

December 16, 1981

## **SUMMARY AND OUTLOOK**

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Prepared for the Federal Open Market Committee

By the staff of the Board of Governors of the Federal Reserve System

CONFIDENTIAL - FR  
CLASS II FOMC

GROSS NATIONAL PRODUCT AND RELATED ITEMS  
(Expenditures and income figures are billions of current dollars.)

	1975	1976	1977	1978	1979	1980	Projected	
							1981	1982
Gross national product	1549.2	1718.0	1918.0	2156.1	2413.9	2626.1	2918.3	3119.8
Final purchases	1556.1	1706.2	1897.0	2133.9	2396.4	2632.0	2902.1	3118.5
Private	1216.2	1344.1	1502.5	1701.3	1922.6	2097.3	2314.3	2486.2
Excluding net exports	1189.4	1330.4	1506.7	1701.9	1909.2	2074.0	2291.3	2470.3
Personal consumption expenditures	976.4	1084.3	1205.5	1348.7	1510.9	1672.8	1859.7	2026.2
Goods	539.5	598.5	657.8	729.1	814.5	887.6	976.1	1043.6
Services	437.0	485.7	547.7	619.6	696.3	785.2	883.6	982.7
Gross private domestic investment	206.1	257.9	322.3	375.3	415.8	395.3	447.9	445.4
Residential construction	55.3	72.0	95.8	111.3	118.6	105.3	105.9	105.2
Business fixed investment	157.7	174.1	205.5	242.0	279.7	296.0	325.7	338.8
Change in business inventories	-6.9	11.8	21.0	22.2	17.5	-5.9	16.3	1.4
Nonfarm	-10.5	13.9	20.2	21.8	13.4	-4.7	15.2	1.4
Net exports of goods and services <sup>1/</sup>	26.8	13.7	-4.2	-6	13.4	23.3	23.0	15.9
Exports	154.9	170.9	183.3	219.8	281.3	339.8	364.4	363.5
Imports	128.1	157.1	187.5	220.4	267.9	316.5	341.4	347.6
Gov't. purchases of goods and services	339.9	362.1	394.5	432.6	473.8	534.7	587.8	632.3
Federal <sup>2/</sup>	122.7	129.2	143.9	153.4	167.9	198.9	227.1	252.0
State and local	217.2	232.9	250.6	279.2	305.9	335.8	360.6	380.3
Gross national product in constant (1972) dollars	1233.9	1300.4	1371.7	1436.9	1483.0	1480.7	1507.7	1498.8
Personal income	1265.0	1391.2	1538.0	1721.8	1943.8	2160.2	2405.1	2605.9
Wage and salary disbursements	806.4	889.9	983.8	1105.2	1236.1	1343.7	1481.7	1578.0
Disposable personal income	1096.1	1194.4	1311.5	1462.9	1641.7	1821.7	2017.4	2210.0
Saving rate (percent)	8.6	6.9	5.6	5.2	5.2	5.6	5.3	5.8
Corporate profits with I.V.A. and C.C. Adj.	110.5	138.1	164.7	185.5	196.8	182.7	189.0	183.6
Corporate profits before tax	132.1	166.3	192.6	223.3	255.4	245.5	231.3	209.6
Federal government surplus or deficit (N.I.A. basis)	-69.3	-53.1	-46.4	-29.2	-14.8	-61.2	-61.5	-125.5
High employment surplus or deficit (-)	-29.2	-20.1	-23.0	-15.7	-2.2	-18.2	-1.4	-23.8
State and local government surplus or deficit (-) (N.I.A. basis)	5.5	16.6	28.1	29.0	26.7	29.1	36.1	38.1
Excluding social insurance funds	-7.6	.9	10.1	9.0	2.9	2.1	3.9	.9
Civilian labor force (millions)	92.6	94.8	97.4	100.4	102.9	104.7	106.5	107.5
Unemployment rate (percent)	8.5	7.7	7.0	6.0	5.8	7.1	7.6	9.0
Nonfarm payroll employment (millions)	76.9	79.4	82.5	86.7	89.8	90.6	91.6	90.9
Manufacturing	18.3	19.0	19.7	20.5	21.0	20.3	20.3	19.5
Industrial production (1967=100)	117.8	130.5	138.1	146.1	152.5	147.0	151.0	147.6
Capacity utilization: all manufacturing (percent)	72.9	79.5	81.9	84.4	85.6	79.1	78.5	74.2
Materials (percent)	73.4	81.1	82.7	85.6	87.4	80.0	80.1	75.3
Housing starts, private (million units, A.R.)	1.16	1.54	1.99	2.02	1.75	1.29	1.10	1.15
New auto sales, (millions, A.R.)	8.66	10.12	11.13	11.28	10.70	9.04	8.64	8.79
Domestic models	7.08	8.63	9.07	9.29	8.38	6.62	6.31	6.46
Foreign models	1.58	1.50	2.06	1.99	2.32	2.42	2.33	2.32

- <sup>1/</sup> Balance of payments data underlying these estimates are shown in the International Developments section of this part of the Greenbook.
- <sup>2/</sup> Components of purchases and total receipts and total expenditures are shown in the Federal Sector Accounts table which follows.