



## Notes

**Very early stage draft** – Contents not considered reliable.

## Contact

**Brian Wilson Dew**

✉ [brian.w.dew@gmail.com](mailto:brian.w.dew@gmail.com)

🐦 [@bd\\_econ](https://twitter.com/bd_econ)

🌐 [bdecon](https://github.com/bdecon)

## Contents

Overall Economic Activity

Overall Financial Activity

Households

Businesses

Government

External Sector

Labor Markets

Capital Markets

Prices

International Comparisons

References

## Ideas/Suggestions/To Do

For now, focus on filling out the content. Once around 1/3 of the content is in place ( 35 pages) start to look into ways to more efficiently create the document.

It will be nice to have a section showing the top five indicators: GDP growth, wages, pop, cpi inflation, 10-year treasury yields.

It will also be nice to have a section in that puts some context on numbers generally. The key example that I've tried to do before is to put a threshold on GDP growth that marks how much is needed for population growth and depreciation and then calculate how much one extra pp of growth (beyond the previous amount) is worth, per person. For example, if population growth is 0.6pp and depreciation is 0.8pp, then it would take 1.4pp to keep the same level of real per capita production. Beyond that, an extra percentage point of GDP might mean something like \$900 per person in additional goods and services.

Section listing recent updates and upcoming releases would be nice.

Beyond content, I still need to do/add: links to subsection, links to sources, links to data, links to code, date of last update, list of charts and numbering system, links between charts and references, marks for recent updates, and much much more.

Major LT developments: rise of imports, computers in the late 1990s, welfare reform in 1996, rise in education level, aging of the population. Major MT developments: increase in health care costs, housing bubble, government austerity from 2010 to 2014. Major ST developments: low business investment, higher wages, increased employment, low interest rates on LT debt, low productivity growth.

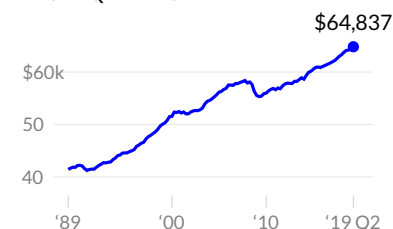
# Overall Economic Activity

This analysis of the United States economy begins with the most popular measure of economic activity, Gross Domestic Product (GDP). According to the Bureau of Economic Analysis, GDP—the seasonally-adjusted annualized value of goods and services produced in the US—was \$21,340 billion in the second quarter of 2019, compared to an inflation-adjusted equivalent of \$10,210 billion in the first quarter of 1989.

The US population is growing by about sixth-tenths of a percent per year. GDP per capita (see —), adjusted for inflation to 2019 Q2 dollars, has increased to \$64,837 in 2019 Q2 from \$41,429 in 1989 Q1.

## GDP per capita

in 2019 Q2 dollars



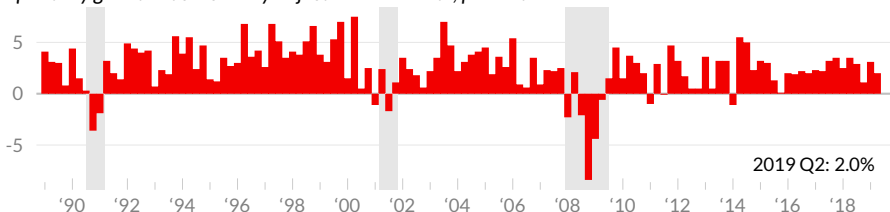
Source: Bureau of Economic Analysis

## Economic Growth

GDP (see ■) increased at an annual rate of 2.0 percent during the second quarter of 2019, compared to an increase of 3.1 percent in the first quarter of 2019. Quarterly growth has averaged 2.5 percent over the past three years, 2.2 percent over the past 10 years, and 2.5 percent over the past 30 years.

### Real Gross Domestic Product Growth

quarterly growth at seasonally adjusted annual rate, percent



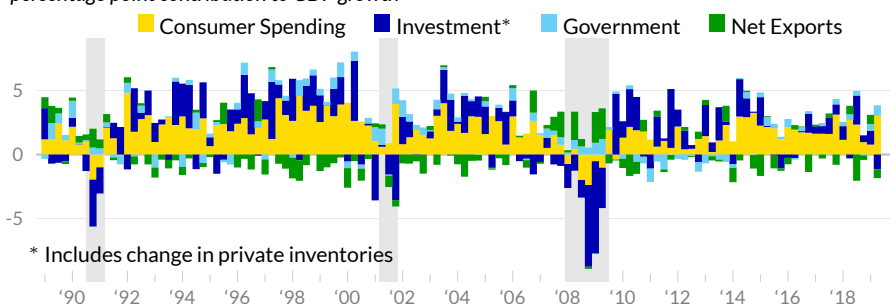
Source: Bureau of Economic Analysis

## Components of Growth

The **expenditure approach** compiles GDP from the sum of spending on domestic goods and services. Major spending categories are consumer spending (see ■), private investment (gross spending on capital goods) and changes in private inventories (see ■), government spending and investment (see ■), and net exports (see ■) which is measured as foreign spending on US goods and services less US spending on goods and services produced by the rest of the world.

### Real GDP Growth by Expenditure Type

percentage point contribution to GDP growth

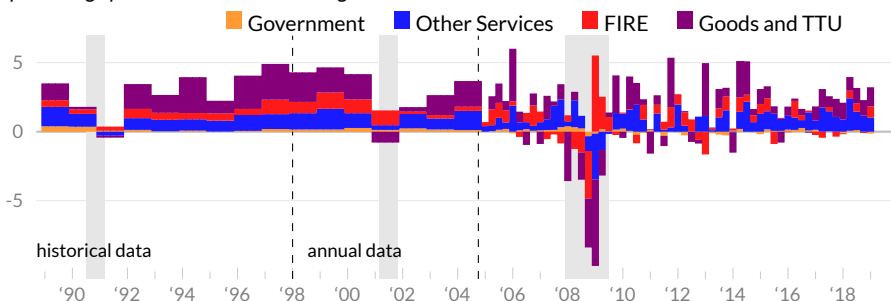


Source: Bureau of Economic Analysis

The **production approach** calculates GDP as the sum of gross value added—output minus inputs—in each sector. This identifies contributions from: goods-producing sectors combined with trade, transportation, and utilities (see ■), finance, insurance, and real estate (see ■), other service-providing sectors (see ■), and government (see ■).

### Real GDP Growth by Industry Group

percentage point contribution to GDP growth

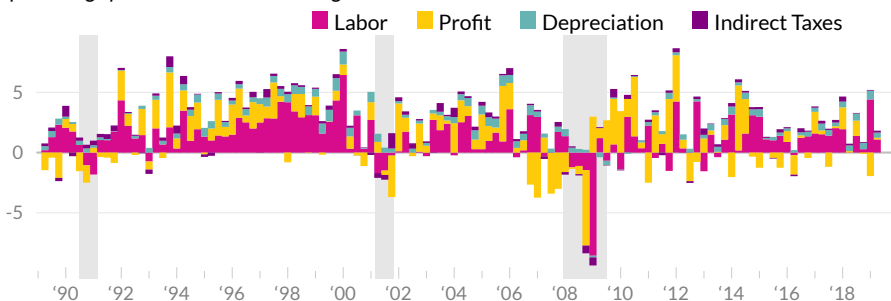


Source: Bureau of Economic Analysis

The **income approach** calculates GDP as the sum of market income to persons (in exchange for labor (see ■) or from returns on capital (see ■)), indirect taxes such as sales taxes or tariffs (see ■), and depreciation (see ■).

### Real Gross Domestic Income Growth

percentage point contribution to GDI growth

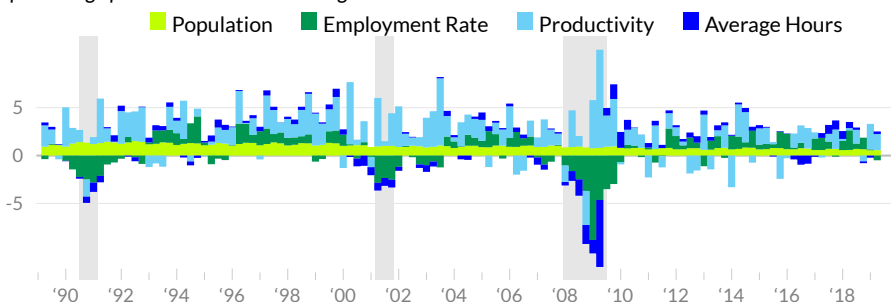


Source: Bureau of Economic Analysis

Changes to GDP can be assigned to changes in **household inputs**: population (see ■), employment rates (see ■), average hours worked (see ■), and total economy productivity (see ■).

### Real GDP Growth by Inputs

percentage point contribution to GDP growth



Source: Author's Calculations

## Components of Economic Growth

percentage point contribution to real GDP/GDI growth

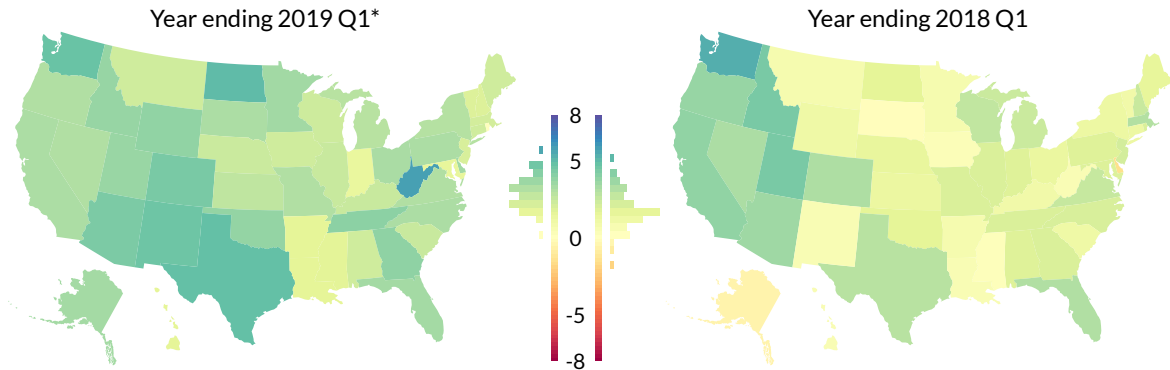
moving averages

	2019 Q2	'19 Q1	'18 Q4	'18 Q3	'18 Q2	3- year	10- year	30- year
<span style="color: red;">■</span> <b>Gross Domestic Product</b>	2.0	3.1	1.1	2.9	3.5	2.5	2.2	2.5
<span style="color: yellow;">■</span> Consumer Spending	3.03	0.78	0.97	2.34	2.70	1.87	1.58	1.81
Durable Goods	0.87	0.02	0.09	0.25	0.56	0.44	0.42	0.42
Non-durable Goods	0.87	0.30	0.24	0.50	0.57	0.40	0.30	0.33
Services	1.29	0.46	0.65	1.59	1.57	1.03	0.85	1.06
<span style="color: blue;">■</span> Gross Investment	-1.16	1.09	0.53	2.27	-0.30	0.62	0.86	0.59
Non-residential	-0.14	0.60	0.64	0.29	1.04	0.59	0.58	0.54
Residential	-0.11	-0.04	-0.18	-0.16	-0.15	-0.01	0.11	0.03
Change in inventories	-0.91	0.53	0.07	2.14	-1.20	0.04	0.17	0.03
<span style="color: lightblue;">■</span> Government	0.82	0.50	-0.07	0.36	0.44	0.26	0.01	0.24
Federal	0.53	0.14	0.07	0.19	0.25	0.14	0.01	0.07
State and Local	0.29	0.36	-0.14	0.17	0.19	0.12	0.00	0.17
<span style="color: green;">■</span> Net Exports	-0.68	0.73	-0.35	-2.05	0.67	-0.25	-0.20	-0.15
Exports	-0.69	0.49	0.18	-0.78	0.71	0.27	0.48	0.51
Imports	0.01	0.23	-0.53	-1.27	-0.04	-0.52	-0.67	-0.66
<span style="color: purple;">■</span> Goods and TTU	-	1.39	1.13	1.13	0.99	0.89	0.57	0.91
Manufacturing	-	0.51	0.32	0.31	0.26	0.32	0.15	0.33
Construction	-	0.00	-0.09	0.12	0.11	0.07	-0.00	-0.01
Retail Trade	-	0.63	-0.14	0.34	-0.06	0.24	0.13	0.20
<span style="color: red;">■</span> FIRE	-	0.80	-0.07	0.59	0.55	0.21	0.48	0.47
<span style="color: blue;">■</span> Other Services	-	1.03	1.16	1.33	2.35	1.19	0.86	0.89
Education & Healthcare	-	0.51	0.16	0.24	0.34	0.24	0.18	0.19
Professional & Business	-	0.27	0.48	0.59	0.96	0.48	0.33	0.34
Information	-	0.25	0.47	0.41	0.70	0.41	0.29	0.26
<span style="color: orange;">■</span> Government	-	-0.14	-0.02	0.12	0.07	0.06	0.00	0.10
<span style="color: lightgreen;">■</span> Population	0.57	0.55	0.66	0.70	0.59	0.64	0.72	0.98
<span style="color: green;">■</span> Employment Rate	-0.49	0.10	1.21	0.56	2.05	0.63	0.30	0.02
<span style="color: blue;">■</span> Average Hours	0.27	-0.22	-0.19	0.24	0.64	0.12	0.15	0.02
<span style="color: lightblue;">■</span> Productivity	1.68	2.66	-0.60	1.43	0.23	1.10	1.08	1.47
<b>Gross Domestic Income</b>	1.8	3.2	0.8	3.3	0.7	2.0	2.4	2.5
<span style="color: magenta;">■</span> Labor	1.09	4.41	0.28	1.39	-0.03	1.38	1.18	1.29
<span style="color: yellow;">■</span> Profit	0.14	-1.95	-0.11	1.26	0.12	0.04	0.78	0.63
<span style="color: teal;">■</span> Depreciation	0.43	0.73	0.53	0.59	0.47	0.44	0.31	0.42
<span style="color: purple;">■</span> Indirect Taxes	0.16	0.06	0.07	0.05	0.15	0.14	0.15	0.17

Source: Bureau of Economic Analysis and Author's Calculations

## Real GDP Growth by State

percentage point change in real GDP



Source: Bureau of Economic Analysis

\*For the year ending 2019 Q1, one state (West Virginia) had real GDP growth of more than five percent, 40 states had real GDP growth between two and five percent, 10 states had less than two percent GDP growth, and no states had negative GDP growth.

## Real GDP Growth by State

quarterly growth at seasonally adjusted annualized rate

total growth, 2019 Q1

	2019 Q1	'18 Q4	'18 Q3	'18 Q2	'18 Q1	1-year*	3-year	10-year
<b>United States</b>	2.2	4.2	3.4	2.2	3.1	3.2	8.3	23.4
<b>Pacific</b>	1.7	6.4	2.0	2.3	2.8	3.3	11.8	31.5
Washington	7.2	7.2	5.4	3.1	3.1	4.7	16.2	38.1
California	0.9	6.6	1.2	2.2	2.7	3.2	11.4	32.1
Oregon	2.0	3.6	4.2	1.3	3.1	3.1	12.1	27.7
Hawaii	0.0	2.4	1.6	1.1	1.2	1.6	4.7	16.1
Alaska	-5.7	1.7	2.9	4.9	3.9	3.4	0.2	-2.9
<b>West South Central</b>	2.4	4.1	2.5	5.6	4.7	4.2	6.7	26.7
Texas	2.4	4.5	3.3	6.6	5.1	4.9	8.3	34.0
Oklahoma	0.8	5.4	0.2	5.5	3.9	3.7	1.4	18.7
Arkansas	1.0	1.7	0.6	1.5	2.5	1.6	3.0	12.2
Louisiana	4.3	1.4	-0.1	1.3	3.8	1.6	2.0	-1.5
<b>Middle Atlantic</b>	1.2	4.1	2.8	1.2	3.1	2.8	6.9	20.2
New York	0.5	4.7	3.0	0.2	3.8	2.9	7.8	26.7
Pennsylvania	0.7	4.0	3.2	2.5	2.9	3.2	6.3	18.5
New Jersey	3.6	2.4	1.8	1.8	1.8	2.0	5.3	7.9
<b>Mountain</b>	2.7	4.0	4.8	3.3	3.8	4.0	10.0	20.0
Utah	5.9	3.7	4.7	1.8	4.2	3.6	12.2	32.8
Colorado	0.3	5.9	4.1	3.8	3.6	4.4	10.8	29.9
Idaho	2.0	5.6	3.6	2.7	2.7	3.6	12.5	21.6

continued on next page . . .

	2019 Q1	'18 Q4	'18 Q3	'18 Q2	'18 Q1	1-year*	3-year	10-year
continued from previous page . . .								
Arizona	5.2	2.6	7.4	3.5	3.8	4.3	12.4	18.9
Montana	-0.4	3.2	1.4	1.3	3.2	2.2	2.4	15.0
Nevada	6.4	2.5	2.7	2.8	4.0	3.0	9.0	11.0
New Mexico	-1.1	4.3	5.5	4.1	4.6	4.6	4.7	7.6
Wyoming	-6.2	3.0	2.8	6.0	3.3	3.8	-0.2	-13.3
<b>South Atlantic</b>	2.0	3.2	4.7	1.7	2.7	3.1	8.4	18.6
Georgia	-0.5	2.6	7.6	2.1	3.1	3.8	10.6	24.2
South Carolina	1.4	2.5	3.2	1.6	2.5	2.4	7.6	21.2
Florida	4.1	1.4	7.2	2.0	2.9	3.4	10.3	20.8
Maryland	0.4	3.7	-0.9	1.2	1.8	1.5	6.9	18.5
District of Columbia	3.7	1.4	6.3	0.1	1.4	2.3	7.2	17.6
North Carolina	2.0	7.7	0.5	1.9	2.8	3.2	7.9	15.1
Virginia	2.9	2.9	4.9	1.5	2.7	3.0	6.4	14.7
Delaware	-1.2	0.8	9.0	0.0	3.9	3.4	0.6	13.8
West Virginia	-2.0	6.8	9.3	1.8	5.2	5.7	6.1	6.5
<b>West North Central</b>	0.9	6.4	1.5	1.4	2.7	3.0	4.7	17.0
North Dakota	0.5	9.6	3.2	3.5	3.9	5.0	-0.9	52.0
Nebraska	0.7	4.7	-0.8	2.2	3.4	2.4	3.5	25.8
South Dakota	4.6	2.4	4.5	2.1	3.6	3.1	1.2	22.7
Minnesota	0.1	7.6	2.5	1.1	2.6	3.4	7.5	20.4
Iowa	1.4	6.5	-0.2	0.3	2.3	2.2	2.1	19.7
Kansas	0.6	5.4	1.2	0.9	3.1	2.6	5.7	14.7
Missouri	1.4	6.2	1.8	1.8	2.3	3.0	4.6	5.0
<b>East North Central</b>	2.8	1.8	3.9	1.5	3.0	2.5	5.9	16.4
Ohio	0.2	3.1	4.9	1.4	3.5	3.2	5.8	18.8
Michigan	2.3	3.8	3.3	1.8	2.6	2.9	7.5	18.4
Wisconsin	4.9	1.6	2.4	2.1	2.9	2.3	6.4	17.3
Indiana	4.0	-0.4	1.9	0.9	2.9	1.3	6.5	14.8
Illinois	4.0	0.6	5.0	1.3	2.9	2.4	4.5	13.6
<b>New England</b>	3.6	0.6	3.3	1.7	2.5	2.0	5.2	15.1
Massachusetts	4.7	2.2	1.8	1.8	2.7	2.1	7.2	25.4
New Hampshire	6.4	-0.7	3.9	1.7	2.6	1.9	5.7	20.7
Vermont	0.9	4.0	-1.1	1.9	2.5	1.8	5.0	11.9
Maine	2.0	2.5	3.1	0.7	2.6	2.2	6.1	8.6
Rhode Island	1.3	3.2	-5.7	1.0	2.2	0.1	0.9	7.7
Connecticut	1.7	-3.6	9.0	1.8	2.2	2.2	1.8	-0.1
<b>East South Central</b>	0.3	4.5	3.0	1.6	2.4	2.9	6.3	14.4
Tennessee	0.6	6.6	5.2	1.6	2.4	3.9	8.9	23.6
Kentucky	-1.8	4.5	0.9	1.8	2.5	2.4	4.1	12.8
Alabama	1.2	2.2	1.8	2.1	2.7	2.2	5.8	10.6
Mississippi	1.3	2.2	2.0	0.5	1.9	1.7	2.8	0.0

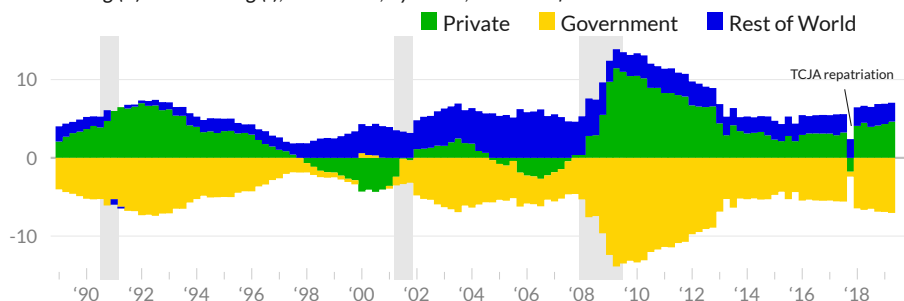
Source: Bureau of Economic Analysis

# Financial Accounts

A high-level overview of US financial activities can be provided by dividing the world economy into three sectors: the US private sector (see ■), the US government (see ■), and the rest of the world (see ■), then examining the net lending and borrowing between the groups, which must sum to zero at an aggregate level. That is, if one sector is running a deficit, another sector must be running a surplus.

## Sectoral Financial Balance

net lending (+) or borrowing (-), NIPA basis, by sector, as share of GDP



Source: Bureau of Economic Analysis

In 2019 Q2, the US private sector was a net lender (running a surplus) of the equivalent of 4.6 percent of GDP, compared to 2.3 percent in 2015 Q1. The rest of the world was a net lender to the US, to the equivalent of 2.4 percent of GDP in 2019 Q2 compared to 2.4 percent in 2015 Q1. Balancing these transactions, the government (federal, state, and local combined) was a net borrower (running a deficit) of the equivalent of -7.0 percent of GDP, compared to -4.7 percent in 2015.

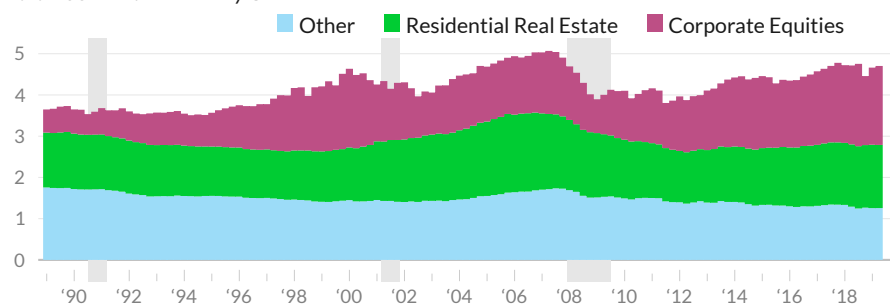
[New borrowing by sector]

## Wealth

**Total US wealth** is the tangible assets of all non-corporate sectors of the US, plus the market value of domestic corporate equities, less US financial obligations to the rest of the world. The ratio of US total wealth, excluding public lands, to GDP increased to 4.7 in 2019 Q2 from 3.65 in 1989 Q1. The market value of corporate equities (see ■) increased to a 1.92 multiple of GDP in 2019 Q2 from 0.56 in 1989 Q1. The market value of residential real estate (see ■) increased to 1.53 times GDP from 1.33 in 1989. The other category (see ■), which includes tangible assets other than residential real estate less US financial obligations to the rest of the world, decreased to 1.26 from 1.76 in 1989.

## Total US Wealth to GDP Ratio

total US wealth divided by GDP



Source: Federal Reserve

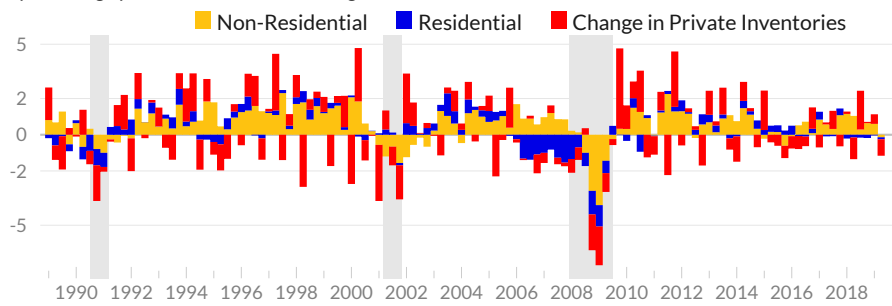


## Investment

Private fixed investment, as measured in the national accounts, includes construction and improvement of houses, apartment buildings, and other residential property (see ■ ), but not automobiles, appliances, or furniture. Non-residential private fixed investment includes the construction and improvement of offices, warehouses, factories, and other commercial and industrial property (see ■ ), as well as purchases of equipment and intellectual property products. The change in private inventories (see ■ ) at the end of the accounting period is also, at times, grouped with investment.

### Private Fixed Investment

*percentage point contribution to GDP growth*



Source: Bureau of Economic Analysis

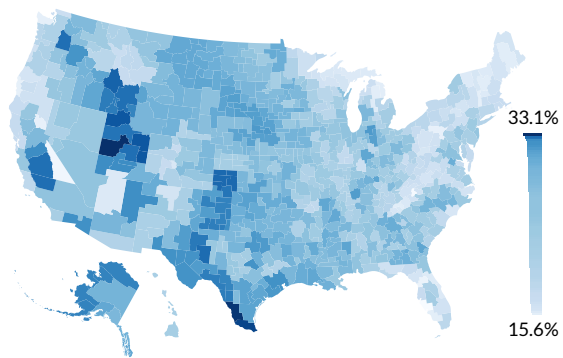
# Households

This section covers the household sector of the economy loosely defined, and touches on demographics, personal income and outlays, residential fixed investment, household balance sheets, home ownership, housing prices, and housing construction and permitting.

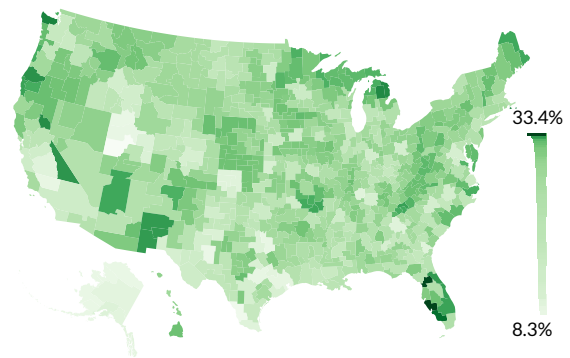
[Table or chart on population]

## Age Group Share of Commuter Zone Population, 2018

Age 0 to 17



Age 65+



Source: American Community Survey, Dorn

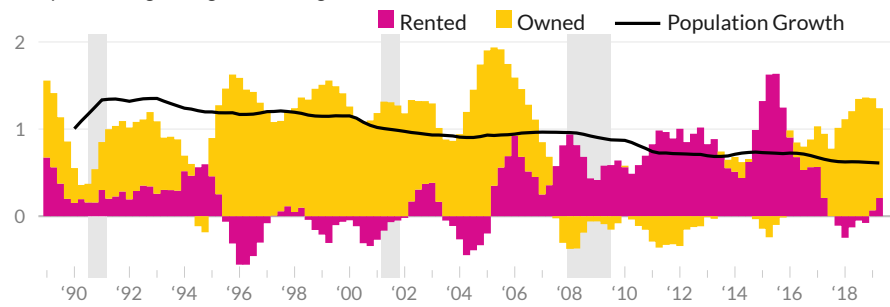
## Demographics and Household Formation

The rate of household formation since 1989 can offer a high-level overview of some major demographic and economic developments. From 1989 to 1994,

This section should capture 1) population, 2) population growth, 3) aging, 4) increased education.

### Household Formation by Type

*one-year moving average of annual growth rates*



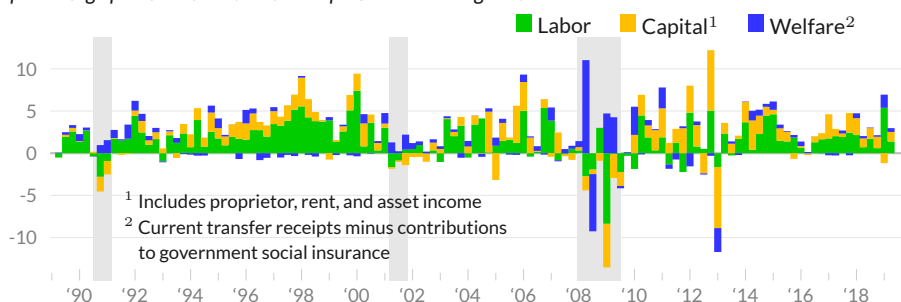
Source: Census Bureau

## Income to Persons

This section looks at income received by people, by type of income, adjusted for inflation using the PCE implicit price deflator. Income is divided into labor income (see ■), which is measured as compensation of employees, capital income (see ■), measured as the sum of proprietor income, rental income, and dividend and interest income, and welfare income (see ■), which is measured as transfers to persons less contributions to social insurance.

### Personal Income

percentage point contribution to real personal income growth



Source: Bureau of Economic Analysis

Some descriptive text here. Perhaps mention the total amount for real personal income and the share from labor, capital, and welfare in 1989, 2000, and 2019. Otherwise, at least mention the main three sources and how they contribute to change in personal income in the latest data.

### Personal Income by Source

percentage point contribution to real personal income growth

moving averages

	2019 Q2	'19 Q1	'18 Q4	'18 Q3	'18 Q2	3- year	10- year	30- year
Personal income	2.97	5.75	2.13	3.04	2.03	3.01	2.82	2.75
■ Labor	1.39	5.38	0.6	1.71	0.71	1.77	1.43	1.58
Wages and salaries	1.19	4.8	0.41	1.42	0.47	1.51	1.22	1.26
Supplements	0.2	0.58	0.19	0.29	0.25	0.25	0.21	0.31
■ Capital	1.13	-1.18	1.35	1.26	1.04	1.02	1.08	0.79
Proprietors' income	0.05	-0.11	0.65	0.24	-0.06	0.24	0.37	0.27
Rental income	0.12	0.05	-0.08	0.19	0.14	0.12	0.27	0.19
Personal interest income	0.9	-0.67	0.05	0.41	0.36	0.38	0.13	0.06
Personal dividend income	0.06	-0.46	0.72	0.43	0.6	0.28	0.31	0.27
■ Welfare	0.45	1.56	0.18	0.07	0.28	0.22	0.31	0.39
Social security	0.03	0.83	0.13	0.09	0.05	0.16	0.16	0.16
Medicare	0.31	0.44	0.35	0.27	0.18	0.18	0.14	0.16
Medicaid	0.38	0.27	-0.16	0.0	0.17	0.08	0.13	0.14
Unemployment insurance	-0.03	0.02	-0.01	-0.02	-0.04	-0.01	-0.06	0.0
Veterans' benefits	0.03	0.1	0.03	0.01	-0.01	0.03	0.04	0.02
Less welfare contributions	-0.14	-0.85	-0.04	-0.14	0.01	-0.22	-0.17	-0.19

Source: Bureau of Economic Analysis

[Gross Labor Income text and chart]

Capital Income

Welfare Income

[Breakout section on income of the aged]

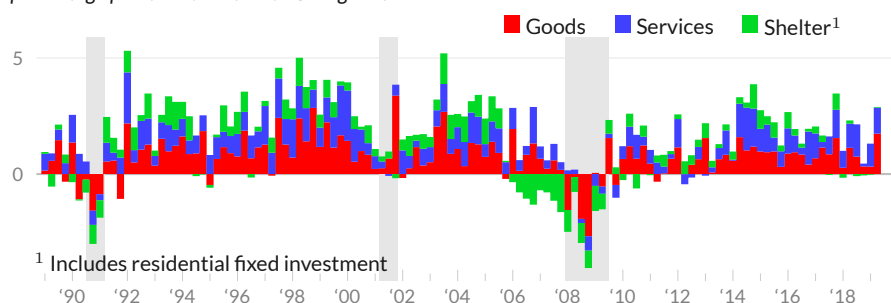
[Income to persons detailed table]

## Household Expenditures

This section covers household spending on goods (see ■), services excluding housing and utilities (see ■), and shelter (see ■, calculated as housing services and utilities combined with residential fixed investment). These categories contributed 3.00 percentage points to GDP growth in 2019 Q2 compared to an average contribution of 1.84 percentage points over the past three years.

### Consumer Spending and Residential Investment

percentage point contribution to GDP growth



Source: Bureau of Economic Analysis

In the second quarter of 2019, household spending on goods contributed 1.74 percentage points to GDP growth, household spending on services other than housing and utilities contributed 1.12 percentage points, and shelter spending and investment contributed 0.03 percentage points. Spending on health care services contributed 0.38 percentage points to GDP growth in 2019 Q2 and has contributed 0.34 percentage points, on average, over the past three years.

### Consumer Spending and Residential Investment

percentage point contribution to real GDP growth

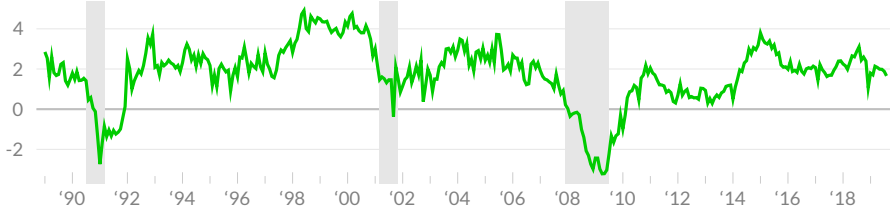
	2019 Q2	'19 Q1	'18 Q4	'18 Q3	'18 Q2	moving averages		
						3- year	10- year	30- year
Total	3.0	1.32	0.56	2.21	2.46	1.84	1.53	1.72
■ Goods	1.74	0.32	0.33	0.75	1.13	0.84	0.73	0.75
Motor Vehicles and Parts	0.37	-0.27	0.07	0.01	0.18	0.11	0.12	0.08
Furniture and HH Equipment	0.14	0.03	-0.09	0.09	0.08	0.1	0.09	0.08
Recreational Durable Goods	0.32	0.23	0.04	0.12	0.17	0.19	0.16	0.21
Groceries	0.25	-0.08	0.07	0.13	0.09	0.15	0.09	0.08
Clothes and Shoes	0.25	-0.07	0.0	0.15	0.18	0.05	0.05	0.08
■ Services (ex. Shelter)	1.12	0.99	0.12	1.39	1.04	0.86	0.66	0.74
Health Care Services	0.38	0.72	-0.22	0.6	0.39	0.34	0.3	0.27
Transportation	0.17	0.01	-0.02	-0.02	-0.1	0.06	0.06	0.06
Recreational	0.17	-0.03	0.09	0.02	0.17	0.05	0.06	0.07
Food and Accommodations	0.22	-0.06	-0.12	0.35	0.23	0.12	0.12	0.09
Financial and Insurance	0.05	0.15	0.1	0.05	-0.04	0.06	0.02	0.13
■ Shelter	0.03	-0.03	-0.06	-0.09	0.14	0.13	0.25	0.25
Housing Services and Utilities	0.14	0.01	0.12	0.07	0.29	0.14	0.14	0.23
Residential Fixed Investment	-0.11	-0.04	-0.18	-0.16	-0.15	-0.01	0.11	0.03

Source: Bureau of Economic Analysis

Consumer spending is also reported on a monthly basis. Inflation- and population-adjusted consumer spending increased by 1.7 percent over the year ending August 2019, compared to an increase of 3.1 percent over the year ending August 2018.

### Consumer Spending Growth

*annual growth, per capita real personal consumption expenditures, percent*



Source: Bureau of Economic Analysis

[Top quintile consumer spending share of gross pre-tax income and bottom 80 percent share]

### Household Balance Sheets

[Consumer Credit and Mortgages as share of DPI]

Housing prices

Housing permits/starts

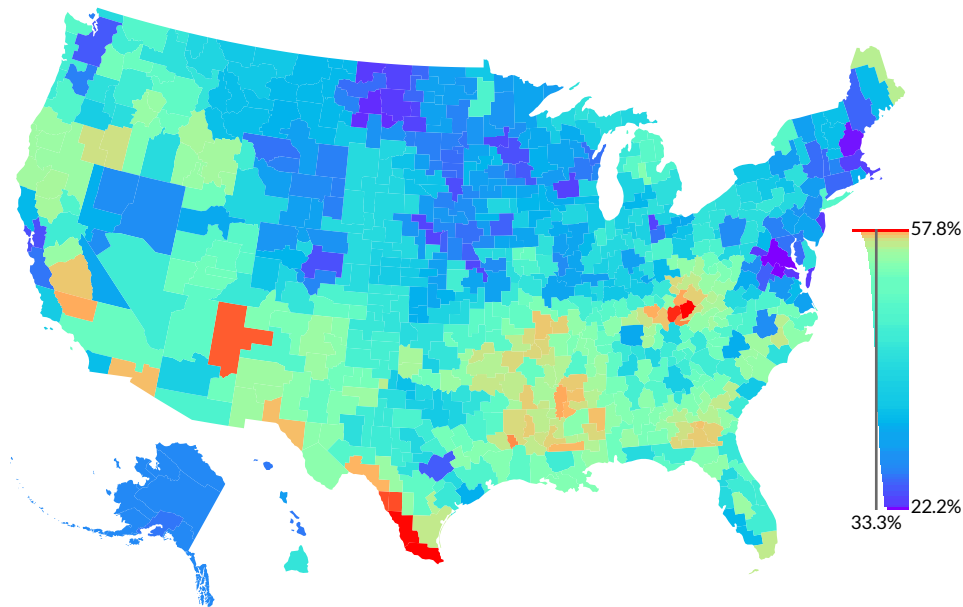
Geographic location of housing permits

## Poverty

Include data on number of people in poverty and the official poverty rate. Perhaps include a chart showing the official poverty rate over time. Perhaps also try to capture some concepts around methodology (SPM for example) and about relative poverty.

### Share of local population in bottom third of housing-adjusted income, 2017

Share of commuting zone householders with after-housing-expense annual income below \$13,060



Source: American Community Survey



# Businesses

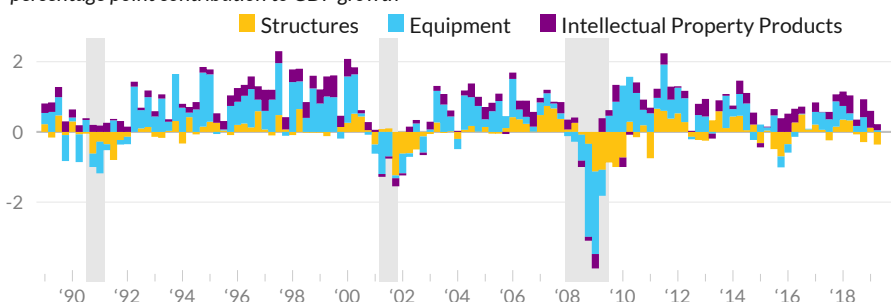
The factories, offices, and equipment that workers use to produce goods and services are all important to the economy. This section looks at the loosely defined business sector, with data covering business investment, retail sales, industrial production, corporate profits, and the financial activities of businesses.

## Capital Investment

Investments that make workers more productive, by definition, allow businesses to produce goods and services using less effort from people. Business gross investments are grouped broadly as structures (see ■), equipment (see ■), and intellectual property products (see ■).

### Business Investment

percentage point contribution to GDP growth



Source: Bureau of Economic Analysis

Business investment subtracted 0.14 percentage points from GDP growth in the second quarter of 2019 compared to an average contribution of 0.59 percentage points over the past three years. In 2019 Q2, investment in structures subtracted 0.36 percentage points from GDP growth, investment in equipment contributed 0.05 percentage points, and investment in intellectual property products contributed 0.17 percentage points.

### Business Investment

percentage point contribution to real GDP growth

	2019 Q2	'19 Q1	'18 Q4	'18 Q3	'18 Q2	moving averages		
						3-year	10-year	30-year
Total	-0.14	0.6	0.64	0.29	1.04	0.59	0.58	0.54
■ Structures	-0.36	0.12	-0.29	-0.07	0.33	0.08	-0.02	0.01
■ Equipment	0.05	0.0	0.42	0.17	0.2	0.24	0.37	0.32
Information processing	0.13	0.17	-0.04	0.2	0.08	0.15	0.15	0.22
Computers and peripherals	0.17	0.05	-0.04	0.0	0.06	0.04	0.03	0.12
Industrial equipment	0.02	-0.04	0.08	0.07	-0.05	0.05	0.04	0.02
Transportation equipment	-0.14	-0.06	0.29	-0.07	0.09	-0.01	0.13	0.05
■ Intellectual property products	0.17	0.48	0.51	0.18	0.51	0.27	0.23	0.21
Software	0.11	0.26	0.19	0.15	0.18	0.16	0.13	0.12
Research and development	0.06	0.21	0.29	0.01	0.3	0.1	0.08	0.07

Source: Bureau of Economic Analysis

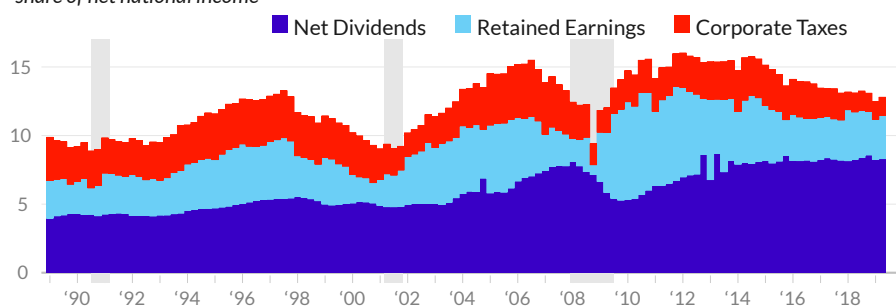
Durable goods new orders

## Corporate Profits

The national accounts include detailed information on corporate profits, which are an important determinant in the business cycle.

### Destination of Corporate Profits

share of net national income

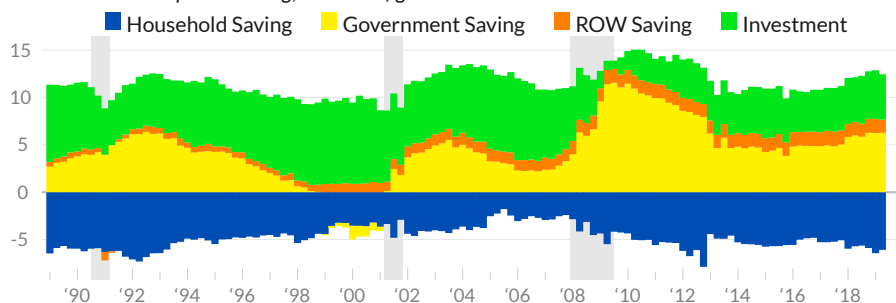


Source: Bureau of Economic Analysis

Aggregate corporate savings (corporate profits less dividends and corporate profit tax) are the result of net investment and nonbusiness saving. Investment is a source of aggregate profit because it is revenue for one party but not an expense for the other. Nonbusiness saving, which includes household, government, and rest of world saving, necessarily reduces aggregate corporate profits because it is money that did not return to businesses as revenue.

### Sources of Corporate Saving

contribution to corporate saving, as share of gross national income



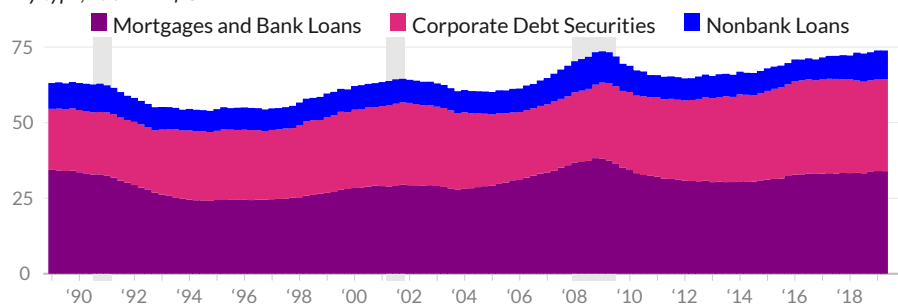
Source: Bureau of Economic Analysis

## Business Debt

As of 2019 Q2, business debt—the debt security and loan liabilities of businesses—both corporate and non-corporate—totals \$15,764 billion, with \$9,973 billion (63.3%) held by corporate businesses. Over the past three years, business debt has increased faster than overall economic activity. As a share of GDP, business debt increased by 3.0 percentage points to 73.9 percent in 2019 Q2 from 70.9 percent in 2016 Q2. The vast majority of the increase, 2.6 percentage points, comes from nonbank loans (see ■).

### Business Debt

*by type, as share of GDP*



Source: Federal Reserve and Bureau of Economic Analysis

Industrial production

Retail sales

Free cash flow

Balance sheets

Inventories

[Box on tech industry]

# Government

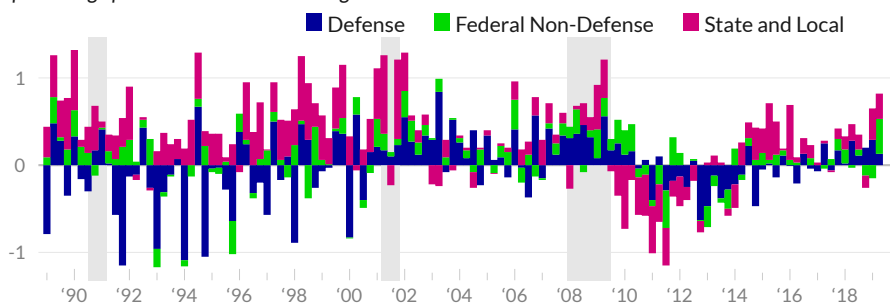
## Overview

### Government Consumption and Investment

Government consumption and fixed investment provide one way to measure how much public sector activities are influencing the economy. The contribution to real GDP growth from the public sector can be broken down by federal defense (see ■), federal non-defense (see ■), and state and local (see ■).

### Government Consumption and Investment

*percentage point contribution to GDP growth*



Source: Bureau of Economic Analysis

## Federal

Outlays on interest as share of GDP

State

Local

Balance sheets

# International Transactions

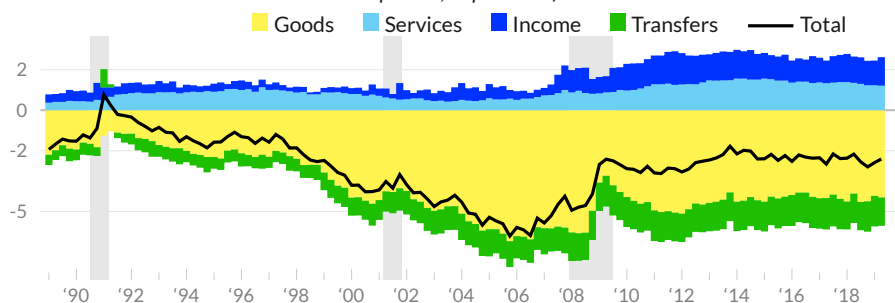
Transactions between the US and the rest of the world are recorded in the balance of payments as either current account transactions (which measure income) or capital and financial account transactions (which measure change in ownership of assets). This section details imbalances in international transactions, changes in trade by goods and by partner, international investment positions, and exchange rates.

## Balance of Payments

The current account balance can be decomposed based on the balance on individual categories. Four major categories are the balance on trade in goods (see ■), the balance on trade in services (see ■), the balance on primary income (such as wages or income from assets, referred to here as income [see ■]), and secondary income (such as remittances and taxes, referred to here as transfers [see ■]). As of 2019 Q2, the US runs a current account deficit of 2.4 percent of GDP, primarily as the result of a trade deficit on goods of 4.3 percent of GDP.

### Current Account Balance

balance on individual current account component, as percent of GDP



Source: Bureau of Economic Analysis

[Capital account balance]

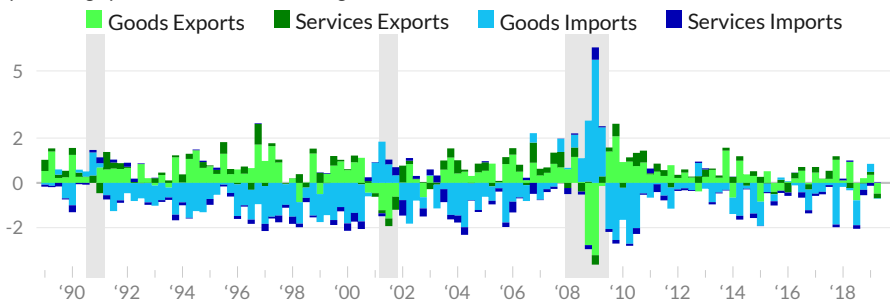
## Trade

The trade balance (exports of goods ■ and services ■ minus imports of goods ■ and services ■) acts as an adjustment to consumption and investment in GDP calculations. As the US runs a persistent trade deficit, trade will generally subtract from GDP growth.

Goods exports subtracted 0.48 percentage points from GDP growth in the second quarter of 2019 while services exports subtracted 0.21 percentage points. Good imports subtracted 0.02 percentage points from GDP growth and services imports contributed 0.02 percentage points.

### International Trade

*percentage point contribution to GDP growth*

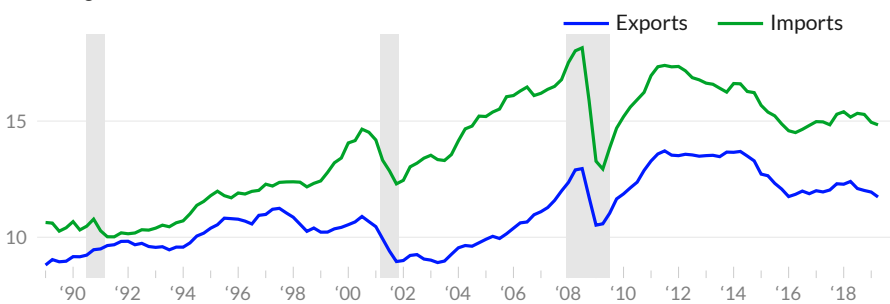


Source: Bureau of Economic Analysis

Goods and services imports (see —) were equivalent to 14.8 percent of GDP in the second quarter of 2019, while exports of goods and services (see —) were equivalent to 11.7 percent of GDP.

### Imports and Exports

*includes goods and services, share of GDP*



Source: Bureau of Economic Analysis

Trade in Goods

Trade in Services

Trade balance

[One page table to capture lots of external sector items as contribution to GDP growth (where possible) or otherwise as a share of GDP]

Exchange rates

Direct and Portfolio Investment – related here and to IIP below: the total value of domestic holdings of foreign assets is much smaller than the total value of foreign holdings of domestic assets, but, the return on foreign assets is so much higher than the return on domestic assets that the the US has positive net income from abroad.

International Investment Position

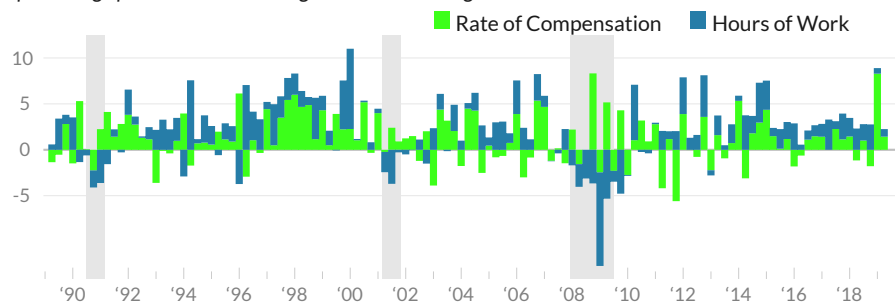


# Labor Markets

Labor is the primary source of income for US households and essential to the production of goods and services. In labor markets, unlike other markets, wages (the price of labor) tend not to be cut in response to a decrease in demand; businesses instead employ fewer workers and/or cut hours.

## Gross Labor Income Growth

*percentage point contribution to gross labor income growth*



Source: Author's Calculations

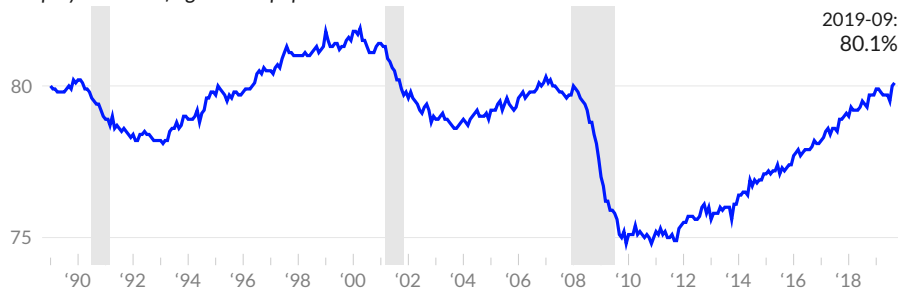
Gross labor income (compensation of employees in the national accounts) which captures both employment and wages, has ...

## Employment

In September 2019, 80.1% of 25-54 years olds were employed, the highest level since March 2007. Over the past year, the age 25-54 employment rate has increased by 0.8 percentage points. The current age 25-54 employment rate is 1.2 percentage points (equivalent to 1.5 million workers) below the average during 1998–99, a period with a particularly tight labor market.

### Employment Rate

*employed share of age 25-54 population*



The monthly establishment survey enables tracking of non-farm payrolls. In September 2019, the US economy added 136,000 jobs. In 2019 Q2, the US added an average of 146,000 jobs per month, compared to 205,000 in 2019 Q1 and an annual average of 205,000 in 2018.

[Quarterly employment growth with dot for latest monthly value]

Unemployment Rate

Unemployment by reason

Unemployment by duration

Part-time and full-time and hours worked

Job growth

Wage growth:

[AHE and UWE both in various forms]

[Either FRB Atlanta Wage Tracker or replication]

Quits

Openings

Jobless claims

Flows

Reasons for non-participation

Union membership

State- and sub-state-level analysis

# Capital Markets

Overview

Equity markets

[SP500]

[VIX]

Interest rates

[Fed funds rate]

[Fed balance sheet or excess reserve or both]

[10year and 2year]

[AAA and high-yield]

Yield curve

Valuations

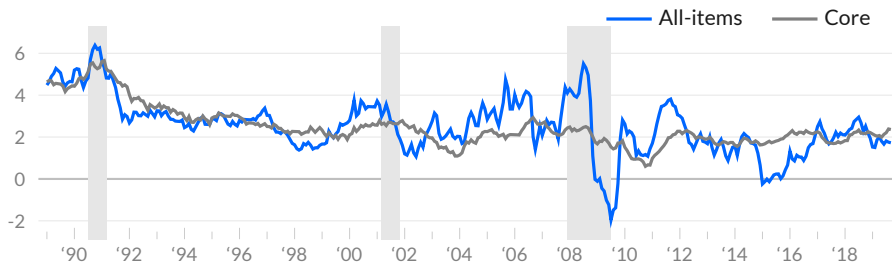
[PE Ratio]

# Prices

Consumer prices increased by 1.7 percent over the year ending September 2019, according to the CPI for all urban consumers. Core inflation, which does not include the more volatile food and energy prices, was 2.4 percent.

## Consumer Price Index

annual growth, percent



Source: Bureau of Labor Statistics

CPI:

[CPI-U growth - core, all-items, CPI-U-RS]

[CPI-U components contribution - horizontal range chart]

PPI

XMPI

PCE

Expectations

# **International Comparisons**

Demographics

Economic Activity

Labor Markets

Poverty

## References

List of tables and sources along with some notes...

One option for this section is to have some json data that captures what original data goes into each series and also what types of calculations are done on the original data.

## Acknowledgments

Gabriel Mathy, Iordan Koulov, Lara Merling, Kevin Cashman, Rebecca Watts, Dean Baker, Eileen Appelbaum, John Schmitt, Rainer Köhler, Gersenda Varisco, Venkat Josyula, Tom Augspurger, Mike Sieferling, Matt Bruenig, and Ernie Tedeschi.