

July 1, 1981

CONFIDENTIAL - FR
CLASS II FOMCGROSS 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	2931.7	3173.8
Final purchases	1556.1	1706.2	1897.0	2133.9	2396.4	2632.0	2914.7	3156.3
Private	1216.2	1344.1	1502.5	1701.3	1922.6	2097.3	2326.8	2519.5
Excluding net exports	1189.4	1330.4	1506.7	1701.9	1909.2	2074.0	2303.0	2515.2
Personal consumption expenditures	976.4	1084.3	1205.5	1348.7	1510.9	1672.8	1867.5	2055.0
Goods	539.5	598.5	657.8	729.1	814.5	887.6	983.0	1078.3
Services	437.0	485.7	547.7	619.6	696.3	785.2	884.5	976.7
Gross private domestic investment	206.1	257.9	322.3	375.3	415.8	395.3	452.6	477.7
Residential construction	55.3	72.0	95.8	111.3	118.6	105.3	110.3	116.2
Business fixed investment	157.7	174.1	205.5	242.0	279.7	296.0	325.2	344.0
Change in business inventories	-6.9	11.8	21.0	22.2	17.5	-5.9	17.1	17.5
Nonfarm	-10.5	13.9	20.2	21.8	13.4	-4.7	17.2	17.5
Net exports of goods and services ^{1/}	26.8	13.7	-4.2	-6	13.4	23.3	23.8	4.3
Exports	154.9	170.9	183.3	219.8	281.3	339.8	377.4	400.0
Imports	128.1	157.1	187.5	220.4	267.9	316.5	353.5	395.7
Gov't. purchases of goods and services	339.9	352.1	394.5	432.6	473.8	534.7	587.8	636.8
Federal ^{2/}	122.7	129.2	143.9	153.4	167.9	198.9	224.6	250.2
State and local	217.2	232.9	250.6	279.2	305.9	335.8	363.2	386.6
Gross national product in constant (1972) dollars	1233.9	1300.4	1371.7	1436.9	1483.0	1480.7	1518.5	1530.4
Personal income	1265.0	1391.2	1538.0	1721.8	1943.8	2160.2	2403.2	2625.1
Wage and salary disbursements	806.4	889.9	983.8	1105.2	1236.1	1343.7	1482.9	1597.4
Disposable personal income	1096.1	1194.4	1311.5	1462.9	1641.7	1821.7	2018.4	2226.5
Saving rate (percent)	8.6	6.9	5.6	5.2	5.2	5.6	5.0	5.2
Corporate profits with I.V.A. and C.C. Adj.	110.5	138.1	164.7	185.5	196.0	182.7	196.5	192.2
Corporate profits before tax	132.1	166.3	192.6	223.3	255.4	245.5	238.8	207.9
Federal government surplus or deficit (N.I.A. basis)	-69.3	-53.1	-46.4	-29.2	-14.8	-61.2	-54.2	-100.2
High employment surplus or deficit (-)	-29.2	-20.1	-23.0	-15.7	-2.2	-18.3	.8	-19.0
State and local government surplus or deficit (-) (N.I.A. basis)	5.5	16.6	28.1	29.0	26.7	29.1	32.7	30.3
Excluding social insurance funds	-7.6	.9	10.1	9.0	2.9	2.1	1.4	-3.8
Civilian labor force (millions)	92.6	94.8	97.4	100.4	102.9	104.7	107.1	108.5
Unemployment rate (percent)	8.5	7.7	7.0	6.0	5.8	7.1	7.6	8.2
Nonfarm payroll employment (millions)	77.0	79.4	82.5	86.7	89.9	90.7	91.6	91.8
Manufacturing	18.3	19.0	19.7	20.5	21.1	20.4	20.4	20.4
Industrial production (1967=100)	117.8	130.5	138.1	146.1	152.5	147.1	152.7	154.9
Capacity utilization: all manufacturing (percent)	72.9	79.5	81.9	84.4	85.6	79.1	79.7	78.8
Materials (percent)	73.4	81.1	82.7	85.6	87.4	79.8	81.0	79.7
Housing starts, private (million units, A.R.)	1.16	1.54	1.99	2.02	1.75	1.29	1.22	1.27
New auto sales, (millions, A.R.)	8.66	10.12	11.13	11.28	10.70	9.04	8.87	8.79
Domestic models	7.08	8.63	9.07	9.29	8.38	6.62	6.48	6.49
Foreign models	1.58	1.50	2.06	1.99	2.32	2.42	2.39	2.30

^{1/} Balance of payments data 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.

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CONFIDENTIAL - FR
CLASS II FUMCPERCENT CHANGES IN GROSS NATIONAL PRODUCT
AND RELATED ITEMS

	1975	1976	1977	1978	1979	1980	Projected	
							1981	1982
<u>Constant (1972) dollars</u>								
Gross national product	-1.1	5.4	5.5	4.8	3.2	-2	2.6	.8
Final purchases	.3	4.2	5.2	4.7	3.5	.7	1.8	.7
Private	-1	5.3	6.0	15.4	4.0	.2	2.1	.9
Excluding net exports	-6	6.2	6.5	5.2	2.9	-1.0	2.6	1.7
Personal consumption expenditures	2.2	5.6	4.9	4.7	2.9	.5	3.0	2.4
Goods	1.3	6.7	5.2	4.2	1.9	-1.4	3.1	.9
Services	3.3	4.3	4.5	5.4	4.1	2.6	2.9	2.2
Gross private domestic investment	-20.8	19.2	15.7	7.6	1.3	-12.5	5.9	-1.1
Residential structures	-12.5	21.3	18.5	2.9	-5.2	-18.6	-2.8	-2.8
Business fixed investment	-12.1	5.3	11.9	9.1	6.5	-3.0	1.7	-1.3
Gov't. purchases of goods and services	2.1	.0	2.1	2.0	1.5	2.9	.6	.1
Federal	.8	-7	4.1	-9	1.9	6.3	2.1	2.6
State and local	2.9	.5	.9	3.7	1.2	1.0	-4	-1.4
Disposable personal income	2.0	2.6	3.6	4.4	3.1	.7	2.2	2.6
<u>Current dollars</u>								
Gross national product	8.0	10.9	11.6	12.4	12.0	8.8	11.6	8.3
Final purchases	9.6	9.6	11.2	12.5	12.3	9.8	10.7	8.3
Private	9.0	10.5	11.8	13.2	13.0	9.1	10.9	8.3
Excluding net exports	7.9	11.8	13.3	12.9	12.2	8.6	11.0	9.2
Personal consumption expenditures	9.9	11.1	11.2	11.9	12.0	10.7	11.6	10.0
Goods	9.0	10.9	9.9	10.8	11.7	9.0	10.8	9.7
Services	11.1	11.2	12.7	13.1	12.4	12.8	12.6	10.4
Gross private domestic investment	-9.9	25.1	25.0	16.5	10.8	-4.9	14.5	5.5
Residential structures	-4.7	30.2	33.1	16.1	6.6	-11.3	4.8	5.3
Business fixed investment	.8	10.3	18.1	17.7	15.6	5.8	9.9	5.8
Gov't. purchases of goods and services	11.8	6.5	8.9	9.7	9.5	12.9	9.9	8.3
Federal	10.6	5.3	11.4	6.6	9.5	18.5	12.9	11.4
State and local	12.5	7.3	7.6	11.4	9.6	9.8	8.2	6.4
Disposable personal income	9.8	9.0	9.8	11.5	12.2	11.0	10.8	10.3
Personal income	8.2	10.0	10.6	12.0	12.9	11.1	11.2	9.2
Wage and salary disbursements	5.3	10.4	10.6	12.3	11.8	8.7	10.4	7.7
Corporate profits with IVA & C.C. Adj.	16.5	25.0	19.3	12.6	6.1	-7.2	7.6	-2.2
Corporate profits before tax	-3.3	25.9	15.8	15.9	14.4	-3.9	-2.7	-12.9
Nonfarm payroll employment	-1.7	3.2	3.9	5.1	3.7	.9	1.0	.3
Manufacturing	-8.8	3.7	3.6	4.2	2.8	-3.4	.3	.0
Nonfarm business sector								
Output per hour	2.1	3.2	2.0	-2	-8	-4	1.1	.4
Compensation per hour	9.6	8.1	7.6	8.5	9.6	9.8	9.9	8.5
Unit labor costs	7.4	4.7	5.5	8.7	10.4	10.3	8.7	8.0
GNP implicit deflator	9.6	5.2	5.8	7.3	8.5	9.0	8.8	7.4
Gross domestic business product								
fixed-weighted price index 1/	9.2	5.5	6.3	7.8	9.7	9.8	9.3	8.0
Excluding food and energy	9.2	6.0	6.5	7.5	8.4	8.7	8.7	7.7
Consumer price index (all urban)	9.1	5.8	6.5	7.7	11.3	13.5	10.1	8.7
Industrial production	-8.9	10.8	5.8	5.8	4.4	-3.5	3.9	1.4

1/ Uses expenditures in 1972 weights.

July 1, 1981

FEDERAL SECTOR ACCOUNTS
(billions of dollars)

	Fiscal Year 1980*	FY 1981 e/ Admin. F.R. 1/ Board		FY 1982 e/ Admin. F.R. 1/ Board		CY 1980*	CY 1981 e/ F.R. Board		FRB Staff Estimates Calendar quarters; unadjusted data							
									1980							
									1981				1982			
									IV*	I*	II	III	IV	I	II	III
Unified budget receipts	520.0	600.3	602.8	650.3	646.1	533.0	620.4	127.0	135.2	182.7	157.9	144.9	146.8	195.5	158.9	
Unified budget outlays	579.6	655.2	663.1	695.3	724.8	601.1	687.1	160.6	167.3	165.9	169.3	184.6	165.5	185.5	189.2	
Surplus(+)/deficit(-), unified budget	-59.6	-54.9	-60.3	-45.0	-78.7	-68.1	-66.7	-33.6	-32.1	16.8	-11.4	-39.7	-18.7	10.0	-30.3	
Surplus(+)/deficit(-), off-budget agencies 2/	-14.2	-23.6	-22.8	-16.7	-17.5	-15.3	-22.0	-2.2	-6.4	-6.8	-7.5	-1.3	-4.7	-5.4	-6.2	
Combined deficit to be financed	-73.8	-78.5	-83.1	-61.7	-96.2	-83.4	-88.7	-35.8	-38.5	10.0	-18.9	-41.0	-23.4	4.6	-36.5	
Means of financing combined deficits:																
Net borrowing from public	70.5	71.0	74.8	60.0	93.9	79.3	79.0	27.7	35.8	-3.0	14.4	31.5	23.9	1.4	37.0	
Decrease in cash operating balance	3.2	6.0	6.0	0.0	0.0	3.6	0.3	8.7	1.6	-6.3	2.0	3.0	4.0	-4.0	-3.0	
Other 3/	0.1	1.5	2.3	1.7	2.3	0.5	9.4	-0.6	1.1	-0.7	2.5	6.5	-4.5	-2.0	2.5	
Cash operating balance, end of period	21.0	15.0	15.0	15.0	15.0	12.3	12.0	12.3	10.7	17.0	15.0	12.0	8.0	12.0	15.0	
Memo: Sponsored agency borrowing 4/	21.4	18.2	27.8	24.9	23.2	24.3	25.3	9.0	3.6	9.5	5.7	6.5	5.7	5.5	5.5	
NIA Budget																
									Seasonally adjusted annual rates							
Receipts	527.3	609.5	615.5	665.0	645.4	540.8	631.6	573.2	620.7	626.0	642.2	637.5	645.8	657.3	641.0	
Expenditures	578.2	663.1	667.7	707.1	735.4	602.0	686.5	641.1	664.0	668.2	697.7	716.0	726.8	737.4	761.3	
Purchases	190.2	216.6	218.9	244.7	243.0	198.9	224.7	212.1	221.6	218.3	223.8	234.9	240.8	245.7	250.8	
Defense	126.1	148.2	146.6	172.9	168.9	131.7	151.7	141.6	145.2	147.9	151.9	161.6	166.5	171.5	176.2	
Nondefense	64.1	68.4	72.3	71.8	74.1	67.2	73.0	70.4	76.4	70.4	71.9	73.3	74.3	74.2	74.6	
All other expenditures	388.0	446.5	448.8	426.4	492.4	403.1	461.8	429.1	442.4	449.9	473.9	481.1	486.0	491.7	510.5	
Surplus(+)/deficit(-)	-50.9	-53.6	-52.2	-42.1	-90.0	-61.2	-54.9	-67.9	-43.3	-42.2	-55.5	-78.5	-81.0	-80.1	-120.3	
High Employment (H.E.) surplus(+)/deficit(-)																
evaluated at H.E. unemployment rate of:																
5.1 percent	-16.7	n.a.	0.8	n.a.	-13.8	-18.3	0.8	-13.4	3.6	9.6	3.4	-13.3	-6.7	1.9	-36.8	
6.1 percent	-39.5	n.a.	-25.0	n.a.	-41.7	-41.7	-25.7	-37.8	-21.8	-16.6	-23.7	-40.8	-34.8	-26.6	-64.7	
	*--actual			e--estimated			n.a.--not available									

1. Fiscal Year 1982 Budget Revisions, March 1982. In its report on the First Concurrent Resolution for FY 1982, the Congress recommended receipts of \$657.8 billion and outlays of \$695.5 billion. The revised Budget Resolution for FY1981 recommended receipts of \$603.3 billion and outlays of \$661.4 billion.
2. Includes Federal Financing Bank, Postal Service Fund, Rural Electrification and Telephone Revolving Fund, and Rural Telephone Bank.
3. Checks issued less checks paid, accrued items and other transactions.
4. FRB staff estimates include Federal Home Loan Banks, FNMA, Federal Land Banks, Federal Intermediate Credit Banks, and Banks for Cooperatives marketable debt on an offerings basis.