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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

December 7, 2016

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 ¹	
Interval	10/26/16	12/06/16	10/26/16	12/06/16	10/26/16	12/06/16	10/26/16	12/06/16	10/26/16	12/06/16
<i>Quarterly</i>										
2016:Q1	1.3	1.3	.8	.8	.3	.3	2.1	2.1	4.9	4.9
Q2	3.7	3.7	1.4	1.4	2.0	2.0	1.8	1.8	4.9	4.9
Q3	3.8	4.8	2.5	3.3	1.4	1.4	1.6	1.7	4.9	4.9
Q4	4.3	4.3	2.1	1.6	2.2	2.3	1.5	1.4	4.9	4.8
2017:Q1	4.1	4.4	2.2	2.4	1.7	1.8	1.8	1.7	4.8	4.7
Q2	4.1	3.7	2.2	1.7	1.8	1.7	1.8	1.7	4.8	4.7
Q3	4.1	4.4	2.2	2.6	1.7	1.6	1.6	1.6	4.7	4.6
Q4	4.0	3.9	2.2	2.1	1.6	1.6	1.6	1.6	4.6	4.5
2018:Q1	4.2	4.0	2.2	1.9	1.9	1.9	1.9	1.9	4.6	4.5
Q2	3.9	4.1	1.9	2.0	1.9	1.8	1.9	1.9	4.5	4.4
Q3	3.8	3.9	1.8	2.0	1.8	1.7	1.8	1.8	4.5	4.4
Q4	3.8	3.9	1.8	2.0	1.8	1.8	1.8	1.8	4.4	4.3
<i>Two-quarter²</i>										
2016:Q2	2.5	2.5	1.1	1.1	1.1	1.1	1.9	1.9	-.1	-.1
Q4	4.1	4.5	2.3	2.4	1.8	1.9	1.6	1.6	.0	-.1
2017:Q2	4.1	4.1	2.2	2.1	1.7	1.8	1.8	1.7	-.1	-.1
Q4	4.0	4.2	2.2	2.3	1.6	1.6	1.6	1.6	-.2	-.2
2018:Q2	4.1	4.0	2.0	2.0	1.9	1.9	1.9	1.9	-.1	-.1
Q4	3.8	3.9	1.8	2.0	1.8	1.7	1.8	1.8	-.1	-.1
<i>Four-quarter³</i>										
2015:Q4	3.0	3.0	1.9	1.9	.4	.4	1.4	1.4	-.7	-.7
2016:Q4	3.3	3.5	1.7	1.8	1.5	1.5	1.7	1.7	-.1	-.2
2017:Q4	4.1	4.1	2.2	2.2	1.7	1.7	1.7	1.7	-.3	-.3
2018:Q4	3.9	4.0	1.9	2.0	1.8	1.8	1.8	1.8	-.2	-.2
2019:Q4	3.7	3.9	1.7	1.8	1.9	1.9	1.9	1.9	.0	-.1
<i>Annual</i>										
2015	3.7	3.7	2.6	2.6	.3	.3	1.4	1.4	5.3	5.3
2016	2.8	2.9	1.5	1.6	1.1	1.1	1.7	1.7	4.9	4.9
2017	4.1	4.2	2.2	2.2	1.8	1.8	1.7	1.7	4.8	4.6
2018	4.0	4.0	2.1	2.1	1.8	1.7	1.8	1.8	4.5	4.4
2019	3.8	3.9	1.8	1.9	1.9	1.9	1.9	1.9	4.4	4.2

- 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	2016				2017				2018				2019 ¹			
	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	2016 ¹	2017 ¹	2018 ¹	2019 ¹	
Real GDP <i>Previous Tealbook</i>	1.4	3.3	1.6	2.4	1.7	2.6	2.1	1.9	2.0	2.0	1.8	1.8	2.2	2.0	1.8	1.7
Final sales <i>Previous Tealbook</i>	2.6	2.8	1.9	1.9	1.7	2.6	2.3	1.9	2.0	2.0	1.9	2.1	2.1	2.0	1.9	1.7
Priv. dom. final purch. <i>Previous Tealbook</i>	3.2	2.1	2.5	2.1	2.3	2.5	2.0	1.9	1.9	1.9	1.9	2.0	2.2	1.9	1.9	1.7
Personal cons. expend. <i>Previous Tealbook</i>	4.3	2.8	2.1	2.6	2.6	3.7	3.0	2.8	2.7	2.6	2.6	2.4	2.4	2.7	3.0	2.7
Durables	4.3	2.6	1.8	2.5	2.6	2.5	2.5	2.5	2.4	2.4	2.4	2.4	2.6	2.5	2.4	2.4
Nondurables	9.8	11.6	8.8	.6	4.9	5.8	5.8	5.0	4.8	4.3	3.9	7.3	4.2	4.5	4.5	2.0
Services	5.7	-6	4.5	3.2	2.2	3.3	2.9	3.0	2.9	2.8	2.8	2.9	2.9	2.9	2.9	2.6
Residential investment <i>Previous Tealbook</i>	-7.7	-4.1	11.5	3.1	2.3	1.5	1	3.2	6.5	6.6	6.1	1.5	1.7	5.6	3.7	3.7
Nonres. priv. fixed invest. <i>Previous Tealbook</i>	1.0	.3	1.9	4.1	2.4	3.4	3.1	2.8	2.6	2.1	1.5	-.1	3.3	2.3	2.3	1.6
Equipment & intangibles <i>Previous Tealbook</i>	1.8	-2.5	4.0	4.4	2.7	3.7	3.3	3.4	3.4	2.8	2.2	-.3	3.7	3.0	3.0	2.2
Nonres. structures <i>Previous Tealbook</i>	1.8	2.5	4.9	2.0	2.4	4.0	4.3	3.4	3.4	2.4	2.1	1.2	3.1	2.8	2.8	1.9
Gov't. cons. & invest. <i>Previous Tealbook</i>	-558	-523	-551	-585	-618	-647	-667	-698	-724	-746	-758	-550	-629	-731	-796	.6
Exports Imports	-548	-548	-563	-590	-616	-634	-643	-663	-680	-694	-700	-559	-621	-684	-734	.6
Federal Defense Nonddefense State & local	1.8	10.0	-1.2	.0	.1	.7	1.3	1.7	1.8	2.1	2.2	.5	.5	1.9	2.7	.6
Change in priv. inventories ² <i>Previous Tealbook</i>	-9	8	-4	3	14	15	14	7	8	9	8	9	13	9	2	2
	-9	-4	3	18	23	20	10	17	15	12	9	8	18	13	6	6

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	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Real GDP <i>Previous Tealbook</i>	2.7	1.7	1.3	2.7	2.5	1.9	1.8	2.2	2.0	1.8
Final sales <i>Previous Tealbook</i>	2.0	1.5	1.7	2.0	2.7	2.0	2.1	2.1	2.0	1.9
Priv. dom. final purch. <i>Previous Tealbook</i>	3.5	2.6	2.3	2.6	3.8	2.7	2.2	2.9	2.8	1.7
Personal cons. expend. <i>Previous Tealbook</i>	3.1	1.5	1.3	2.0	3.5	2.6	2.7	3.0	2.7	2.5
Durables	3.1	1.5	1.3	2.0	3.5	2.6	2.6	2.5	2.4	2.4
Nondurables	9.3	4.8	7.2	5.2	8.6	5.5	7.3	4.2	4.5	2.0
Services	3.3	.4	.8	2.6	2.8	2.3	2.9	2.9	2.9	2.6
Residential investment <i>Previous Tealbook</i>	-5.2	6.0	15.7	6.8	6.2	13.1	1.5	1.7	5.6	3.7
Nonres. priv. fixed invest. <i>Previous Tealbook</i>	8.1	9.0	5.2	4.8	5.0	.8	-1	3.3	2.3	1.6
Equipment & intangibles <i>Previous Tealbook</i>	12.0	9.2	5.5	4.5	4.1	.8	1.2	2.6	2.2	1.3
Nonres. structures <i>Previous Tealbook</i>	-4.0	8.0	4.1	5.8	8.0	-8.8	.8	1.7	-3	-7
Net exports ¹ <i>Previous Tealbook</i>	-459	-459	-447	-405	-426	-540	-550	-629	-731	-796
Exports	10.1	4.2	2.2	5.9	3.1	-2.2	2.4	.5	1.9	2.7
Imports	12.0	3.5	.3	2.5	6.1	2.5	1.3	4.7	4.7	4.1
Gov't. cons. & invest. <i>Previous Tealbook</i>	-1.1	-3.0	-2.2	-2.8	.3	2.2	.7	1.5	.5	.6
Federal	-1.1	-3.0	-2.2	-2.8	.3	2.2	.7	1.4	.5	.6
Defense	3.2	-4.0	-2.1	-6.7	-1.3	1.7	.7	1.6	-5	-4
Nondefense	2.0	-4.1	-3.9	-7.1	-4.1	.6	-6	1.4	-5	-3
State & local	5.5	-3.9	1.0	-6.0	3.4	3.4	2.7	1.9	-4	-6
Change in priv. inventories ¹ <i>Previous Tealbook</i>	58	38	55	79	58	84	9	13	9	2
	58	38	55	79	58	84	8	18	13	6

1. Billions of chained (2009) dollars.

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

Item	2016			2017			2018			2016 ¹	2017 ¹	2018 ¹	2019 ¹	
	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3				
Real GDP <i>Previous Tealbook</i>	1.4	3.3	1.6	2.4	1.7	2.6	2.1	1.9	2.0	2.0	1.8	2.2	2.0	1.8
Final sales <i>Previous Tealbook</i>	2.6	2.8	1.9	1.9	1.7	2.6	2.3	1.9	2.0	2.0	2.1	2.1	2.0	1.9
Priv. dom. final purch. <i>Previous Tealbook</i>	2.7	1.8	2.1	2.4	2.1	3.0	2.5	2.4	2.3	2.2	1.9	2.0	1.9	1.7
Personal cons. expend. <i>Previous Tealbook</i>	2.9	1.9	1.5	1.8	1.7	2.5	2.1	1.9	1.9	1.8	1.8	2.0	1.9	1.7
Durables	2.9	1.8	1.2	1.7	1.8	1.7	1.7	1.7	1.6	1.6	1.7	1.8	1.7	1.6
Nondurables	.7	.8	.6	.0	.4	.4	.4	.4	.4	.3	.5	.3	.3	.1
Services	.8	.1	.6	.5	.3	.5	.4	.4	.4	.4	.4	.4	.4	.4
Residential investment <i>Previous Tealbook</i>	-3	-2	.4	.1	.1	.1	.0	.1	.2	.3	.1	.1	.2	.1
Nonres. priv. fixed invest. <i>Previous Tealbook</i>	.1	.0	.2	.5	.3	.4	.4	.3	.3	.3	.2	.0	.4	.3
Equipment & intangibles <i>Previous Tealbook</i>	.1	.4	.5	.2	.3	.4	.4	.3	.3	.3	.2	.1	.3	.2
Nonres. structures <i>Previous Tealbook</i>	.2	.2	.2	.4	.3	.4	.4	.3	.3	.3	.2	.0	.4	.3
Net exports <i>Previous Tealbook</i>	2	2	-.6	-.7	-.7	-.6	-.4	-.6	-.5	-.4	-.2	.1	-.6	-.5
Exports Imports	2	2	-.3	-.6	-.5	-.4	-.2	-.4	-.3	-.3	-.1	.0	-.4	-.3
Gov't. cons. & invest. <i>Previous Tealbook</i>	-3	.1	.4	.3	.3	.2	.2	.2	.1	.1	.0	.1	.3	.1
Federal Defense	-3	.1	.5	.3	.3	.2	.1	.1	.0	.0	.0	.1	.1	.1
Nondefense	.0	.2	.2	.2	.1	.1	.0	.0	.0	.0	.0	.1	.0	.0
State & local	-1	.1	.1	.1	.1	.2	.1	.1	.1	.1	.1	.1	.1	.1
Change in priv. inventories <i>Previous Tealbook</i>	-1.2	.5	-.3	.4	.0	.0	-.2	.0	.0	.0	-.1	-.3	.1	-.1
	-1.2	.2	.2	.3	.1	-.1	-.2	.2	-.1	-.1	-.3	.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	2016				2017				2018				2016 ¹	2017 ¹	2018 ¹	2019 ¹	
	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1					
GDP chain-wt. price index	2.3	1.4	2.6	2.0	1.8	1.8	2.0	2.0	1.9	1.9	1.7	1.9	1.6	1.8	2.0	2.0	
<i>Previous Tealbook</i>	2.3	1.3	2.2	1.8	1.8	1.7	2.0	2.0	1.9	1.9	1.5	1.7	1.5	1.7	1.8	1.9	
PCE chain-wt. price index	2.0	1.4	2.3	1.8	1.7	1.6	1.9	1.8	1.7	1.8	1.5	1.7	1.5	1.7	1.8	1.9	
<i>Previous Tealbook</i>	2.0	1.4	2.2	1.7	1.8	1.6	1.9	1.9	1.8	1.8	1.5	1.7	1.5	1.7	1.8	1.9	
Energy	15.5	2.1	30.9	5.6	1.4	.8	.7	.9	.4	.2	.3	.7	.7	.2	.5	.4	.8
<i>Previous Tealbook</i>	15.5	2.3	25.4	1.4	3.1	2.3	1.9	2.0	1.6	1.2	1.3	.7	.7	.2	.5	.5	1.2
Food	-1.8	-2.1	-.5	1.2	1.4	1.9	2.1	2.2	2.2	2.2	-1.5	1.7	2.2	2.2	2.2	2.2	2.2
<i>Previous Tealbook</i>	-1.8	-2.1	-.2	1.2	1.4	1.9	2.1	2.2	2.2	2.2	-1.5	1.7	2.2	2.2	2.2	2.2	2.2
Ex. food & energy	1.8	1.7	1.4	1.7	1.7	1.6	1.6	1.9	1.9	1.8	1.8	1.7	1.7	1.7	1.8	1.8	1.9
<i>Previous Tealbook</i>	1.8	1.6	1.5	1.8	1.8	1.6	1.6	1.9	1.9	1.8	1.7	1.7	1.7	1.7	1.8	1.8	1.9
Ex. food & energy, market based	1.6	1.6	1.3	1.6	1.6	1.5	1.5	1.8	1.8	1.7	1.7	1.5	1.6	1.6	1.8	1.8	1.9
<i>Previous Tealbook</i>	1.6	1.5	1.3	1.6	1.7	1.5	1.5	1.8	1.8	1.7	1.7	1.5	1.6	1.6	1.8	1.8	1.9
CPI	2.5	1.6	3.4	2.5	2.2	2.2	2.2	2.3	2.2	2.2	2.2	2.2	2.2	1.8	2.3	2.2	2.3
<i>Previous Tealbook</i>	2.5	1.6	3.2	2.2	2.3	2.3	2.2	2.3	2.3	2.3	2.3	2.3	2.3	1.7	2.3	2.2	2.3
Ex. food & energy	2.1	1.9	1.9	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.2	2.3	2.3	2.4
<i>Previous Tealbook</i>	2.1	1.9	2.1	2.4	2.3	2.3	2.2	2.3	2.3	2.3	2.3	2.3	2.3	2.2	2.3	2.3	2.4
ECI, hourly compensation ²	2.3	1.9	2.2	2.3	2.3	2.3	2.3	2.4	2.4	2.5	2.5	2.2	2.3	2.3	2.4	2.5	2.4
<i>Previous Tealbook²</i>	2.3	2.1	2.2	2.3	2.3	2.3	2.3	2.4	2.4	2.3	2.3	2.3	2.3	2.3	2.4	2.4	2.4
Business sector																	
Output per hour																	
<i>Previous Tealbook</i>																	
Compensation per hour																	
<i>Previous Tealbook</i>																	
Unit labor costs																	
<i>Previous Tealbook</i>																	
Core goods imports chain-wt. price index ³	.5	2.1	-.1	-.4	.5	1.0	.8	.7	.7	.7	.1	.5	.7	.7	.7	.7	.7
<i>Previous Tealbook³</i>	.5	1.7	.1	.4	.8	.8	.8	.8	.8	.8	.0	.7	.8	.7	.7	.7	.7

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	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
GDP chain-wt. price index <i>Previous Tealbook</i>	1.8	1.9	1.9	1.6	1.5	1.1	1.7	1.9	1.9	2.0
PCE chain-wt. price index <i>Previous Tealbook</i>	1.3	2.7	1.8	1.2	1.2	.4	1.5	1.7	1.8	1.9
Energy <i>Previous Tealbook</i>	6.4	12.0	2.3	-2.5	-6.2	-15.8	1.7	2.1	.4	.8
Food <i>Previous Tealbook</i>	1.3	5.1	1.2	.7	2.7	.3	-1.5	1.7	2.2	2.2
Ex. food & energy <i>Previous Tealbook</i>	1.0	1.9	1.8	1.5	1.6	1.4	1.4	1.7	1.8	1.9
Ex. food & energy, market based <i>Previous Tealbook</i>	.7	1.9	1.5	1.1	1.2	1.1	1.5	1.6	1.8	1.9
CPI <i>Previous Tealbook</i>	1.2	3.3	1.9	1.2	1.2	.4	1.8	2.3	2.2	2.3
Ex. food & energy <i>Previous Tealbook</i>	.6	2.2	1.9	1.7	1.7	2.0	2.2	2.3	2.3	2.4
ECL, hourly compensation ¹ <i>Previous Tealbook</i>	2.1	2.2	1.8	2.0	2.3	1.9	2.2	2.3	2.4	2.5
Business sector										
Output per hour <i>Previous Tealbook</i>	1.6	.0	-.2	2.0	-.1	.5	.7	1.0	.9	1.1
Compensation per hour <i>Previous Tealbook</i>	1.2	.5	5.8	.0	2.7	3.1	2.9	3.0	3.2	3.4
Unit labor costs <i>Previous Tealbook</i>	-.4	.6	6.0	-2.0	2.8	2.6	2.1	2.0	2.2	2.2
Core goods imports chain-wt. price index ² <i>Previous Tealbook</i>	2.3	4.3	.1	-1.5	.5	-3.3	.1	.5	.7	.7

1. Private-industry workers.

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

Other Macroeconomic Indicators

Item	2016				2017				2018				2019 ¹			
	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	2016 ¹	2017 ¹	2018 ¹	2019 ¹	
<i>Employment and production</i>																
Nonfarm payroll employment ²	.5	.6	.5	.5	.5	.6	.5	.5	.5	.5	.4	2.3	2.2	1.9	1.5	1.5
Unemployment rate ³	4.9	4.9	4.8	4.7	4.6	4.5	4.5	4.4	4.4	4.3	4.3	4.5	4.5	4.3	4.2	4.2
<i>Previous Tealbook</i> ³	4.9	4.9	4.9	4.8	4.7	4.6	4.6	4.5	4.5	4.4	4.4	4.6	4.6	4.4	4.4	4.4
Natural rate of unemployment ³	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
<i>Previous Tealbook</i> ³	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
Employment-to-Population Ratio ³	59.7	59.8	59.8	59.8	59.8	59.8	59.7	59.7	59.7	59.7	59.6	59.8	59.7	59.6	59.4	59.4
Employment-to-Population Trend ³	59.7	59.6	59.6	59.5	59.4	59.4	59.3	59.2	59.1	59.1	59.0	59.6	59.3	59.0	58.7	58.7
GDP gap ⁴	.0	.2	.3	.5	.6	.8	1.0	1.1	1.2	1.3	1.4	.3	1.0	1.4	1.6	1.6
<i>Previous Tealbook</i> ⁴	-.1	.0	.1	.3	.5	.6	.8	.9	1.0	1.1	1.2	.1	.8	1.2	1.2	1.2
Industrial production ⁵	-.8	2.0	-1.2	1.4	.5	.5	.6	.9	.9	1.1	1.1	-.4	.8	1.0	1.1	1.1
<i>Previous Tealbook</i> ⁵	-.8	1.8	-1.0	.3	.9	1.1	1.4	1.3	1.1	1.1	1.0	-.4	.9	1.1	1.1	1.1
Manufacturing industr. prod. ⁵	-1.1	.5	.7	.3	.1	.4	.3	.6	.8	1.0	1.0	.1	.3	.8	1.0	1.0
<i>Previous Tealbook</i> ⁵	-1.2	.9	.2	-.4	.8	1.0	1.1	1.0	1.0	1.0	1.0	.1	.6	1.0	.9	.9
Capacity utilization rate - mfg. ³	74.9	74.9	74.9	74.8	74.7	74.6	74.6	74.5	74.4	74.4	74.5	74.9	74.5	74.5	74.8	74.8
<i>Previous Tealbook</i> ³	74.9	75.0	74.8	74.6	74.6	74.6	74.7	74.7	74.8	74.8	74.8	74.8	74.7	74.7	75.0	75.0
Housing starts ⁶	1.2	1.1	1.2	1.2	1.2	1.2	1.3	1.3	1.3	1.3	1.4	1.2	1.2	1.3	1.4	1.4
Light motor vehicle sales ⁶	17.1	17.5	17.7	17.3	17.1	17.0	17.0	16.9	16.9	16.8	16.8	17.4	17.1	16.9	16.7	16.7
<i>Income and saving</i>																
Nominal GDP ⁵	3.7	4.8	4.3	4.4	3.7	4.4	3.9	4.0	4.1	3.9	3.9	3.5	4.1	4.0	3.9	3.9
Real disposable pers. income ⁵	2.9	2.7	1.8	2.9	2.3	7.9	2.2	2.8	2.2	2.1	2.7	2.4	3.8	2.4	2.4	2.4
<i>Previous Tealbook</i> ⁵	2.1	2.8	1.7	3.2	2.2	1.9	2.4	2.0	1.9	2.4	2.4	2.2	2.4	2.2	2.2	2.4
Personal saving rate ³	5.9	5.9	5.8	5.9	5.9	6.8	6.6	6.5	6.4	6.3	6.3	5.8	6.6	6.3	6.2	6.2
<i>Previous Tealbook</i> ³	5.7	5.7	5.8	5.9	5.8	5.7	5.5	5.5	5.4	5.3	5.3	5.8	5.5	5.3	5.3	5.3
Corporate profits ⁷	-2.4	31.4	5.5	8.1	5.1	-.2	-.1	2.5	3.1	2.0	1.0	11.5	3.2	2.1	2.4	2.4
Profit share of GNP ³	10.8	11.5	11.5	11.6	11.6	11.5	11.4	11.4	11.4	11.3	11.2	11.5	11.4	11.2	11.1	11.1
Gross national saving rate ³	18.2	18.7	18.8	18.7	18.9	18.6	18.4	18.2	18.1	18.1	18.1	18.8	18.4	18.1	17.7	17.7
Net national saving rate ³	3.1	3.9	4.1	4.0	4.2	3.8	3.7	3.5	3.5	3.4	3.3	4.1	3.7	3.3	2.8	2.8

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	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<i>Employment and production</i>										
Nonfarm payroll employment ¹	.8	2.0	2.1	2.4	2.8	2.8	2.3	2.2	1.9	1.5
Unemployment rate ²	9.5	8.7	7.8	7.0	5.7	5.0	4.8	4.5	4.3	4.2
<i>Previous Tealbook</i> ²	9.5	8.7	7.8	7.0	5.7	5.0	4.9	4.6	4.4	4.4
Natural rate of unemployment ²	5.9	5.9	5.6	5.4	5.1	5.0	5.0	5.0	5.0	5.0
<i>Previous Tealbook</i> ²	5.9	5.9	5.6	5.4	5.1	5.0	5.0	5.0	5.0	5.0
Employment-to-Population Ratio ²	58.3	58.5	58.7	58.5	59.2	59.4	59.8	59.7	59.6	59.4
Employment-to-Population Trend ²	61.1	60.7	60.3	60.2	60.1	59.9	59.6	59.3	59.0	58.7
GDP gap ³	-4.2	-3.7	-3.7	-2.5	-2.5	-9	0	.3	1.0	1.4
<i>Previous Tealbook</i> ³	-4.2	-3.7	-3.7	-2.5	-2.5	-9	0	.1	.8	1.2
Industrial production ⁴	5.9	2.6	2.3	2.0	3.5	-1.6	-4	.8	1.0	1.1
<i>Previous Tealbook</i> ⁴	5.9	2.6	2.3	2.0	3.5	-1.6	-4	.9	1.1	1.1
Manufacturing industr. prod. ⁴	5.9	2.5	1.7	.8	2.0	0	.1	.3	.8	1.0
<i>Previous Tealbook</i> ⁴	5.9	2.5	1.7	.8	2.0	0	.1	.6	1.0	1.0
Capacity utilization rate - mfg. ²	72.4	74.4	74.3	74.6	76.0	75.4	74.9	74.5	74.5	74.8
<i>Previous Tealbook</i> ²	72.4	74.4	74.3	74.6	76.0	75.4	74.8	74.7	74.8	75.0
Housing starts ⁵	.6	12.7	14.4	.8	.9	1.0	1.1	1.2	1.3	1.4
Light motor vehicle sales ⁵	11.6	12.7	14.4	15.5	16.5	17.4	17.4	17.1	16.9	16.7
<i>Income and saving</i>										
Nominal GDP ⁴	4.6	3.6	3.2	4.3	4.1	3.0	3.5	4.1	4.0	3.9
Real disposable pers. income ⁴	2.6	1.7	5.1	-2.8	4.5	3.0	2.4	3.8	2.4	2.4
<i>Previous Tealbook</i> ⁴	2.6	1.7	5.1	-2.8	4.5	3.0	2.2	2.4	2.2	2.4
Personal saving rate ²	5.5	5.8	9.2	4.7	5.6	6.0	5.8	6.6	6.3	6.2
<i>Previous Tealbook</i> ²	5.5	5.8	9.2	4.7	5.6	6.0	5.8	5.5	5.3	5.3
Corporate profits ⁶	18.0	6.8	.6	4.7	6.6	-11.2	11.5	3.2	2.1	2.4
Profit share of GNP ²	12.0	12.3	12.0	12.0	12.4	10.7	11.5	11.4	11.2	11.1
Gross national saving rate ²	15.2	16.1	18.0	18.2	19.2	18.8	18.8	18.4	18.1	17.7
Net national saving rate ²	-.3	.8	2.9	3.1	4.3	3.9	4.1	3.7	3.3	2.8

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				2016				2017				2018			
	2016	2017	2018	2019	Q1 ^a	Q2 ^a	Q3 ^a	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Unified budget																
Receipts	3,267	3,398	3,430	3,595	711	993	798	778	739	1,078	803	764	735	1,087	844	817
Outlays	3,854	3,990	4,146	4,427	956	932	984	964	1,056	991	978	1,025	1,102	1,049	970	1,123
Surplus/deficit	-587	-591	-716	-832	-245	61	-186	-187	-317	87	-175	-261	-367	38	-127	-306
<i>Previous Tealbook</i>	-587	-589	-536	-637	-245	61	-187	-210	-329	81	-131	-220	-334	96	-78	-265
Means of financing:																
Borrowing	1,052	779	838	952	251	8	241	368	238	-40	213	303	379	-4	159	336
Cash decrease	-155	-51	-2	1	20	-50	10	-135	109	-17	-8	-13	18	-5	-2	-0
Other ¹	-310	-136	-120	-120	-25	-18	-65	-46	-30	-30	-30	-30	-30	-30	-30	-30
Cash operating balance, end of period	354	405	407	406	314	364	354	489	380	396	405	417	400	405	407	407
NIPA federal sector																
Receipts	3,495	3,566	3,612	3,779	3,442	3,485	3,537	3,557	3,590	3,632	3,483	3,520	3,599	3,644	3,685	3,723
Expenditures	4,124	4,301	4,514	4,760	4,111	4,137	4,188	4,216	4,292	4,322	4,374	4,403	4,511	4,550	4,591	4,642
Consumption expenditures	974	1,011	1,035	1,043	969	975	985	994	1,009	1,017	1,023	1,028	1,035	1,038	1,040	1,040
Defense	589	602	612	615	587	586	591	595	602	605	607	609	613	614	614	613
Nondefense	385	408	423	428	382	389	394	398	407	412	416	420	424	426	426	426
Other spending	3,149	3,290	3,478	3,717	3,142	3,163	3,203	3,222	3,282	3,305	3,351	3,375	3,476	3,512	3,551	3,602
Current account surplus	-629	-735	-902	-981	-668	-652	-650	-659	-701	-690	-891	-883	-913	-906	-906	-919
Gross investment	266	275	282	285	265	265	267	270	274	277	279	280	282	283	283	283
Gross saving less gross investment ²	-623	-738	-910	-991	-662	-646	-646	-657	-703	-694	-897	-890	-921	-915	-915	-927
Fiscal indicators																
High-employment (HEB) surplus/deficit ³	-636.2	-781.8	-995.2	-1,106.3	-670.6	-658.5	-668.4	-688.0	-740.3	-742.6	-956.3	-962.7	-998.9	-1,004.7	-1,014.3	-1,036.4
Change in HEB, percent of potential GDP	.4	.6	.9	.4	.7	-1	.0	.1	.2	.0	.1	.0	.1	.0	.0	.1
Fiscal impetus (FI), percent of GDP ⁴	.3	.5	.3	.3	.5	-1	.3	.6	.4	.4	.9	.5	.4	.3	.3	.3
<i>Previous Tealbook</i>	.3	.3	.7	.7	.5	-1	.2	.7	.4	.4	.3	.3	.2	.1	.1	.1
Federal purchases	.0	.1	.1	.1	.0	.0	.2	.2	.2	.2	.1	.1	.1	.0	.0	.1
State and local purchases	.1	.1	.1	.2	.2	.2	.2	.2	.1	.1	.1	.1	.1	.1	.1	.1
Taxes and transfers	.2	.3	.2	.2	.2	.2	.2	.2	.1	.1	.7	.3	.2	.2	.2	.2

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	2016				2017				Projected 2018			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Real GDP¹												
Total foreign	2.5	1.2	2.9	2.2	2.4	2.5	2.5	2.6	2.6	2.6	2.6	2.5
<i>Previous Tealbook</i>												
Advanced foreign economies	2.4	.2	2.4	1.8	2.5	2.6	2.5	2.6	2.6	2.6	2.6	2.6
Canada	2.7	-1.3	3.5	2.1	2.3	2.2	2.0	2.0	2.0	2.0	2.0	1.7
Japan	2.1	.7	2.2	.9	1.0	1.0	.9	.8	.8	.8	.8	.8
United Kingdom	1.7	2.7	2.0	1.7	1.2	1.2	1.4	1.5	1.4	1.4	1.4	1.4
Euro area	2.0	1.2	1.4	1.7	1.6	1.6	1.7	1.7	1.8	1.8	1.8	1.8
Germany	2.9	1.7	.8	2.8	2.0	1.8	1.7	1.7	1.6	1.6	1.6	1.6
Emerging market economies	2.7	2.1	3.5	2.7	3.0	3.1	3.3	3.3	3.4	3.4	3.4	3.4
Asia	4.1	5.0	4.8	4.3	4.4	4.6	4.6	4.6	4.5	4.5	4.5	4.4
Korea	2.1	3.2	2.5	2.3	2.5	2.9	3.1	3.0	3.0	3.0	3.0	3.0
China	6.5	7.1	6.8	6.3	6.2	6.1	6.1	6.0	5.9	5.9	5.8	5.8
Latin America	1.0	-6	2.5	1.4	1.8	1.9	2.1	2.3	2.5	2.5	2.5	2.4
Mexico	1.9	.2	4.0	2.0	2.0	2.0	2.1	2.3	2.4	2.4	2.4	2.4
Brazil	-1.8	-1.7	-3.3	-1.0	.5	1.0	1.5	2.0	2.1	2.1	2.1	2.1
<i>Consumer prices²</i>												
Total foreign	1.6	2.0	1.7	2.2	2.4	2.4	2.4	2.5	2.5	2.5	2.5	2.5
<i>Previous Tealbook</i>												
Advanced foreign economies	1.5	2.0	1.7	2.5	2.4	2.4	2.4	2.5	2.5	2.5	2.5	2.5
Canada	-3	1.2	.7	1.4	1.6	1.6	1.5	1.5	1.6	1.6	1.6	1.6
Japan	.9	2.3	.9	2.2	2.2	2.2	2.0	1.9	1.9	1.9	1.9	1.9
United Kingdom	-5	-5	-.9	.3	.6	.8	.9	1.0	1.0	1.1	1.2	1.3
Euro area	.0	.9	1.9	1.7	3.5	2.9	2.5	2.2	2.0	2.0	2.0	2.0
Germany	-1.1	1.2	1.1	1.3	1.3	1.3	1.3	1.4	1.4	1.4	1.5	1.5
Emerging market economies	2.9	2.6	2.3	2.7	3.0	3.1	3.1	3.2	3.1	3.1	3.1	3.1
Asia	2.3	2.3	1.3	2.0	2.4	2.6	2.7	2.7	2.8	2.8	2.8	2.8
Korea	.0	.8	.7	3.5	1.8	2.4	2.4	2.4	2.8	3.0	3.0	3.0
China	3.1	2.3	1.4	1.8	2.4	2.5	2.5	2.5	2.5	2.5	2.5	2.5
Latin America	4.4	3.6	4.7	4.4	4.3	4.2	4.2	4.1	4.0	3.9	3.9	3.8
Mexico	2.9	2.1	3.8	3.9	3.5	3.4	3.4	3.2	3.2	3.2	3.2	3.2
Brazil	11.8	7.5	6.5	3.6	5.3	5.4	5.2	5.0	4.9	4.9	4.9	4.7

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

²Foreign 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	2011	2012	2013	2014	2015	2016	2017	2018	2019
Real GDP¹									
Total foreign	3.2	2.3	2.9	2.5	1.9	2.2	2.5	2.6	2.6
<i>Previous Tealbook</i>	3.2	2.3	2.8	2.5	1.9	2.0	2.5	2.6	2.6
Advanced foreign economies	1.8	.2	2.4	1.7	1.1	1.7	1.8	1.7	1.7
Canada	3.1	.7	3.6	2.2	.4	1.7	2.1	1.8	1.9
Japan	.3	.0	2.1	-.9	.9	1.5	.9	.8	.1
United Kingdom	1.3	1.3	2.4	3.5	1.7	2.0	1.3	1.4	1.6
Euro area	.5	-1.1	.7	1.3	2.0	1.6	1.6	1.8	1.9
Germany	2.4	.2	1.6	1.6	1.3	2.0	1.8	1.6	1.6
Emerging market economies	4.6	4.3	3.4	3.3	2.7	2.7	3.2	3.4	3.5
Asia	5.1	5.7	5.3	5.0	4.4	4.5	4.5	4.5	4.4
Korea	2.9	2.1	3.5	2.7	3.1	2.5	2.9	3.0	2.9
China	8.7	8.0	7.6	7.1	6.8	6.7	6.1	5.8	5.7
Latin America	4.1	3.4	1.6	1.9	1.3	1.0	2.0	2.4	2.7
Mexico	4.2	3.4	1.1	2.7	2.5	2.0	2.1	2.4	2.8
Brazil	2.6	2.5	2.6	-.3	-5.8	-2.0	1.2	2.1	2.2
Consumer prices ²									
Total foreign	3.4	2.3	2.4	2.0	1.4	1.9	2.4	2.5	2.6
<i>Previous Tealbook</i>	3.4	2.3	2.4	2.0	1.4	1.9	2.4	2.5	2.6
Advanced foreign economies	2.2	1.3	1.0	1.1	.5	.8	1.6	1.6	1.8
Canada	2.7	1.0	1.0	1.9	1.3	1.6	2.0	1.9	2.0
Japan	-.3	-.2	1.4	2.5	.3	-.4	.9	1.1	2.4
United Kingdom	4.6	2.6	2.1	.9	.1	1.1	2.8	2.0	1.9
Euro area	2.9	2.3	.8	.1	.2	.6	1.3	1.5	1.5
Germany	2.6	1.9	1.4	.4	.2	.7	1.5	1.8	1.9
Emerging market economies									
Asia	4.3	3.1	3.4	2.7	2.1	2.6	3.1	3.1	3.1
Korea	4.4	2.6	3.1	1.8	1.5	2.0	2.6	2.8	2.9
China	3.9	1.7	1.1	1.0	1.1	1.3	2.3	3.0	3.0
Latin America	4.6	2.0	2.9	1.5	1.5	2.2	2.5	2.5	2.5
Mexico	4.1	4.4	4.1	4.9	3.4	4.3	4.2	3.9	3.6
Brazil	3.5	4.1	3.6	4.2	2.3	3.2	3.4	3.2	3.2
	6.7	5.6	5.8	6.5	10.4	7.3	5.3	4.9	4.5

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**

	2016				2017				Projected 2018			
	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	-527.4	-477.5	-452.2	-480.9	-543.8	-545.4	-589.1	-561.3	-626.1	-688.0	-698.7	-728.8
<i>Previous Tealbook</i>	-527.4	-479.5	-441.2	-487.9	-537.8	-535.1	-561.3	-582.3	-629.6	-628.5	-648.9	-671.5
Current account as percent of GDP	-2.9	-2.6	-2.4	-2.5	-2.9	-2.8	-3.0	-3.2	-3.5	-3.5	-3.6	-3.7
<i>Previous Tealbook</i>	-2.9	-2.6	-2.4	-2.6	-2.8	-2.8	-2.9	-3.0	-3.2	-3.1	-3.2	-3.3
Net goods & services	-500.9	-499.0	-465.7	-486.8	-536.1	-551.6	-578.3	-606.0	-644.7	-656.6	-674.7	-693.9
Investment income, net	147.0	183.1	183.0	172.4	167.7	170.6	159.6	146.4	132.0	122.3	116.3	102.3
Direct, net	219.6	253.0	257.3	243.6	255.4	272.1	277.8	282.2	286.3	295.4	309.4	316.4
Portfolio, net	-72.6	-69.8	-74.3	-71.3	-87.7	-101.4	-118.2	-135.8	-154.3	-173.1	-193.0	-214.1
Other income and transfers, net	-173.5	-161.7	-169.4	-166.4	-175.3	-164.3	-170.4	-166.4	-175.3	-164.3	-170.4	-166.4
<i>Annual Data</i>												
U.S. current account balance	-460.4	-446.5	-366.4	-392.1	-463.0	-484.5	-576.1	-554.1	-644.6	-718.4	-825.3	-738.1
<i>Previous Tealbook</i>	-460.4	-446.5	-366.4	-392.1	-463.0	-484.0	-576.1	-554.1	-644.6	-718.4	-825.3	-738.1
Current account as percent of GDP	-3.0	-2.8	-2.2	-2.3	-2.3	-2.6	-2.6	-2.6	-3.0	-3.6	-3.9	-3.9
<i>Previous Tealbook</i>	-3.0	-2.8	-2.2	-2.2	-2.3	-2.6	-2.6	-2.6	-2.9	-3.2	-3.5	-3.5
Net goods & services	-548.6	-536.8	-461.9	-490.2	-500.4	-488.1	-568.0	-568.0	-667.5	-727.9		
Investment income, net	229.0	224.4	228.4	234.3	193.4	171.4	161.1	161.1	118.3	118.3	71.8	71.8
Direct, net	298.6	293.8	296.3	289.0	265.4	243.4	271.9	271.9	301.9	301.9	340.5	340.5
Portfolio, net	-69.5	-69.4	-67.9	-54.8	-72.0	-72.0	-110.8	-110.8	-183.6	-183.6	-268.7	-268.7
Other income and transfers, net	-140.8	-134.2	-132.9	-136.1	-156.0	-167.8	-167.8	-167.8	-169.1	-169.1	-169.1	-169.1