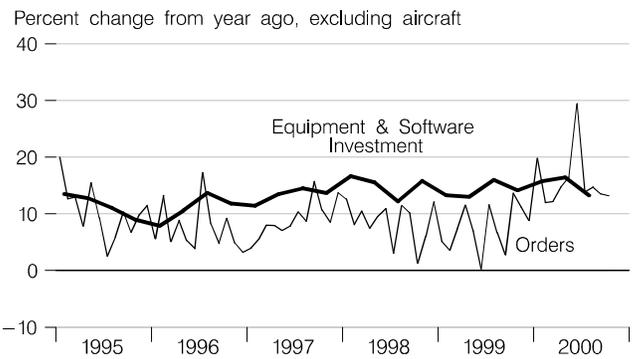
### Gross Saving Rates and Net Foreign Investment



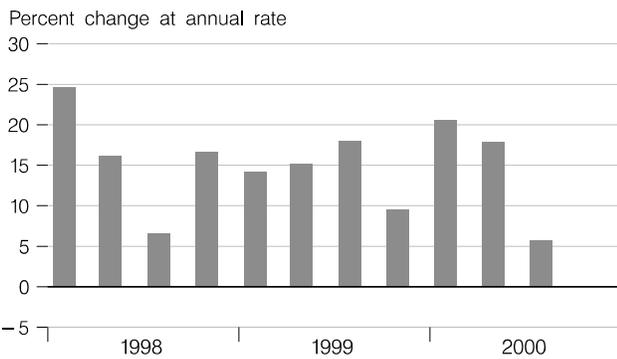
### Real Private Fixed Investment



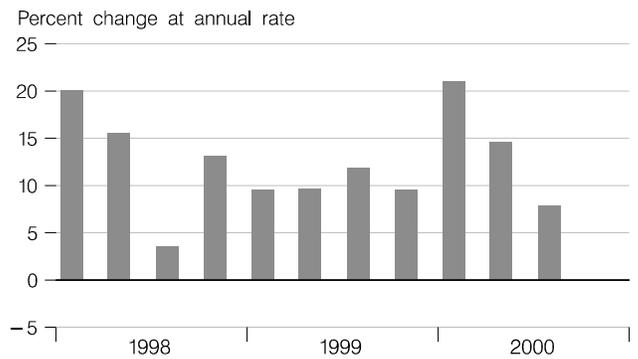
### Nondefense Capital Goods Orders



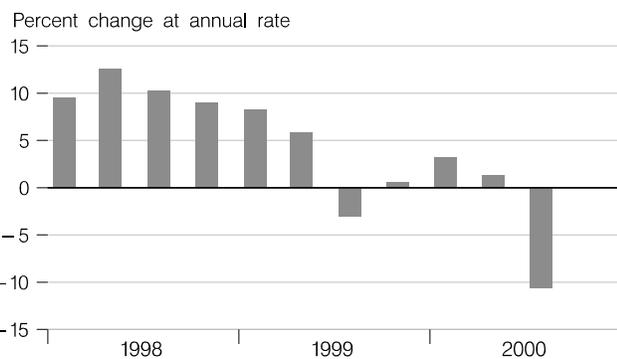
### Real Equipment & Software Investment



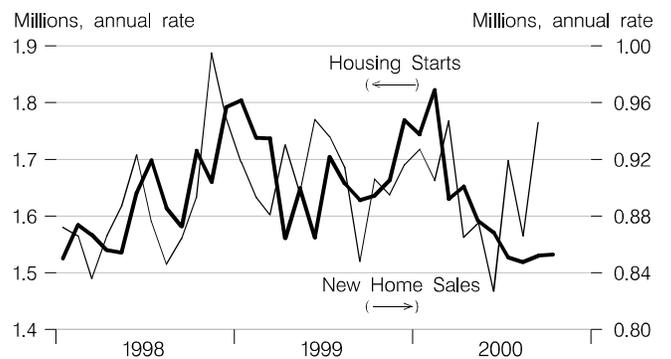
### Real Nonresidential Fixed Investment



### Real Residential Fixed Investment

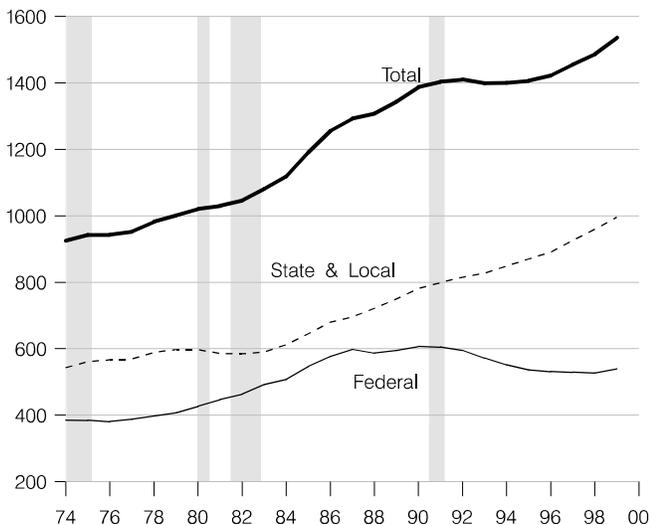


### Housing Starts and New Home Sales



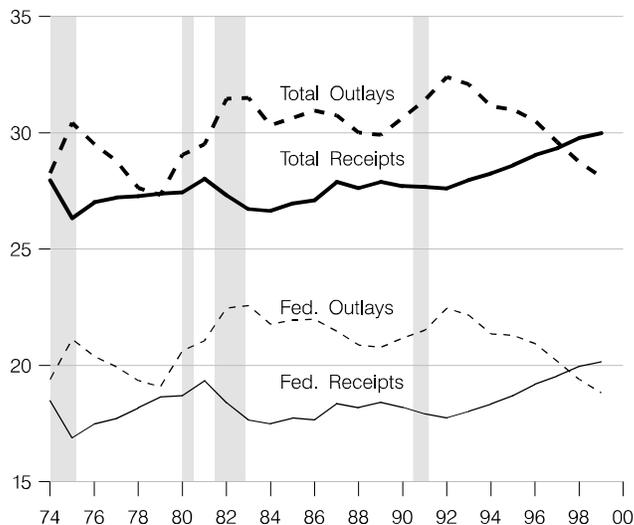
### Govt. Consumption and Investment

Billions of 1996 dollars



### Government Receipts and Outlays

Percent of GDP



### Government Budgets

Billions of dollars

#### National Income Accounts

Calendar Years

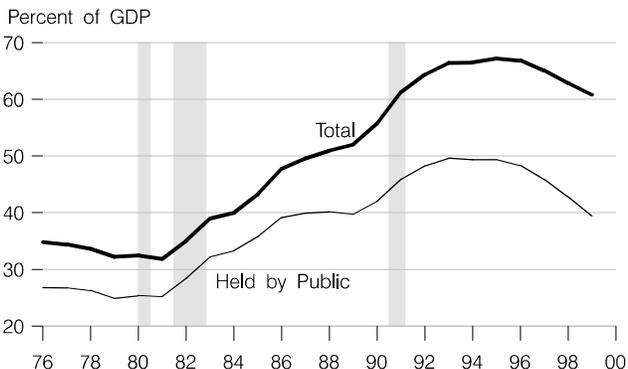
|      | State and Local |              |                       | Federal  |              |                       |
|------|-----------------|--------------|-----------------------|----------|--------------|-----------------------|
|      | Receipts        | Expenditures | Surplus or Deficit(-) | Receipts | Expenditures | Surplus or Deficit(-) |
| 1975 | 199.6           | 197.2        | 2.4                   | 276.1    | 345.4        | -69.3                 |
| 1976 | 224.5           | 217.2        | 7.3                   | 318.9    | 371.9        | -53.0                 |
| 1977 | 249.5           | 236.4        | 13.1                  | 359.9    | 405.0        | -45.1                 |
| 1978 | 274.3           | 255.6        | 18.7                  | 417.3    | 444.2        | -26.9                 |
| 1979 | 290.8           | 277.8        | 13.0                  | 478.3    | 489.6        | -11.3                 |
| 1980 | 316.6           | 307.8        | 8.8                   | 522.8    | 576.6        | -53.8                 |
| 1981 | 344.4           | 336.9        | 7.5                   | 605.6    | 659.3        | -53.7                 |
| 1982 | 360.3           | 362.5        | -2.2                  | 599.5    | 732.1        | -132.6                |
| 1983 | 392.1           | 387.3        | 4.8                   | 623.9    | 797.8        | -173.9                |
| 1984 | 436.4           | 412.6        | 23.8                  | 688.1    | 856.1        | -168.0                |
| 1985 | 469.2           | 447.0        | 22.2                  | 747.4    | 924.6        | -177.2                |
| 1986 | 507.9           | 487.2        | 20.7                  | 786.4    | 978.5        | -192.1                |
| 1987 | 536.0           | 523.8        | 12.2                  | 870.5    | 1018.4       | -147.9                |
| 1988 | 573.7           | 558.1        | 15.6                  | 928.9    | 1066.2       | -137.3                |
| 1989 | 618.9           | 599.6        | 19.3                  | 1010.3   | 1140.3       | -130.0                |
| 1990 | 663.4           | 660.8        | 2.6                   | 1055.7   | 1228.7       | -173.0                |
| 1991 | 716.0           | 723.8        | -7.8                  | 1072.3   | 1287.6       | -215.3                |
| 1992 | 772.2           | 777.2        | -5.0                  | 1121.3   | 1418.9       | -297.6                |
| 1993 | 823.2           | 821.7        | 1.5                   | 1197.3   | 1471.5       | -274.2                |
| 1994 | 873.8           | 865.2        | 8.6                   | 1293.7   | 1506.0       | -212.3                |
| 1995 | 917.9           | 902.5        | 15.4                  | 1383.7   | 1575.7       | -192.0                |
| 1996 | 960.4           | 939.0        | 21.4                  | 1499.1   | 1635.9       | -136.8                |
| 1997 | 1011.3          | 980.3        | 31.0                  | 1625.5   | 1678.8       | -53.3                 |
| 1998 | 1072.3          | 1030.6       | 41.7                  | 1754.0   | 1705.0       | 49.0                  |
| 1999 | 1142.7          | 1092.7       | 50.0                  | 1874.6   | 1750.2       | 124.4                 |

#### Unified Budget

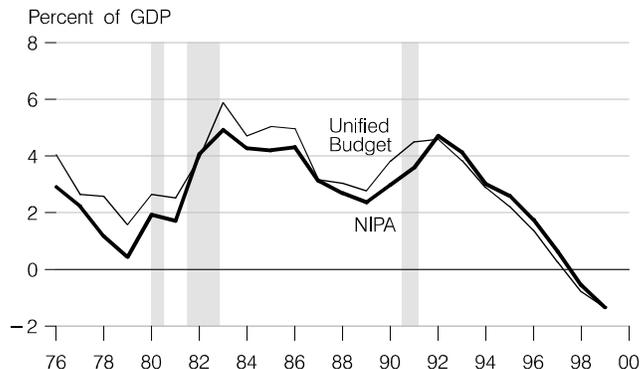
Fiscal Years

|      | Federal  |         |                       |
|------|----------|---------|-----------------------|
|      | Receipts | Outlays | Surplus or Deficit(-) |
| 1975 | 279.1    | 332.3   | -53.2                 |
| 1976 | 298.1    | 371.8   | -73.7                 |
| 1977 | 355.6    | 409.2   | -53.7                 |
| 1978 | 399.6    | 458.7   | -59.2                 |
| 1979 | 463.3    | 504.0   | -40.7                 |
| 1980 | 517.1    | 590.9   | -73.8                 |
| 1981 | 599.3    | 678.2   | -79.0                 |
| 1982 | 617.8    | 745.8   | -128.0                |
| 1983 | 600.6    | 808.4   | -207.8                |
| 1984 | 666.5    | 851.9   | -185.4                |
| 1985 | 734.1    | 946.4   | -212.3                |
| 1986 | 769.2    | 990.5   | -221.2                |
| 1987 | 854.4    | 1004.1  | -149.8                |
| 1988 | 909.3    | 1064.5  | -155.2                |
| 1989 | 991.2    | 1143.7  | -152.5                |
| 1990 | 1032.0   | 1253.2  | -221.2                |
| 1991 | 1055.0   | 1324.4  | -269.4                |
| 1992 | 1091.3   | 1381.7  | -290.4                |
| 1993 | 1154.4   | 1409.5  | -255.1                |
| 1994 | 1258.6   | 1461.9  | -203.3                |
| 1995 | 1351.8   | 1515.8  | -164.0                |
| 1996 | 1453.1   | 1560.6  | -107.5                |
| 1997 | 1579.3   | 1601.3  | -22.0                 |
| 1998 | 1721.8   | 1652.6  | 69.2                  |
| 1999 | 1827.5   | 1703.0  | 124.4                 |

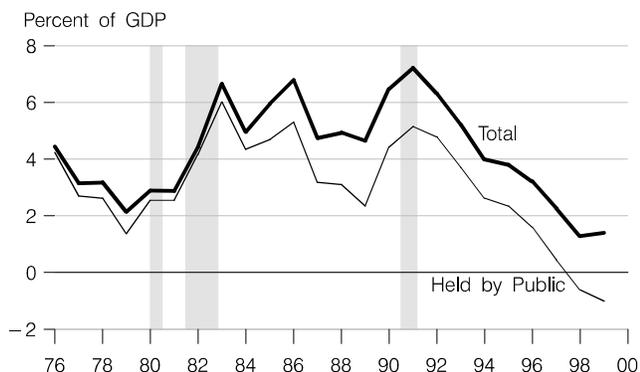
### Federal Debt



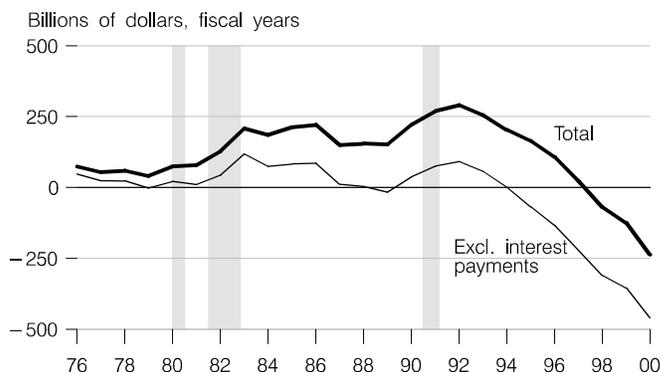
### Federal Deficit



### Change in Federal Debt



### Federal Deficit, Unified Basis

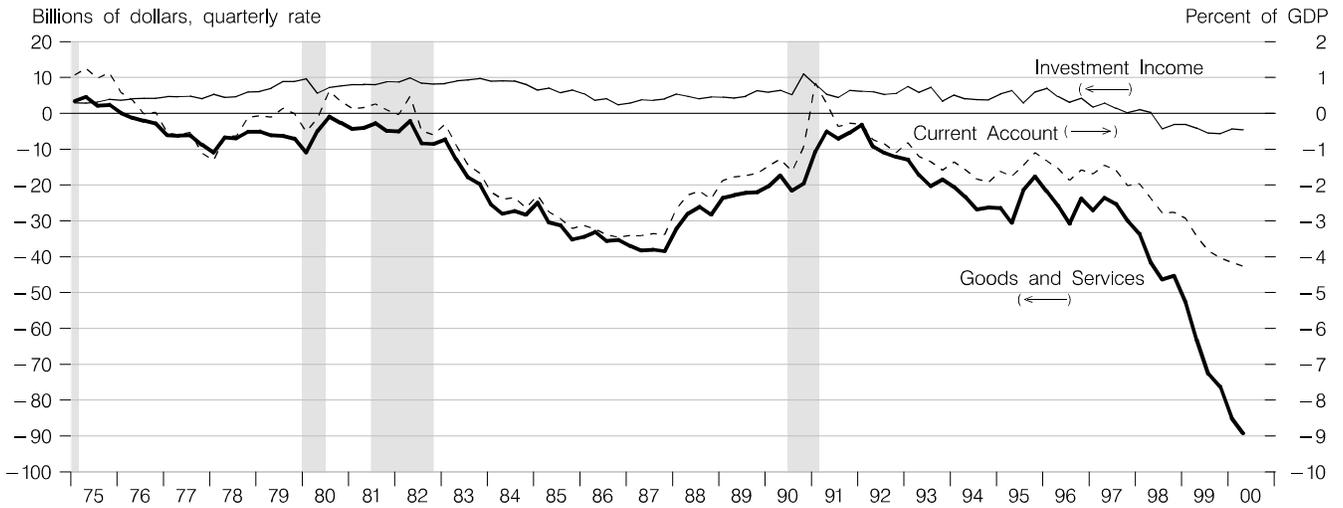


### Federal Government Debt

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 |
| 1998 |           | 5526.2            | 1765.6                      | 3760.6         | 458.1                 | 3313.2                    | 1224.2                    |
| 1999 |           | 5656.3            | 1989.1                      | 3667.2         | 496.5                 | 3175.4                    | 1281.3                    |
| 2000 |           | 5674.2            | NA                          | NA             | NA                    | NA                        | NA                        |
| 1997 | March     | 5380.9            | 1506.8                      | 3874.1         | 405.6                 | 3452.2                    | 1157.6                    |
|      | June      | 5376.2            | 1571.6                      | 3804.6         | 426.4                 | 3377.3                    | 1182.7                    |
|      | September | 5413.2            | 1598.5                      | 3814.7         | 436.5                 | 3401.6                    | 1230.5                    |
|      | December  | 5502.4            | 1655.7                      | 3846.7         | 451.9                 | 3414.6                    | 1241.6                    |
| 1998 | March     | 5542.4            | 1670.4                      | 3872.1         | 400.0                 | 3437.5                    | 1250.5                    |
|      | June      | 5547.9            | 1757.6                      | 3790.4         | 458.4                 | 3349.3                    | 1256.0                    |
|      | September | 5526.2            | 1765.6                      | 3760.6         | 458.1                 | 3313.2                    | 1224.2                    |
|      | December  | 5614.2            | 1826.8                      | 3787.4         | 471.7                 | 3334.0                    | 1278.7                    |
| 1999 | March     | 5651.6            | 1857.1                      | 3794.6         | 464.5                 | 3327.5                    | 1272.1                    |
|      | June      | 5638.8            | 1953.6                      | 3685.2         | 493.8                 | 3199.2                    | 1258.6                    |
|      | September | 5656.3            | 1989.1                      | 3667.2         | 496.5                 | 3175.4                    | 1281.3                    |
|      | December  | 5776.1            | 2060.6                      | 3715.5         | 477.7                 | 3233.9                    | 1268.8                    |
| 2000 | March     | 5773.4            | 2085.4                      | 3688.0         | 501.7                 | 3182.8                    | 1274.0                    |
|      | June      | 5685.9            | 2190.2                      | NA             | 505.0                 | 2987.4                    | 1248.9                    |
|      | September | 5674.2            | NA                          | NA             | NA                    | NA                        | NA                        |

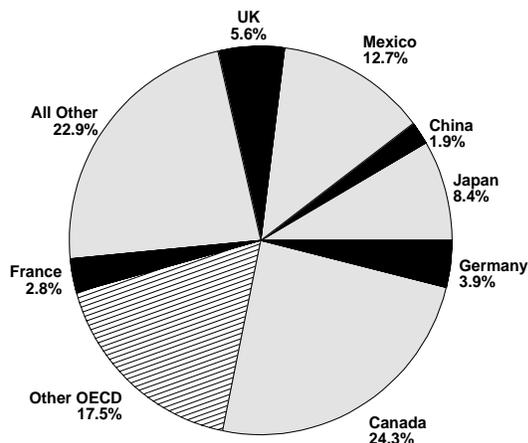
### Current Account, Trade and Investment Income Balances



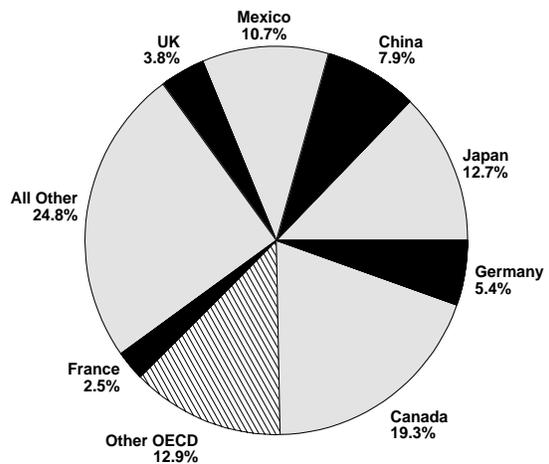
### Exchange Rates



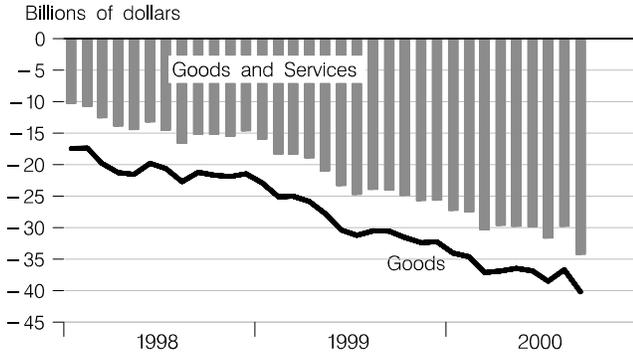
### Goods Export Shares, 1999



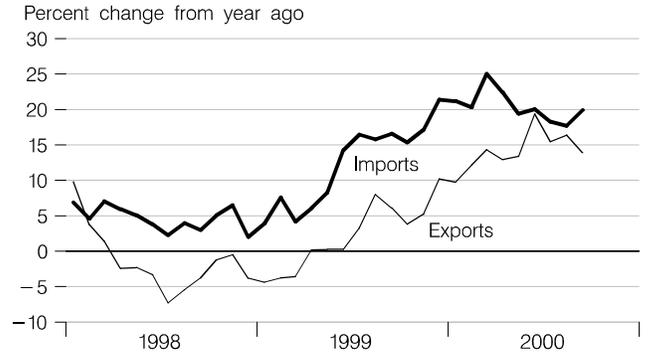
### Goods Import Shares, 1999



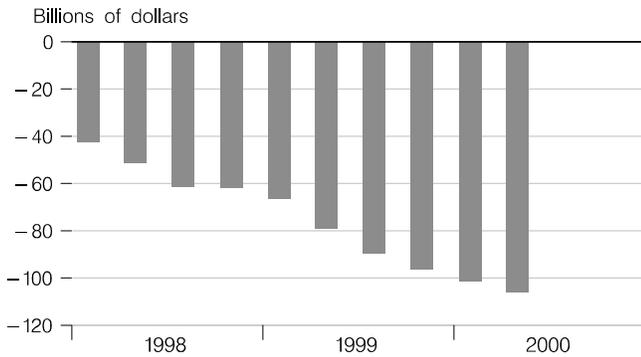
### Trade Balance



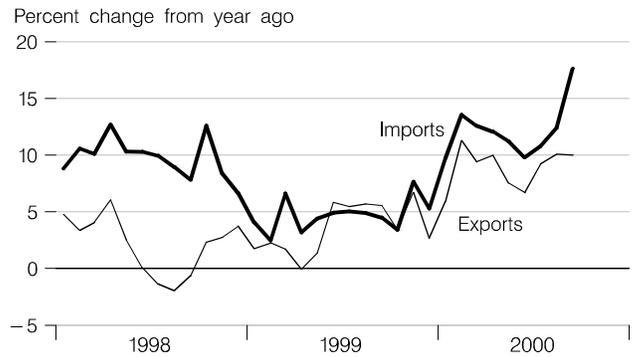
### Goods Trade



### Current Account Balance



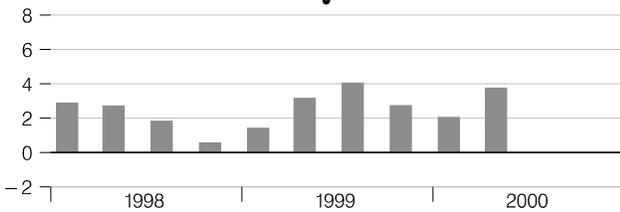
### Services Trade



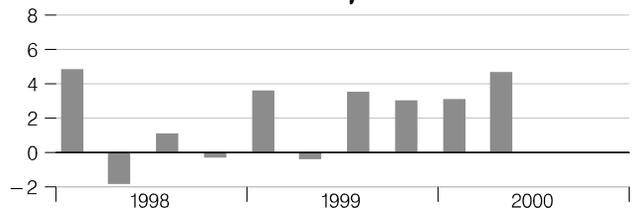
### Real GDP Growth of Major Trading Partners

Percent change at annual rate

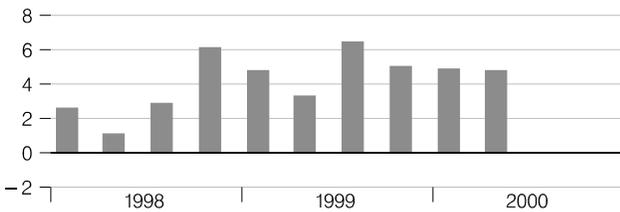
#### United Kingdom



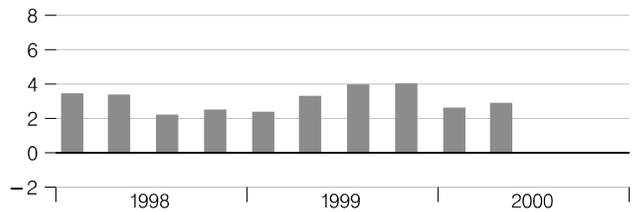
#### Germany



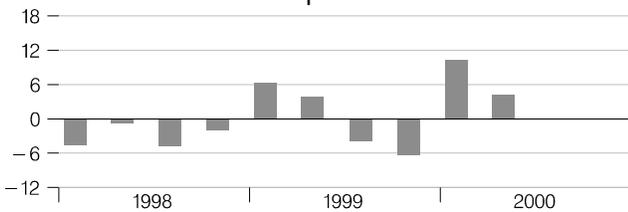
#### Canada



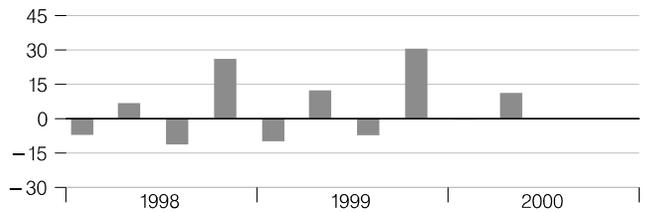
#### France



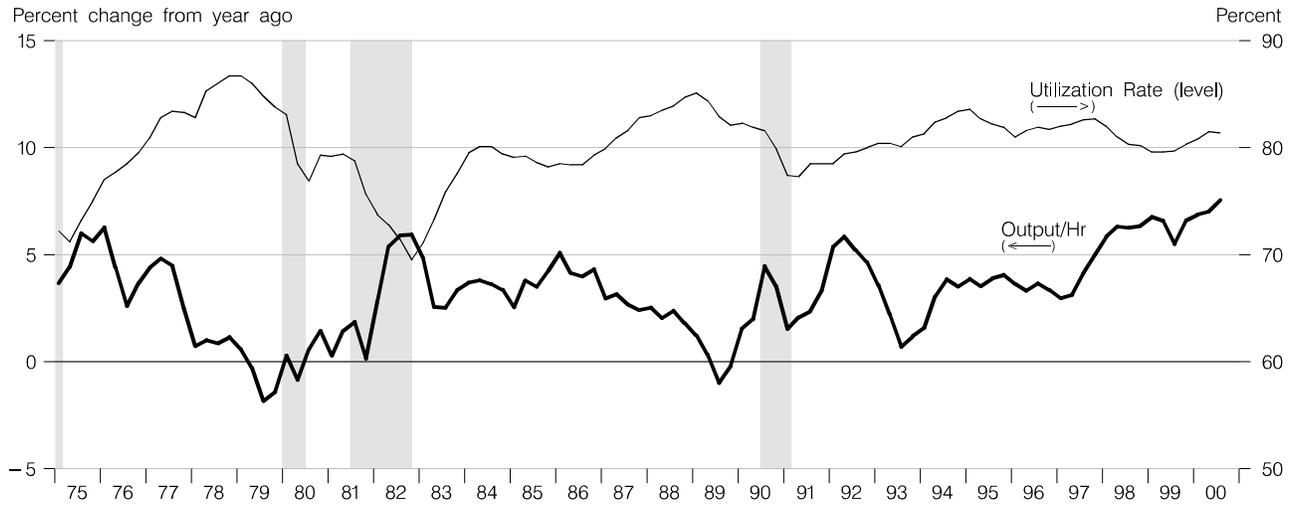
#### Japan



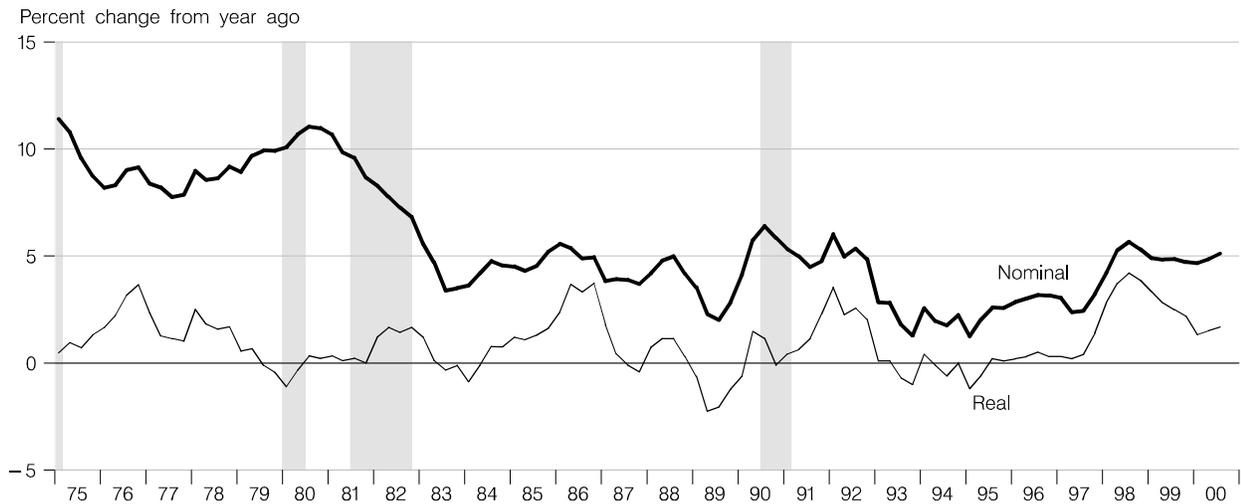
#### Mexico



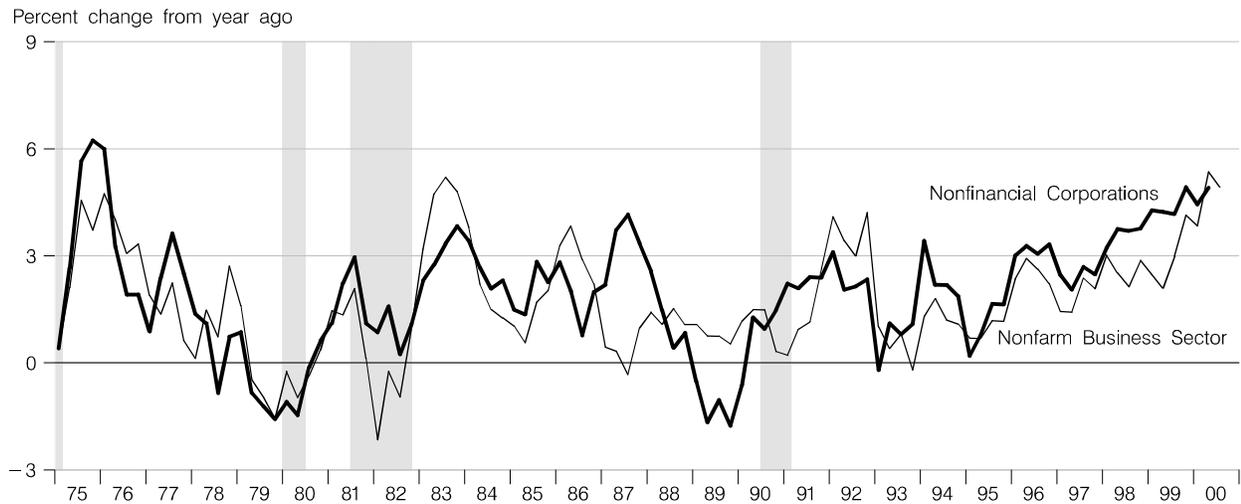
### Output per Hour and Capacity Utilization, Manufacturing



### Nonfarm Compensation per Hour

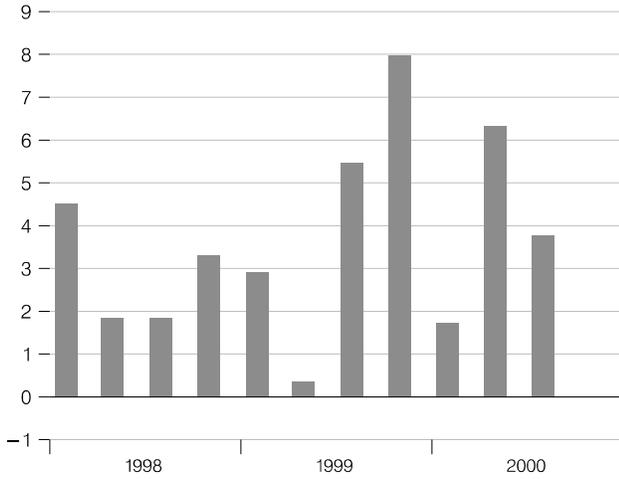


### Output per Hour, Nonfarm Business and Nonfarm, Nonfinancial Corporations



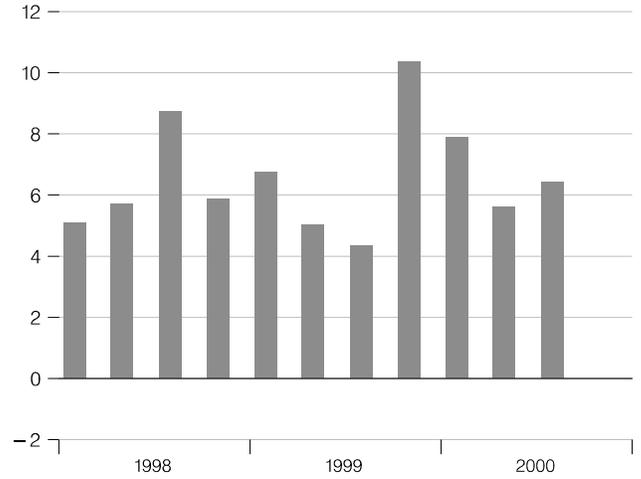
### Nonfarm Output per Hour

Percent change at annual rate



### Manufacturing Output per Hour

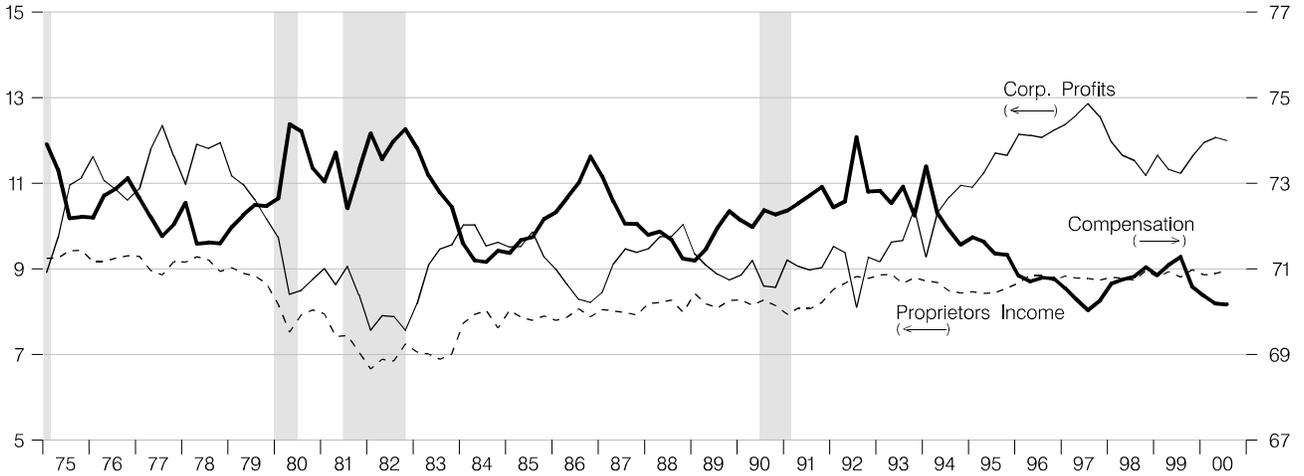
Percent change at annual rate



### Selected Component Shares of National Income

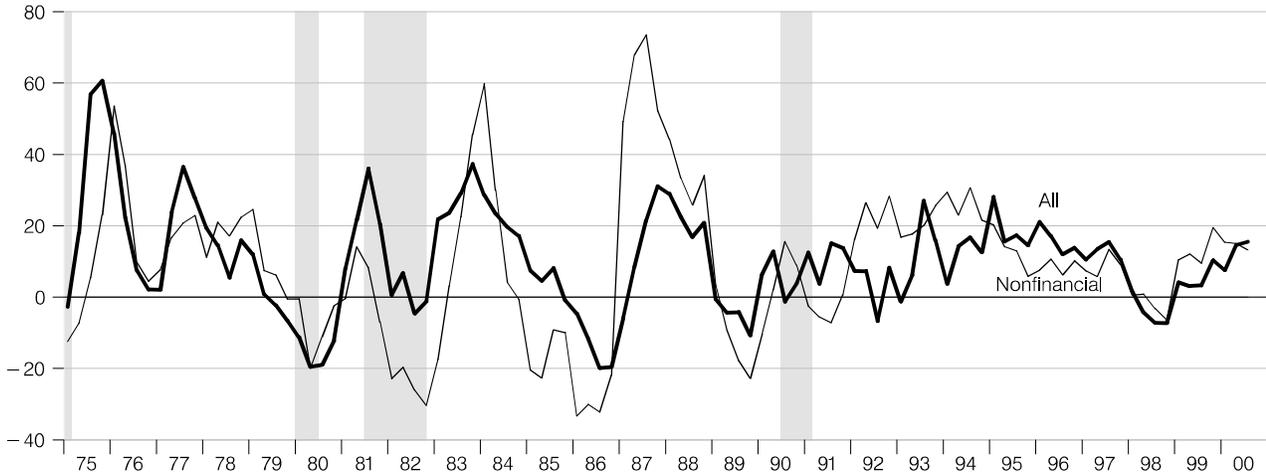
Percent

Percent



### Corporate Profits after Tax (with IVA and CCAdj)

Percent change from year ago



|        | Nominal GDP    |                |          | Real GDP            |                |          | Final Sales         |                |          | Change in Private Inventories |               |
|--------|----------------|----------------|----------|---------------------|----------------|----------|---------------------|----------------|----------|-------------------------------|---------------|
|        | Billions of \$ | Percent change |          | Billions of 1996 \$ | Percent change |          | Billions of 1996 \$ | Percent change |          | Billions of 1996 \$           |               |
|        |                | Annual rate    | Year ago |                     | Annual rate    | Year ago |                     | Annual rate    | Year ago | Last qtr                      | Year/Year ago |
| 1996   | 7813.2         |                | 5.6      | 7813.170            |                | 3.6      | 7783.176            |                | 3.6      |                               | 29.994        |
| 1997   | 8318.4         |                | 6.5      | 8159.450            |                | 4.4      | 8095.204            |                | 4.0      |                               | 63.757        |
| 1998   | 8790.2         |                | 5.7      | 8515.652            |                | 4.4      | 8435.173            |                | 4.2      |                               | 80.169        |
| 1999   | 9299.2         |                | 5.8      | 8875.761            |                | 4.2      | 8826.900            |                | 4.6      |                               | 45.287        |
| 1997 1 | 8124.2         | 7.4            | 6.5      | 8016.391            | 4.4            | 4.4      | 7966.392            | 3.5            | 3.9      | 49.283                        | 40.919        |
| 2      | 8279.8         | 7.9            | 6.4      | 8131.947            | 5.9            | 4.2      | 8043.212            | 3.9            | 3.5      | 88.306                        | 55.429        |
| 3      | 8390.9         | 5.5            | 6.8      | 8216.564            | 4.2            | 4.8      | 8164.863            | 6.2            | 4.8      | 51.336                        | 55.452        |
| 4      | 8478.6         | 4.2            | 6.2      | 8272.897            | 2.8            | 4.3      | 8206.269            | 2.0            | 3.9      | 66.102                        | 63.757        |
| 1998 1 | 8634.7         | 7.6            | 6.3      | 8404.861            | 6.5            | 4.8      | 8289.394            | 4.1            | 4.1      | 117.319                       | 80.766        |
| 2      | 8722.0         | 4.1            | 5.3      | 8465.570            | 2.9            | 4.1      | 8402.717            | 5.6            | 4.5      | 60.914                        | 73.918        |
| 3      | 8829.1         | 5.0            | 5.2      | 8537.607            | 3.4            | 3.9      | 8463.426            | 2.9            | 3.7      | 73.069                        | 79.351        |
| 4      | 8974.9         | 6.8            | 5.9      | 8654.492            | 5.6            | 4.6      | 8584.999            | 5.9            | 4.6      | 69.374                        | 80.169        |
| 1999 1 | 9104.5         | 5.9            | 5.4      | 8729.967            | 3.5            | 3.9      | 8680.265            | 4.5            | 4.7      | 48.073                        | 62.858        |
| 2      | 9191.5         | 3.9            | 5.4      | 8783.175            | 2.5            | 3.8      | 8764.868            | 4.0            | 4.3      | 13.101                        | 50.904        |
| 3      | 9340.9         | 6.7            | 5.8      | 8905.764            | 5.7            | 4.3      | 8861.769            | 4.5            | 4.7      | 39.096                        | 42.411        |
| 4      | 9559.7         | 9.7            | 6.5      | 9084.060            | 8.3            | 5.0      | 9000.543            | 6.4            | 4.8      | 80.878                        | 45.287        |
| 2000 1 | 9752.7         | 8.3            | 7.1      | 9191.804            | 4.8            | 5.3      | 9148.034            | 6.7            | 5.4      | 36.634                        | 42.427        |
| 2      | 9945.7         | 8.2            | 8.2      | 9318.924            | 5.6            | 6.1      | 9235.283            | 3.9            | 5.4      | 78.603                        | 58.803        |
| 3      | 10052.2        | 4.4            | 7.6      | 9373.538            | 2.4            | 5.3      | 9294.124            | 2.6            | 4.9      | 73.450                        | 67.391        |

|        | Consumption         |                |          | Durables Consumption |                |          | Private Fixed Investment |                |          | Nonresidential Fixed Investment |                |          |
|--------|---------------------|----------------|----------|----------------------|----------------|----------|--------------------------|----------------|----------|---------------------------------|----------------|----------|
|        | Billions of 1996 \$ | Percent change |          | Billions of 1996 \$  | Percent change |          | Billions of 1996 \$      | Percent change |          | Billions of 1996 \$             | Percent change |          |
|        |                     | Annual rate    | Year ago |                      | Annual rate    | Year ago |                          | Annual rate    | Year ago |                                 | Annual rate    | Year ago |
| 1996   | 5237.499            |                | 3.2      | 616.475              |                | 5.6      | 1212.696                 |                | 9.3      | 899.433                         |                | 10.0     |
| 1997   | 5423.902            |                | 3.6      | 657.347              |                | 6.6      | 1328.630                 |                | 9.6      | 1009.344                        |                | 12.2     |
| 1998   | 5678.654            |                | 4.7      | 727.268              |                | 10.6     | 1485.274                 |                | 11.8     | 1140.256                        |                | 13.0     |
| 1999   | 5978.815            |                | 5.3      | 817.779              |                | 12.4     | 1621.375                 |                | 9.2      | 1255.285                        |                | 10.1     |
| 1997 1 | 5350.681            | 4.5            | 3.4      | 641.473              | 10.5           | 6.6      | 1275.405                 | 8.3            | 9.5      | 960.756                         | 10.9           | 11.5     |
| 2      | 5375.664            | 1.9            | 2.8      | 636.510              | -3.1           | 2.6      | 1311.094                 | 11.7           | 8.9      | 992.659                         | 14.0           | 12.1     |
| 3      | 5462.083            | 6.6            | 4.0      | 670.509              | 23.1           | 8.5      | 1356.728                 | 14.7           | 10.2     | 1036.974                        | 19.1           | 13.4     |
| 4      | 5507.125            | 3.3            | 4.1      | 680.890              | 6.3            | 8.8      | 1371.305                 | 4.4            | 9.7      | 1046.985                        | 3.9            | 11.8     |
| 1998 1 | 5572.385            | 4.8            | 4.1      | 696.376              | 9.4            | 8.6      | 1427.367                 | 17.4           | 11.9     | 1095.977                        | 20.1           | 14.1     |
| 2      | 5651.576            | 5.8            | 5.1      | 719.352              | 13.9           | 13.0     | 1477.585                 | 14.8           | 12.7     | 1136.398                        | 15.6           | 14.5     |
| 3      | 5710.969            | 4.3            | 4.6      | 726.670              | 4.1            | 8.4      | 1496.394                 | 5.2            | 10.3     | 1146.336                        | 3.5            | 10.5     |
| 4      | 5779.790            | 4.9            | 5.0      | 766.673              | 23.9           | 12.6     | 1539.748                 | 12.1           | 12.3     | 1182.332                        | 13.2           | 12.9     |
| 1999 1 | 5860.238            | 5.7            | 5.2      | 782.677              | 8.6            | 12.4     | 1574.043                 | 9.2            | 10.3     | 1209.432                        | 9.5            | 10.4     |
| 2      | 5940.214            | 5.6            | 5.1      | 810.480              | 15.0           | 12.7     | 1607.125                 | 8.7            | 8.8      | 1237.494                        | 9.6            | 8.9      |
| 3      | 6013.801            | 5.0            | 5.3      | 826.150              | 8.0            | 13.7     | 1637.758                 | 7.8            | 9.4      | 1272.464                        | 11.8           | 11.0     |
| 4      | 6101.005            | 5.9            | 5.6      | 851.802              | 13.0           | 11.1     | 1666.560                 | 7.2            | 8.2      | 1301.758                        | 9.5            | 10.1     |
| 2000 1 | 6213.455            | 7.6            | 6.0      | 898.223              | 23.6           | 14.8     | 1730.930                 | 16.4           | 10.0     | 1365.267                        | 21.0           | 12.9     |
| 2      | 6260.644            | 3.1            | 5.4      | 886.688              | -5.0           | 9.4      | 1777.643                 | 11.2           | 10.6     | 1412.488                        | 14.6           | 14.1     |
| 3      | 6330.460            | 4.5            | 5.3      | 904.054              | 8.1            | 9.4      | 1791.928                 | 3.3            | 9.4      | 1439.381                        | 7.8            | 13.1     |

|      | GDP Chain Price Index |                |          | Employment Cost Index |                |          | ECI: Wages              |                |          | ECI: Benefits           |                |          |     |
|------|-----------------------|----------------|----------|-----------------------|----------------|----------|-------------------------|----------------|----------|-------------------------|----------------|----------|-----|
|      | Index                 | Percent change |          | Index                 | Percent change |          | Index                   | Percent change |          | Index                   | Percent change |          |     |
|      |                       | Annual rate    | Year ago |                       | Annual rate    | Year ago |                         | Annual rate    | Year ago |                         | Annual rate    | Year ago |     |
| 1996 | 100.000               |                | 1.9      | 129.3                 |                | 2.8      | 126.0                   |                | 3.3      | 137.4                   |                | 1.8      |     |
| 1997 | 101.950               |                | 2.0      | 133.3                 |                | 3.1      | 130.4                   |                | 3.5      | 140.2                   |                | 2.0      |     |
| 1998 | 103.230               |                | 1.3      | 138.0                 |                | 3.5      | 135.7                   |                | 4.0      | 143.6                   |                | 2.5      |     |
| 1999 | 104.770               |                | 1.5      | 142.4                 |                | 3.2      | 140.2                   |                | 3.4      | 147.6                   |                | 2.8      |     |
| 1997 | 1                     | 101.360        | 2.9      | 2.0                   | 131.6          | 3.1      | 2.9                     | 128.5          | 3.5      | 3.3                     | 138.9          | 1.2      | 2.0 |
|      | 2                     | 101.820        | 1.8      | 2.1                   | 132.7          | 3.4      | 2.9                     | 129.7          | 3.8      | 3.3                     | 139.7          | 2.3      | 2.0 |
|      | 3                     | 102.120        | 1.2      | 1.9                   | 133.7          | 3.0      | 3.0                     | 131.0          | 4.1      | 3.6                     | 140.4          | 2.0      | 2.0 |
|      | 4                     | 102.490        | 1.5      | 1.8                   | 135.1          | 4.3      | 3.4                     | 132.4          | 4.3      | 3.9                     | 141.6          | 3.5      | 2.2 |
| 1998 | 1                     | 102.750        | 1.0      | 1.4                   | 136.2          | 3.3      | 3.5                     | 133.7          | 4.0      | 4.0                     | 142.2          | 1.7      | 2.4 |
|      | 2                     | 103.040        | 1.1      | 1.2                   | 137.3          | 3.3      | 3.5                     | 134.9          | 3.6      | 4.0                     | 143.2          | 2.8      | 2.5 |
|      | 3                     | 103.420        | 1.5      | 1.3                   | 138.8          | 4.4      | 3.8                     | 136.5          | 4.8      | 4.2                     | 144.1          | 2.5      | 2.6 |
|      | 4                     | 103.690        | 1.0      | 1.2                   | 139.7          | 2.6      | 3.4                     | 137.5          | 3.0      | 3.9                     | 144.9          | 2.2      | 2.3 |
| 1999 | 1                     | 104.250        | 2.2      | 1.5                   | 140.3          | 1.7      | 3.0                     | 138.1          | 1.8      | 3.3                     | 145.4          | 1.4      | 2.3 |
|      | 2                     | 104.630        | 1.5      | 1.5                   | 141.8          | 4.3      | 3.3                     | 139.7          | 4.7      | 3.6                     | 146.8          | 3.9      | 2.5 |
|      | 3                     | 104.900        | 1.0      | 1.4                   | 143.1          | 3.7      | 3.1                     | 140.9          | 3.5      | 3.2                     | 148.2          | 3.9      | 2.8 |
|      | 4                     | 105.310        | 1.6      | 1.6                   | 144.5          | 4.0      | 3.4                     | 142.2          | 3.7      | 3.4                     | 149.9          | 4.7      | 3.5 |
| 2000 | 1                     | 106.170        | 3.3      | 1.8                   | 146.6          | 5.9      | 4.5                     | 143.9          | 4.9      | 4.2                     | 153.4          | 9.7      | 5.5 |
|      | 2                     | 106.800        | 2.4      | 2.1                   | 148.2          | 4.4      | 4.5                     | 145.4          | 4.2      | 4.1                     | 155.3          | 5.0      | 5.8 |
|      | 3                     | 107.310        | 1.9      | 2.3                   | 149.7          | 4.1      | 4.6                     | 146.7          | 3.6      | 4.1                     | 157.0          | 4.5      | 5.9 |
|      | Exports               |                |          | Imports               |                |          | Nonfarm Output per Hour |                |          | Nonfarm Compensation/Hr |                |          |     |
|      | Billions of 1996 \$   | Percent change |          | Billions of 1996 \$   | Percent change |          | Index                   | Percent change |          | Index                   | Percent change |          |     |
|      |                       | Annual rate    | Year ago |                       | Annual rate    | Year ago |                         | Annual rate    | Year ago |                         | Annual rate    | Year ago |     |
| 1996 | 874.163               |                | 8.2      | 963.128               |                | 8.6      | 105.4                   |                | 2.5      | 109.8                   |                | 3.0      |     |
| 1997 | 981.458               |                | 12.3     | 1094.778              |                | 13.7     | 107.3                   |                | 1.8      | 112.9                   |                | 2.8      |     |
| 1998 | 1003.557              |                | 2.3      | 1224.579              |                | 11.9     | 110.2                   |                | 2.7      | 118.6                   |                | 5.0      |     |
| 1999 | 1032.963              |                | 2.9      | 1355.333              |                | 10.7     | 113.4                   |                | 2.9      | 124.4                   |                | 4.9      |     |
| 1997 | 1                     | 940.346        | 7.5      | 11.1                  | 1034.322       | 15.3     | 12.3                    | 106.1          | 0.8      | 1.4                     | 111.7          | 2.2      | 3.0 |
|      | 2                     | 979.229        | 17.6     | 13.9                  | 1079.801       | 18.8     | 13.6                    | 107.1          | 3.8      | 1.4                     | 112.0          | 1.1      | 2.4 |
|      | 3                     | 1004.186       | 10.6     | 15.8                  | 1123.758       | 17.3     | 14.3                    | 108.0          | 3.4      | 2.4                     | 113.0          | 3.6      | 2.4 |
|      | 4                     | 1002.071       | -0.8     | 8.5                   | 1141.230       | 6.4      | 14.3                    | 108.1          | 0.4      | 2.1                     | 114.7          | 6.2      | 3.2 |
| 1998 | 1                     | 1004.509       | 1.0      | 6.8                   | 1179.803       | 14.2     | 14.1                    | 109.3          | 4.5      | 3.0                     | 116.4          | 6.1      | 4.2 |
|      | 2                     | 996.826        | -3.0     | 1.8                   | 1216.575       | 13.1     | 12.7                    | 109.8          | 1.8      | 2.5                     | 117.9          | 5.3      | 5.3 |
|      | 3                     | 988.775        | -3.2     | -1.5                  | 1232.900       | 5.5      | 9.7                     | 110.3          | 1.8      | 2.1                     | 119.4          | 5.2      | 5.7 |
|      | 4                     | 1024.117       | 15.1     | 2.2                   | 1269.017       | 12.2     | 11.2                    | 111.2          | 3.3      | 2.9                     | 120.8          | 4.8      | 5.3 |
| 1999 | 1                     | 1003.277       | -7.9     | -0.1                  | 1283.060       | 4.5      | 8.8                     | 112.0          | 2.9      | 2.5                     | 122.1          | 4.4      | 4.9 |
|      | 2                     | 1017.613       | 5.8      | 2.1                   | 1332.170       | 16.2     | 9.5                     | 112.1          | 0.4      | 2.1                     | 123.6          | 5.0      | 4.8 |
|      | 3                     | 1042.588       | 10.2     | 5.4                   | 1385.190       | 16.9     | 12.4                    | 113.6          | 5.5      | 3.0                     | 125.2          | 5.3      | 4.9 |
|      | 4                     | 1068.376       | 10.3     | 4.3                   | 1420.903       | 10.7     | 12.0                    | 115.8          | 8.0      | 4.1                     | 126.5          | 4.2      | 4.7 |
| 2000 | 1                     | 1084.819       | 6.3      | 8.1                   | 1461.653       | 12.0     | 13.9                    | 116.3          | 1.7      | 3.8                     | 127.8          | 4.2      | 4.7 |
|      | 2                     | 1121.787       | 14.3     | 10.2                  | 1525.219       | 18.6     | 14.5                    | 118.1          | 6.3      | 5.4                     | 129.6          | 5.8      | 4.9 |
|      | 3                     | 1162.698       | 15.4     | 11.5                  | 1587.745       | 17.4     | 14.6                    | 119.2          | 3.8      | 4.9                     | 131.6          | 6.3      | 5.1 |

|      | 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 |     |
| 1995 | 124908                      | 1837   |                | 1.5      | 117188                     | 3053   |                | 2.7      | 133.4                   |                |             | 2.7      |     |
| 1996 | 126715                      | 1807   |                | 1.4      | 119597                     | 2409   |                | 2.1      | 136.6                   |                |             | 2.4      |     |
| 1997 | 129565                      | 2850   |                | 2.2      | 122677                     | 3080   |                | 2.6      | 141.4                   |                |             | 3.5      |     |
| 1998 | 131463                      | 1898   |                | 1.5      | 125845                     | 3168   |                | 2.6      | 145.2                   |                |             | 2.7      |     |
| 1999 | 133492                      | 2030   |                | 1.5      | 128772                     | 2926   |                | 2.3      | 148.3                   |                |             | 2.1      |     |
| 1998 | 1                           | 130861 | 413            | 1.3      | 1.8                        | 124748 | 793            | 2.6      | 2.7                     | 144.2          | 0.8         | 3.1      | 3.3 |
|      | 2                           | 131256 | 394            | 1.2      | 1.5                        | 125486 | 737            | 2.4      | 2.6                     | 144.7          | 0.4         | 1.5      | 2.6 |
|      | 3                           | 131526 | 270            | 0.8      | 1.2                        | 126180 | 695            | 2.2      | 2.6                     | 145.5          | 0.5         | 2.0      | 2.5 |
|      | 4                           | 132208 | 682            | 2.1      | 1.3                        | 126967 | 787            | 2.5      | 2.4                     | 146.4          | 0.7         | 2.7      | 2.3 |
| 1999 | 1                           | 133077 | 869            | 2.7      | 1.7                        | 127800 | 833            | 2.6      | 2.4                     | 147.1          | 0.5         | 1.9      | 2.0 |
|      | 2                           | 133214 | 137            | 0.4      | 1.5                        | 128430 | 630            | 2.0      | 2.3                     | 147.8          | 0.5         | 1.9      | 2.1 |
|      | 3                           | 133526 | 312            | 0.9      | 1.5                        | 129073 | 644            | 2.0      | 2.3                     | 148.5          | 0.5         | 1.8      | 2.1 |
|      | 4                           | 134153 | 626            | 1.9      | 1.5                        | 129783 | 710            | 2.2      | 2.2                     | 149.6          | 0.7         | 2.9      | 2.1 |
| 2000 | 1                           | 135247 | 1095           | 3.3      | 1.6                        | 130626 | 843            | 2.6      | 2.2                     | 150.7          | 0.8         | 3.2      | 2.4 |
|      | 2                           | 135200 | -47            | -0.1     | 1.5                        | 131552 | 926            | 2.9      | 2.4                     | 151.2          | 0.3         | 1.2      | 2.3 |
|      | 3                           | 134941 | -259           | -0.8     | 1.1                        | 131619 | 67             | 0.2      | 2.0                     | 151.2          | 0.0         | 0.2      | 1.8 |
| 1998 | Oct                         | 131950 | 28             | 0.3      | 1.4                        | 126677 | 208            | 2.0      | 2.4                     | 146.2          | 0.4         | 5.1      | 2.4 |
|      | Nov                         | 132156 | 206            | 1.9      | 1.2                        | 126939 | 262            | 2.5      | 2.4                     | 146.3          | 0.1         | 0.8      | 2.2 |
|      | Dec                         | 132517 | 361            | 3.3      | 1.4                        | 127286 | 347            | 3.3      | 2.4                     | 146.8          | 0.3         | 4.2      | 2.4 |
| 1999 | Jan                         | 133225 | 708            | 6.6      | 1.8                        | 127463 | 177            | 1.7      | 2.3                     | 146.8          | 0.0         | 0.0      | 1.7 |
|      | Feb                         | 133029 | -196           | -1.8     | 1.6                        | 127883 | 420            | 4.0      | 2.5                     | 147.5          | 0.5         | 5.9      | 2.3 |
|      | Mar                         | 132976 | -53            | -0.5     | 1.6                        | 128054 | 171            | 1.6      | 2.5                     | 147.1          | -0.3        | -3.2     | 2.1 |
|      | Apr                         | 133054 | 78             | 0.7      | 1.4                        | 128282 | 228            | 2.2      | 2.5                     | 147.7          | 0.4         | 5.0      | 2.4 |
|      | May                         | 133190 | 136            | 1.2      | 1.5                        | 128377 | 95             | 0.9      | 2.3                     | 147.6          | -0.1        | -0.8     | 1.7 |
|      | Jun                         | 133398 | 208            | 1.9      | 1.6                        | 128630 | 253            | 2.4      | 2.3                     | 148.2          | 0.4         | 5.0      | 2.3 |
|      | Jul                         | 133399 | 1              | 0.0      | 1.6                        | 128898 | 268            | 2.5      | 2.4                     | 148.5          | 0.2         | 2.5      | 2.3 |
|      | Aug                         | 133530 | 131            | 1.2      | 1.6                        | 129057 | 159            | 1.5      | 2.2                     | 148.4          | -0.1        | -0.8     | 1.9 |
|      | Sep                         | 133650 | 120            | 1.1      | 1.3                        | 129265 | 208            | 2.0      | 2.2                     | 148.6          | 0.1         | 1.6      | 2.1 |
|      | Oct                         | 133940 | 290            | 2.6      | 1.5                        | 129523 | 258            | 2.4      | 2.2                     | 149.3          | 0.5         | 5.8      | 2.1 |
|      | Nov                         | 134098 | 158            | 1.4      | 1.5                        | 129788 | 265            | 2.5      | 2.2                     | 149.6          | 0.2         | 2.4      | 2.3 |
|      | Dec                         | 134420 | 322            | 2.9      | 1.4                        | 130038 | 250            | 2.3      | 2.2                     | 149.8          | 0.1         | 1.6      | 2.0 |
| 2000 | Jan                         | 135221 | 801            | 7.4      | 1.5                        | 130387 | 349            | 3.3      | 2.3                     | 150.6          | 0.5         | 6.6      | 2.6 |
|      | Feb                         | 135362 | 141            | 1.3      | 1.8                        | 130482 | 95             | 0.9      | 2.0                     | 150.6          | 0.0         | 0.0      | 2.1 |
|      | Mar                         | 135159 | -203           | -1.8     | 1.6                        | 131009 | 527            | 5.0      | 2.3                     | 151.0          | 0.3         | 3.2      | 2.7 |
|      | Apr                         | 135706 | 547            | 5.0      | 2.0                        | 131419 | 410            | 3.8      | 2.4                     | 151.7          | 0.5         | 5.7      | 2.7 |
|      | May                         | 134715 | -991           | -8.4     | 1.1                        | 131590 | 171            | 1.6      | 2.5                     | 150.5          | -0.8        | -9.1     | 2.0 |
|      | Jun                         | 135179 | 464            | 4.2      | 1.3                        | 131647 | 57             | 0.5      | 2.3                     | 151.3          | 0.5         | 6.6      | 2.1 |
|      | Jul                         | 134749 | -430           | -3.8     | 1.0                        | 131607 | -40            | -0.4     | 2.1                     | 151.4          | 0.1         | 0.8      | 2.0 |
|      | Aug                         | 134912 | 163            | 1.5      | 1.0                        | 131528 | -79            | -0.7     | 1.9                     | 150.9          | -0.3        | -3.9     | 1.7 |
|      | Sep                         | 135161 | 249            | 2.2      | 1.1                        | 131723 | 195            | 1.8      | 1.9                     | 151.4          | 0.3         | 4.0      | 1.9 |
|      | Oct                         | 135422 | 261            | 2.3      | 1.1                        | 131860 | 137            | 1.3      | 1.8                     | 151.5          | 0.1         | 0.8      | 1.5 |

|      | Unempl.<br>Rate | Retail Sales           |                       |                |             |         | Industrial Production |                |             |      |       | Treasury<br>Yields |  |
|------|-----------------|------------------------|-----------------------|----------------|-------------|---------|-----------------------|----------------|-------------|------|-------|--------------------|--|
|      |                 | Billions<br>of dollars | Percent change        |                |             | Index   | Percent change        |                |             | 3-mo | 10-yr |                    |  |
|      |                 |                        | Monthly/<br>quarterly | Annual<br>rate | Year<br>ago |         | Monthly/<br>quarterly | Annual<br>rate | Year<br>ago |      |       |                    |  |
| 1995 | 5.6             | 2361.343               |                       |                | 5.1         | 114.418 |                       |                | 4.9         | 5.49 | 6.58  |                    |  |
| 1996 | 5.4             | 2496.503               |                       |                | 5.7         | 119.445 |                       |                | 4.4         | 5.01 | 6.44  |                    |  |
| 1997 | 4.9             | 2612.931               |                       |                | 4.7         | 126.953 |                       |                | 6.3         | 5.06 | 6.35  |                    |  |
| 1998 | 4.5             | 2745.714               |                       |                | 5.1         | 132.365 |                       |                | 4.3         | 4.78 | 5.26  |                    |  |
| 1999 | 4.2             | 2994.677               |                       |                | 9.1         | 136.980 |                       |                | 3.5         | 4.64 | 5.64  |                    |  |
| 1998 | 1               | 4.7                    | 668.657               | 0.9            | 3.8         | 3.4     | 130.897               | 0.6            | 2.4         | 5.7  | 5.05  | 5.59               |  |
|      | 2               | 4.4                    | 684.020               | 2.3            | 9.5         | 6.1     | 131.856               | 0.7            | 3.0         | 4.8  | 4.98  | 5.60               |  |
|      | 3               | 4.5                    | 686.919               | 0.4            | 1.7         | 4.2     | 132.811               | 0.7            | 2.9         | 3.8  | 4.82  | 5.20               |  |
|      | 4               | 4.4                    | 706.118               | 2.8            | 11.7        | 6.6     | 133.895               | 0.8            | 3.3         | 2.9  | 4.26  | 4.67               |  |
| 1999 | 1               | 4.3                    | 723.050               | 2.4            | 9.9         | 8.1     | 134.569               | 0.5            | 2.0         | 2.8  | 4.41  | 4.98               |  |
|      | 2               | 4.3                    | 739.876               | 2.3            | 9.6         | 8.2     | 136.109               | 1.1            | 4.7         | 3.2  | 4.45  | 5.54               |  |
|      | 3               | 4.2                    | 757.371               | 2.4            | 9.8         | 10.3    | 137.721               | 1.2            | 4.8         | 3.7  | 4.65  | 5.88               |  |
|      | 4               | 4.1                    | 774.380               | 2.2            | 9.3         | 9.7     | 139.521               | 1.3            | 5.3         | 4.2  | 5.04  | 6.14               |  |
| 2000 | 1               | 4.1                    | 799.014               | 3.2            | 13.3        | 10.5    | 141.724               | 1.6            | 6.5         | 5.3  | 5.52  | 6.48               |  |
|      | 2               | 4.0                    | 802.972               | 0.5            | 2.0         | 8.5     | 144.528               | 2.0            | 8.2         | 6.2  | 5.71  | 6.18               |  |
|      | 3               | 4.0                    | 814.204               | 1.4            | 5.7         | 7.5     | 145.835               | 0.9            | 3.7         | 5.9  | 6.02  | 5.89               |  |
| 1998 | Oct             | 4.5                    | 233.751               | 1.4            | 17.6        | 6.3     | 134.108               | 0.4            | 5.1         | 3.5  | 3.96  | 4.53               |  |
|      | Nov             | 4.4                    | 235.251               | 0.6            | 8.0         | 6.5     | 133.777               | -0.2           | -2.9        | 2.8  | 4.42  | 4.83               |  |
|      | Dec             | 4.4                    | 237.116               | 0.8            | 9.9         | 6.9     | 133.801               | 0.0            | 0.2         | 2.5  | 4.39  | 4.64               |  |
| 1999 | Jan             | 4.3                    | 239.154               | 0.9            | 10.8        | 7.7     | 134.052               | 0.2            | 2.3         | 2.4  | 4.34  | 4.72               |  |
|      | Feb             | 4.4                    | 241.580               | 1.0            | 12.9        | 8.5     | 134.509               | 0.3            | 4.2         | 2.9  | 4.44  | 5.00               |  |
|      | Mar             | 4.2                    | 242.316               | 0.3            | 3.7         | 8.2     | 135.147               | 0.5            | 5.8         | 3.1  | 4.44  | 5.23               |  |
|      | Apr             | 4.3                    | 244.556               | 0.9            | 11.7        | 8.1     | 135.472               | 0.2            | 2.9         | 2.9  | 4.29  | 5.18               |  |
|      | May             | 4.2                    | 247.325               | 1.1            | 14.5        | 8.6     | 136.215               | 0.5            | 6.8         | 2.9  | 4.50  | 5.54               |  |
|      | Jun             | 4.3                    | 247.995               | 0.3            | 3.3         | 7.8     | 136.639               | 0.3            | 3.8         | 3.9  | 4.57  | 5.90               |  |
|      | Jul             | 4.3                    | 250.003               | 0.8            | 10.2        | 9.5     | 137.363               | 0.5            | 6.5         | 4.6  | 4.55  | 5.79               |  |
|      | Aug             | 4.2                    | 253.458               | 1.4            | 17.9        | 11.1    | 137.736               | 0.3            | 3.3         | 3.1  | 4.72  | 5.94               |  |
|      | Sep             | 4.2                    | 253.910               | 0.2            | 2.2         | 10.1    | 138.064               | 0.2            | 2.9         | 3.4  | 4.68  | 5.92               |  |
|      | Oct             | 4.1                    | 255.263               | 0.5            | 6.6         | 9.2     | 139.056               | 0.7            | 9.0         | 3.7  | 4.86  | 6.11               |  |
|      | Nov             | 4.1                    | 257.489               | 0.9            | 11.0        | 9.5     | 139.433               | 0.3            | 3.3         | 4.2  | 5.07  | 6.03               |  |
|      | Dec             | 4.1                    | 261.628               | 1.6            | 21.1        | 10.3    | 140.075               | 0.5            | 5.7         | 4.7  | 5.20  | 6.28               |  |
| 2000 | Jan             | 4.0                    | 263.493               | 0.7            | 8.9         | 10.2    | 141.117               | 0.7            | 9.3         | 5.3  | 5.32  | 6.66               |  |
|      | Feb             | 4.1                    | 267.164               | 1.4            | 18.1        | 10.6    | 141.635               | 0.4            | 4.5         | 5.3  | 5.55  | 6.52               |  |
|      | Mar             | 4.1                    | 268.357               | 0.4            | 5.5         | 10.7    | 142.419               | 0.6            | 6.8         | 5.4  | 5.69  | 6.26               |  |
|      | Apr             | 3.9                    | 267.119               | -0.5           | -5.4        | 9.2     | 143.528               | 0.8            | 9.8         | 5.9  | 5.66  | 5.99               |  |
|      | May             | 4.1                    | 267.417               | 0.1            | 1.3         | 8.1     | 144.709               | 0.8            | 10.3        | 6.2  | 5.79  | 6.44               |  |
|      | Jun             | 4.0                    | 268.436               | 0.4            | 4.7         | 8.2     | 145.347               | 0.4            | 5.4         | 6.4  | 5.69  | 6.10               |  |
|      | Jul             | 4.0                    | 270.645               | 0.8            | 10.3        | 8.3     | 145.114               | -0.2           | -1.9        | 5.6  | 5.96  | 6.05               |  |
|      | Aug             | 4.1                    | 270.549               | -0.0           | -0.4        | 6.7     | 145.902               | 0.5            | 6.7         | 5.9  | 6.09  | 5.83               |  |
|      | Sep             | 3.9                    | 273.010               | 0.9            | 11.5        | 7.5     | 146.490               | 0.4            | 4.9         | 6.1  | 6.00  | 5.80               |  |
|      | Oct             | 3.9                    | 273.170               | 0.1            | 0.7         | 7.0     | 146.316               | -0.1           | -1.4        | 5.2  | 6.11  | 5.74               |  |

|      | Consumer Price Index |                       |                |             |                 | Consumer Price Index<br>less Food and Energy |                       |                |             |                 | Producer Price Index<br>Finished Goods |                       |                |             |      |
|------|----------------------|-----------------------|----------------|-------------|-----------------|--|-----------------------|----------------|-------------|-----------------|--|-----------------------|----------------|-------------|------|
|      | Index                | Percent change        |                |             |                 | Index  | Percent change        |                |             |                 | Index                                  | Percent change        |                |             |      |
|      |                      | Monthly/<br>quarterly | Annual<br>rate | Year<br>ago | Year<br>to date |  | Monthly/<br>quarterly | Annual<br>rate | Year<br>ago | Year<br>to date |  | Monthly/<br>quarterly | Annual<br>rate | Year<br>ago |      |
| 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         |      |
| 1998 | 163.1                |                       |                | 1.6         |                 | 173.7  |                       |                | 2.3         |                 | 130.7                                  |                       |                | -0.9        |      |
| 1999 | 166.7                |                       |                | 2.2         |                 | 177.3  |                       |                | 2.1         |                 | 133.0                                  |                       |                | 1.8         |      |
| 1998 | 1                    | 162.1                 | 0.2            | 1.0         | 1.5             | 1.0  | 172.2                 | 0.7            | 2.7         | 2.3             | 2.7                                    | 130.6                 | -0.8           | -3.0        | -1.6 |
|      | 2                    | 162.8                 | 0.4            | 1.7         | 1.6             | 1.3  | 173.2                 | 0.6            | 2.5         | 2.2             | 2.6                                    | 130.5                 | -0.0           | -0.1        | -0.7 |
|      | 3                    | 163.5                 | 0.4            | 1.7         | 1.6             | 1.5  | 174.2                 | 0.5            | 2.2         | 2.4             | 2.5                                    | 130.6                 | 0.1            | 0.2         | -0.6 |
|      | 4                    | 164.2                 | 0.4            | 1.7         | 1.5             | 1.5  | 175.1                 | 0.5            | 2.1         | 2.4             | 2.4                                    | 131.0                 | 0.3            | 1.1         | -0.5 |
| 1999 | 1                    | 164.9                 | 0.4            | 1.7         | 1.7             | 1.7  | 175.9                 | 0.5            | 1.9         | 2.2             | 1.9                                    | 131.4                 | 0.4            | 1.4         | 0.7  |
|      | 2                    | 166.2                 | 0.8            | 3.3         | 2.1             | 2.5  | 176.8                 | 0.5            | 2.1         | 2.1             | 2.0                                    | 132.3                 | 0.7            | 2.7         | 1.4  |
|      | 3                    | 167.2                 | 0.6            | 2.5         | 2.3             | 2.5  | 177.7                 | 0.5            | 1.9         | 2.0             | 2.0                                    | 133.6                 | 1.0            | 4.0         | 2.3  |
|      | 4                    | 168.4                 | 0.7            | 2.9         | 2.6             | 2.6  | 178.7                 | 0.6            | 2.3         | 2.1             | 2.1                                    | 134.7                 | 0.8            | 3.4         | 2.9  |
| 2000 | 1                    | 170.2                 | 1.0            | 4.3         | 3.2             | 4.3  | 179.8                 | 0.6            | 2.5         | 2.2             | 2.5                                    | 136.3                 | 1.2            | 4.8         | 3.7  |
|      | 2                    | 171.7                 | 0.9            | 3.7         | 3.3             | 4.0  | 181.1                 | 0.7            | 3.0         | 2.4             | 2.7                                    | 137.5                 | 0.8            | 3.4         | 3.9  |
|      | 3                    | 173.0                 | 0.8            | 3.1         | 3.5             | 3.7  | 182.2                 | 0.6            | 2.4         | 2.5             | 2.6                                    | 138.3                 | 0.6            | 2.4         | 3.5  |
| 1998 | Oct                  | 163.9                 | 0.2            | 2.2         | 1.4             | 1.6  | 174.7                 | 0.1            | 1.4         | 2.3             | 2.4                                    | 131.0                 | 0.3            | 3.7         | -0.7 |
|      | Nov                  | 164.2                 | 0.2            | 2.2         | 1.5             | 1.6  | 175.0                 | 0.2            | 2.1         | 2.3             | 2.4                                    | 130.8                 | -0.2           | -1.8        | -0.6 |
|      | Dec                  | 164.4                 | 0.1            | 1.5         | 1.6             | 1.6  | 175.5                 | 0.3            | 3.5         | 2.5             | 2.5                                    | 131.1                 | 0.2            | 2.8         | -0.1 |
| 1999 | Jan                  | 164.7                 | 0.2            | 2.2         | 1.7             | 2.2  | 175.8                 | 0.2            | 2.1         | 2.3             | 2.1                                    | 131.6                 | 0.4            | 4.7         | 0.8  |
|      | Feb                  | 164.8                 | 0.1            | 0.7         | 1.7             | 1.5  | 175.8                 | 0.0            | 0.0         | 2.1             | 1.0                                    | 131.1                 | -0.4           | -4.5        | 0.5  |
|      | Mar                  | 165.1                 | 0.2            | 2.2         | 1.8             | 1.7  | 176.1                 | 0.2            | 2.1         | 2.1             | 1.4                                    | 131.6                 | 0.4            | 4.7         | 0.8  |
|      | Apr                  | 166.2                 | 0.7            | 8.3         | 2.3             | 3.3  | 176.7                 | 0.3            | 4.2         | 2.2             | 2.1                                    | 132.2                 | 0.5            | 5.6         | 1.2  |
|      | May                  | 166.2                 | 0.0            | 0.0         | 2.1             | 2.6  | 176.8                 | 0.1            | 0.7         | 2.0             | 1.8                                    | 132.3                 | 0.1            | 0.9         | 1.4  |
|      | Jun                  | 166.2                 | 0.0            | 0.0         | 2.0             | 2.2  | 177.0                 | 0.1            | 1.4         | 2.0             | 1.7                                    | 132.4                 | 0.1            | 0.9         | 1.5  |
|      | Jul                  | 166.7                 | 0.3            | 3.7         | 2.1             | 2.4  | 177.4                 | 0.2            | 2.7         | 2.1             | 1.9                                    | 132.7                 | 0.2            | 2.8         | 1.5  |
|      | Aug                  | 167.2                 | 0.3            | 3.7         | 2.3             | 2.6  | 177.5                 | 0.1            | 0.7         | 1.9             | 1.7                                    | 133.5                 | 0.6            | 7.5         | 2.4  |
|      | Sep                  | 167.8                 | 0.4            | 4.4         | 2.6             | 2.8  | 178.1                 | 0.3            | 4.1         | 2.1             | 2.0                                    | 134.6                 | 0.8            | 10.3        | 3.1  |
|      | Oct                  | 168.1                 | 0.2            | 2.2         | 2.6             | 2.7  | 178.4                 | 0.2            | 2.0         | 2.1             | 2.0                                    | 134.6                 | 0.0            | 0.0         | 2.7  |
|      | Nov                  | 168.4                 | 0.2            | 2.2         | 2.6             | 2.7  | 178.7                 | 0.2            | 2.0         | 2.1             | 2.0                                    | 134.7                 | 0.1            | 0.9         | 3.0  |
|      | Dec                  | 168.8                 | 0.2            | 2.9         | 2.7             | 2.7  | 178.9                 | 0.1            | 1.4         | 1.9             | 1.9                                    | 134.9                 | 0.1            | 1.8         | 2.9  |
| 2000 | Jan                  | 169.2                 | 0.2            | 2.9         | 2.7             | 2.9  | 179.3                 | 0.2            | 2.7         | 2.0             | 2.7                                    | 135.0                 | 0.1            | 0.9         | 2.6  |
|      | Feb                  | 170.1                 | 0.5            | 6.6         | 3.2             | 4.7  | 179.6                 | 0.2            | 2.0         | 2.2             | 2.4                                    | 136.5                 | 1.1            | 14.2        | 4.1  |
|      | Mar                  | 171.3                 | 0.7            | 8.8         | 3.8             | 6.1  | 180.4                 | 0.4            | 5.5         | 2.4             | 3.4                                    | 137.5                 | 0.7            | 9.2         | 4.5  |
|      | Apr                  | 171.3                 | 0.0            | 0.0         | 3.1             | 4.5  | 180.8                 | 0.2            | 2.7         | 2.3             | 3.2                                    | 137.0                 | -0.4           | -4.3        | 3.6  |
|      | May                  | 171.5                 | 0.1            | 1.4         | 3.2             | 3.9  | 181.1                 | 0.2            | 2.0         | 2.4             | 3.0                                    | 137.1                 | 0.1            | 0.9         | 3.6  |
|      | Jun                  | 172.4                 | 0.5            | 6.5         | 3.7             | 4.3  | 181.4                 | 0.2            | 2.0         | 2.5             | 2.8                                    | 138.3                 | 0.9            | 11.0        | 4.5  |
|      | Jul                  | 172.8                 | 0.2            | 2.8         | 3.7             | 4.1  | 181.8                 | 0.2            | 2.7         | 2.5             | 2.8                                    | 138.1                 | -0.1           | -1.7        | 4.1  |
|      | Aug                  | 172.7                 | -0.1           | -0.7        | 3.3             | 3.5  | 182.1                 | 0.2            | 2.0         | 2.6             | 2.7                                    | 137.8                 | -0.2           | -2.6        | 3.2  |
|      | Sep                  | 173.6                 | 0.5            | 6.4         | 3.5             | 3.8  | 182.6                 | 0.3            | 3.3         | 2.5             | 2.8                                    | 139.0                 | 0.9            | 11.0        | 3.3  |
|      | Oct                  | 173.9                 | 0.2            | 2.1         | 3.5             | 3.6  | 182.9                 | 0.2            | 2.0         | 2.5             | 2.7                                    | 139.5                 | 0.4            | 4.4         | 3.6  |

## Notes

Pages 4, 5: **Final sales** is gross domestic product (GDP) minus change in private 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. Real GDP is measured in 1996 dollars. 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: Beginning with the October 1999 **comprehensive revision** to the National Income and Product Accounts (NIPA), a new formula is used to calculate the **contribution** of a component to the overall GDP growth rate. The new formula produces estimates roughly equivalent to the old formula. For more information, see the October 1999 issue of the *Survey of Current Business*, p. 16. The sign is changed for **imports**.

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 nonfarm 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 2000 affect levels and growth rates of household survey employment, labor force and population. The unemployment rate and other series were minimally affected. 90 percent confidence intervals for the unemployment rate ( $\pm 0.2$  percentage points) and change in household survey employment ( $\pm 376,000$ ) measure uncertainty due to sample size. The **available labor supply** is the sum of the unemployed and those persons not in the labor force but who want to work now. The household survey was significantly 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.

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. The comprehensive revision introduced the **equipment & software** component of business investment.

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 NIPAs. 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  $\%$  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. Nonfarm business accounted for about 76 percent of the value of GDP in 1996, while nonfinancial corporations accounted for about 54 percent. **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, multifactor 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)