

April 11, 1979

CONFIDENTIAL - FR  
CLASS II FOMCPER CENT CHANGES IN GROSS NATIONAL PRODUCT  
AND RELATED ITEMS  
(Annual rates compounded quarterly)

	1979				1980			
	Projected							
	I	II	III	IV	I	II	III	IV
<u>Constant (1972) dollars</u>								
Gross national product	1.3	2.4	1.0	1.1	1.1	1.2	1.4	1.4
Final purchases	-8	2.7	1.1	1.4	1.1	1.4	1.7	1.6
Private	-4	3.1	-7	1.4	1.0	1.4	1.8	1.6
Excluding net exports	-4	2.5	-6	-8	-7	1.0	1.2	1.3
Personal consumption expenditures	.2	2.6	1.4	1.2	.8	1.0	1.3	1.5
Goods	-3.2	1.9	.0	.1	-6	-1	.4	.8
Services	4.6	3.4	2.9	2.6	2.5	2.2	2.3	2.5
Gross private domestic investment	11.2	-3	-3.2	-2.6	.1	-5	-1.1	-1.1
Residential structures	-14.7	-8.7	-15.0	-8.4	-3.4	1.2	1.4	1.9
Business fixed investment	2.4	6.5	2.5	1.7	1.3	.9	.5	-4
Gov't. purchases of goods and services	-2.2	1.5	2.9	1.3	1.4	1.4	1.4	1.4
Federal	1.9	-7.1	5.7	1.9	1.4	.9	.9	1.0
State and local	-4.5	6.8	1.3	1.0	1.4	1.7	1.7	1.7
Disposable personal income	1.9	1.1	3.4	1.8	.0	.4	2.8	.8
<u>Current dollars</u>								
Gross national product	10.8	11.3	8.6	9.8	9.2	9.4	9.2	9.7
Final purchases	8.4	11.9	8.9	10.0	9.3	9.7	9.5	9.9
Private	9.3	12.7	8.7	9.9	9.7	10.1	9.9	9.7
Excluding net exports	9.5	12.2	8.9	9.1	9.1	9.3	9.0	9.1
Personal consumption expenditures	10.7	12.4	9.7	9.5	9.3	9.3	9.0	9.2
Goods	8.7	12.8	8.4	8.3	7.5	7.9	7.7	8.0
Services	13.1	12.0	11.3	10.9	11.3	10.8	10.4	10.7
Gross private domestic investment	19.5	8.1	4.4	6.0	8.1	7.8	7.5	7.0
Residential structures	-6.2	1.8	-5.2	2.2	6.3	10.3	10.0	10.5
Business fixed investment	10.5	15.7	11.1	9.9	9.5	9.0	8.5	7.6
Gov't. purchases of goods and services	5.1	8.6	9.5	10.7	8.0	7.9	7.7	10.6
Federal	8.1	-2.6	10.9	14.7	6.6	5.8	5.4	13.8
State and local	3.5	15.3	8.8	8.6	8.8	9.0	9.0	8.9
Disposable personal income	12.6	10.8	11.9	10.1	8.4	8.7	10.7	8.5
Personal income	10.1	11.3	12.2	10.7	8.7	9.0	10.9	9.1
Wage and salary disbursements	12.4	9.3	8.3	9.7	8.9	8.2	8.4	9.2
Corporate profits with IVA & C.C. Adj.	-6.6	18.9	-2.4	5.7	.9	12.1	9.2	12.6
Corporate profits before tax	20.7	-3.0	-1.0	4.7	1.9	7.8	5.8	9.5
Nonfarm payroll employment	4.1	1.7	1.3	1.5	1.4	1.2	1.1	1.0
Manufacturing	6.2	2.6	1.1	-6	-1.0	-7	-4	-2
Nonfarm business sector								
Output per hour	-2.3	1.6	.5	.6	.6	.9	1.1	1.0
Compensation per hour	11.0	8.9	8.9	9.0	10.3	9.0	8.9	8.8
Unit labor costs	13.7	7.2	8.3	8.3	9.6	8.0	7.7	7.7
GNP implicit deflator <sup>1/</sup>	9.4	8.8	7.6	8.6	8.1	8.1	7.7	8.2
Gross business product fixed-weighted price index <sup>2/</sup>	10.4	9.7	8.3	8.3	8.4	8.2	7.7	7.7
Industrial production	4.6	4.8	2.1	1.3	1.0	.8	1.0	1.1

<sup>1/</sup> Excluding Federal pay increase rates of change are: 1979 QI, 9.4 per cent; 1979 QIV, 8.0 per cent; 1980 QI, 8.1 per cent; 1980 QIV, 7.7 per cent.

<sup>2/</sup> Using expenditures in 1972 as weights.