



## Available Labor Supply

In a recent speech, Fed Chairman Alan Greenspan mentioned the potential inflationary consequences of a dwindling supply of available workers:

*“[O]ver the past two years, the pool of people seeking jobs—the sum of the officially unemployed plus those not in the labor force but wanting to work—has declined from 11.2 million to 9.6 million. The number of workers drawn into employment in excess of the normal growth in the workforce has been running at the equivalent of roughly a half of a percentage point of annual GDP growth. This gap must also eventually be closed if inflationary imbalances are to continue to be contained.”<sup>1</sup>*

In 1999, the unemployment rate for workers 16-years old or over was 4.2 percent, the lowest since 1969 when it was 3.5 percent. The labor force is the sum of the employed and the unemployed. The unemployed category includes only people who are actively seeking work. The measure of available labor supply described above includes the people aged 16 to 64 who are unemployed as well as those aged 16 to 64 who are not counted in the labor force, but say they want to work. The accompanying figure shows the available labor supply and its two components: the unemployed and those who say they want to work.

Data on the people who say they want to work come from the monthly Current Population Survey (CPS). The survey questions concerning whether a respondent would be willing to work were revamped in 1994. Therefore, a consistent time series on these workers only goes back to January 1994. The total available labor supply declined from 14.9 million in January 1994 to 9.7 million in December 1999. During this period, the ratio of people not in the labor force saying they want to work remained roughly constant at about three-quarters of the number unem-

ployed. Since 1994, the number of unemployed declined by about 2.9 million and the number of those wanting to work, but not in the labor force—the second component of the available labor supply measure—declined by 2.3 million.

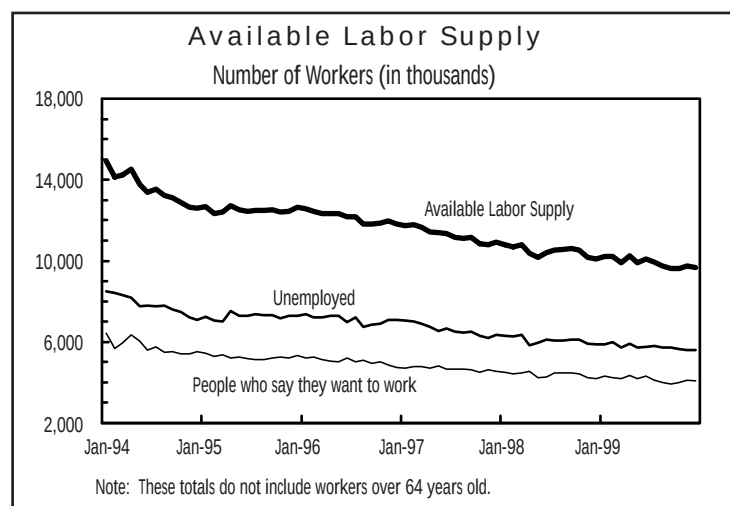
Most of the decline in the pool of people seeking jobs are workers in the prime earning years of their life, ages 25-54. This is the case for both the officially unemployed and for others wanting to work. It is interesting to note, however, that more than half of the decline in the number of others wanting to work were women getting jobs, whereas more than half of the decline in the number of unemployed were men finding work.

Interest in this measure of available labor supply has risen as the unemployment rate has fallen to historic lows, yet inflation pressures remain largely absent. Changes in the available labor supply have moved in parallel with the number of unemployed, suggesting that this alternative measure does not, by itself, explain the absence of inflation pressures in this tight labor market.

—William T. Gavin

—Kevin L. Kliesen

<sup>1</sup> This quote is from an October 28, 1999, speech by Federal Reserve Chairman Alan Greenspan, “Information, Productivity, and Capital Investment.”



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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:

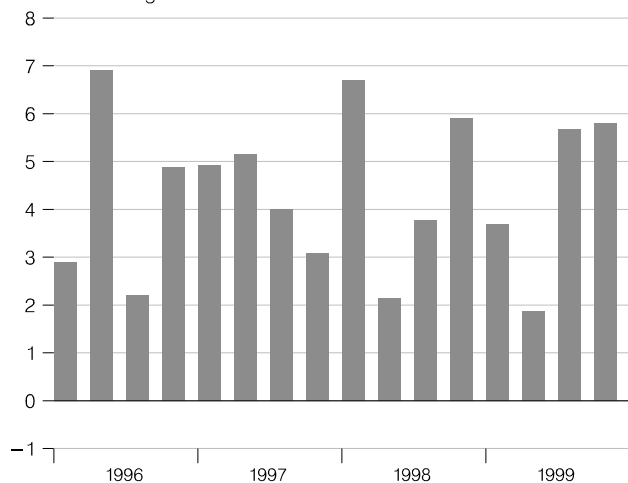
$$100 \times \left[ \left( \frac{X_t}{X_{t-1}} \right)^4 - 1 \right]$$

For monthly data replace 4 with 12.

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

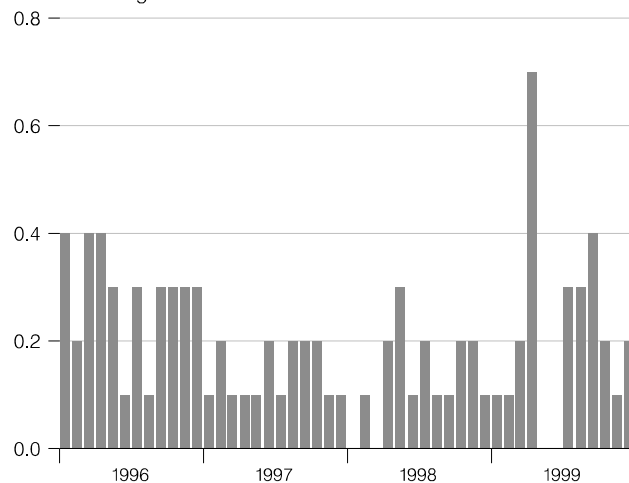
### Real GDP Growth

Percent change at annual rate



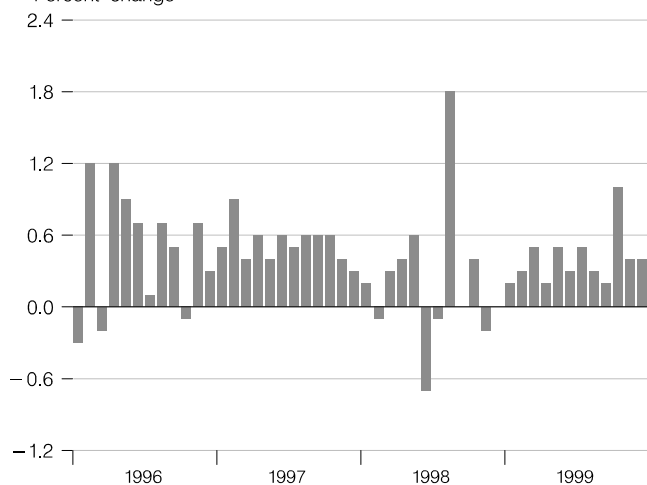
### Consumer Price Index

Percent change



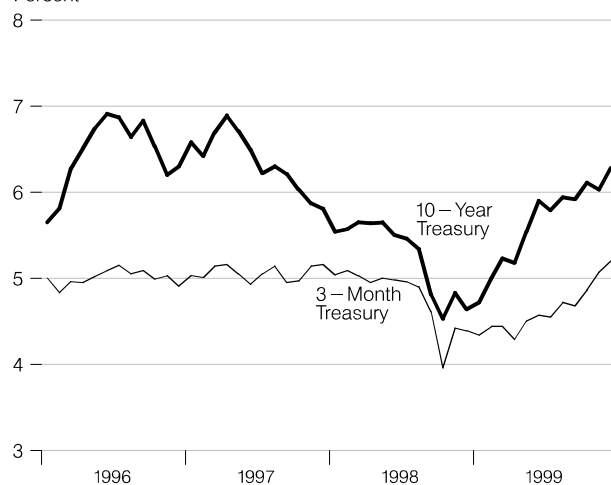
### Industrial Production

Percent change



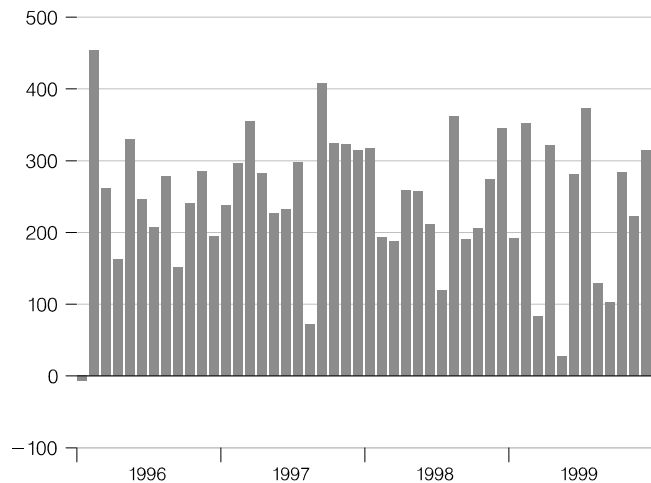
### Interest Rates

Percent



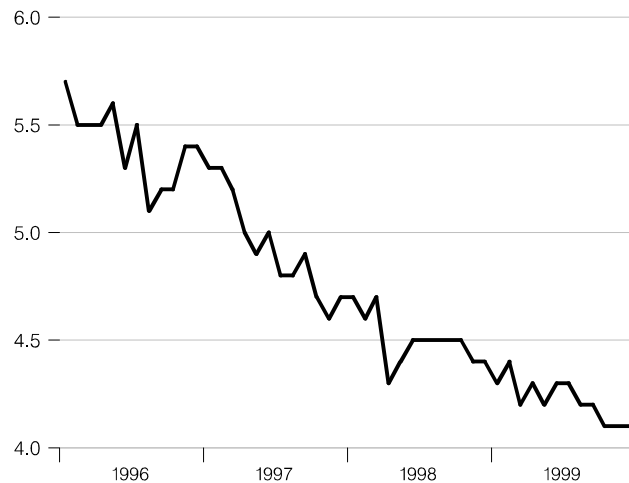
### Change in Nonfarm Payrolls

Thousands



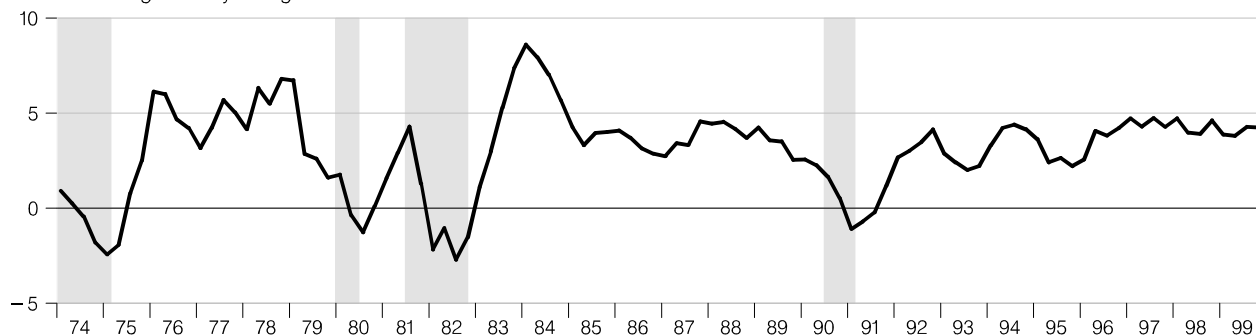
### Unemployment Rate

Percent of labor force



## Real Gross Domestic Product

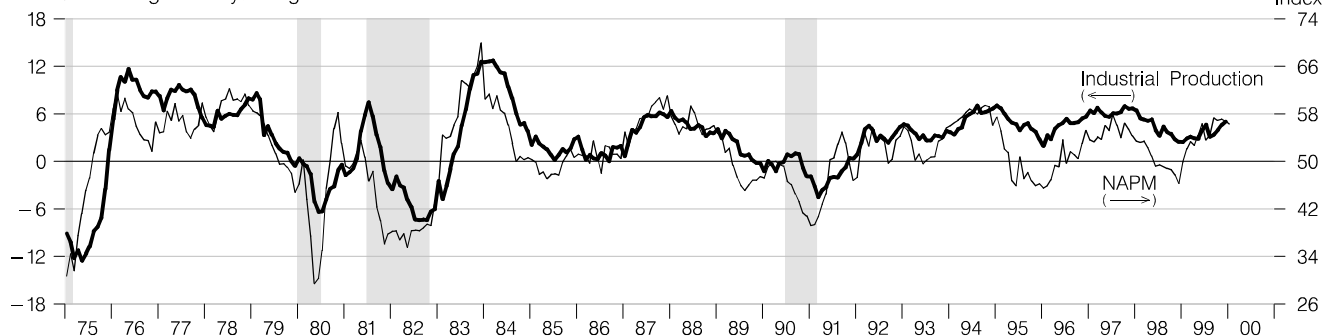
Percent change from year ago



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

Percent change from year ago

Index



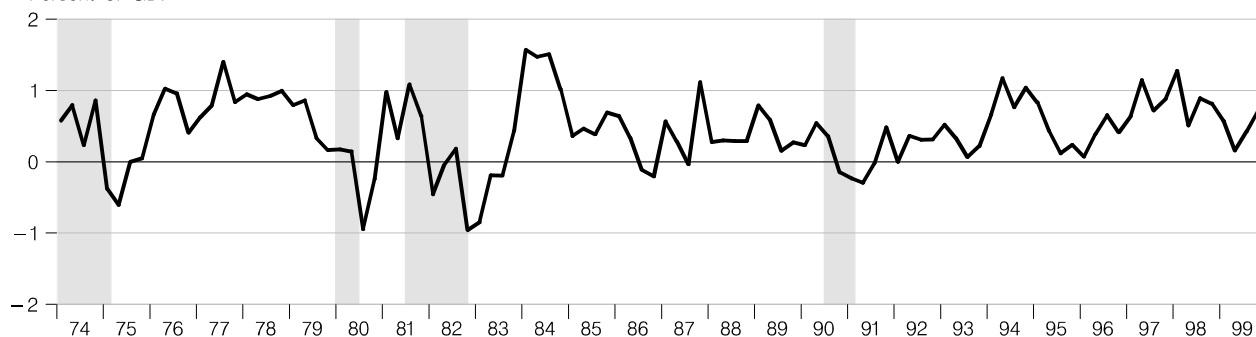
## Aggregate Private Nonfarm Hours

Percent change from year ago



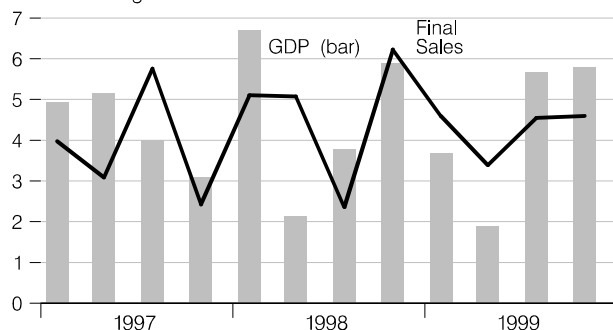
## Real Change in Private Inventories

Percent of GDP

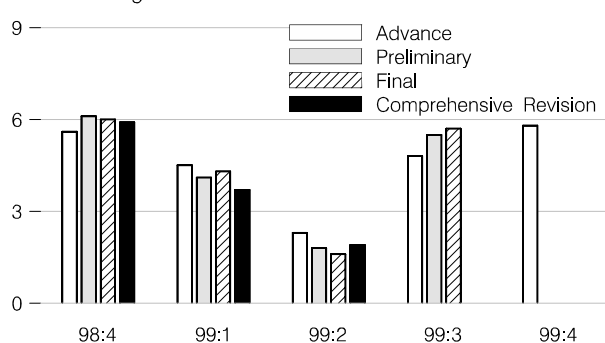


**Real Final Sales and GDP**

Percent change at annual rate

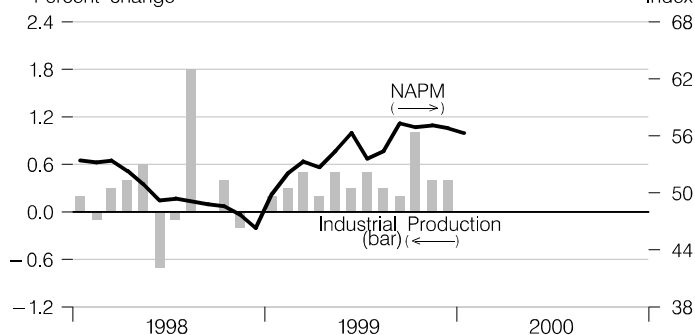
**Real GDP Revisions**

Percent change at annual rate

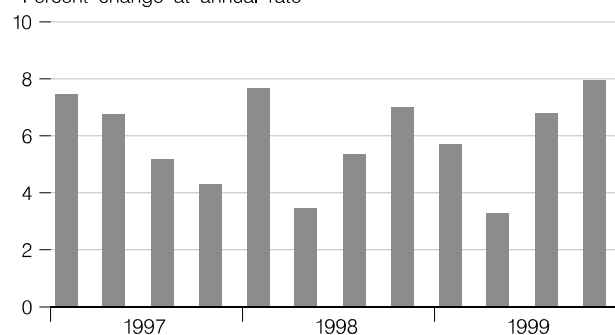
**Industrial Production and NAPM Index**

Percent change

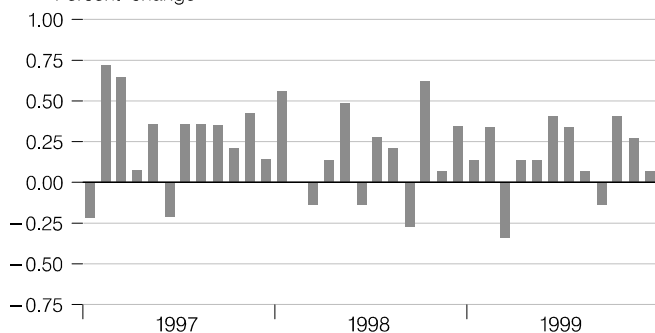
Index

**Nominal Gross Domestic Product**

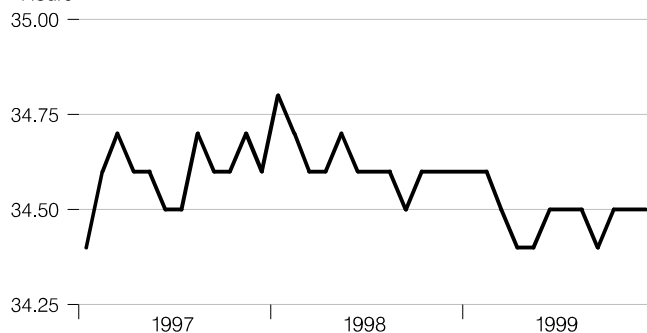
Percent change at annual rate

**Aggregate Private Nonfarm Hours**

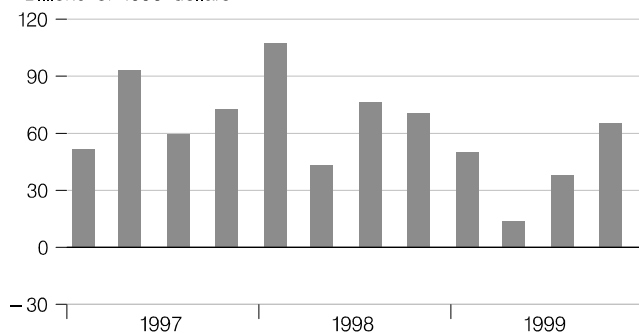
Percent change

**Average Weekly Private Nonfarm Hours**

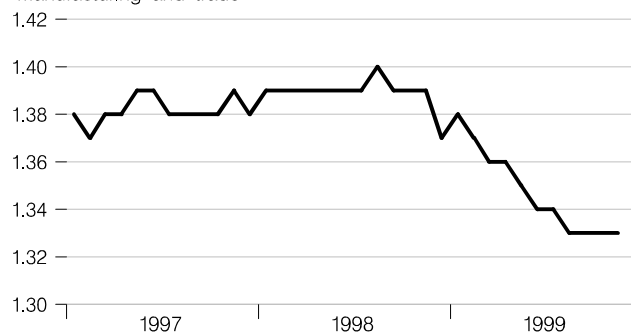
Hours

**Real Change in Private Inventories**

Billions of 1996 dollars

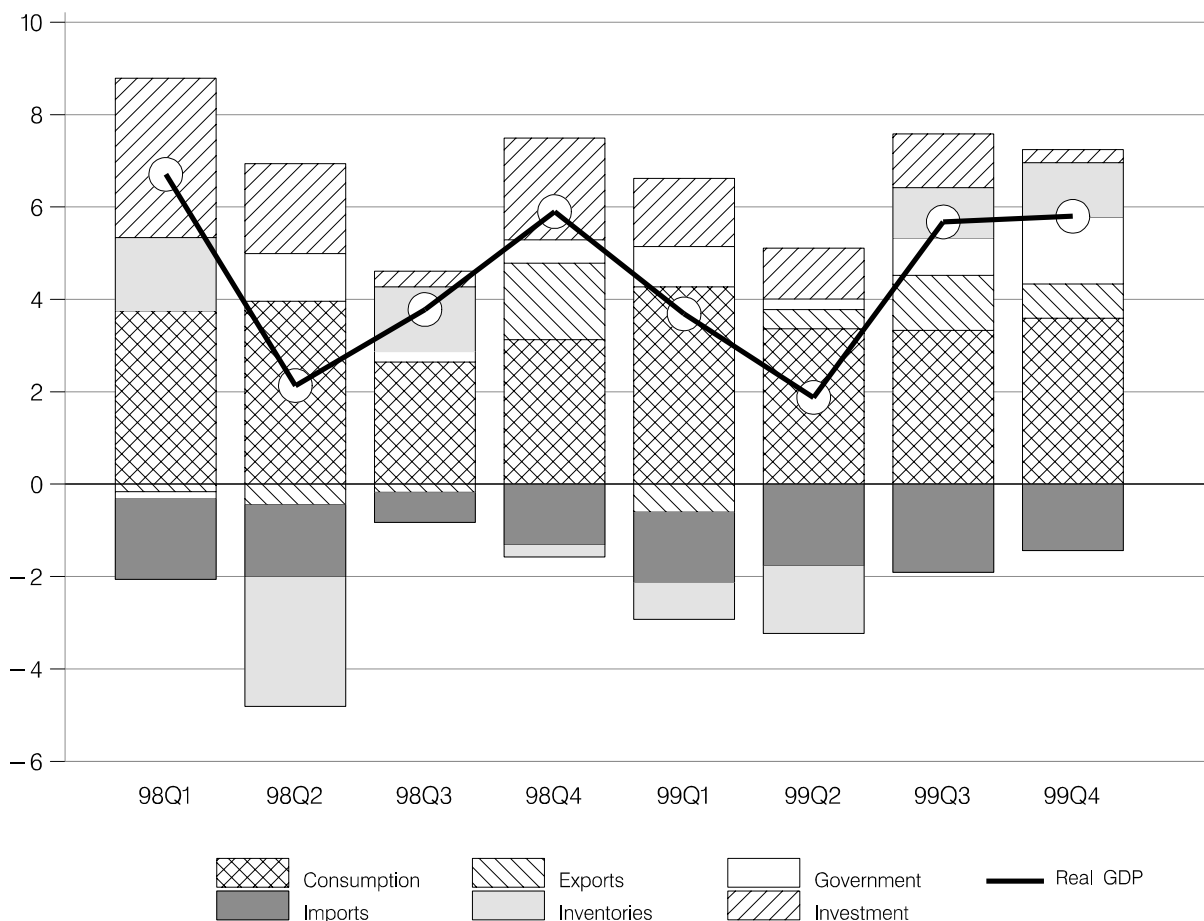
**Inventory-Sales Ratio**

Manufacturing and trade



## Contribution of Components to Real GDP Growth

Percent change at annual rate

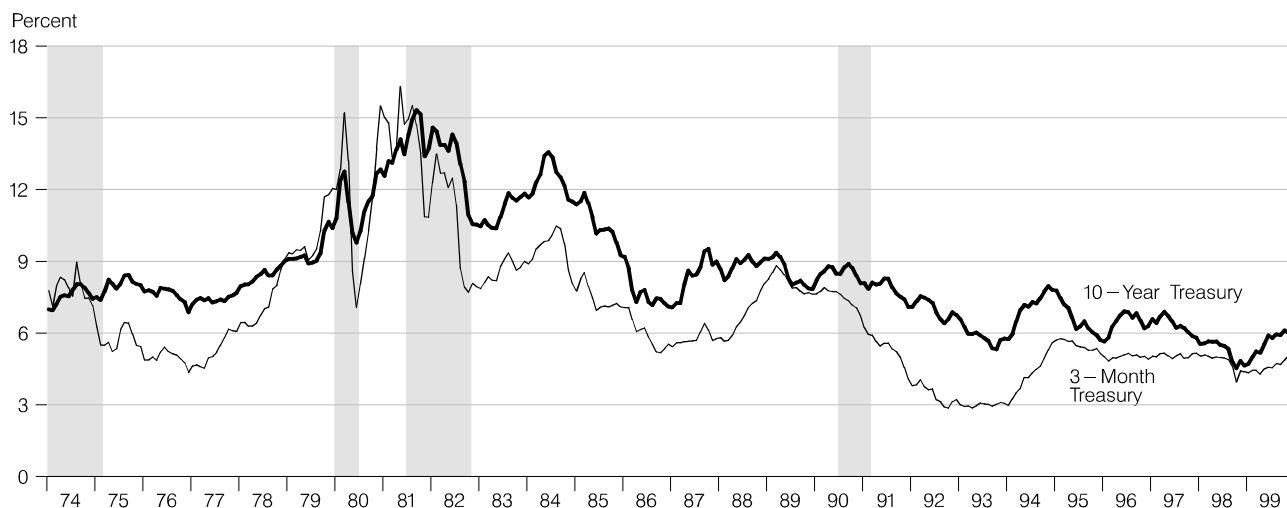


## Contributions to Real GDP Growth Rate

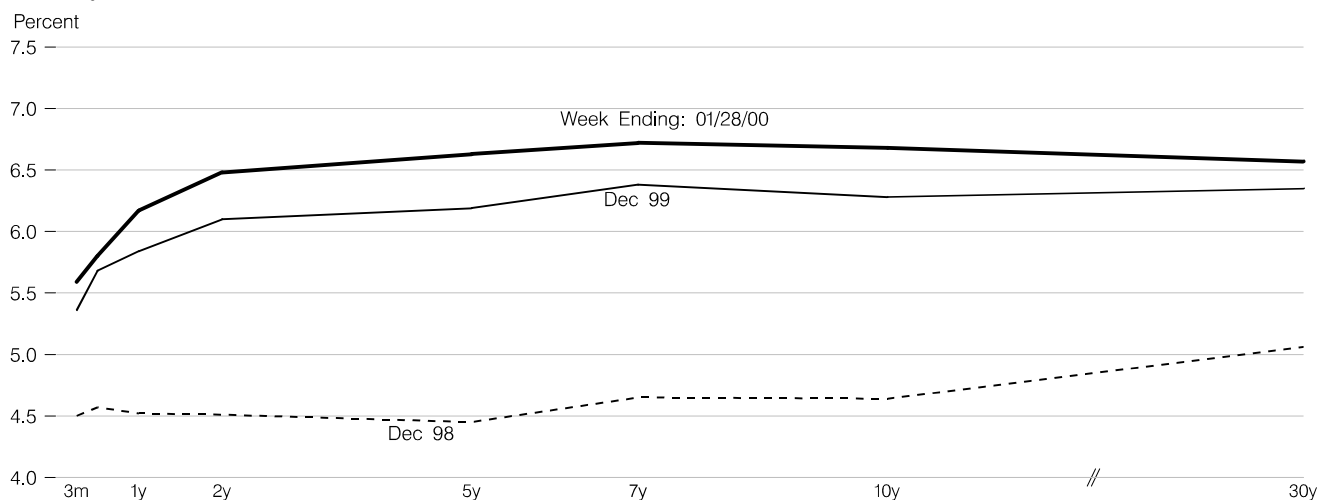
|                     | 1998  |       |       |       | 1999  |       |       |       |
|---------------------|-------|-------|-------|-------|-------|-------|-------|-------|
|                     | 1st   | 2nd   | 3rd   | 4th   | 1st   | 2nd   | 3rd   | 4th   |
| Real GDP            | 6.71  | 2.13  | 3.78  | 5.90  | 3.69  | 1.88  | 5.68  | 5.80  |
| Final Sales         | 5.12  | 4.93  | 2.38  | 6.16  | 4.49  | 3.34  | 4.59  | 4.62  |
| Change in Inventory | 1.59  | -2.80 | 1.40  | -0.26 | -0.80 | -1.46 | 1.09  | 1.18  |
| Consumption         | 3.75  | 3.96  | 2.64  | 3.13  | 4.27  | 3.36  | 3.33  | 3.59  |
| Fixed Investment    | 3.45  | 1.95  | 0.34  | 2.20  | 1.48  | 1.10  | 1.16  | 0.28  |
| Nonresidential      | 2.91  | 1.42  | 0.01  | 1.79  | 0.94  | 0.86  | 1.33  | 0.33  |
| Residential         | 0.54  | 0.53  | 0.33  | 0.41  | 0.53  | 0.24  | -0.17 | -0.05 |
| Government          | -0.16 | 1.03  | 0.23  | 0.51  | 0.87  | 0.23  | 0.81  | 1.45  |
| Federal             | -0.64 | 0.69  | -0.14 | 0.24  | -0.03 | 0.13  | 0.26  | 0.94  |
| State and Local     | 0.48  | 0.33  | 0.37  | 0.28  | 0.90  | 0.10  | 0.55  | 0.52  |
| Net Exports         | -1.90 | -2.01 | -0.82 | 0.33  | -2.13 | -1.35 | -0.72 | -0.70 |
| Exports             | -0.16 | -0.45 | -0.18 | 1.65  | -0.61 | 0.42  | 1.19  | 0.74  |
| Imports             | -1.74 | -1.56 | -0.65 | -1.32 | -1.52 | -1.77 | -1.91 | -1.44 |
| Residual            | -0.04 | 0.38  | -0.05 | -0.07 | 0.33  | 0.35  | 0.05  | 0.05  |

Federal Reserve Bank of St. Louis

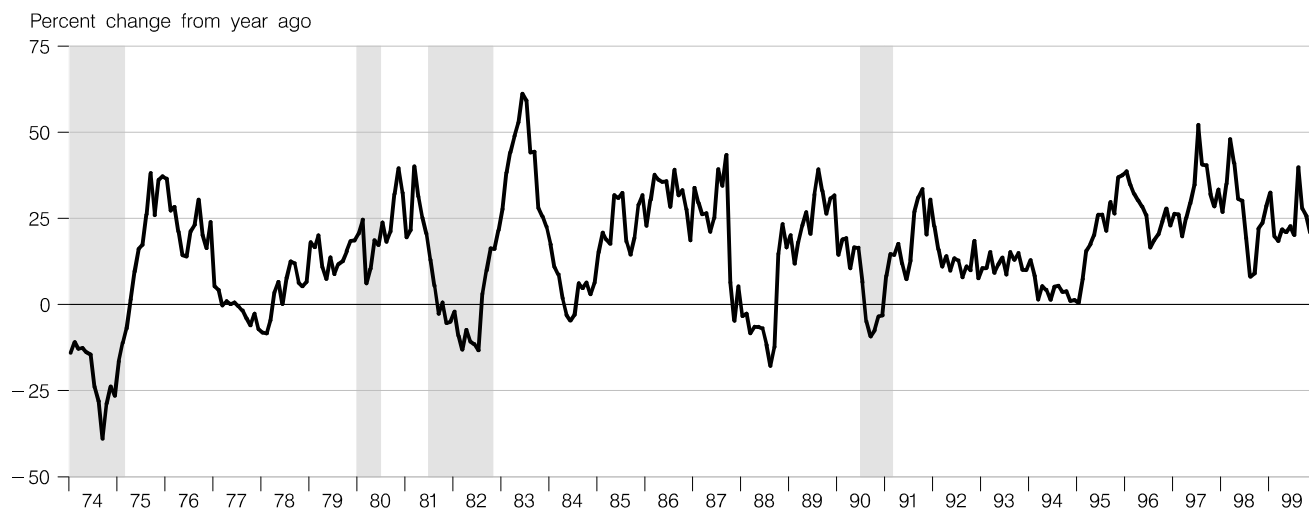
## Interest Rates



## Treasury Yield Curve

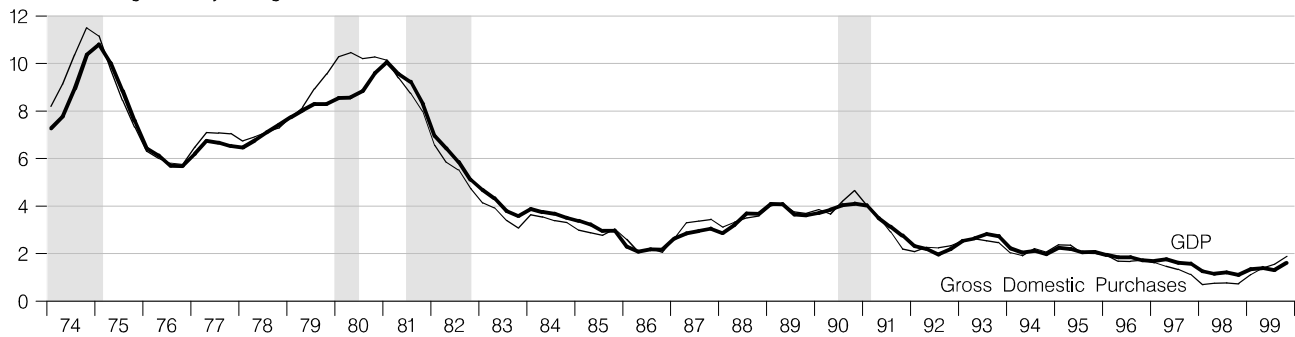


## Standard and Poor's 500 Index with Reinvested Dividends



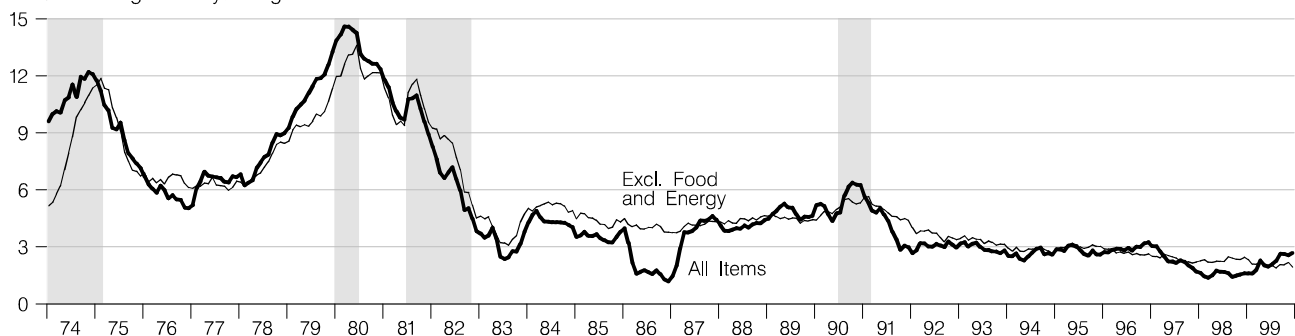
## NIPA Chain Price Indexes

Percent change from year ago



## Consumer Price Index

Percent change from year ago



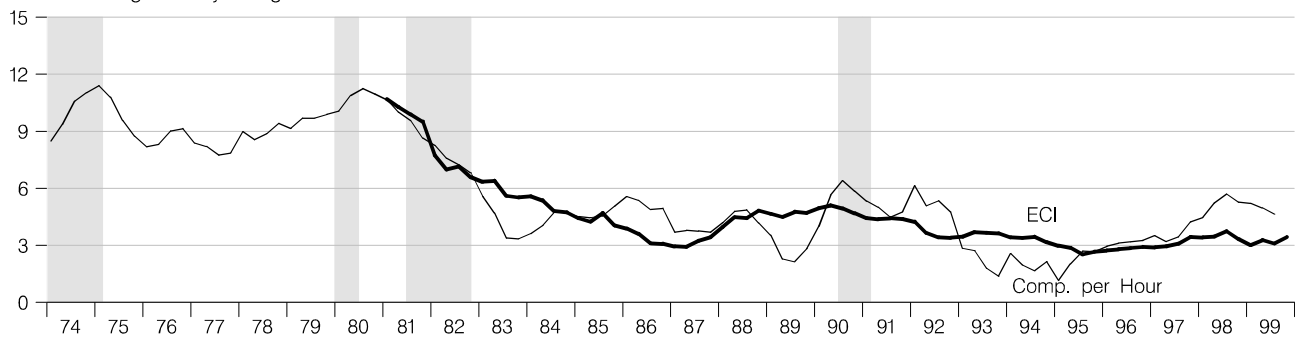
## Producer Price Index, Finished Goods

Percent change from year ago



## Employment Cost Index and Compensation per Hour

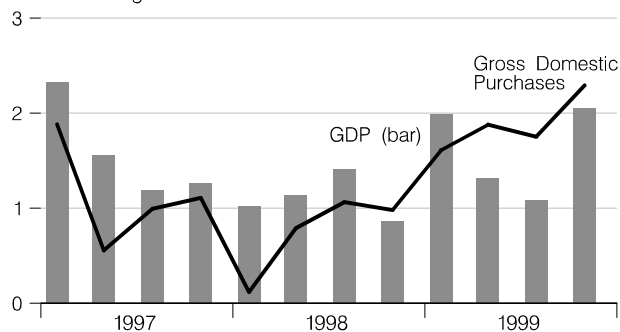
Percent change from year ago



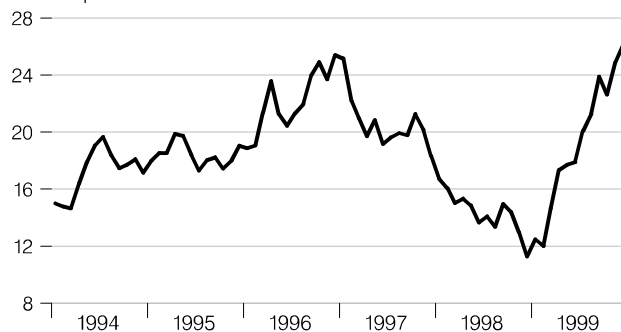


**NIPA Chain Price Indexes**

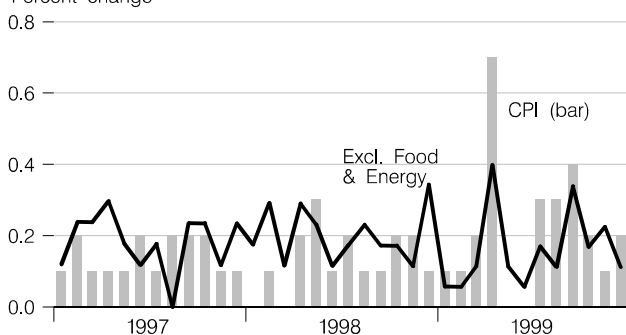
Percent change at annual rate

**Crude Oil Price**

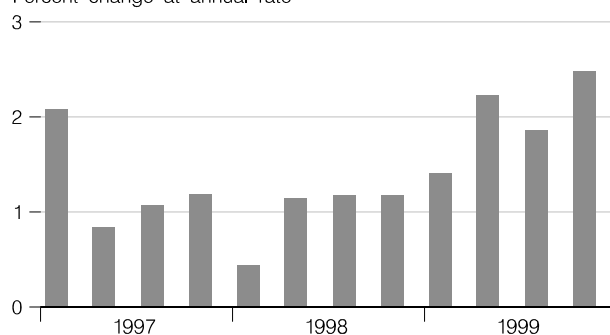
Dollars per barrel

**Consumer Price Index**

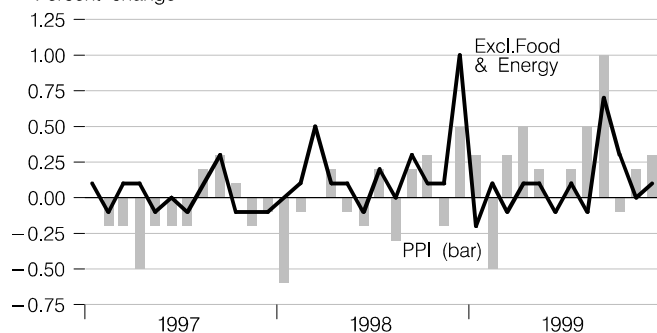
Percent change

**Consumption Chain Price Index**

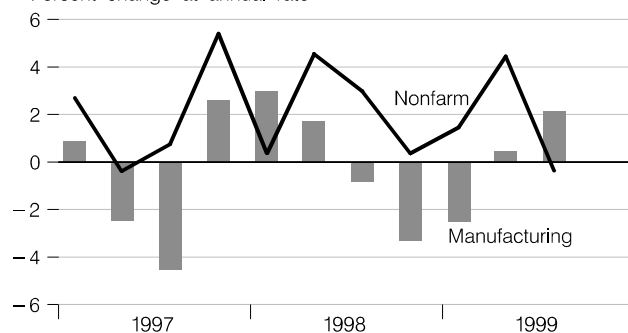
Percent change at annual rate

**Producer Price Index, Finished Goods**

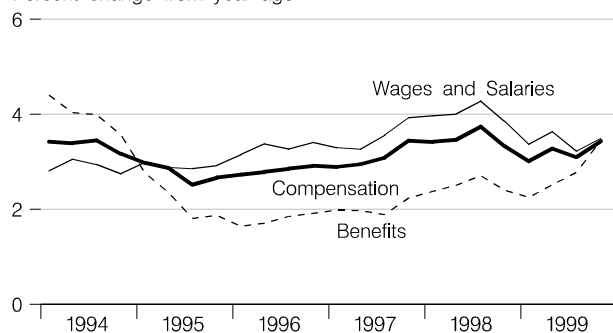
Percent change

**Unit Labor Cost**

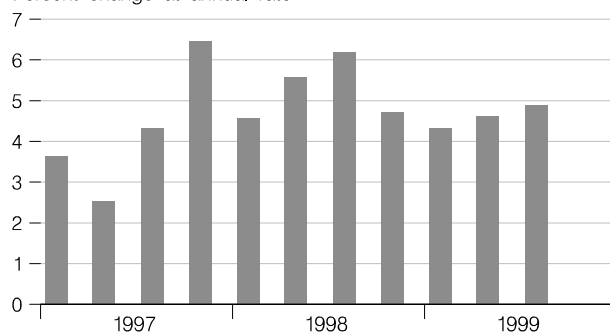
Percent change at annual rate

**Employment Cost Index**

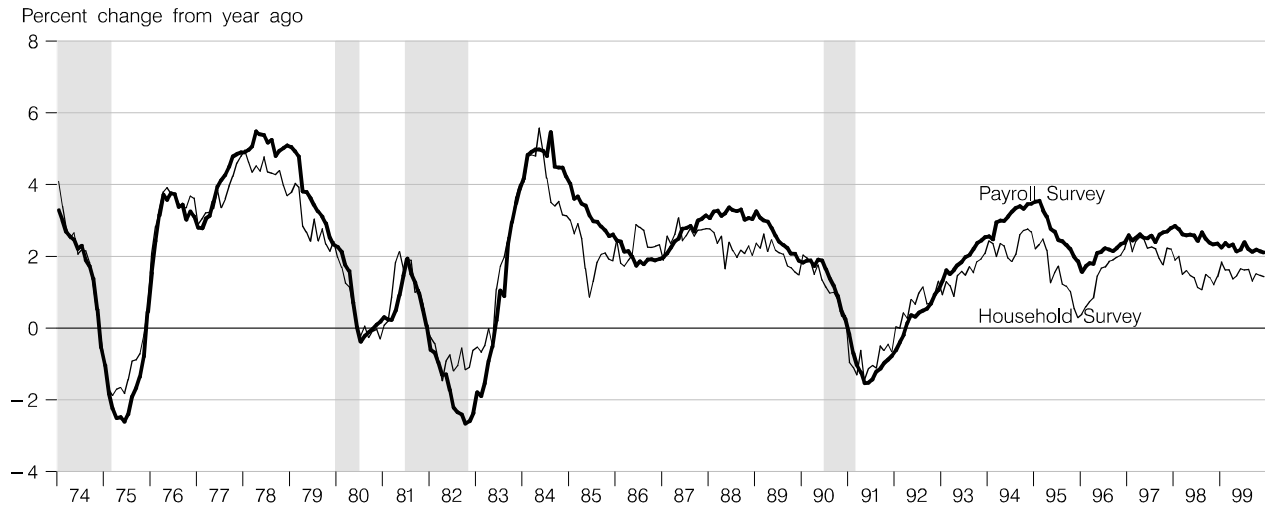
Percent change from year ago

**Compensation per Hour**

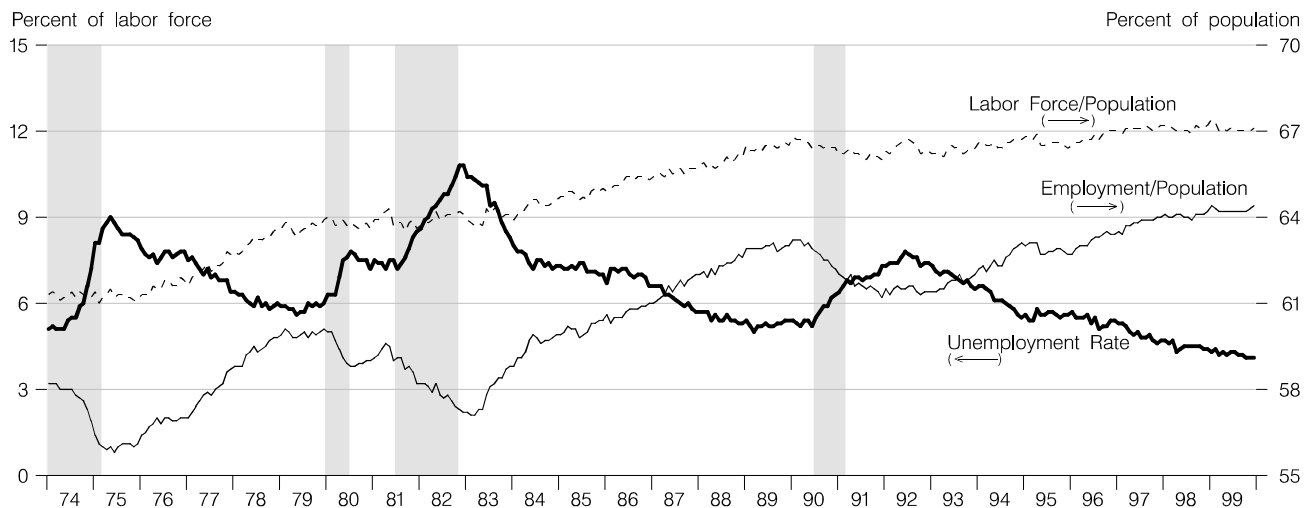
Percent change at annual rate



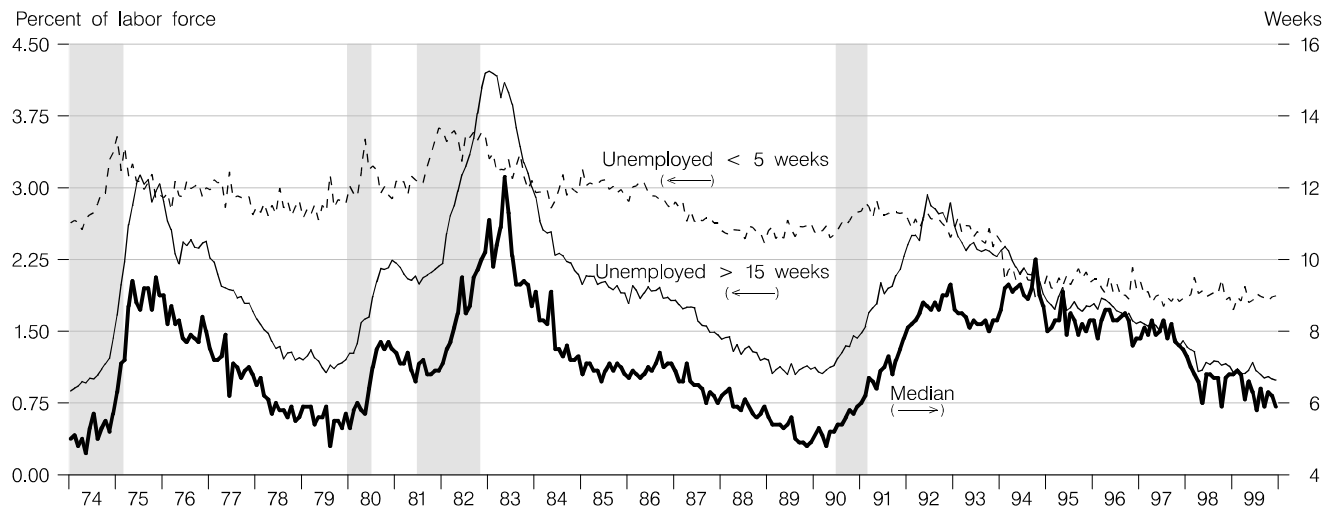
## Employment



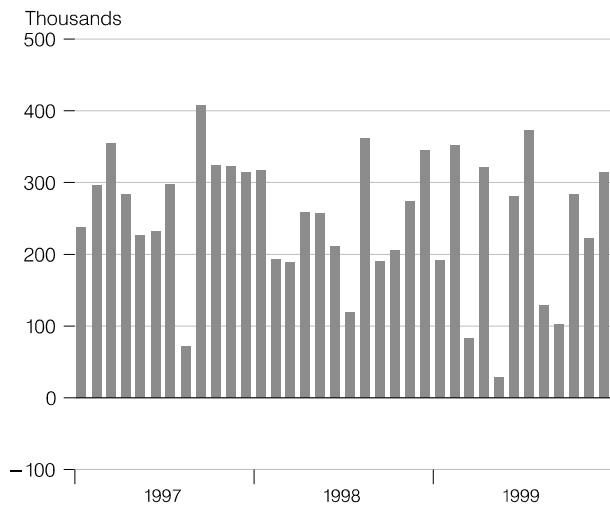
## Unemployment, Labor Force Participation and Employment Rates



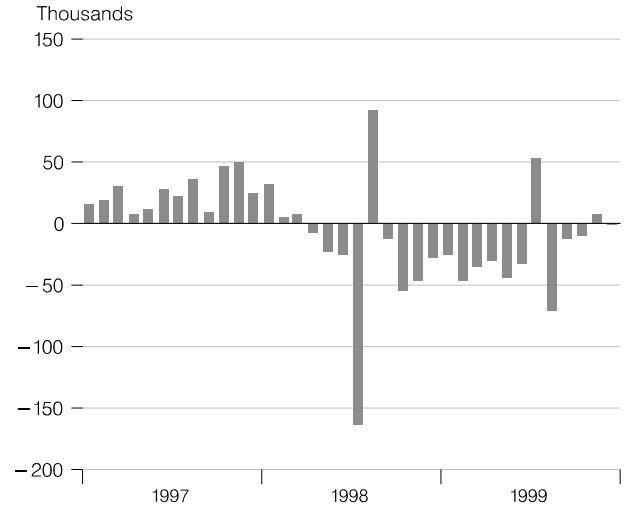
## Duration of Unemployment



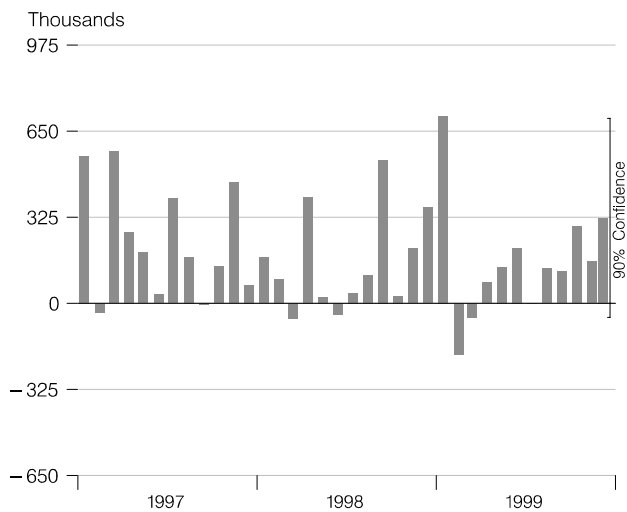
### Change in Nonfarm Payrolls



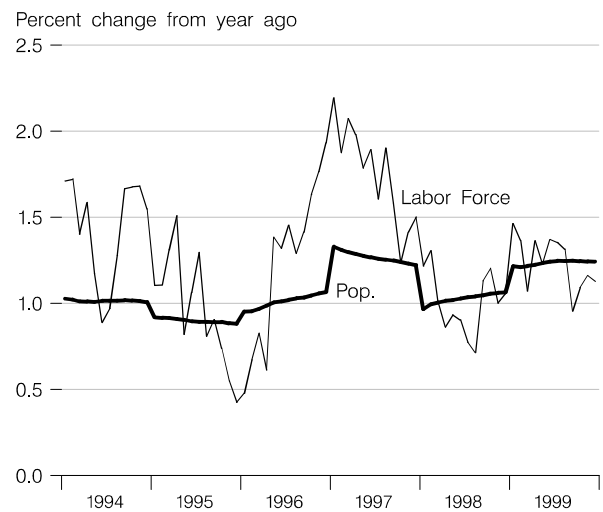
### Change in Manufacturing Payrolls



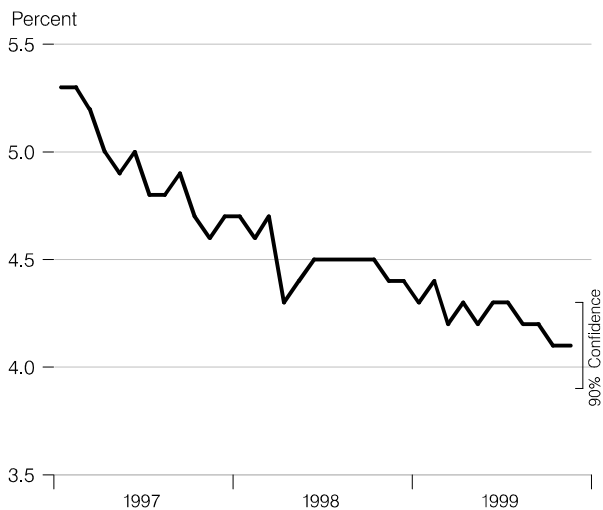
### Change in Household Employment



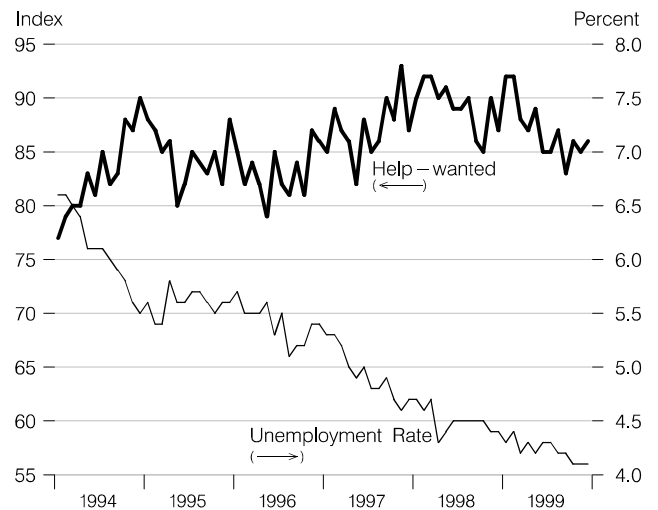
### Labor Force and Population



### Unemployment Rate

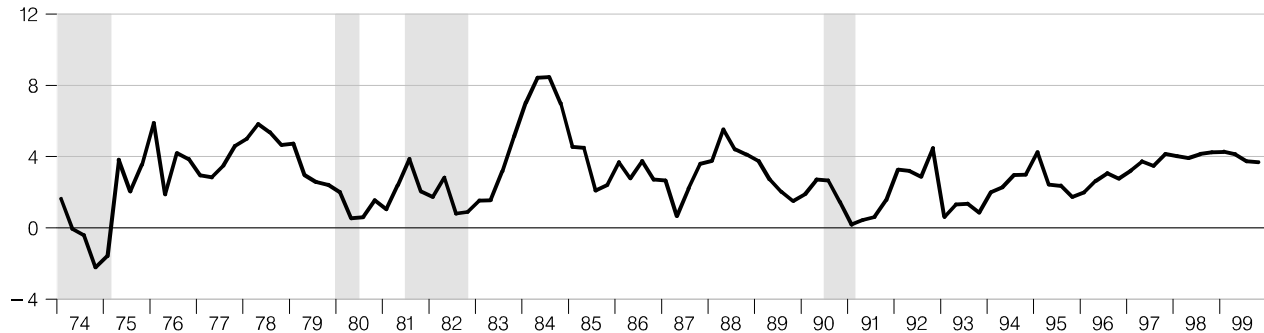


### Help-Wanted Advertising



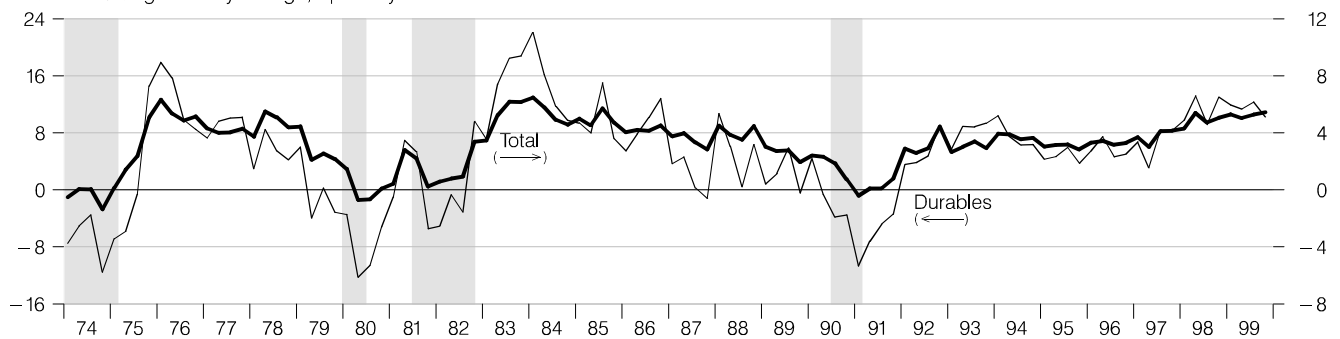
## Real Disposable Personal Income

Percent change from year ago, quarterly data



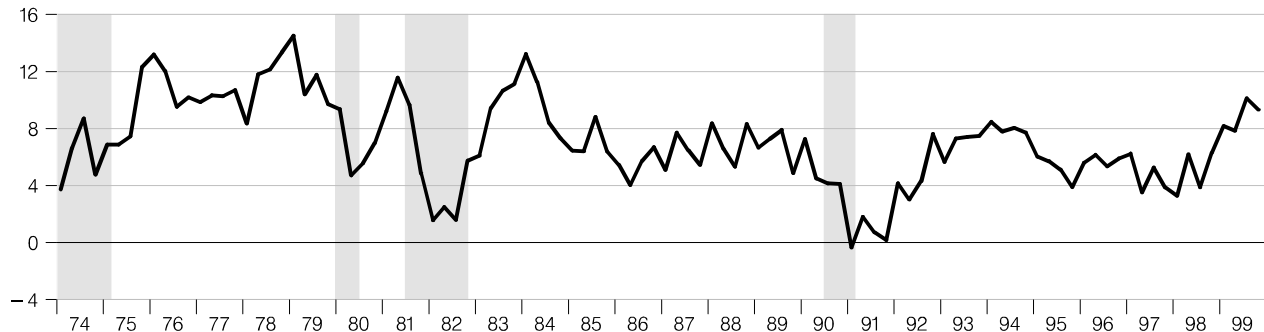
## Real Consumption

Percent change from year ago, quarterly data



## Retail Sales

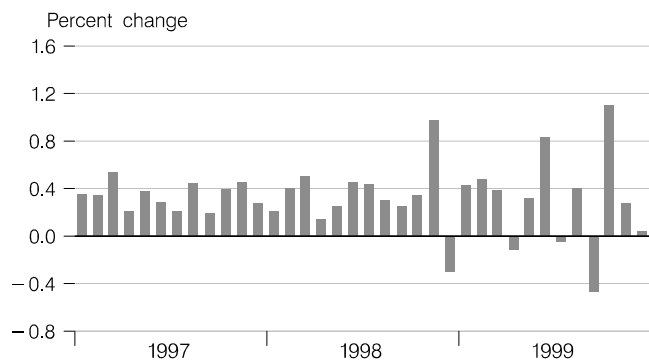
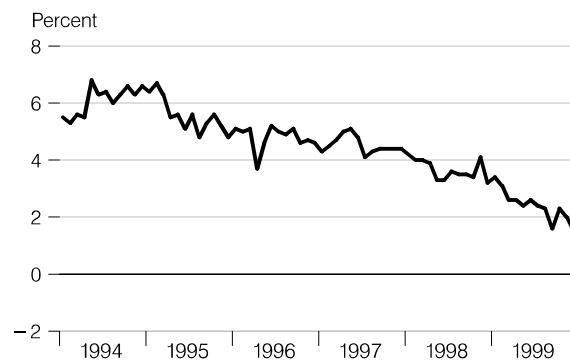
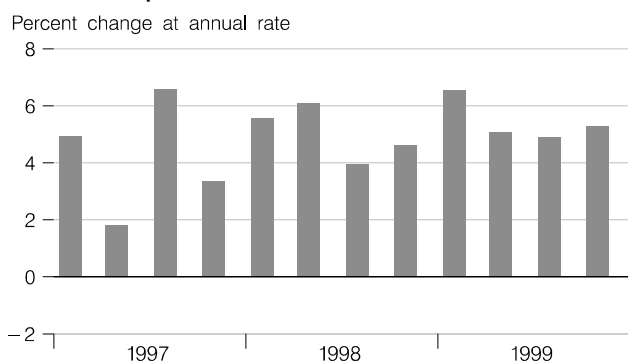
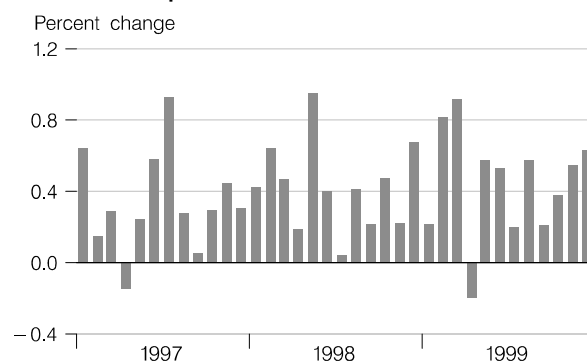
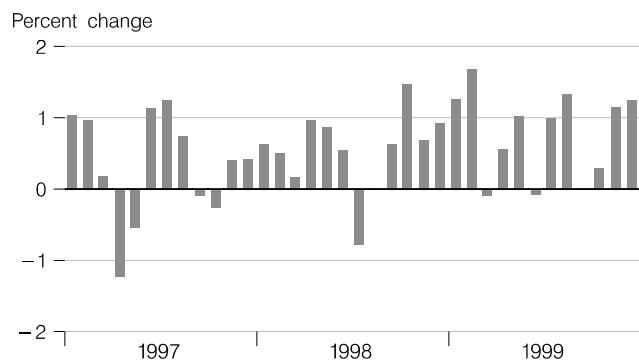
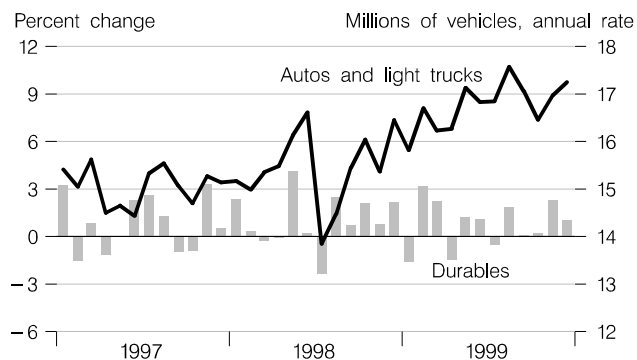
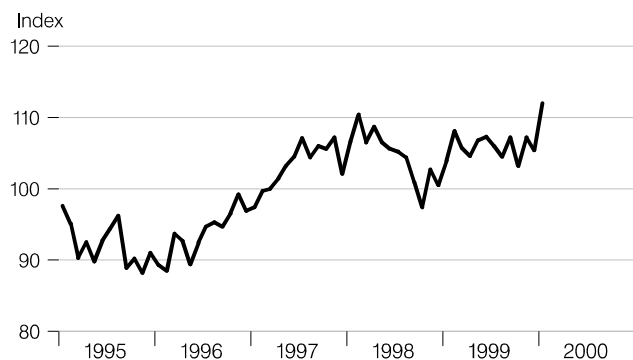
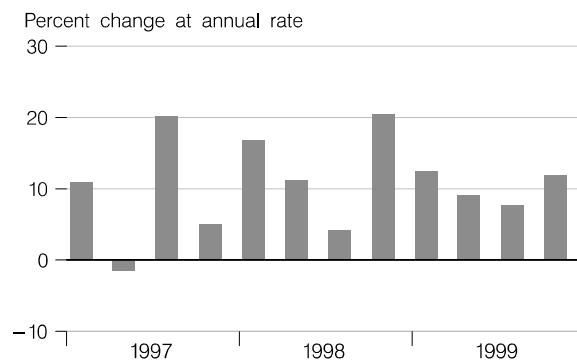
Percent change from year ago, quarterly average



## Household Debt Outstanding

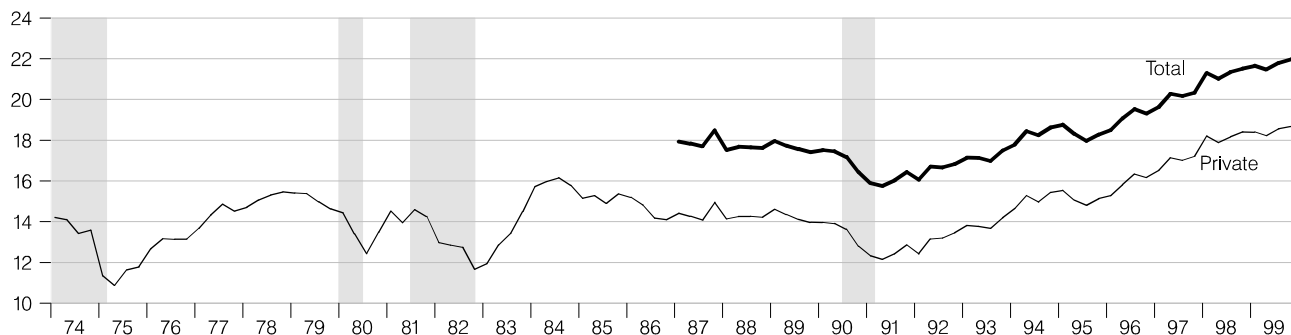
Percent change from year ago, quarterly data



**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**

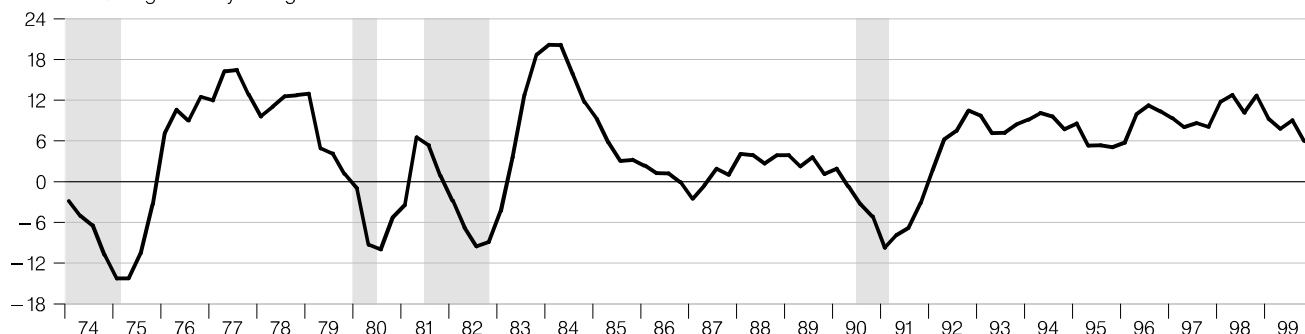
## Real Investment

Percent of GDP



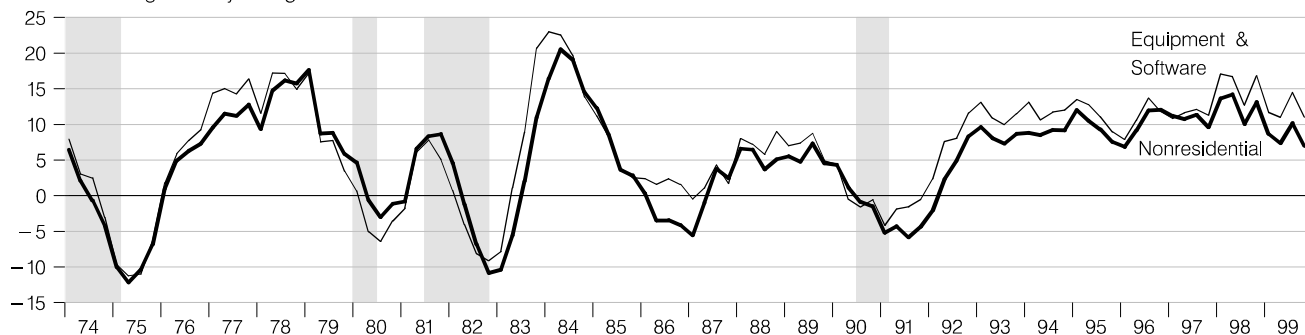
## Real Private Fixed Investment

Percent change from year ago



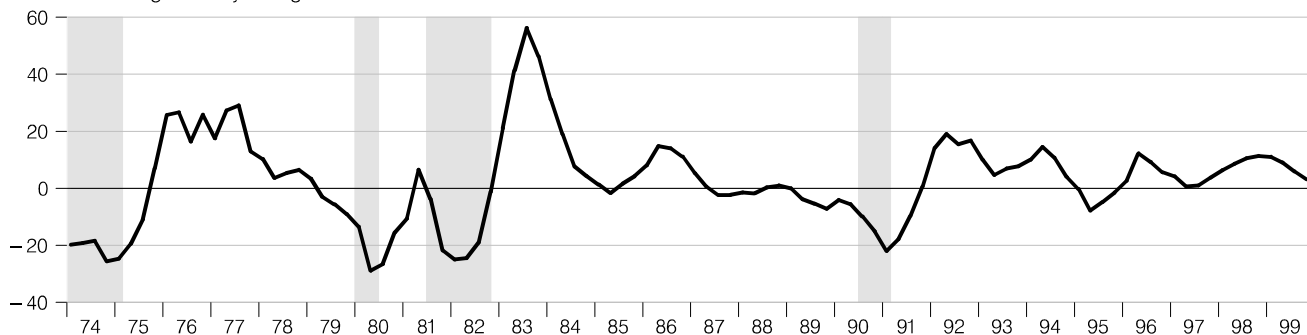
## Real Nonresidential Fixed and Equipment & Software Investment

Percent change from year ago

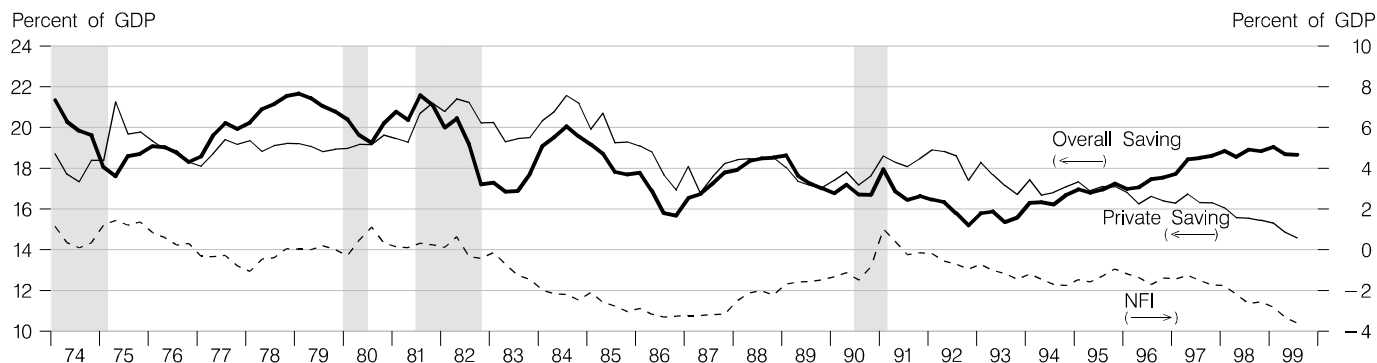


## Real Residential Fixed Investment

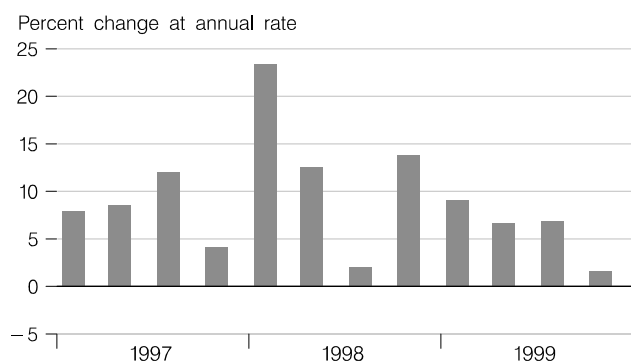
Percent change from year ago



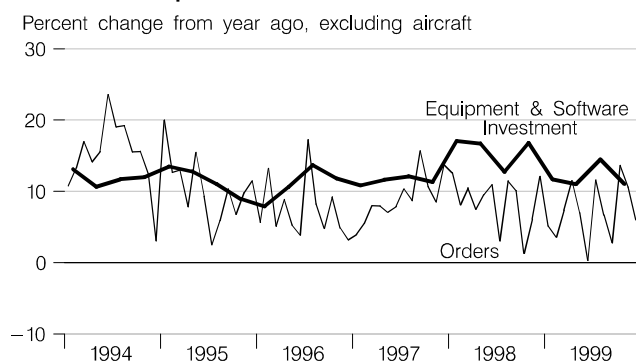
## Gross Saving Rates and Net Foreign Investment



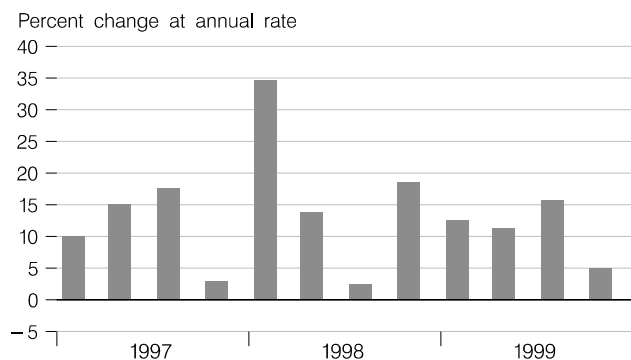
## Real Private Fixed Investment



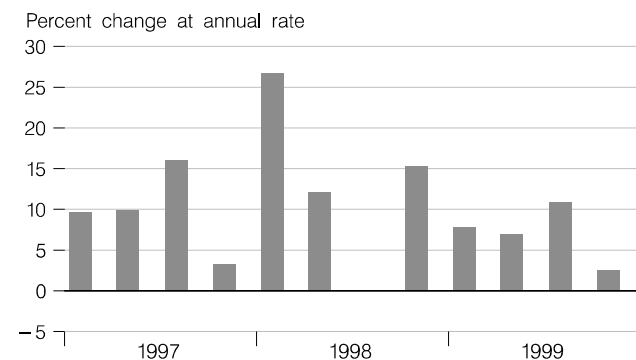
## Nondefense Capital Goods Orders



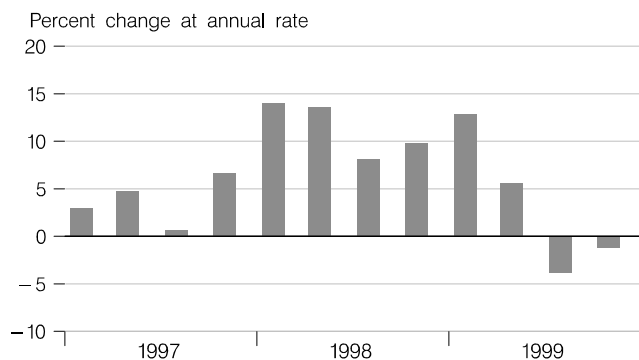
## Real Equipment &amp; Software Investment



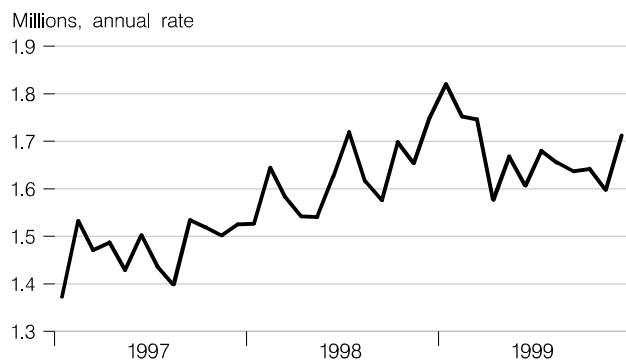
## Real Nonresidential Fixed Investment



## Real Residential Fixed Investment

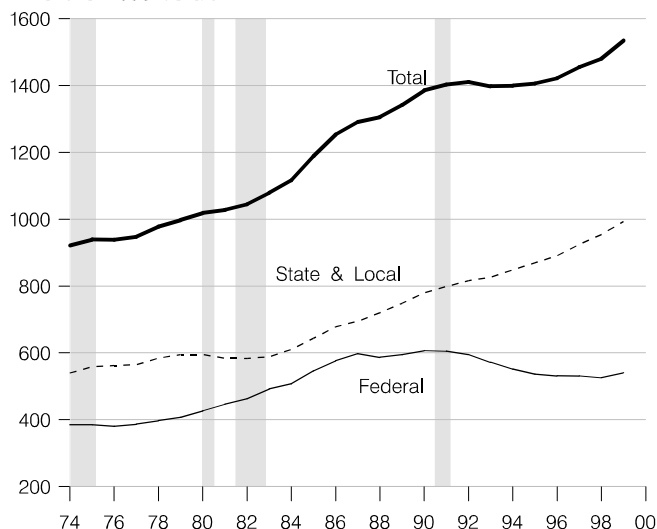


## Housing Starts

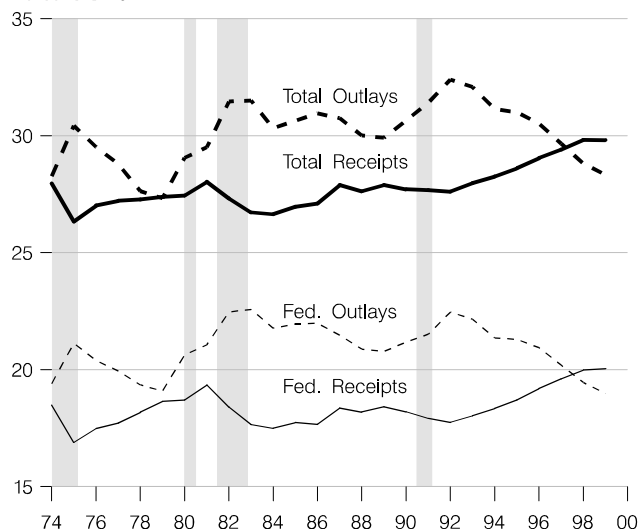


**Govt. Consumption and Investment**

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 | 1009.0          | 981.5        | 27.5                  | 1627.2   | 1676.0       | -48.8                 |
| 1998 | 1070.4          | 1028.7       | 41.7                  | 1750.7   | 1703.8       | 46.9                  |
| 1999 | NA              | 1089.0       | NA                    | NA       | 1754.9       | NA                    |

**Unified Budget**

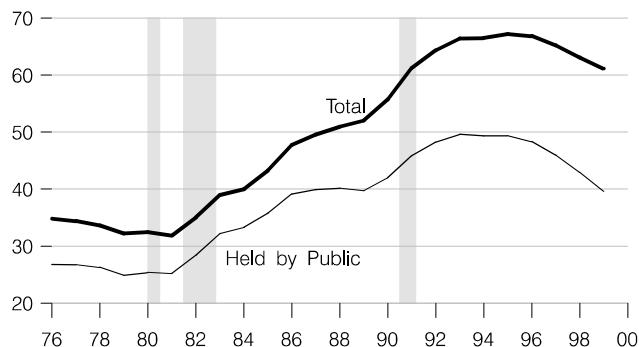
Fiscal Years

| Federal  |         |                       |
|----------|---------|-----------------------|
| Receipts | Outlays | Surplus or Deficit(-) |
| 279.1    | 332.3   | -53.2                 |
| 298.1    | 371.8   | -73.7                 |
| 355.6    | 409.2   | -53.7                 |
| 399.6    | 458.7   | -59.2                 |
| 463.3    | 504.0   | -40.7                 |
| 517.1    | 590.9   | -73.8                 |
| 599.3    | 678.2   | -79.0                 |
| 617.8    | 745.8   | -128.0                |
| 600.6    | 808.4   | -207.8                |
| 666.5    | 851.9   | -185.4                |
| 734.1    | 946.4   | -212.3                |
| 769.2    | 990.5   | -221.2                |
| 854.4    | 1004.1  | -149.8                |
| 909.3    | 1064.5  | -155.2                |
| 991.2    | 1143.7  | -152.5                |
| 1032.0   | 1253.2  | -221.2                |
| 1055.0   | 1324.4  | -269.4                |
| 1091.3   | 1381.7  | -290.4                |
| 1154.4   | 1409.4  | -255.0                |
| 1258.6   | 1461.7  | -203.1                |
| 1351.8   | 1515.7  | -163.9                |
| 1453.1   | 1560.5  | -107.5                |
| 1579.3   | 1601.2  | -21.9                 |
| 1721.8   | 1652.6  | 69.2                  |
| NA       | NA      | NA                    |



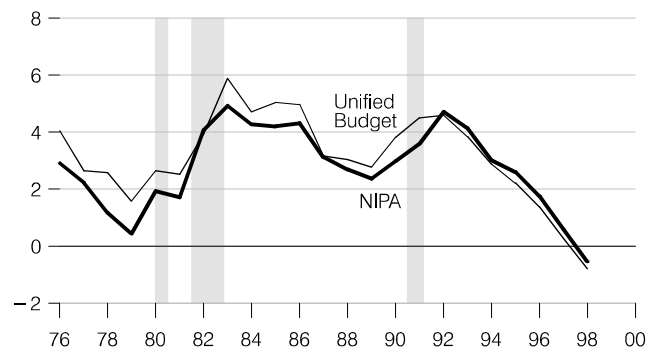
## Federal Debt

Percent of GDP



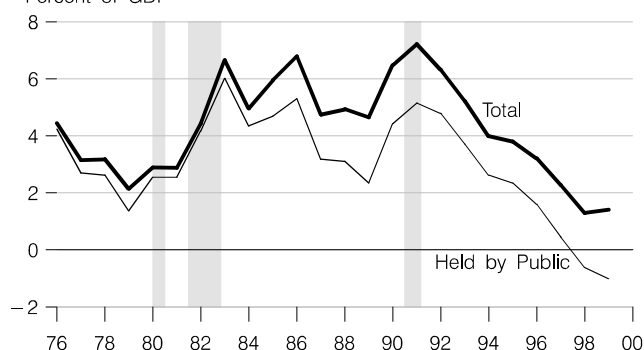
## Federal Deficit

Percent of GDP



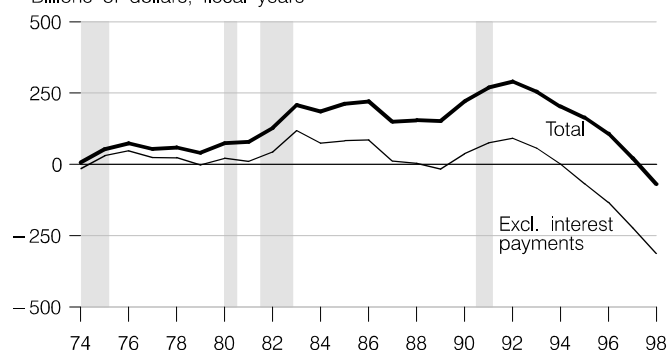
## Change in Federal Debt

Percent of GDP



## Federal Deficit, Unified Basis

Billions of dollars, fiscal years



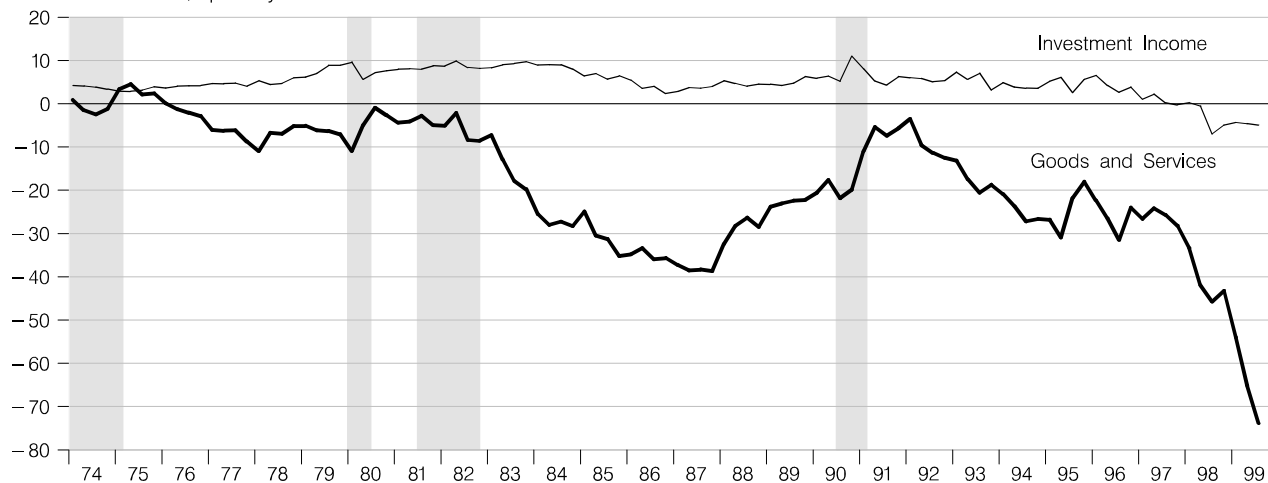
## Federal Government Debt

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

|      |           | Total<br>Public Debt | Held by<br>Agencies<br>and Trusts | Held by Public |                          | Held by Private Investors |                              |
|------|-----------|----------------------|-----------------------------------|----------------|--------------------------|---------------------------|------------------------------|
|      |           |                      |                                   | Total          | Federal<br>Reserve Banks | Total                     | Foreign and<br>International |
| 1997 |           | 5413.1               | 1598.5                            | 3814.7         | 436.5                    | 3401.6                    | 1230.5                       |
| 1998 |           | 5526.2               | 1765.6                            | 3760.6         | 458.1                    | 3313.2                    | 1224.2                       |
| 1999 |           | 5656.3               | 1989.1                            | 3667.2         | 496.5                    | 3175.6                    | 1281.3                       |
| 1996 | March     | 5117.8               | 1353.8                            | 3764.0         | 381.0                    | 3386.7                    | 908.1                        |
|      | June      | 5161.1               | 1422.4                            | 3738.6         | 391.0                    | 3354.4                    | 929.7                        |
|      | September | 5224.8               | 1447.0                            | 3777.8         | 390.9                    | 3393.2                    | 993.4                        |
|      | December  | 5323.2               | 1497.2                            | 3826.0         | 410.9                    | 3431.2                    | 1102.1                       |
| 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 | 5413.1               | 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                            | 3794.5         | 464.5                    | 3327.6                    | 1272.1                       |
|      | June      | 5638.8               | 1953.6                            | 3685.2         | 493.8                    | 3199.3                    | 1258.6                       |
|      | September | 5656.3               | 1989.1                            | 3667.2         | 496.5                    | 3175.6                    | 1281.3                       |

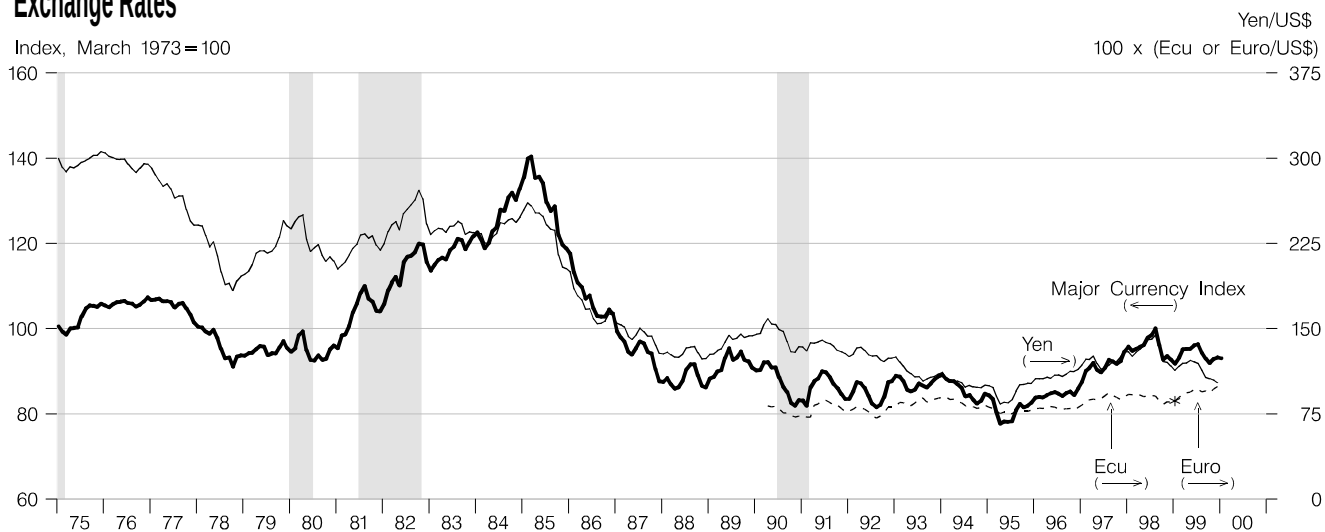
## Trade and Investment Income Balances

Billions of dollars, quarterly rate

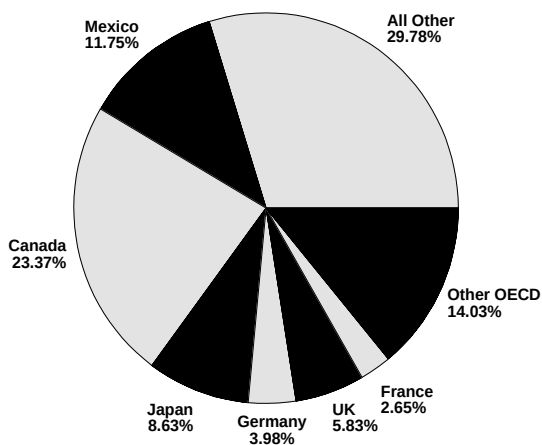


## Exchange Rates

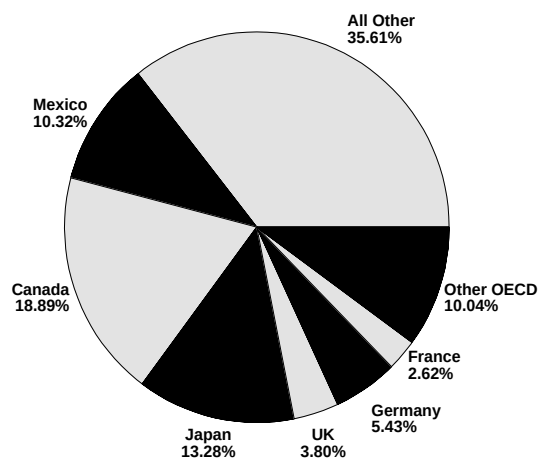
Index, March 1973 = 100

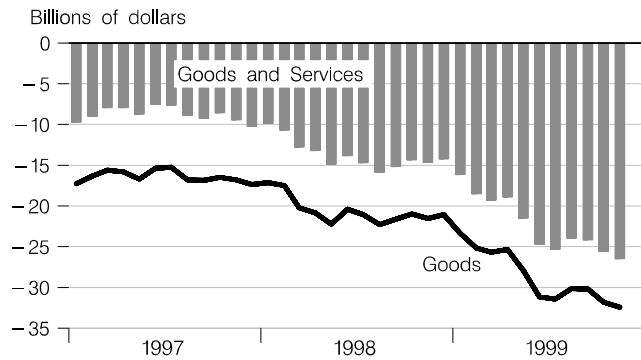
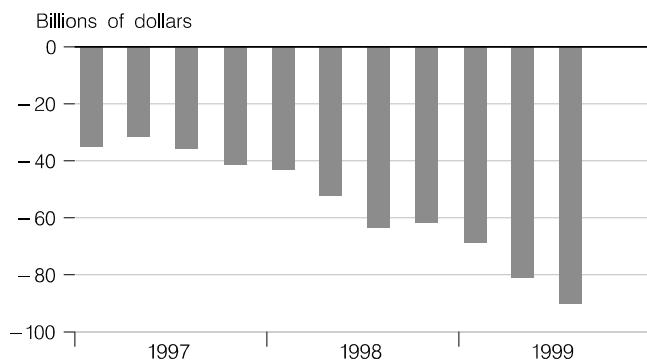
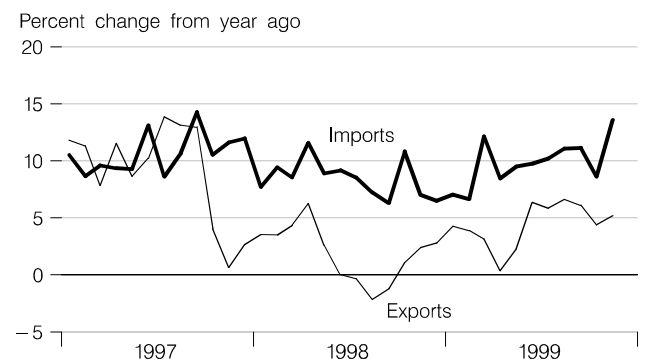


## Goods Export Shares, 1998

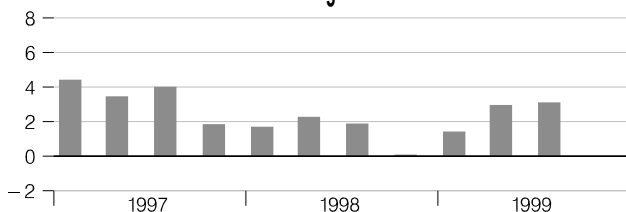
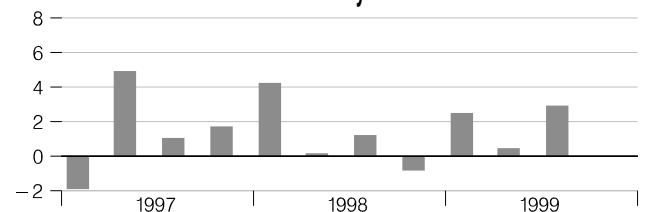
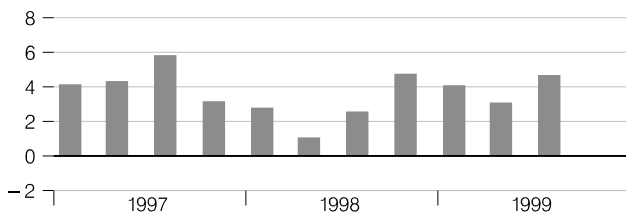
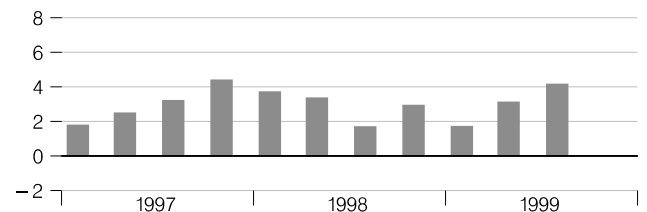
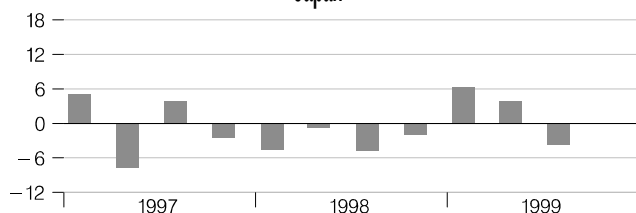
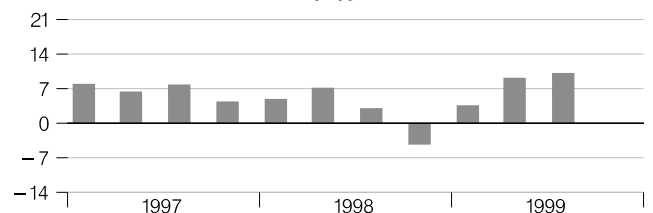


## Goods Import Shares, 1998

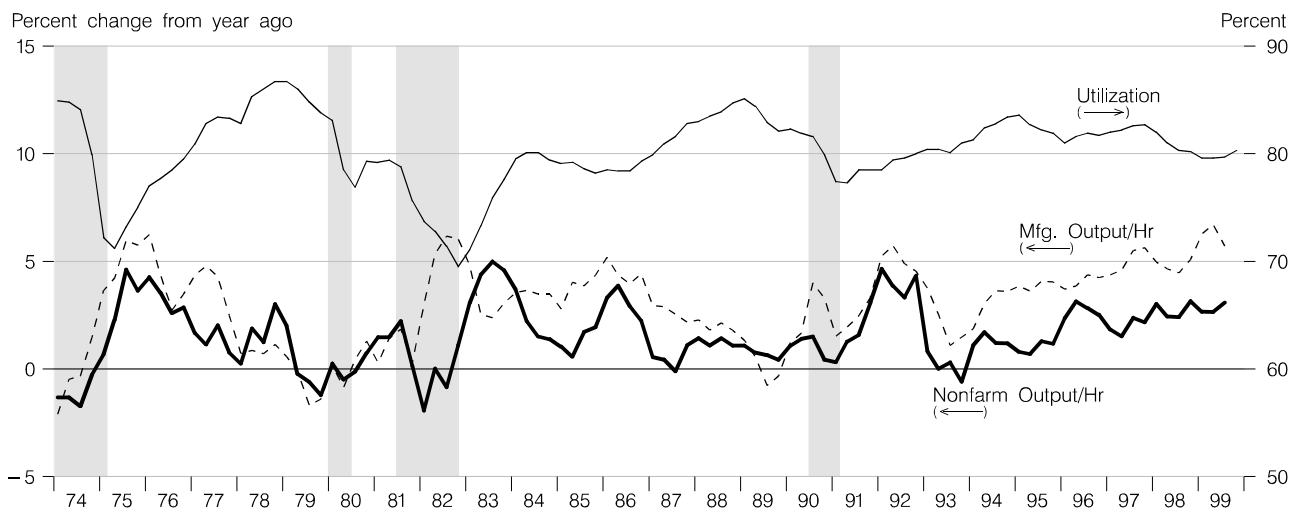


**Trade Balance****Goods Trade****Current Account Balance****Services Trade****Real GDP Growth of Major Trading Partners**

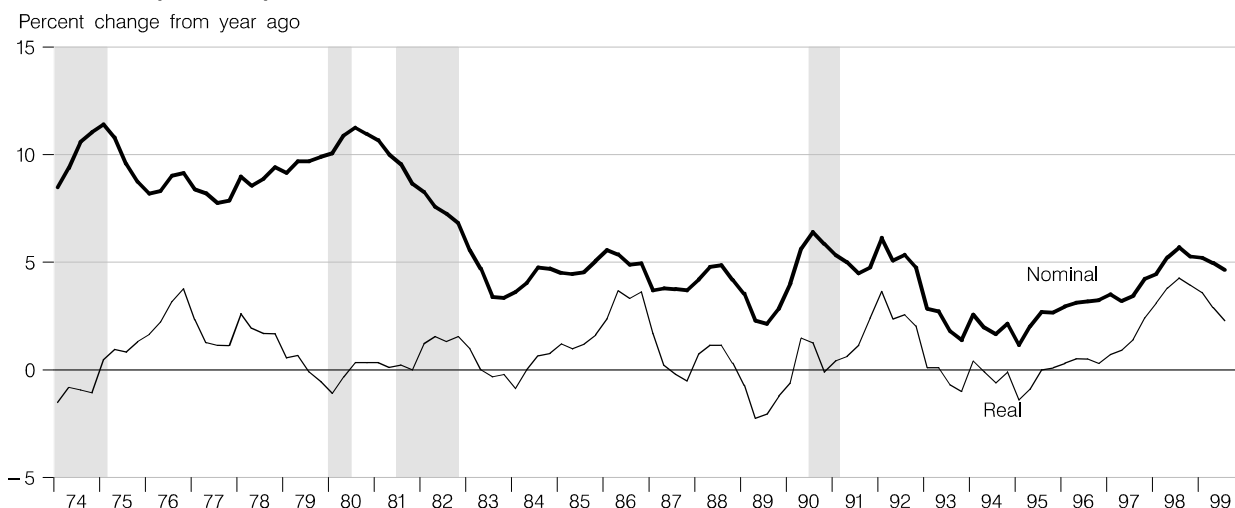
Percent change at annual rate

**United Kingdom****Germany****Canada****France****Japan****Mexico**

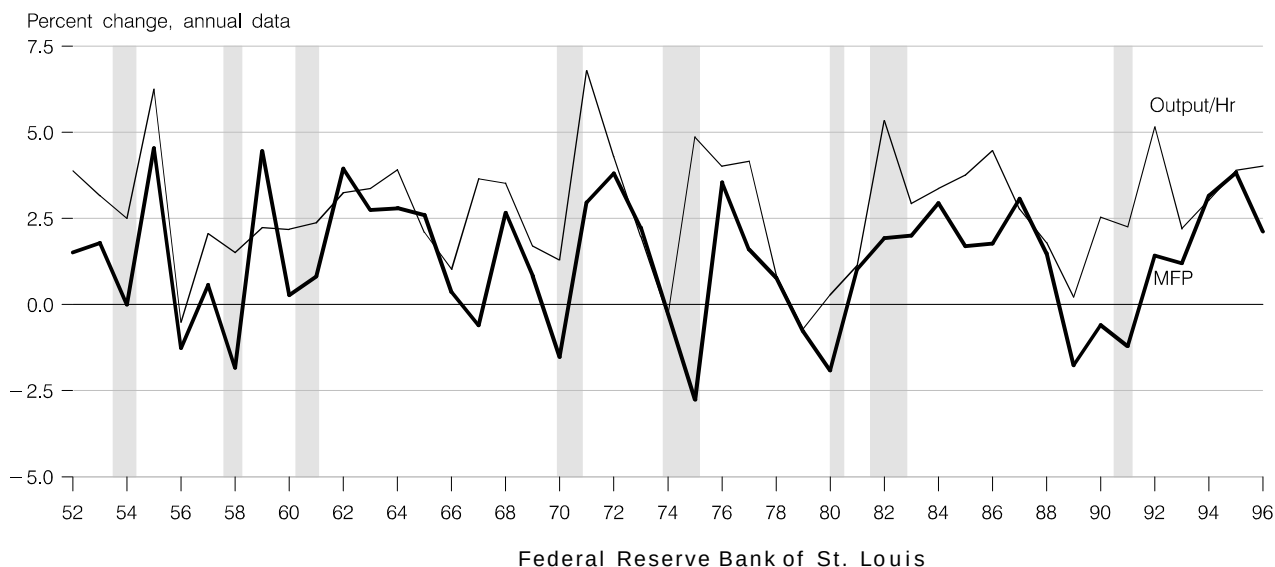
## Output per Hour and Manufacturing Capacity Utilization



## Nonfarm Compensation per Hour

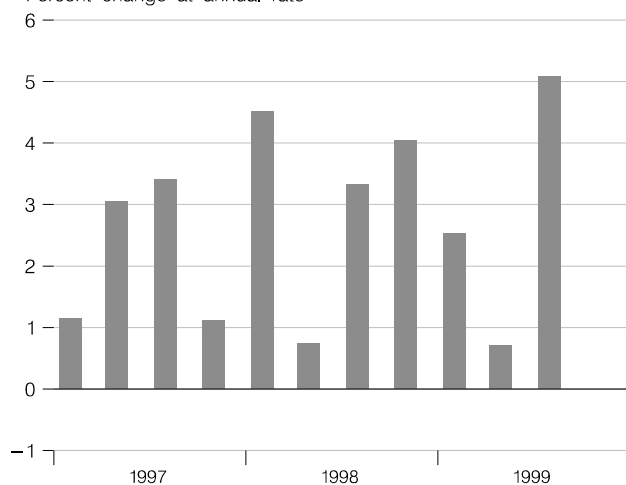


## Output per Hour and Multifactor Productivity, Manufacturing



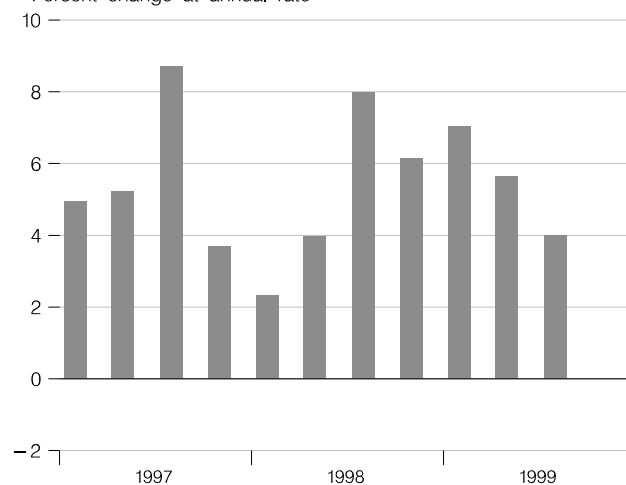
### Nonfarm Output per Hour

Percent change at annual rate



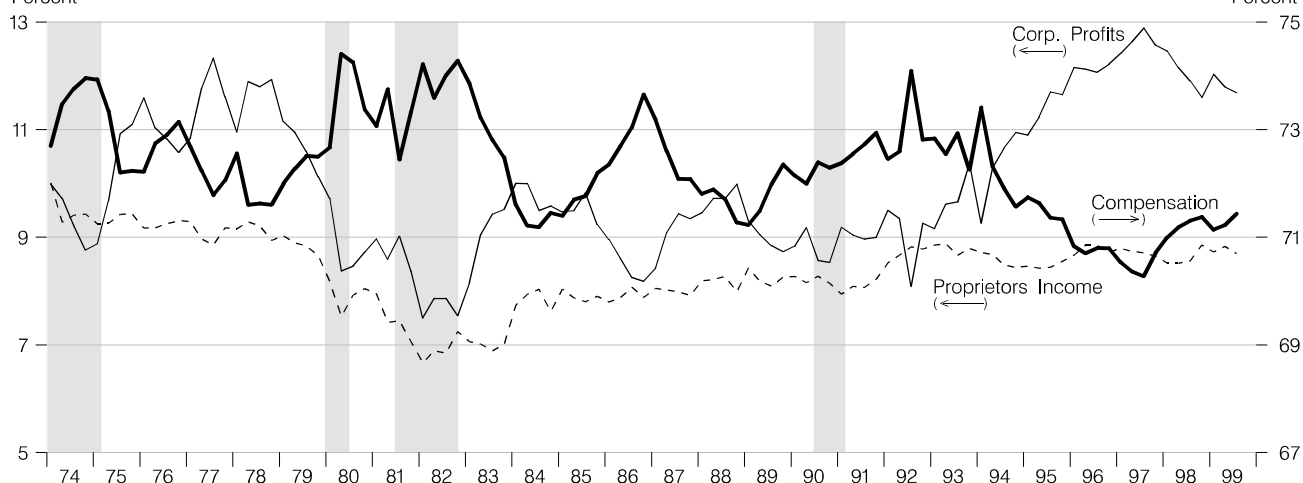
### Manufacturing Output per Hour

Percent change at annual rate



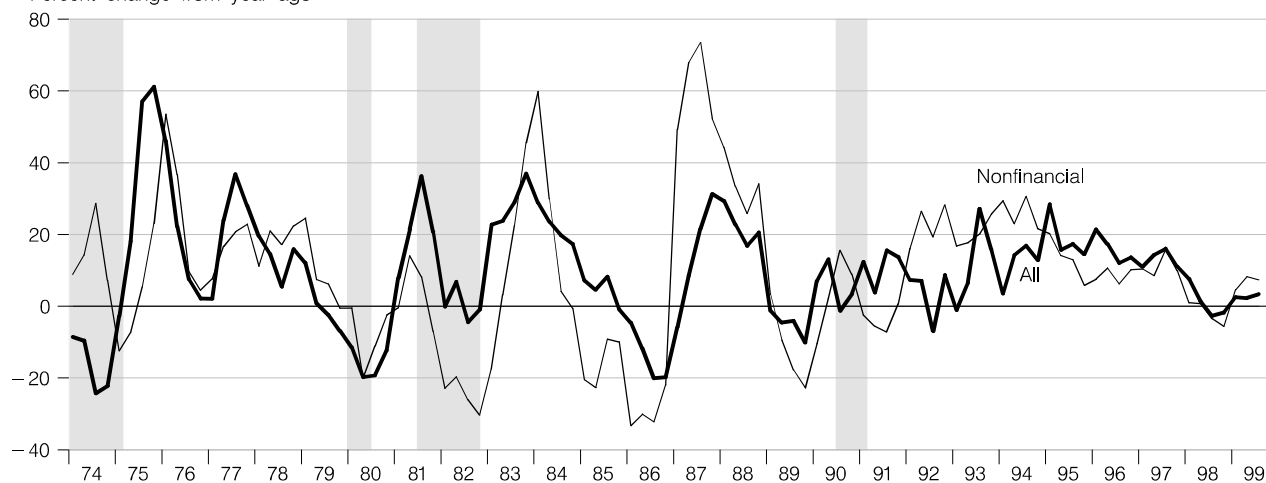
### Selected Component Shares of National Income

Percent



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

Percent change from year ago



|        | Nominal GDP    |             |          | Real GDP            |             |          | Final Sales         |             |          | Change in Private Inventories |               |
|--------|----------------|-------------|----------|---------------------|-------------|----------|---------------------|-------------|----------|-------------------------------|---------------|
|        | Percent change |             |          | Percent change      |             |          | Percent change      |             |          | Billions of 1996 \$           |               |
|        | Billions of \$ | Annual rate | Year ago | Billions of 1996 \$ | Annual rate | Year ago | Billions of 1996 \$ | Annual rate | Year ago | Last qtr                      | Year/Year ago |
| 1996   | 7813.2         |             | 5.6      | 7813.170            |             | 3.7      | 7783.176            |             | 3.7      |                               | 29.994        |
| 1997   | 8300.8         |             | 6.2      | 8165.075            |             | 4.5      | 8095.671            |             | 4.0      |                               | 69.122        |
| 1998   | 8759.9         |             | 5.5      | 8516.277            |             | 4.3      | 8441.321            |             | 4.3      |                               | 74.290        |
| 1999   | 9248.4         |             | 5.6      | 8861.014            |             | 4.0      | 8813.707            |             | 4.4      |                               | 41.871        |
| 1996 1 | 7629.6         | 5.4         | 4.6      | 7671.439            | 2.9         | 2.6      | 7664.638            | 3.6         | 3.3      | 5.581                         | 16.261        |
| 2      | 7782.7         | 8.3         | 6.0      | 7800.513            | 6.9         | 4.1      | 7770.879            | 5.7         | 4.1      | 30.266                        | 15.709        |
| 3      | 7859.0         | 4.0         | 5.7      | 7843.251            | 2.2         | 3.8      | 7793.450            | 1.2         | 3.3      | 51.245                        | 26.271        |
| 4      | 7981.4         | 6.4         | 6.0      | 7937.478            | 4.9         | 4.2      | 7903.737            | 5.8         | 4.0      | 32.882                        | 29.994        |
| 1997 1 | 8125.9         | 7.4         | 6.5      | 8033.423            | 4.9         | 4.7      | 7981.102            | 4.0         | 4.1      | 51.465                        | 41.465        |
| 2      | 8259.5         | 6.7         | 6.1      | 8134.760            | 5.1         | 4.3      | 8042.044            | 3.1         | 3.5      | 93.108                        | 57.175        |
| 3      | 8364.5         | 5.2         | 6.4      | 8214.845            | 4.0         | 4.7      | 8155.290            | 5.8         | 4.6      | 59.187                        | 59.161        |
| 4      | 8453.0         | 4.3         | 5.9      | 8277.272            | 3.1         | 4.3      | 8204.324            | 2.4         | 3.8      | 72.729                        | 69.122        |
| 1998 1 | 8610.6         | 7.7         | 6.0      | 8412.675            | 6.7         | 4.7      | 8306.984            | 5.1         | 4.1      | 107.278                       | 83.076        |
| 2      | 8683.7         | 3.4         | 5.1      | 8457.210            | 2.1         | 4.0      | 8410.422            | 5.1         | 4.6      | 43.107                        | 70.575        |
| 3      | 8797.9         | 5.4         | 5.2      | 8535.966            | 3.8         | 3.9      | 8459.612            | 2.4         | 3.7      | 76.114                        | 74.807        |
| 4      | 8947.6         | 7.0         | 5.9      | 8659.180            | 5.9         | 4.6      | 8588.268            | 6.2         | 4.7      | 70.658                        | 74.289        |
| 1999 1 | 9072.7         | 5.7         | 5.4      | 8737.859            | 3.7         | 3.9      | 8685.246            | 4.6         | 4.6      | 50.136                        | 60.004        |
| 2      | 9146.2         | 3.3         | 5.3      | 8778.643            | 1.9         | 3.8      | 8757.941            | 3.4         | 4.1      | 14.001                        | 52.727        |
| 3      | 9297.8         | 6.8         | 5.7      | 8900.607            | 5.7         | 4.3      | 8855.775            | 4.5         | 4.7      | 37.969                        | 43.191        |
| 4      | 9477.1         | 7.9         | 5.9      | 9026.946            | 5.8         | 4.2      | 8955.867            | 4.6         | 4.3      | 65.377                        | 41.871        |

|        | Consumption         |             |          | Durables Consumption |             |          | Private Fixed Investment |             |          | Nonresidential Fixed Investment |             |          |
|--------|---------------------|-------------|----------|----------------------|-------------|----------|--------------------------|-------------|----------|---------------------------------|-------------|----------|
|        | Percent change      |             |          | Percent change       |             |          | Percent change           |             |          | Percent change                  |             |          |
|        | Billions of 1996 \$ | Annual rate | Year ago | Billions of 1996 \$  | Annual rate | Year ago | Billions of 1996 \$      | Annual rate | Year ago | Billions of 1996 \$             | Annual rate | Year ago |
| 1996   | 5237.499            |             | 3.3      | 616.475              |             | 5.6      | 1212.696                 |             | 9.3      | 899.433                         |             | 10.0     |
| 1997   | 5433.748            |             | 3.7      | 657.372              |             | 6.6      | 1316.018                 |             | 8.5      | 995.717                         |             | 10.7     |
| 1998   | 5698.608            |             | 4.9      | 731.503              |             | 11.3     | 1471.849                 |             | 11.8     | 1122.465                        |             | 12.7     |
| 1999   | 5998.665            |             | 5.3      | 815.136              |             | 11.4     | 1589.402                 |             | 8.0      | 1215.433                        |             | 8.3      |
| 1996 1 | 5170.250            | 3.3         | 3.3      | 601.729              | 4.1         | 5.5      | 1165.207                 | 12.0        | 5.7      | 861.630                         | 13.1        | 6.8      |
| 2      | 5227.495            | 4.5         | 3.4      | 620.402              | 13.0        | 7.5      | 1203.710                 | 13.9        | 9.9      | 885.573                         | 11.6        | 9.1      |
| 3      | 5255.411            | 2.2         | 3.2      | 618.066              | -1.5        | 4.6      | 1231.626                 | 9.6         | 11.2     | 914.283                         | 13.6        | 11.9     |
| 4      | 5296.840            | 3.2         | 3.3      | 625.697              | 5.0         | 5.0      | 1250.229                 | 6.2         | 10.4     | 936.247                         | 10.0        | 12.1     |
| 1997 1 | 5361.104            | 4.9         | 3.7      | 642.077              | 10.9        | 6.7      | 1274.143                 | 7.9         | 9.3      | 957.923                         | 9.6         | 11.2     |
| 2      | 5385.144            | 1.8         | 3.0      | 639.673              | -1.5        | 3.1      | 1300.641                 | 8.6         | 8.1      | 980.832                         | 9.9         | 10.8     |
| 3      | 5471.772            | 6.6         | 4.1      | 669.745              | 20.2        | 8.4      | 1337.931                 | 12.0        | 8.6      | 1017.978                        | 16.0        | 11.3     |
| 4      | 5517.077            | 3.4         | 4.2      | 677.981              | 5.0         | 8.4      | 1351.344                 | 4.1         | 8.1      | 1026.127                        | 3.2         | 9.6      |
| 1998 1 | 5592.287            | 5.6         | 4.3      | 704.908              | 16.9        | 9.8      | 1424.202                 | 23.4        | 11.8     | 1088.575                        | 26.7        | 13.6     |
| 2      | 5675.563            | 6.1         | 5.4      | 723.883              | 11.2        | 13.2     | 1466.695                 | 12.5        | 12.8     | 1120.181                        | 12.1        | 14.2     |
| 3      | 5730.714            | 3.9         | 4.7      | 731.232              | 4.1         | 9.2      | 1473.996                 | 2.0         | 10.2     | 1120.316                        | 0.0         | 10.1     |
| 4      | 5795.764            | 4.6         | 5.1      | 766.001              | 20.4        | 13.0     | 1522.491                 | 13.8        | 12.7     | 1160.799                        | 15.3        | 13.1     |
| 1999 1 | 5888.415            | 6.5         | 5.3      | 788.780              | 12.4        | 11.9     | 1555.853                 | 9.1         | 9.2      | 1182.664                        | 7.8         | 8.6      |
| 2      | 5961.793            | 5.1         | 5.0      | 806.084              | 9.1         | 11.4     | 1580.980                 | 6.6         | 7.8      | 1202.875                        | 7.0         | 7.4      |
| 3      | 6033.285            | 4.9         | 5.3      | 821.225              | 7.7         | 12.3     | 1607.319                 | 6.8         | 9.0      | 1234.274                        | 10.9        | 10.2     |
| 4      | 6111.166            | 5.3         | 5.4      | 844.454              | 11.8        | 10.2     | 1613.456                 | 1.5         | 6.0      | 1241.919                        | 2.5         | 7.0      |

|        | 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               |                | 1.8      | 129.3                 |                | 2.8      | 126.0                   |                | 3.3      | 137.4                   |                | 1.8      |
| 1997   | 101.660               |                | 1.7      | 133.3                 |                | 3.1      | 130.4                   |                | 3.5      | 140.2                   |                | 2.0      |
| 1998   | 102.860               |                | 1.2      | 138.0                 |                | 3.5      | 135.6                   |                | 4.0      | 143.7                   |                | 2.5      |
| 1999   | 104.320               |                | 1.4      | 142.4                 |                | 3.2      | 140.3                   |                | 3.4      | 147.6                   |                | 2.7      |
| 1996 1 | 99.460                | 2.4            | 1.9      | 127.9                 | 2.9            | 2.7      | 124.4                   | 4.0            | 3.2      | 136.2                   | 0.6            | 1.6      |
| 2      | 99.770                | 1.3            | 1.8      | 128.9                 | 3.2            | 2.8      | 125.6                   | 3.9            | 3.4      | 137.0                   | 2.4            | 1.7      |
| 3      | 100.210               | 1.8            | 1.8      | 129.7                 | 2.5            | 2.9      | 126.4                   | 2.6            | 3.3      | 137.7                   | 2.1            | 1.8      |
| 4      | 100.560               | 1.4            | 1.7      | 130.7                 | 3.1            | 2.9      | 127.4                   | 3.2            | 3.4      | 138.6                   | 2.6            | 1.9      |
| 1997 1 | 101.140               | 2.3            | 1.7      | 131.6                 | 2.8            | 2.9      | 128.5                   | 3.5            | 3.3      | 138.9                   | 0.9            | 2.0      |
| 2      | 101.530               | 1.6            | 1.8      | 132.7                 | 3.4            | 2.9      | 129.7                   | 3.8            | 3.3      | 139.7                   | 2.3            | 2.0      |
| 3      | 101.830               | 1.2            | 1.6      | 133.7                 | 3.0            | 3.1      | 130.9                   | 3.8            | 3.6      | 140.3                   | 1.7            | 1.9      |
| 4      | 102.150               | 1.3            | 1.6      | 135.2                 | 4.6            | 3.4      | 132.4                   | 4.7            | 3.9      | 141.7                   | 4.1            | 2.2      |
| 1998 1 | 102.410               | 1.0            | 1.3      | 136.1                 | 2.7            | 3.4      | 133.6                   | 3.7            | 4.0      | 142.2                   | 1.4            | 2.4      |
| 2      | 102.700               | 1.1            | 1.2      | 137.3                 | 3.6            | 3.5      | 134.9                   | 3.9            | 4.0      | 143.2                   | 2.8            | 2.5      |
| 3      | 103.060               | 1.4            | 1.2      | 138.7                 | 4.1            | 3.7      | 136.5                   | 4.8            | 4.3      | 144.1                   | 2.5            | 2.7      |
| 4      | 103.280               | 0.9            | 1.1      | 139.7                 | 2.9            | 3.3      | 137.5                   | 3.0            | 3.9      | 145.1                   | 2.8            | 2.4      |
| 1999 1 | 103.790               | 2.0            | 1.3      | 140.2                 | 1.4            | 3.0      | 138.1                   | 1.8            | 3.4      | 145.4                   | 0.8            | 2.3      |
| 2      | 104.130               | 1.3            | 1.4      | 141.8                 | 4.6            | 3.3      | 139.8                   | 5.0            | 3.6      | 146.8                   | 3.9            | 2.5      |
| 3      | 104.410               | 1.1            | 1.3      | 143.0                 | 3.4            | 3.1      | 140.9                   | 3.2            | 3.2      | 148.1                   | 3.6            | 2.8      |
| 4      | 104.940               | 2.0            | 1.6      | 144.5                 | 4.3            | 3.4      | 142.3                   | 4.0            | 3.5      | 150.1                   | 5.5            | 3.4      |
|        | 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               |                | 8.3      | 963.128               |                | 8.6      | 105.2                   |                | 2.7      | 109.8                   |                | 3.1      |
| 1997   | 985.444               |                | 12.7     | 1095.221              |                | 13.7     | 107.2                   |                | 1.9      | 113.8                   |                | 3.6      |
| 1998   | 1007.079              |                | 2.2      | 1222.152              |                | 11.6     | 110.2                   |                | 2.8      | 119.7                   |                | 5.2      |
| 1999   | 1042.494              |                | 3.5      | 1366.960              |                | 11.8     | 1E9                     |                | 9.07E8   | 1E9                     |                | 8.35E8   |
| 1996 1 | 845.569               | 2.3            | 8.5      | 921.136               | 10.8           | 5.5      | 104.2                   | 3.9            | 2.4      | 108.4                   | 2.6            | 2.9      |
| 2      | 859.774               | 6.9            | 9.1      | 950.405               | 13.3           | 7.2      | 105.3                   | 4.3            | 3.1      | 109.4                   | 3.7            | 3.1      |
| 3      | 867.117               | 3.5            | 5.6      | 982.911               | 14.4           | 10.5     | 105.3                   | 0.0            | 2.8      | 110.3                   | 3.3            | 3.2      |
| 4      | 924.191               | 29.0           | 9.9      | 998.061               | 6.3            | 11.2     | 105.8                   | 1.9            | 2.5      | 111.2                   | 3.3            | 3.2      |
| 1997 1 | 943.860               | 8.8            | 11.6     | 1034.679              | 15.5           | 12.3     | 106.1                   | 1.1            | 1.8      | 112.2                   | 3.6            | 3.5      |
| 2      | 979.867               | 16.2           | 14.0     | 1080.813              | 19.1           | 13.7     | 106.9                   | 3.1            | 1.5      | 112.9                   | 2.5            | 3.2      |
| 3      | 1006.826              | 11.5           | 16.1     | 1125.502              | 17.6           | 14.5     | 107.8                   | 3.4            | 2.4      | 114.1                   | 4.3            | 3.4      |
| 4      | 1011.206              | 1.8            | 9.4      | 1139.901              | 5.2            | 14.2     | 108.1                   | 1.1            | 2.2      | 115.9                   | 6.5            | 4.2      |
| 1998 1 | 1007.316              | -1.5           | 6.7      | 1178.984              | 14.4           | 13.9     | 109.3                   | 4.5            | 3.0      | 117.2                   | 4.6            | 4.5      |
| 2      | 997.193               | -4.0           | 1.8      | 1215.554              | 13.0           | 12.5     | 109.5                   | 0.7            | 2.4      | 118.8                   | 5.6            | 5.2      |
| 3      | 993.040               | -1.7           | -1.4     | 1230.974              | 5.2            | 9.4      | 110.4                   | 3.3            | 2.4      | 120.6                   | 6.2            | 5.7      |
| 4      | 1030.778              | 16.1           | 1.9      | 1263.085              | 10.8           | 10.8     | 111.5                   | 4.0            | 3.1      | 122.0                   | 4.7            | 5.3      |
| 1999 1 | 1016.372              | -5.5           | 0.9      | 1300.887              | 12.5           | 10.3     | 112.2                   | 2.5            | 2.7      | 123.3                   | 4.3            | 5.2      |
| 2      | 1026.381              | 4.0            | 2.9      | 1345.384              | 14.4           | 10.7     | 112.4                   | 0.7            | 2.6      | 124.7                   | 4.6            | 5.0      |
| 3      | 1054.774              | 11.5           | 6.2      | 1392.982              | 14.9           | 13.2     | 113.8                   | 5.1            | 3.1      | 126.2                   | 4.9            | 4.6      |
| 4      | 1072.449              | 6.9            | 4.0      | 1428.588              | 10.6           | 13.1     |                         |                |          |                         |                |          |

|      |     | 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      | 117189                     | 3054   |                | 2.7      | 133.4                   |                |             | 2.7      |
| 1996 |     | 126715                      | 1807   |                | 1.4      | 119594                     | 2405   |                | 2.1      | 136.6                   |                |             | 2.4      |
| 1997 |     | 129565                      | 2850   |                | 2.2      | 122673                     | 3079   |                | 2.6      | 141.4                   |                |             | 3.5      |
| 1998 |     | 131463                      | 1898   |                | 1.5      | 125803                     | 3130   |                | 2.6      | 145.1                   |                |             | 2.6      |
| 1999 |     | 133492                      | 2030   |                | 1.5      | 128602                     | 2799   |                | 2.2      | 147.9                   |                |             | 1.9      |
|      |     |                             |        |                |          |                            |        |                |          |                         |                |             |          |
| 1997 | 1   | 128553                      | 744    | 2.3            | 2.4      | 121447                     | 779    | 2.6            | 2.5      | 139.7                   | 0.9            | 3.7         | 3.9      |
|      | 2   | 129330                      | 777    | 2.4            | 2.4      | 122294                     | 847    | 2.8            | 2.5      | 140.9                   | 0.9            | 3.7         | 3.4      |
|      | 3   | 129927                      | 597    | 1.9            | 2.1      | 123006                     | 712    | 2.4            | 2.5      | 141.9                   | 0.7            | 2.8         | 3.3      |
|      | 4   | 130448                      | 521    | 1.6            | 2.1      | 123946                     | 940    | 3.1            | 2.7      | 143.2                   | 0.9            | 3.6         | 3.4      |
| 1998 | 1   | 130861                      | 413    | 1.3            | 1.8      | 124771                     | 825    | 2.7            | 2.7      | 144.2                   | 0.7            | 3.0         | 3.3      |
|      | 2   | 131256                      | 394    | 1.2            | 1.5      | 125462                     | 691    | 2.2            | 2.6      | 144.7                   | 0.3            | 1.3         | 2.7      |
|      | 3   | 131526                      | 270    | 0.8            | 1.2      | 126113                     | 651    | 2.1            | 2.5      | 145.3                   | 0.4            | 1.6         | 2.4      |
|      | 4   | 132208                      | 682    | 2.1            | 1.3      | 126865                     | 752    | 2.4            | 2.4      | 146.2                   | 0.7            | 2.7         | 2.1      |
| 1999 | 1   | 133077                      | 869    | 2.7            | 1.7      | 127640                     | 776    | 2.5            | 2.3      | 147.0                   | 0.5            | 2.0         | 1.9      |
|      | 2   | 133214                      | 137    | 0.4            | 1.5      | 128246                     | 606    | 1.9            | 2.2      | 147.3                   | 0.2            | 1.0         | 1.8      |
|      | 3   | 133526                      | 312    | 0.9            | 1.5      | 128936                     | 690    | 2.2            | 2.2      | 148.3                   | 0.7            | 2.7         | 2.1      |
|      | 4   | 134153                      | 626    | 1.9            | 1.5      | 129585                     | 649    | 2.0            | 2.1      | 149.1                   | 0.5            | 2.2         | 2.0      |
|      |     |                             |        |                |          |                            |        |                |          |                         |                |             |          |
| 1997 | Dec | 130646                      | 69     | 0.6            | 2.2      | 124263                     | 314    | 3.1            | 2.8      | 143.5                   | 0.1            | 1.7         | 3.2      |
|      |     |                             |        |                |          |                            |        |                |          |                         |                |             |          |
| 1998 | Jan | 130819                      | 173    | 1.6            | 1.9      | 124580                     | 317    | 3.1            | 2.8      | 144.3                   | 0.6            | 6.9         | 4.0      |
|      | Feb | 130911                      | 92     | 0.8            | 2.0      | 124773                     | 193    | 1.9            | 2.8      | 144.3                   | 0.0            | 0.0         | 3.3      |
|      | Mar | 130854                      | -57    | -0.5           | 1.5      | 124961                     | 188    | 1.8            | 2.6      | 144.1                   | -0.1           | -1.7        | 2.5      |
|      | Apr | 131255                      | 401    | 3.7            | 1.6      | 125220                     | 259    | 2.5            | 2.6      | 144.3                   | 0.1            | 1.7         | 2.6      |
|      | May | 131278                      | 23     | 0.2            | 1.5      | 125478                     | 258    | 2.5            | 2.6      | 145.0                   | 0.5            | 6.0         | 2.7      |
|      | Jun | 131234                      | -44    | -0.4           | 1.4      | 125689                     | 211    | 2.0            | 2.6      | 144.8                   | -0.1           | -1.6        | 2.8      |
|      | Jul | 131274                      | 40     | 0.4            | 1.1      | 125808                     | 119    | 1.1            | 2.4      | 145.2                   | 0.3            | 3.4         | 2.7      |
|      | Aug | 131381                      | 107    | 1.0            | 1.1      | 126170                     | 362    | 3.5            | 2.7      | 145.5                   | 0.2            | 2.5         | 2.5      |
|      | Sep | 131922                      | 541    | 5.1            | 1.5      | 126361                     | 191    | 1.8            | 2.5      | 145.1                   | -0.3           | -3.2        | 1.9      |
|      | Oct | 131950                      | 28     | 0.3            | 1.4      | 126567                     | 206    | 2.0            | 2.4      | 146.0                   | 0.6            | 7.7         | 2.3      |
|      | Nov | 132156                      | 206    | 1.9            | 1.2      | 126841                     | 274    | 2.6            | 2.3      | 146.1                   | 0.1            | 0.8         | 2.0      |
|      | Dec | 132517                      | 361    | 3.3            | 1.4      | 127186                     | 345    | 3.3            | 2.4      | 146.6                   | 0.3            | 4.2         | 2.2      |
|      |     |                             |        |                |          |                            |        |                |          |                         |                |             |          |
| 1999 | Jan | 133225                      | 708    | 6.6            | 1.8      | 127378                     | 192    | 1.8            | 2.2      | 146.8                   | 0.1            | 1.6         | 1.7      |
|      | Feb | 133029                      | -196   | -1.8           | 1.6      | 127730                     | 352    | 3.4            | 2.4      | 147.3                   | 0.3            | 4.2         | 2.1      |
|      | Mar | 132976                      | -53    | -0.5           | 1.6      | 127813                     | 83     | 0.8            | 2.3      | 146.8                   | -0.3           | -4.0        | 1.9      |
|      | Apr | 133054                      | 78     | 0.7            | 1.4      | 128134                     | 321    | 3.1            | 2.3      | 147.0                   | 0.1            | 1.6         | 1.9      |
|      | May | 133190                      | 136    | 1.2            | 1.5      | 128162                     | 28     | 0.3            | 2.1      | 147.2                   | 0.1            | 1.6         | 1.5      |
|      | Jun | 133398                      | 208    | 1.9            | 1.6      | 128443                     | 281    | 2.7            | 2.2      | 147.8                   | 0.4            | 5.0         | 2.1      |
|      | Jul | 133399                      | 1      | 0.0            | 1.6      | 128816                     | 373    | 3.5            | 2.4      | 148.3                   | 0.3            | 4.1         | 2.1      |
|      | Aug | 133530                      | 131    | 1.2            | 1.6      | 128945                     | 129    | 1.2            | 2.2      | 148.4                   | 0.1            | 0.8         | 2.0      |
|      | Sep | 133650                      | 120    | 1.1            | 1.3      | 129048                     | 103    | 1.0            | 2.1      | 148.2                   | -0.1           | -1.6        | 2.1      |
|      | Oct | 133940                      | 290    | 2.6            | 1.5      | 129332                     | 284    | 2.7            | 2.2      | 148.8                   | 0.4            | 5.0         | 1.9      |
|      | Nov | 134098                      | 158    | 1.4            | 1.5      | 129554                     | 222    | 2.1            | 2.1      | 149.2                   | 0.3            | 3.3         | 2.1      |
|      | Dec | 134420                      | 322    | 2.9            | 1.4      | 129869                     | 315    | 3.0            | 2.1      | 149.3                   | 0.1            | 0.8         | 1.8      |
|      |     |                             |        |                |          |                            |        |                |          |                         |                |             |          |



|      |     | 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             | 2364.120               |                       |                | 5.2         | 114.418               |                       |                | 4.9         | 5.49               | 6.58  |
| 1996 |     | 5.4             | 2500.076               |                       |                | 5.8         | 119.445               |                       |                | 4.4         | 5.01               | 6.44  |
| 1997 |     | 4.9             | 2617.854               |                       |                | 4.7         | 126.953               |                       |                | 6.3         | 5.06               | 6.35  |
| 1998 |     | 4.5             | 2746.494               |                       |                | 4.9         | 132.365               |                       |                | 4.3         | 4.78               | 5.26  |
| 1999 |     | 4.2             | 2990.287               |                       |                | 8.9         | 137.084               |                       |                | 3.6         | 4.64               | 5.64  |
|      |     |                 |                        |                       |                |             |                       |                       |                |             |                    |       |
| 1997 | 1   | 5.3             | 650.319                | 2.0                   | 8.2            | 6.2         | 123.834               | 1.6                   | 6.5            | 6.4         | 5.06               | 6.56  |
|      | 2   | 5.0             | 645.245                | −0.8                  | −3.1           | 3.5         | 125.860               | 1.6                   | 6.7            | 5.8         | 5.05               | 6.70  |
|      | 3   | 4.8             | 660.049                | 2.3                   | 9.5            | 5.3         | 127.989               | 1.7                   | 6.9            | 6.1         | 5.05               | 6.24  |
|      | 4   | 4.7             | 662.241                | 0.3                   | 1.3            | 3.9         | 130.127               | 1.7                   | 6.9            | 6.8         | 5.09               | 5.90  |
| 1998 | 1   | 4.7             | 671.704                | 1.4                   | 5.8            | 3.3         | 130.897               | 0.6                   | 2.4            | 5.7         | 5.05               | 5.59  |
|      | 2   | 4.4             | 685.168                | 2.0                   | 8.3            | 6.2         | 131.856               | 0.7                   | 3.0            | 4.8         | 4.98               | 5.60  |
|      | 3   | 4.5             | 685.670                | 0.1                   | 0.3            | 3.9         | 132.811               | 0.7                   | 2.9            | 3.8         | 4.82               | 5.20  |
|      | 4   | 4.4             | 703.952                | 2.7                   | 11.1           | 6.3         | 133.895               | 0.8                   | 3.3            | 2.9         | 4.26               | 4.67  |
| 1999 | 1   | 4.3             | 726.609                | 3.2                   | 13.5           | 8.2         | 134.569               | 0.5                   | 2.0            | 2.8         | 4.41               | 4.98  |
|      | 2   | 4.3             | 739.004                | 1.7                   | 7.0            | 7.9         | 136.109               | 1.1                   | 4.7            | 3.2         | 4.45               | 5.54  |
|      | 3   | 4.2             | 755.039                | 2.2                   | 9.0            | 10.1        | 137.721               | 1.2                   | 4.8            | 3.7         | 4.65               | 5.88  |
|      | 4   | 4.1             | 769.635                | 1.9                   | 8.0            | 9.3         | 139.936               | 1.6                   | 6.6            | 4.5         | 5.04               | 6.14  |
|      |     |                 |                        |                       |                |             |                       |                       |                |             |                    |       |
| 1997 | Dec | 4.7             | 221.660                | 0.4                   | 5.1            | 4.0         | 130.598               | 0.3                   | 4.0            | 6.7         | 5.16               | 5.81  |
|      |     |                 |                        |                       |                |             |                       |                       |                |             |                    |       |
| 1998 | Jan | 4.7             | 223.038                | 0.6                   | 7.7            | 3.6         | 130.872               | 0.2                   | 2.5            | 6.4         | 5.04               | 5.54  |
|      | Feb | 4.6             | 224.158                | 0.5                   | 6.2            | 3.1         | 130.738               | −0.1                  | −1.2           | 5.4         | 5.09               | 5.57  |
|      | Mar | 4.7             | 224.508                | 0.2                   | 1.9            | 3.1         | 131.082               | 0.3                   | 3.2            | 5.3         | 5.03               | 5.65  |
|      | Apr | 4.3             | 226.659                | 1.0                   | 12.1           | 5.4         | 131.654               | 0.4                   | 5.4            | 5.1         | 4.95               | 5.64  |
|      | May | 4.4             | 228.631                | 0.9                   | 11.0           | 6.9         | 132.434               | 0.6                   | 7.3            | 5.3         | 5.00               | 5.65  |
|      | Jun | 4.5             | 229.878                | 0.5                   | 6.7            | 6.3         | 131.481               | −0.7                  | −8.3           | 3.9         | 4.98               | 5.50  |
|      | Jul | 4.5             | 228.067                | −0.8                  | −9.1           | 4.1         | 131.291               | −0.1                  | −1.7           | 3.2         | 4.96               | 5.46  |
|      | Aug | 4.5             | 228.098                | 0.0                   | 0.2            | 3.4         | 133.593               | 1.8                   | 23.2           | 4.4         | 4.90               | 5.34  |
|      | Sep | 4.5             | 229.505                | 0.6                   | 7.7            | 4.1         | 133.548               | −0.0                  | −0.4           | 3.7         | 4.61               | 4.81  |
|      | Oct | 4.5             | 232.881                | 1.5                   | 19.2           | 5.9         | 134.108               | 0.4                   | 5.1            | 3.5         | 3.96               | 4.53  |
|      | Nov | 4.4             | 234.462                | 0.7                   | 8.5            | 6.2         | 133.777               | −0.2                  | −2.9           | 2.8         | 4.42               | 4.83  |
|      | Dec | 4.4             | 236.609                | 0.9                   | 11.6           | 6.7         | 133.801               | 0.0                   | 0.2            | 2.5         | 4.39               | 4.64  |
|      |     |                 |                        |                       |                |             |                       |                       |                |             |                    |       |
| 1999 | Jan | 4.3             | 239.595                | 1.3                   | 16.2           | 7.4         | 134.052               | 0.2                   | 2.3            | 2.4         | 4.34               | 4.72  |
|      | Feb | 4.4             | 243.619                | 1.7                   | 22.1           | 8.7         | 134.509               | 0.3                   | 4.2            | 2.9         | 4.44               | 5.00  |
|      | Mar | 4.2             | 243.395                | −0.1                  | −1.1           | 8.4         | 135.147               | 0.5                   | 5.8            | 3.1         | 4.44               | 5.23  |
|      | Apr | 4.3             | 244.748                | 0.6                   | 6.9            | 8.0         | 135.472               | 0.2                   | 2.9            | 2.9         | 4.29               | 5.18  |
|      | May | 4.2             | 247.228                | 1.0                   | 12.9           | 8.1         | 136.215               | 0.5                   | 6.8            | 2.9         | 4.50               | 5.54  |
|      | Jun | 4.3             | 247.028                | −0.1                  | −1.0           | 7.5         | 136.639               | 0.3                   | 3.8            | 3.9         | 4.57               | 5.90  |
|      | Jul | 4.3             | 249.468                | 1.0                   | 12.5           | 9.4         | 137.363               | 0.5                   | 6.5            | 4.6         | 4.55               | 5.79  |
|      | Aug | 4.2             | 252.768                | 1.3                   | 17.1           | 10.8        | 137.736               | 0.3                   | 3.3            | 3.1         | 4.72               | 5.94  |
|      | Sep | 4.2             | 252.803                | 0.0                   | 0.2            | 10.2        | 138.064               | 0.2                   | 2.9            | 3.4         | 4.68               | 5.92  |
|      | Oct | 4.1             | 253.548                | 0.3                   | 3.6            | 8.9         | 139.392               | 1.0                   | 12.2           | 3.9         | 4.86               | 6.11  |
|      | Nov | 4.1             | 256.442                | 1.1                   | 14.6           | 9.4         | 139.925               | 0.4                   | 4.7            | 4.6         | 5.07               | 6.03  |
|      | Dec | 4.1             | 259.645                | 1.2                   | 16.1           | 9.7         | 140.492               | 0.4                   | 5.0            | 5.0         | 5.20               | 6.28  |

|      |     | Consumer Price Index  |                |             |                 |       | Consumer Price Index<br>less Food and Energy |                |             |                 |       | Producer Price Index<br>Finished Goods |                |             |  |
|------|-----|-----------------------|----------------|-------------|-----------------|-------|----------------------------------------------|----------------|-------------|-----------------|-------|----------------------------------------|----------------|-------------|--|
|      |     | 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         |                 | 133.1 |                                        |                | 1.8         |  |
| 1997 | 1   | 159.7                 | 0.6            | 2.5         | 2.9             | 168.3 | 0.5                                          | 2.2            | 2.5         | 2.2             | 132.7 | 0.1                                    | 0.4            | 2.1         |  |
|      | 2   | 160.2                 | 0.3            | 1.2         | 2.3             | 169.5 | 0.7                                          | 2.8            | 2.5         | 2.5             | 131.6 | -0.9                                   | -3.4           | 0.4         |  |
|      | 3   | 160.9                 | 0.5            | 1.9         | 2.2             | 170.1 | 0.4                                          | 1.6            | 2.3         | 2.2             | 131.3 | -0.2                                   | -0.8           | -0.1        |  |
|      | 4   | 161.7                 | 0.5            | 1.8         | 1.9             | 171.1 | 0.5                                          | 2.2            | 2.2         | 2.2             | 131.6 | 0.2                                    | 0.7            | -0.8        |  |
| 1998 | 1   | 162.1                 | 0.2            | 1.0         | 1.5             | 172.1 | 0.6                                          | 2.4            | 2.3         | 2.4             | 130.5 | -0.8                                   | -3.1           | -1.7        |  |
|      | 2   | 162.8                 | 0.5            | 1.8         | 1.6             | 173.2 | 0.7                                          | 2.7            | 2.2         | 2.5             | 130.6 | 0.0                                    | 0.1            | -0.8        |  |
|      | 3   | 163.5                 | 0.4            | 1.6         | 1.6             | 174.2 | 0.5                                          | 2.2            | 2.4         | 2.4             | 130.5 | -0.0                                   | -0.1           | -0.6        |  |
|      | 4   | 164.2                 | 0.4            | 1.7         | 1.5             | 175.1 | 0.6                                          | 2.2            | 2.4         | 2.4             | 131.0 | 0.4                                    | 1.4            | -0.4        |  |
| 1999 | 1   | 164.8                 | 0.4            | 1.5         | 1.7             | 175.8 | 0.4                                          | 1.6            | 2.2         | 1.6             | 131.4 | 0.3                                    | 1.3            | 0.7         |  |
|      | 2   | 166.2                 | 0.9            | 3.5         | 2.1             | 176.9 | 0.6                                          | 2.4            | 2.1         | 2.0             | 132.3 | 0.7                                    | 2.8            | 1.4         |  |
|      | 3   | 167.3                 | 0.6            | 2.6         | 2.3             | 177.6 | 0.4                                          | 1.7            | 2.0         | 1.9             | 133.6 | 1.0                                    | 3.9            | 2.3         |  |
|      | 4   | 168.5                 | 0.7            | 2.9         | 2.6             | 178.7 | 0.6                                          | 2.5            | 2.1         | 2.1             | 134.8 | 0.9                                    | 3.7            | 2.9         |  |
| 1997 | Dec | 161.8                 | 0.1            | 0.7         | 1.7             | 171.4 | 0.2                                          | 2.8            | 2.2         | 2.2             | 131.4 | -0.1                                   | -0.9           | -1.2        |  |
| 1998 | Jan | 162.0                 | 0.1            | 1.5         | 1.6             | 171.7 | 0.2                                          | 2.1            | 2.3         | 2.1             | 130.6 | -0.6                                   | -7.1           | -1.8        |  |
|      | Feb | 162.1                 | 0.1            | 0.7         | 1.4             | 172.2 | 0.3                                          | 3.6            | 2.3         | 2.8             | 130.5 | -0.1                                   | -0.9           | -1.7        |  |
|      | Mar | 162.1                 | 0.0            | 0.0         | 1.4             | 172.4 | 0.1                                          | 1.4            | 2.2         | 2.4             | 130.5 | 0.0                                    | 0.0            | -1.5        |  |
|      | Apr | 162.5                 | 0.2            | 3.0         | 1.5             | 172.9 | 0.3                                          | 3.5            | 2.2         | 2.6             | 130.7 | 0.2                                    | 1.9            | -0.9        |  |
|      | May | 162.9                 | 0.2            | 3.0         | 1.7             | 173.3 | 0.2                                          | 2.8            | 2.2         | 2.7             | 130.6 | -0.1                                   | -0.9           | -0.8        |  |
|      | Jun | 163.0                 | 0.1            | 0.7         | 1.7             | 173.5 | 0.1                                          | 1.4            | 2.2         | 2.5             | 130.4 | -0.2                                   | -1.8           | -0.7        |  |
|      | Jul | 163.3                 | 0.2            | 2.2         | 1.7             | 173.8 | 0.2                                          | 2.1            | 2.2         | 2.4             | 130.7 | 0.2                                    | 2.8            | -0.2        |  |
|      | Aug | 163.5                 | 0.1            | 1.5         | 1.6             | 174.2 | 0.2                                          | 2.8            | 2.5         | 2.5             | 130.3 | -0.3                                   | -3.6           | -0.8        |  |
|      | Sep | 163.6                 | 0.1            | 0.7         | 1.4             | 174.5 | 0.2                                          | 2.1            | 2.4         | 2.4             | 130.6 | 0.2                                    | 2.8            | -0.8        |  |
|      | Oct | 163.9                 | 0.2            | 2.2         | 1.5             | 174.8 | 0.2                                          | 2.1            | 2.3         | 2.4             | 131.0 | 0.3                                    | 3.7            | -0.6        |  |
|      | Nov | 164.2                 | 0.2            | 2.2         | 1.5             | 175.0 | 0.1                                          | 1.4            | 2.3         | 2.3             | 130.7 | -0.2                                   | -2.7           | -0.6        |  |
|      | Dec | 164.4                 | 0.1            | 1.5         | 1.6             | 175.6 | 0.3                                          | 4.2            | 2.5         | 2.5             | 131.3 | 0.5                                    | 5.7            | -0.1        |  |
| 1999 | Jan | 164.6                 | 0.1            | 1.5         | 1.6             | 175.7 | 0.1                                          | 0.7            | 2.3         | 0.7             | 131.7 | 0.3                                    | 3.7            | 0.8         |  |
|      | Feb | 164.7                 | 0.1            | 0.7         | 1.6             | 175.8 | 0.1                                          | 0.7            | 2.1         | 0.7             | 131.1 | -0.5                                   | -5.3           | 0.5         |  |
|      | Mar | 165.0                 | 0.2            | 2.2         | 1.8             | 176.0 | 0.1                                          | 1.4            | 2.1         | 0.9             | 131.5 | 0.3                                    | 3.7            | 0.8         |  |
|      | Apr | 166.2                 | 0.7            | 9.1         | 2.3             | 176.7 | 0.4                                          | 4.9            | 2.2         | 1.9             | 132.2 | 0.5                                    | 6.6            | 1.1         |  |
|      | May | 166.2                 | 0.0            | 0.0         | 2.0             | 176.9 | 0.1                                          | 1.4            | 2.1         | 1.8             | 132.4 | 0.2                                    | 1.8            | 1.4         |  |
|      | Jun | 166.2                 | 0.0            | 0.0         | 2.0             | 177.0 | 0.1                                          | 0.7            | 2.0         | 1.6             | 132.4 | 0.0                                    | 0.0            | 1.5         |  |
|      | Jul | 166.7                 | 0.3            | 3.7         | 2.1             | 177.3 | 0.2                                          | 2.1            | 2.0         | 1.7             | 132.7 | 0.2                                    | 2.8            | 1.5         |  |
|      | Aug | 167.2                 | 0.3            | 3.7         | 2.3             | 177.5 | 0.1                                          | 1.4            | 1.9         | 1.6             | 133.4 | 0.5                                    | 6.5            | 2.4         |  |
|      | Sep | 167.9                 | 0.4            | 5.1         | 2.6             | 178.1 | 0.3                                          | 4.1            | 2.1         | 1.9             | 134.7 | 1.0                                    | 12.3           | 3.1         |  |
|      | Oct | 168.2                 | 0.2            | 2.2         | 2.6             | 178.4 | 0.2                                          | 2.0            | 2.1         | 1.9             | 134.5 | -0.1                                   | -1.8           | 2.7         |  |
|      | Nov | 168.4                 | 0.1            | 1.4         | 2.6             | 178.8 | 0.2                                          | 2.7            | 2.2         | 2.0             | 134.8 | 0.2                                    | 2.7            | 3.1         |  |
|      | Dec | 168.8                 | 0.2            | 2.9         | 2.7             | 179.0 | 0.1                                          | 1.4            | 1.9         | 1.9             | 135.2 | 0.3                                    | 3.6            | 3.0         |  |

## 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. Beginning with the **comprehensive revision**, which was released with the advance third-quarter GDP report on Oct. 28, 1999, 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: The **contribution** of a component  $X_t$  to the overall GDP growth rate in quarter  $t$  is  $100 \times [(1 + (X_t - X_{t-1})/GDP_{t-1})^4 - 1]$ . The sign is changed for **imports**. This calculation forces components to add up to the GDP growth rate before compounding and does not exactly match *Survey of Current Business*, Table 8.2. The **residual** line is calculated using the finest level of detail in the table.

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

Pages 8,9: **Oil prices** are monthly averages of daily spot prices for West Texas intermediate crude (*Wall Street Journal*). **Consumer price index** is for all urban consumers. The **consumption chain price index** is the index associated with the personal consumption expenditures component of GDP. The **Employment Cost Index (ECI)** covers private nonfarm employers. **ECI compensation** refers to a fixed sample of jobs, while **compensation per hour** covers all workers in the 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 1997 affect levels and growth rates of household survey employment, labor force and population. The unemployment rate and other ratios are minimally affected. 90 percent confidence intervals for the unemployment rate ( $\pm 0.2$  percentage points) and change in household survey employment ( $\pm 376,000$ ) measure uncertainty due to sample size. The household survey was changed in January 1994, so care should be exercised in making short-term comparisons around this date, particularly with the duration data shown on page 10. Other changes in the survey are detailed in Bureau of Labor Statistics, *Employment and Earnings*, Appendix A.

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

Pages 14, 15: Overall **gross saving** includes government saving, which is the sum of the government surplus and capital consumption (see notes for pages 16 and 17). **Net foreign investment (NFI)** is U.S. investment abroad minus foreign investment in the U.S. Aside from a statistical discrepancy, NFI also equals the difference between gross domestic investment and saving. 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 National Income and Product Accounts (NIPA). The **unified federal budget deficit** differs from **NIPA basis** in four main ways: (1) NIPA excludes transactions involving existing assets; (2) NIPA outlays exclude government investment and include consumption of government capital, while unified budget outlays do the reverse; (3) NIPA accounts exclude Puerto Rico and U.S. territories; and (4) various timing issues are handled differently. **Outlays and receipts** are from the NIPAs, except as noted. Since 1977, the federal **fiscal year** starts on October 1. Excluded agency debt was 0.6 percent of federal debt at the end of fiscal 1997. **Federal debt held by the public** includes holdings of the Federal Reserve System and excludes holdings of the social security and other federal trust funds. Federal grants in aid to state and local governments appear in both state and local receipts and federal outlays.

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

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

## Sources

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

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

Census Bureau, U.S. Dept. of Commerce

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

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

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