

Prefatory Note

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Class II FOMC – Restricted (FR)

Report to the FOMC on Economic Conditions and Monetary Policy



Book A

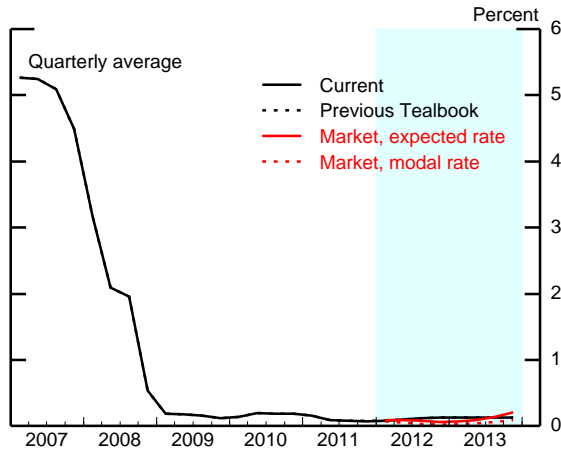
Economic and Financial Conditions: Current Situation and Outlook

January 18, 2012

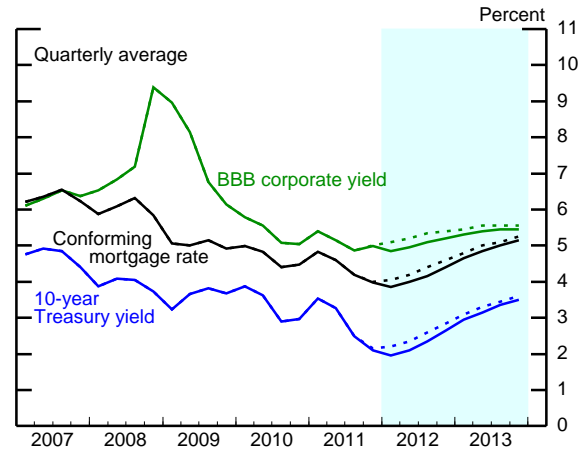
Prepared for the Federal Open Market Committee
by the staff of the Board of Governors of the Federal Reserve System

Key Background Factors underlying the Baseline Staff Projection

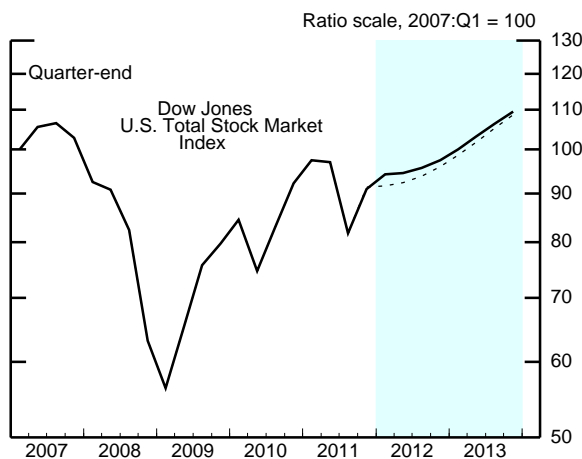
Federal Funds Rate



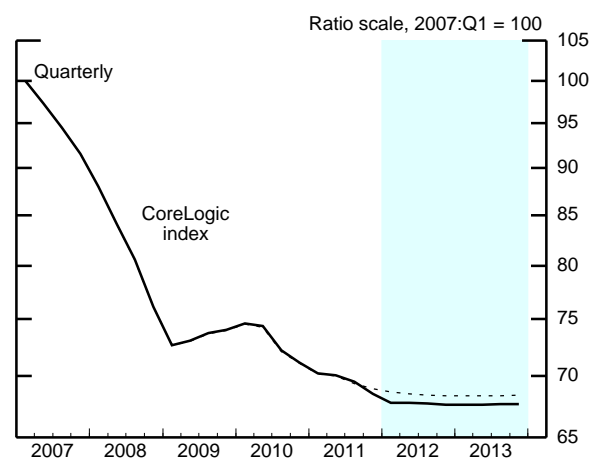
Long-Term Interest Rates



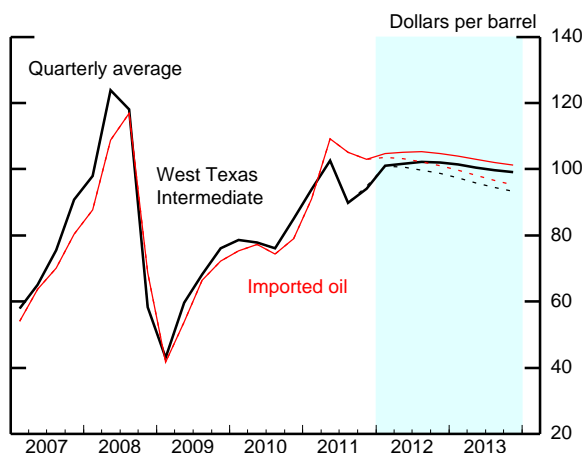
Equity Prices



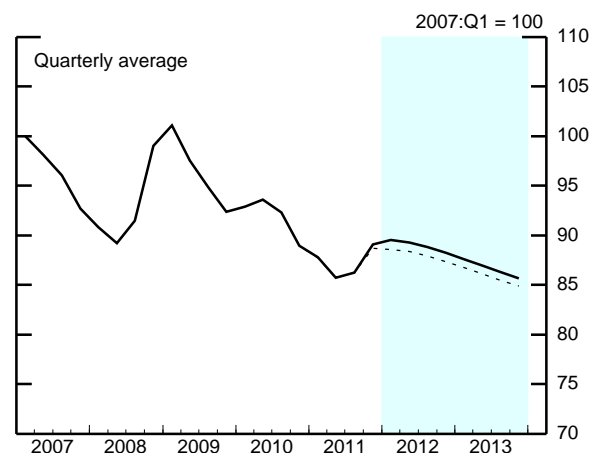
House Prices



Crude Oil Prices



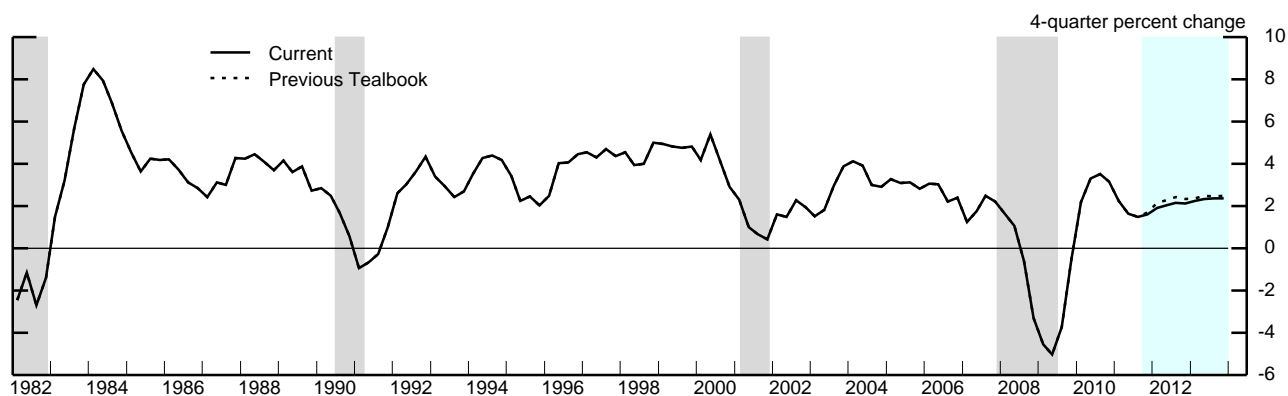
Broad Real Dollar



Projections of Real GDP and Related Components
(Percent change at annual rate from final quarter
of preceding period except as noted)

Measure	2010	2011		2012	2013
		H1	H2		
Real GDP	3.1	.8	2.4	2.1	2.4
Previous Tealbook	3.1	.8	2.6	2.3	2.5
Final sales	2.4	.8	2.2	2.0	2.2
Previous Tealbook	2.4	.8	2.7	2.1	2.2
Personal consumption expenditures	3.0	1.4	2.0	2.4	2.4
Previous Tealbook	3.0	1.4	2.2	2.4	2.3
Residential investment	-6.3	.8	5.4	6.6	7.3
Previous Tealbook	-6.3	.8	2.4	5.8	7.9
Nonresidential structures	-1.8	2.5	7.8	-2.1	1.1
Previous Tealbook	-1.8	2.5	10.2	-1.1	.9
Equipment and software	16.6	7.5	9.4	3.8	6.4
Previous Tealbook	16.6	7.5	9.4	3.2	6.4
Federal purchases	2.9	-3.9	-3.9	-1.0	-4.1
Previous Tealbook	2.9	-3.9	-.8	.4	-3.9
State and local purchases	-1.7	-3.1	-1.2	-.5	.7
Previous Tealbook	-1.7	-3.1	-1.2	-.4	.8
Exports	8.8	5.7	4.9	4.8	5.2
Previous Tealbook	8.8	5.7	5.4	5.1	5.5
Imports	10.7	4.8	2.1	3.9	4.1
Previous Tealbook	10.7	4.8	2.3	3.8	4.2
Contributions to change in real GDP (percentage points)					
Inventory change	.7	.0	.1	.1	.2
Previous Tealbook	.7	.0	-.2	.3	.3
Net exports	-.6	-.1	.3	.0	.0
Previous Tealbook	-.6	-.1	.3	.0	.0

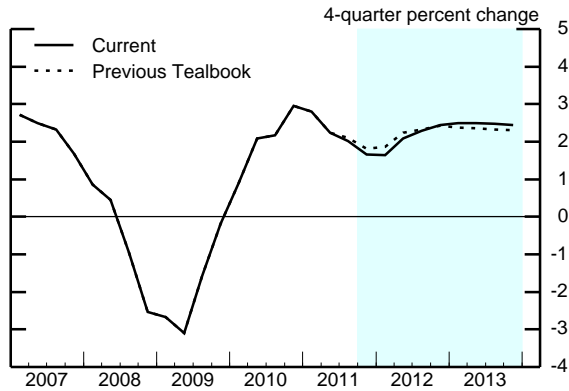
Real GDP



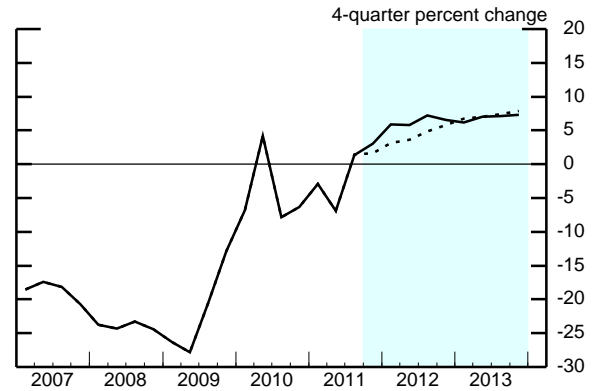
Note: The gray shaded bars indicate a period of business recession as defined by the National Bureau of Economic Research.
Source: U.S. Department of Commerce, Bureau of Economic Analysis.

Components of Final Demand

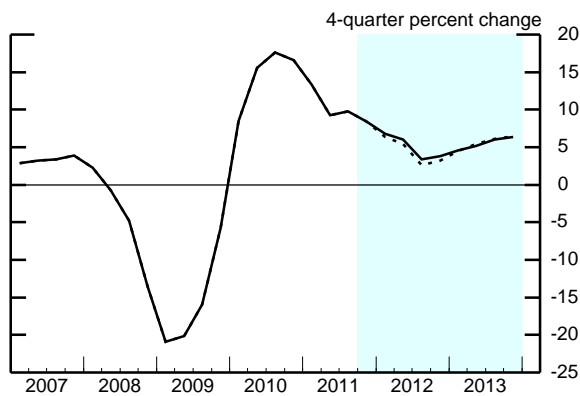
Personal Consumption Expenditures



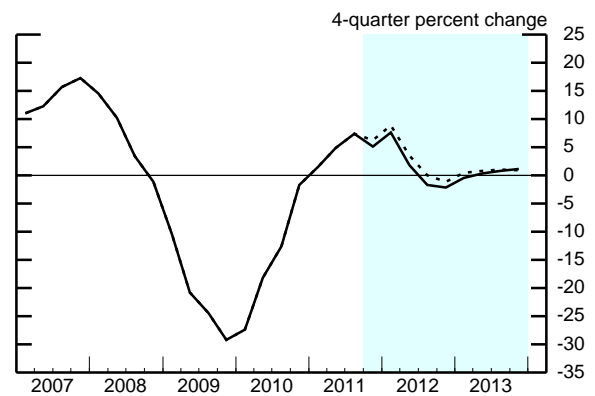
Residential Investment



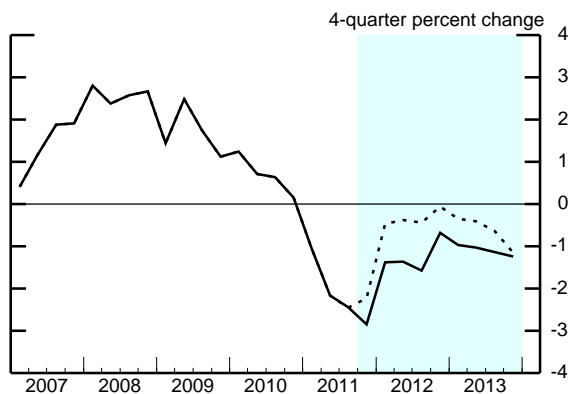
Equipment and Software



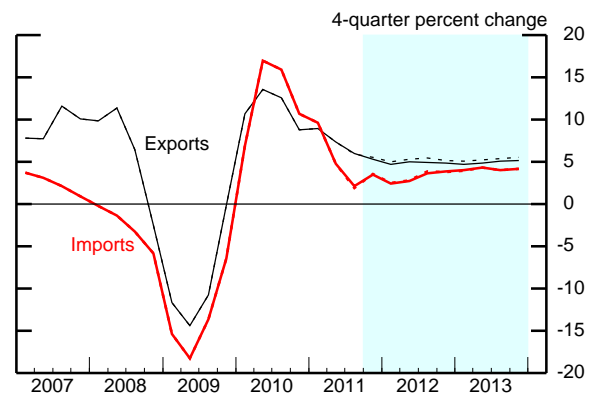
Nonresidential Structures



Government Consumption & Investment



Exports and Imports



Source: U.S. Department of Commerce, Bureau of Economic Analysis.

The Role of Surprisingly Weak Income Data in the PCE Projection

Real disposable personal income (DPI) has been considerably weaker than we had expected in the fall. Indeed, real DPI now looks to have edged up just \$40 billion (or ½ percent) over 2011; at the time of the October Tealbook, we anticipated an increase of close to \$160 billion (or 1½ percent), as shown in the table below.¹ The meager gains in personal income—which are also reflected in the very subdued increases in gross domestic income (GDI) over the second and third quarters—have weighed on our projection of consumer spending for this year and next.

Despite the slow growth in real disposable income, consumption expenditures in the second half of last year seem to have held up reasonably well, and, as a result, the personal saving rate fell from 5 percent in the first half of the year to around 4 percent in the second half—a decline that seems out of line with the weaker consumer sentiment and lower household wealth over the same period.

The Board staff's preferred consumption models react to the relatively high level of consumption (given the level of income and other determinants)—and hence the relatively low saving rate—by projecting that future consumption growth will slow enough to bring the level of consumption back in line with income and other observable explanatory variables. In other words, the models imply that surprises in the saving rate are unwound subsequently. The implications of one such model are shown by the blue bars in the figure on the facing page: According to this model, the downward revisions to income over the past two Tealbooks imply, all else being equal, reductions in the growth rate of PCE of close to ½ percentage point in 2012 and about ¼ percentage point in 2013.

In the baseline forecast, we have discounted somewhat the implications of this and similar models for the PCE outlook for the following reasons. For one thing, real-time readings on spending and income are subject to considerable measurement error. One interpretation of the relative strength of consumption recently is that the currently published data may understate the actual level of disposable income. (Indeed, the deceleration in published compensation in the middle of the year seems out of step with

Projections of the 2011 Q4/Q4 Change in Real DPI

(Billions of real dollars)

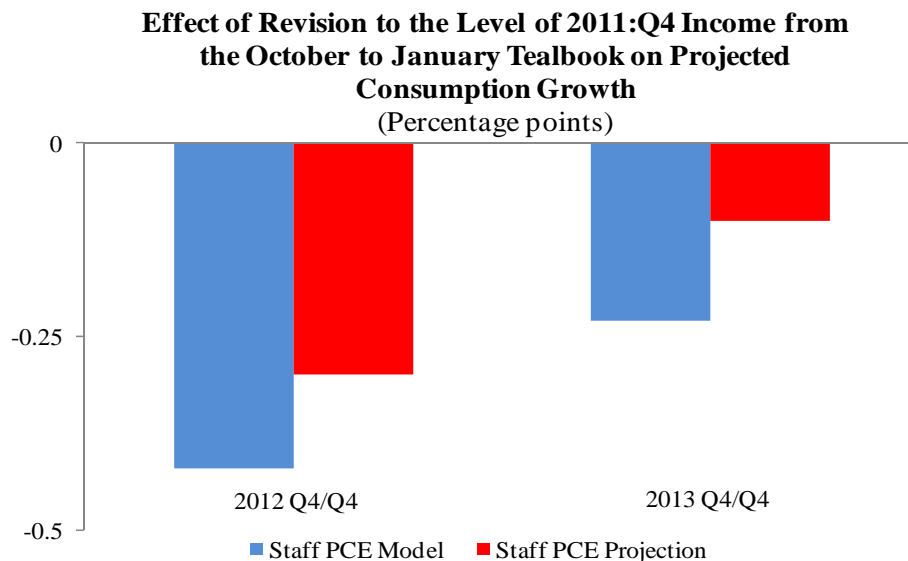
	Oct 2011 TB	Jan 2012 TB	Revision
DPI	157	38	-120
Selected components			
Compensation	95	69	-27
Transfers	-9	-53	-44
Dividends and interest	50	9	-41

¹ Most of the revision to income (\$85 billion out of \$120 billion) occurred between the October and December Tealbooks.

the stability in both employment growth and the unemployment rate observed over the same period.) Moreover, during the past decade, there has been some tendency for large income revisions in a quarter—such as the recent downward revision to second-quarter compensation—to be partially unwound subsequently. To the extent that the currently published estimates of income are too low, the outlook for consumption should be brighter than a mechanical reading of the model results would indicate. Similarly, current estimates of consumption may be too high, in which case the *level* of actual consumption would be better aligned with income than is now apparent; accordingly, there would be less reason to project a slower *growth rate* of consumption going forward.²

Even if income and consumer spending were measured without error, a standard PCE model might still overstate the implications of the current estimated imbalance between consumption and income for future consumption growth because these apparent imbalances may instead reflect factors or behavior that the model does not capture. For example, changes in credit conditions, income uncertainty, or the proportion of current income that is perceived to be transitory could all have important influences on the saving rate. However, because we cannot accurately observe or estimate these variables, the ability of our models to condition on them is very limited.

After weighing the various interpretations of the recent income data, we revised down our projection of consumption growth from the October Tealbook to the January Tealbook (the red bars in the figure below) by a little less than our preferred model would have suggested (the blue bars).



² Although understated income and overstated consumption have similar implications for consumption growth over the projection, they have opposite implications for the level of consumption over the projection.

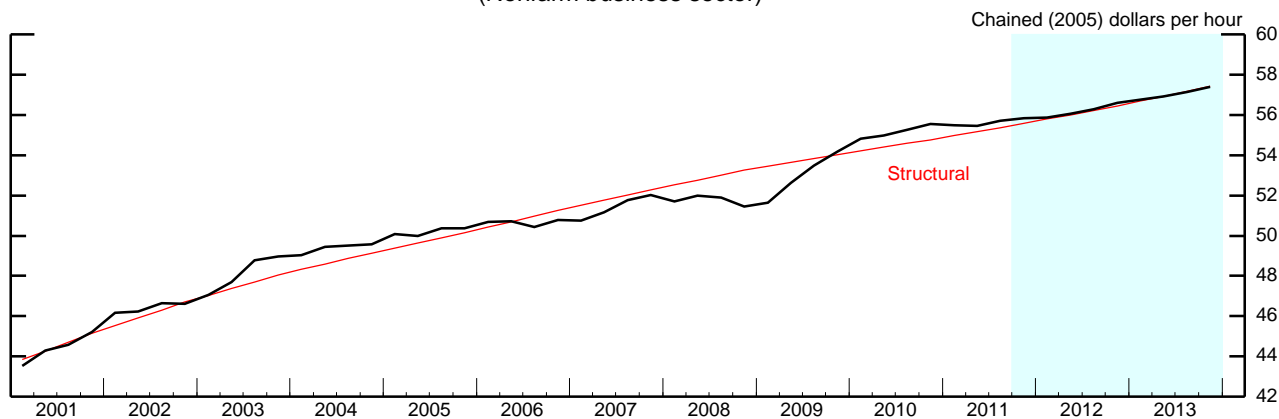
Decomposition of Potential GDP
(Percent change, Q4 to Q4, except as noted)

Measure	1974-1995	1996-2000	2001-2009	2010	2011	2012	2013
Potential Real GDP	3.0	3.5	2.4	1.6	1.7	2.0	2.1
Previous Tealbook	3.0	3.5	2.4	1.6	1.7	2.0	2.1
<i>Selected contributions¹</i>							
Structural labor productivity	1.5	2.7	2.4	1.4	1.5	1.6	1.7
Previous Tealbook	1.5	2.7	2.4	1.4	1.5	1.6	1.7
Capital deepening	.7	1.5	.8	.4	.5	.5	.7
Previous Tealbook	.7	1.5	.8	.4	.5	.5	.7
Multifactor productivity	.5	.9	1.4	.9	.8	.9	.9
Previous Tealbook	.5	.9	1.4	.9	.8	.9	.9
Structural hours	1.5	1.0	.6	.5	.6	.7	.6
Previous Tealbook	1.5	1.0	.6	.5	.6	.7	.6
Labor force participation	.4	.0	-.3	-.4	-.3	-.2	-.3
Previous Tealbook	.4	.0	-.3	-.4	-.3	-.2	-.3

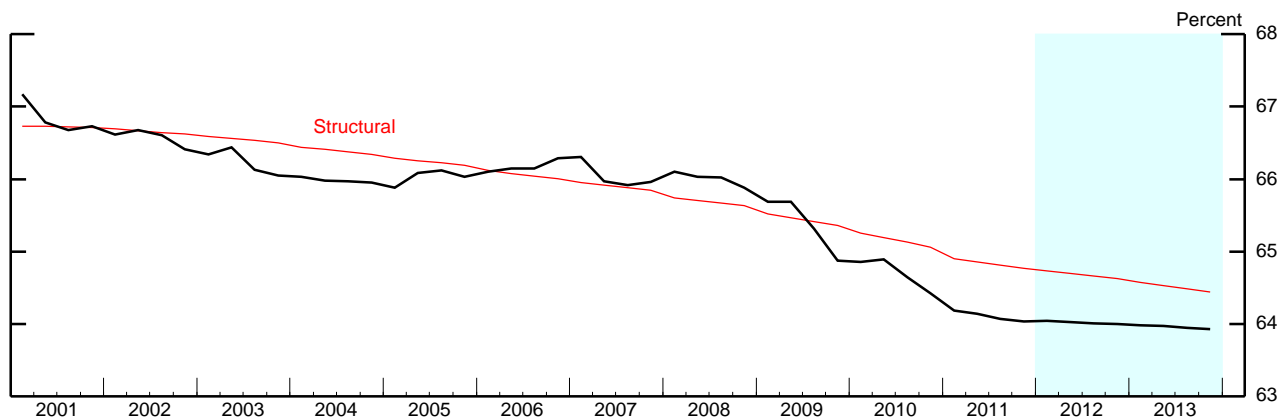
Note: Components may not sum to totals because of rounding. For multiyear periods, the percent change is the annual average from Q4 of the year preceding the first year shown to Q4 of the last year shown.

1. Percentage points.

Structural and Actual Labor Productivity
(Nonfarm business sector)



Structural and Actual Labor Force Participation Rate



Source: U.S. Department of Labor, Bureau of Labor Statistics; Bureau of Economic Analysis; and staff assumptions.

The Outlook for the Labor Market and Resource Utilization

(Percent change from final quarter of preceding period)

Measure	2010	2011		2012	2013
		H1	H2		
Output per hour, nonfarm business	2.5	-4	1.4	1.4	1.4
Previous Tealbook	2.5	-4	2.1	1.3	1.2
Nonfarm private employment ¹	98	165	155	163	171
Previous Tealbook	98	165	145	168	173
Labor force participation rate ²	64.4	64.1	64.0	64.0	63.9
Previous Tealbook	64.5	64.1	64.1	64.1	64.0
Civilian unemployment rate ²	9.6	9.1	8.7	8.6	8.2
Previous Tealbook	9.6	9.1	8.8	8.6	8.2
Memo: GDP gap ³	-5.4	-5.8	-5.5	-5.4	-5.2
Previous Tealbook	-5.4	-5.8	-5.5	-5.2	-4.8

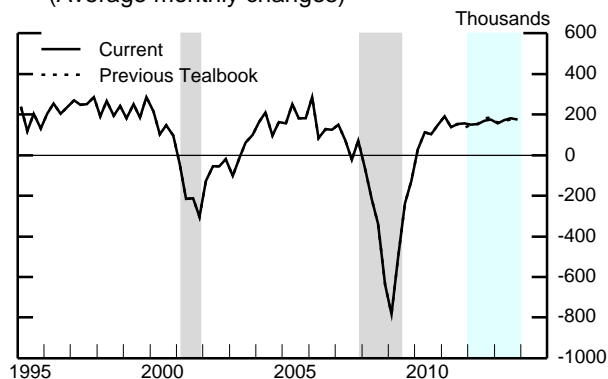
1. Thousands, average monthly changes.

2. Percent, average for the final quarter in the period.

3. Percent difference between actual and potential GDP in the final quarter of the period indicated. A negative number indicates that the economy is operating below potential.

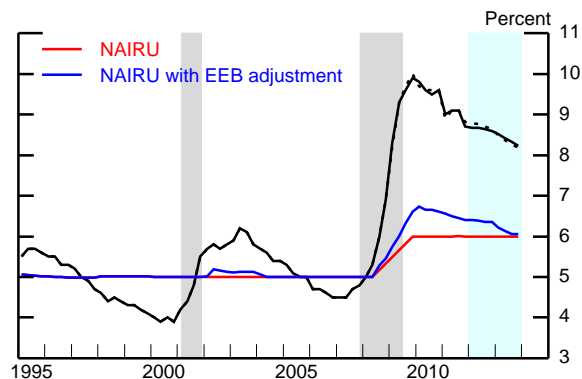
Source: U.S. Department of Labor, BLS; staff assumptions.

Nonfarm Private Employment (Average monthly changes)



Source: U.S. Dept. of Labor, BLS.

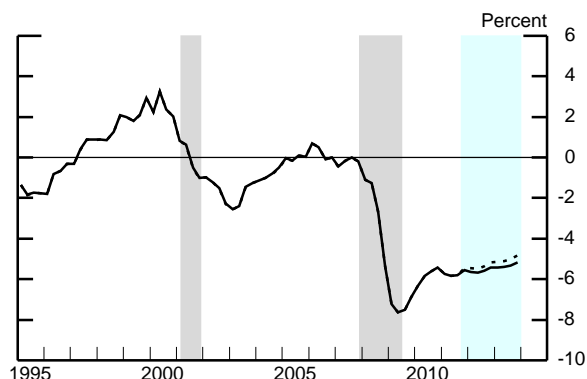
Unemployment Rate



Note: The EEB adjustment is the staff estimate of the effect of extended and emergency unemployment compensation programs on the NAIRU.

Source: U.S. Dept. of Labor, BLS; staff assumptions.

GDP Gap

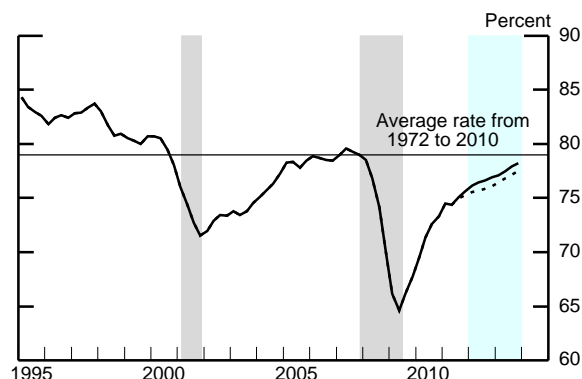


Note: The GDP gap is the percent difference between actual and potential GDP; a negative number indicates that the economy is operating below potential.

Source: U.S. Dept. of Commerce, BEA; staff assumptions.

Note: The gray shaded bars indicate a period of business recession as defined by the National Bureau of Economic Research.

Manufacturing Capacity Utilization Rate



Source: Federal Reserve Board, G.17 Statistical Release, "Industrial Production and Capacity Utilization."

Inflation Projections

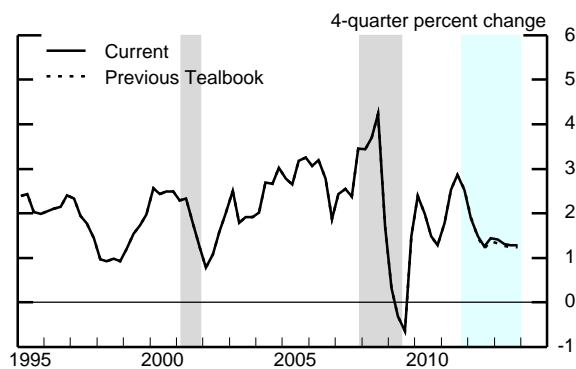
(Percent change at annual rate from final quarter of preceding period)

Measure	2010	2011		2012	2013
		H1	H2		
PCE chain-weighted price index	1.3	3.6	1.4	1.4	1.3
Previous Tealbook	1.3	3.6	1.4	1.4	1.2
Food and beverages	1.3	6.4	3.7	1.1	1.2
Previous Tealbook	1.3	6.4	3.7	1.2	1.2
Energy	6.2	27.2	-1.9	1.4	-.8
Previous Tealbook	6.2	27.2	-1.9	-.3	-1.6
Excluding food and energy	1.0	1.9	1.5	1.5	1.4
Previous Tealbook	1.0	1.9	1.5	1.5	1.4
Prices of core goods imports ¹	2.6	7.7	.8	.2	1.5
Previous Tealbook	2.6	7.7	.8	.2	1.5

1. Core goods imports exclude computers, semiconductors, oil, and natural gas.

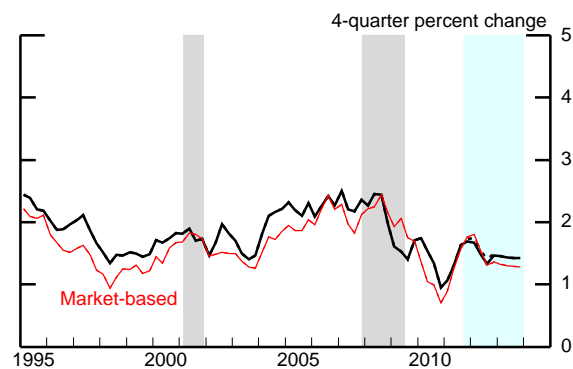
Source: U.S. Dept. of Commerce, Bureau of Economic Analysis.

Total PCE Prices



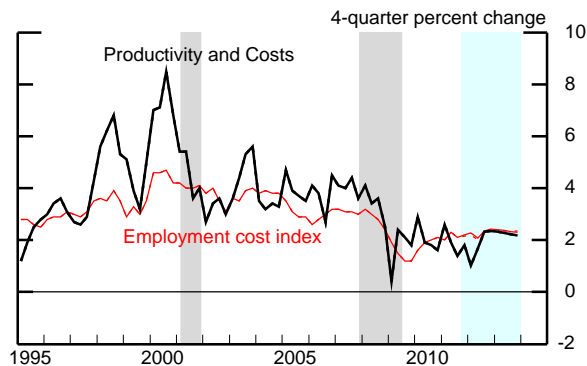
Source: U.S. Dept. of Commerce, Bureau of Economic Analysis.

PCE Prices ex. Food and Energy



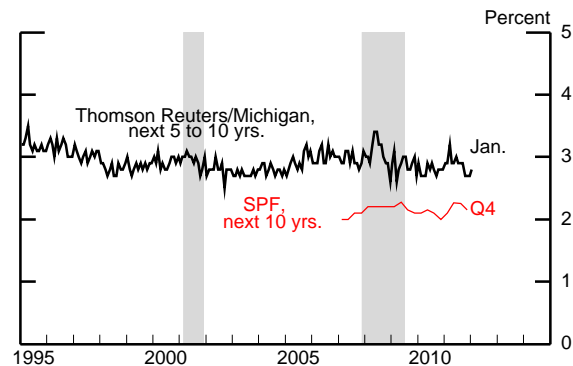
Source: U.S. Dept. of Commerce, Bureau of Economic Analysis.

Compensation per Hour



Source: U.S. Dept. of Labor, Bureau of Labor Statistics.

Long-Term Inflation Expectations



Note: The Survey of Professional Forecasters (SPF) projection is for the PCE price index.
Source: Thomson Reuters/University of Michigan Surveys of Consumers; Federal Reserve Bank of Philadelphia.

Note: The gray shaded bars indicate a period of business recession as defined by the National Bureau of Economic Research.

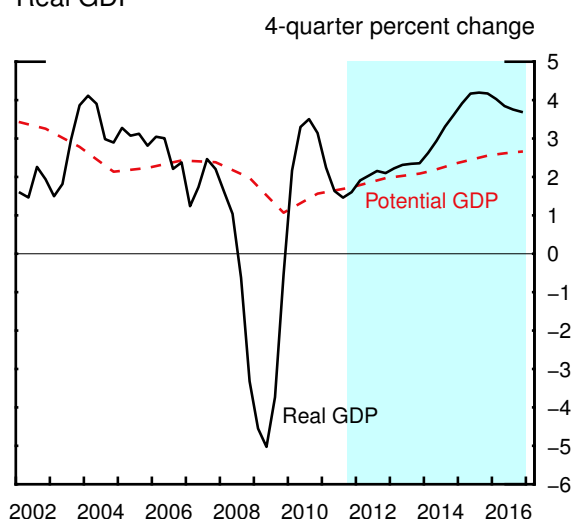
The Long-Term Outlook

(Percent change, Q4 to Q4, except as noted)

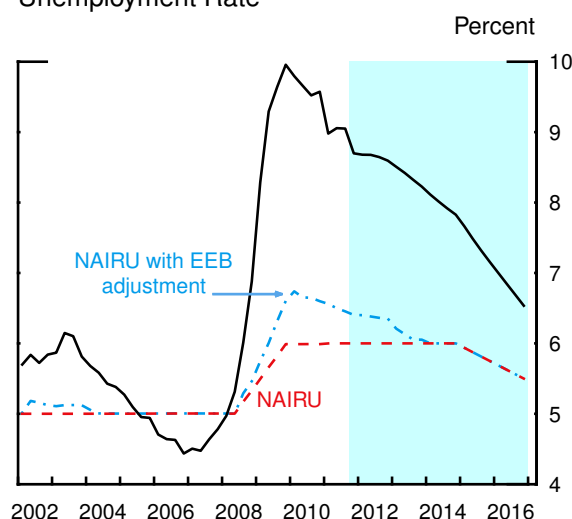
Item	2011	2012	2013	2014	2015	2016
Real GDP	1.6	2.1	2.4	3.6	4.2	3.7
Civilian unemployment rate ¹	8.7	8.6	8.2	7.8	7.2	6.5
PCE prices, total	2.5	1.4	1.3	1.5	1.5	1.6
Core PCE prices	1.7	1.5	1.4	1.4	1.4	1.5
Federal funds rate ¹	.1	.1	.1	.3	1.5	2.5
10-year Treasury yield ¹	2.1	2.7	3.5	3.7	3.9	4.1

1. Percent, average for the final quarter of the period.

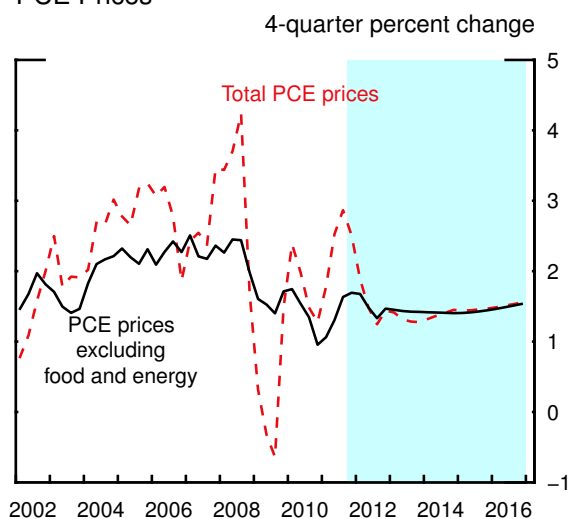
Real GDP



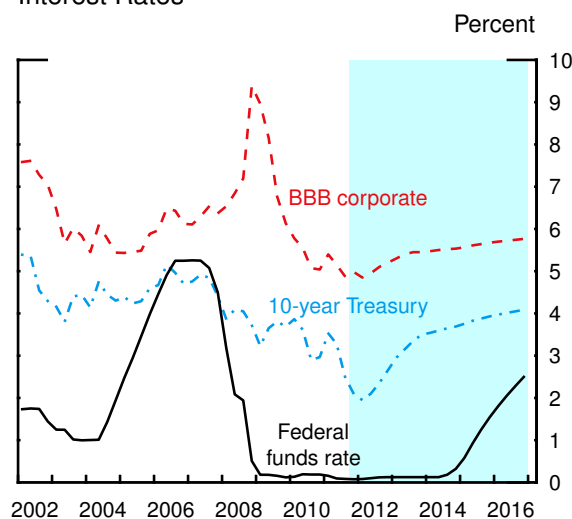
Unemployment Rate



PCE Prices



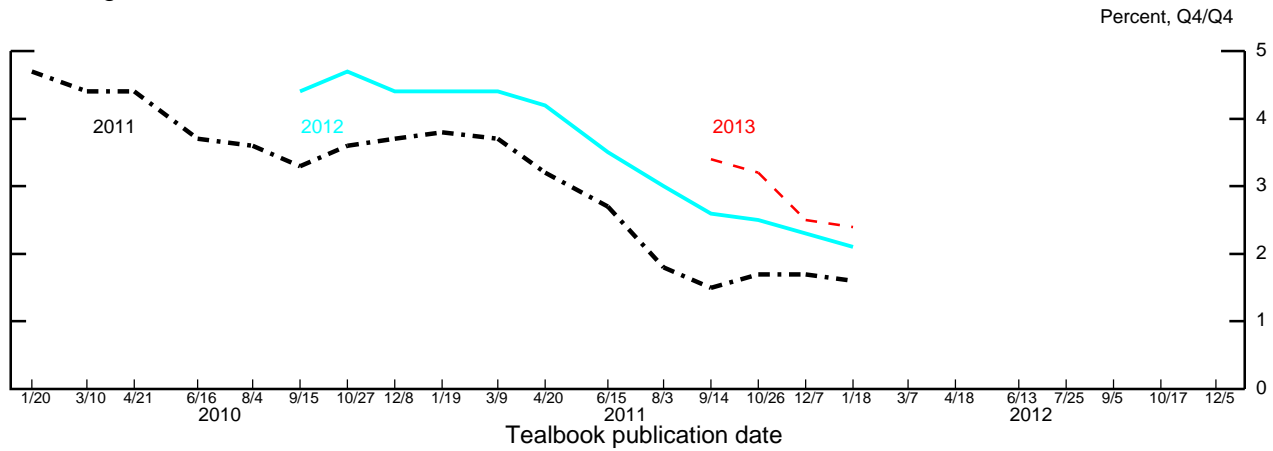
Interest Rates



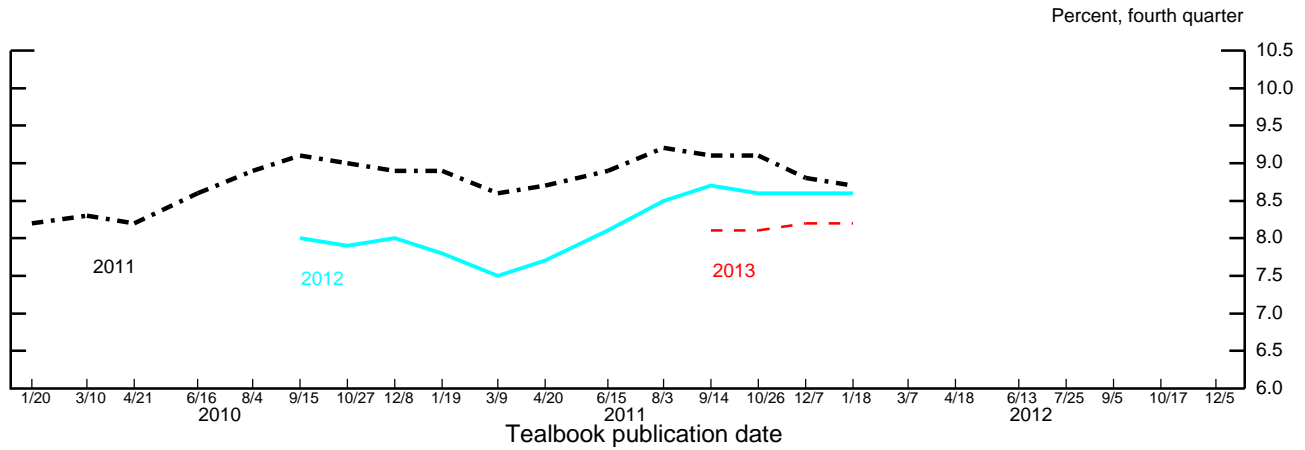
Note: In each panel, shading represents the projection period.

Evolution of the Staff Forecast

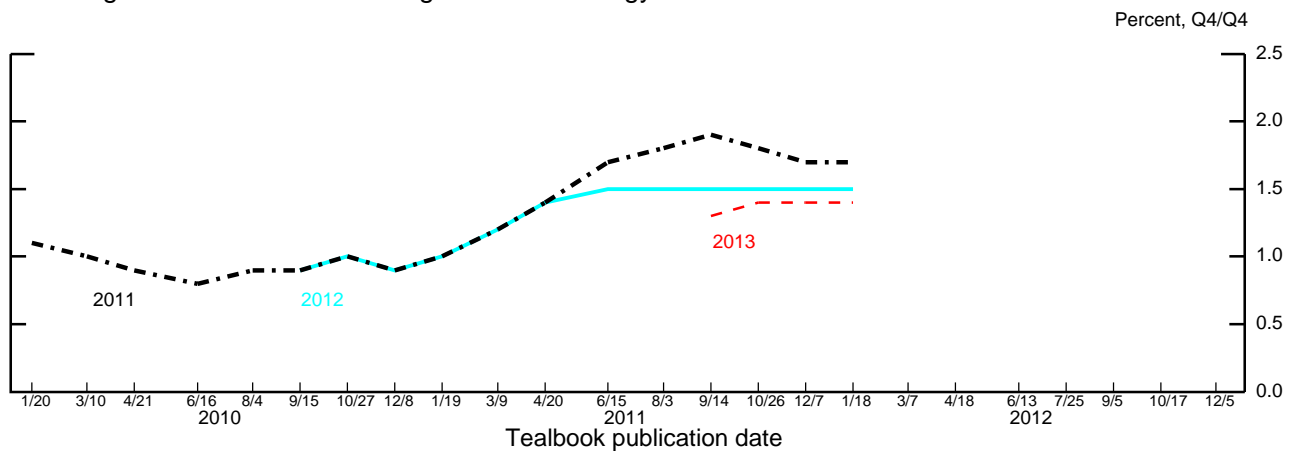
Change in Real GDP



Unemployment Rate



Change in PCE Prices excluding Food and Energy



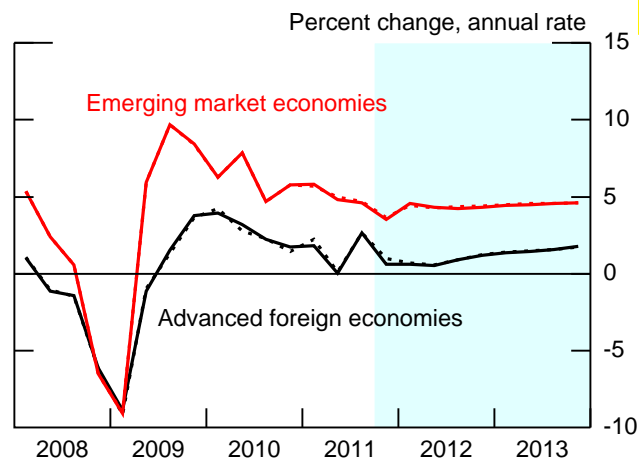
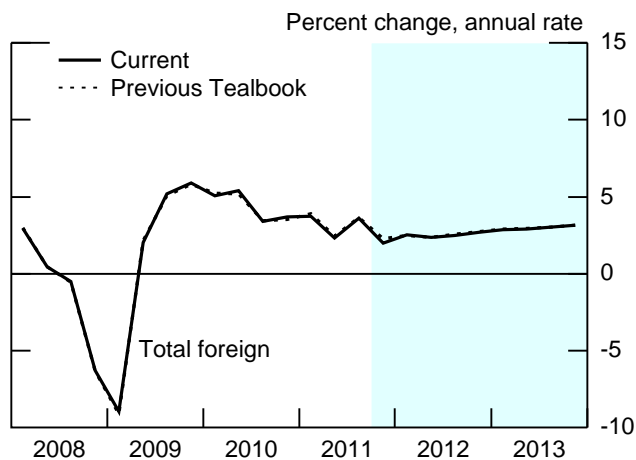
The Foreign Outlook

(Percent change, annual rate)

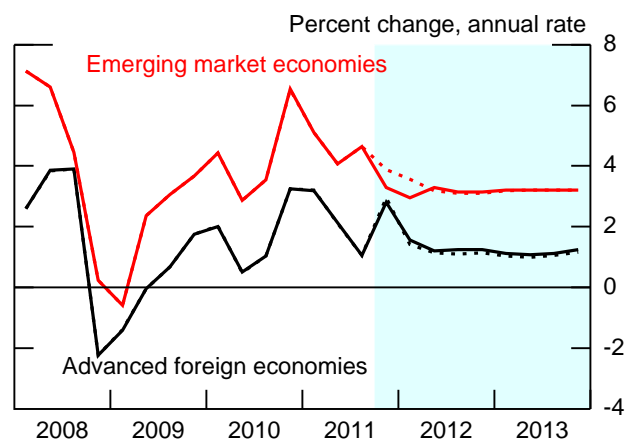
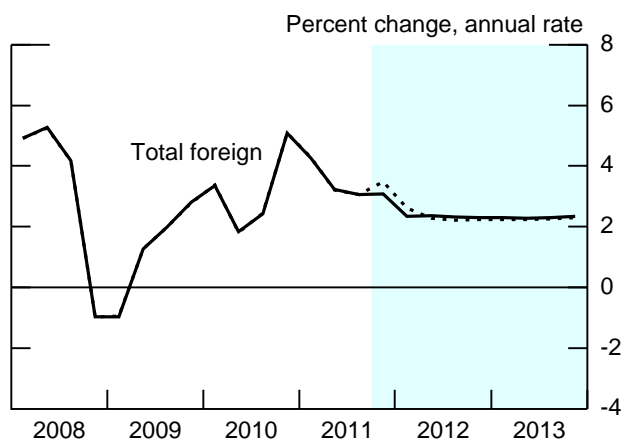
	2011			2012			2013
	H1	Q3	Q4	Q1	Q2	H2	
Real GDP							
Total foreign	3.0	3.6	2.0	2.5	2.3	2.6	3.0
Previous Tealbook	3.2	3.6	2.3	2.5	2.4	2.7	3.0
Advanced foreign economies	.9	2.7	.6	.6	.5	1.1	1.5
Previous Tealbook	1.2	2.7	1.0	.7	.6	1.1	1.6
Emerging market economies	5.3	4.6	3.5	4.6	4.3	4.3	4.5
Previous Tealbook	5.3	4.7	3.7	4.4	4.3	4.4	4.6
Consumer Prices							
Total foreign	3.7	3.1	3.1	2.3	2.4	2.3	2.3
Previous Tealbook	3.7	3.1	3.5	2.6	2.3	2.2	2.3
Advanced foreign economies	2.7	1.0	2.8	1.6	1.2	1.3	1.1
Previous Tealbook	2.7	1.1	2.9	1.4	1.1	1.1	1.1
Emerging market economies	4.6	4.6	3.3	3.0	3.3	3.1	3.2
Previous Tealbook	4.6	4.6	3.9	3.6	3.2	3.1	3.2

Note: Annualized percent change from final quarter of preceding period to final quarter of period indicated.

Real GDP

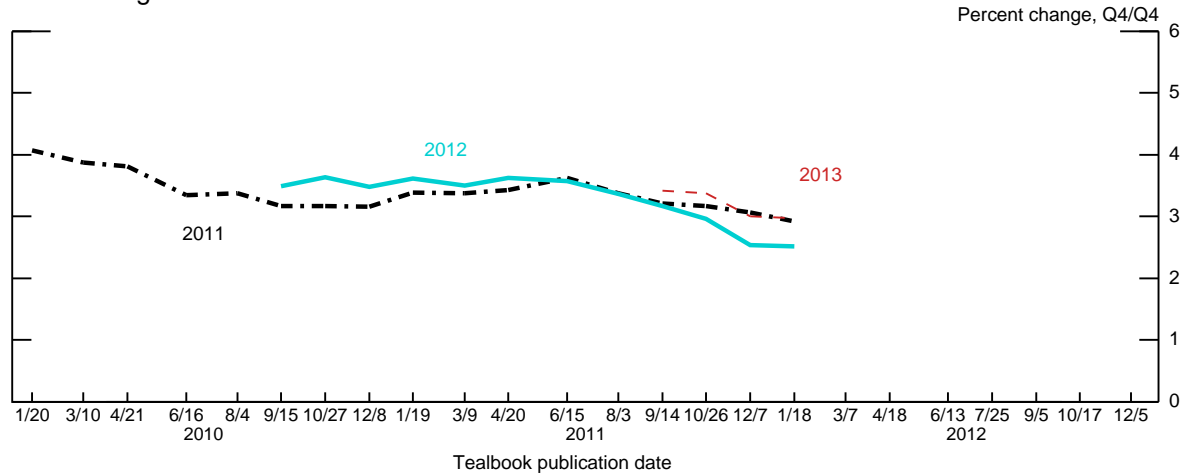


Consumer Prices

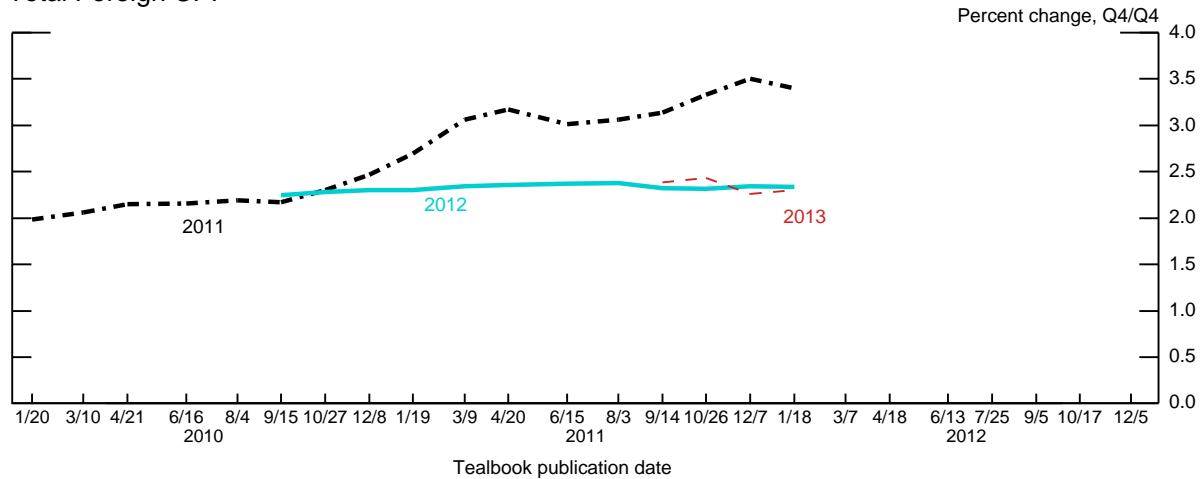


Evolution of Staff's International Forecast

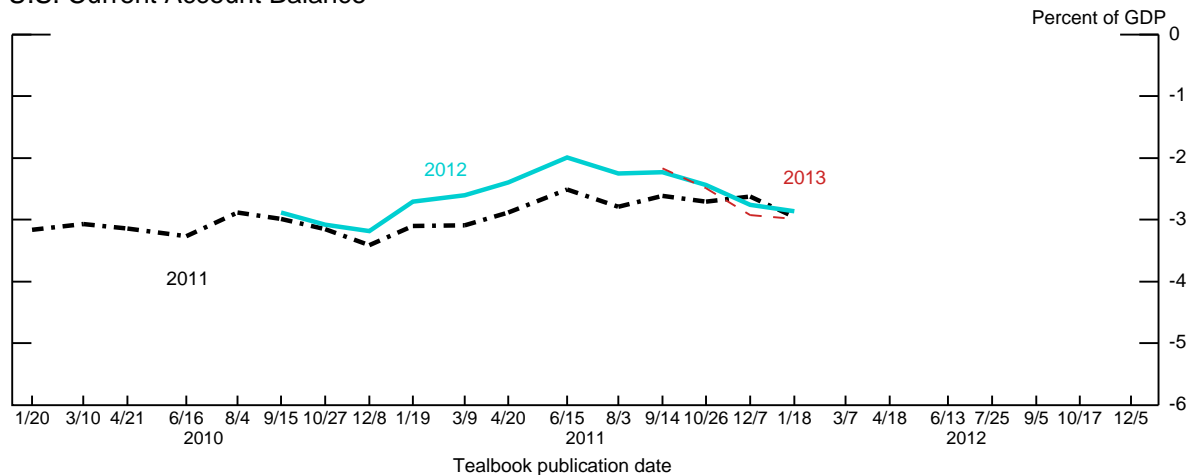
Total Foreign GDP



Total Foreign CPI



U.S. Current Account Balance



Alternative Scenarios

(Percent change, annual rate, from end of preceding period except as noted)

Measure and scenario	2011	2012	2013	2014	2015-16
	H2				
<i>Real GDP</i>					
Extended Tealbook baseline	2.4	2.1	2.4	3.6	3.9
Faster snapback	2.4	2.9	3.4	3.7	3.0
Lost decade	2.4	1.9	1.9	2.0	2.4
Greater supply-side damage	2.4	1.7	1.7	2.5	2.9
Disinflation	2.4	2.0	2.0	2.9	3.9
European crisis with severe spillovers	2.4	-2.9	-1.6	3.5	5.1
Higher oil prices	2.4	1.2	1.9	3.5	4.2
<i>Unemployment rate¹</i>					
Extended Tealbook baseline	8.7	8.6	8.2	7.8	6.5
Faster snapback	8.7	8.3	7.3	6.7	6.2
Lost decade	8.7	8.7	8.7	8.7	8.5
Greater supply-side damage	8.7	8.5	8.1	8.0	7.7
Disinflation	8.7	8.6	8.4	8.3	7.1
European crisis with severe spillovers	8.7	10.2	11.6	11.4	8.9
Higher oil prices	8.7	8.9	8.8	8.4	6.9
<i>Total PCE prices</i>					
Extended Tealbook baseline	1.4	1.4	1.3	1.5	1.5
Faster snapback	1.4	1.4	1.4	1.8	2.0
Lost decade	1.4	1.4	1.3	1.4	1.2
Greater supply-side damage	1.4	1.6	1.9	2.3	2.3
Disinflation	1.4	.7	.3	.3	.0
European crisis with severe spillovers	1.4	-.7	-.3	1.2	2.2
Higher oil prices	1.4	3.4	1.2	1.5	1.8
<i>Core PCE prices</i>					
Extended Tealbook baseline	1.5	1.5	1.4	1.4	1.5
Faster snapback	1.5	1.5	1.5	1.7	2.0
Lost decade	1.5	1.5	1.4	1.3	1.2
Greater supply-side damage	1.5	1.7	2.0	2.2	2.3
Disinflation	1.5	.8	.4	.2	.0
European crisis with severe spillovers	1.5	.4	.2	.9	1.9
Higher oil prices	1.5	1.7	1.8	1.7	1.7
<i>Federal funds rate¹</i>					
Extended Tealbook baseline	.1	.1	.1	.3	2.5
Faster snapback	.1	.1	.4	1.6	2.8
Lost decade	.1	.1	.1	.1	.1
Greater supply-side damage	.1	.1	.6	1.9	3.4
Disinflation	.1	.1	.1	.1	.1
European crisis with severe spillovers	.1	.1	.1	.1	.4
Higher oil prices	.1	.1	.1	.3	2.0

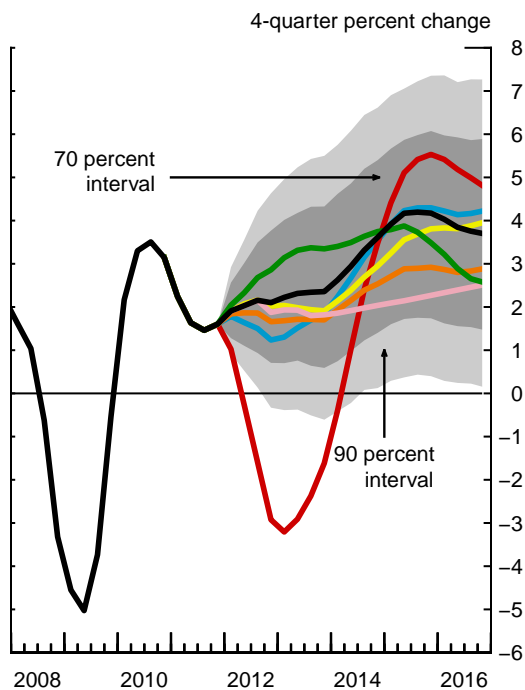
1. Percent, average for the final quarter of the period.

Forecast Confidence Intervals and Alternative Scenarios

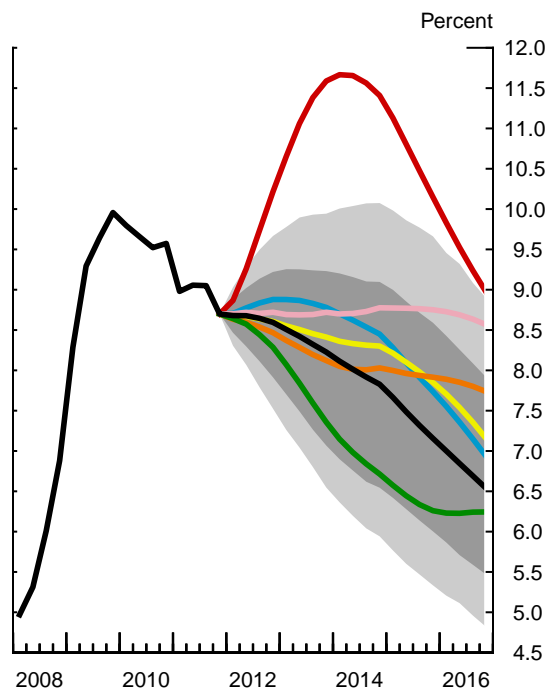
Confidence Intervals Based on FRB/US Stochastic Simulations

- Extended Tealbook baseline
- Greater supply-side damage
- European crisis with severe spillovers
- Faster snapback
- Disinflation
- Higher oil prices
- Lost decade

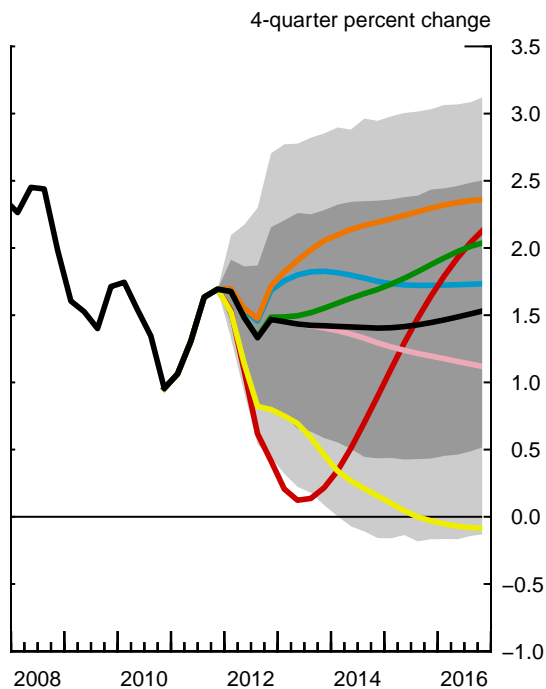
Real GDP



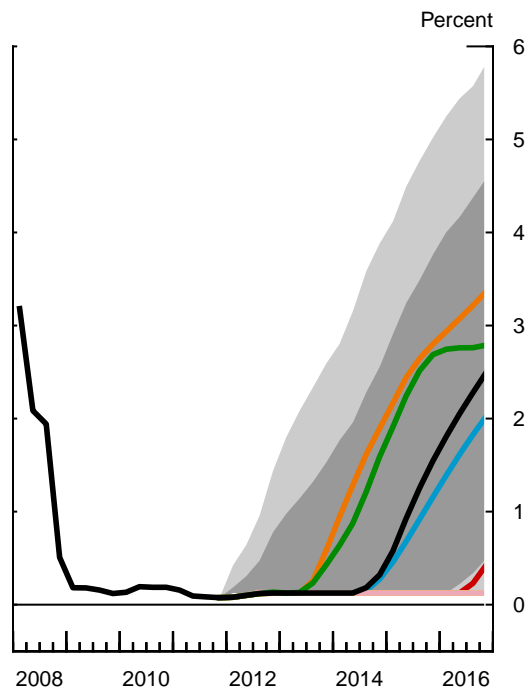
Unemployment Rate



PCE Prices excluding Food and Energy



Federal Funds Rate



**Selected Tealbook Projections and 70 Percent Confidence Intervals Derived
from Historical Tealbook Forecast Errors and FRB/US Simulations**

Measure	2011	2012	2013	2014	2015	2016
<i>Real GDP</i> (percent change, Q4 to Q4)						
Projection	1.6	2.1	2.4	3.6	4.2	3.7
Confidence interval						
Tealbook forecast errors	1.4–1.8	.5–3.7	.6–4.1	...	...	...
FRB/US stochastic simulations	1.4–1.8	.7–3.8	.6–4.3	1.4–5.4	1.7–6.1	1.5–5.9
<i>Civilian unemployment rate</i> (percent, Q4)						
Projection	8.7	8.6	8.2	7.8	7.2	6.5
Confidence interval						
Tealbook forecast errors	8.7–8.7	8.0–9.2	7.2–9.2	...	...	...
FRB/US stochastic simulations	8.6–8.8	7.9–9.2	7.1–9.2	6.5–9.1	6.0–8.6	5.5–7.9
<i>PCE prices, total</i> (percent change, Q4 to Q4)						
Projection	2.5	1.4	1.3	1.5	1.5	1.6
Confidence interval						
Tealbook forecast errors	2.4–2.6	.5–2.4	.1–2.4	...	...	...
FRB/US stochastic simulations	2.4–2.6	.5–2.6	.0–2.5	.1–2.7	.1–2.8	.2–2.9
<i>PCE prices excluding food and energy</i> (percent change, Q4 to Q4)						
Projection	1.7	1.5	1.4	1.4	1.4	1.5
Confidence interval						
Tealbook forecast errors	1.6–1.8	.9–2.0	.6–2.2	...	...	...
FRB/US stochastic simulations	1.6–1.8	.8–2.2	.6–2.3	.4–2.4	.4–2.4	.5–2.5
<i>Federal funds rate</i> (percent, Q4)						
Projection	.1	.1	.1	.3	1.5	2.5
Confidence interval						
FRB/US stochastic simulations	.1–.1	.1–.8	.1–1.5	.1–2.6	.1–3.8	.5–4.6

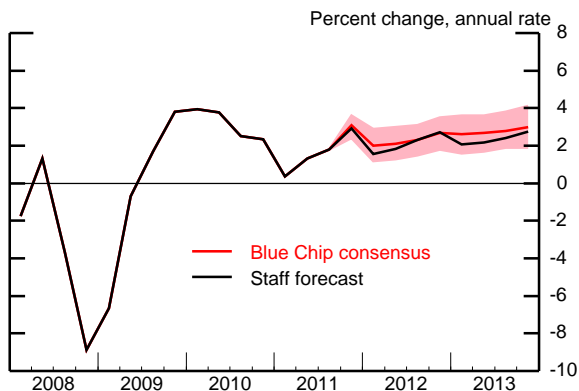
Note: Shocks underlying FRB/US stochastic simulations are randomly drawn from the 1969–2009 set of model equation residuals.

Intervals derived from Tealbook forecast errors are based on projections made from 1979–2009, except for PCE prices excluding food and energy, where the sample is 1981–2009.

... Not applicable. The Tealbook forecast horizon has typically extended about 2 years.

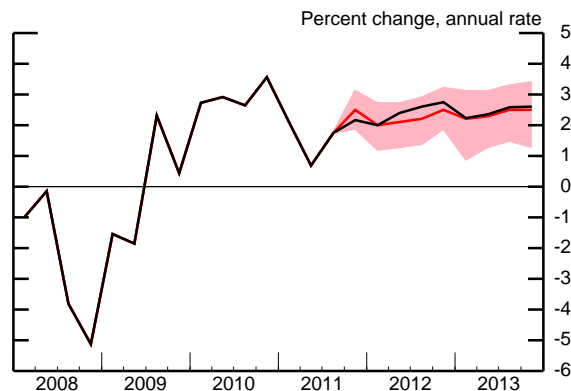
Tealbook Forecast Compared with Blue Chip (Blue Chip survey released January 10, 2012)

Real GDP

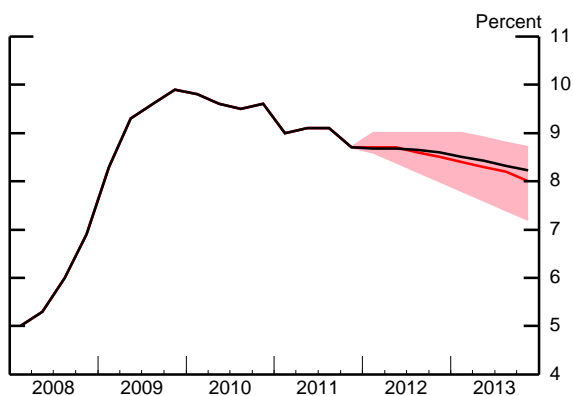


Note: The shaded area represents the area between the Blue Chip top 10 and bottom 10 averages.

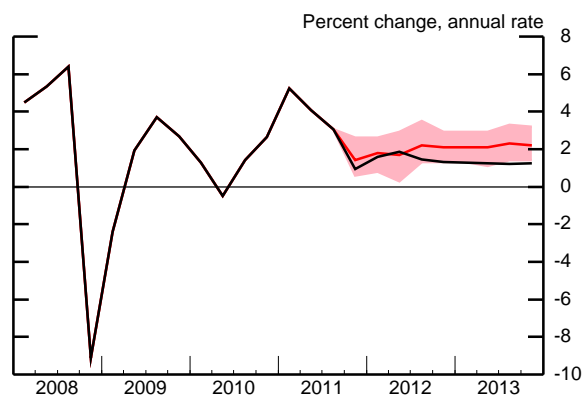
Real PCE



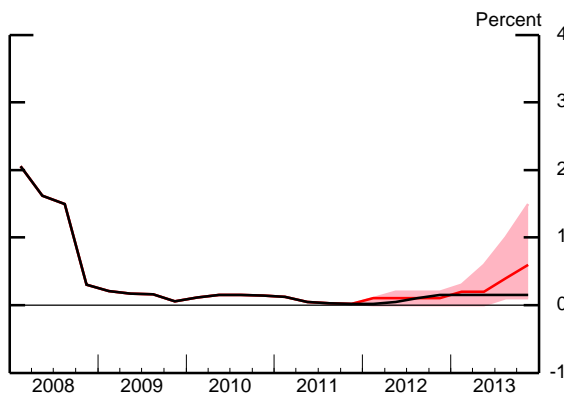
Unemployment Rate



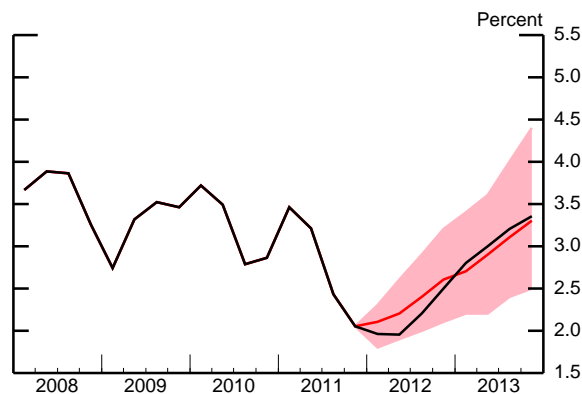
Consumer Price Index



Treasury Bill Rate



10-Year Treasury Yield



Note: The yield is for on-the-run Treasury securities. Over the forecast period, the staff's projected yield is assumed to be 15 basis points below the off-the-run yield.

Changes in GDP, Prices, and Unemployment
(Percent, annual rate except as noted)

Interval	Nominal GDP		Real GDP		PCE price index		Core PCE price index		Unemployment rate ¹	
	12/07/11	01/18/12	12/07/11	01/18/12	12/07/11	01/18/12	12/07/11	01/18/12	12/07/11	01/18/12
<i>Quarterly</i>										
2011:Q1	3.1	3.1	.4	.4	3.9	3.9	1.6	1.6	8.9	9.0
Q2	4.0	4.0	1.3	1.3	3.3	3.3	2.3	2.3	9.1	9.1
Q3	4.5	4.4	1.9	1.8	2.3	2.3	2.0	2.1	9.1	9.1
Q4	4.3	3.8	3.2	2.9	.7	.5	1.1	.9	8.8	8.7
2012:Q1	3.8	3.3	2.1	1.6	1.4	1.4	1.6	1.5	8.8	8.7
Q2	3.5	3.6	1.9	1.8	1.5	1.7	1.5	1.5	8.8	8.7
Q3	4.1	3.8	2.5	2.3	1.3	1.4	1.5	1.5	8.7	8.6
Q4	4.4	4.1	2.9	2.7	1.3	1.3	1.4	1.4	8.6	8.6
2013:Q1	3.7	3.5	2.2	2.1	1.3	1.3	1.4	1.4	8.5	8.5
Q2	3.7	3.6	2.3	2.2	1.2	1.3	1.4	1.4	8.4	8.4
Q3	3.9	3.8	2.5	2.4	1.2	1.3	1.4	1.4	8.3	8.3
Q4	4.4	4.2	2.9	2.8	1.2	1.3	1.4	1.4	8.2	8.2
<i>Two-quarter²</i>										
2011:Q2	3.5	3.5	.8	.8	3.6	3.6	1.9	1.9	-5	-5
Q4	4.4	4.1	2.6	2.4	1.5	1.4	1.6	1.5	-3	-4
2012:Q2	3.6	3.4	2.0	1.7	1.4	1.5	1.5	1.5	.0	.0
Q4	4.2	4.0	2.7	2.5	1.3	1.3	1.4	1.4	-2	-1
2013:Q2	3.7	3.6	2.2	2.1	1.2	1.3	1.4	1.4	-2	-2
Q4	4.2	4.0	2.7	2.6	1.2	1.3	1.4	1.4	-2	-2
<i>Four-quarter³</i>										
2010:Q4	4.7	4.7	3.1	3.1	1.3	1.3	1.0	1.0	-4	-3
2011:Q4	4.0	3.8	1.7	1.6	2.5	2.5	1.7	1.7	-8	-9
2012:Q4	3.9	3.7	2.3	2.1	1.4	1.4	1.5	1.5	-2	-1
2013:Q4	3.9	3.8	2.5	2.4	1.2	1.3	1.4	1.4	-4	-4
<i>Annual</i>										
2010	4.2	4.2	3.0	3.0	1.8	1.8	1.4	1.4	9.6	9.6
2011	3.9	3.9	1.8	1.7	2.4	2.4	1.4	1.4	9.0	8.9
2012	4.0	3.7	2.3	2.0	1.5	1.5	1.5	1.5	8.7	8.6
2013	3.9	3.8	2.4	2.3	1.3	1.3	1.4	1.4	8.3	8.4

1. Level, except for two-quarter and four-quarter intervals.

2. Percent change from two quarters earlier; for unemployment rate, change is in percentage points.

3. Percent change from four quarters earlier; for unemployment rate, change is in percentage points.

Changes in Real Gross Domestic Product and Related Items

(Percent, annual rate except as noted)

Item	2011				2012				2013				2011 ¹	2012 ¹	2013 ¹
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4			
Real GDP <i>Previous Tealbook</i>	.4	1.3	1.8	2.9	1.6	1.8	2.3	2.7	2.1	2.2	2.4	2.8	1.6	2.1	2.4
Final sales <i>Previous Tealbook</i>	.4	1.3	1.9	3.2	2.1	1.9	2.5	2.9	2.2	2.3	2.5	2.9	1.7	2.3	2.5
Priv. dom. final purch. <i>Previous Tealbook</i>	.0	1.6	3.2	1.3	1.7	2.0	1.9	2.3	1.8	2.1	2.5	2.3	1.5	2.0	2.2
Personal cons. expend. <i>Previous Tealbook</i>	.0	1.6	3.5	1.9	1.9	2.0	1.9	2.5	2.1	2.1	2.2	2.2	1.8	2.1	2.2
Durables	2.0	1.9	3.3	2.4	1.9	2.4	2.8	3.0	2.6	2.8	3.1	3.0	2.4	2.5	2.9
Nondurables	2.0	1.9	3.6	2.6	1.9	2.3	2.6	3.0	2.5	2.6	2.8	3.2	2.5	2.5	2.8
Services	2.1	.7	1.7	2.2	2.0	2.4	2.6	2.8	2.2	2.4	2.6	2.6	1.7	2.4	2.4
Residential investment <i>Previous Tealbook</i>	2.1	.7	2.1	2.4	2.3	2.2	2.4	2.8	2.1	2.1	2.3	2.7	1.8	2.4	2.3
Business fixed invest. <i>Previous Tealbook</i>	11.7	-5.3	5.7	15.1	3.9	7.2	6.4	7.2	6.2	6.1	7.2	5.3	6.5	6.2	6.2
Equipment & software <i>Previous Tealbook</i>	1.6	.2	-5	.6	1.9	2.1	2.1	2.3	1.7	2.0	2.2	2.4	.5	2.1	2.1
Nonres. structures <i>Previous Tealbook</i>	.8	1.9	1.9	.7	1.7	1.7	2.2	2.2	1.8	1.9	2.0	2.2	1.3	1.9	2.0
Net exports ² <i>Previous Tealbook</i> ²	-2.4	4.2	1.3	9.7	8.5	4.0	6.9	7.0	7.0	7.1	7.5	7.5	3.1	6.6	7.3
Exports	-2.4	4.2	1.7	3.1	3.6	6.3	6.5	6.9	7.2	7.6	8.1	8.5	1.6	5.8	7.9
Imports	2.1	10.3	15.7	2.6	-1	2.1	3.2	3.6	3.8	4.8	6.1	5.0	7.5	2.2	4.9
Gov't. cons. & invest. <i>Previous Tealbook</i>	2.1	10.3	15.8	3.7	-1.2	1.8	3.3	4.1	4.4	4.8	5.4	5.1	7.8	2.0	4.9
Federal	8.7	6.2	16.2	3.0	2.2	3.4	4.8	5.0	4.9	6.1	7.9	6.6	8.4	3.8	6.4
Defense	8.7	6.2	16.2	3.0	.6	2.5	4.5	5.2	5.9	6.1	7.1	6.7	8.4	3.2	6.4
Nondefense	-14.3	22.6	14.4	1.7	-6.0	-1.5	-1.0	.1	.7	1.5	1.1	1.0	5.1	-2.1	1.1
State & local	-14.3	22.6	14.7	5.8	-5.6	.0	.0	1.2	.6	1.4	1.0	.8	6.2	-1.1	.9
Change in bus. inventories ² <i>Previous Tealbook</i> ²	-424	-416	-403	-396	-394	-389	-395	-395	-396	-395	-392	-391	-410	-393	-394
Nonfarm ²	-424	-416	-401	-394	-391	-384	-388	-386	-386	-383	-378	-377	-409	-387	-381
Farm ²	7.9	3.6	4.7	5.1	5.5	4.5	4.5	4.7	5.1	5.1	5.1	5.3	5.3	4.8	5.2
	8.3	1.4	1.2	3.0	4.0	2.8	4.8	3.8	4.5	4.0	3.6	4.3	3.4	3.9	4.1
	-5.9	-9	-1	-4.5	.0	-8	-9	-9	-1.2	-1.1	-1.4	-1.4	-2.9	-7	-1.3
	-5.9	-9	-2	-1.9	1.1	-5	-4	-4	.0	-8	-1.3	-2.5	-2.2	-1	-1.2
	-9.4	1.9	2.1	-9.6	1.4	-1.2	-1.9	-2.1	-3.4	-3.6	-4.6	-4.8	-3.9	-1.0	-4.1
	-12.6	7.0	5.0	-15.4	2.7	-7	-1.6	-2.0	-3.8	-4.1	-5.6	-5.9	-4.5	-4	-4.8
	-2.7	-7.6	-3.8	3.5	-1.1	-2.2	-2.5	-2.5	-2.5	-2.6	-2.6	-2.6	-2.7	-2.1	-2.6
	-3.4	-2.8	-1.6	-8	-9	-6	-3	-1	.3	.6	.8	.9	-2.1	-5	.7
	49	39	-2	51	48	43	56	69	76	77	75	91	34	54	80
	49	39	-5	32	37	34	53	66	68	73	82	106	29	47	82
	60	51	6	54	49	43	55	68	75	76	74	90	42	54	79
	-8	-9	-6	-3	-1	0	1	1	1	1	1	1	-6	0	1

1. Change from fourth quarter of previous year to fourth quarter of year indicated.

2. Billions of chained (2005) dollars.

Changes in Real Gross Domestic Product and Related Items
(Change from fourth quarter of previous year to fourth quarter of year indicated, unless otherwise noted)

Item	2005	2006	2007	2008	2009	2010	2011	2012	2013
Real GDP <i>Previous Tealbook</i>	2.8 2.8	2.4 2.4	2.2 2.2	-3.3 -3.3	-5 -5	3.1 3.1	1.6 1.7	2.1 2.3	2.4 2.5
Final sales <i>Previous Tealbook</i>	2.7 2.7	2.8 2.8	2.4 2.4	-2.6 -2.6	-8 -8	2.4 2.4	1.5 1.8	2.0 2.1	2.2 2.2
Priv. dom. final purch. <i>Previous Tealbook</i>	3.2 3.2	2.4 2.4	1.2 1.2	-4.5 -4.5	-2.5 -2.5	3.6 3.6	2.4 2.5	2.5 2.5	2.9 2.8
Personal cons. expend. <i>Previous Tealbook</i>	2.8 2.8	3.2 3.2	1.7 1.7	-2.5 -2.5	-2 -2	3.0 3.0	1.7 1.8	2.4 2.4	2.4 2.3
Durables	2.8	7.0	4.6	-13.0	3.0	10.9	6.5	6.2	6.2
Nondurables	3.1	2.9	.8	-3.1	.6	3.5	.5	2.1	2.1
Services	2.7	2.6	1.4	-.5	-.9	1.6	1.3	1.9	2.0
Residential investment <i>Previous Tealbook</i>	5.3 5.3	-15.7 -15.7	-20.7 -20.7	-24.4 -24.4	-12.9 -12.9	-6.3 -6.3	3.1 1.6	6.6 5.8	7.3 7.9
Business fixed invest. <i>Previous Tealbook</i>	4.5 4.5	7.8 7.8	7.9 7.9	-9.4 -9.4	-14.4 -14.4	11.1 11.1	7.5 7.8	2.2 2.0	4.9 4.9
Equipment & software <i>Previous Tealbook</i>	6.2 6.2	6.0 6.0	3.9 3.9	-13.6 -13.6	-5.8 -5.8	16.6 16.6	8.4 8.4	3.8 3.2	6.4 6.4
Nonres. structures <i>Previous Tealbook</i>	-1 -1	13.0 13.0	17.3 17.3	-1.2 -1.2	-29.3 -29.3	-1.8 -1.8	5.1 6.2	-2.1 -1.1	1.1 .9
Net exports ¹ <i>Previous Tealbook</i> ¹	-723 -723	-729 -729	-649 -649	-495 -495	-359 -359	-422 -422	-410 -409	-393 -387	-394 -381
Exports	6.7	10.2	10.1	-2.5	-.1	8.8	5.3	4.8	5.2
Imports	5.2	4.1	.8	-5.9	-6.5	10.7	3.4	3.9	4.1
Gov't. cons. & invest. <i>Previous Tealbook</i>	.7 .7	1.5 1.5	1.9 1.9	2.7 2.7	1.1 1.1	.1 .1	-2.9 -2.2	-.7 -1	-1.3 -1.2
Federal	1.2	2.2	3.1	8.8	4.6	2.9	-3.9	-1.0	-4.1
Defense	.4	4.4	2.6	9.8	3.5	1.5	-4.5	-.4	-4.8
Nondefense	2.6	-2.3	4.2	6.8	6.9	5.7	-2.7	-2.1	-2.6
State & local	.4	1.2	1.2	-.9	-1.1	-1.7	-2.1	-.5	.7
Change in bus. inventories ¹ <i>Previous Tealbook</i> ¹	50 50	59 59	28 28	-36 -36	-145 -145	59 59	34 29	54 47	80 82
Nonfarm ¹	50	63	29	-38	-144	61	42	54	79
Farm ¹	0	-4	-1	1	-1	-1	-6	0	1

1. Billions of chained (2005) dollars.

Contributions to Changes in Real Gross Domestic Product
(Percentage points, annual rate except as noted)

Item	2011				2012				2013				2011 ¹	2012 ¹	2013 ¹
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4			
Real GDP <i>Previous Tealbook</i>	.4	1.3	1.8	2.9	1.6	1.8	2.3	2.7	2.1	2.2	2.4	2.8	1.6	2.1	2.4
Final sales <i>Previous Tealbook</i>	.4	1.3	1.9	3.2	2.1	1.9	2.5	2.9	2.2	2.3	2.5	2.9	1.7	2.3	2.5
Priv. dom. final purch. <i>Previous Tealbook</i>	.0	1.6	3.2	1.3	1.7	2.0	1.9	2.3	1.8	2.1	2.5	2.3	1.5	2.0	2.2
Personal cons. expend. <i>Previous Tealbook</i>	.0	1.6	3.5	2.0	1.9	2.0	1.9	2.5	2.1	2.1	2.2	2.2	1.8	2.1	2.1
Durables	1.6	1.6	2.8	2.0	1.6	2.0	2.3	2.5	2.1	2.3	2.6	2.6	2.0	2.1	2.4
Nondurables	1.6	1.6	3.0	2.2	1.6	1.9	2.2	2.5	2.1	2.2	2.3	2.7	2.1	2.1	2.3
Services	1.5	.5	1.2	1.5	1.4	1.7	1.8	2.0	1.6	1.7	1.8	1.8	1.2	1.7	1.7
Residential investment <i>Previous Tealbook</i>	1.5	.5	1.5	1.7	1.6	1.6	1.7	2.0	1.5	1.5	1.6	1.9	1.3	1.7	1.6
Durables	.9	-.4	.4	1.1	.3	.5	.5	.6	.5	.5	.6	.4	.5	.5	.5
Nondurables	.3	.0	-.1	.1	.3	.3	.3	.4	.3	.3	.4	.4	.1	.3	.3
Services	.4	.9	.9	.3	.8	.8	1.0	1.0	.8	.9	.9	1.0	.6	.9	.9
Business fixed invest. <i>Previous Tealbook</i>	-.1	.1	.0	.2	.2	.1	.2	.2	.2	.2	.2	.2	.1	.1	.2
Equipment & software	-.1	.1	.0	.1	.1	.1	.1	.2	.2	.2	.2	.2	.0	.1	.2
Nonres. structures <i>Previous Tealbook</i>	.2	1.0	1.5	.3	.0	.2	.3	.4	.4	.5	.6	.5	.7	.2	.5
Net exports <i>Previous Tealbook</i>	.2	1.0	1.5	.4	-.1	.2	.3	.4	.4	.5	.6	.5	.8	.2	.5
Exports	.6	.4	1.1	.2	.2	.3	.4	.4	.4	.5	.6	.5	.6	.3	.5
Imports	.6	.4	1.1	.2	.0	.2	.3	.4	.4	.4	.5	.5	.6	.2	.5
Nonres. structures <i>Previous Tealbook</i>	-.4	.5	.4	.0	-.2	.0	.0	.0	.0	.0	.0	.0	.1	-.1	.0
Net exports <i>Previous Tealbook</i>	-.4	.5	.4	.2	-.2	.0	.0	.0	.0	.0	.0	.0	.2	.0	.0
Gov't cons. & invest. <i>Previous Tealbook</i>	-.3	.2	.4	.2	.1	.1	-.2	.0	-.1	.0	.1	.0	.1	.0	.0
Exports	-.3	.2	.5	.2	.1	.2	-.1	.1	.0	.1	.1	.0	.1	.0	.0
Imports	1.0	.5	.6	.7	.8	.6	.6	.7	.7	.7	.7	.7	.7	.7	.7
Gov't cons. & invest. <i>Previous Tealbook</i>	-.1.4	-.2	-.2	-.5	-.7	-.5	-.8	-.7	-.8	-.7	-.6	-.8	-.6	-.7	-.7
Federal	-.1.2	-.2	.0	-.9	.0	-.2	-.2	-.2	-.2	-.2	-.3	-.3	-.6	-.1	-.2
Defense	-.1.2	-.2	.0	-.4	.2	-.1	-.1	-.1	.0	-.1	-.2	-.5	-.5	.0	-.2
Nondefense	-.8	.2	.2	-.8	.1	-.1	-.1	-.2	-.3	-.3	-.4	-.4	-.3	-.1	-.3
State & local	-.7	.4	.3	-.9	.1	.0	-.1	-.1	-.2	-.2	-.3	-.3	-.3	.0	-.3
Change in bus. inventories <i>Previous Tealbook</i>	-.1	-.2	-.1	.1	.0	-.1	-.1	-.1	-.1	-.1	-.1	-.1	-.1	-.1	-.1
Nonfarm	-.4	-.3	-.2	-.1	-.1	-.1	.0	.0	.0	.1	.1	.1	-.3	-.1	.1
Farm	.3	-.3	-.1.4	1.6	-.1	-.1	.4	.4	.2	.0	.0	.5	.1	.1	.2
Nonfarm	.3	-.3	-.1.5	1.2	.1	-.1	.6	.4	.1	.2	.3	.7	-.1	.3	.3
Farm	.4	-.3	-.1.5	1.6	-.2	-.2	.4	.4	.2	.0	-.1	.5	.1	.1	.2
Farm	-.1	.0	.1	.1	.1	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0

1. Change from fourth quarter of previous year to fourth quarter of year indicated.

Changes in Prices and Costs
(Percent, annual rate except as noted)

Item	2011				2012				2013				2011 ¹	2012 ¹	2013 ¹
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4			
GDP chain-wt. price index <i>Previous Tealbook</i>	2.5 2.5	2.5 2.5	2.6 2.5	.9 1.0	1.7 1.7	1.7 1.6	1.5 1.6	1.4 1.4	1.5 1.5	1.4 1.4	1.4 1.4	1.4 1.4	2.1 2.1	1.6 1.6	1.4 1.4
PCE chain-wt. price index <i>Previous Tealbook</i>	3.9	3.3	2.3	.5	1.4	1.7	1.4	1.3	1.3	1.3	1.3	1.3	2.5	1.4	1.3
Energy <i>Previous Tealbook</i>	40.7	15.0	3.3	-6.8	.7	4.9	.7	-5	-6	-9	-1.0	-8	11.7	1.4	-8
Food <i>Previous Tealbook</i>	40.7	15.0	3.3	-8.2	-9	1.3	-4	-1.2	-1.2	-1.7	-1.7	-1.6	11.3	-3	-1.6
Ex. food & energy <i>Previous Tealbook</i>	6.5	6.4	4.7	2.6	.9	1.1	1.2	1.2	1.2	1.2	1.2	1.2	5.0	1.1	1.2
Ex. food & energy, market based <i>Previous Tealbook</i>	6.5	6.4	4.7	3.5	1.3	1.1	1.2	1.2	1.2	1.2	1.2	1.2	5.2	1.2	1.2
CPI <i>Previous Tealbook</i>	1.6	2.3	2.1	.9	1.5	1.5	1.5	1.4	1.4	1.4	1.4	1.4	1.7	1.5	1.4
Ex. food & energy <i>Previous Tealbook</i>	1.6	2.3	2.0	1.1	1.6	1.5	1.5	1.4	1.4	1.4	1.4	1.4	1.7	1.5	1.4
Ex. food & energy <i>Previous Tealbook</i>	1.3	2.4	2.3	1.1	1.5	1.4	1.3	1.3	1.3	1.3	1.3	1.3	1.8	1.4	1.3
Ex. food & energy <i>Previous Tealbook</i>	1.3	2.4	2.3	1.0	1.4	1.4	1.3	1.3	1.3	1.3	1.3	1.3	1.7	1.4	1.3
CPI <i>Previous Tealbook</i>	5.2	4.1	3.1	.9	1.6	1.9	1.5	1.3	1.3	1.2	1.2	1.2	3.3	1.6	1.3
Ex. food & energy <i>Previous Tealbook</i>	5.2	4.1	3.1	.9	1.5	1.5	1.4	1.2	1.2	1.2	1.2	1.2	3.3	1.4	1.2
Ex. food & energy <i>Previous Tealbook</i>	1.7	2.5	2.7	1.7	1.7	1.5	1.5	1.5	1.5	1.5	1.5	1.5	2.2	1.6	1.5
Ex. food & energy <i>Previous Tealbook</i>	1.7	2.5	2.7	1.7	1.8	1.6	1.5	1.5	1.5	1.5	1.5	1.5	2.2	1.6	1.5
ECI, hourly compensation ² <i>Previous Tealbook</i> ²	2.1	3.2	1.4	2.0	2.5	2.5	2.4	2.4	2.3	2.3	2.3	2.3	2.2	2.4	2.3
ECI, hourly compensation ² <i>Previous Tealbook</i> ²	2.1	3.2	1.4	1.9	2.3	2.4	2.4	2.4	2.3	2.3	2.3	2.3	2.2	2.4	2.3
Nonfarm business sector															
Output per hour <i>Previous Tealbook</i>	-6	-1	1.9	.8	.3	1.3	1.7	2.2	1.1	1.3	1.5	1.8	.5	1.4	1.4
Compensation per hour <i>Previous Tealbook</i>	-6	-1	2.2	2.1	.7	.9	1.5	1.9	1.0	1.1	1.2	1.6	.9	1.3	1.2
Compensation per hour <i>Previous Tealbook</i>	5.6	-3	-2	2.3	2.3	2.4	2.3	2.3	2.2	2.2	2.1	2.1	1.8	2.3	2.2
Compensation per hour <i>Previous Tealbook</i>	5.6	-3	-2	2.2	2.3	2.3	2.3	2.2	2.2	2.2	2.2	2.1	1.8	2.3	2.2
Unit labor costs <i>Previous Tealbook</i>	6.2	-2	-2.1	1.5	2.0	1.1	.6	.1	1.1	.9	.6	.3	1.3	1.0	.7
Unit labor costs <i>Previous Tealbook</i>	6.2	-2	-2.4	.1	1.5	1.3	.8	.3	1.2	1.1	1.0	.5	.9	1.0	.9
Core goods imports chain-wt. price index ³ <i>Previous Tealbook</i> ³	8.3	7.2	2.4	-8	-1.2	.0	.7	1.4	1.5	1.6	1.6	1.5	4.2	.2	1.5
Core goods imports chain-wt. price index ³ <i>Previous Tealbook</i> ³	8.3	7.2	2.3	-7	-9	.4	.7	1.2	1.4	1.4	1.4	1.4	4.2	.4	1.4

1. Change from fourth quarter of previous year to fourth quarter of year indicated.

2. Private-industry workers.

3. Core goods imports exclude computers, semiconductors, oil, and natural gas.

Greensheets

Changes in Prices and Costs

(Change from fourth quarter of previous year to fourth quarter of year indicated, unless otherwise noted)

Item	2005	2006	2007	2008	2009	2010	2011	2012	2013
GDP chain-wt. price index <i>Previous Tealbook</i>	3.5	2.9	2.6	2.1	.7	1.6	2.1	1.6	1.4
PCE chain-wt. price index <i>Previous Tealbook</i>	3.5	2.9	2.6	2.1	.7	1.6	2.1	1.6	1.4
Energy <i>Previous Tealbook</i>	3.2	1.9	3.5	1.7	1.5	1.3	2.5	1.4	1.3
Food <i>Previous Tealbook</i>	3.2	1.9	3.5	1.7	1.5	1.3	2.5	1.4	1.2
Ex. food & energy <i>Previous Tealbook</i>	21.5	-3.7	19.3	-8.8	2.6	6.2	11.7	1.4	-8
Ex. food & energy, market based <i>Previous Tealbook</i>	21.5	-3.7	19.3	-8.8	2.6	6.2	11.3	-3	-1.6
CPI <i>Previous Tealbook</i>	1.5	1.7	4.7	7.0	-1.7	1.3	5.0	1.1	1.2
Ex. food & energy <i>Previous Tealbook</i>	1.5	1.7	4.7	7.0	-1.7	1.3	5.2	1.2	1.2
Ex. food & energy, market based <i>Previous Tealbook</i>	2.3	2.3	2.4	2.0	1.7	1.0	1.7	1.5	1.4
CPI <i>Previous Tealbook</i>	2.3	2.3	2.4	2.0	1.7	1.0	1.7	1.5	1.4
Ex. food & energy <i>Previous Tealbook</i>	2.0	2.2	2.1	2.2	1.7	.7	1.8	1.4	1.3
Ex. food & energy, market based <i>Previous Tealbook</i>	2.0	2.2	2.1	2.2	1.7	.7	1.7	1.4	1.3
CPI <i>Previous Tealbook</i>	3.7	2.0	4.0	1.6	1.5	1.2	3.3	1.6	1.3
Ex. food & energy <i>Previous Tealbook</i>	3.7	2.0	4.0	1.6	1.5	1.2	3.3	1.4	1.2
Ex. food & energy, market based <i>Previous Tealbook</i>	2.1	2.7	2.3	2.0	1.7	.6	2.2	1.6	1.5
Ex. food & energy, market based <i>Previous Tealbook</i>	2.1	2.7	2.3	2.0	1.7	.6	2.2	1.6	1.5
ECL, hourly compensation ¹ <i>Previous Tealbook</i> ¹	2.9	3.2	3.0	2.4	1.2	2.1	2.2	2.4	2.3
ECL, hourly compensation ¹ <i>Previous Tealbook</i> ¹	2.9	3.2	3.0	2.4	1.2	2.1	2.2	2.4	2.3
Nonfarm business sector Output per hour <i>Previous Tealbook</i>	1.6	.8	2.5	-1.1	5.3	2.5	.5	1.4	1.4
Nonfarm business sector Output per hour <i>Previous Tealbook</i>	1.6	.8	2.5	-1.1	5.3	2.5	.9	1.3	1.2
Compensation per hour <i>Previous Tealbook</i>	3.5	4.5	3.6	2.5	1.8	1.6	1.8	2.3	2.2
Compensation per hour <i>Previous Tealbook</i>	3.5	4.5	3.6	2.5	1.8	1.6	1.8	2.3	2.2
Unit labor costs <i>Previous Tealbook</i>	1.9	3.6	1.1	3.7	-3.3	-9	1.3	1.0	.7
Unit labor costs <i>Previous Tealbook</i>	1.9	3.6	1.1	3.7	-3.3	-9	.9	1.0	.9
Core goods imports chain-wt. price index ² <i>Previous Tealbook</i> ²	2.2	2.5	2.9	3.7	-1.7	2.6	4.2	.2	1.5
Core goods imports chain-wt. price index ² <i>Previous Tealbook</i> ²	2.2	2.5	2.9	3.7	-1.7	2.6	4.2	.4	1.4

1. Private-industry workers.

2. Core goods imports exclude computers, semiconductors, oil, and natural gas.

Other Macroeconomic Indicators

Item	2011				2012				2013				2011 ¹	2012 ¹	2013 ¹
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4			
<i>Employment and production</i>															
Nonfarm payroll employment ²	4	.5	.3	.4	.4	.4	.4	.5	.5	.5	.6	.6	1.6	1.7	2.1
Unemployment rate ³	9.0	9.1	9.1	8.7	8.7	8.7	8.6	8.6	8.5	8.4	8.3	8.2	8.7	8.6	8.2
<i>Previous Tealbook³</i>	8.9	9.1	9.1	8.8	8.8	8.8	8.7	8.6	8.5	8.4	8.3	8.2	8.8	8.6	8.2
NAIRU ³	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0
<i>Previous Tealbook³</i>	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0
GDP gap ⁴	-5.7	-5.8	-5.8	-5.5	-5.6	-5.7	-5.6	-5.4	-5.4	-5.4	-5.3	-5.2	-5.5	-5.4	-5.2
<i>Previous Tealbook⁴</i>	-5.8	-5.8	-5.8	-5.5	-5.4	-5.5	-5.4	-5.2	-5.1	-5.1	-5.0	-4.8	-5.5	-5.2	-4.8
Industrial production ⁵	4.8	.7	6.3	3.1	3.2	2.9	2.2	2.4	2.7	3.2	3.7	2.9	3.7	2.7	3.1
<i>Previous Tealbook⁵</i>	4.8	.6	5.2	2.6	2.4	2.3	2.3	2.2	3.2	3.2	3.3	3.3	3.3	2.3	3.2
Manufacturing industr. prod. ⁵	7.2	.1	5.0	3.9	4.1	2.5	2.1	2.7	2.5	3.3	4.1	2.9	4.0	2.8	3.2
<i>Previous Tealbook⁵</i>	7.2	.0	4.3	2.7	2.7	1.6	2.0	2.5	3.3	3.3	3.5	3.5	3.5	2.2	3.4
Capacity utilization rate - mfg. ³	74.5	74.4	75.1	75.6	76.2	76.4	76.6	76.9	77.1	77.5	77.9	78.2	75.6	76.9	78.2
<i>Previous Tealbook³</i>	74.5	74.4	74.9	75.3	75.6	75.7	75.8	76.1	76.4	76.8	77.1	77.5	75.3	76.1	77.5
Housing starts ⁶	.6	.6	.6	.7	.7	.7	.8	.8	.9	.9	1.0	1.0	.6	.7	.9
Light motor vehicle sales ⁶	13.0	12.1	12.4	13.4	13.4	13.4	13.5	13.6	13.9	14.1	14.6	14.7	12.7	13.5	14.3
<i>Income and saving</i>															
Nominal GDP ⁵	3.1	4.0	4.4	3.8	3.3	3.6	3.8	4.1	3.5	3.6	3.8	4.2	3.8	3.7	3.8
Real disposable pers. income ⁵	1.2	-5	-1.9	2.7	3.4	3.0	3.3	3.5	-1.3	2.3	2.6	3.1	.4	3.3	1.7
<i>Previous Tealbook⁵</i>	1.2	-5	-2.1	4.3	2.9	3.0	3.3	3.6	-1.3	2.4	2.7	3.2	.7	3.2	1.7
Personal saving rate ³	5.0	4.8	3.9	4.1	4.4	4.5	4.7	4.9	4.0	4.0	4.0	4.1	4.1	4.9	4.1
<i>Previous Tealbook³</i>	5.0	4.8	3.8	4.3	4.4	4.6	4.8	5.0	4.1	4.2	4.3	4.4	4.3	5.0	4.4
Corporate profits ⁷	4.2	13.7	6.9	-3.1	-2	-6.1	-8	-4.1	.6	.5	1.9	.7	5.2	-2.9	.9
Profit share of GNP ³	12.4	12.7	12.8	12.5	12.4	12.1	12.0	11.8	11.7	11.6	11.6	11.5	12.5	11.8	11.5
Net federal saving ⁸	-1,201	-1,275	-1,172	-1,127	-1,078	-1,069	-1,051	-1,043	-864	-842	-819	-805	-1,194	-1,060	-832
Net state & local saving ⁸	-57	-40	-83	-70	-60	-45	-41	-35	-33	-20	-20	-19	-63	-45	-23
Gross national saving rate ³	12.6	12.4	12.3	12.6	12.8	12.7	12.8	12.7	12.9	13.0	13.1	13.1	12.6	12.7	13.1
Net national saving rate ³	-.1	-.4	-.5	.0	.3	.2	.2	.2	.3	.5	.5	.6	.0	.2	.6

1. Change from fourth quarter of previous year to fourth quarter of year indicated, unless otherwise indicated.

2. Change, millions.

3. Percent; annual values are for the fourth quarter of the year indicated.

4. Percent difference between actual and potential GDP; a negative number indicates that the economy is operating below potential.

Annual values are for the fourth quarter of the year indicated.

5. Percent change, annual rate.

6. Level, millions; annual values are annual averages.

7. Percent change, annual rate, with inventory valuation and capital consumption adjustments.

8. Billions of dollars; annual values are annual averages.

Greensheets

Other Macroeconomic Indicators

(Change from fourth quarter of previous year to fourth quarter of year indicated, unless otherwise noted)

Item	2005	2006	2007	2008	2009	2010	2011	2012	2013
<i>Employment and production</i>									
Nonfarm payroll employment ¹	2.4	2.1	1.2	-2.8	-5.6	.7	1.6	1.7	2.1
Unemployment rate ²	5.0	4.5	4.8	6.9	9.9	9.6	8.7	8.6	8.2
<i>Previous Tealbook</i> ²	5.0	4.5	4.8	6.9	10.0	9.6	8.8	8.6	8.2
NAIRU ²	5.0	5.0	5.0	5.3	6.0	6.0	6.0	6.0	6.0
<i>Previous Tealbook</i> ²	5.0	5.0	5.0	5.3	6.0	6.0	6.0	6.0	6.0
GDP gap ³	.0	.0	-2	-5.4	-6.9	-5.4	-5.5	-5.4	-5.2
<i>Previous Tealbook</i> ³	.0	.0	-2	-5.4	-6.9	-5.4	-5.5	-5.2	-4.8
Industrial production ⁴	2.3	2.3	2.5	-9.1	-5.5	6.2	3.7	2.7	3.1
<i>Previous Tealbook</i> ⁴	2.3	2.3	2.5	-9.1	-5.5	6.2	3.3	2.3	3.2
Manufacturing industr. prod. ⁴	3.4	2.0	2.8	-11.8	-6.1	6.1	4.0	2.8	3.2
<i>Previous Tealbook</i> ⁴	3.4	2.0	2.8	-11.8	-6.1	6.1	3.5	2.2	3.4
Capacity utilization rate - mfg. ²	78.5	78.4	79.0	70.1	67.7	73.3	75.6	76.9	78.2
<i>Previous Tealbook</i> ²	78.5	78.4	79.0	70.1	67.7	73.3	75.3	76.1	77.5
Housing starts ⁵	2.1	1.8	1.4	.9	.6	.6	.6	.7	.9
Light motor vehicle sales ⁵	16.9	16.5	16.1	13.1	10.3	11.5	12.7	13.5	14.3
<i>Income and saving</i>									
Nominal GDP ⁴	6.4	5.3	4.9	-1.2	.0	4.7	3.8	3.7	3.8
Real disposable pers. income ⁴	.6	4.6	1.6	1.0	-2.4	3.5	.4	3.3	1.7
<i>Previous Tealbook</i> ⁴	.6	4.6	1.6	1.0	-2.4	3.5	.7	3.2	1.7
Personal saving rate ²	1.6	2.8	2.5	6.2	4.3	5.2	4.1	4.9	4.1
<i>Previous Tealbook</i> ²	1.6	2.8	2.5	6.2	4.3	5.2	4.3	5.0	4.4
Corporate profits ⁶	19.6	3.7	-8.1	-33.5	61.8	18.2	5.2	-2.9	.9
Profit share of GNP ²	11.8	11.6	10.1	6.8	11.0	12.4	12.5	11.8	11.5
Net federal saving ⁷	-283	-204	-245	-613	-1218	-1274	-1194	-1060	-832
Net state & local saving ⁷	26	51	12	-72	-78	-25	-63	-45	-23
Gross national saving rate ²	15.6	16.5	13.9	12.6	11.3	12.3	12.6	12.7	13.1
Net national saving rate ²	3.6	4.4	1.7	-6	-1.9	-4	.0	.2	.6

1. Change, millions.

2. Percent; values are for the fourth quarter of the year indicated.

3. Percent difference between actual and potential GDP; a negative number indicates that the economy is operating below potential.

Values are for the fourth quarter of the year indicated.

4. Percent change.

5. Level, millions; values are annual averages.

6. Percent change, with inventory valuation and capital consumption adjustments.

7. Billions of dollars; values are annual averages.

Staff Projections of Federal Sector Accounts and Related Items
(Billions of dollars except as noted)

Item	Fiscal year			2011				2012				2013					
	2010 ^a	2011 ^a	2012	2013	Q1 ^a	Q2 ^a	Q3 ^a	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
Unified budget	Receipts ¹	2163	2302	2469	2710	488	714	568	555	524	763	626	607	567	836	700	648
	Outlays ¹	3456	3599	3576	3563	949	855	895	877	967	893	839	924	917	878	843	927
	Surplus/deficit ¹	-1293	-1297	-1107	-853	-460	-141	-326	-322	-443	-130	-213	-317	-350	-43	-143	-280
	<i>Previous Tealbook</i>	-1293	-1296	-1149	-904	-460	-141	-325	-348	-437	-135	-228	-328	-364	-53	-159	-288
	On-budget	-1370	-1364	-1079	-855	-451	-202	-311	-346	-407	-159	-166	-325	-329	-88	-113	-302
	Off-budget	77	67	-29	2	-10	61	-15	24	-35	30	-47	8	-21	45	-30	23
	Means of financing																
	Borrowing	1474	1110	1102	933	260	93	389	326	429	144	203	337	370	63	163	300
	Cash decrease	-35	252	8	0	225	-19	79	-28	26	-20	30	0	0	0	0	0
	Other ²	-146	-65	-3	-80	-24	67	-142	23	-12	6	-20	-20	-20	-20	-20	-20
Cash operating balance, end of period	310	58	50	50	118	137	58	86	60	80	50	50	50	50	50	50	
NIPA federal sector																	
Receipts	2379	2531	2688	2934	2528	2554	2572	2599	2687	2716	2749	2778	2955	2985	3018	3050	
Expenditures	3648	3765	3769	3826	3729	3829	3744	3726	3766	3785	3800	3821	3818	3827	3837	3855	
Consumption expenditures	1042	1070	1076	1074	1059	1078	1085	1067	1079	1080	1079	1078	1078	1073	1066	1058	
Defense	697	715	718	719	701	723	733	709	720	722	722	722	722	718	712	706	
Nondefense	346	355	358	355	358	354	352	357	359	358	357	356	356	355	353	352	
Other spending	2606	2695	2693	2752	2670	2752	2659	2660	2687	2705	2721	2743	2741	2754	2772	2797	
Current account surplus	-1269	-1234	-1081	-892	-1201	-1275	-1172	-1127	-1078	-1069	-1051	-1043	-864	-842	-819	-805	
Gross investment	165	165	156	153	161	160	164	155	157	157	156	156	154	152	149	146	
Gross saving less gross investment ³	-1305	-1263	-1093	-890	-1227	-1298	-1197	-1141	-1091	-1079	-1059	-1048	-864	-838	-810	-791	
Fiscal indicators ⁴																	
High-employment (HEB) surplus/deficit	-943	-929	-745	-537	-906	-961	-844	-794	-745	-730	-710	-702	-507	-482	-459	-445	
Change in HEB, percent of potential GDP	1.1	-3	-1.3	-1.4	-7	3	-8	-3	-3	-1	-2	-1	-1.2	-2	-2	-1	
Fiscal impetus (FI), percent of GDP	0.5	-0.4	-0.4	-1.1	-0.6	0.4	-0.1	-1.2	-0.2	-0.5	-0.5	-0.4	-1.8	-0.9	-1.0	-0.7	
<i>Previous Tealbook</i>	0.5	-0.3	-0.3	-1.1	-0.6	0.4	-0.1	-0.7	-0.0	-0.5	-0.4	-0.3	-1.6	-0.8	-1.0	-0.9	

1. Budget receipts, outlays, and surplus/deficit include corresponding social security (OASDI) categories. The OASDI surplus and the Postal Service surplus are excluded from the on-budget surplus and shown separately as off-budget, as classified under current law.

2. Other means of financing are checks issued less checks paid, accrued items, and changes in other financial assets and liabilities.

3. Gross saving is the current account surplus plus consumption of fixed capital of the general government as well as government enterprises.

4. HEB is gross saving less gross investment (NIPA) of the federal government in current dollars, with cyclically sensitive receipts and outlays adjusted to the staff's measure of potential output and the NAIRU. The sign on Change in HEB, as a percent of nominal potential GDP, is reversed. FI is the weighted difference of discretionary changes in federal spending and taxes in chained (2005) dollars, scaled by real GDP. The FI estimates are calendar year contributions to Q4/Q4 real GDP growth. Also, for FI and the change in HEB, positive values indicate aggregate demand stimulus. Quarterly figures for change in HEB and FI are not at annual rates.

a. Actual.

Change in Debt of the Domestic Nonfinancial Sectors
(Percent)

Period ¹	Total	Households			Business	State and local governments	Federal government	Memo: Nominal GDP
		Total	Home mortgages	Consumer credit				
<i>Year</i>								
2006	8.7	9.9	11.1	4.1	11.1	3.7	3.9	5.3
2007	8.5	6.7	6.9	5.8	13.6	5.4	4.9	4.9
2008	6.0	.1	-.5	1.5	6.2	.7	24.2	-1.2
2009	3.0	-1.7	-1.4	-4.4	-2.4	3.9	22.7	.0
2010	4.1	-2.1	-2.9	-1.8	.7	2.2	20.2	4.7
2011	3.6	-.9	-2.1	2.9	4.0	-1.9	11.4	3.8
2012	4.2	.6	-.9	4.8	3.4	1.4	10.6	3.7
2013	4.0	1.6	-.0	6.4	3.9	1.2	7.7	3.8
<i>Quarter</i>								
2010:1	3.5	-3.1	-4.8	-3.9	-.1	2.4	20.6	5.5
2	3.9	-2.2	-2.5	-3.3	-1.3	-.5	22.5	5.4
3	3.7	-2.2	-2.5	-2.2	1.8	2.1	16.0	3.9
4	4.9	-.7	-1.8	2.3	2.4	4.8	16.4	4.2
2011:1	2.3	-1.8	-2.6	2.2	4.1	-3.3	7.9	3.1
2	3.1	-.6	-2.4	3.5	4.5	-3.5	8.6	4.0
3	4.3	-1.2	-1.9	1.4	3.4	.0	14.1	4.4
4	4.6	-.0	-1.6	4.6	3.9	-.8	13.1	3.8
2012:1	4.9	-.0	-1.3	3.3	3.4	1.7	13.5	3.3
2	3.9	.5	-1.0	4.8	3.2	1.5	9.5	3.6
3	3.0	.7	-.8	5.1	3.2	1.3	5.8	3.8
4	5.0	1.1	-.5	5.7	3.4	1.2	12.2	4.1
2013:1	4.6	1.4	-.2	6.0	3.7	1.2	10.2	3.5
2	3.5	1.6	.0	6.2	3.8	1.2	6.0	3.6
3	3.0	1.7	.1	6.4	3.9	1.2	4.0	3.8
4	4.8	1.7	.1	6.3	3.9	1.2	10.0	4.2

Note: Quarterly data are at seasonally adjusted annual rates.

1. Data after 2011:Q3 are staff projections. Changes are measured from end of the preceding period to end of period indicated except for annual nominal GDP growth, which is calculated from Q4 to Q4.

Flow of Funds Projections: Highlights
(Billions of dollars at seasonally adjusted annual rates except as noted)

Category	2010	2011	2012	2013	2011				2012				2013			
					Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
<i>Domestic nonfinancial sectors</i>																
Net funds raised																
Total	1167.1	852.3	1211.1	1269.2	1010.4	1241.2	1460.3	1118.0	734.4	1531.6	1517.9	1091.9	860.2	1606.6	1606.6	1606.6
Net equity issuance	-278.0	-484.9	-410.0	-340.0	-606.6	-494.8	-400.0	-400.0	-420.0	-420.0	-320.0	-320.0	-360.0	-360.0	-360.0	-360.0
Net debt issuance	1445.1	1337.1	1621.1	1609.2	1617.0	1736.0	1860.3	1518.0	1154.4	1951.6	1837.9	1411.9	1220.2	1966.6	1966.6	1966.6
<i>Borrowing indicators</i>																
Debt (percent of GDP) ¹	249.1	249.1	249.6	250.5	248.0	248.4	249.3	249.9	249.7	249.6	250.4	250.7	250.4	250.2	250.2	250.2
Borrowing (percent of GDP)	9.9	8.9	10.4	9.9	10.7	11.3	12.0	9.7	7.3	12.3	11.5	8.7	7.5	11.9	11.9	11.9
<i>Households</i>																
Net borrowing ²	-278.4	-122.7	73.7	213.5	-158.8	-4.8	-5.3	63.9	94.1	141.9	182.7	211.1	229.7	230.5	230.5	230.5
Home mortgages	-298.2	-211.8	-88.2	-0.0	-185.6	-158.0	-127.8	-98.0	-78.2	-48.8	-19.5	0.0	9.7	9.7	9.7	9.7
Consumer credit	-44.2	71.3	120.0	167.0	33.6	113.4	82.2	120.7	129.9	147.1	157.2	164.9	172.9	172.9	172.9	172.9
Debt/DPI (percent) ³	120.3	114.7	110.3	108.0	114.3	113.2	111.9	110.7	109.6	108.5	108.9	108.3	107.7	107.0	107.0	107.0
<i>Business</i>																
Financing gap ⁴	-197.1	-201.9	-93.9	66.7	-257.3	-196.0	-158.9	-121.0	-76.7	-18.8	35.3	51.9	68.9	110.8	110.8	110.8
Net equity issuance	-278.0	-484.9	-410.0	-340.0	-606.6	-494.8	-400.0	-400.0	-420.0	-420.0	-320.0	-320.0	-360.0	-360.0	-360.0	-360.0
Credit market borrowing	77.0	449.3	391.6	462.5	392.2	443.6	399.9	378.1	382.7	405.7	438.1	456.4	473.5	482.0	482.0	482.0
<i>State and local governments</i>																
Net borrowing	66.2	-57.3	43.0	38.0	1.0	-23.9	50.0	46.0	38.0	38.0	38.0	38.0	38.0	38.0	38.0	38.0
Current surplus ⁵	257.0	214.6	203.1	233.2	212.1	173.8	185.6	202.0	208.8	215.9	220.3	234.9	237.6	239.8	239.8	239.8
<i>Federal government</i>																
Net borrowing	1580.2	1067.9	1112.9	895.2	1382.6	1321.2	1415.7	1030.1	639.6	1366.0	1179.2	706.4	479.1	1216.2	1216.2	1216.2
Net borrowing (n.s.a.)	1580.2	1067.9	1112.9	895.2	389.1	326.0	428.8	143.6	203.3	337.2	369.6	62.7	163.2	299.7	299.7	299.7
Unified deficit (n.s.a.)	1275.1	1251.4	1102.6	815.2	328.1	321.7	442.7	129.5	213.2	317.2	349.6	42.7	143.2	279.7	279.7	279.7
<i>Depository institutions</i>																
Funds supplied	-181.1	154.9	339.6	371.6	489.9	432.1	375.5	306.0	327.2	349.7	357.3	356.7	382.1	390.5	390.5	390.5

Note: Data after 2011:Q3 are staff projections.

1. Average debt levels in the period (computed as the average of period-end debt positions) divided by nominal GDP.

2. Includes change in liabilities not shown in home mortgages and consumer credit.

3. Average debt levels in the period (computed as the average of period-end debt positions) divided by disposable personal income.

4. For corporations, excess of capital expenditures over U.S. internal funds.

5. NIPA state and local government saving plus consumption of fixed capital and net capital transfers.

n.s.a. Not seasonally adjusted.

Foreign Real GDP and Consumer Prices: Selected Countries

(Quarterly percent changes at an annual rate)

Measure and country	2011				2012				2013			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Real GDP ¹												
Total foreign	3.7	2.3	3.6	2.0	2.5	2.3	2.5	2.7	2.8	2.9	3.0	3.1
<i>Previous Tealbook</i>	3.9	2.4	3.6	2.3	2.5	2.4	2.6	2.7	2.9	3.0	3.0	3.1
Advanced foreign economies	1.8	.0	2.7	.6	.6	.5	.9	1.2	1.4	1.4	1.5	1.8
Canada	3.5	-5	3.5	2.0	1.9	1.7	2.0	2.1	2.0	2.0	2.0	2.2
Japan	-6.6	-2.0	5.6	.4	2.8	1.8	1.6	1.5	1.4	1.3	1.3	1.3
United Kingdom	1.7	-0	2.3	-3	.1	.4	.7	1.1	1.5	1.6	1.9	2.1
Euro area	3.1	.6	.5	-1.2	-1.9	-1.7	-1.0	-.3	.2	.5	.7	1.0
Germany	5.5	1.1	2.0	-.9	-.9	-.7	-.1	.3	.7	1.1	1.2	1.7
Emerging market economies	5.8	4.8	4.6	3.5	4.6	4.3	4.2	4.3	4.4	4.5	4.6	4.6
Asia	8.0	5.0	4.7	3.7	5.5	5.3	5.3	5.4	5.6	5.7	5.8	5.8
Korea	5.4	3.6	3.3	3.5	3.4	3.4	3.4	3.4	3.6	3.7	3.9	4.1
China	8.7	9.5	9.5	8.2	8.0	7.9	7.9	7.9	8.0	8.1	8.1	8.1
Latin America	3.5	4.8	4.6	3.3	3.6	3.2	3.0	3.0	3.1	3.1	3.2	3.3
Mexico	2.3	5.2	5.5	3.5	3.7	3.2	2.9	2.9	2.9	2.9	3.1	3.1
Brazil	3.2	2.9	-.2	2.2	3.1	3.1	3.1	3.1	3.5	3.6	3.6	3.8
Consumer prices ²												
Total foreign	4.3	3.2	3.1	3.1	2.3	2.4	2.3	2.3	2.3	2.3	2.3	2.3
<i>Previous Tealbook</i>	4.3	3.2	3.1	3.5	2.6	2.3	2.2	2.2	2.2	2.2	2.3	2.3
Advanced foreign economies	3.2	2.1	1.0	2.8	1.6	1.2	1.3	1.3	1.1	1.1	1.1	1.2
Canada	3.6	3.1	1.1	3.5	2.4	1.8	1.8	1.7	1.7	1.7	1.7	1.8
Japan	-.4	-.8	-.3	-.5	-.4	-.4	-.4	-.4	-.3	-.3	-.3	-.3
United Kingdom	7.0	3.7	3.5	4.6	1.9	1.6	1.6	2.8	1.5	1.3	1.6	2.8
Euro Area	3.6	2.8	1.3	4.1	1.9	1.5	1.5	1.4	1.2	1.2	1.2	1.2
Germany	3.5	2.3	1.8	2.9	2.3	2.3	2.0	1.9	1.6	1.5	1.6	1.6
Emerging market economies	5.1	4.1	4.6	3.3	3.0	3.3	3.1	3.1	3.2	3.2	3.2	3.2
Asia	5.3	4.8	5.3	2.4	2.2	3.2	2.9	2.9	3.0	3.0	3.0	3.0
Korea	6.0	2.8	4.8	2.3	2.7	3.0	3.0	3.0	3.0	3.0	3.0	3.0
China	4.6	5.8	6.2	1.8	1.6	3.0	2.7	2.7	2.9	2.9	2.9	2.9
Latin America	4.3	2.5	3.6	5.5	4.7	3.6	3.8	3.8	3.8	3.7	3.7	3.7
Mexico	3.6	1.8	3.3	5.3	4.4	3.3	3.5	3.5	3.5	3.4	3.4	3.4
Brazil	9.5	7.5	5.6	6.4	6.0	5.3	4.9	4.9	5.3	5.1	4.9	4.9

¹ Foreign GDP aggregates calculated using shares of U.S. exports.² Foreign CPI aggregates calculated using shares of U.S. non-oil imports.

Foreign Real GDP and Consumer Prices: Selected Countries
(Percent change, Q4 to Q4)

Measure and country	2005	2006	2007	2008	2009	2010	2011	-----Projected-----	2012	2013
Real GDP ¹										
Total foreign	4.0	4.2	4.3	-.9	.9	4.4	2.9	2.5	2.5	3.0
<i>Previous Tealbook</i>	4.1	4.1	4.4	-.9	.8	4.3	3.1	2.5	2.5	3.0
Advanced foreign economies	2.7	2.6	2.6	-2.0	-1.3	2.8	1.3	.8	.8	1.5
Canada	3.1	1.9	2.5	-.7	-1.4	3.3	2.1	1.9	1.9	2.0
Japan	2.1	2.1	1.6	-4.8	-.6	3.3	-.7	1.9	1.9	1.3
United Kingdom	2.8	2.1	4.1	-5.4	-.8	1.7	.9	.6	.6	1.8
Euro area	2.2	3.8	2.3	-2.1	-2.1	2.0	.8	-1.2	-1.2	.6
Germany	1.6	4.9	2.4	-1.9	-2.2	3.8	1.9	-.4	-.4	1.2
Emerging market economies	5.8	6.3	6.7	.4	3.5	6.1	4.7	4.4	4.4	4.5
Asia	7.6	7.8	8.8	.9	8.0	7.6	5.3	5.4	5.4	5.7
Korea	5.2	4.6	5.8	-3.2	6.3	4.7	3.9	3.4	3.4	3.8
China	10.3	12.8	13.7	7.7	11.4	9.6	9.0	7.9	7.9	8.1
Latin America	3.9	4.8	4.4	-.4	-.8	4.5	4.1	3.2	3.2	3.2
Mexico	3.6	4.1	3.5	-1.2	-2.3	4.2	4.1	3.2	3.2	3.0
Brazil	2.2	4.8	6.6	.9	5.3	5.4	2.0	3.1	3.1	3.6
Consumer prices ²										
Total foreign	2.3	2.2	3.7	3.3	1.3	3.2	3.4	2.3	2.3	2.3
<i>Previous Tealbook</i>	2.3	2.2	3.7	3.3	1.3	3.2	3.5	2.3	2.3	2.3
Advanced foreign economies	1.6	1.4	2.2	2.0	.2	1.7	2.3	1.3	1.3	1.1
Canada	2.3	1.4	2.5	1.8	.8	2.2	2.8	2.0	2.0	1.7
Japan	-.7	.3	.5	1.0	-2.0	-.3	-.3	-.4	-.4	-.3
United Kingdom	2.1	2.7	2.1	3.9	2.2	3.4	4.7	2.0	2.0	1.8
Euro Area	2.3	1.8	2.9	2.3	.4	2.0	2.9	1.6	1.6	1.2
Germany	2.2	1.3	3.1	1.7	.3	1.6	2.6	2.1	2.1	1.6
Emerging market economies	3.0	2.9	5.1	4.6	2.1	4.3	4.3	3.1	3.1	3.2
Asia	2.5	2.4	5.5	3.6	1.3	4.3	4.4	2.8	2.8	3.0
Korea	2.5	2.1	3.4	4.5	2.4	3.2	4.0	2.9	2.9	3.0
China	1.4	2.1	6.7	2.5	.6	4.7	4.6	2.5	2.5	2.9
Latin America	3.8	4.2	4.2	6.7	3.9	4.4	4.0	4.0	4.0	3.7
Mexico	3.1	4.1	3.8	6.2	4.0	4.3	3.5	3.7	3.7	3.4
Brazil	6.1	3.2	4.3	6.2	4.2	5.4	7.2	5.3	5.3	5.1

¹ Foreign GDP aggregates calculated using shares of U.S. exports.

² Foreign CPI aggregates calculated using shares of U.S. non-oil imports.

U.S. Current Account

Quarterly Data

	2011				2012				Projected-----2013			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
<i>Billions of dollars, s.a.a.r.</i>												
U.S. current account balance	-478.4	-498.9	-441.1	-453.4	-465.5	-422.5	-439.2	-461.0	-497.7	-463.5	-476.7	-497.8
<i>Previous Tealbook</i>	-478.4	-472.0	-390.7	-402.7	-439.8	-396.8	-416.6	-440.7	-477.6	-448.4	-463.9	-485.2
Current account as percent of GDP	-3.2	-3.3	-2.9	-3.0	-3.0	-2.7	-2.8	-2.9	-3.1	-2.9	-2.9	-3.0
<i>Previous Tealbook</i>	-3.2	-3.1	-2.6	-2.6	-2.8	-2.5	-2.6	-2.8	-3.0	-2.8	-2.8	-2.9
Net goods & services	-559.9	-584.8	-542.3	-548.7	-569.7	-517.9	-528.4	-540.2	-567.3	-526.0	-523.2	-533.6
Investment income, net	219.5	236.6	242.1	236.3	243.7	231.1	228.1	220.1	209.0	198.2	185.5	176.8
Direct, net	315.9	322.1	323.5	293.0	286.7	270.7	268.5	265.2	262.3	260.4	257.0	258.0
Portfolio, net	-96.4	-85.5	-81.4	-56.7	-43.1	-39.6	-40.4	-45.0	-53.3	-62.3	-71.5	-81.2
Other income and transfers, net	-138.0	-150.7	-140.9	-141.0	-139.5	-135.6	-138.9	-141.0	-139.5	-135.6	-138.9	-141.0

Annual Data

	Projected-----2013									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	
<i>Billions of dollars</i>										
U.S. current account balance	-745.8	-800.6	-710.3	-677.1	-376.6	-470.9	-467.9	-447.1	-483.9	
<i>Previous Tealbook</i>	-745.8	-800.6	-710.3	-677.1	-376.6	-470.9	-435.9	-423.5	-468.8	
Current account as percent of GDP	-5.9	-6.0	-5.1	-4.7	-2.7	-3.2	-3.1	-2.9	-3.0	
<i>Previous Tealbook</i>	-5.9	-6.0	-5.1	-4.7	-2.7	-3.2	-2.9	-2.7	-2.9	
Net goods & services	-708.6	-753.3	-696.7	-698.3	-381.3	-500.0	-558.9	-539.1	-537.5	
Investment income, net	78.7	54.7	111.1	157.8	137.1	174.5	233.6	230.7	192.4	
Direct, net	173.2	174.0	244.6	284.3	262.2	280.6	313.6	272.8	259.4	
Portfolio, net	-94.5	-119.4	-133.5	-126.5	-125.1	-106.2	-80.0	-42.0	-67.1	
Other income and transfers, net	-115.9	-102.0	-124.7	-136.6	-132.3	-145.3	-142.6	-138.8	-138.8	

Class I FOMC – Restricted Controlled (FR)

Report to the FOMC on Economic Conditions and Monetary Policy

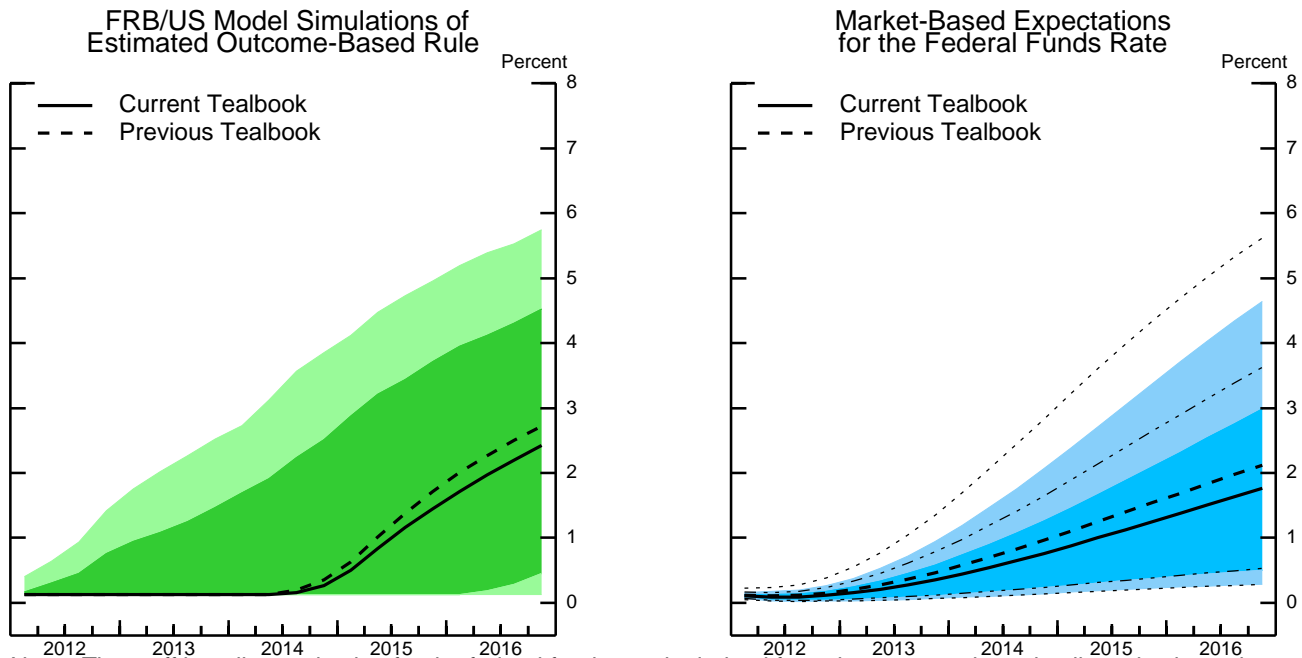


Book B Monetary Policy: Strategies and Alternatives

January 19, 2012

Prepared for the Federal Open Market Committee
by the staff of the Board of Governors of the Federal Reserve System

Policy Rules and Market-Based Expectations for the Federal Funds Rate



Note: The staff baseline projection for the federal funds rate is derived from the outcome-based policy rule shown in the top-left panel. The top-right panel depicts the mean path and confidence intervals of future federal funds rates derived from market quotes as of January 18. In both panels, dark and light shadings represent the 70 and 90 percent confidence intervals respectively. Explanatory Note B provides further background information.

Near-Term Prescriptions of Simple Policy Rules

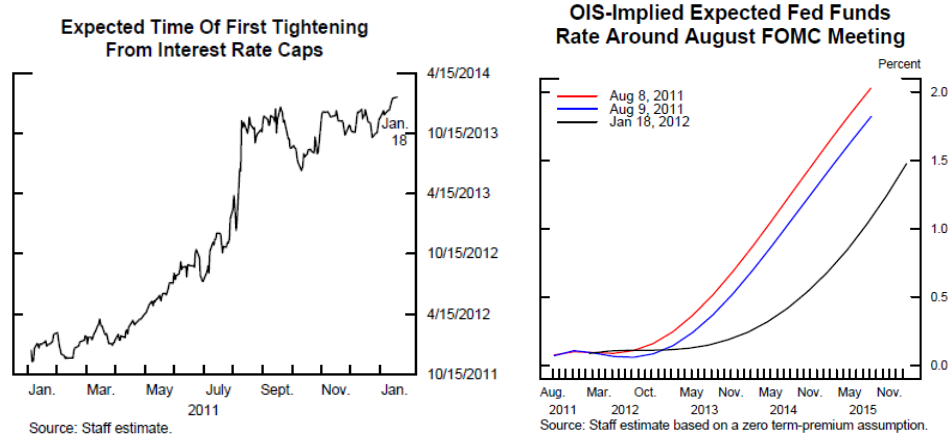
	Constrained Policy		Unconstrained Policy	
	<u>2012Q1</u>	<u>2012Q2</u>	<u>2012Q1</u>	<u>2012Q2</u>
Taylor (1993) rule	0.73	0.40	0.73	0.40
Previous Tealbook	0.90	0.59	0.90	0.59
Taylor (1999) rule	0.13	0.13	-2.09	-2.43
Previous Tealbook	0.13	0.13	-1.82	-2.15
Estimated outcome-based rule	0.13	0.13	-0.22	-0.61
Previous Tealbook	0.13	0.13	-0.11	-0.42
Estimated forecast-based rule	0.13	0.13	-0.37	-0.78
Previous Tealbook	0.13	0.13	-0.27	-0.61
First-difference rule	0.13	0.13	-0.13	-0.30
Previous Tealbook	0.13	0.13	-0.02	-0.14
Memo				
Staff assumption		0.08		0.10
Fed funds futures		0.08		0.09
Median expectation of primary dealers		0.13		0.13
Blue Chip forecast (January 1, 2012)		0.10		0.10

Note: In calculating the near-term prescriptions of these simple policy rules, policymakers' long-run inflation objective is assumed to be 2 percent. Explanatory Note B provides further background information.

Forward Rate Guidance and Policy Expectations

As the Committee considers possible changes to the forward rate guidance included in the FOMC statement, it may be useful to review the estimated effects on policy expectations and Treasury yields of the introduction of the “at least through mid-2013” language in the August 9, 2011, statement. Overall, the introduction of that language appears to have played an important role, both initially and over time, in shaping investors’ expectations regarding the path of the target federal funds rate.

Immediately following the release of the August statement, quotes on interest rate caps implied that investors pushed out their expected date of tightening by two quarters from the second quarter of 2013 to the fourth quarter of 2013 (left-hand figure below). In addition, as illustrated by the red and blue lines in the figure to the right, the expected funds rate path beyond 2014 derived from overnight index swap (OIS) rates dropped about 20 basis points on the day of the announcement. Moreover, the Treasury yield curve (not shown), flattened noticeably that day, with 2- and 10-year Treasury yields declining about 10 and 20 basis points, respectively.



The introduction of the forward guidance also apparently led near-term policy rate expectations to be better anchored and less sensitive to macro data surprises. In particular, the middle panel of the table below shows average absolute changes in rates on Eurodollar futures contracts expiring around mid-2013 over a thirty-minute window surrounding important macroeconomic data releases. These calculations are based on data over the five months since August 9, 2011, where the changes in rates are normalized by the magnitude of standardized macroeconomic surprises.¹ The top panel of the table shows corresponding changes in contracts with similar horizons over the five-month period between March 1 and August 8. The ratios between the post- and pre-August responses, reported in the bottom panel, suggest that the sensitivities of futures rates to macroeconomic news declined significantly following the August FOMC meeting, consistent with the interpretation that the forward guidance was perceived by market participants as having considerable credibility.²

¹ The following economic releases were used: nonfarm payrolls, capacity utilization, housing starts, new home sales, existing home sales, ISM, industrial production, retail sales, Michigan consumer sentiment, consumer confidence, CPI ex Food & Energy, and PCE prices.

² Also consistent with this interpretation are the notable declines in measures of policy uncertainty, such as option-implied and realized volatilities of the Eurodollar futures rates, since the August 2011 FOMC meeting.

On the other hand, the fact that futures rates continued to respond to macro data surprises following the statement, although to a lesser degree, suggests that investors correctly interpreted the forward guidance as conditional on the future evolution of the economic outlook.

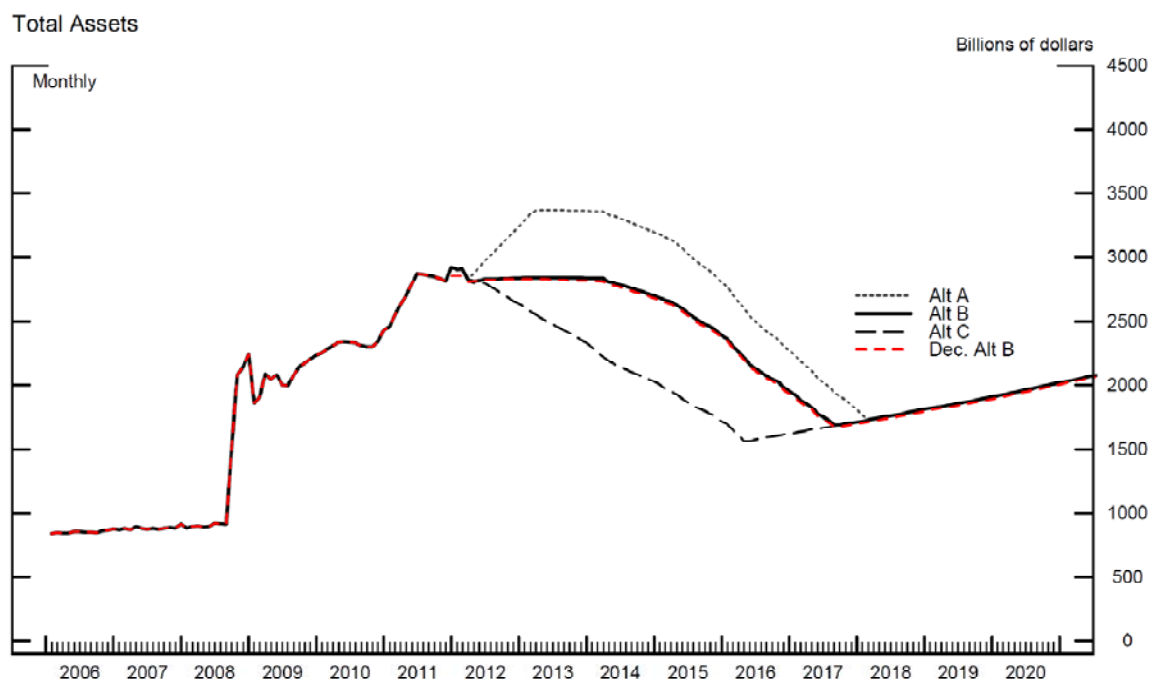
Average Absolute Responses of Eurodollar Futures Rates to Macroeconomic News (in basis points)				
Pre "mid-2013" language				
Futures Contract	Sep-12	Dec-12	Mar-13	Jun-13
Average Response	6.39	8.39	8.02	9.37
Post "mid-2013" language				
Futures Contract	Mar-13	Jun-13	Sep-13	Dec-13
Average Response	2.31	2.59	3.02	4.54
Post/Pre Ratio of Average Responses	0.36	0.31	0.38	0.48

Experience with the introduction of the forward guidance in August of last year suggests that the shift in the expected lift-off date to the end of 2014 under paragraph 3' of Alternative B could have an appreciable effect on policy expectations and longer-term yields. For example, if the revised forward guidance resulted in an expected federal funds rate path that remained at the middle of the current target range through the end of 2014, the result might be viewed as a policy shock of about -45 basis points at the end of 2014 based on the policy rate path as of January 18, 2011 (shown by the black line in the chart of OIS curves above). Of course, the impact of this shock on longer-term rates depends importantly on how the shock to nearer-term policy expectations is propagated to longer horizons. One plausible assumption might be that the effect of this policy shock on policy expectations at longer horizons decays geometrically at a rate of about 10 percent per quarter—a rate roughly consistent with historical evidence on the effects of policy shocks. Under this assumption, the implied effect of the change in forward guidance on longer-term Treasury yields would be a decline of 10-15 basis points. Of course, if the forward guidance were seen as less than fully credible, the effect on longer-term interest rates would be reduced.

The effect of the revised forward guidance under paragraph 3 of Alternative B, which indicates that the Committee intends to maintain the current target range for the federal funds rate at least as long as unemployment is above 7 percent and inflation is projected to be either below or close to 2 percent, is more difficult to gauge. Since private sector forecasters, like the staff, foresee only a gradual decline in the unemployment rate and generally subdued inflation, the effect of this forward guidance on longer-term yields would likely be larger than that of the guidance in paragraph 3'. However, the effects on longer-term yields would depend on a number of factors, including the credibility of the forward guidance at longer horizons; market participants' expectations regarding the effects of the easier policy stance on unemployment, inflation, and inflation expectations; and investors' views about the pace of withdrawal of policy accommodation once the thresholds are reached.

LONG-RUN PROJECTIONS OF THE BALANCE SHEET AND MONETARY BASE

The staff has prepared three scenarios for the Federal Reserve's balance sheet that correspond to the policy alternatives A, B, and C. The scenario for Alternative A reflects a \$500 billion agency MBS purchase program included in paragraph 3 of the draft statement for that alternative, but is consistent with the open-ended purchase program in paragraph 3' if purchases last, and are expected to last, for one year. Projections under each scenario are based on assumptions about the trajectory of various components of the balance sheet. Details of these assumptions, as well as projections for each major component of the balance sheet, can be found in Explanatory Note C.



For the balance sheet scenario that corresponds to Alternative B, the Committee is assumed to complete the maturity extension program (MEP) that it announced in September, purchasing a total of \$400 billion (par value) of Treasury securities with remaining maturities of six years or more and selling the same par amount of securities with remaining maturities of three years or less by the end of June 2012. The Committee also continues to reinvest principal payments from its holdings of agency debt and MBS into agency MBS, while principal from maturing Treasury securities is reinvested at auction according to the Desk's current practice (that is, reinvesting roughly proportionally across all Treasury securities that are being issued on the date the securities mature). These policy choices would keep System Open Market Account (SOMA) securities holdings roughly constant at about \$2.6 trillion. All reinvestment is assumed

Growth Rates for the Monetary Base				
Date	Alternative B	Alternative A	Alternative C	<i>Memo :</i> December Tealbook
Percent, annual rate				
Monthly				
Jan-11	23.3	23.3	23.3	23.3
Feb-11	57.6	57.6	57.6	57.6
Mar-11	97.8	97.8	97.8	97.8
Apr-11	74.4	74.4	74.4	74.4
May-11	42.1	42.1	42.1	42.1
Jun-11	35.9	35.9	35.9	35.9
Jul-11	27.0	27.0	27.0	27.0
Aug-11	2.0	2.0	2.0	2.0
Sep-11	-10.6	-10.6	-10.6	-10.6
Oct-11	-4.5	-4.5	-4.5	-4.5
Nov-11	-8.0	-8.0	-8.0	-8.0
Dec-11	-4.5	-4.5	-4.5	12.1
Jan-12	5.8	5.9	5.7	15.1
Feb-12	22.7	22.4	21.9	10.3
Mar-12	4.0	7.1	1.9	4.4
Apr-12	-38.5	-26.1	-41.4	-29.5
May-12	-2.2	17.1	-4.9	0.9
Jun-12	18.3	37.9	15.8	15.4
Quarterly				
2011 Q1	36.8	36.8	36.8	36.8
2011 Q2	69.3	69.3	69.3	69.3
2011 Q3	21.0	21.0	21.0	21.0
2011 Q4	-5.9	-5.9	-5.9	-4.1
2012 Q1	5.5	5.8	5.1	9.7
2012 Q2	-8.1	3.2	-10.4	-5.9
2012 Q3	5.6	25.2	-2.7	4.7
2012 Q4	5.5	23.4	-8.5	5.4
Annual - Q4 to Q4				
2010	0.9	0.9	0.9	0.9
2011	32.9	32.9	32.9	33.5
2012	2.1	15.1	-4.1	3.5
2013	0.9	6.8	-11.4	0.5
2014	-4.8	-4.6	-14.5	-4.8
2015	-11.4	-12.0	-16.1	-11.3
2016	-19.8	-20.3	-10.5	-19.6

Note: Not seasonally adjusted.

Growth Rates for M2

(Percent, seasonally adjusted annual rate)

Monthly Growth Rates	Tealbook Forecast*
Jun-11	9.9
Jul-11	22.7
Aug-11	24.5
Sep-11	2.5
Oct-11	6.0
Nov-11	5.8
Dec-11	5.6
Jan-12	15.9
Feb-12	7.0
Mar-12	3.5
Apr-12	3.1
May-12	3.1
Jun-12	3.1
Quarterly Growth Rates	
2011 Q3	16.4
2011 Q4	7.2
2012 Q1	9.2
2012 Q2	3.6
Annual Growth Rates	
2010	3.1
2011	9.5
2012	5.3
2013	1.9

* This forecast is consistent with nominal GDP and interest rates in the Tealbook forecast. Actual data through December 2011; projections thereafter.

DIRECTIVE

The directive that was issued in December is given below, followed by drafts for a January directive that correspond to each of the policy alternatives. Under the directive for Alternative B, the Desk would be instructed to leave the total face value of domestic securities in the SOMA about unchanged. Under Alternative A, the Committee would instruct the Desk either to execute purchases of agency MBS in order to raise the total face value of the domestic securities holdings to about \$3.1 trillion by the end of January 2013, or to purchase agency MBS in order to raise the face value of holdings of domestic securities by approximately \$40 billion per month until instructed otherwise. In addition, the directives for Alternatives A and B would instruct the Desk to take appropriate steps to complete by the end of June 2012 the \$400 billion maturity extension program that was announced last September. The directive for Alternative C would instruct the Desk to limit the amounts of purchases and sales associated with the maturity extension program to \$200 billion each and to complete these operations by the end of February. All of the draft directives instruct the Desk to continue the current practice of rolling over maturing Treasury securities at auction and of reinvesting principal payments on all agency debt and agency MBS in agency MBS.

December 2011 Directive

The Federal Open Market Committee seeks monetary and financial conditions that will foster price stability and promote sustainable growth in output. To further its long-run objectives, the Committee seeks conditions in reserve markets consistent with federal funds trading in a range from 0 to $\frac{1}{4}$ percent. The Committee directs the Desk to continue the maturity extension program it began in September to purchase, by the end of June 2012, Treasury securities with remaining maturities of approximately 6 years to 30 years with a total face value of \$400 billion, and to sell Treasury securities with remaining maturities of 3 years or less with a total face value of \$400 billion. The Committee also directs the Desk to maintain its existing policies of rolling over maturing Treasury securities into new issues and of reinvesting principal payments on all agency debt and agency mortgage-backed securities in the System Open Market Account in agency mortgage-backed securities in order to maintain the total face value of domestic securities at approximately \$2.6 trillion. The Committee directs the Desk to engage in dollar roll transactions as necessary to facilitate settlement of the Federal Reserve's agency MBS transactions. The System Open Market Account Manager and the Secretary will keep the Committee informed of ongoing developments regarding the System's balance sheet that could affect the attainment over time of the Committee's objectives of maximum employment and price stability.

Federal Reserve Balance Sheet End-of-Year Projections -- Alternative A

Billions of dollars

	<u>Dec 31, 2011</u>	<u>2012</u>	<u>2014</u>	<u>2016</u>	<u>2018</u>	<u>2020</u>
Total assets	2,921	3,242	3,199	2,272	1,810	2,017
Selected assets						
Liquidity programs for financial firms	100	0	0	0	0	0
Primary, secondary, and seasonal credit	0	0	0	0	0	0
Central bank liquidity swaps	100	0	0	0	0	0
Lending through other credit facilities	9	3	1	0	0	0
Term Asset-Backed Securities Loan Facility (TALF)	9	3	1	0	0	0
Support for specific institutions	34	29	21	11	7	4
Credit extended to AIG	0	0	0	0	0	0
Net portfolio holdings of Maiden Lane LLC, Maiden Lane II LLC, and Maiden Lane III LLC	34	29	21	11	7	4
Securities held outright	2,605	2,982	2,970	2,092	1,665	1,893
U.S. Treasury securities	1,663	1,651	1,600	1,232	1,338	1,893
Agency debt securities	104	77	39	16	2	0
Agency mortgage-backed securities	838	1,255	1,331	843	324	0
Net portfolio holdings of TALF LLC	1	1	1	0	0	0
Total other assets	171	227	206	169	138	120
Total liabilities	2,867	3,180	3,117	2,164	1,667	1,828
Selected liabilities						
Federal Reserve notes in circulation	1,034	1,111	1,245	1,396	1,551	1,712
Reverse repurchase agreements	100	70	70	70	70	70
Deposits with Federal Reserve Banks	1,713	1,982	1,786	683	30	30
Reserve balances held by depository institutions	1,562	1,967	1,781	678	25	25
U.S. Treasury, General Account	86	16	5	5	5	5
Other Deposits	65	0	0	0	0	0
Interest on Federal Reserve Notes due to U.S. Treasury	2	0	0	0	0	0
Total capital	54	62	82	108	143	189

Explanatory Notes

Source: Federal Reserve H.4.1 statistical releases and staff calculations.

Note: Components may not sum to totals due to rounding.

Federal Reserve Balance Sheet End-of-Year Projections -- Alternative B

Billions of dollars

	<u>Dec 31, 2011</u>	<u>2012</u>	<u>2014</u>	<u>2016</u>	<u>2018</u>	<u>2020</u>
Total assets	2,921	2,838	2,700	1,954	1,810	2,017
Selected assets						
Liquidity programs for financial firms	100	0	0	0	0	0
Primary, secondary, and seasonal credit	0	0	0	0	0	0
Central bank liquidity swaps	100	0	0	0	0	0
Lending through other credit facilities	9	3	1	0	0	0
Term Asset-Backed Securities Loan Facility (TALF)	9	3	1	0	0	0
Support for specific institutions	34	29	21	11	7	4
Credit extended to AIG	0	0	0	0	0	0
Net portfolio holdings of Maiden Lane LLC, Maiden Lane II LLC, and Maiden Lane III LLC	34	29	21	11	7	4
Securities held outright	2,605	2,600	2,495	1,789	1,673	1,896
U.S. Treasury securities	1,663	1,651	1,600	1,232	1,462	1,896
Agency debt securities	104	77	39	16	2	0
Agency mortgage-backed securities	838	873	856	540	208	0
Net portfolio holdings of TALF LLC	1	1	1	0	0	0
Total other assets	171	205	183	154	130	117
Total liabilities	2,867	2,776	2,618	1,846	1,667	1,828
Selected liabilities						
Federal Reserve notes in circulation	1,034	1,111	1,245	1,396	1,551	1,712
Reverse repurchase agreements	100	70	70	70	70	70
Deposits with Federal Reserve Banks	1,713	1,579	1,287	364	30	30
Reserve balances held by depository institutions	1,562	1,563	1,282	359	25	25
U.S. Treasury, General Account	86	16	5	5	5	5
Other Deposits	65	0	0	0	0	0
Interest on Federal Reserve Notes due to U.S. Treasury	2	0	0	0	0	0
Total capital	54	62	82	108	143	189

Explanatory Notes

Source: Federal Reserve H.4.1 statistical releases and staff calculations.

Note: Components may not sum to totals due to rounding.

Federal Reserve Balance Sheet End-of-Year Projections -- Alternative C

Billions of dollars

	<u>Dec 31, 2011</u>	<u>2012</u>	<u>2014</u>	<u>2016</u>	<u>2018</u>	<u>2020</u>
Total assets	2,921	2,634	2,025	1,620	1,810	2,017
Selected assets						
Liquidity programs for financial firms	100	0	0	0	0	0
Primary, secondary, and seasonal credit	0	0	0	0	0	0
Central bank liquidity swaps	100	0	0	0	0	0
Lending through other credit facilities	9	3	1	0	0	0
Term Asset-Backed Securities Loan Facility (TALF)	9	3	1	0	0	0
Support for specific institutions	34	29	16	11	7	4
Credit extended to AIG	0	0	0	0	0	0
Net portfolio holdings of Maiden Lane LLC, Maiden Lane II LLC, and Maiden Lane III LLC	34	29	16	11	7	4
Securities held outright	2,605	2,426	1,861	1,487	1,698	1,915
U.S. Treasury securities	1,663	1,590	1,341	1,265	1,698	1,915
Agency debt securities	104	77	39	16	0	0
Agency mortgage-backed securities	838	760	482	206	0	0
Net portfolio holdings of TALF LLC	1	1	1	0	0	0
Total other assets	171	175	146	121	104	98
Total liabilities	2,867	2,573	1,943	1,512	1,667	1,828
Selected liabilities						
Federal Reserve notes in circulation	1,034	1,111	1,245	1,396	1,551	1,712
Reverse repurchase agreements	100	70	70	70	70	70
Deposits with Federal Reserve Banks	1,713	1,375	612	30	30	30
Reserve balances held by depository institutions	1,562	1,359	607	25	25	25
U.S. Treasury, General Account	86	16	5	5	5	5
Other Deposits	65	0	0	0	0	0
Interest on Federal Reserve Notes due to U.S. Treasury	2	0	0	0	0	0
Total capital	54	62	82	108	143	189

Explanatory Notes

Source: Federal Reserve H.4.1 statistical releases and staff calculations.

Note: Components may not sum to totals due to rounding.