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# Report to the FOMC on Economic Conditions and Monetary Policy



## Book A Economic and Financial Conditions: Current Situation and Outlook

January 20, 2016

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

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

	Nominal GDP		Real GDP		PCE price index		Core PCE price index		Unemployment rate <sup>1</sup>	
Interval	12/09/15	01/20/16	12/09/15	01/20/16	12/09/15	01/20/16	12/09/15	01/20/16	12/09/15	01/20/16
<i>Quarterly</i>										
2015:Q1	.8	.8	.6	.6	-1.9	1.0	1.0	1.0	5.6	5.5
Q2	6.1	6.1	3.9	3.9	2.2	1.9	1.9	1.9	5.4	5.4
Q3	3.4	3.3	2.1	2.0	1.3	1.3	1.4	1.4	5.1	5.1
Q4	2.5	1.1	1.7	.4	.0	.1	1.2	1.2	5.0	5.0
2016:Q1	2.5	2.0	2.1	2.1	0	-9	1.4	1.2	4.9	4.9
Q2	4.2	3.1	2.6	2.4	1.5	.7	1.4	1.4	4.8	4.8
Q3	4.4	4.3	2.7	2.7	1.6	1.5	1.4	1.3	4.8	4.8
Q4	4.4	4.2	2.7	2.6	1.6	1.5	1.4	1.3	4.7	4.7
2017:Q1	3.8	3.8	1.7	1.8	1.8	1.8	1.7	1.6	4.7	4.7
Q2	4.0	3.9	2.1	2.0	1.8	1.8	1.7	1.6	4.6	4.7
Q3	4.1	3.9	2.2	2.2	1.8	1.7	1.7	1.5	4.6	4.6
Q4	4.0	3.9	2.1	2.1	1.8	1.7	1.7	1.5	4.6	4.6
<i>Two-quarter<sup>2</sup></i>										
2015:Q2	3.4	3.4	2.3	2.3	.1	.1	1.4	1.4	-.3	-.3
Q4	2.9	2.2	1.9	1.2	.7	.7	1.3	1.3	-.4	-.4
2016:Q2	3.3	2.5	2.4	2.3	.8	-.1	1.4	1.4	-.2	-.2
Q4	4.4	4.2	2.7	2.6	1.6	1.5	1.4	1.3	-.1	-.1
2017:Q2	3.9	3.8	1.9	1.9	1.8	1.8	1.7	1.6	0	0
Q4	4.0	3.9	2.2	2.1	1.8	1.7	1.7	1.5	0	-.1
<i>Four-quarter<sup>3</sup></i>										
2014:Q4	3.9	3.9	2.5	2.5	1.1	1.1	1.4	1.4	-1.3	-1.3
2015:Q4	3.2	2.8	2.1	1.7	.4	.4	1.3	1.3	-.7	-.7
2016:Q4	3.8	3.4	2.5	2.4	1.2	.7	1.4	1.3	-.3	-.3
2017:Q4	4.0	3.9	2.0	2.0	1.8	1.7	1.7	1.6	-.1	-.1
2018:Q4	3.9	3.9	1.9	1.8	2.0	2.0	1.9	1.9	0	0
<i>Annual</i>										
2014	4.1	4.1	2.4	2.4	1.4	1.4	1.5	1.5	6.2	6.2
2015	3.5	3.4	2.5	2.4	.3	.3	1.3	1.3	5.3	5.3
2016	3.5	2.9	2.3	2.0	.9	.5	1.4	1.3	4.8	4.8
2017	4.1	3.9	2.2	2.2	1.7	1.6	1.6	1.5	4.6	4.7
2018	4.0	3.9	2.0	1.9	1.9	1.9	1.8	1.8	4.5	4.6

- 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.

**Greensheets**  
**Changes in Real Gross Domestic Product and Related Items**  
(Percent, annual rate except as noted)

Item	2015			2016			2017			2018 <sup>1</sup>					
	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	2015 <sup>1</sup>	2016 <sup>1</sup>	2017 <sup>1</sup>	2018 <sup>1</sup>
Real GDP <i>Previous Tealbook</i>	3.9	2.0	.4	2.1	2.4	2.7	2.6	1.8	2.0	2.2	2.1	1.7	2.4	2.0	1.8
Final sales <i>Previous Tealbook</i>	3.9	2.7	1.3	1.9	2.4	2.2	2.5	1.7	2.4	2.1	2.2	1.9	2.3	2.1	2.2
Priv. dom. final purch. <i>Previous Tealbook</i>	3.9	2.9	1.9	1.9	2.8	2.3	2.9	2.1	2.5	2.2	2.1	2.5	2.5	2.2	2.2
Personal cons. expend. <i>Previous Tealbook</i>	3.6	3.0	1.7	3.1	3.4	3.3	3.4	3.1	3.1	2.8	2.7	2.5	3.2	2.9	2.5
Durables	8.0	6.6	2.4	3.4	3.6	3.5	3.6	3.2	2.9	2.7	2.6	2.7	3.5	2.8	2.3
Nondurables	4.3	4.2	1.9	2.9	2.7	2.8	2.9	6.0	4.5	4.2	3.9	4.7	5.7	4.3	3.9
Services	2.7	2.1	1.6	3.1	2.9	3.1	2.9	3.0	2.8	2.5	2.8	2.7	2.8	2.7	2.7
Residential investment <i>Previous Tealbook</i>	9.3	8.2	6.1	8.8	7.0	11.1	6.1	6.4	7.7	8.0	6.7	8.4	8.2	7.2	5.3
Nonres. priv. fixed invest. <i>Previous Tealbook</i>	4.1	2.6	3.0	-.3	4.2	4.5	4.2	3.2	3.1	2.6	2.3	2.8	3.1	2.8	2.3
Equipment & intangibles <i>Previous Tealbook</i>	3.5	5.5	4.7	1.6	4.2	5.0	4.4	3.0	2.9	2.6	2.5	3.4	3.8	2.8	2.5
Nonres. structures <i>Previous Tealbook</i>	3.5	6.4	5.4	.6	5.5	5.7	4.8	3.0	2.9	2.5	2.3	4.5	4.1	2.7	2.6
Gov't. cons. & invest. <i>Previous Tealbook</i>	2.6	1.8	-.3	3.2	2.5	1.1	.8	-.1	2.0	2.9	2.7	2.5	4.9	4.6	2.7
Federal	2.6	1.8	.5	3.0	2.4	1.1	.9	-.1	1.8	1.1	1.2	3.7	-.4	.0	.7
Defense	.0	.2	.4	7.3	2.0	.6	.0	.6	.1	-.1	-2.7	.4	2.4	-.5	-1.3
Nonddefense	.3	-1.4	.3	4.2	1.0	-1.4	-1.3	1.9	-.9	-1.1	-3.9	.0	.6	-1.0	-1.3
State & local	-.5	2.8	.6	12.2	3.5	3.8	1.8	1.2	1.5	1.4	-1.0	1.0	5.2	.2	-1.2
Change in priv. inventories <sup>2</sup> <i>Previous Tealbook</i> <sup>2</sup>	114	85	49	57	77	81	84	71	73	70	90	68	75	35	35
	114	81	71	79	73	87	79	64	49	51	46	95	79	52	20

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

2. Billions of chained (2009) 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	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Real GDP <i>Previous Tealbook</i>	-.2	2.7	1.7	1.3	2.5	2.5	1.7	2.4	2.0	1.8
Final sales <i>Previous Tealbook</i>	-4	2.0	1.5	1.7	1.9	2.6	1.9	2.3	2.1	2.2
Priv. dom. final purch. <i>Previous Tealbook</i>	-2.4	3.5	2.6	2.3	2.6	3.6	2.8	3.4	2.5	2.2
Personal cons. expend. <i>Previous Tealbook</i>	-.2	3.1	1.5	1.3	2.3	3.2	2.5	3.2	2.9	2.5
Durables	2.5	9.3	4.8	7.2	4.6	7.5	4.7	5.7	4.3	2.3
Nondurables	.2	3.3	.4	.8	2.6	2.3	2.7	2.8	2.7	3.9
Services	-.8	2.0	1.4	.6	1.8	2.8	2.1	3.0	2.8	2.2
Residential investment <i>Previous Tealbook</i>	-10.8	-5.2	6.0	15.7	3.5	5.1	8.4	8.2	7.2	5.3
Nonres. priv. fixed invest. <i>Previous Tealbook</i>	-12.2	8.1	9.0	5.2	4.2	5.5	2.8	3.1	2.8	2.3
Equipment & intangibles <i>Previous Tealbook</i>	-6.0	12.0	9.2	5.5	3.6	5.7	3.4	3.8	2.8	2.5
Nonres. structures <i>Previous Tealbook</i>	-6.0	12.0	9.2	5.5	3.6	5.7	4.5	4.1	2.7	2.6
Nonres. structures <i>Previous Tealbook</i>	-27.1	-4.0	8.0	4.1	6.5	5.0	4.6	4.6	2.7	2.8
Net exports <sup>1</sup> <i>Previous Tealbook</i>	-395	-459	-459	-447	-417	-443	-547	-682	-852	-923
Exports	.8	10.1	4.2	2.2	5.2	2.4	-.4	.0	.9	3.2
Imports	-6.2	12.0	3.5	.3	2.4	5.4	3.6	6.8	5.5	3.7
Gov't. cons. & invest. <i>Previous Tealbook</i>	2.3	-1.1	-3.0	-2.2	-2.9	.4	1.0	1.9	.9	.6
Federal	2.3	-1.1	-3.0	-2.2	-2.9	.4	1.2	1.9	.9	.7
Defense	3.9	3.2	-4.0	-2.1	-6.8	-.8	.4	2.4	-.5	-1.3
Nondefense	3.6	2.0	-4.1	-3.9	-7.4	-2.9	.0	.6	-1.0	-1.3
State & local	4.6	5.5	-3.9	1.0	-5.9	2.7	1.0	5.2	2	-1.2
Change in priv. inventories <sup>1</sup> <i>Previous Tealbook</i>	-148	58	38	55	61	68	90	68	75	35
	-148	58	38	55	61	68	95	79	52	20

1. Billions of chained (2009) dollars.

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

Item	2015			2016				2017				2015 <sup>1</sup>	2016 <sup>1</sup>	2017 <sup>1</sup>	2018 <sup>1</sup>
	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4				
Real GDP <i>Previous Tealbook</i>	3.9	2.0	.4	2.1	2.4	2.7	2.6	1.8	2.0	2.2	2.1	1.7	2.4	2.0	1.8
Final sales <i>Previous Tealbook</i>	3.9	2.7	1.3	1.9	2.4	2.2	2.5	1.7	2.3	2.1	2.1	1.9	2.2	2.1	1.9
Priv. dom. final purch. <i>Previous Tealbook</i>	3.3	2.6	1.8	2.4	3.0	3.3	3.0	2.8	2.8	2.6	2.4	2.4	2.9	2.7	2.3
Personal cons. expend. <i>Previous Tealbook</i>	2.4	2.0	1.2	2.1	2.2	2.3	2.2	2.2	2.1	2.0	1.9	1.7	2.2	2.0	1.7
Durables Nondurables Services	.6	.5	.2	.3	.5	.4	.4	.3	.3	.3	.3	.4	.4	.3	.3
Residential investment <i>Previous Tealbook</i>	.3	.3	.2	.3	.2	.4	.2	.2	.3	.3	.3	.3	.3	.3	.2
Nonres. priv. fixed invest. <i>Previous Tealbook</i>	.5	.3	.4	.0	.5	.6	.5	.4	.4	.3	.3	.4	.4	.4	.3
Equipment & intangibles <i>Previous Tealbook</i>	.4	.4	.5	.2	.5	.6	.6	.4	.4	.3	.3	.4	.5	.4	.3
Nonres. structures <i>Previous Tealbook</i>	.2	.2	-.1	-.1	0	.0	.1	.1	.1	.1	.1	-.1	.0	.1	.0
Net exports <i>Previous Tealbook</i>	.2	-.3	-.4	-1.0	-1.0	-1.3	-1.7	-1.2	-1.8	-1.7	-1.2	-.6	-1.0	-.7	-.2
Exports Imports	.6	-.2	-.5	-.3	-.3	-.1	0	-.5	-.3	-.1	.4	-.6	-1.0	-.5	-.1
Gov't. cons. & invest. <i>Previous Tealbook</i>	.5	.3	-.1	.6	.4	.2	.1	.2	.3	.2	.0	.2	.3	.2	.1
Federal Defense Nondefense State & local	.5	.0	-.1	.0	.5	.1	0	0	.1	0	0	-.2	0	.2	-.1
Change in priv. inventories <i>Previous Tealbook</i>	0	-.7	-.9	.2	.0	.5	.1	.1	-.3	.1	-.1	-.2	.2	-.1	-.3
	0	-.8	-.3	.2	-.1	.3	-.2	-.4	.0	-.1	.0	.0	.1	-.2	-.3

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	2015				2016				2017				2018 <sup>1</sup>			
	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	2015 <sup>1</sup>	2016 <sup>1</sup>	2017 <sup>1</sup>	2018 <sup>1</sup>	
GDP chain-wt. price index	2.1	1.3	.8	-.1	.6	1.6	1.6	2.0	1.8	1.8	1.7	1.1	.9	1.8	2.0	
<i>Previous Tealbook</i>	2.1	1.3	.8	-.4	1.5	1.7	1.7	2.0	1.9	1.8	1.8	1.1	1.3	1.9	2.0	
PCE chain-wt. price index	2.2	1.3	.1	-.9	.7	1.5	1.5	1.8	1.8	1.7	1.7	.4	.7	1.7	2.0	
<i>Previous Tealbook</i>	2.2	1.3	.0	.0	1.5	1.6	1.6	1.8	1.8	1.8	1.8	.4	1.2	1.8	2.0	
Energy	15.1	-1.9	-20.7	-38.7	-16.4	7.0	6.4	5.6	4.4	3.8	3.7	-16.0	-12.6	4.4	3.1	
<i>Previous Tealbook</i>	15.1	-1.8	-23.5	-28.2	3.6	7.0	6.0	5.4	4.4	3.8	3.6	-16.8	-4.1	4.3	2.8	
Food	-1.1	2.2	.3	-.3	1.6	1.7	1.9	1.9	1.9	2.0	2.0	.3	1.2	2.0	2.0	
<i>Previous Tealbook</i>	-1.1	2.2	2.0	1.7	1.6	1.7	1.9	1.9	1.9	2.0	2.0	.7	1.7	2.0	2.0	
Ex. food & energy	1.9	1.4	1.2	1.2	1.4	1.3	1.3	1.6	1.6	1.5	1.5	1.3	1.3	1.6	1.9	
<i>Previous Tealbook</i>	1.9	1.3	1.2	1.4	1.4	1.4	1.4	1.7	1.7	1.7	1.7	1.3	1.4	1.7	1.9	
Ex. food & energy, market based	1.8	1.2	1.2	1.0	1.3	1.3	1.3	1.6	1.6	1.5	1.5	1.2	1.2	1.6	1.9	
<i>Previous Tealbook</i>	1.8	1.2	1.3	1.3	1.4	1.4	1.4	1.7	1.7	1.6	1.6	1.2	1.4	1.7	1.9	
CPI	3.0	1.6	.2	-1.3	1.0	2.2	2.3	2.3	2.3	2.3	2.3	.4	1.0	2.3	2.4	
<i>Previous Tealbook</i>	3.0	1.6	.2	-.1	2.1	2.3	2.3	2.4	2.3	2.3	2.3	.4	1.6	2.3	2.4	
Ex. food & energy	2.5	1.7	2.1	1.9	2.0	2.0	2.1	2.1	2.2	2.2	2.2	2.0	2.0	2.2	2.3	
<i>Previous Tealbook</i>	2.5	1.7	2.1	2.0	2.0	2.1	2.1	2.2	2.2	2.2	2.2	2.0	2.0	2.2	2.3	
ECI, hourly compensation <sup>2</sup>	.0	2.6	2.4	2.4	2.4	2.4	2.4	2.6	2.6	2.6	2.6	2.0	2.4	2.6	2.6	
<i>Previous Tealbook</i>	.0	2.6	2.4	2.4	2.4	2.4	2.4	2.6	2.6	2.6	2.6	2.0	2.4	2.6	2.6	
Business sector	3.7	2.5	-2.4	1.0	2.2	2.5	1.8	1.3	1.8	1.8	1.9	.6	1.9	1.7	1.4	
Output per hour	3.7	2.7	-.5	1.5	2.1	1.3	1.3	1.1	1.8	1.6	1.5	1.4	1.6	1.5	1.5	
<i>Previous Tealbook</i>	5.9	4.1	2.7	3.0	3.1	3.1	3.1	3.3	3.1	3.1	3.1	3.5	3.1	3.1	3.3	
Compensation per hour	5.9	4.1	3.3	3.4	3.1	3.1	3.1	3.3	3.1	3.1	3.1	3.6	3.2	3.2	3.4	
<i>Previous Tealbook</i>	2.1	1.6	5.1	2.0	.9	.6	1.3	2.0	1.2	1.2	1.2	2.8	1.2	1.4	1.8	
Unit labor costs	2.1	1.3	2.8	1.9	.9	1.8	1.8	2.2	1.3	1.5	1.6	2.2	1.6	1.7	1.8	
<i>Previous Tealbook</i>	2.1	1.3	2.8	1.9	.9	1.8	1.8	2.2	1.3	1.5	1.6	2.2	1.6	1.7	1.8	
Core goods imports chain-wt. price index <sup>3</sup>	-3.1	-2.1	-3.0	-3.1	-2.7	-2	.7	1.0	1.1	1.1	1.2	-3.2	-1.4	1.1	1.2	
<i>Previous Tealbook</i>	-3.1	-2.0	-3.0	-2.3	-2.9	.5	1.0	1.2	1.2	1.2	1.2	-3.2	-.4	1.2	1.2	

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	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
GDP chain-wt. price index <i>Previous Tealbook</i>	.4	1.8	1.9	1.9	1.6	1.3	1.1	.9	1.8	2.0
PCE chain-wt. price index <i>Previous Tealbook</i>	1.2	1.3	2.7	1.8	1.2	1.1	.4	.7	1.7	2.0
Energy <i>Previous Tealbook</i>	1.2	1.3	2.7	1.8	1.2	1.1	.4	1.2	1.8	2.0
Food <i>Previous Tealbook</i>	2.3	6.4	12.0	2.3	-2.5	-6.4	-16.0	-12.6	4.4	3.1
Ex. food & energy <i>Previous Tealbook</i>	2.3	6.4	12.0	2.3	-2.5	-6.4	-16.8	-4.1	4.3	2.8
Ex. food & energy, market based <i>Previous Tealbook</i>	-1.8	1.3	5.1	1.2	.8	2.8	.3	1.2	2.0	2.0
CPI <i>Previous Tealbook</i>	1.4	1.0	1.9	1.8	1.5	1.4	1.3	1.3	1.6	1.9
Ex. food & energy <i>Previous Tealbook</i>	1.4	1.0	1.9	1.8	1.5	1.4	1.3	1.4	1.7	1.9
ECL, hourly compensation <sup>1</sup> <i>Previous Tealbook</i> <sup>1</sup>	1.8	.7	1.9	1.5	1.2	1.2	1.2	1.2	1.6	1.9
Business sector										
Output per hour <i>Previous Tealbook</i>	5.6	1.7	.0	-.2	1.6	-.2	.6	1.9	1.7	1.4
Compensation per hour <i>Previous Tealbook</i>	5.6	1.7	.0	-.2	1.6	-.2	1.4	1.6	1.5	1.5
Unit labor costs <i>Previous Tealbook</i>	1.3	1.2	.6	5.8	-.1	2.6	3.5	3.1	3.1	3.3
Core goods imports chain-wt. price index <sup>2</sup> <i>Previous Tealbook</i> <sup>2</sup>	-1.9	2.3	4.3	.1	-1.1	.5	-3.2	-1.4	1.1	1.2
	-1.9	2.3	4.3	.1	-1.1	.5	-3.2	-1.4	1.2	1.2

1. Private-industry workers.

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

## Other Macroeconomic Indicators

Item	2015			2016				2017				2015 <sup>1</sup>	2016 <sup>1</sup>	2017 <sup>1</sup>	2018 <sup>1</sup>
	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4				
<i>Employment and production</i>															
Nonfarm payroll employment <sup>2</sup>	.6	.6	.7	.8	.6	.6	.5	.5	.4	.3	.2	2.7	2.5	1.7	1.3
Unemployment rate <sup>3</sup>	5.4	5.1	5.0	4.9	4.8	4.8	4.7	4.7	4.6	4.6	5.0	4.7	4.6	4.6	4.6
<i>Previous Tealbook</i> <sup>3</sup>	5.4	5.1	5.0	4.9	4.8	4.8	4.7	4.7	4.6	4.6	5.0	4.7	4.6	4.6	4.5
Natural rate of unemployment <sup>3</sup>	5.1	5.1	5.1	5.1	5.1	5.1	5.1	5.1	5.1	5.1	5.1	5.1	5.1	5.1	5.1
<i>Previous Tealbook</i> <sup>3</sup>	5.1	5.1	5.1	5.1	5.1	5.1	5.1	5.1	5.1	5.1	5.1	5.1	5.1	5.1	5.1
Employment-to-Population Ratio <sup>3</sup>	59.4	59.3	59.4	59.5	59.5	59.5	59.5	59.4	59.4	59.4	59.4	59.5	59.5	59.4	59.2
Employment-to-Population Trend <sup>3</sup>	59.8	59.7	59.6	59.5	59.4	59.4	59.3	59.2	59.1	59.0	59.6	59.3	59.0	59.0	58.7
GDP gap <sup>4</sup>	-3	-1	-3	-1	.1	.4	.7	.7	.8	1.0	1.1	-.3	.7	1.1	1.3
<i>Previous Tealbook</i> <sup>4</sup>	-5	-2	-1	.0	.3	.6	.8	.9	1.0	1.2	1.3	-.1	.8	1.3	1.5
Industrial production <sup>5</sup>	-2.3	2.8	-3.4	.6	2.3	1.1	1.6	2.4	1.6	1.3	1.6	-.9	1.4	1.7	1.7
<i>Previous Tealbook</i> <sup>5</sup>	-2.3	2.7	-2.0	1.8	2.1	1.8	2.4	2.5	2.2	1.9	2.2	-.5	2.0	2.2	1.9
Manufacturing industr. prod. <sup>5</sup>	1.5	3.2	5	.4	2.9	2.5	2.2	1.9	1.9	1.9	1.6	1.1	2.0	1.8	1.5
<i>Previous Tealbook</i> <sup>5</sup>	1.5	3.4	1.5	1.2	2.4	2.3	2.3	1.9	2.2	1.9	2.2	1.4	2.0	2.1	1.8
Capacity utilization rate - mfg. <sup>3</sup>	75.9	76.3	76.1	76.0	76.3	76.6	76.6	76.8	76.9	77.1	77.2	76.1	76.8	77.3	77.7
<i>Previous Tealbook</i> <sup>3</sup>	75.9	76.3	76.4	76.4	76.6	76.8	77.0	77.1	77.3	77.4	77.6	76.4	77.0	77.6	78.1
Housing starts <sup>6</sup>	1.2	1.2	1.1	1.2	1.2	1.3	1.4	1.4	1.5	1.5	1.5	1.1	1.3	1.5	1.6
Light motor vehicle sales <sup>6</sup>	17.1	17.8	17.8	17.4	17.4	17.2	17.2	17.0	17.0	16.9	16.8	17.4	17.3	16.9	16.6
<i>Income and saving</i>															
Nominal GDP <sup>5</sup>	6.1	3.3	1.1	2.0	3.1	4.3	4.2	3.8	3.9	3.9	3.9	2.8	3.4	3.9	3.9
Real disposable pers. income <sup>5</sup>	2.6	3.8	4.5	5.5	3.5	3.1	1.8	3.2	1.9	2.5	2.0	3.7	3.5	2.4	2.2
<i>Previous Tealbook</i> <sup>5</sup>	2.6	4.0	4.7	4.3	2.9	2.8	2.0	3.5	2.0	2.5	2.3	3.8	3.0	2.6	2.3
Personal saving rate <sup>3</sup>	5.0	5.2	5.8	6.3	6.4	6.3	6.0	5.7	5.6	5.5	5.5	5.8	6.0	5.5	5.2
<i>Previous Tealbook</i> <sup>3</sup>	5.0	5.2	5.7	5.9	5.8	5.6	5.3	5.1	5.1	5.0	5.0	5.7	5.3	5.0	5.0
Corporate profits <sup>7</sup>	14.7	-6.2	-14.0	-22.6	-8.7	4.9	6.8	-4.6	-3.3	2.5	.5	-7.6	-5.7	-1.3	2.2
Profit share of GNP <sup>3</sup>	11.5	11.2	10.8	10.1	9.8	9.8	9.9	9.7	9.5	9.5	9.4	10.8	9.9	9.4	9.3
Gross national saving rate <sup>3</sup>	18.7	18.5	19.0	18.7	18.6	18.5	18.2	18.1	18.0	17.9	19.0	18.5	17.9	17.5	17.5
Net national saving rate <sup>3</sup>	3.8	3.5	4.0	3.6	3.5	3.4	3.2	2.8	2.6	2.5	2.3	4.0	3.2	2.3	1.7

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.

**Greensheets****Other Macroeconomic Indicators**  
(Change from fourth quarter of previous year to fourth quarter of year indicated, unless otherwise noted)

Item	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<i>Employment and production</i>										
Nonfarm payroll employment <sup>1</sup>	-5.6	.8	2.0	2.2	2.5	2.9	2.7	2.5	1.7	1.3
Unemployment rate <sup>2</sup>	9.9	9.5	8.7	7.8	7.0	5.7	5.0	4.7	4.6	4.6
<i>Previous Tealbook</i> <sup>2</sup>	9.9	9.5	8.7	7.8	7.0	5.7	5.0	4.7	4.6	4.5
Natural rate of unemployment <sup>2</sup>	6.2	6.2	6.0	5.8	5.4	5.1	5.1	5.1	5.1	5.1
<i>Previous Tealbook</i> <sup>2</sup>	6.2	6.2	6.0	5.8	5.4	5.1	5.1	5.1	5.1	5.1
Employment-to-Population Ratio <sup>2</sup>	58.4	58.3	58.5	58.7	58.5	59.2	59.4	59.5	59.4	59.2
Employment-to-Population Trend <sup>2</sup>	61.3	60.9	60.6	60.2	60.1	59.9	59.6	59.3	59.0	58.7
GDP gap <sup>3</sup>	-5.5	-4.4	-4.2	-4.2	-2.8	-2.8	-2.9	-2.3	.7	1.1
<i>Previous Tealbook</i> <sup>3</sup>	-5.5	-4.4	-4.2	-4.2	-2.8	-2.8	-2.9	-2.1	.8	1.3
Industrial production <sup>4</sup>	-5.4	5.9	2.8	2.1	2.3	4.5	-9	1.4	1.7	1.7
<i>Previous Tealbook</i> <sup>4</sup>	-5.4	5.9	2.8	2.1	2.3	4.5	-5	2.0	2.2	1.9
Manufacturing industr. prod. <sup>4</sup>	-6.1	6.0	2.7	1.5	1.3	3.4	1.1	2.0	1.8	1.5
<i>Previous Tealbook</i> <sup>4</sup>	-6.1	6.0	2.7	1.5	1.3	3.4	1.4	2.0	2.1	1.8
Capacity utilization rate - mfg. <sup>2</sup>	67.1	72.5	74.4	74.1	74.2	76.2	76.1	76.8	77.3	77.7
<i>Previous Tealbook</i> <sup>2</sup>	67.1	72.5	74.4	74.1	74.2	76.2	76.4	77.0	77.6	78.1
Housing starts <sup>5</sup>	.6	11.6	12.6	.8	.9	1.0	1.1	1.3	1.5	1.6
Light motor vehicle sales <sup>5</sup>	10.4	11.6	12.7	14.4	15.5	16.4	17.4	17.3	16.9	16.6
<i>Income and saving</i>										
Nominal GDP <sup>4</sup>	.1	4.6	3.6	3.2	4.1	3.9	2.8	3.4	3.9	3.9
Real disposable pers. income <sup>4</sup>	-.7	2.6	1.7	5.1	-2.9	3.6	3.7	3.5	2.4	2.2
<i>Previous Tealbook</i> <sup>4</sup>	-.7	2.6	1.7	5.1	-2.9	3.6	3.8	3.0	2.6	2.3
Personal saving rate <sup>2</sup>	5.6	5.5	5.8	9.2	4.4	4.7	5.8	6.0	5.5	5.2
<i>Previous Tealbook</i> <sup>2</sup>	5.6	5.5	5.8	9.2	4.4	4.7	5.7	5.3	5.0	5.0
Corporate profits <sup>6</sup>	53.7	18.0	6.8	.6	4.1	3.4	-7.6	-5.7	-1.3	2.2
Profit share of GNP <sup>2</sup>	10.6	12.0	12.3	12.0	12.0	11.9	10.8	9.9	9.4	9.3
Gross national saving rate <sup>2</sup>	14.6	15.2	16.1	18.0	18.1	18.8	19.0	18.5	17.9	17.5
Net national saving rate <sup>2</sup>	-1.7	-.3	.8	2.9	3.1	3.9	4.0	3.2	2.3	1.7

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.

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

Item	Fiscal year				2015				2016				2017			
	2015	2016	2017	2018	Q1 <sup>a</sup>	Q2 <sup>a</sup>	Q3 <sup>a</sup>	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
<b>Unified budget</b>																
Receipts	3,249	3,430	3,567	3,701	680	1,027	802	766	724	1,076	865	794	759	1,131	883	829
Outlays	3,688	3,857	4,019	4,186	943	904	924	981	942	952	982	1,057	996	983	1,024	
Surplus/deficit	-439	-427	-452	-485	-263	-123	-123	-216	-218	124	-117	-189	-298	134	-100	-195
<i>Previous Tealbook</i>	-439	-422	-469	-524	-263	-123	-123	-244	-203	136	-112	-183	-307	123	-104	-202
Means of financing:																
Borrowing	337	771	576	605	67	-16	46	552	148	-77	147	233	313	-100	130	226
Cash decrease	-40	-58	-4	0	123	-154	56	-135	94	-17	-1	-15	15	-4	-1	-1
Other <sup>1</sup>	142	-285	-120	-120	73	47	21	-202	-23	-30	-30	-30	-30	-30	-30	-30
Cash operating balance, end of period	199	257	261	261	100	254	199	333	240	257	257	272	256	260	261	263
<b>NIPA federal sector</b>																
Receipts	3,392	3,513	3,650	3,790	3,356	3,440	3,473	3,483	3,515	3,564	3,610	3,629	3,661	3,699	3,735	
Expenditures	3,988	4,127	4,342	4,556	3,936	4,015	4,080	4,048	4,115	4,130	4,215	4,264	4,345	4,347	4,411	4,455
Consumption expenditures	956	988	1,015	1,027	957	957	961	964	990	996	1,001	1,004	1,015	1,019	1,022	1,020
Defense	594	603	610	614	595	595	595	595	604	606	605	605	612	612	609	
Nondefense	362	385	405	413	362	362	362	366	368	386	391	396	403	407	410	412
Other spending	3,032	3,139	3,326	3,529	2,979	3,057	3,118	3,085	3,125	3,133	3,214	3,260	3,330	3,328	3,389	3,435
Current account surplus	-597	-614	-692	-766	-579	-574	-606	-565	-626	-615	-651	-654	-716	-686	-712	-720
Gross investment	263	268	273	274	262	264	263	268	270	271	271	273	274	275	275	272
Gross saving less gross investment <sup>2</sup>	-588	-609	-689	-762	-569	-567	-598	-556	-620	-611	-647	-649	-714	-684	-710	-715
<b>Fiscal indicators</b>																
High-employment (HEB) surplus/deficit <sup>3</sup>	-548.4	-622.9	-751.5	-850.6	-508.3	-542.6	-595.0	-554.4	-627.1	-629.7	-680.3	-702.0	-769.2	-749.2	-785.7	-798.9
Change in HEB, percent of potential GDP	.5	.3	.6	.4	-.2	.2	.3	-.2	.4	.0	.2	.1	.3	-.1	.2	.0
Fiscal impetus (FI), percent of GDP <sup>4</sup>	.4	.6	.3	.1	.0	.7	.5	.2	.8	.7	.4	.4	.3	.4	.3	.1
<i>Previous Tealbook</i>	.4	.4	.2	.2	.0	-.1	.1	.0	.6	.5	.3	.2	.4	.2	.7	.7
Federal purchases	.0	.2	.0	.2	.2	-.1	.5	.3	.1	.0	.0	.0	.0	.0	.0	-.2
State and local purchases	.1	.2	.2	.1	.0	.0	.2	.2	.3	.2	.2	.2	.1	.1	.2	.1
Taxes and transfers	.2	.2	.1	.0	.0	.0	.2	.2	.2	.2	.2	.2	.1	.1	.1	.1

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

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

3. 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 natural rate of unemployment. The sign on Change in HEB, as a percent of nominal potential GDP, is reversed. Quarterly figures for change in HEB are not at annual rates.

4. Fiscal impetus measures the contribution to growth of real GDP from fiscal policy actions at the general government level (excluding multiplier effects). It equals the sum of the direct contributions to real GDP growth from changes in federal purchases and state and local purchases, plus the estimated contribution from real consumption and investment that is induced by discretionary policy changes in transfers and taxes.

a Actual.

**Greensheets**
**Foreign Real GDP and Consumer Prices: Selected Countries**  
(Quarterly percent changes at an annual rate)

Measure and country	2015				2016				Projected 2017			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
<b>Real GDP<sup>1</sup></b>												
Total foreign	1.6	1.4	2.5	2.0	2.3	2.6	2.8	2.9	3.0	2.6	2.8	2.9
<i>Previous Tealbook</i>	1.8	1.3	2.4	2.3	2.6	2.8	2.8	2.8	3.0	2.6	2.8	2.9
Advanced foreign economies	1.0	.5	1.8	1.0	1.4	1.8	2.2	2.2	2.4	1.5	1.9	2.0
Canada	-.7	-.3	2.3	.6	1.2	1.8	2.3	2.3	2.3	2.2	2.1	2.0
Japan	4.4	-.5	1.0	.9	1.0	1.1	1.1	1.2	3.2	-4.9	-3	1.1
United Kingdom	1.5	2.2	1.8	2.2	2.4	2.4	2.4	2.4	2.4	2.4	2.4	2.3
Euro area	2.2	1.6	1.2	1.3	1.7	2.0	2.2	2.3	2.3	2.2	2.2	2.2
Germany	1.4	1.8	1.3	1.5	1.7	1.9	2.2	2.2	2.1	2.1	2.1	2.0
Emerging market economies	2.2	2.2	3.1	2.9	3.1	3.4	3.4	3.5	3.6	3.6	3.7	3.7
Asia	4.3	4.0	5.1	5.0	4.9	5.1	5.0	5.0	4.9	4.9	4.9	4.9
Korea	3.3	1.3	5.3	4.0	4.1	4.1	4.1	4.0	3.8	3.8	3.8	3.8
China	5.7	7.2	7.2	7.0	6.2	6.3	6.3	6.2	6.1	6.1	6.1	6.1
Latin America	.9	.6	1.5	1.0	1.6	2.1	2.2	2.3	2.5	2.5	2.6	2.7
Mexico	2.1	2.5	3.0	2.2	2.5	2.8	2.8	2.8	2.7	2.7	2.8	2.9
Brazil	-3.3	-8.0	-6.7	-4.5	-2.5	-1.0	-.2	.5	1.1	1.5	1.8	2.0
<i>Consumer prices<sup>2</sup></i>												
Total foreign	.3	2.5	2.0	1.0	1.4	2.0	2.3	2.3	2.4	2.4	2.8	2.5
<i>Previous Tealbook</i>	.2	2.5	2.0	1.0	1.8	2.2	2.3	2.4	2.4	2.4	2.8	2.5
Advanced foreign economies	-.7	1.9	.7	.1	-.1	.9	1.3	1.5	1.6	1.6	1.7	1.7
Canada	-.2	2.5	2.3	.8	1.1	1.4	1.7	1.8	1.9	2.0	2.0	2.0
Japan	-.3	1.7	0	-.3	-.4	.1	.5	1.0	1.2	6.5	1.2	1.2
United Kingdom	-1.2	.9	1.0	-.3	.5	1.7	2.0	2.0	2.0	2.1	2.1	2.0
Euro area	-1.2	2.2	-.1	-.1	-1.0	.8	1.4	1.5	1.6	1.6	1.6	1.6
Germany	-1.4	2.1	-.2	.3	-1.0	1.0	1.4	1.7	1.7	1.7	1.7	1.7
Emerging market economies	1.0	3.0	3.0	1.7	2.5	2.8	2.9	3.0	3.0	3.0	3.0	3.0
Asia	.2	2.7	2.5	.8	1.9	2.3	2.6	2.7	2.7	2.8	2.8	2.8
Korea	.1	1.5	.9	1.9	2.1	2.4	3.0	3.0	3.0	3.1	3.1	3.2
China	.3	2.6	3.1	-.2	1.5	2.1	2.3	2.5	2.5	2.5	2.5	2.5
Latin America	2.3	3.7	4.2	3.7	3.8	3.8	3.7	3.6	3.6	3.6	3.6	3.6
Mexico	1.1	2.7	2.8	2.4	3.0	3.2	3.2	3.2	3.2	3.2	3.2	3.2
Brazil	10.9	10.2	10.1	10.3	7.6	6.2	6.2	5.7	5.7	5.4	5.4	5.4

<sup>1</sup>Foreign GDP aggregates calculated using shares of U.S. exports.<sup>2</sup>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	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Real GDP<sup>1</sup></b>									
Total foreign	4.8	3.3	2.3	2.8	2.5	1.9	2.6	2.8	2.9
<i>Previous Tealbook</i>	4.8	3.3	2.3	2.8	2.5	1.9	2.8	2.8	2.9
Advanced foreign economies	3.1	1.9	.2	2.2	1.6	1.1	1.9	2.0	1.9
Canada	3.6	3.1	.7	3.1	2.4	.5	1.9	2.1	1.8
Japan	3.6	.3	.0	2.1	-.9	1.4	1.1	-.3	1.0
United Kingdom	1.8	2.1	1.0	2.8	2.8	1.9	2.4	2.4	2.3
Euro area	2.4	.5	-1.1	.6	.9	1.6	2.0	2.2	2.1
Germany	4.5	2.4	.1	1.3	1.5	1.5	2.0	2.1	1.9
Emerging market economies	6.6	4.7	4.3	3.4	3.3	2.6	3.4	3.6	3.8
Asia	8.2	5.1	5.6	5.3	4.9	4.6	5.0	4.9	4.8
Korea	6.1	2.9	2.1	3.4	2.7	3.5	4.1	3.8	3.8
China	10.0	8.6	7.9	7.6	7.2	6.8	6.2	6.1	6.0
Latin America	4.7	4.2	3.4	1.6	2.0	1.0	2.1	2.6	2.9
Mexico	4.4	4.2	3.4	1.1	2.6	2.5	2.7	2.8	2.9
Brazil	5.7	2.5	2.6	2.4	-.7	-5.6	-.8	1.6	2.1
Consumer prices <sup>2</sup>									
Total foreign	3.2	3.4	2.3	2.3	2.0	1.5	2.0	2.5	2.5
<i>Previous Tealbook</i>	3.2	3.4	2.3	2.3	2.0	1.4	2.2	2.5	2.5
Advanced foreign economies	1.7	2.2	1.3	1.0	1.1	.5	.9	1.9	1.7
Canada	2.2	2.7	1.0	1.0	1.9	1.3	1.5	2.0	2.0
Japan	-.3	-.3	-.2	1.4	2.5	.3	.3	2.5	1.3
United Kingdom	3.4	4.6	2.6	2.1	.9	.1	1.5	2.1	2.0
Euro area	2.0	2.9	2.3	.8	.2	.2	.7	1.6	1.6
Germany	1.6	2.6	2.0	1.3	.4	.2	.8	1.7	1.8
Emerging market economies									
Asia	4.3	4.3	3.1	3.3	2.6	2.2	2.8	3.0	3.0
Korea	4.3	4.5	2.6	3.0	1.8	1.5	2.4	2.8	2.8
China	3.2	3.9	1.7	1.1	1.0	1.1	2.6	3.1	3.2
Latin America	4.6	4.6	2.0	2.9	1.5	1.5	2.1	2.5	2.5
Mexico	4.4	4.0	4.3	4.0	4.7	3.5	3.8	3.6	3.6
Brazil	4.3	3.5	4.1	3.6	4.2	2.3	3.1	3.2	3.2

<sup>1</sup> Foreign GDP aggregates calculated using shares of U.S. exports.

<sup>2</sup> Foreign CPI aggregates calculated using shares of U.S. non-oil imports.

**U.S. Current Account  
Quarterly Data**

	2015				2016				Projected 2017			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
<i>Billions of dollars, s.a.a.r.</i>												
<b>U.S. current account balance</b>	<b>-473.2</b>	<b>-444.4</b>	<b>-496.5</b>	<b>-517.9</b>	<b>-577.6</b>	<b>-600.6</b>	<b>-667.2</b>	<b>-713.6</b>	<b>-792.4</b>	<b>-813.8</b>	<b>-858.4</b>	<b>-896.5</b>
<i>Previous Tealbook</i>	-473.2	-451.0	-493.9	-506.1	-587.2	-611.9	-672.8	-720.5	-783.3	-790.3	-827.7	-856.7
Current account as percent of GDP	-2.7	-2.5	-2.7	-2.9	-3.2	-3.3	-3.6	-3.8	-4.2	-4.3	-4.5	-4.6
<i>Previous Tealbook</i>	-2.7	-2.5	-2.7	-2.8	-3.2	-3.3	-3.6	-3.8	-4.1	-4.1	-4.3	-4.4
Net goods & services	-537.2	-532.3	-534.8	-537.3	-569.7	-612.6	-668.8	-703.5	-764.3	-793.3	-827.7	-846.5
Investment income, net	208.8	221.2	194.6	172.7	158.3	160.1	149.6	143.1	138.2	127.6	117.2	103.3
Direct, net	278.8	288.4	258.6	237.7	242.9	258.7	264.7	276.3	290.6	301.2	314.0	323.7
Portfolio, net	-70.0	-67.2	-64.1	-65.0	-84.6	-98.7	-115.1	-133.2	-152.4	-173.6	-196.8	-220.4
Other income and transfers, net	-144.8	-133.3	-156.3	-153.2	-166.2	-148.0	-147.9	-153.2	-166.2	-148.0	-147.9	-153.2
<i>Annual Data</i>												
	2010	2011	2012	2013	2014	2015	2016	2017	2018			
<b>U.S. current account balance</b>	<b>-442.0</b>	<b>-460.4</b>	<b>-449.7</b>	<b>-376.8</b>	<b>-389.5</b>	<b>-483.0</b>	<b>-639.7</b>	<b>-840.3</b>	<b>-958.6</b>			
<i>Previous Tealbook</i>	-442.0	-460.4	-449.7	-376.8	-389.5	-481.1	-648.1	-814.5	-906.3			
Current account as percent of GDP	-3.0	-3.0	-2.8	-2.3	-2.2	-2.7	-3.5	-4.4	-4.8			
<i>Previous Tealbook</i>	-3.0	-3.0	-2.8	-2.3	-2.2	-2.7	-3.5	-4.2	-4.5			
Net goods & services	-494.7	-548.6	-536.8	-478.4	-508.3	-535.4	-638.6	-808.0	-882.3			
Investment income, net	185.7	229.0	220.8	233.6	247.4	199.3	152.8	121.6	77.6			
Direct, net	288.0	298.6	290.2	301.7	300.5	265.9	260.6	307.4	356.5			
Portfolio, net	-102.3	-69.5	-69.4	-68.1	-53.1	-66.6	-107.9	-185.8	-278.8			
Other income and transfers, net	-133.0	-140.8	-133.7	-132.0	-128.6	-146.9	-153.9	-153.9	-153.9			