

Volatile Firms, Stable Economy

Idiosyncratic stock volatility refers to the variation in returns to an individual company's stock that is not explained by the overall market return. Given returns in a quarter, for example, we can run a regression of one company's daily returns on daily market returns and use the standard deviation of the residuals as a measure of the idiosyncratic volatility of that company's stock in that quarter. To obtain an aggregate measure, we calculate the idiosyncratic volatility for each of 500 stocks with the largest market capitalization using the CRSP (Center for Research of Security Prices) daily returns data and then calculate an average weighted by market value.

In the accompanying chart, we plot this aggregate measure of idiosyncratic volatility for the period 1963:Q3 to 2002:Q4, with the shaded areas indicating business recessions dated by the National Bureau of Economic Research. We observe some interesting patterns. First, idiosyncratic volatility exhibits some persistence: If it is high, it is likely to remain at a relatively high level for a while. Second, idiosyncratic volatility fluctuates widely across time and it tends to rise especially during business recessions. It also has a dramatic upward spike during the stock market bubble in the late 1990s. Third, and most interestingly, as noted by many financial market observers, idiosyncratic volatility has increased on average in the past four decades: A linear time trend accounts for about 24 percent of its total variation.

According to standard finance theory, a firm's stock price is equal to its discounted expected future cash flows. Therefore, rising idiosyncratic volatility might reflect the fact that the firm-level economic performance has become more volatile. To investigate this hypothesis, some researchers have looked at firm-level variability in sales and earnings growth and have found upward trends in these measures as well. The increase in firm-level variability is in sharp contrast with the well-documented decline in the variability of the aggregate U.S. economy. Some tentative explanations have been put forward to reconcile

the diverging trends in macroeconomic and firm-level volatilities. For example, Philippon (2003) suggests that the two phenomena can be explained simultaneously by the fact that goods markets have become more competitive.¹ Competition between firms magnifies the effects of idiosyncratic productivity shocks, which helps explain the rise in firm volatility. At the same time, competitive pressures could induce firms to increase the frequency of their price adjustment, making the overall economy more resilient to aggregate demand shocks.

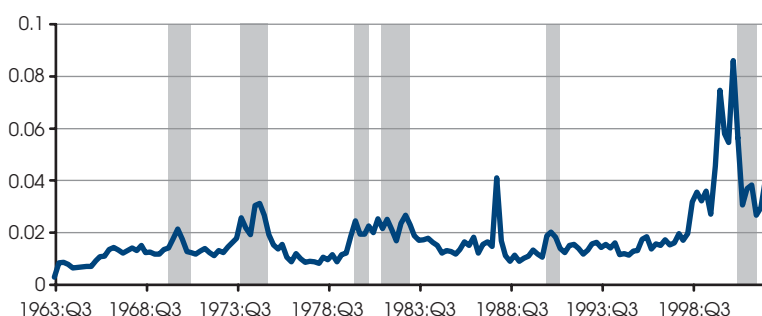
The increased firm-level volatility has important implications for the U.S. economy. For example, with a higher degree of idiosyncratic volatility, a typical firm is presumably more vulnerable to bankruptcy risk and thus needs to pay a higher default premium to raise capital in the bond market. Indeed, Campbell and Taksler (2003) find that spreads between corporate and Treasury bond yields tend to widen during periods of higher idiosyncratic risk in the period between 1963 and 1999.² This explanation is particularly relevant for the bond market in the late 1990s, when yield spreads widened substantially, despite the fact that investors were quite optimistic about the overall performance of the U.S. economy. This episode is less puzzling, however, if we take into account the dramatic increase in idiosyncratic volatility during this period.

—Hui Guo

¹ Philippon, Thomas. "An Explanation for the Joint Evolution of Firm and Aggregate Volatility." Working paper, New York University, 2003.

² Campbell, John and Taksler, Glen. "Equity Volatility and Corporate Bond Yield." *Journal of Finance*, December 2003, 58(6), pp. 2321-50.

**Value-Weighted Idiosyncratic Stock Volatility:
1963:Q3 to 2002:Q4**



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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 during the previous year. *Compounded annual rate of change* 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 compounded annual rate of change of x between the previous quarter $t-1$ and the current quarter t is: $[(x_t/x_{t-1})^4 - 1] \times 100$. For monthly data replace 4 with 12.
3. All data with significant seasonal patterns are adjusted accordingly, unless labeled NSA.

We welcome your comments addressed to:

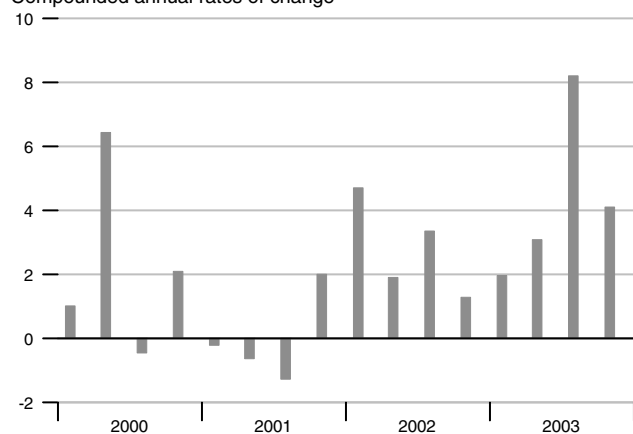
Editor, *National Economic Trends*
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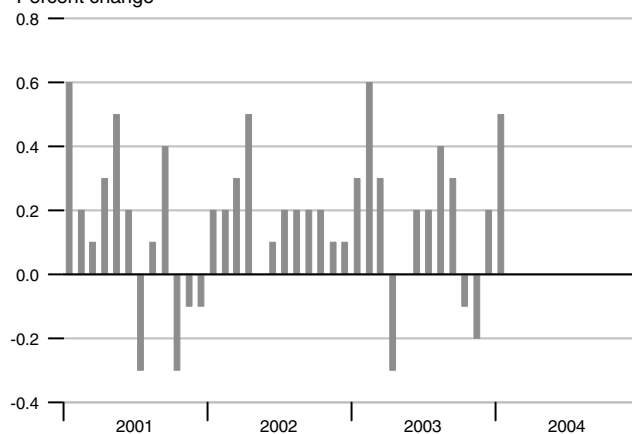
Real GDP Growth

Compounded annual rates of change



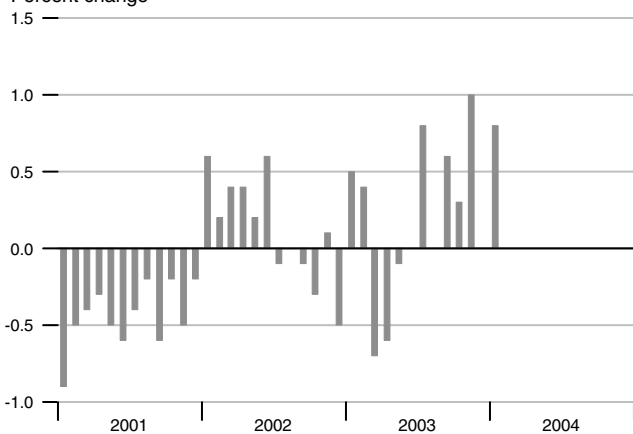
Consumer Price Index

Percent change



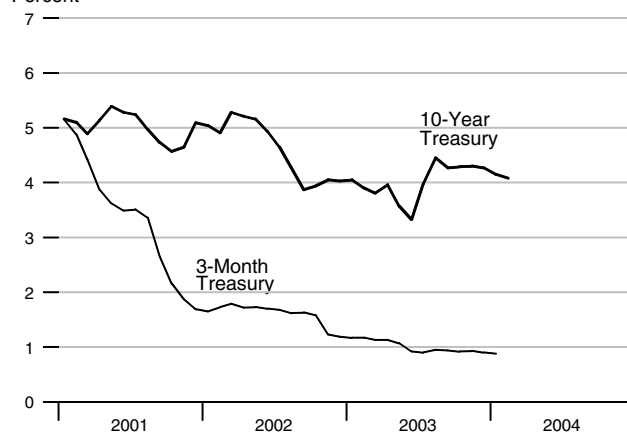
Industrial Production

Percent change



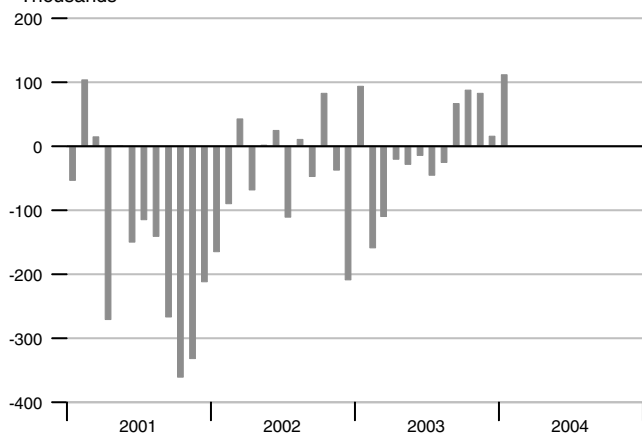
Interest Rates

Percent



Change in Nonfarm Payrolls

Thousands



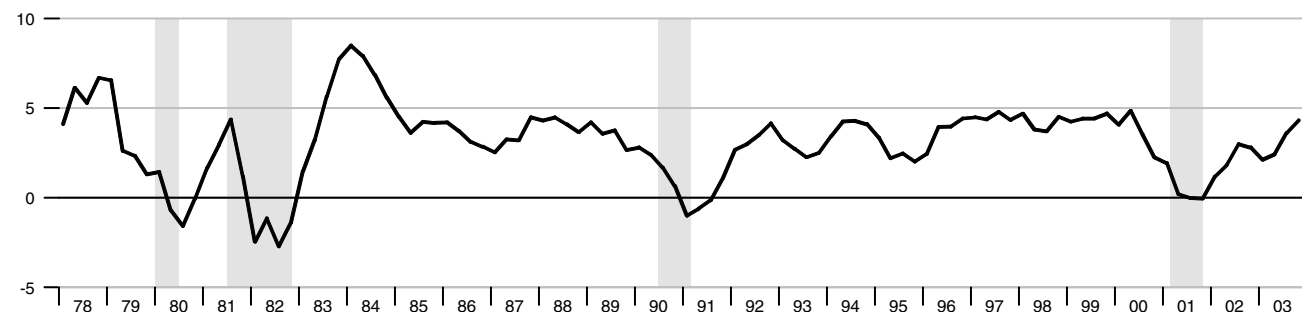
Unemployment Rate

Percent of labor force



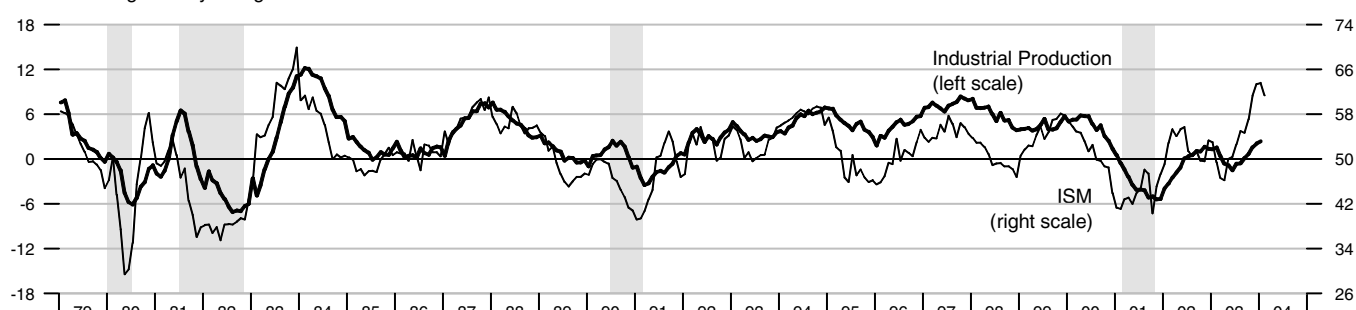
Real Gross Domestic Product

Percent change from year ago

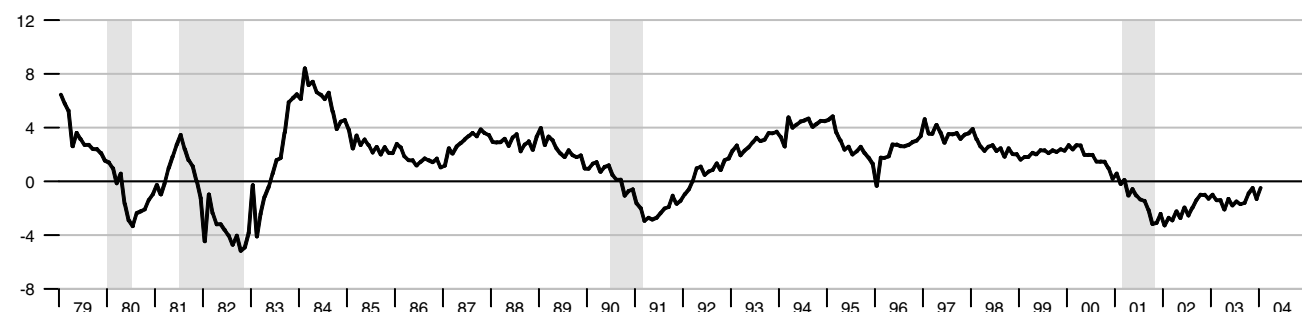
**Industrial Production and Institute for Supply Management (ISM) Indexes**

Percent change from year ago

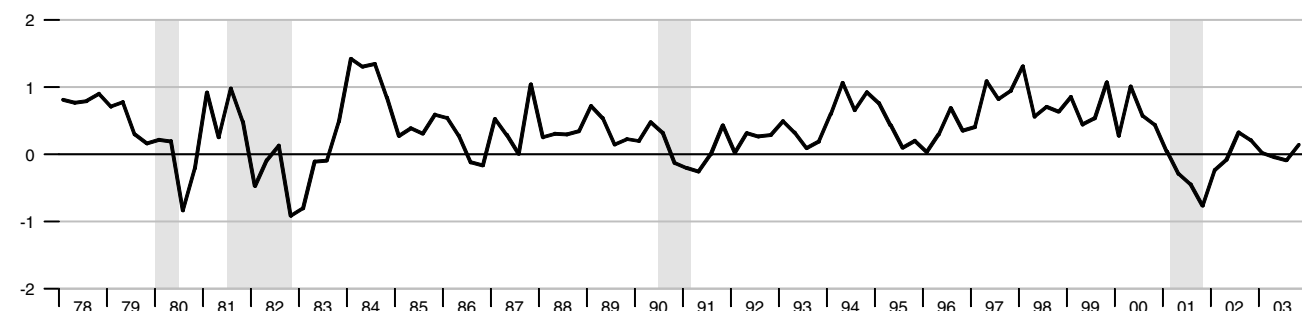
Index

**Aggregate Private Nonfarm Hours**

Percent change from year ago

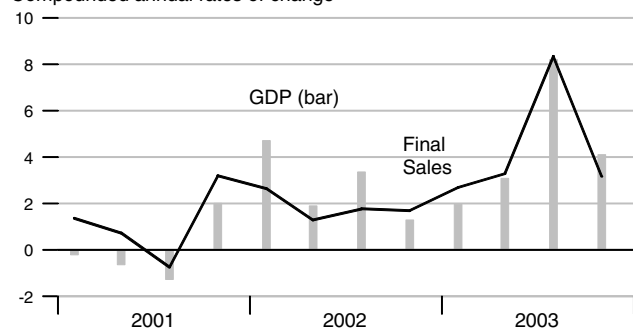
**Real Change in Private Inventories**

Percent of GDP



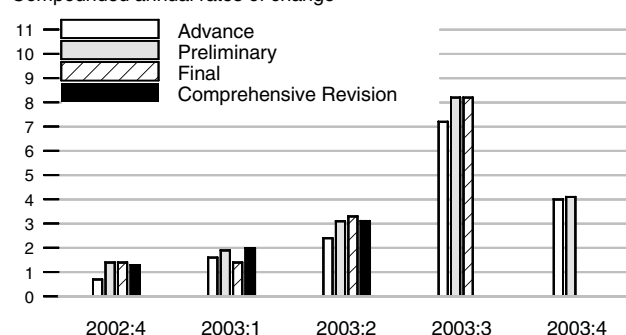
Real Final Sales and GDP

Compounded annual rates of change



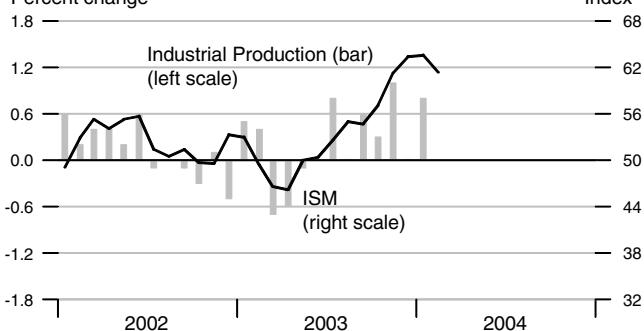
Real GDP Revisions

Compounded annual rates of change



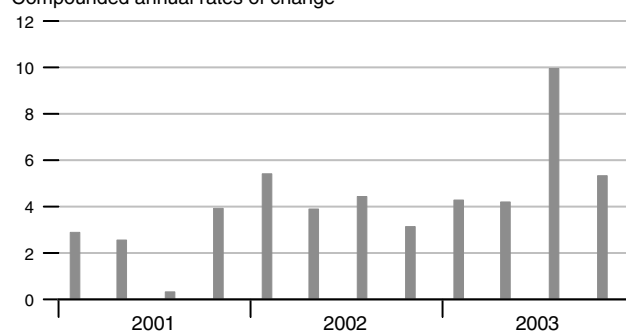
Industrial Production and ISM Index

Percent change



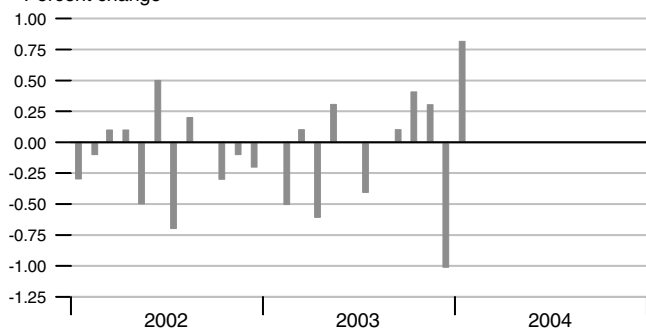
Nominal Gross Domestic Product

Compounded annual rates of change



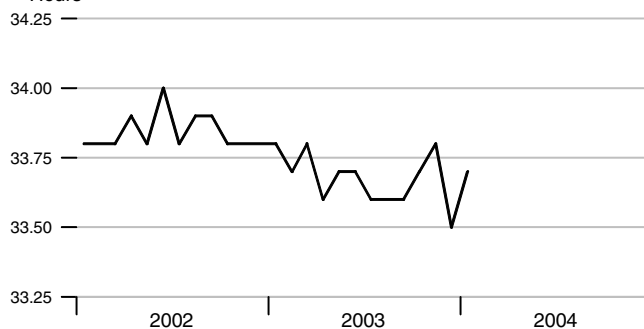
Aggregate Private Nonfarm Hours

Percent change



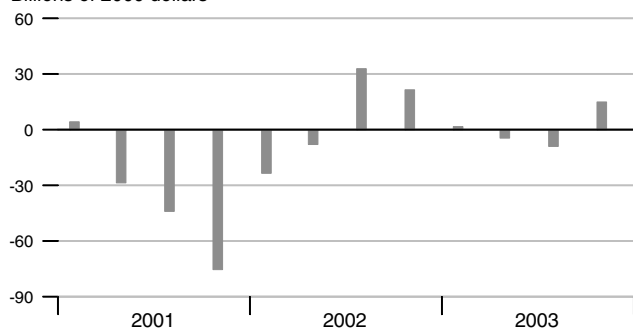
Average Weekly Private Nonfarm Hours

Hours



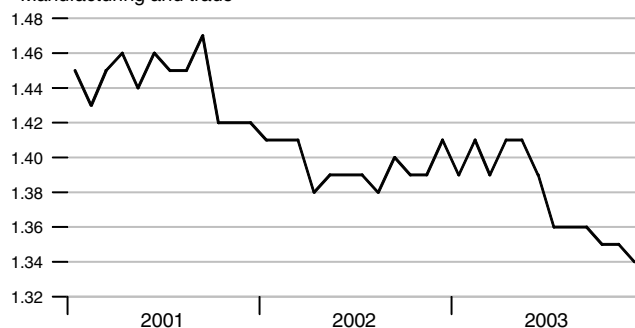
Real Change in Private Inventories

Billions of 2000 dollars



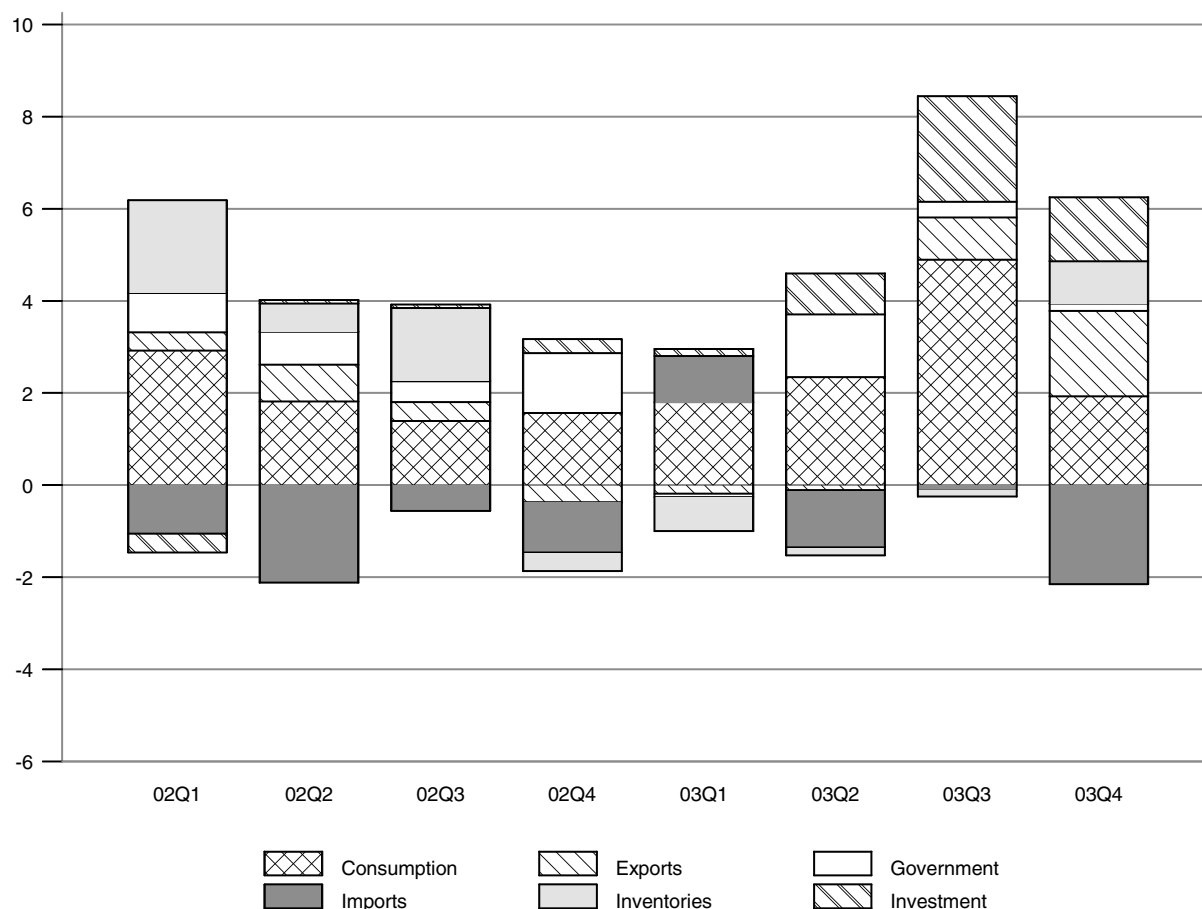
Inventory-Sales Ratio

Manufacturing and trade



Contribution of Components to Real GDP Growth

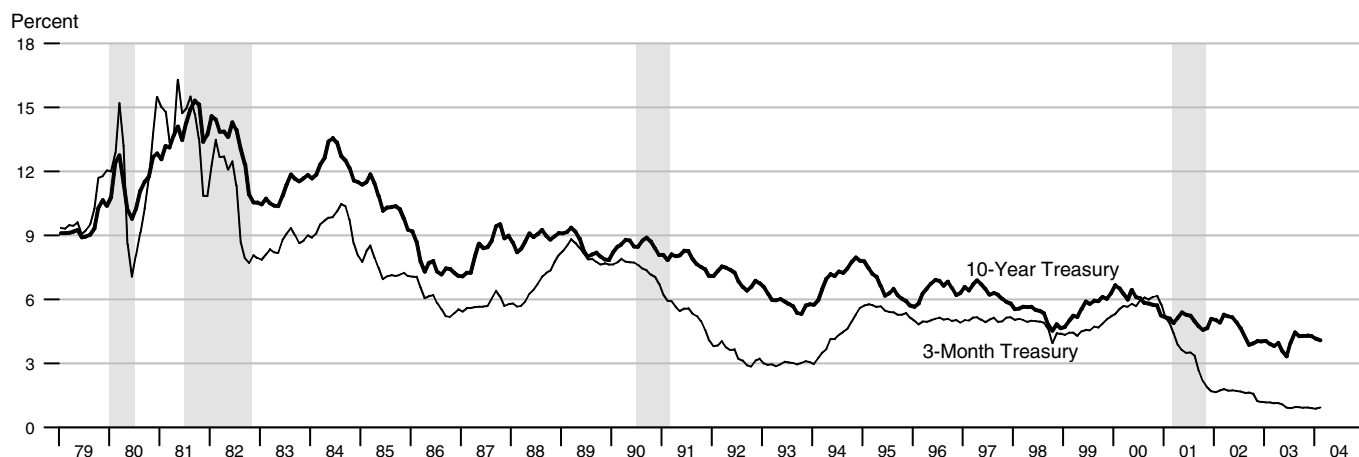
Percentage points at compounded annual rates



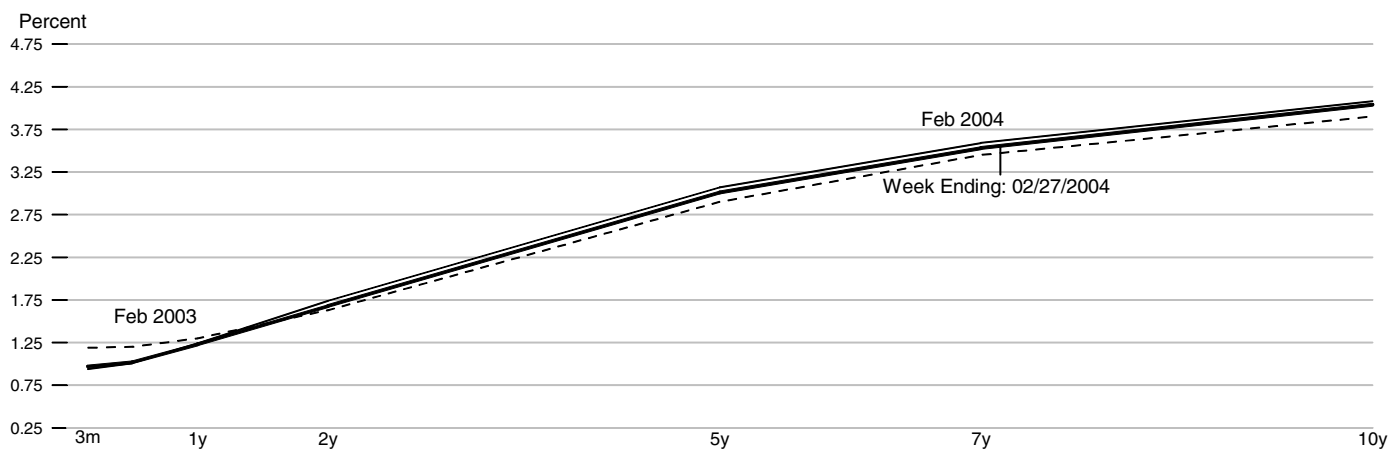
Contributions to Real GDP Growth Rate

| | 2002 | | | | 2003 | | | |
|----------------------------|-------|-------|-------|-------|-------|-------|-------|-------|
| | 1st | 2nd | 3rd | 4th | 1st | 2nd | 3rd | 4th |
| Final Sales | 2.70 | 1.29 | 1.78 | 1.69 | 2.71 | 3.26 | 8.33 | 3.19 |
| Change in Inventory | 2.01 | 0.61 | 1.58 | -0.40 | -0.74 | -0.17 | -0.13 | 0.92 |
| Consumption | 2.92 | 1.81 | 1.39 | 1.57 | 1.80 | 2.34 | 4.89 | 1.93 |
| Fixed Investment | -0.41 | 0.08 | 0.08 | 0.31 | 0.16 | 0.90 | 2.30 | 1.39 |
| Nonresidential | -0.81 | -0.33 | -0.12 | -0.01 | -0.06 | 0.68 | 1.25 | 0.95 |
| Residential | 0.40 | 0.41 | 0.20 | 0.32 | 0.22 | 0.22 | 1.05 | 0.44 |
| Government | 0.85 | 0.72 | 0.46 | 1.29 | -0.07 | 1.36 | 0.34 | 0.16 |
| Federal | 0.52 | 0.64 | 0.26 | 1.11 | -0.01 | 1.46 | 0.09 | 0.11 |
| State and Local | 0.33 | 0.08 | 0.20 | 0.18 | -0.06 | -0.10 | 0.25 | 0.05 |
| Net Exports | -0.65 | -1.32 | -0.15 | -1.47 | 0.81 | -1.34 | 0.80 | -0.30 |
| Exports | 0.40 | 0.80 | 0.41 | -0.37 | -0.19 | -0.11 | 0.92 | 1.85 |
| Imports | -1.05 | -2.12 | -0.56 | -1.10 | 1.00 | -1.24 | -0.12 | -2.15 |
| Residual | -0.02 | 0.14 | -0.04 | 0.16 | 0.04 | 0.09 | -0.04 | -0.00 |
| Real GDP Growth | 4.71 | 1.90 | 3.36 | 1.29 | 1.97 | 3.09 | 8.20 | 4.11 |

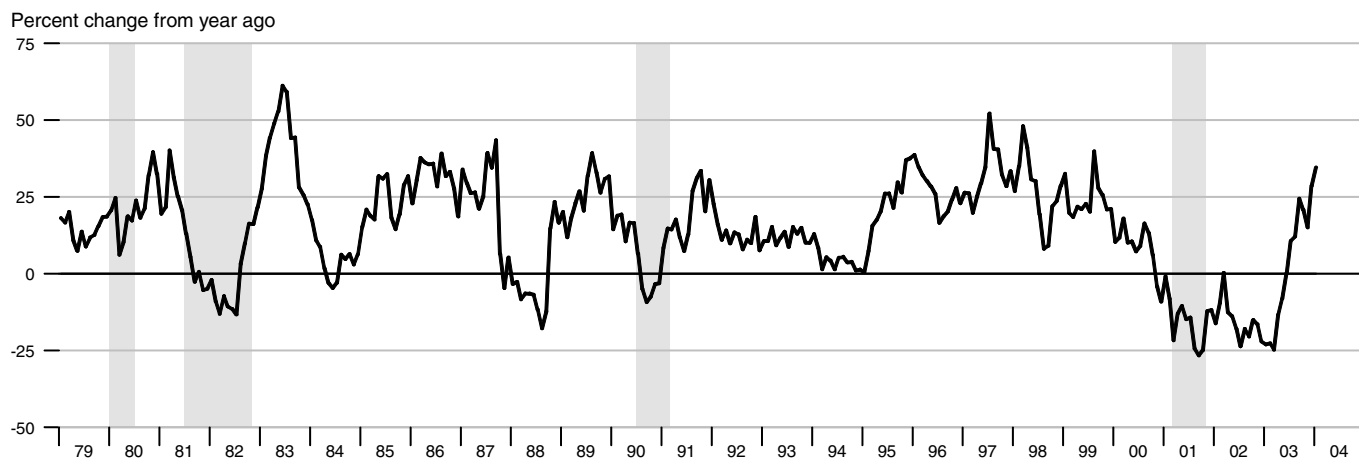
Interest Rates



Treasury Yield Curve

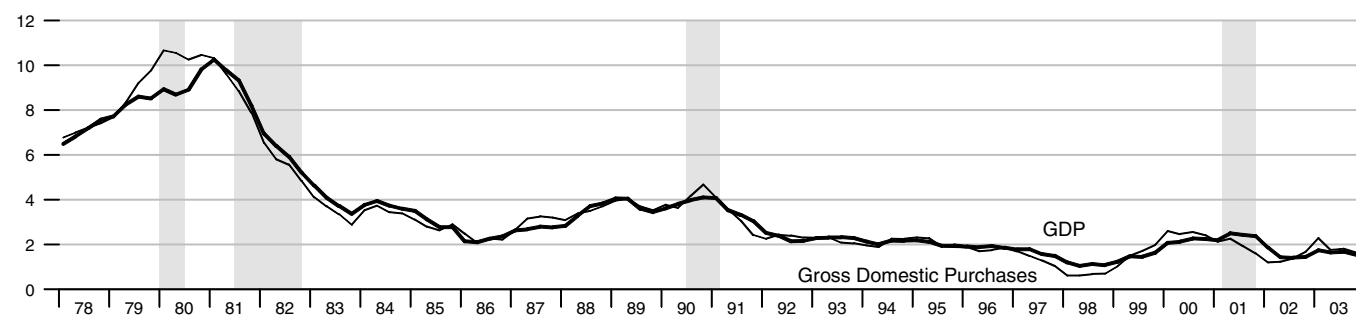


Standard and Poor's 500 Index with Reinvested Dividends

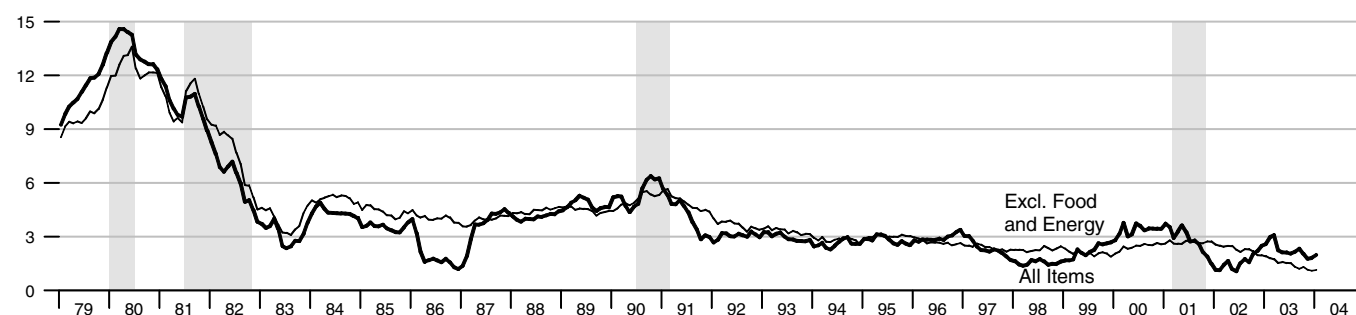


NIPA Chain Price Indexes

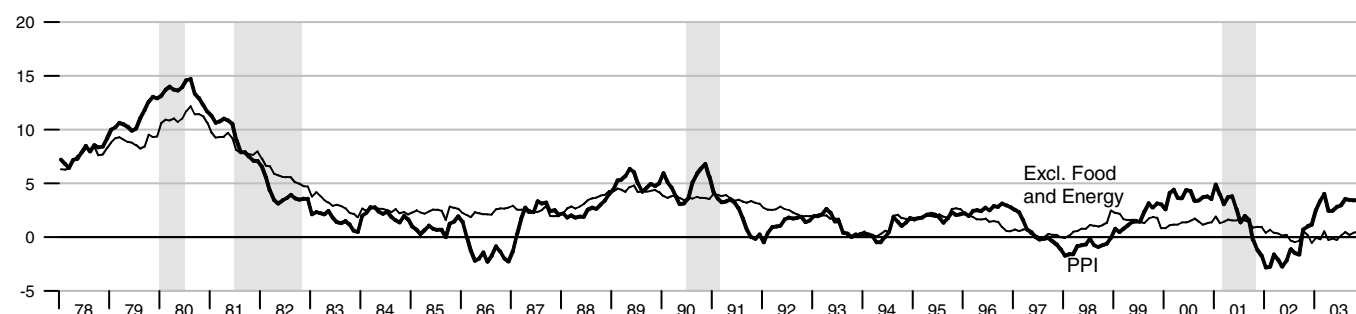
Percent change from year ago

**Consumer Price Index**

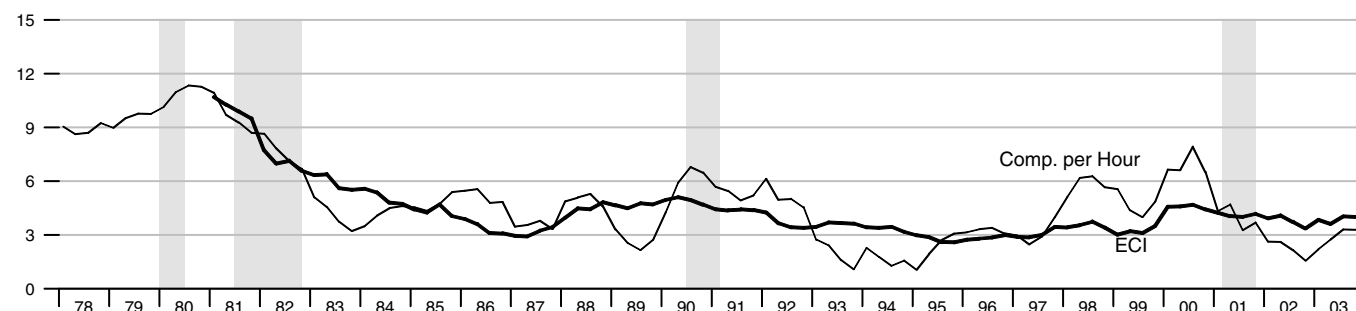
Percent change from year ago

**Producer Price Index, Finished Goods**

Percent change from year ago

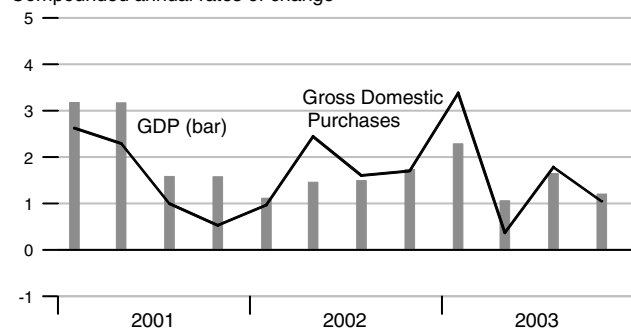
NOTE: The BLS has delayed the release of the January PPI report; see <http://www.bls.gov/ppi/home.htm> for more information.**Employment Cost Index and Compensation per Hour**

Percent change from year ago



NIPA Chain Price Indexes

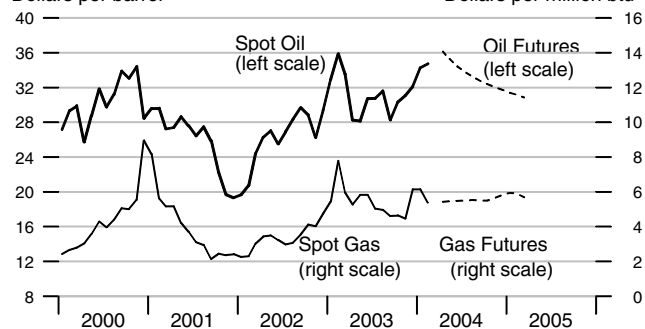
Compounded annual rates of change



Oil & Natural Gas Prices: Spot & Futures

Dollars per barrel

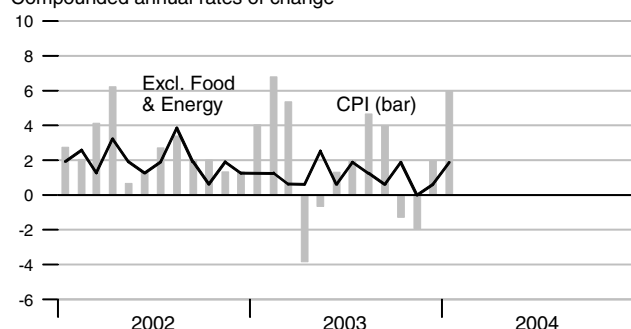
Dollars per million btu



Note: Futures prices as of 02/27/2004.

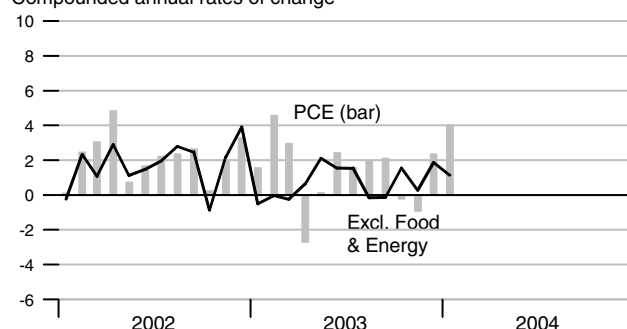
Consumer Price Index

Compounded annual rates of change



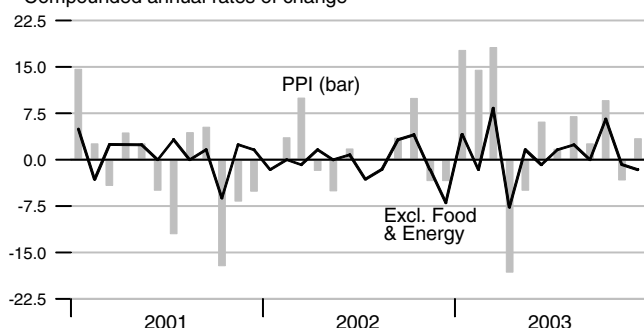
Consumption Chain Price Index

Compounded annual rates of change



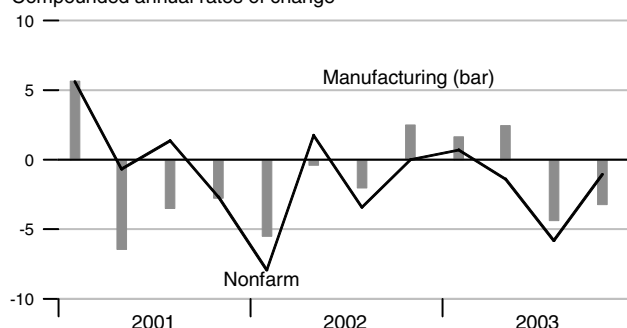
Producer Price Index, Finished Goods

Compounded annual rates of change



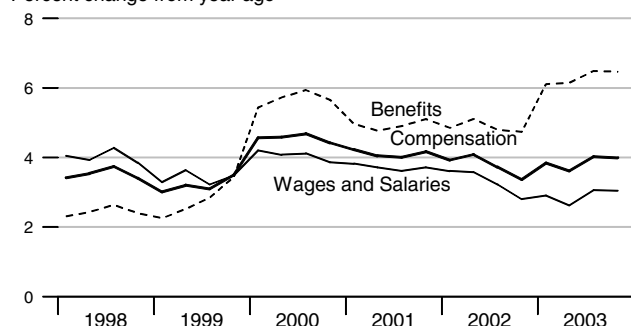
Unit Labor Cost

Compounded annual rates of change



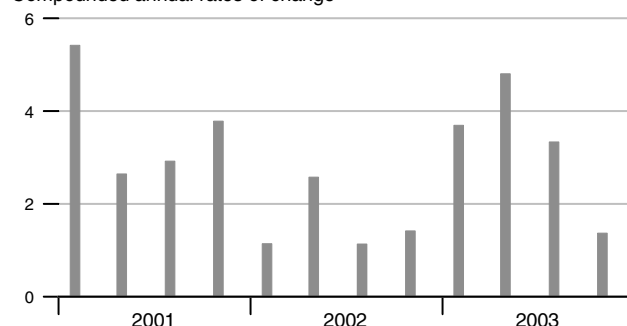
Employment Cost Index

Percent change from year ago



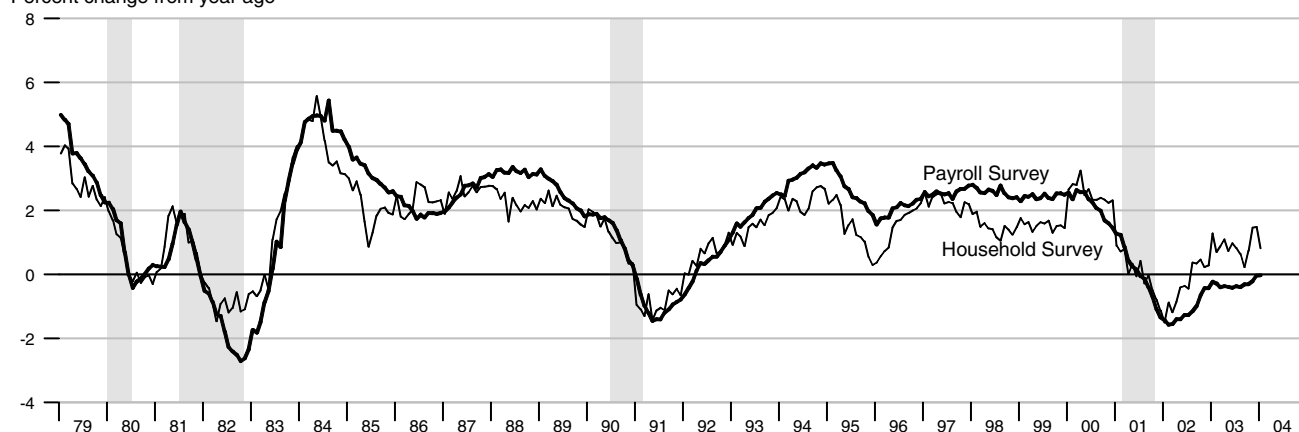
Compensation per Hour

Compounded annual rates of change



Employment

Percent change from year ago

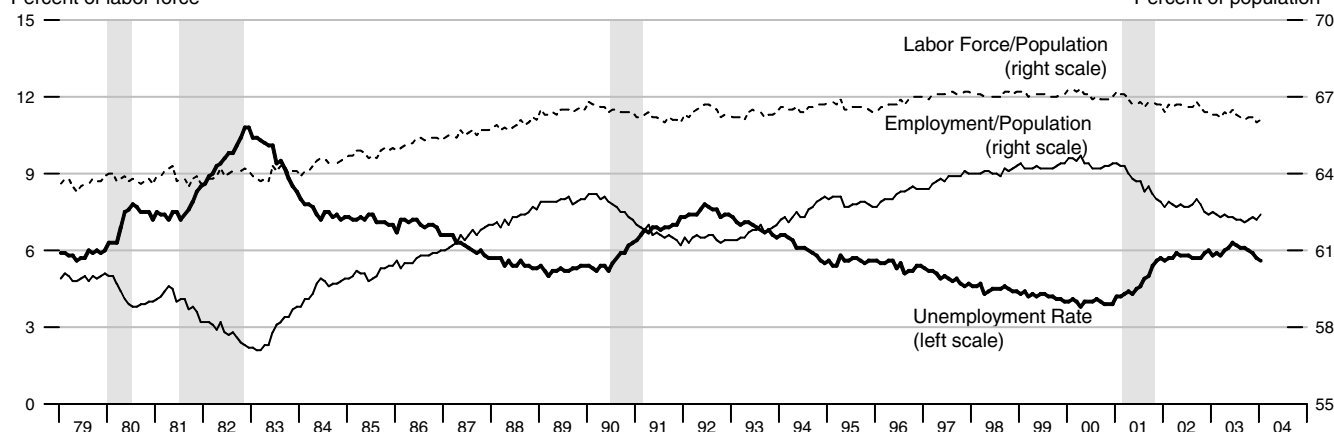


See the Notes section at the end of this publication for the Feb. 7, 2003, revisions to the Household Survey, and the June 6, 2003, revisions to the Establishment Survey.

Unemployment, Labor Force Participation, and Employment Rates

Percent of labor force

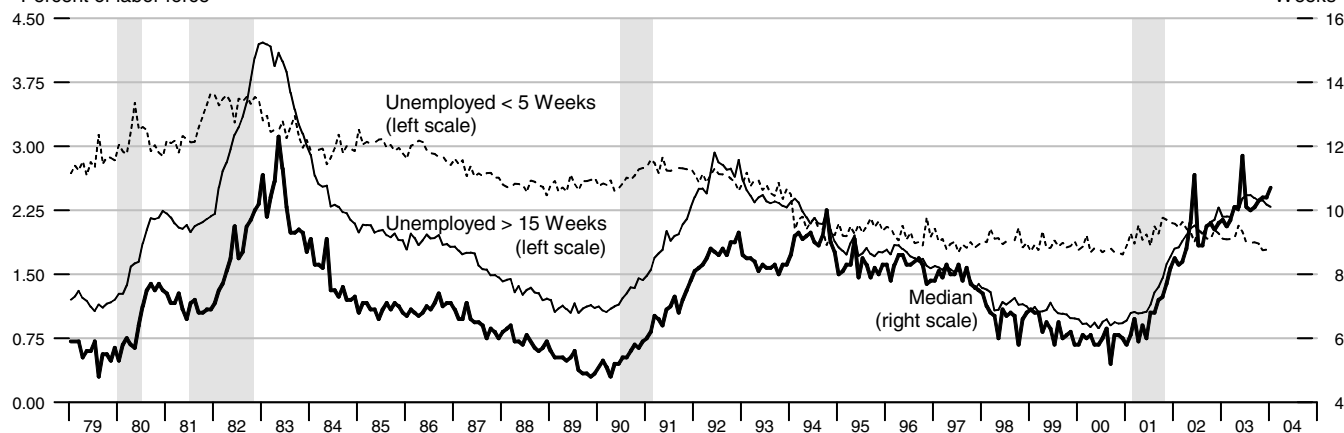
Percent of population



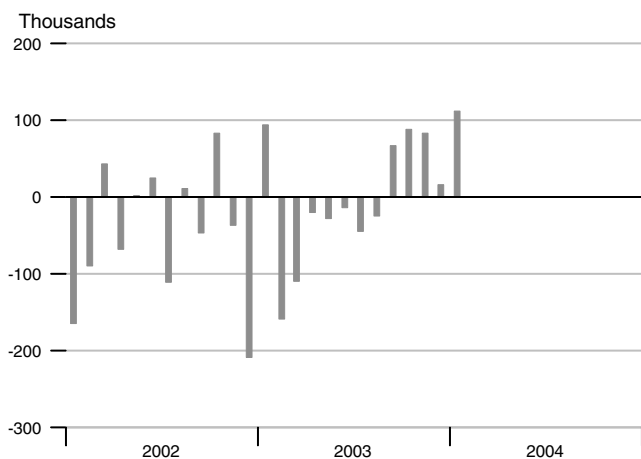
Duration of Unemployment

Percent of labor force

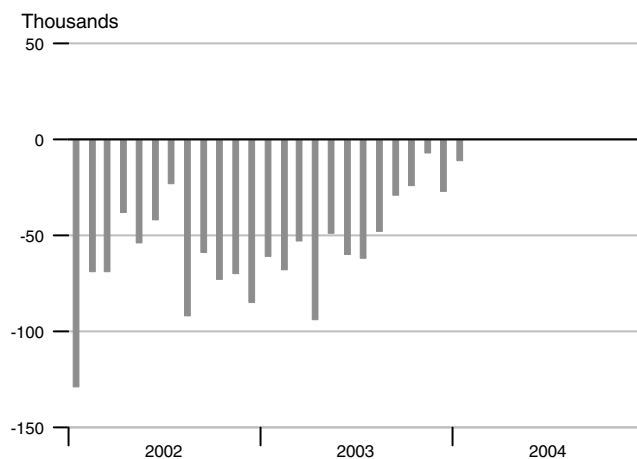
Weeks



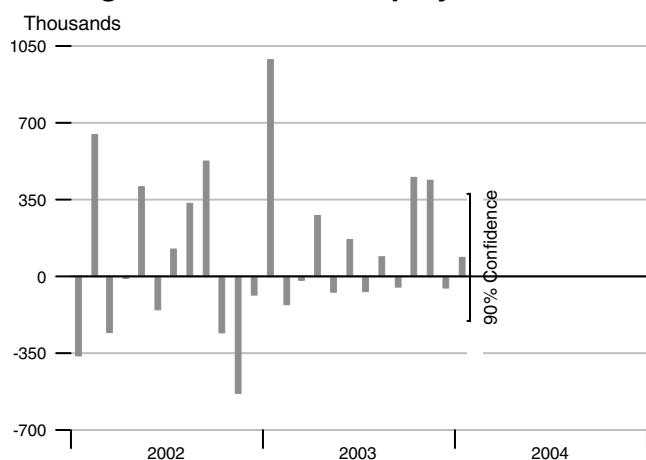
Change in Nonfarm Payrolls



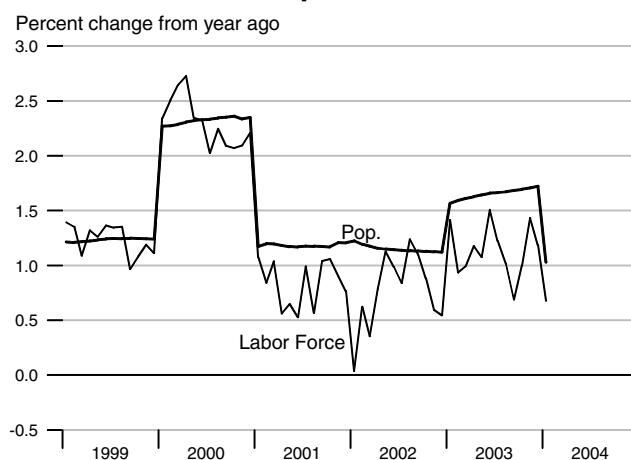
Change in Manufacturing Payrolls



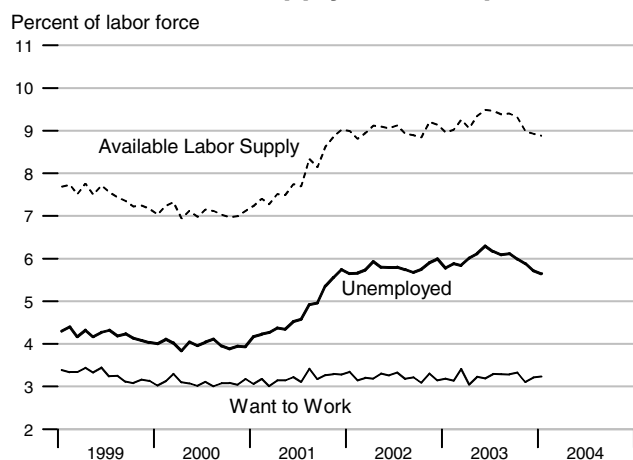
Change in Household Employment



Labor Force and Population



Available Labor Supply and Components

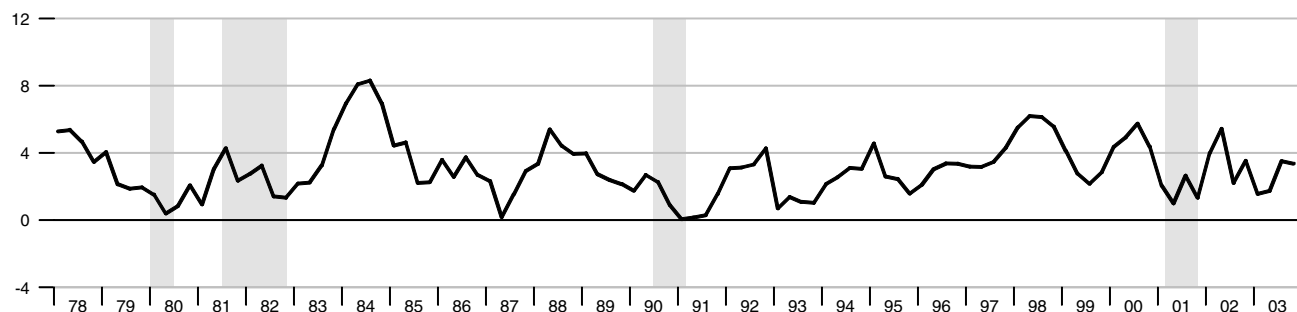


Unemployment Rate & Help-Wanted Index



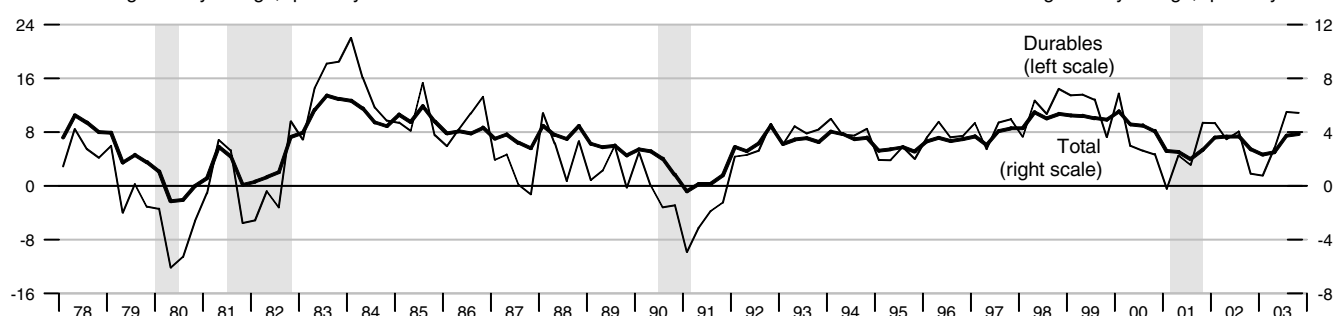
Real Disposable Personal Income

Percent change from year ago, quarterly data

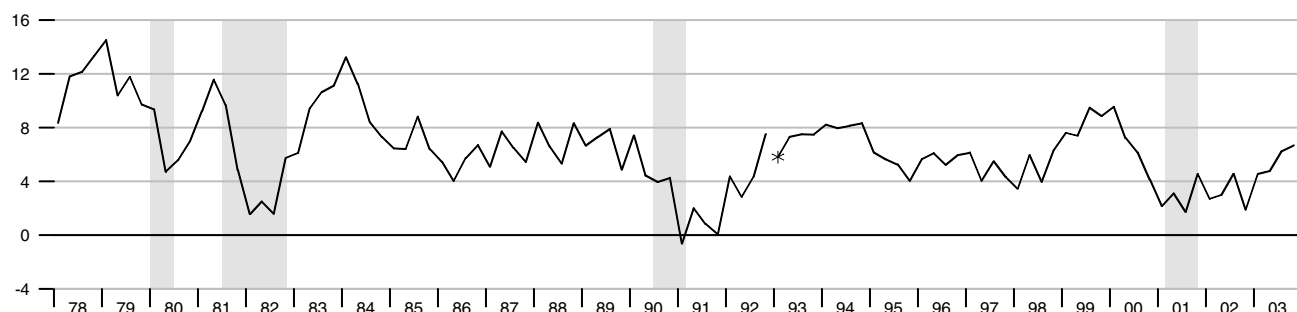
**Real Consumption**

Percent change from year ago, quarterly data

Percent change from year ago, quarterly data

**Retail and Food Services Sales**

Percent change from year ago, quarterly average

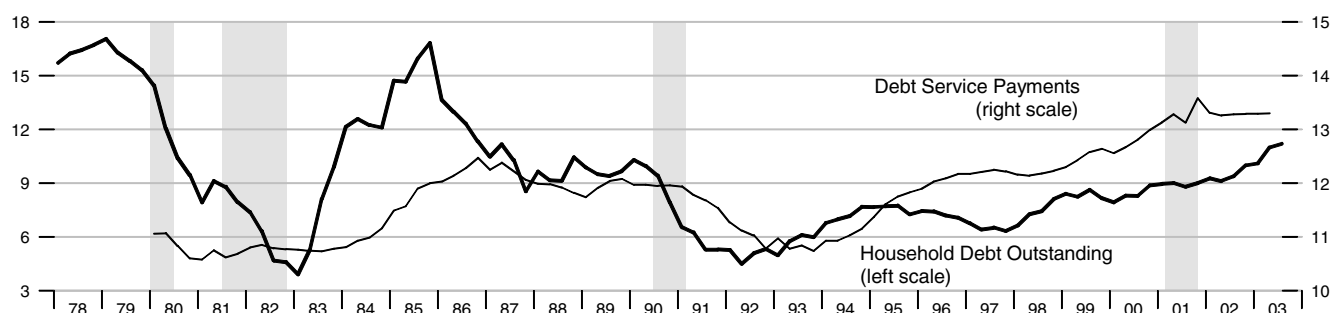


*Data from Jan. 1992 to the present are on a NAICS basis; data prior to Jan. 1992 are on an SIC basis and are not strictly comparable (see End Note).

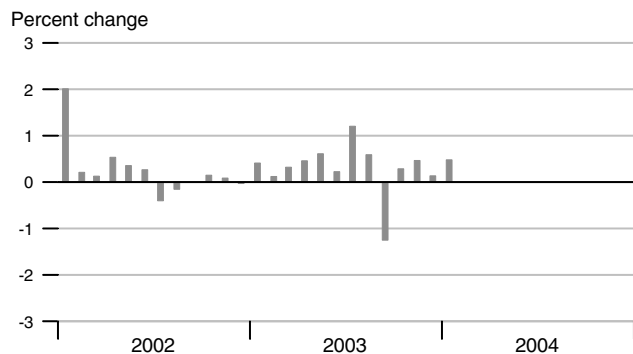
Debt Service Payments and Household Debt Outstanding

Percent change from year ago, quarterly data

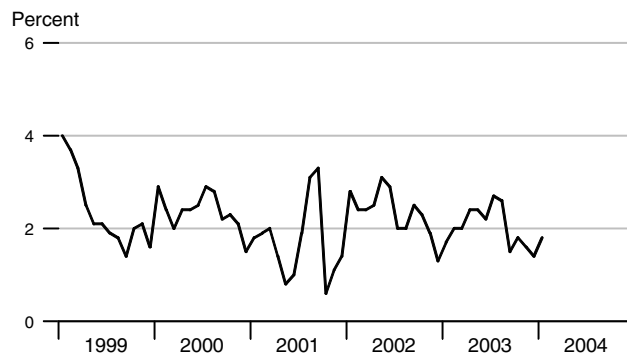
Percent of disposable personal income



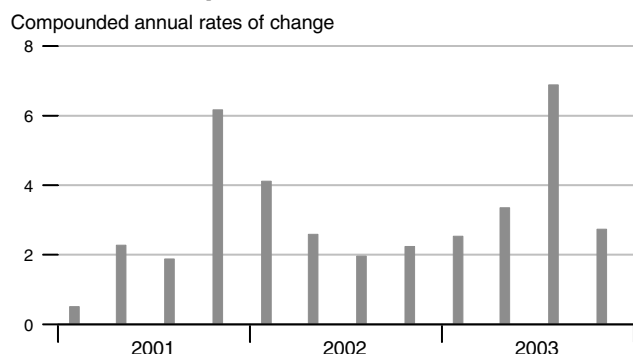
Real Disposable Personal Income



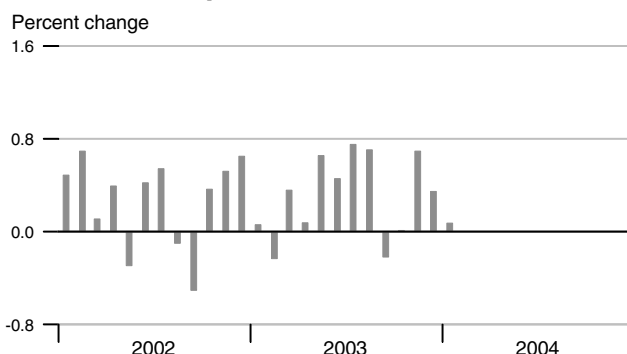
Personal Saving Rate



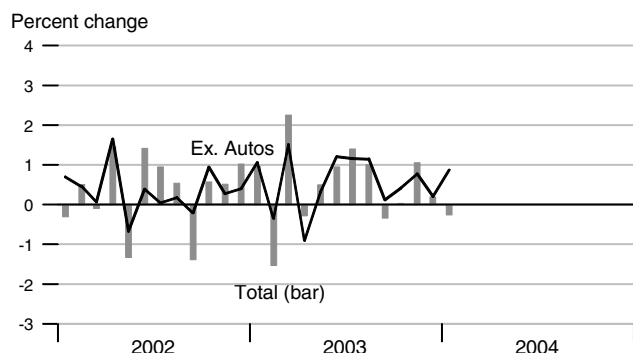
Real Consumption



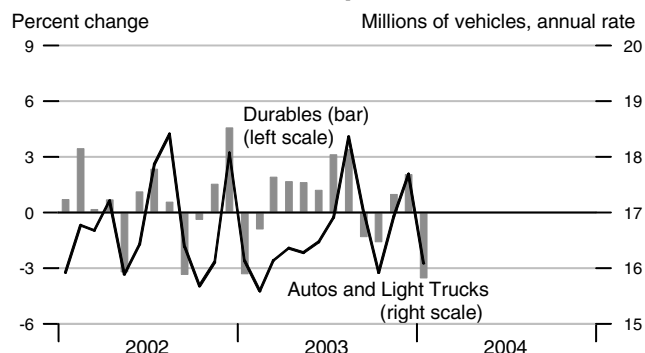
Real Consumption



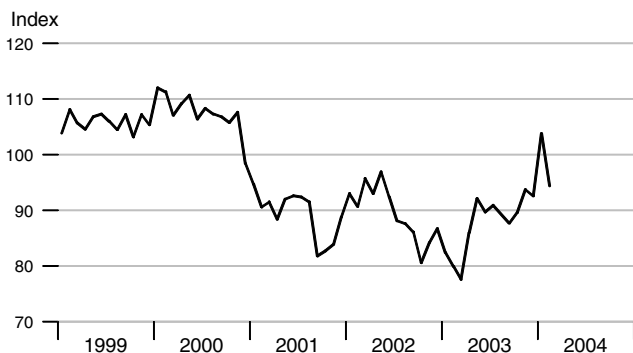
Retail & Food Services



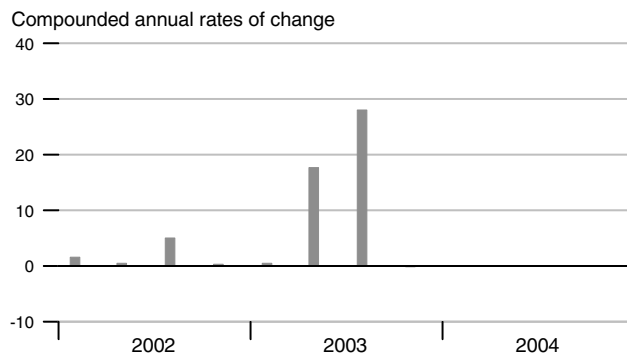
Real Durables Consumption & Vehicle Sales



Consumer Sentiment (U. of Michigan)

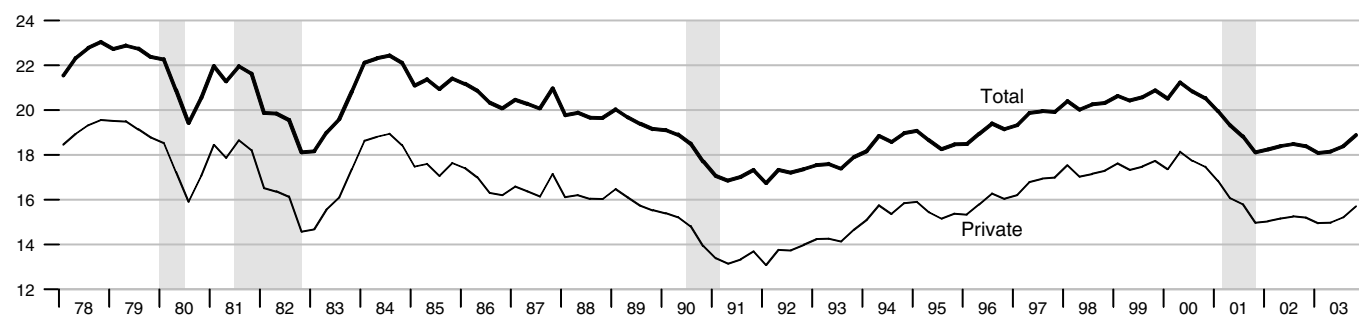


Real Durables Consumption



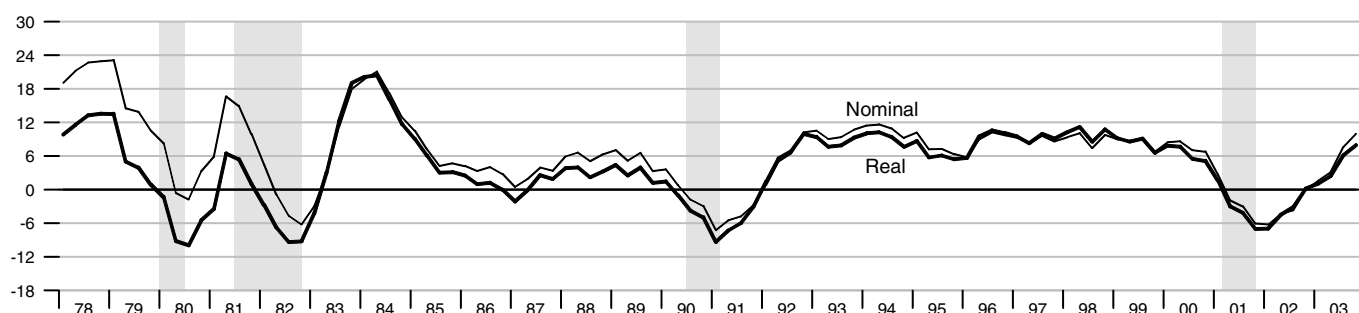
Investment

Percent of nominal GDP



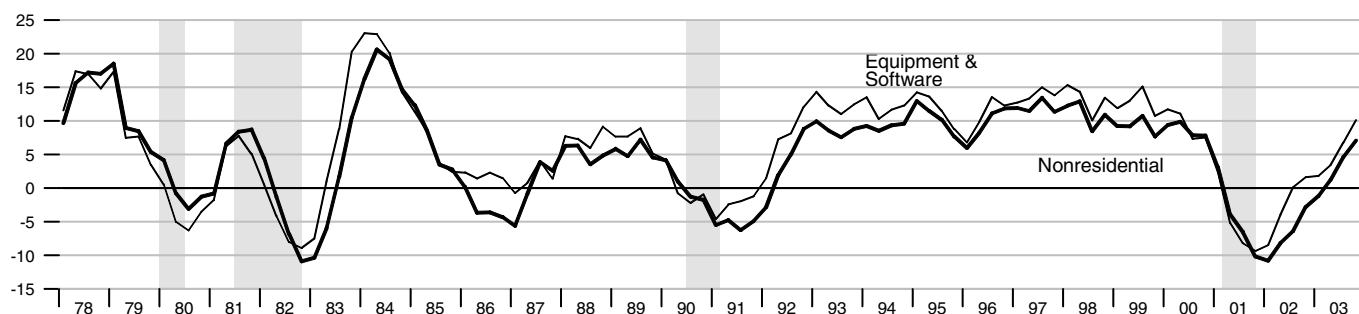
Private Fixed Investment

Percent change from year ago



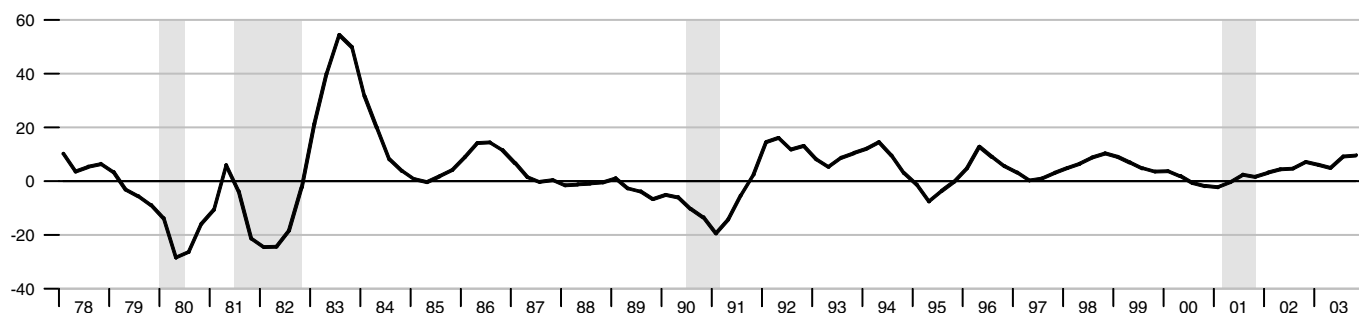
Real Nonresidential Fixed and Equipment & Software Investment

Percent change from year ago

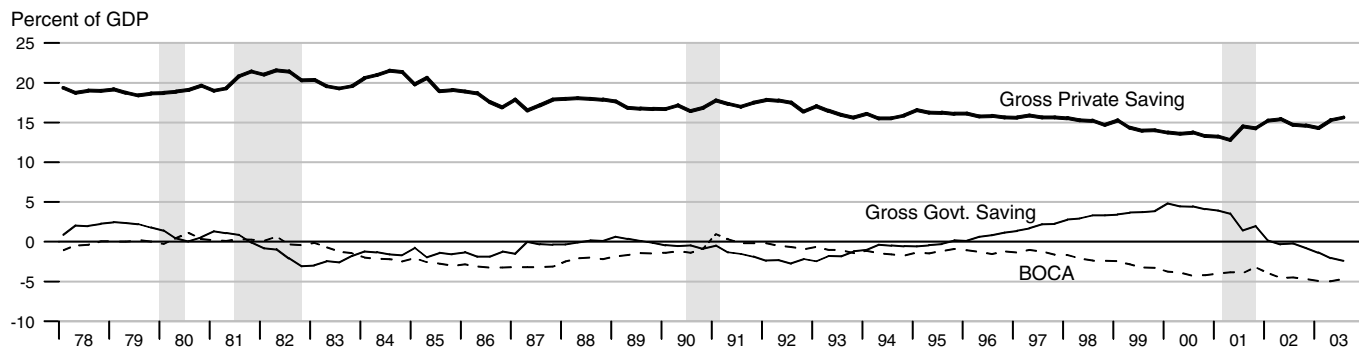


Real Residential Fixed Investment

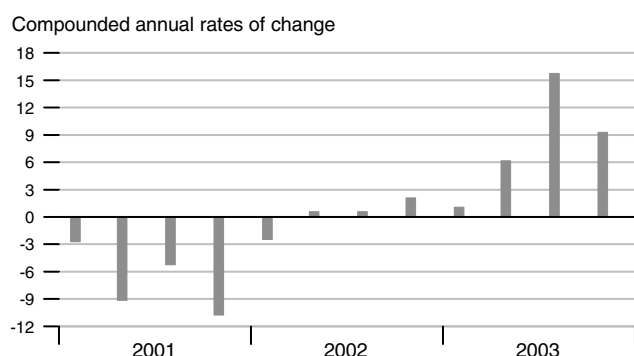
Percent change from year ago



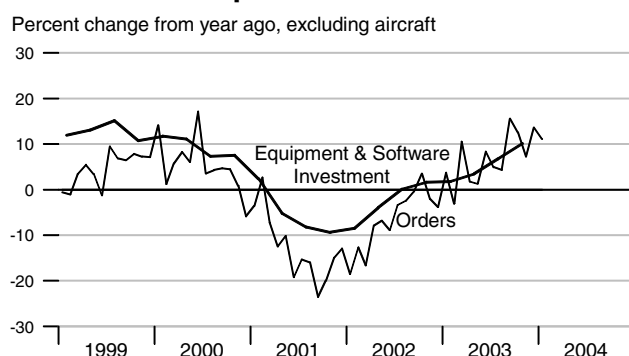
Gross Saving Rates and Balance on Current Account (NIPA)



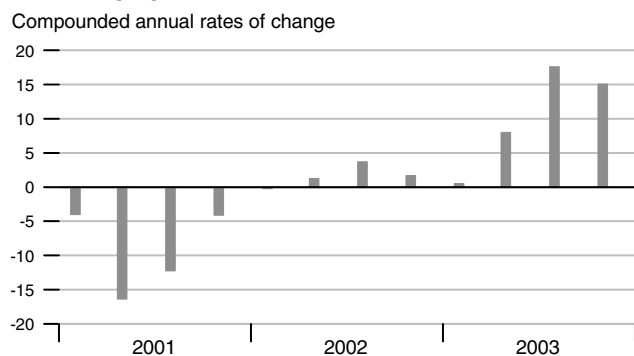
Real Private Fixed Investment



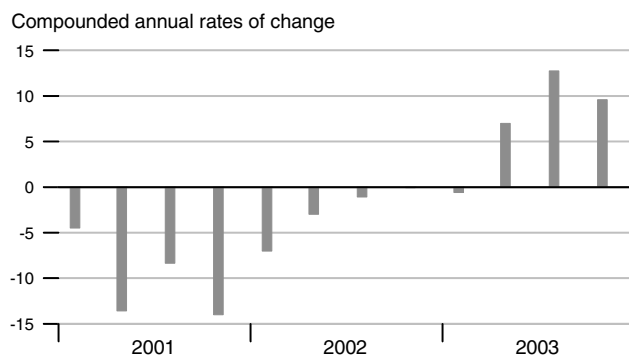
Nondefense Capital Goods Orders



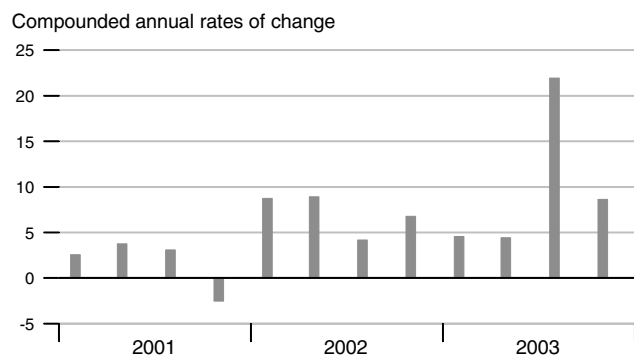
Real Equipment & Software Investment



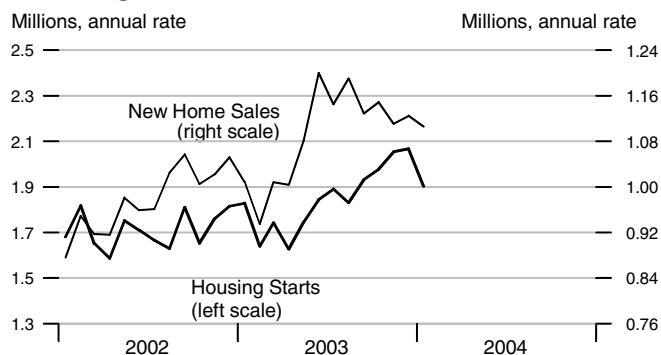
Real Nonresidential Fixed Investment



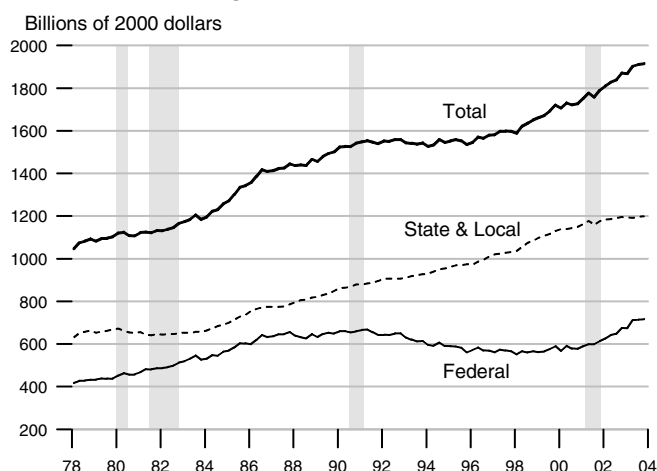
Real Residential Fixed Investment



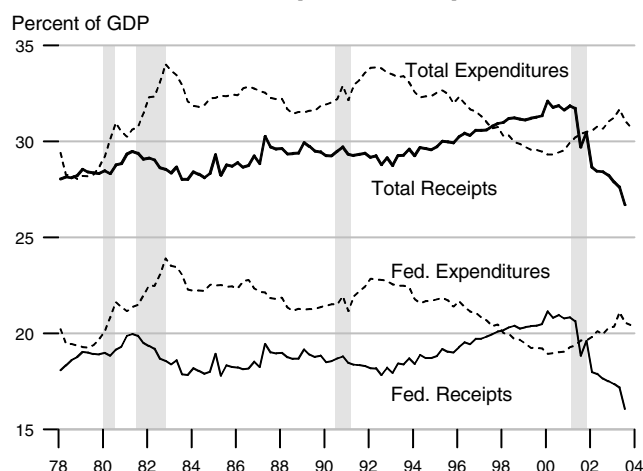
Housing Starts and New Home Sales



Govt. Consumption and Investment



Govt. Current Receipts and Expenditures



Government Budgets

Billions of dollars

National Income Accounts

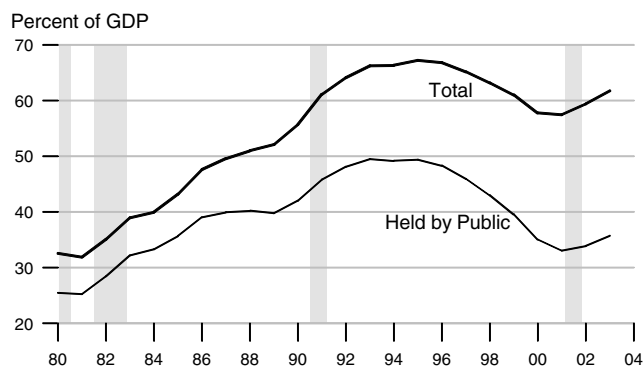
Calendar Years

Unified Budget

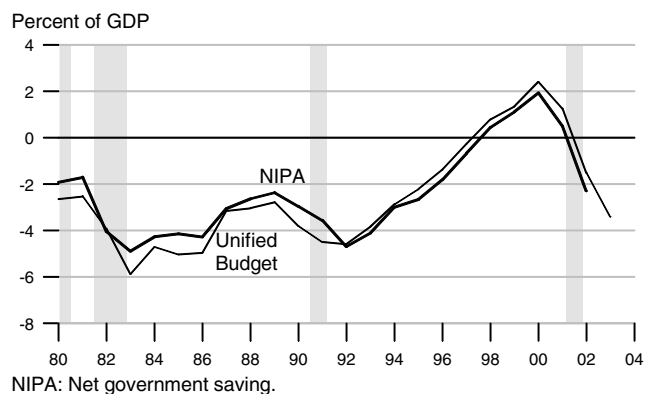
Fiscal Years

| | State and Local | | | Federal | | | Federal | | |
|--------|-----------------|--------------|------------------------|----------|--------------|------------------------|----------|---------|------------------------|
| | Receipts | Expenditures | Surplus or Deficit (-) | Receipts | Expenditures | Surplus or Deficit (-) | Receipts | Outlays | Surplus or Deficit (-) |
| 1991 | 789.2 | 793.3 | -4.1 | 1101.3 | 1315.0 | -213.7 | 1055.0 | 1324.4 | -269.3 |
| 1992 | 845.7 | 845.0 | 0.7 | 1147.2 | 1444.6 | -297.4 | 1091.3 | 1381.7 | -290.4 |
| 1993 | 886.9 | 886.0 | 0.9 | 1222.5 | 1496.0 | -273.5 | 1154.4 | 1409.5 | -255.1 |
| 1994 | 942.9 | 932.4 | 10.5 | 1320.8 | 1533.1 | -212.3 | 1258.6 | 1461.9 | -203.3 |
| 1995 | 990.2 | 978.2 | 12.0 | 1406.5 | 1603.5 | -197.0 | 1351.8 | 1515.8 | -164.0 |
| 1996 | 1043.3 | 1017.5 | 25.8 | 1524.0 | 1665.8 | -141.8 | 1453.1 | 1560.5 | -107.5 |
| 1997 | 1097.4 | 1058.3 | 39.1 | 1653.1 | 1708.9 | -55.8 | 1579.3 | 1601.3 | -22.0 |
| 1998 | 1163.2 | 1111.2 | 52.0 | 1773.8 | 1734.9 | 38.9 | 1721.8 | 1652.6 | 69.2 |
| 1999 | 1236.7 | 1186.3 | 50.4 | 1891.2 | 1787.6 | 103.6 | 1827.5 | 1701.9 | 125.6 |
| 2000 | 1319.5 | 1269.5 | 50.0 | 2053.8 | 1864.4 | 189.4 | 2025.2 | 1788.8 | 236.4 |
| 2001 | 1382.7 | 1365.4 | 17.3 | 2017.8 | 1967.3 | 50.5 | 1991.0 | 1863.8 | 127.3 |
| 2002 | 1424.7 | 1427.9 | -3.2 | 1860.7 | 2100.7 | -240.0 | 1853.2 | 2011.0 | -157.7 |
| 2003 | . | 1500.9 | . | . | 2263.7 | . | 1782.3 | 2157.6 | -375.3 |
| 2001Q1 | 1370.5 | 1334.4 | 36.1 | 2088.5 | 1932.4 | 156.1 | 459.8 | 482.2 | -22.5 |
| 2001Q2 | 1396.5 | 1371.8 | 24.7 | 2082.9 | 1953.9 | 129.0 | 660.3 | 466.5 | 193.7 |
| 2001Q3 | 1371.4 | 1359.7 | 11.7 | 1901.8 | 1981.9 | -80.1 | 409.0 | 450.7 | -41.7 |
| 2001Q4 | 1392.6 | 1395.6 | -3.0 | 1998.2 | 2001.1 | -2.9 | 466.3 | 501.7 | -35.4 |
| 2002Q1 | 1393.0 | 1400.3 | -7.3 | 1857.7 | 2046.5 | -188.8 | 412.6 | 509.2 | -96.6 |
| 2002Q2 | 1406.2 | 1418.2 | -12.0 | 1865.4 | 2097.4 | -232.0 | 522.6 | 506.9 | 15.6 |
| 2002Q3 | 1442.8 | 1436.1 | 6.7 | 1859.9 | 2102.8 | -242.9 | 451.7 | 493.2 | -41.5 |
| 2002Q4 | 1456.6 | 1457.0 | -0.4 | 1859.7 | 2156.1 | -296.4 | 427.3 | 535.6 | -108.2 |
| 2003Q1 | 1441.2 | 1481.8 | -40.6 | 1863.5 | 2184.0 | -320.5 | 397.7 | 542.6 | -144.9 |
| 2003Q2 | 1477.9 | 1492.6 | -14.7 | 1863.9 | 2288.5 | -424.6 | 527.6 | 544.2 | -16.6 |
| 2003Q3 | 1528.0 | 1514.9 | 13.1 | 1784.3 | 2283.7 | -499.4 | 429.4 | 534.0 | -104.5 |
| 2003Q4 | . | 1514.2 | . | . | 2298.6 | . | 440.8 | 569.4 | -128.7 |

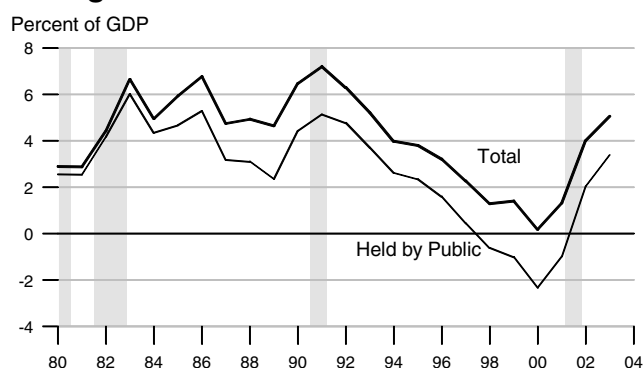
Federal Debt



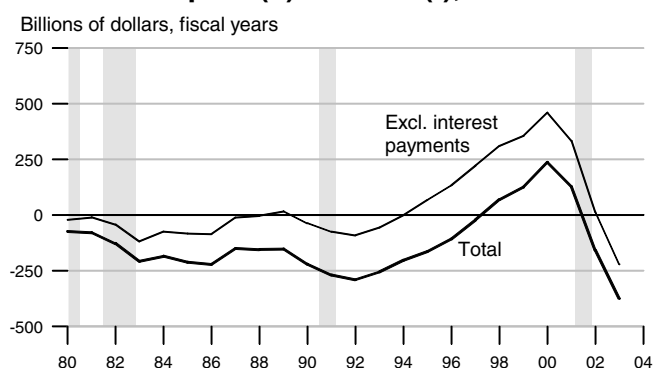
Federal Surplus (+) / Deficit (-)



Change in Federal Debt



Federal Surplus (+) / Deficit (-), Unified Basis

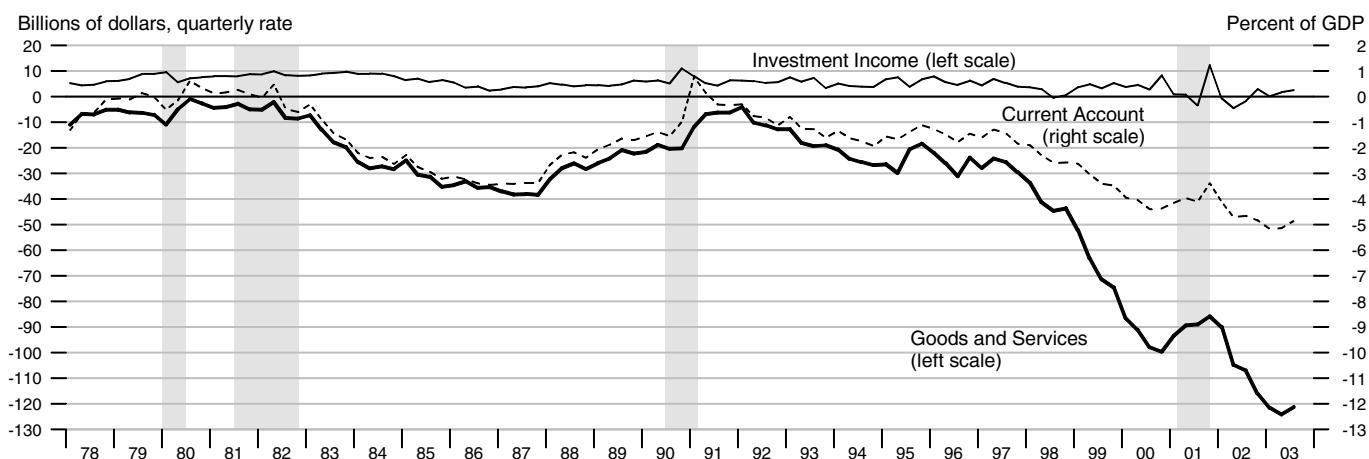


Federal Government Debt

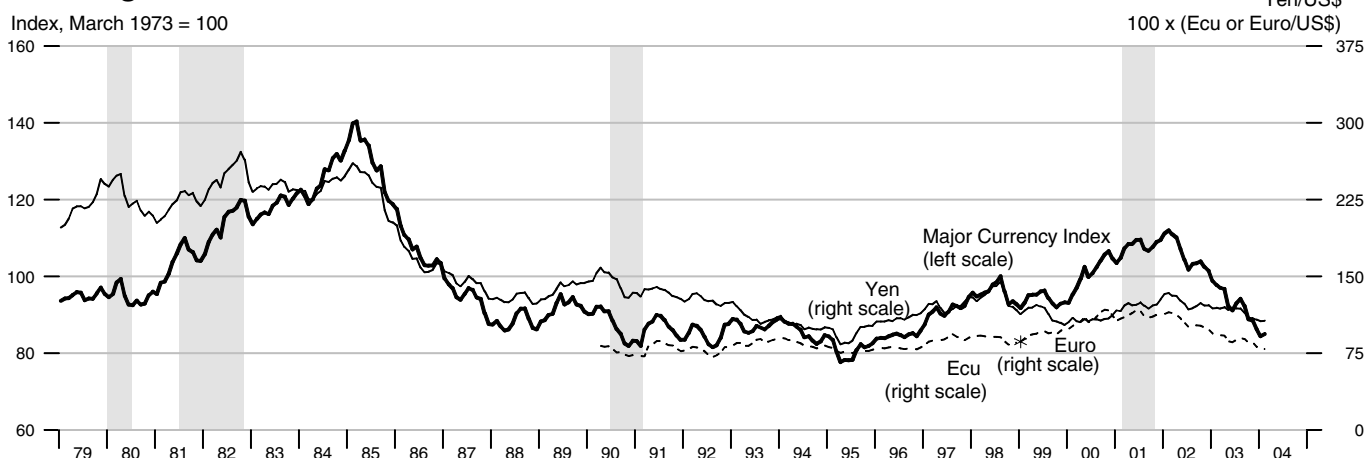
Billions of dollars, end of month or fiscal year
Excludes Agency-issued debt

| | | Total Public Debt | Held by Agencies and Trusts | Held by Public | | Held by Private Investors | |
|------|-----------|----------------------|-----------------------------------|----------------|--------------------------|---------------------------|------------------------------|
| | | | | Total | Federal Reserve Banks | Total | Foreign and International |
| 2001 | | 5807.5 | 2468.8 | 3338.7 | 534.1 | 2779.7 | 1005.5 |
| 2002 | | 6228.2 | 2675.7 | 3552.6 | 604.2 | 2924.8 | 1167.1 |
| 2003 | | 6783.2 | 2859.4 | 3923.9 | 656.1 | 3268.0 | 1427.9 |
| 2000 | March | 5773.4 | 2085.4 | 3688.0 | 501.7 | 3182.8 | 1106.9 |
| | June | 5685.9 | 2190.2 | 3495.7 | 505.0 | 2987.4 | 1082.0 |
| | September | 5674.2 | 2235.7 | 3438.5 | 511.4 | 2936.2 | 1057.9 |
| | December | 5662.2 | 2248.7 | 3527.4 | 511.7 | 2880.4 | 1034.2 |
| 2001 | March | 5773.7 | 2339.4 | 3434.4 | 523.9 | 2892.9 | 1029.9 |
| | June | 5726.8 | 2452.6 | 3274.2 | 535.1 | 2722.6 | 1000.5 |
| | September | 5807.5 | 2468.8 | 3338.7 | 534.1 | 2779.7 | 1005.5 |
| | December | 5943.4 | 2549.7 | 3393.8 | 551.7 | 2819.5 | 1053.1 |
| 2002 | March | 6006.0 | 2562.4 | 3443.7 | 575.4 | 2849.2 | 1067.0 |
| | June | 6126.5 | 2662.9 | 3463.5 | 590.7 | 2849.8 | 1101.9 |
| | September | 6228.2 | 2675.7 | 3552.6 | 604.2 | 2924.8 | 1167.1 |
| | December | 6405.7 | 2758.3 | 3647.4 | 629.4 | 3018.5 | 1212.7 |
| 2003 | March | 6460.8 | 2750.0 | 3710.8 | 641.5 | 3056.0 | 1254.6 |
| | June | 6670.1 | 2853.8 | 3816.3 | 652.1 | 3164.7 | 1355.5 |
| | September | 6783.2 | 2859.4 | 3923.9 | 656.1 | 3268.0 | 1427.9 |

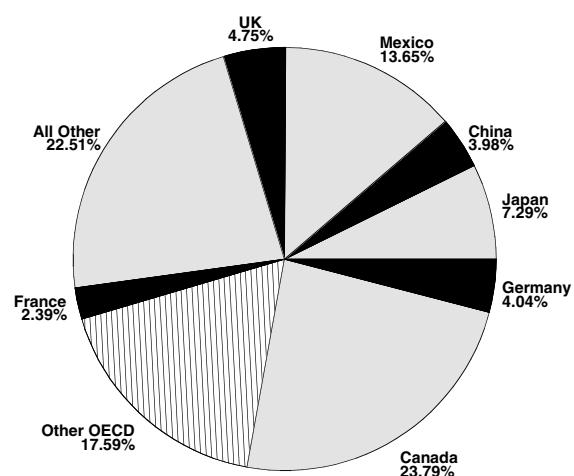
Current Account, Trade and Investment Income Balances



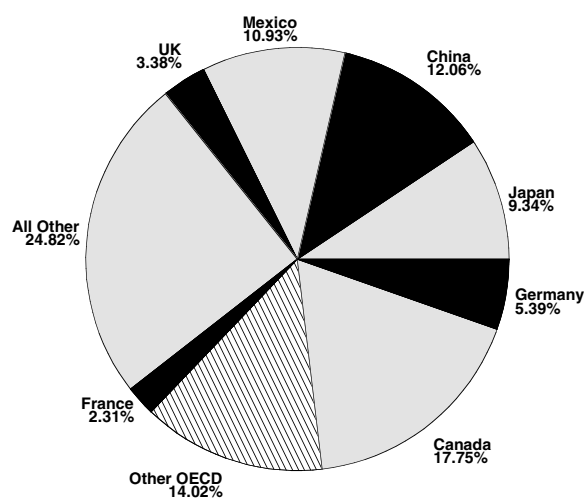
Exchange Rates



Goods Export Shares, 2003



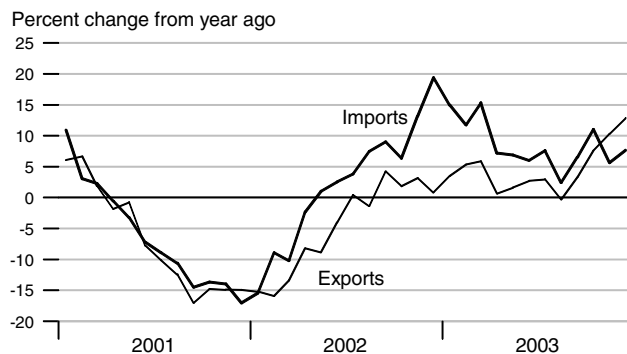
Goods Import Shares, 2003



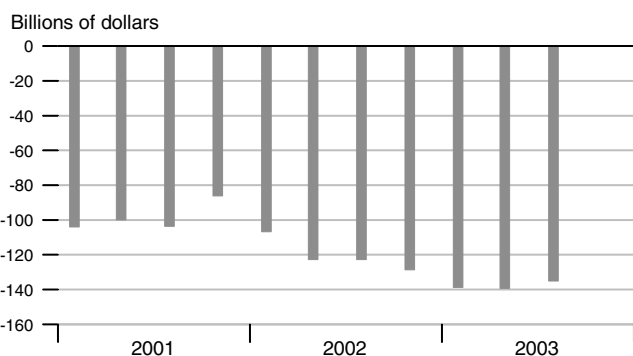
Trade Balance



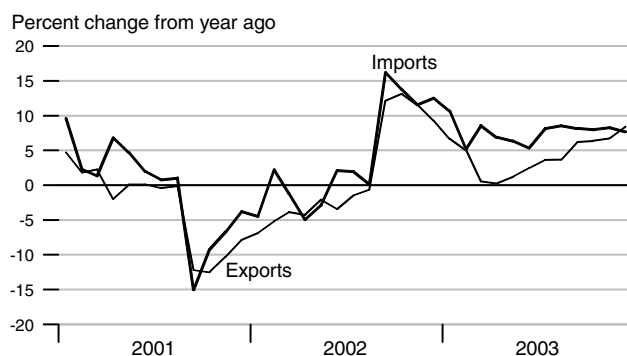
Goods Trade



Current Account Balance

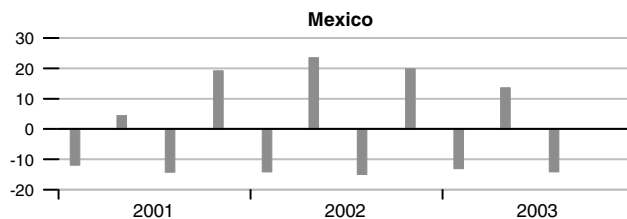
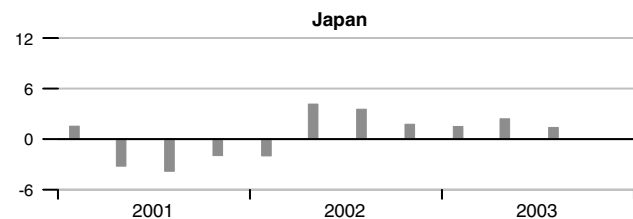
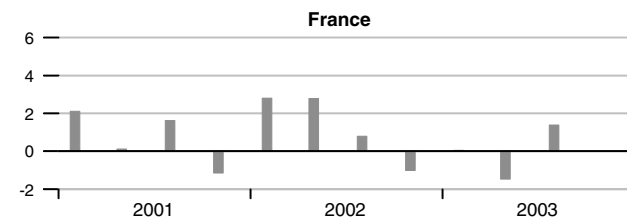
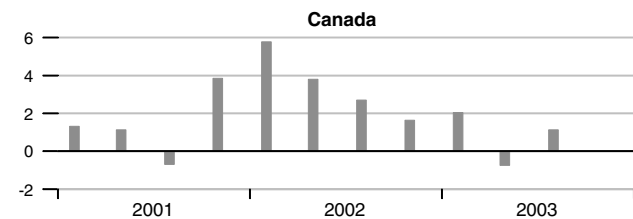
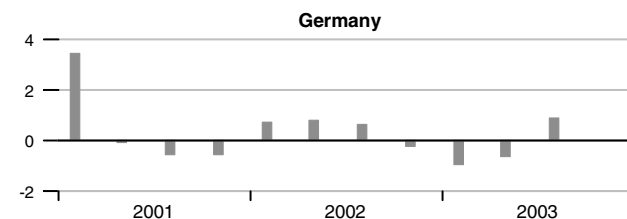
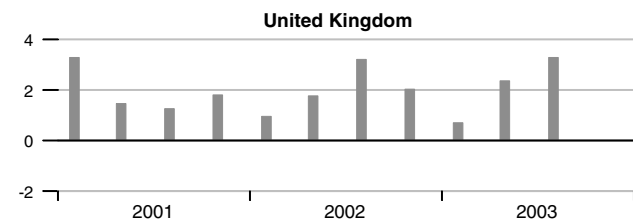


Services Trade

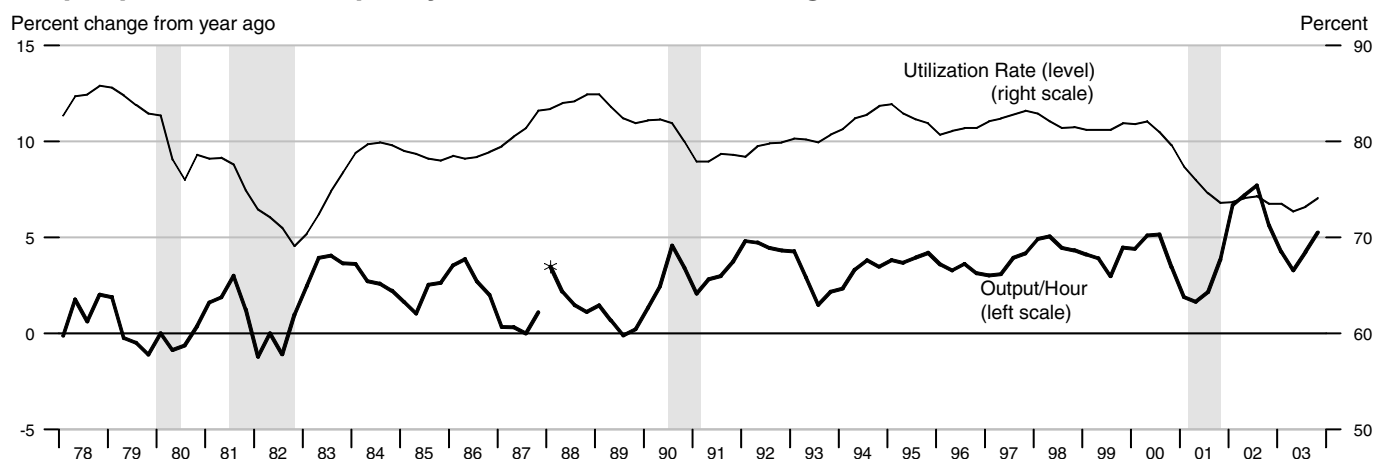


Real GDP Growth of Major Trading Partners

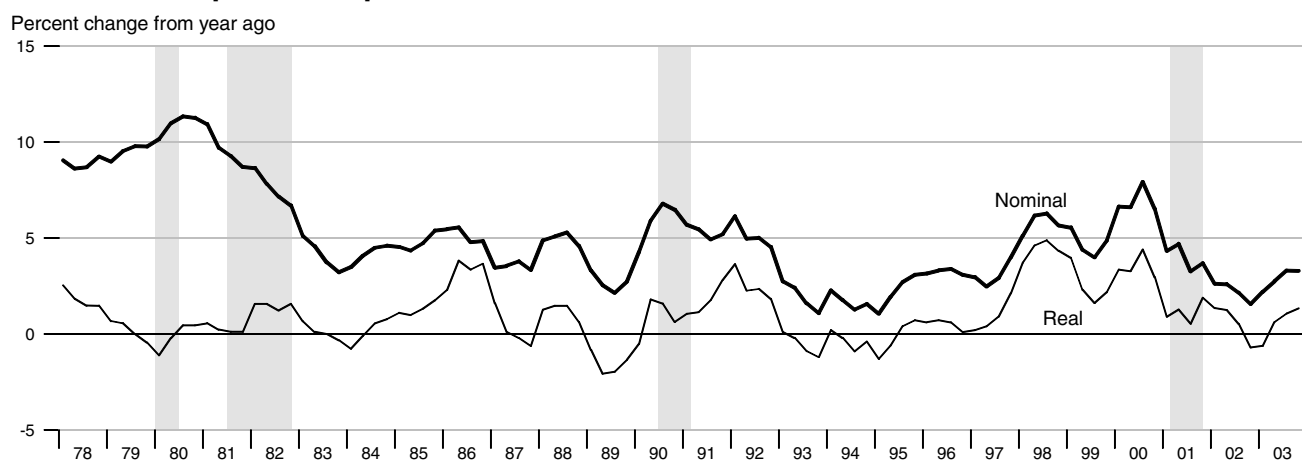
Compounded annual rates of change



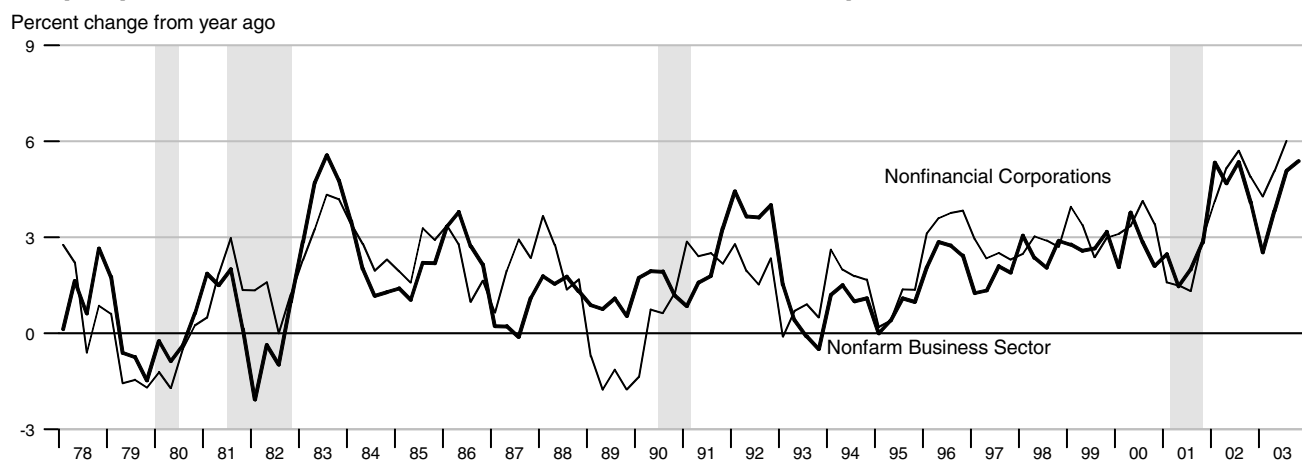
Output per Hour and Capacity Utilization, Manufacturing



Nonfarm Compensation per Hour

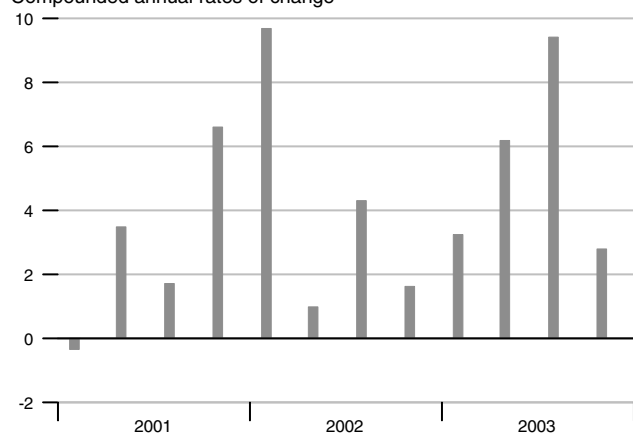


Output per Hour, Nonfarm Business and Nonfinancial Corporations



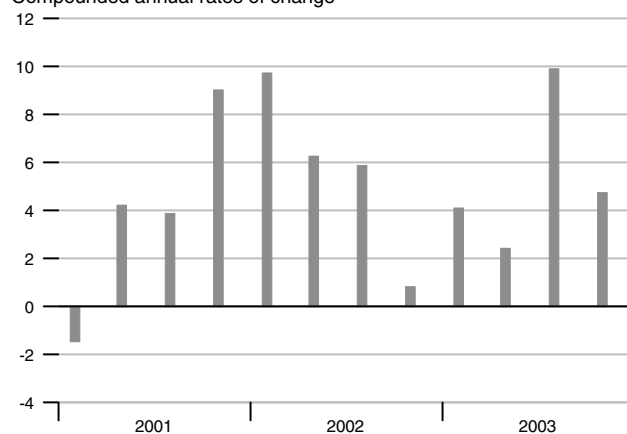
Nonfarm Output per Hour

Compounded annual rates of change

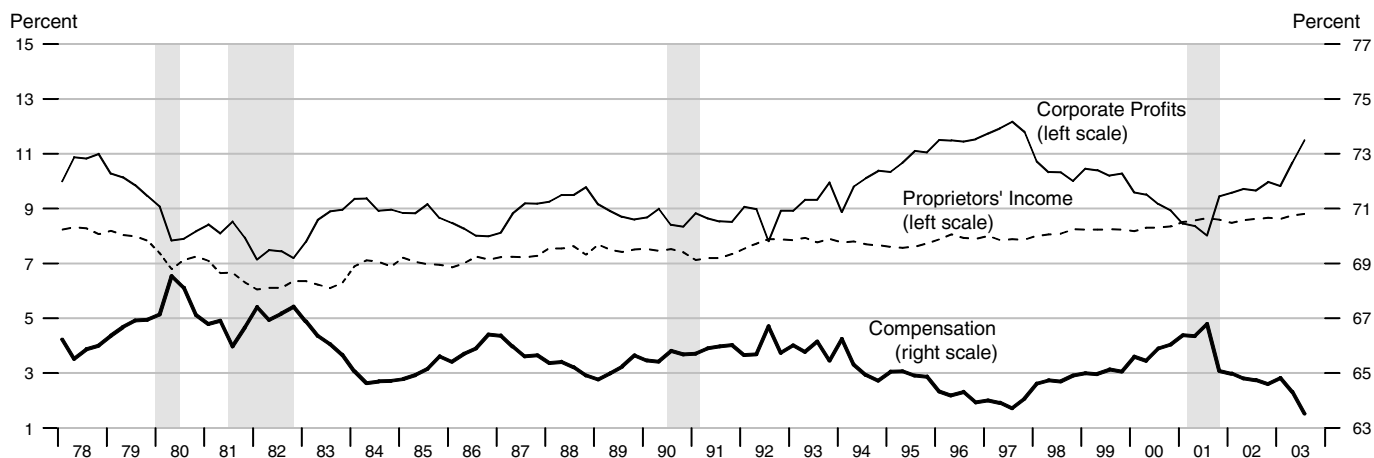


Manufacturing Output per Hour

Compounded annual rates of change

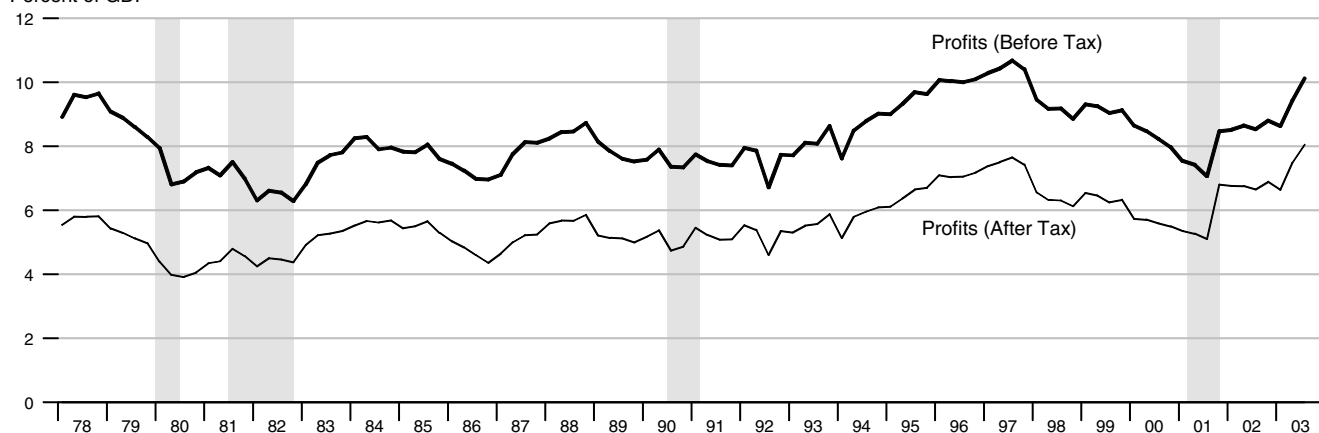


Selected Component Shares of National Income



Corporate Profits

Percent of GDP



| | Nominal GDP | | | Real GDP | | | Final Sales | | | Change in Private Inventories | | |
|--------|---------------------|----------------|----------|----------------------|----------------|----------|--------------------------|----------------|----------|---------------------------------|----------------|----------|
| | Billions of \$ | Percent change | | Billions of 2000 \$ | Percent change | | Billions of 2000 \$ | Percent change | | Billions of 2000 \$ | | |
| | | Annual rate | Year ago | | Annual rate | Year ago | | Annual rate | Year ago | Last qtr | Year/Year ago | |
| 2000 | 9817.0 | | 5.9 | 9817.000 | | 3.7 | 9760.500 | | 3.8 | | 56.500 | |
| 2001 | 10100.8 | | 2.9 | 9866.600 | | 0.5 | 9901.100 | | 1.4 | | -36.000 | |
| 2002 | 10480.8 | | 3.8 | 10083.000 | | 2.2 | 10076.900 | | 1.8 | | 5.700 | |
| 2003 | 10985.5 | | 4.8 | 10397.700 | | 3.1 | 10393.400 | | 3.1 | | 0.700 | |
| 2000 1 | 9629.4 | 4.7 | 6.2 | 9695.600 | 1.0 | 4.1 | 9668.800 | 4.2 | 4.6 | 26.900 | 55.725 | |
| 2 | 9822.8 | 8.3 | 7.1 | 9847.900 | 6.4 | 4.8 | 9748.400 | 3.3 | 4.2 | 99.300 | 70.125 | |
| 3 | 9862.1 | 1.6 | 5.9 | 9836.600 | -0.5 | 3.5 | 9780.400 | 1.3 | 3.5 | 56.200 | 71.475 | |
| 4 | 9953.6 | 3.8 | 4.6 | 9887.700 | 2.1 | 2.2 | 9844.300 | 2.6 | 2.9 | 43.500 | 56.475 | |
| 2001 1 | 10024.8 | 2.9 | 4.1 | 9882.200 | -0.2 | 1.9 | 9877.500 | 1.4 | 2.2 | 4.300 | 50.825 | |
| 2 | 10088.2 | 2.6 | 2.7 | 9866.300 | -0.6 | 0.2 | 9895.300 | 0.7 | 1.5 | -28.800 | 18.800 | |
| 3 | 10096.2 | 0.3 | 2.4 | 9834.600 | -1.3 | -0.0 | 9876.900 | -0.7 | 1.0 | -44.000 | -6.250 | |
| 4 | 10193.9 | 3.9 | 2.4 | 9883.600 | 2.0 | -0.0 | 9954.900 | 3.2 | 1.1 | -75.500 | -36.000 | |
| 2002 1 | 10329.3 | 5.4 | 3.0 | 9997.900 | 4.7 | 1.2 | 10020.100 | 2.6 | 1.4 | -23.500 | -42.950 | |
| 2 | 10428.3 | 3.9 | 3.4 | 10045.100 | 1.9 | 1.8 | 10052.300 | 1.3 | 1.6 | -8.000 | -37.750 | |
| 3 | 10542.0 | 4.4 | 4.4 | 10128.400 | 3.4 | 3.0 | 10096.400 | 1.8 | 2.2 | 32.800 | -18.550 | |
| 4 | 10623.7 | 3.1 | 4.2 | 10160.800 | 1.3 | 2.8 | 10138.900 | 1.7 | 1.8 | 21.500 | 5.700 | |
| 2003 1 | 10735.8 | 4.3 | 3.9 | 10210.400 | 2.0 | 2.1 | 10206.400 | 2.7 | 1.9 | 1.600 | 11.975 | |
| 2 | 10846.7 | 4.2 | 4.0 | 10288.300 | 3.1 | 2.4 | 10289.500 | 3.3 | 2.4 | -4.500 | 12.850 | |
| 3 | 11107.0 | 10.0 | 5.4 | 10493.100 | 8.2 | 3.6 | 10497.700 | 8.3 | 4.0 | -9.100 | 2.375 | |
| 4 | 11252.3 | 5.3 | 5.9 | 10599.200 | 4.1 | 4.3 | 10580.000 | 3.2 | 4.4 | 14.900 | 0.725 | |
| | Consumption | | | Durables Consumption | | | Private Fixed Investment | | | Nonresidential Fixed Investment | | |
| | Billions of 2000 \$ | Percent change | | Billions of 2000 \$ | Percent change | | Billions of 2000 \$ | Percent change | | Billions of 2000 \$ | Percent change | |
| | | Annual rate | Year ago | | Annual rate | Year ago | | Annual rate | Year ago | | Annual rate | Year ago |
| 2000 | 6739.400 | | 4.7 | 863.300 | | 7.3 | 1679.000 | | 6.5 | 1232.100 | | 8.7 |
| 2001 | 6904.600 | | 2.5 | 899.100 | | 4.1 | 1625.700 | | -3.2 | 1176.800 | | -4.5 |
| 2002 | 7140.400 | | 3.4 | 957.200 | | 6.5 | 1565.800 | | -3.7 | 1092.600 | | -7.2 |
| 2003 | 7362.900 | | 3.1 | 1027.000 | | 7.3 | 1634.600 | | 4.4 | 1124.600 | | 2.9 |
| 2000 1 | 6661.300 | 6.5 | 5.5 | 872.800 | 24.4 | 13.7 | 1651.100 | 11.5 | 7.8 | 1196.700 | 14.3 | 9.4 |
| 2 | 6703.300 | 2.5 | 4.6 | 851.300 | -9.5 | 5.9 | 1689.100 | 9.5 | 7.7 | 1238.600 | 14.8 | 9.9 |
| 3 | 6768.000 | 3.9 | 4.5 | 863.800 | 6.0 | 5.3 | 1686.400 | -0.6 | 5.5 | 1245.200 | 2.1 | 7.9 |
| 4 | 6825.000 | 3.4 | 4.1 | 865.400 | 0.7 | 4.7 | 1689.400 | 0.7 | 5.1 | 1247.900 | 0.9 | 7.8 |
| 2001 1 | 6833.700 | 0.5 | 2.6 | 869.100 | 1.7 | -0.4 | 1677.800 | -2.7 | 1.6 | 1233.600 | -4.5 | 3.1 |
| 2 | 6872.200 | 2.3 | 2.5 | 889.600 | 9.8 | 4.5 | 1638.000 | -9.2 | -3.0 | 1189.400 | -13.6 | -4.0 |
| 3 | 6904.200 | 1.9 | 2.0 | 891.100 | 0.7 | 3.2 | 1616.100 | -5.2 | -4.2 | 1163.700 | -8.4 | -6.5 |
| 4 | 7008.200 | 6.2 | 2.7 | 946.600 | 27.3 | 9.4 | 1570.700 | -10.8 | -7.0 | 1120.600 | -14.0 | -10.2 |
| 2002 1 | 7079.200 | 4.1 | 3.6 | 950.300 | 1.6 | 9.3 | 1560.900 | -2.5 | -7.0 | 1100.400 | -7.0 | -10.8 |
| 2 | 7124.500 | 2.6 | 3.7 | 951.400 | 0.5 | 6.9 | 1563.200 | 0.6 | -4.6 | 1092.100 | -3.0 | -8.2 |
| 3 | 7159.200 | 2.0 | 3.7 | 963.100 | 5.0 | 8.1 | 1565.400 | 0.6 | -3.1 | 1089.100 | -1.1 | -6.4 |
| 4 | 7198.900 | 2.2 | 2.7 | 963.800 | 0.3 | 1.8 | 1573.500 | 2.1 | 0.2 | 1088.900 | -0.1 | -2.8 |
| 2003 1 | 7244.100 | 2.5 | 2.3 | 965.000 | 0.5 | 1.5 | 1577.700 | 1.1 | 1.1 | 1087.300 | -0.6 | -1.2 |
| 2 | 7304.000 | 3.3 | 2.5 | 1005.100 | 17.7 | 5.6 | 1601.400 | 6.1 | 2.4 | 1105.800 | 7.0 | 1.3 |
| 3 | 7426.600 | 6.9 | 3.7 | 1069.100 | 28.0 | 11.0 | 1661.000 | 15.7 | 6.1 | 1139.500 | 12.8 | 4.6 |
| 4 | 7476.900 | 2.7 | 3.9 | 1068.700 | -0.1 | 10.9 | 1698.300 | 9.3 | 7.9 | 1165.900 | 9.6 | 7.1 |

| | 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 |
| 2000 | 100.000 | | 2.2 | 148.9 | | 4.6 | 146.0 | | 4.1 | 156.0 | | 5.7 |
| 2001 | 102.376 | | 2.4 | 155.0 | | 4.1 | 151.4 | | 3.7 | 163.7 | | 4.9 |
| 2002 | 103.949 | | 1.5 | 160.9 | | 3.8 | 156.4 | | 3.3 | 171.7 | | 4.9 |
| 2003 | 105.665 | | 1.7 | 167.1 | | 3.9 | 161.0 | | 2.9 | 182.5 | | 6.3 |
| 2000 1 | 99.292 | 3.4 | 2.1 | 146.6 | 5.4 | 4.6 | 143.9 | 4.3 | 4.2 | 153.2 | 8.2 | 5.4 |
| 2 | 99.780 | 2.0 | 2.1 | 148.2 | 4.4 | 4.6 | 145.4 | 4.2 | 4.1 | 155.1 | 5.1 | 5.7 |
| 3 | 100.241 | 1.9 | 2.3 | 149.7 | 4.1 | 4.7 | 146.7 | 3.6 | 4.1 | 157.0 | 5.0 | 5.9 |
| 4 | 100.687 | 1.8 | 2.2 | 151.1 | 3.8 | 4.4 | 147.9 | 3.3 | 3.9 | 158.7 | 4.4 | 5.7 |
| 2001 1 | 101.478 | 3.2 | 2.2 | 152.8 | 4.6 | 4.2 | 149.4 | 4.1 | 3.8 | 160.8 | 5.4 | 5.0 |
| 2 | 102.273 | 3.2 | 2.5 | 154.2 | 3.7 | 4.0 | 150.8 | 3.8 | 3.7 | 162.5 | 4.3 | 4.8 |
| 3 | 102.676 | 1.6 | 2.4 | 155.7 | 3.9 | 4.0 | 152.0 | 3.2 | 3.6 | 164.7 | 5.5 | 4.9 |
| 4 | 103.078 | 1.6 | 2.4 | 157.4 | 4.4 | 4.2 | 153.4 | 3.7 | 3.7 | 166.8 | 5.2 | 5.1 |
| 2002 1 | 103.364 | 1.1 | 1.9 | 158.8 | 3.6 | 3.9 | 154.8 | 3.7 | 3.6 | 168.6 | 4.4 | 4.9 |
| 2 | 103.738 | 1.5 | 1.4 | 160.5 | 4.4 | 4.1 | 156.2 | 3.7 | 3.6 | 170.8 | 5.3 | 5.1 |
| 3 | 104.123 | 1.5 | 1.4 | 161.5 | 2.5 | 3.7 | 156.9 | 1.8 | 3.2 | 172.6 | 4.3 | 4.8 |
| 4 | 104.571 | 1.7 | 1.4 | 162.7 | 3.0 | 3.4 | 157.7 | 2.1 | 2.8 | 174.7 | 5.0 | 4.7 |
| 2003 1 | 105.163 | 2.3 | 1.7 | 164.9 | 5.5 | 3.8 | 159.3 | 4.1 | 2.9 | 178.9 | 10.0 | 6.1 |
| 2 | 105.440 | 1.1 | 1.6 | 166.3 | 3.4 | 3.6 | 160.3 | 2.5 | 2.6 | 181.3 | 5.5 | 6.1 |
| 3 | 105.870 | 1.6 | 1.7 | 168.0 | 4.2 | 4.0 | 161.7 | 3.5 | 3.1 | 183.8 | 5.6 | 6.5 |
| 4 | 106.187 | 1.2 | 1.5 | 169.2 | 2.9 | 4.0 | 162.5 | 2.0 | 3.0 | 186.0 | 4.9 | 6.5 |
| | Exports | | | Imports | | | Nonfarm Output per Hour | | | Nonfarm Compensation per Hour | | |
| | Billions of 2000 \$ | Percent change | | Billions of 2000 \$ | Percent change | | Index | Percent change | | Index | Percent change | |
| | | Annual rate | Year ago | | Annual rate | Year ago | | Annual rate | Year ago | | Annual rate | Year ago |
| 2000 | 1096.300 | | 8.7 | 1475.800 | | 13.1 | 115.3 | | 2.8 | 133.7 | | 7.0 |
| 2001 | 1039.000 | | -5.2 | 1437.100 | | -2.6 | 117.8 | | 2.2 | 138.9 | | 3.9 |
| 2002 | 1014.200 | | -2.4 | 1484.700 | | 3.3 | 123.5 | | 4.8 | 142.0 | | 2.2 |
| 2003 | 1035.000 | | 2.1 | 1543.900 | | 4.0 | 128.7 | | 4.2 | 146.1 | | 2.9 |
| 2000 1 | 1060.900 | 6.6 | 8.2 | 1411.500 | 16.7 | 13.6 | 113.5 | -1.7 | 2.1 | 131.7 | 14.6 | 6.6 |
| 2 | 1092.000 | 12.3 | 10.2 | 1466.500 | 16.5 | 14.0 | 115.6 | 7.6 | 3.8 | 132.1 | 1.2 | 6.6 |
| 3 | 1120.000 | 10.7 | 10.1 | 1515.600 | 14.1 | 13.8 | 115.5 | -0.3 | 2.8 | 134.9 | 8.8 | 7.9 |
| 4 | 1112.300 | -2.7 | 6.5 | 1509.500 | -1.6 | 11.2 | 116.4 | 3.2 | 2.1 | 135.6 | 2.1 | 6.5 |
| 2001 1 | 1099.600 | -4.5 | 3.6 | 1485.500 | -6.2 | 5.2 | 116.3 | -0.3 | 2.5 | 137.4 | 5.4 | 4.3 |
| 2 | 1060.900 | -13.4 | -2.8 | 1452.700 | -8.5 | -0.9 | 117.3 | 3.5 | 1.5 | 138.3 | 2.6 | 4.7 |
| 3 | 1010.600 | -17.7 | -9.8 | 1411.900 | -10.8 | -6.8 | 117.8 | 1.7 | 2.0 | 139.3 | 2.9 | 3.3 |
| 4 | 984.800 | -9.8 | -11.5 | 1398.200 | -3.8 | -7.4 | 119.7 | 6.6 | 2.8 | 140.6 | 3.8 | 3.7 |
| 2002 1 | 995.400 | 4.4 | -9.5 | 1426.700 | 8.4 | -4.0 | 122.5 | 9.7 | 5.3 | 141.0 | 1.1 | 2.6 |
| 2 | 1016.500 | 8.8 | -4.2 | 1484.100 | 17.1 | 2.2 | 122.8 | 1.0 | 4.7 | 141.9 | 2.6 | 2.6 |
| 3 | 1027.300 | 4.3 | 1.7 | 1499.200 | 4.1 | 6.2 | 124.1 | 4.3 | 5.3 | 142.3 | 1.1 | 2.2 |
| 4 | 1017.500 | -3.8 | 3.3 | 1529.000 | 8.2 | 9.4 | 124.6 | 1.6 | 4.1 | 142.8 | 1.4 | 1.6 |
| 2003 1 | 1012.400 | -2.0 | 1.7 | 1502.500 | -6.8 | 5.3 | 125.6 | 3.2 | 2.5 | 144.1 | 3.7 | 2.2 |
| 2 | 1009.600 | -1.1 | -0.7 | 1535.700 | 9.1 | 3.5 | 127.5 | 6.2 | 3.8 | 145.8 | 4.8 | 2.7 |
| 3 | 1033.700 | 9.9 | 0.6 | 1538.900 | 0.8 | 2.6 | 130.4 | 9.4 | 5.1 | 147.0 | 3.3 | 3.3 |
| 4 | 1084.100 | 21.0 | 6.5 | 1598.600 | 16.4 | 4.6 | 131.3 | 2.8 | 5.4 | 147.5 | 1.4 | 3.3 |

| | | Household Survey Employment | | | | Nonfarm Payroll Employment | | | | Nonfarm Aggregate Hours | | | |
|------|-----|-----------------------------|--------|----------------|----------|----------------------------|--------|----------------|----------|-------------------------|------|----------------|-------------|
| | | | | Percent change | | | | Percent change | | | | Percent change | |
| | | | | Annual rate | Year ago | | | Annual rate | Year ago | | | Monthly rate | Annual rate |
| | | Thousands | Change | | | Thousands | Change | | | Index | | | |
| 1999 | | 133501 | 2025 | | 1.5 | 128992 | 3068 | | 2.4 | 101.6 | | | 2.1 |
| 2000 | | 136902 | 3401 | | 2.5 | 131791 | 2800 | | 2.2 | 103.5 | | | 1.8 |
| 2001 | | 136944 | 42 | | 0.0 | 131837 | 46 | | 0.0 | 102.1 | | | -1.3 |
| 2002 | | 136487 | -456 | | -0.3 | 130343 | -1494 | | -1.1 | 100.0 | | | -2.1 |
| 2003 | | 137739 | 1252 | | 0.9 | 129937 | -406 | | -0.3 | 98.6 | | | -1.4 |
| 2001 | 1 | 137703 | 346 | 1.0 | 0.8 | 132462 | 165 | 0.5 | 1.1 | 103.3 | -0.2 | -0.9 | 0.2 |
| | 2 | 137060 | -643 | -1.9 | 0.1 | 132187 | -276 | -0.8 | 0.3 | 102.6 | -0.7 | -2.8 | -0.9 |
| | 3 | 136758 | -302 | -0.9 | 0.0 | 131789 | -398 | -1.2 | -0.2 | 101.8 | -0.7 | -3.0 | -1.6 |
| | 4 | 136253 | -505 | -1.5 | -0.8 | 130911 | -878 | -2.6 | -1.0 | 100.6 | -1.2 | -4.9 | -2.9 |
| 2002 | 1 | 136061 | -192 | -0.6 | -1.2 | 130448 | -463 | -1.4 | -1.5 | 100.3 | -0.3 | -1.2 | -3.0 |
| | 2 | 136318 | 257 | 0.8 | -0.5 | 130389 | -60 | -0.2 | -1.4 | 100.2 | -0.0 | -0.1 | -2.3 |
| | 3 | 136875 | 557 | 1.6 | 0.1 | 130287 | -102 | -0.3 | -1.1 | 99.8 | -0.4 | -1.6 | -2.0 |
| | 4 | 136694 | -181 | -0.5 | 0.3 | 130248 | -39 | -0.1 | -0.5 | 99.5 | -0.4 | -1.5 | -1.1 |
| 2003 | 1 | 137355 | 661 | 1.9 | 1.0 | 130047 | -200 | -0.6 | -0.3 | 99.0 | -0.5 | -1.9 | -1.3 |
| | 2 | 137585 | 230 | 0.7 | 0.9 | 129878 | -170 | -0.5 | -0.4 | 98.5 | -0.5 | -2.0 | -1.7 |
| | 3 | 137647 | 62 | 0.2 | 0.6 | 129820 | -58 | -0.2 | -0.4 | 98.2 | -0.3 | -1.1 | -1.6 |
| | 4 | 138369 | 722 | 2.1 | 1.2 | 130005 | 185 | 0.6 | -0.2 | 98.6 | 0.3 | 1.4 | -0.9 |
| 2002 | Jan | 135715 | -363 | -3.2 | -1.5 | 130494 | -165 | -1.5 | -1.4 | 100.3 | -0.3 | -3.5 | -3.3 |
| | Feb | 136362 | 647 | 5.9 | -0.9 | 130404 | -90 | -0.8 | -1.6 | 100.2 | -0.1 | -1.2 | -2.7 |
| | Mar | 136106 | -256 | -2.2 | -1.2 | 130447 | 43 | 0.4 | -1.6 | 100.3 | 0.1 | 1.2 | -2.9 |
| | Apr | 136096 | -10 | -0.1 | -0.9 | 130379 | -68 | -0.6 | -1.4 | 100.4 | 0.1 | 1.2 | -2.2 |
| | May | 136505 | 409 | 3.7 | -0.4 | 130381 | 2 | 0.0 | -1.4 | 99.9 | -0.5 | -5.8 | -2.7 |
| | Jun | 136353 | -152 | -1.3 | -0.4 | 130406 | 25 | 0.2 | -1.3 | 100.4 | 0.5 | 6.2 | -2.0 |
| | Jul | 136478 | 125 | 1.1 | -0.4 | 130295 | -111 | -1.0 | -1.3 | 99.7 | -0.7 | -8.1 | -2.5 |
| | Aug | 136811 | 333 | 3.0 | 0.4 | 130306 | 11 | 0.1 | -1.2 | 99.9 | 0.2 | 2.4 | -2.0 |
| | Sep | 137337 | 526 | 4.7 | 0.3 | 130259 | -47 | -0.4 | -1.0 | 99.9 | 0.0 | 0.0 | -1.4 |
| | Oct | 137079 | -258 | -2.2 | 0.5 | 130342 | 83 | 0.8 | -0.7 | 99.6 | -0.3 | -3.5 | -1.0 |
| | Nov | 136545 | -534 | -4.6 | 0.2 | 130305 | -37 | -0.3 | -0.4 | 99.5 | -0.1 | -1.2 | -1.0 |
| | Dec | 136459 | -86 | -0.8 | 0.3 | 130096 | -209 | -1.9 | -0.4 | 99.3 | -0.2 | -2.4 | -1.3 |
| 2003 | Jan | 137447 | 988 | 9.0 | 1.3 | 130190 | 94 | 0.9 | -0.2 | 99.3 | 0.0 | 0.0 | -1.0 |
| | Feb | 137318 | -129 | -1.1 | 0.7 | 130031 | -159 | -1.5 | -0.3 | 98.8 | -0.5 | -5.9 | -1.4 |
| | Mar | 137300 | -18 | -0.2 | 0.9 | 129921 | -110 | -1.0 | -0.4 | 98.9 | 0.1 | 1.2 | -1.4 |
| | Apr | 137578 | 278 | 2.5 | 1.1 | 129901 | -20 | -0.2 | -0.4 | 98.3 | -0.6 | -7.0 | -2.1 |
| | May | 137505 | -73 | -0.6 | 0.7 | 129873 | -28 | -0.3 | -0.4 | 98.6 | 0.3 | 3.7 | -1.3 |
| | Jun | 137673 | 168 | 1.5 | 1.0 | 129859 | -14 | -0.1 | -0.4 | 98.6 | 0.0 | 0.0 | -1.8 |
| | Jul | 137604 | -69 | -0.6 | 0.8 | 129814 | -45 | -0.4 | -0.4 | 98.2 | -0.4 | -4.8 | -1.5 |
| | Aug | 137693 | 89 | 0.8 | 0.6 | 129789 | -25 | -0.2 | -0.4 | 98.2 | 0.0 | 0.0 | -1.7 |
| | Sep | 137644 | -49 | -0.4 | 0.2 | 129856 | 67 | 0.6 | -0.3 | 98.3 | 0.1 | 1.2 | -1.6 |
| | Oct | 138095 | 451 | 4.0 | 0.7 | 129944 | 88 | 0.8 | -0.3 | 98.7 | 0.4 | 5.0 | -0.9 |
| | Nov | 138533 | 438 | 3.9 | 1.5 | 130027 | 83 | 0.8 | -0.2 | 99.0 | 0.3 | 3.7 | -0.5 |
| | Dec | 138479 | -54 | -0.5 | 1.5 | 130043 | 16 | 0.1 | -0.0 | 98.0 | -1.0 | -11.5 | -1.3 |
| 2004 | Jan | 138566 | 87 | 0.8 | 0.8 | 130155 | 112 | 1.0 | -0.0 | 98.8 | 0.8 | 10.2 | -0.5 |

| | | Unempl. Rate | Retail and Food Services Sales | | | | Industrial Production | | | | Treasury Yields | |
|------|-----|-----------------|--------------------------------|-----------------------|----------------|-------------|-----------------------|-----------------------|----------------|-------------|--------------------|-------|
| | | | Billions of dollars | Percent change | | Year ago | Index | Percent change | | Year ago | (Percent) | |
| | | | | Monthly/ quarterly | Annual rate | | | Monthly/ quarterly | Annual rate | | 3-mo | 10-yr |
| 1999 | | 4.2 | 3161.948 | | | 8.4 | 110.577 | | | 4.4 | 4.64 | 5.64 |
| 2000 | | 4.0 | 3374.243 | | | 6.7 | 115.429 | | | 4.4 | 5.82 | 6.03 |
| 2001 | | 4.8 | 3471.756 | | | 2.9 | 111.516 | | | -3.4 | 3.39 | 5.02 |
| 2002 | | 5.8 | 3577.033 | | | 3.0 | 110.876 | | | -0.6 | 1.60 | 4.61 |
| 2003 | | 6.0 | 3776.111 | | | 5.6 | 111.199 | | | 0.3 | 1.01 | 4.02 |
| 2001 | 1 | 4.2 | 856.706 | 0.8 | 3.0 | 2.2 | 113.673 | -1.6 | -6.3 | -0.5 | 4.82 | 5.05 |
| | 2 | 4.4 | 863.764 | 0.8 | 3.3 | 3.1 | 112.218 | -1.3 | -5.0 | -3.3 | 3.66 | 5.27 |
| | 3 | 4.8 | 862.246 | -0.2 | -0.7 | 1.7 | 110.716 | -1.3 | -5.2 | -4.5 | 3.17 | 4.98 |
| | 4 | 5.6 | 889.040 | 3.1 | 13.0 | 4.6 | 109.458 | -1.1 | -4.5 | -5.2 | 1.91 | 4.77 |
| 2002 | 1 | 5.7 | 879.850 | -1.0 | -4.1 | 2.7 | 109.985 | 0.5 | 1.9 | -3.2 | 1.72 | 5.08 |
| | 2 | 5.8 | 889.723 | 1.1 | 4.6 | 3.0 | 111.132 | 1.0 | 4.2 | -1.0 | 1.72 | 5.10 |
| | 3 | 5.7 | 901.530 | 1.3 | 5.4 | 4.6 | 111.455 | 0.3 | 1.2 | 0.7 | 1.64 | 4.26 |
| | 4 | 5.9 | 905.930 | 0.5 | 2.0 | 1.9 | 110.933 | -0.5 | -1.9 | 1.3 | 1.33 | 4.01 |
| 2003 | 1 | 5.8 | 919.764 | 1.5 | 6.2 | 4.5 | 111.172 | 0.2 | 0.9 | 1.1 | 1.16 | 3.92 |
| | 2 | 6.1 | 932.031 | 1.3 | 5.4 | 4.8 | 110.033 | -1.0 | -4.0 | -1.0 | 1.04 | 3.62 |
| | 3 | 6.1 | 957.836 | 2.8 | 11.5 | 6.2 | 111.059 | 0.9 | 3.8 | -0.4 | 0.93 | 4.23 |
| | 4 | 5.9 | 966.480 | 0.9 | 3.7 | 6.7 | 112.530 | 1.3 | 5.4 | 1.4 | 0.92 | 4.29 |
| 2002 | Feb | 5.7 | 293.878 | 0.5 | 6.3 | 2.7 | 109.893 | 0.2 | 1.9 | -3.3 | 1.73 | 4.91 |
| | Mar | 5.7 | 293.579 | -0.1 | -1.2 | 3.3 | 110.340 | 0.4 | 5.0 | -2.5 | 1.79 | 5.28 |
| | Apr | 5.9 | 297.827 | 1.4 | 18.8 | 3.8 | 110.777 | 0.4 | 4.9 | -1.8 | 1.72 | 5.21 |
| | May | 5.8 | 293.870 | -1.3 | -14.8 | 1.7 | 110.950 | 0.2 | 1.9 | -1.2 | 1.73 | 5.16 |
| | Jun | 5.8 | 298.026 | 1.4 | 18.4 | 3.6 | 111.670 | 0.6 | 8.1 | 0.1 | 1.70 | 4.93 |
| | Jul | 5.8 | 300.842 | 0.9 | 11.9 | 4.4 | 111.541 | -0.1 | -1.4 | 0.4 | 1.68 | 4.65 |
| | Aug | 5.7 | 302.449 | 0.5 | 6.6 | 4.5 | 111.493 | -0.0 | -0.5 | 0.6 | 1.62 | 4.26 |
| | Sep | 5.7 | 298.239 | -1.4 | -15.5 | 4.8 | 111.330 | -0.1 | -1.7 | 1.1 | 1.63 | 3.87 |
| | Oct | 5.7 | 299.924 | 0.6 | 7.0 | -0.7 | 111.031 | -0.3 | -3.2 | 1.0 | 1.58 | 3.94 |
| | Nov | 5.9 | 301.469 | 0.5 | 6.4 | 2.6 | 111.156 | 0.1 | 1.4 | 1.6 | 1.23 | 4.05 |
| | Dec | 6.0 | 304.537 | 1.0 | 12.9 | 3.8 | 110.612 | -0.5 | -5.7 | 1.4 | 1.19 | 4.03 |
| 2003 | Jan | 5.8 | 307.456 | 1.0 | 12.1 | 5.2 | 111.164 | 0.5 | 6.2 | 1.3 | 1.17 | 4.05 |
| | Feb | 5.9 | 302.741 | -1.5 | -16.9 | 3.0 | 111.581 | 0.4 | 4.6 | 1.5 | 1.17 | 3.90 |
| | Mar | 5.8 | 309.567 | 2.3 | 30.7 | 5.4 | 110.771 | -0.7 | -8.4 | 0.4 | 1.13 | 3.81 |
| | Apr | 6.0 | 308.675 | -0.3 | -3.4 | 3.6 | 110.094 | -0.6 | -7.1 | -0.6 | 1.13 | 3.96 |
| | May | 6.1 | 310.214 | 0.5 | 6.1 | 5.6 | 110.019 | -0.1 | -0.8 | -0.8 | 1.07 | 3.57 |
| | Jun | 6.3 | 313.142 | 0.9 | 11.9 | 5.1 | 109.986 | -0.0 | -0.4 | -1.5 | 0.92 | 3.33 |
| | Jul | 6.2 | 317.512 | 1.4 | 18.1 | 5.5 | 110.829 | 0.8 | 9.6 | -0.6 | 0.90 | 3.98 |
| | Aug | 6.1 | 320.703 | 1.0 | 12.7 | 6.0 | 110.857 | 0.0 | 0.3 | -0.6 | 0.95 | 4.45 |
| | Sep | 6.1 | 319.621 | -0.3 | -4.0 | 7.2 | 111.492 | 0.6 | 7.1 | 0.1 | 0.94 | 4.27 |
| | Oct | 6.0 | 319.705 | 0.0 | 0.3 | 6.6 | 111.776 | 0.3 | 3.1 | 0.7 | 0.92 | 4.29 |
| | Nov | 5.9 | 323.076 | 1.1 | 13.4 | 7.2 | 112.904 | 1.0 | 12.8 | 1.6 | 0.93 | 4.30 |
| | Dec | 5.7 | 323.699 | 0.2 | 2.3 | 6.3 | 112.910 | 0.0 | 0.1 | 2.1 | 0.90 | 4.27 |
| 2004 | Jan | 5.6 | 322.867 | -0.3 | -3.0 | 5.0 | 113.795 | 0.8 | 9.8 | 2.4 | 0.88 | 4.15 |
| | Feb | | | | | | | | | | 0.93 | 4.08 |

| | | Consumer Price Index | | | | | Consumer Price Index less Food and Energy | | | | | Producer Price Index Finished Goods | | | |
|------|-----|----------------------|-----------------------|----------------|-------------|-----------------|--|-----------------------|----------------|-------------|-----------------|--|-----------------------|----------------|-------------|
| | | Percent change | | | | | Percent change | | | | | Percent change | | | |
| | | Index | Monthly/ quarterly | Annual rate | Year ago | Year to date | Index | Monthly/ quarterly | Annual rate | Year ago | Year to date | Index | Monthly/ quarterly | Annual rate | Year ago |
| 1999 | | 166.6 | | | 2.2 | | 177.0 | | | 2.1 | | 133.0 | | | 1.8 |
| 2000 | | 172.2 | | | 3.4 | | 181.3 | | | 2.4 | | 138.0 | | | 3.7 |
| 2001 | | 177.0 | | | 2.8 | | 186.1 | | | 2.7 | | 140.7 | | | 2.0 |
| 2002 | | 179.9 | | | 1.6 | | 190.4 | | | 2.3 | | 138.9 | | | -1.3 |
| 2003 | | 184.0 | | | 2.3 | | 193.2 | | | 1.5 | | 143.3 | | | 3.2 |
| 2001 | 1 | 175.8 | 0.9 | 3.7 | 3.4 | 3.7 | 184.3 | 0.7 | 2.9 | 2.7 | 2.9 | 141.7 | 1.3 | 5.4 | 4.0 |
| | 2 | 177.2 | 0.8 | 3.2 | 3.4 | 3.5 | 185.5 | 0.6 | 2.6 | 2.7 | 2.8 | 142.0 | 0.2 | 0.8 | 3.4 |
| | 3 | 177.7 | 0.2 | 1.0 | 2.7 | 2.6 | 186.8 | 0.7 | 2.8 | 2.7 | 2.8 | 140.7 | -0.9 | -3.5 | 1.6 |
| | 4 | 177.4 | -0.1 | -0.5 | 1.8 | 1.8 | 187.9 | 0.6 | 2.4 | 2.7 | 2.7 | 138.4 | -1.7 | -6.6 | -1.1 |
| 2002 | 1 | 178.0 | 0.3 | 1.3 | 1.2 | 1.3 | 188.9 | 0.5 | 2.1 | 2.5 | 2.1 | 138.3 | -0.0 | -0.1 | -2.4 |
| | 2 | 179.5 | 0.9 | 3.5 | 1.3 | 2.4 | 190.0 | 0.5 | 2.2 | 2.4 | 2.2 | 138.7 | 0.2 | 1.0 | -2.3 |
| | 3 | 180.5 | 0.6 | 2.2 | 1.6 | 2.3 | 191.0 | 0.5 | 2.2 | 2.2 | 2.2 | 138.7 | 0.0 | 0.2 | -1.4 |
| | 4 | 181.4 | 0.5 | 1.9 | 2.2 | 2.2 | 191.8 | 0.4 | 1.6 | 2.0 | 2.0 | 139.7 | 0.7 | 2.8 | 1.0 |
| 2003 | 1 | 183.1 | 1.0 | 3.9 | 2.9 | 3.9 | 192.4 | 0.3 | 1.3 | 1.8 | 1.3 | 142.9 | 2.3 | 9.6 | 3.3 |
| | 2 | 183.4 | 0.1 | 0.6 | 2.2 | 2.2 | 192.9 | 0.3 | 1.1 | 1.5 | 1.2 | 142.2 | -0.5 | -1.9 | 2.6 |
| | 3 | 184.5 | 0.6 | 2.3 | 2.2 | 2.3 | 193.6 | 0.3 | 1.4 | 1.3 | 1.3 | 143.3 | 0.8 | 3.1 | 3.3 |
| | 4 | 184.8 | 0.2 | 0.7 | 1.9 | 1.9 | 194.0 | 0.2 | 1.0 | 1.2 | 1.2 | 144.8 | 1.0 | 4.1 | 3.6 |
| 2002 | Jan | 177.6 | 0.2 | 2.7 | 1.1 | 2.7 | 188.6 | 0.2 | 1.9 | 2.6 | 1.9 | 137.7 | 0.0 | 0.0 | -2.8 |
| | Feb | 177.9 | 0.2 | 2.0 | 1.1 | 2.4 | 189.0 | 0.2 | 2.6 | 2.5 | 2.3 | 138.1 | 0.3 | 3.5 | -2.7 |
| | Mar | 178.5 | 0.3 | 4.1 | 1.4 | 3.0 | 189.2 | 0.1 | 1.3 | 2.4 | 1.9 | 139.2 | 0.8 | 10.0 | -1.6 |
| | Apr | 179.4 | 0.5 | 6.2 | 1.6 | 3.8 | 189.7 | 0.3 | 3.2 | 2.5 | 2.2 | 139.0 | -0.1 | -1.7 | -2.1 |
| | May | 179.5 | 0.1 | 0.7 | 1.2 | 3.1 | 190.0 | 0.2 | 1.9 | 2.5 | 2.2 | 138.4 | -0.4 | -5.1 | -2.7 |
| | Jun | 179.7 | 0.1 | 1.3 | 1.1 | 2.8 | 190.2 | 0.1 | 1.3 | 2.3 | 2.0 | 138.6 | 0.1 | 1.7 | -2.2 |
| | Jul | 180.1 | 0.2 | 2.7 | 1.5 | 2.8 | 190.5 | 0.2 | 1.9 | 2.1 | 2.0 | 138.6 | 0.0 | 0.0 | -1.1 |
| | Aug | 180.6 | 0.3 | 3.4 | 1.7 | 2.9 | 191.1 | 0.3 | 3.8 | 2.3 | 2.2 | 138.6 | 0.0 | 0.0 | -1.5 |
| | Sep | 180.9 | 0.2 | 2.0 | 1.6 | 2.8 | 191.4 | 0.2 | 1.9 | 2.3 | 2.2 | 139.0 | 0.3 | 3.5 | -1.6 |
| | Oct | 181.2 | 0.2 | 2.0 | 2.0 | 2.7 | 191.5 | 0.1 | 0.6 | 2.2 | 2.0 | 140.1 | 0.8 | 9.9 | 0.7 |
| | Nov | 181.4 | 0.1 | 1.3 | 2.2 | 2.6 | 191.8 | 0.2 | 1.9 | 2.0 | 2.0 | 139.7 | -0.3 | -3.4 | 1.0 |
| | Dec | 181.6 | 0.1 | 1.3 | 2.5 | 2.5 | 192.0 | 0.1 | 1.3 | 2.0 | 2.0 | 139.3 | -0.3 | -3.4 | 1.2 |
| 2003 | Jan | 182.2 | 0.3 | 4.0 | 2.6 | 4.0 | 192.2 | 0.1 | 1.3 | 1.9 | 1.3 | 141.2 | 1.4 | 17.7 | 2.5 |
| | Feb | 183.2 | 0.5 | 6.8 | 3.0 | 5.4 | 192.4 | 0.1 | 1.3 | 1.8 | 1.3 | 142.8 | 1.1 | 14.5 | 3.4 |
| | Mar | 184.0 | 0.4 | 5.4 | 3.1 | 5.4 | 192.5 | 0.1 | 0.6 | 1.7 | 1.0 | 144.8 | 1.4 | 18.2 | 4.0 |
| | Apr | 183.4 | -0.3 | -3.8 | 2.2 | 3.0 | 192.6 | 0.1 | 0.6 | 1.5 | 0.9 | 142.4 | -1.7 | -18.2 | 2.4 |
| | May | 183.3 | -0.1 | -0.7 | 2.1 | 2.3 | 193.0 | 0.2 | 2.5 | 1.6 | 1.3 | 141.8 | -0.4 | -4.9 | 2.5 |
| | Jun | 183.5 | 0.1 | 1.3 | 2.1 | 2.1 | 193.1 | 0.1 | 0.6 | 1.5 | 1.1 | 142.5 | 0.5 | 6.1 | 2.8 |
| | Jul | 183.8 | 0.2 | 2.0 | 2.1 | 2.1 | 193.4 | 0.2 | 1.9 | 1.5 | 1.3 | 142.7 | 0.1 | 1.7 | 3.0 |
| | Aug | 184.5 | 0.4 | 4.7 | 2.2 | 2.4 | 193.6 | 0.1 | 1.2 | 1.3 | 1.3 | 143.5 | 0.6 | 6.9 | 3.5 |
| | Sep | 185.1 | 0.3 | 4.0 | 2.3 | 2.6 | 193.7 | 0.1 | 0.6 | 1.2 | 1.2 | 143.8 | 0.2 | 2.5 | 3.5 |
| | Oct | 184.9 | -0.1 | -1.3 | 2.0 | 2.2 | 194.0 | 0.2 | 1.9 | 1.3 | 1.3 | 144.9 | 0.8 | 9.6 | 3.4 |
| | Nov | 184.6 | -0.2 | -1.9 | 1.8 | 1.8 | 194.0 | 0.0 | 0.0 | 1.1 | 1.1 | 144.5 | -0.3 | -3.3 | 3.4 |
| | Dec | 184.9 | 0.2 | 2.0 | 1.8 | 1.8 | 194.1 | 0.1 | 0.6 | 1.1 | 1.1 | 144.9 | 0.3 | 3.4 | 4.0 |
| 2004 | Jan | 185.8 | 0.5 | 6.0 | 2.0 | 6.0 | 194.4 | 0.2 | 1.9 | 1.1 | 1.9 | | | | |

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 2000 dollars. The **ISM** (formerly Purchasing Managers') **Index** is a weighted average of diffusion indexes for new orders, production, supplier deliveries, inventories, and employment. **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: For information on how to calculate the **Contribution** of a component to the overall GDP growth rate, 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. All rates used in the yield curves are adjusted to constant maturity. The 30-year constant maturity series was discontinued by the Treasury Department as of Feb. 18, 2002. **Standard and Poor's 500 Index with Reinvested Dividends** shows the total return: capital gains plus dividends.

Pages 8, 9: Oil (West Texas intermediate) and **Natural Gas** (Henry Hub) spot and futures **prices** are listed in the *Wall Street Journal*. Spot prices are monthly averages of daily prices; futures prices are usually taken from the last trading day of the month. **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: Effective with the May 2003 **Employment Situation**, the establishment survey data for employment, hours, and earnings have been converted from the 1987 SIC system to the 2002 NAICS system. All published NAICS-based labor series have been revised back to at least 1990. For more information see <http://www.bls.gov/ces/>. **Nonfarm Payroll Employment** is counted in a survey of about 400,000 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 60,000 households provides estimates of civilian employment, unemployment rate, labor force participation rate, and employment-population ratio. **Population** is civilian, noninstitutional, 16 years and over. The 90 percent confidence intervals for the unemployment rate (± 0.2 percentage points) and change in household survey employment ($\pm 290,000$) measure uncertainty due to sample size. Because the household survey was changed in January 1994, data prior to this date are not strictly comparable. The Bureau of Labor Statistics announced several revisions to the Household Survey on Feb. 7, 2003, with the release of the January 2003 data. For more information, see www.bls.gov/cps/.

Page 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.

Page 15: **Gross Private Saving** is the sum of personal saving, undistributed corporate profits with IVA and CCAdj (see notes for pp. 18-19), and private wage accruals less disbursements. **Gross Government Saving** is net government saving (surplus/deficit) plus consumption of fixed capital. **Balance on Current Account (NIPA)** is net capital transfer payments to the rest of the world plus net lending or net borrowing (international trade and income flows).

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 Surplus/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.

NOTE: Most measures of economic activity are now based on the 2002 North American Industry Classification System (NAICS), which replaces the 1987 Standard Industry Classification (SIC) system.

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).