

July 1, 1981

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

	1979				1980			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	
<u>Constant (1972) dollars</u>								
Gross national product	3.9	-1.7	4.1	.6	3.1	-9.9	2.4	3.8
Final purchases	2.5	-2.5	7.2	2.9	3.1	-10.4	4.1	4.4
Private	3.0	-3.0	8.7	2.2	2.2	-13.3	6.5	4.9
Excluding net exports	1.1	-1.6	5.5	1.9	-.4	-14.4	4.6	8.5
Personal consumption expenditures	.9	-1.2	4.7	3.6	.8	-9.8	5.1	7.0
Goods	-2.7	-4.6	6.0	4.2	-.3	-17.7	4.0	10.2
Services	5.5	3.0	3.1	2.8	2.1	.0	6.4	3.7
Gross private domestic investment	10.6	-1.7	-9.9	-17.8	-5.6	-28.9	-10.0	11.1
Residential structures	-6.5	-10.8	-3.6	-3.1	-24.2	-60.2	16.0	64.2
Business fixed investment	5.2	-.4	13.4	-5.4	2.2	-19.9	-1.5	4.0
Gov't. purchases of goods and services	.7	-.5	1.2	6.1	6.9	2.5	-5.0	2.2
Federal	8.0	-7.9	-3.6	13.1	18.9	11.9	-13.1	2.0
State and local	-3.3	4.0	3.9	2.4	.6	-2.8	.3	2.3
Disposable personal income	3.1	.5	3.5	.8	1.3	-4.9	4.1	2.9
<u>Current dollars</u>								
Gross national product	12.7	5.9	12.2	8.8	12.6	-1.1	11.8	14.9
Final purchases	11.5	4.4	16.1	11.4	12.0	-1.8	15.9	15.0
Private	12.8	4.0	17.9	9.6	10.7	-4.8	19.5	13.8
Excluding net exports	10.8	6.7	15.7	12.0	10.6	-6.5	13.6	18.7
Personal consumption expenditures	11.0	6.7	14.6	14.7	12.9	-1.0	14.3	17.4
Goods	8.5	4.9	16.6	15.6	13.1	-10.3	12.0	21.4
Services	14.2	8.8	12.2	13.5	12.7	10.8	17.0	13.1
Gross private domestic investment	17.0	15.4	-1.5	-10.6	5.6	-21.8	-13.3	23.7
Residential structures	1.8	1.8	9.1	2.8	-16.7	-56.4	25.7	68.5
Business fixed investment	13.9	8.6	25.0	2.3	11.0	-10.4	6.0	11.5
Gov't. purchases of goods and services	6.3	6.2	9.2	18.8	17.5	10.6	2.6	20.2
Federal	10.7	-2.9	3.7	35.4	29.5	19.8	-7.5	40.2
State and local	3.9	11.6	12.2	10.6	11.2	5.6	9.1	9.7
Disposable personal income	13.5	8.5	13.3	11.6	13.5	4.4	13.3	12.8
Personal income	12.8	9.3	14.6	12.7	11.5	5.1	13.4	14.3
Wage and salary disbursements	13.5	8.2	10.2	11.2	10.5	1.8	6.6	17.8
Corporate profits with IVA & C.C. Adj.	-1.6	-10.1	6.0	-18.8	24.8	-48.9	21.9	12.7
Corporate profits before tax	8.3	-3.4	18.9	-9.7	38.6	-61.8	41.4	21.6
Nonfarm payroll employment	4.3	2.4	2.3	1.7	2.5	-2.7	-1.6	3.6
Manufacturing	4.6	.6	-.6	-1.7	-.8	-11.7	-7.2	6.4
Nonfarm business sector								
Output per hour	-.9	-1.9	-1.4	-.3	.0	-3.0	3.8	-.4
Compensation per hour	10.9	10.0	8.1	9.6	9.9	11.2	9.3	9.6
Unit labor costs	11.9	12.1	9.7	9.9	9.9	14.6	5.3	10.1
GNP implicit deflator 1/	8.4	7.8	7.8	8.1	9.3	9.8	9.2	10.7
Gross domestic business product								
fixed-weighted price index 2/	9.7	9.7	9.5	10.0	10.1	9.8	9.6	9.3
Excluding food and energy	7.5	7.2	6.9	11.1	7.4	9.5	9.3	8.2
Consumer price index (all urban)	10.2	12.5	14.0	14.3	16.5	13.1	7.7	12.9
Industrial production	5.4	-1.0	.8	-.3	.0	-19.2	-6.7	21.2

1/ Excluding Federal pay increases, rates of change were: 1979-Q1, 8.3 percent; 1979-Q4, 7.5 percent; 1980-Q1, 9.2 percent; 1980-Q4, 9.7 percent.

2/ Uses expenditures in 1972 as weights.

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CLASS II FOMCGROSS NATIONAL PRODUCT AND RELATED ITEMS
(Quarterly figures are seasonally adjusted. Expenditures and income
figures are billions of current dollars at annual rates.)

	1981				1982			
	Q1	Q2	Q3	Q4	Projected Q1	Q2	Q3	Q4
Gross national product	2853.0	2898.1	2951.3	3024.6	3080.7	3135.2	3201.7	3277.5
Final purchases	2848.5	2875.9	2930.0	3004.3	3060.9	3115.9	3187.2	3261.0
Private	2272.0	2297.7	2340.2	2397.4	2442.2	2486.5	2546.9	2602.2
Excluding net exports	2242.8	2272.6	2319.4	2377.1	2428.0	2478.7	2547.0	2607.1
Personal consumption expenditures	1810.1	1839.2	1884.2	1936.3	1980.8	2024.1	2082.8	2132.5
Goods	964.3	965.1	987.2	1015.4	1037.9	1059.2	1093.9	1122.2
Services	845.8	874.1	897.0	920.9	942.9	964.9	988.9	1010.3
Gross private domestic investment	437.1	455.6	456.5	461.1	467.0	473.9	478.7	491.1
Residential construction	116.7	110.7	106.2	107.7	110.2	113.2	118.0	123.3
Business fixed investment	315.9	322.7	329.0	333.1	337.0	341.4	346.2	351.3
Change in business inventories	4.5	22.2	21.3	20.3	19.8	19.3	14.5	16.5
Nonfarm	6.8	20.2	21.3	20.3	19.8	19.3	14.5	16.5
Net exports of goods and services ^{1/}	29.2	25.1	20.8	20.3	14.2	7.8	-1.1	-4.9
Exports	367.4	373.6	380.4	388.1	393.0	398.0	401.7	407.3
Imports	338.2	348.6	359.7	367.7	378.8	390.2	401.8	412.2
Gov't. purchases of goods and services	576.5	578.2	589.8	606.9	618.7	629.4	640.3	658.8
Federal ^{2/}	221.6	218.3	223.8	234.9	240.8	245.7	250.8	263.5
State and local	354.9	359.9	366.0	372.0	377.9	383.7	389.5	395.3
Gross national product in constant (1972) dollars	1516.4	1517.1	1518.1	1522.3	1523.7	1524.6	1532.3	1541.0
Personal income	2319.8	2366.4	2433.3	2493.4	2541.1	2590.8	2654.3	2714.2
Wage and salary disbursements	1442.9	1467.0	1494.4	1527.4	1554.1	1580.1	1608.5	1647.1
Disposable personal income	1947.8	1984.1	2037.7	2104.1	2144.3	2182.6	2266.2	2312.9
Saving rate (percent)	4.6	4.8	5.0	5.5	5.1	4.8	5.6	5.3
Corporate profits with I.V.A. and C.C. Adj.	203.0	196.1	189.1	197.8	191.5	187.5	192.2	197.6
Corporate profits before tax	259.1	233.7	227.9	234.4	211.8	204.7	206.4	208.8
Federal government surplus or deficit (-) (N.I.A. basis)	-43.3	-41.0	-54.7	-77.8	-80.3	-79.6	-119.8	-121.3
High employment surplus or deficit (-) ^{3/}	3.6	9.6	3.4	-13.3	-6.7	1.9	-36.8	-34.3
State and local government surplus or deficit (-) (N.I.A. basis)	37.0	32.1	31.3	30.5	29.0	29.0	30.9	32.4
Excluding social insurance funds	6.7	1.1	-3.3	-1.7	-4.0	-4.7	-3.6	-2.9
Civilian labor force (millions)	105.8	107.2	107.5	107.8	108.1	108.4	108.7	109.0
Unemployment rate (percent)	7.3	7.5	7.7	7.8	8.0	8.2	8.3	8.3
Nonfarm payroll employment (millions)	91.6	91.5	91.6	91.7	91.7	91.7	91.8	92.0
Manufacturing	20.4	20.4	20.5	20.4	20.4	20.4	20.4	20.5
Industrial production (1967=100)	151.8	152.7	153.0	153.5	153.7	153.7	155.1	157.0
Capacity utilization: all mfg. (percent)	79.9	80.1	79.6	79.3	78.9	78.4	78.6	79.2
Materials (percent)	81.7	81.1	80.7	80.6	79.9	79.4	79.5	80.0
Housing starts, private (million units, A.R.)	1.39	1.21	1.15	1.15	1.20	1.25	1.30	1.35
New autos sales, (millions, A.R.)	9.96	7.90	8.70	8.90	8.40	8.80	9.10	8.85
Domestic models	7.31	5.70	6.40	6.50	6.30	6.50	6.70	6.45
Foreign models	2.66	2.20	2.30	2.40	2.10	2.30	2.40	2.40

^{1/} Balance of payments data and details underlying these estimates are shown in the International Developments section of this part of the Greenbook.^{2/} Components of purchases and total receipts and total expenditures are shown in the Federal Sector Accounts table which follows.^{3/} Estimates in table are evaluated at a 5.1 percent high employment unemployment rate. Evaluated at a 6.1 percent unemployment rate, the high employment budget would show a deficit of \$37.8 billion in 1980-Q4 and a deficit of \$40.8 billion in 1981-Q4, and a deficit of \$62.9 billion in 1982-Q4.

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	1981				1982			
	Q1	Q2	Q3	Q4	Projected Q1	Q2	Q3	Q4
<u>Constant (1972) dollars</u>								
Gross national product	8.6	.2	.3	1.1	.4	.2	2.0	2.3
Final purchases	6.9	-3.1	.4	1.2	.4	.3	2.7	2.0
Private	7.3	-2.8	.2	1.7	.3	.4	3.3	2.3
Excluding net exports	6.7	-2.6	1.3	2.5	1.2	1.2	4.2	2.8
Personal consumption expenditures	5.8	-1.1	2.5	3.3	1.7	1.5	4.8	3.1
Goods	12.5	-.7	1.3	1.1	-.0	.1	2.7	3.0
Services	1.4	3.7	1.7	3.1	2.0	1.5	2.2	2.0
Gross private domestic investment	24.2	15.2	-5.0	-2.5	-1.7	-1.0	-3.4	3.5
Residential structures	3.6	-25.8	-21.6	-2.1	1.3	2.9	9.1	10.2
Business fixed investment	13.3	-3.0	1.1	-1.5	-2.1	-1.5	-1.1	-.8
Gov't. purchases of goods and services	5.4	-4.0	1.0	-.7	1.2	-.0	.3	.9
Federal	14.8	-6.4	4.9	.3	5.3	2.2	3.1	4.8
State and local	.2	-2.5	-1.3	-1.3	-1.2	-1.4	-1.4	-1.5
Disposable personal income	3.0	-.1	3.6	5.3	.2	-.1	8.7	1.8
<u>Current dollars</u>								
Gross national product	19.2	6.5	7.5	10.3	7.6	7.3	8.8	9.8
Final purchases	15.5	3.9	7.7	10.5	7.7	7.4	9.5	9.6
Private	16.0	4.6	7.6	10.2	7.7	7.5	10.1	9.0
Excluding net exports	14.9	5.4	8.5	10.3	8.8	8.6	11.5	9.8
Personal consumption expenditures	14.2	6.6	10.2	11.5	9.5	9.0	12.1	9.9
Goods	17.2	.3	9.5	11.9	9.2	8.5	13.8	10.8
Services	10.9	14.1	10.9	11.1	9.9	9.7	10.3	8.9
Gross private domestic investment	45.9	18.0	.8	4.1	5.2	6.0	4.1	10.8
Residential structures	14.0	-19.1	-15.3	5.8	9.6	11.3	18.1	19.2
Business fixed investment	19.6	8.8	8.0	5.1	4.8	5.3	5.7	6.0
Gov't. purchases of goods and services	13.5	1.2	8.3	12.1	8.0	7.1	7.1	12.1
Federal	19.3	-5.8	10.5	21.4	10.4	8.4	8.6	21.8
State and local	10.0	5.8	7.0	6.7	6.5	6.3	6.2	6.1
Disposable personal income	11.2	7.7	11.3	13.7	7.9	7.3	16.2	8.5
Personal income	11.8	8.3	11.8	10.2	7.9	8.1	10.2	9.3
Wage and salary disbursements	13.5	6.8	7.7	9.1	7.2	6.9	7.4	9.9
Corporate profits with IVA & C.C. Adj.	50.4	-12.9	-13.5	19.7	-12.1	-8.1	10.4	11.7
Corporate profits before tax	16.3	-33.9	-9.5	11.9	-33.3	-12.8	3.4	4.6
Nonfarm payroll employment	3.0	-.4	.3	.3	.3	.1	.4	.7
Manufacturing	2.4	3.1	.6	-.7	-1.0	-.8	1.7	2.9
Nonfarm business sector								
Output per hour	4.0	-.4	-.4	.7	-.1	.2	1.9	1.7
Compensation per hour	11.4	9.0	9.2	8.5	8.9	8.0	7.9	7.9
Unit labor costs	7.2	9.4	9.7	7.7	9.0	7.7	5.9	6.1
GNP implicit deflator ^{1/}	9.8	6.3	7.3	9.1	7.2	7.0	6.6	7.3
Gross domestic business product								
fixed-weighted price index ^{2/}	10.5	8.4	8.3	8.5	8.1	7.8	7.6	7.3
Excluding food and energy	8.1	10.0	8.4	7.8	7.4	7.3	7.2	7.0
Consumer price index (all urban)	10.8	7.6	10.0	10.4	8.8	7.9	7.4	7.0
Industrial production	7.4	2.4	.8	1.3	.5	.0	3.7	5.0

^{1/} Excluding Federal pay increases, the rates of change are: 1981-Q1, 9.7 percent; 1981-Q4, 8.2 percent; 1982-Q1, 7.2 percent; 1982-Q4, 6.4 percent.

^{2/} Uses expenditures in 1972 as weights.