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# Report to the FOMC on Economic Conditions and Monetary Policy



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

October 26, 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	09/14/16	10/25/16	09/14/16	10/25/16	09/14/16	10/25/16	09/14/16	10/25/16	09/14/16	10/25/16
<i>Quarterly</i>										
2016:Q1	1.3	1.3	.8	.8	.3	.3	2.1	2.1	4.9	4.9
Q2	3.8	3.7	1.4	1.4	2.0	2.0	1.8	1.8	4.9	4.9
Q3	3.9	3.8	2.7	2.5	1.1	1.4	1.3	1.6	4.9	4.9
Q4	3.8	4.3	2.4	2.1	1.4	2.2	1.4	1.5	4.9	4.9
2017:Q1	4.2	4.1	2.3	2.2	1.6	1.7	1.7	1.8	4.8	4.8
Q2	4.2	4.1	2.3	2.2	1.7	1.8	1.6	1.8	4.7	4.8
Q3	4.1	4.1	2.4	2.2	1.6	1.7	1.5	1.6	4.6	4.7
Q4	4.3	4.0	2.6	2.2	1.5	1.6	1.5	1.6	4.5	4.6
2018:Q1	4.3	4.2	2.2	2.2	1.9	1.9	1.9	1.9	4.4	4.6
Q2	4.0	3.9	1.9	1.9	1.9	1.9	1.9	1.9	4.3	4.5
Q3	3.8	3.8	1.8	1.8	1.8	1.8	1.8	1.8	4.3	4.5
Q4	3.8	3.8	1.9	1.8	1.8	1.8	1.8	1.8	4.3	4.4
<i>Two-quarter<sup>2</sup></i>										
2016:Q2	2.6	2.5	1.1	1.1	1.1	1.1	1.9	1.9	-.1	-.1
Q4	3.8	4.1	2.5	2.3	1.2	1.8	1.3	1.6	.0	.0
2017:Q2	4.2	4.1	2.3	2.2	1.7	1.7	1.7	1.8	-.2	-.1
Q4	4.2	4.0	2.5	2.2	1.6	1.6	1.5	1.6	-.2	-.2
2018:Q2	4.1	4.1	2.1	2.0	1.9	1.9	1.9	1.9	-.2	-.1
Q4	3.8	3.8	1.8	1.8	1.8	1.8	1.8	1.8	.0	-.1
<i>Four-quarter<sup>3</sup></i>										
2015:Q4	3.0	3.0	1.9	1.9	.4	.4	1.4	1.4	-.7	-.7
2016:Q4	3.2	3.3	1.8	1.7	1.2	1.5	1.6	1.7	-.1	-.1
2017:Q4	4.2	4.1	2.4	2.2	1.6	1.7	1.6	1.7	-.4	-.3
2018:Q4	4.0	3.9	2.0	1.9	1.8	1.8	1.8	1.8	-.2	-.2
2019:Q4	3.8	3.7	1.7	1.7	1.9	1.9	1.9	1.9	-.1	.0
<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	2.8	1.5	1.5	1.0	1.1	1.6	1.7	4.9	4.9
2017	4.1	4.1	2.3	2.2	1.5	1.8	1.5	1.7	4.7	4.8
2018	4.1	4.0	2.2	2.1	1.8	1.8	1.7	1.8	4.3	4.5
2019	3.8	3.8	1.8	1.8	1.8	1.9	1.9	1.9	4.2	4.4

- 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.

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

Item	2016				2017				2018				2019 <sup>1</sup>				
	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	2016 <sup>1</sup>	2017 <sup>1</sup>	2018 <sup>1</sup>	2019 <sup>1</sup>		
Real GDP <i>Previous Tealbook</i>	1.4	2.5	2.1	2.2	2.3	2.4	2.2	2.6	2.2	1.9	1.8	1.8	1.9	2.2	1.9	1.7	
1.4	2.7	2.4	2.3	2.3	2.3	2.3	2.5	2.5	2.1	1.9	1.8	1.9	1.8	2.4	2.0	1.7	
Final sales <i>Previous Tealbook</i>	2.6	2.2	1.9	1.9	2.1	2.3	2.5	2.5	2.0	1.9	1.9	2.0	2.1	2.2	1.9	1.7	
2.6	2.2	2.3	2.2	2.3	2.3	2.3	2.5	2.5	2.1	1.9	1.9	2.0	2.1	2.3	2.0	1.7	
Priv. dom. final purch. <i>Previous Tealbook</i>	3.2	2.2	2.1	2.6	2.8	2.9	2.9	2.9	2.7	2.6	2.4	2.3	2.3	2.2	2.8	2.5	2.2
3.2	2.5	2.5	2.8	2.8	2.9	2.9	3.0	3.0	2.8	2.6	2.4	2.3	2.3	2.9	2.5	2.2	
Personal cons. expend. <i>Previous Tealbook</i>	4.3	2.6	1.8	2.5	2.6	2.5	2.5	2.5	2.5	2.4	2.4	2.4	2.4	2.6	2.5	2.4	2.4
4.4	3.0	2.2	2.7	2.7	2.7	2.7	2.7	2.7	2.5	2.5	2.4	2.4	2.4	2.8	2.7	2.5	2.3
Durables	9.8	11.4	1.9	3.0	4.9	4.6	5.3	5.3	4.7	4.5	4.1	3.7	5.5	4.5	4.2	4.2	1.8
Nondurables	5.7	-1.3	1.5	2.8	2.2	2.1	2.4	2.4	2.7	2.6	2.6	2.6	2.0	2.4	2.6	2.6	2.4
Services	3.0	2.5	1.8	2.4	2.3	2.3	2.2	2.2	2.1	2.0	2.1	2.1	2.3	2.3	2.1	2.1	2.4
Residential investment <i>Previous Tealbook</i>	-7.7	-6.3	.3	6.2	9.1	8.3	7.3	5.9	4.8	4.8	3.7	-1.7	7.7	4.8	4.8	2.4	
-7.8	-5.0	-1.3	6.0	7.6	8.1	8.3	6.2	6.2	5.0	4.0	3.2	-1.7	7.5	4.6	4.6	2.4	
Nonres. priv. fixed invest. <i>Previous Tealbook</i>	1.0	3.0	4.3	1.7	2.2	3.3	3.4	2.7	2.7	1.8	1.5	1.2	2.6	2.2	2.2	1.3	
-1	2.3	5.1	2.0	2.7	3.0	3.1	3.0	3.0	2.5	1.8	1.7	.9	2.7	2.2	2.2	1.2	
Equipment & intangibles <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	1.9	1.9	
.4	1.8	6.3	2.8	3.3	3.6	4.0	3.8	3.8	3.1	2.4	2.2	1.0	3.4	2.9	1.9	1.9	
Nonres. structures <i>Previous Tealbook</i>	-2.1	5.0	2.1	.5	1.6	1.2	.2	.2	.0	-.4	-.5	1.2	.9	-.2	-1.0	-1.1	
-2.2	4.1	1.0	-.6	.3	.9	-.1	.1	-.1	-.1	-.5	-.5	.7	.1	-.3	-1.1		
Net exports <sup>2</sup> <i>Previous Tealbook</i> <sup>2</sup>	-558	-548	-563	-590	-616	-634	-643	-663	-680	-694	-700	-559	-621	-684	-734	-734	
-558	-570	-583	-606	-628	-648	-657	-675	-689	-701	-707	-707	-569	-635	-693	-693	-739	
Exports	1.8	7.8	.3	.8	1.3	1.7	2.3	2.6	2.8	2.9	3.0	2.3	1.5	2.8	2.7	2.7	
Imports	.2	4.5	2.5	4.8	4.8	4.1	3.1	4.9	4.5	4.2	3.2	1.6	4.2	4.2	4.2	4.0	
Gov't. cons. & invest. <i>Previous Tealbook</i>	-1.7	.3	2.7	1.8	1.6	1.3	1.1	.9	.6	.5	.2	.7	1.4	.5	.6	.6	
-1.5	1.7	2.8	1.8	1.6	1.4	1.1	.9	.6	.5	.3	.3	1.1	1.5	.6	.6	.6	
Federal	-.4	2.9	2.9	2.5	1.9	1.3	.7	.4	.3	-.6	-.6	-1.3	1.0	1.6	-.5	-.4	
Defense	-3.2	2.2	2.4	2.2	1.8	1.0	.8	.2	-.2	-.5	-.5	-1.4	1.4	-.5	-.5	-.2	
Nonddefense	3.8	3.9	3.5	2.9	2.2	1.8	.5	.6	-.5	-.7	-.7	-1.1	3.0	1.8	-.4	-.6	
State & local	-2.5	-1.2	2.7	1.4	1.3	1.3	1.3	1.2	1.2	1.2	1.2	.6	1.4	1.2	1.2	1.2	
Change in priv. inventories <sup>2</sup> <i>Previous Tealbook</i> <sup>2</sup>	-9	-4	3	18	23	20	10	17	15	12	9	8	18	13	18	6	
-11	10	11	15	17	19	21	23	20	16	13	13	13	18	18	9	9	

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	1.7	2.2	1.9	1.7
Final sales <i>Previous Tealbook</i>	2.0	1.5	1.7	2.0	2.7	2.0	2.0	2.2	1.9	1.7
Priv. dom. final purch. <i>Previous Tealbook</i>	3.5	2.6	2.3	2.6	3.8	2.7	2.2	2.3	2.0	1.7
Personal cons. expend. <i>Previous Tealbook</i>	3.1	1.5	1.3	2.0	3.5	2.6	2.6	2.5	2.5	2.2
Durables	3.1	1.5	1.3	2.0	3.5	2.6	2.8	2.7	2.5	2.3
Nondurables	9.3	4.8	7.2	5.2	8.6	5.5	5.5	4.5	4.2	1.8
Services	3.3	.4	.8	2.6	2.8	2.3	2.0	2.4	2.6	2.4
Residential investment <i>Previous Tealbook</i>	-5.2	6.0	15.7	6.8	6.2	13.1	-1.7	7.7	4.8	2.4
Nonres. priv. fixed invest. <i>Previous Tealbook</i>	8.1	9.0	5.2	4.8	5.0	.8	1.2	2.6	2.2	1.3
Equipment & intangibles <i>Previous Tealbook</i>	12.0	9.2	5.5	4.5	4.1	.8	.9	2.7	2.2	1.2
Nonres. structures <i>Previous Tealbook</i>	-4.0	8.0	4.1	5.8	8.0	-8.8	1.2	.9	-2	-1.0
Net exports <sup>1</sup> <i>Previous Tealbook</i>	-459	-459	-447	-405	-426	-540	-559	-621	-684	-734
Exports	10.1	4.2	2.2	5.9	3.1	-2.2	2.3	1.5	2.8	2.7
Imports	12.0	3.5	.3	2.5	6.1	2.5	1.6	4.2	4.2	4.0
Gov't. cons. & invest. <i>Previous Tealbook</i>	-1.1	-3.0	-2.2	-2.8	.3	2.2	.7	1.4	.5	.6
Federal	-1.1	-3.0	-2.2	-2.8	.3	2.2	1.1	1.5	.6	.6
Defense	3.2	-4.0	-2.1	-6.7	-1.3	1.7	1.0	1.6	-.5	-.4
Nondefense	2.0	-4.1	-3.9	-7.1	-4.1	.6	-.5	1.4	-.5	-.2
State & local	5.5	-3.9	1.0	-6.0	3.4	3.4	3.0	1.8	-.4	-.6
Change in priv. inventories <sup>1</sup> <i>Previous Tealbook</i>	58	38	55	79	58	84	8	18	13	9

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 <sup>1</sup>	2017 <sup>1</sup>	2018 <sup>1</sup>	2019 <sup>1</sup>
	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2				
Real GDP <i>Previous Tealbook</i>	1.4	2.5	2.1	2.2	2.2	2.2	2.2	1.9	1.8	1.8	1.7	2.2	1.9
Final sales <i>Previous Tealbook</i>	1.4	2.7	2.4	2.3	2.4	2.6	2.2	1.9	1.9	1.8	1.8	2.4	2.0
Priv. dom. final purch. <i>Previous Tealbook</i>	2.6	2.2	1.9	1.9	2.1	2.3	2.5	2.0	1.9	1.9	2.0	2.2	1.9
Personal cons. expend. <i>Previous Tealbook</i>	2.7	1.9	1.8	2.2	2.4	2.5	2.4	2.3	2.2	2.1	2.0	2.3	2.0
Durables	.7	.8	.1	.2	.4	.3	.4	.3	.3	.3	.4	.3	.1
Nondurables	.8	.2	.2	.4	.3	.3	.4	.4	.4	.4	.3	.4	.4
Services	1.4	1.1	.8	1.1	1.1	1.1	1.0	1.0	1.0	1.0	1.1	1.0	1.1
Residential investment <i>Previous Tealbook</i>	-3	-2	0	.2	.3	.3	.3	.2	.2	.1	-1	.3	.2
Nonres. priv. fixed invest. <i>Previous Tealbook</i>	.1	.4	.5	.2	.3	.4	.4	.3	.3	.2	.1	.3	.3
Equipment & intangibles <i>Previous Tealbook</i>	.0	.3	.6	.3	.3	.4	.4	.4	.3	.2	.1	.3	.2
Nonres. structures <i>Previous Tealbook</i>	.2	.2	.5	.2	.2	.4	.4	.3	.3	.2	.1	.3	.3
Net exports <i>Previous Tealbook</i>	.0	.2	.6	.3	.3	.4	.4	.3	.2	.2	.1	.3	.2
Exports	-1	.1	.1	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
Imports	-1	.1	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
Gov't. cons. & invest. <i>Previous Tealbook</i>	.2	.3	-.3	-.6	-.5	-.4	-.2	-.4	-.3	-.3	-.1	0	-.4
Federal Defense	-2	-.2	-.3	-.5	-.5	-.4	-.2	-.4	-.3	-.2	-.1	-.1	-.4
Nondefense	.2	.9	.0	.1	.2	.2	.3	.3	.3	.4	.3	.2	.3
State & local	.0	-.6	-.4	-.7	-.7	-.6	-.5	-.7	-.7	-.6	-.5	-.2	-.6
Change in priv. inventories <i>Previous Tealbook</i>	-1.2	.2	.0	.1	.3	.1	-.1	-.2	.2	-.1	-.1	-.3	0
	-1.2	.5	.0	.1	.1	.0	.1	.1	.1	-.1	-.1	.1	.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				2019 <sup>1</sup>			
	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	2016 <sup>1</sup>	2017 <sup>1</sup>	2018 <sup>1</sup>	2019 <sup>1</sup>	
GDP chain-wt. price index <i>Previous Tealbook</i>	2.3	1.3	2.2	1.8	1.8	1.7	1.7	2.0	2.0	1.9	1.9	1.6	1.8	2.0	2.0	
PCE chain-wt. price index <i>Previous Tealbook</i>	2.0	1.4	2.2	1.7	1.8	1.7	1.6	1.9	1.9	1.8	1.8	1.5	1.7	1.8	1.9	
Energy <i>Previous Tealbook</i>	15.5	2.3	25.4	1.4	1.6	1.7	1.5	1.9	1.9	1.8	1.8	1.2	1.6	1.8	1.9	
Food <i>Previous Tealbook</i>	15.5	2.1	2.4	.8	4.3	3.1	2.3	2.0	1.6	1.2	1.3	.7	2.2	1.5	1.2	
Ex. food & energy <i>Previous Tealbook</i>	-1.8	-2.1	-2.2	1.2	1.4	1.9	2.1	2.2	2.2	2.2	2.2	-4.3	2.6	2.0	1.7	
Ex. food & energy, market based <i>Previous Tealbook</i>	-1.8	-1.5	.9	1.5	1.4	1.9	2.1	2.2	2.2	2.2	2.2	-1.0	1.7	2.2	2.2	
CPI <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	1.6	1.6	1.8	1.9	
Ex. food & energy <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	1.5	1.5	1.8	1.9	
ECI, hourly compensation <sup>2</sup> <i>Previous Tealbook</i> <sup>2</sup>	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	2.4	2.4	
Business sector																
Output per hour <i>Previous Tealbook</i>	-4	3.0	-.4	1.2	1.1	1.1	1.1	1.3	.9	1.1	1.3	.4	1.1	1.1	1.2	
Compensation per hour <i>Previous Tealbook</i>	-8	2.4	.7	1.1	1.0	1.0	1.2	1.2	.9	1.0	1.3	.4	1.1	1.1	1.2	
Unit labor costs <i>Previous Tealbook</i>	3.4	4.1	3.1	2.9	2.8	2.8	2.8	3.1	3.0	3.0	3.0	2.4	2.8	3.0	3.2	
Core goods imports chain-wt. price index <sup>3</sup> <i>Previous Tealbook</i> <sup>3</sup>	.5	1.7	.1	.4	.8	.8	.8	.8	.8	.8	.8	.0	.7	.8	.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	1.6	1.8	2.0	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	.7	2.2	1.5	1.2
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	1.6	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	1.7	2.3	2.3	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 <sup>1</sup> <i>Previous Tealbook</i>	2.1	2.2	1.8	2.0	2.3	1.9	2.3	2.3	2.4	2.4
Business sector										
Output per hour <i>Previous Tealbook</i>	1.6	.0	-2	2.0	-.1	.5	.4	1.1	1.1	1.2
Compensation per hour <i>Previous Tealbook</i>	1.2	.5	5.8	.0	2.7	3.1	2.4	2.8	3.0	3.2
Unit labor costs <i>Previous Tealbook</i>	-4	.6	6.0	-2.0	2.8	2.6	2.0	1.7	1.9	3.2
Core goods imports chain-wt. price index <sup>2</sup> <i>Previous Tealbook</i>	2.3	4.3	.1	-1.5	.5	-3.3	.0	.7	.8	.7
	2.3	4.3	.1	-1.5	.5	-3.3	.3	.8	.8	.8

1. Private-industry workers.

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

## Other Macroeconomic Indicators

Item	2016				2017				2018				2019 <sup>1</sup>			
	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	2016 <sup>1</sup>	2017 <sup>1</sup>	2018 <sup>1</sup>	2019 <sup>1</sup>	
<i>Employment and production</i>																
Nonfarm payroll employment <sup>2</sup>	.5	.6	.5	.5	.5	.5	.5	.5	.4	.4	.4	2.2	2.0	1.6	1.2	1.2
Unemployment rate <sup>3</sup>	4.9	4.9	4.9	4.8	4.8	4.7	4.6	4.6	4.5	4.4	4.4	4.6	4.4	4.4	4.4	4.4
<i>Previous Tealbook</i> <sup>3</sup>	4.9	4.9	4.9	4.8	4.7	4.6	4.5	4.4	4.3	4.3	4.3	4.5	4.5	4.3	4.3	4.2
Natural rate of unemployment <sup>3</sup>	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> <sup>3</sup>	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 <sup>3</sup>	59.7	59.8	59.8	59.7	59.7	59.7	59.7	59.6	59.5	59.5	59.5	59.8	59.7	59.5	59.5	59.2
Employment-to-Population Trend <sup>3</sup>	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 <sup>4</sup>	-.1	.0	.1	.3	.5	.6	.8	1.1	1.2	1.3	1.4	1.2	.1	.8	1.2	1.2
<i>Previous Tealbook</i> <sup>4</sup>	-.1	.1	.2	.4	.4	.6	.8	1.1	1.2	1.3	1.4	1.5	.2	1.1	1.5	1.5
Industrial production <sup>5</sup>	-.8	1.8	-1.0	.3	.9	1.1	1.4	1.3	1.1	1.1	1.1	1.0	-.4	.9	1.1	.9
<i>Previous Tealbook</i> <sup>5</sup>	-.7	1.9	-.9	.7	.9	.8	1.5	1.5	1.1	1.1	1.1	1.0	-.4	1.0	1.2	.9
Manufacturing industr. prod. <sup>5</sup>	-1.2	.9	-.2	-.4	.8	1.0	1.1	1.0	1.0	1.0	1.0	.9	.1	.6	1.0	.9
<i>Previous Tealbook</i> <sup>5</sup>	-1.0	.5	-.3	.4	1.1	1.2	1.4	1.2	1.1	1.1	1.1	.9	-.1	1.0	1.1	.9
Capacity utilization rate - mfg. <sup>3</sup>	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	74.8	75.0
<i>Previous Tealbook</i> <sup>3</sup>	75.0	74.9	74.7	74.6	74.7	74.8	74.9	74.9	75.0	75.0	75.1	75.1	74.7	74.9	75.1	75.1
Housing starts <sup>6</sup>	1.2	1.1	1.2	1.2	1.2	1.3	1.3	1.4	1.4	1.4	1.4	1.2	1.3	1.4	1.4	1.4
Light motor vehicle sales <sup>6</sup>	17.1	17.5	17.3	17.1	17.0	16.9	16.8	16.8	16.7	16.7	16.6	17.3	16.9	16.7	16.7	16.5
<i>Income and saving</i>																
Nominal GDP <sup>5</sup>	3.7	3.8	4.3	4.1	4.1	4.1	4.0	4.2	3.9	3.8	3.8	3.3	4.1	3.9	3.7	3.7
Real disposable pers. income <sup>5</sup>	2.1	2.8	1.7	3.2	2.2	2.2	1.9	2.4	2.0	1.9	2.4	2.2	2.4	2.2	2.4	2.4
<i>Previous Tealbook</i> <sup>5</sup>	2.3	2.9	2.2	3.9	2.1	2.5	2.2	2.1	2.4	2.5	2.5	2.4	2.7	2.3	2.3	2.3
Personal saving rate <sup>3</sup>	5.7	5.7	5.8	5.9	5.8	5.7	5.5	5.5	5.4	5.3	5.3	5.8	5.7	5.6	5.3	5.3
<i>Previous Tealbook</i> <sup>3</sup>	5.7	5.7	5.7	5.9	5.9	5.8	5.8	5.6	5.5	5.4	5.4	5.4	5.7	5.6	5.4	5.4
Corporate profits <sup>7</sup>	-2.4	7.6	9.0	3.2	5.7	4.3	3.5	6.3	3.4	2.4	1.9	6.9	4.2	3.5	2.6	2.6
Profit share of GNP <sup>3</sup>	10.8	10.9	11.1	11.0	11.1	11.1	11.1	11.1	11.1	11.1	11.0	11.1	11.1	11.0	11.0	11.0
Gross national saving rate <sup>3</sup>	17.9	18.1	18.2	18.1	18.2	18.2	18.1	18.1	18.1	18.0	17.9	18.2	18.1	17.9	17.5	17.5
Net national saving rate <sup>3</sup>	2.8	3.2	3.3	3.2	3.3	3.3	3.3	3.2	3.2	3.1	3.0	3.3	3.3	3.0	3.0	2.4

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 <sup>1</sup>	.8	2.0	2.1	2.4	2.8	2.8	2.2	2.0	1.6	1.2
Unemployment rate <sup>2</sup>	9.5	8.7	7.8	7.0	5.7	5.0	4.9	4.6	4.4	4.4
<i>Previous Tealbook</i> <sup>2</sup>	9.5	8.7	7.8	7.0	5.7	5.0	4.9	4.5	4.3	4.2
Natural rate of unemployment <sup>2</sup>	5.9	5.9	5.6	5.4	5.1	5.0	5.0	5.0	5.0	5.0
<i>Previous Tealbook</i> <sup>2</sup>	5.9	5.9	5.6	5.4	5.1	5.0	5.0	5.0	5.0	5.0
Employment-to-Population Ratio <sup>2</sup>	58.3	58.5	58.7	58.5	59.2	59.4	59.8	59.7	59.5	59.2
Employment-to-Population Trend <sup>2</sup>	61.1	60.7	60.3	60.2	60.1	59.9	59.6	59.3	59.0	58.7
GDP gap <sup>3</sup>	-4.2	-3.7	-3.7	-2.5	-2.5	-9	0	-1	.8	1.2
<i>Previous Tealbook</i> <sup>3</sup>	-4.2	-3.7	-3.7	-2.5	-2.5	-9	0	.2	1.1	1.5
Industrial production <sup>4</sup>	5.9	2.6	2.3	2.0	3.5	-1.6	-4	.9	1.1	9
<i>Previous Tealbook</i> <sup>4</sup>	5.9	2.6	2.3	2.0	3.5	-1.6	-4	1.0	1.2	9
Manufacturing industr. prod. <sup>4</sup>	5.9	2.5	1.7	.8	2.0	0	.1	.6	1.0	.9
<i>Previous Tealbook</i> <sup>4</sup>	5.9	2.5	1.7	.8	2.0	0	.1	1.0	1.1	.9
Capacity utilization rate - mfg. <sup>2</sup>	72.4	74.4	74.3	74.6	76.0	75.4	74.8	74.7	74.8	75.0
<i>Previous Tealbook</i> <sup>2</sup>	72.4	74.4	74.3	74.6	76.0	75.4	74.7	74.9	75.1	75.1
Housing starts <sup>5</sup>	.6	12.7	14.4	.8	.9	1.0	1.1	1.2	1.3	1.4
Light motor vehicle sales <sup>5</sup>	11.6	12.7	14.4	15.5	16.5	17.4	17.3	16.9	16.7	16.5
<i>Income and saving</i>										
Nominal GDP <sup>4</sup>	4.6	3.6	3.2	4.3	4.1	3.0	3.3	4.1	3.9	3.7
Real disposable pers. income <sup>4</sup>	2.6	1.7	5.1	-2.8	4.5	3.0	2.2	2.4	2.2	2.4
<i>Previous Tealbook</i> <sup>4</sup>	2.6	1.7	5.1	-2.8	4.5	3.0	2.4	2.7	2.3	2.3
Personal saving rate <sup>2</sup>	5.5	5.8	9.2	4.7	5.6	6.0	5.8	5.5	5.3	5.3
<i>Previous Tealbook</i> <sup>2</sup>	5.5	5.8	9.2	4.7	5.6	6.0	5.7	5.6	5.4	5.4
Corporate profits <sup>6</sup>	18.0	6.8	.6	4.7	6.6	-11.2	6.9	4.2	3.5	2.6
Profit share of GNP <sup>2</sup>	12.0	12.3	12.0	12.0	12.4	10.7	11.1	11.1	11.0	11.0
Gross national saving rate <sup>2</sup>	15.2	16.1	18.0	18.2	19.2	18.8	18.2	18.1	17.9	17.5
Net national saving rate <sup>2</sup>	-.3	.8	2.9	3.1	4.3	3.9	3.3	3.3	3.0	2.4

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.

4. 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 <sup>a</sup>	Q2 <sup>a</sup>	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
<b>Unified budget</b>																
Receipts	3,267	3,409	3,595	3,759	711	993	798	772	725	1,069	843	803	765	1,140	887	851
Outlays	3,854	3,998	4,131	4,396	956	932	984	982	1,054	988	974	1,023	1,099	1,044	965	1,116
Surplus/deficit	-587	-589	-536	-637	-245	61	-187	-210	-329	81	-131	-220	-334	96	-78	-265
<i>Previous Tealbook</i>	-583	-595	-535	-630	-245	61	-183	-213	-331	81	-132	-222	-334	98	-77	-265
Means of financing:																
Borrowing	1,052	746	657	757	251	8	241	314	308	-39	163	255	356	-63	109	295
Cash decrease	-155	-21	-1	0	20	-50	10	-58	51	-12	-2	-5	8	-3	-1	-0
Other <sup>1</sup>	-310	-136	-120	-120	-25	-18	-65	-46	-30	-30	-30	-30	-30	-30	-30	-30
Cash operating balance, end of period	354	375	375	375	314	364	354	412	361	372	375	380	372	375	375	375
<b>NIPA federal sector</b>																
Receipts	3,468	3,547	3,735	3,873	3,442	3,473	3,440	3,494	3,525	3,564	3,606	3,642	3,726	3,768	3,804	3,837
Expenditures	4,125	4,308	4,501	4,726	4,111	4,137	4,194	4,228	4,302	4,328	4,375	4,398	4,500	4,534	4,571	4,616
Consumption expenditures	974	1,010	1,034	1,041	969	975	984	993	1,009	1,016	1,022	1,027	1,034	1,036	1,038	1,038
Defense	588	600	610	612	587	586	590	593	600	602	604	606	610	611	611	611
Nondefense	386	410	424	429	382	389	394	400	409	413	417	421	423	425	427	427
Other spending	3,151	3,298	3,467	3,685	3,142	3,163	3,210	3,235	3,293	3,312	3,354	3,372	3,466	3,498	3,533	3,578
Current account surplus	-657	-761	-766	-853	-668	-664	-754	-734	-777	-764	-769	-757	-774	-766	-767	-780
Gross investment	266	275	282	286	265	265	267	271	274	277	280	281	283	284	283	283
Gross saving less gross investment <sup>2</sup>	-652	-765	-776	-866	-662	-658	-750	-733	-780	-769	-777	-765	-784	-777	-778	-790
<b>Fiscal indicators</b>																
High-employment (HEB) surplus/deficit <sup>3</sup>	-659.9	-792.9	-850.3	-963.4	-664.9	-665.4	-762.0	-749.2	-798.9	-801.6	-821.9	-824.2	-853.7	-857.5	-865.8	-885.7
Change in HEB, percent of potential GDP	.6	.6	.2	.4	.6	.0	.5	-.1	.2	.0	.1	.0	.1	.0	.0	.0
Fiscal impetus (FI), percent of GDP <sup>4</sup>	.3	.3	.1	.1	.5	-.1	.2	.7	.4	.4	.3	.3	.2	.1	.1	.1
<i>Previous Tealbook</i>	.4	.4	.7	.7	.5	-.1	.5	.7	.4	.4	.3	.3	.2	.1	.1	.1
Federal purchases	.1	.1	.0	.0	-.1	.0	.2	.2	.2	.1	.1	.0	.0	.0	.0	.0
State and local purchases	.1	.1	.1	.1	.4	-.3	-.1	.3	.1	.1	.1	.1	.1	.1	.1	.1
Taxes and transfers	.2	.1	.0	.0	.2	.2	.2	.2	.1	.1	.1	.1	.0	.0	.0	.0

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
<b>Real GDP<sup>1</sup></b>												
Total foreign	2.5	.9	2.5	2.3	2.5	2.6	2.5	2.6	2.6	2.6	2.6	2.6
<i>Previous Tealbook</i>	2.3	.1	2.3	1.7	1.8	1.9	1.8	1.8	1.8	1.8	1.8	1.7
Advanced foreign economies	2.5	-1.6	3.5	2.1	2.4	2.3	2.0	2.0	2.0	2.0	2.0	2.0
Canada	2.1	.7	1.0	.8	.9	.8	.7	.7	.8	.8	.7	.7
Japan	1.7	2.7	1.6	1.1	1.1	1.2	1.3	1.5	1.6	1.6	1.7	1.7
United Kingdom	2.1	1.2	1.3	1.4	1.4	1.7	1.7	1.7	1.7	1.8	1.8	1.8
Euro area	2.9	1.7	1.7	1.7	1.7	1.7	1.7	1.6	1.6	1.6	1.5	1.5
Germany	2.6	1.7	2.8	2.9	3.0	3.2	3.3	3.4	3.4	3.4	3.4	3.4
Emerging market economies	4.0	4.9	4.5	4.4	4.4	4.6	4.6	4.6	4.5	4.5	4.4	4.4
Asia	2.1	3.2	2.8	2.5	2.8	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Korea	6.5	7.1	6.8	6.4	6.2	6.1	6.0	6.0	5.9	5.9	5.8	5.8
China	1.1	-1.4	1.4	1.7	1.9	2.1	2.3	2.3	2.4	2.4	2.4	2.4
Latin America	2.0	-7	2.2	2.2	2.0	2.2	2.3	2.3	2.4	2.4	2.4	2.4
Mexico	-1.7	-2.2	-2.0	-5	1.1	1.5	1.8	2.0	2.1	2.1	2.1	2.1
Brazil												
<i>Consumer prices<sup>2</sup></i>												
Total foreign	1.5	2.0	1.7	2.5	2.5	2.5	2.4	2.4	2.4	2.4	2.5	2.5
<i>Previous Tealbook</i>	1.5	2.1	2.0	1.6	1.6	1.6	1.5	1.5	1.5	1.5	2.5	2.5
Advanced foreign economies	-3	1.2	.8	2.3	.9	2.2	2.3	2.1	2.0	2.0	1.6	1.6
Canada	.9	.9	.9	.9	.9	.9	.9	.9	.9	.9	2.0	2.0
Japan	-5	-5	.5	.0	.3	.5	.6	.7	.8	.9	1.1	1.1
United Kingdom	.0	.8	2.1	3.4	3.2	2.8	2.5	2.2	2.1	2.1	2.1	2.0
Euro area	-1.3	1.2	1.2	1.6	1.6	1.3	1.4	1.4	1.4	1.4	1.5	1.5
Germany	-1.2	1.2	1.2	1.7	1.8	1.5	1.5	1.5	1.5	1.6	1.6	1.8
Emerging market economies	2.9	2.6	2.3	3.1	3.1	3.0	3.1	3.1	3.1	3.1	3.1	3.1
Asia	2.3	2.3	1.3	2.6	2.7	2.6	2.7	2.7	2.8	2.8	2.8	2.8
Korea	.0	.8	.7	2.2	2.2	2.4	2.4	2.4	2.8	2.8	3.0	3.0
China	3.1	2.3	1.4	2.9	2.7	2.5	2.5	2.5	2.5	2.5	2.5	2.5
Latin America	4.4	3.6	4.7	4.5	4.0	4.0	3.9	3.9	3.9	3.9	3.8	3.8
Mexico	2.9	2.1	3.8	3.9	3.2	3.2	3.2	3.2	3.2	3.2	3.2	3.2
Brazil	11.8	7.5	6.5	4.5	5.5	5.4	5.2	5.2	5.0	4.9	4.9	4.7

<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	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Real GDP<sup>1</sup></b>									
Total foreign	3.2	2.3	2.8	2.5	1.9	2.0	2.5	2.6	2.6
<i>Previous Tealbook</i>	3.2	2.3	2.8	2.5	1.8	2.1	2.6	2.6	2.6
Advanced foreign economies	1.8	.2	2.2	1.8	1.1	1.6	1.8	1.8	1.6
Canada	3.1	.7	3.1	2.4	.3	1.6	2.2	1.9	1.7
Japan	.3	.0	2.1	-.9	.8	1.2	.8	.8	.0
United Kingdom	1.3	1.3	2.4	3.5	1.7	1.8	1.3	1.7	1.7
Euro area	.5	-1.1	.7	1.3	2.0	1.5	1.6	1.8	1.8
Germany	2.4	.2	1.6	1.6	1.3	2.0	1.7	1.5	1.5
Emerging market economies	4.6	4.3	3.4	3.2	2.7	2.5	3.2	3.4	3.5
Asia	5.1	5.7	5.3	4.9	4.4	4.4	4.5	4.5	4.3
Korea	2.9	2.1	3.5	2.7	3.1	2.6	2.9	3.0	2.8
China	8.7	8.0	7.6	7.1	6.8	6.7	6.1	5.8	5.6
Latin America	4.1	3.4	1.5	1.8	1.3	.7	2.2	2.4	2.7
Mexico	4.2	3.4	1.1	2.6	2.4	1.4	2.2	2.4	2.7
Brazil	2.6	2.6	2.5	-.7	-5.9	-1.6	1.6	2.1	2.2
Consumer prices <sup>2</sup>									
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	1.5	2.0	2.5	2.5	2.6
Advanced foreign economies	2.2	1.3	1.0	1.1	.5	.8	1.6	1.6	1.9
Canada	2.7	1.0	1.0	1.9	1.3	1.6	2.2	2.0	2.0
Japan	-.3	-.2	1.4	2.5	.3	-.4	.5	.9	2.4
United Kingdom	4.6	2.6	2.1	.9	.1	1.6	2.7	2.1	1.9
Euro area	2.9	2.3	.8	.2	.2	.7	1.4	1.4	1.5
Germany	2.6	1.9	1.4	.4	.2	.7	1.6	1.6	1.8
Emerging market economies									
Asia	4.3	3.1	3.4	2.7	2.1	2.7	3.1	3.1	3.1
Korea	4.4	2.6	3.1	1.8	1.5	2.1	2.7	2.8	2.9
China	3.9	1.7	1.1	1.0	1.1	.9	2.4	3.0	3.0
Latin America	4.6	2.0	2.9	1.5	1.5	2.4	2.6	2.5	2.5
Mexico	4.1	4.4	4.1	4.9	3.4	4.3	4.0	3.9	3.6
Brazil	3.5	4.1	3.6	4.2	2.3	3.1	3.2	3.2	3.2
	6.7	5.6	5.8	6.5	10.4	7.6	5.3	4.9	4.5

<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**

	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>												
<b>U.S. current account balance</b>	<b>-527.4</b>	<b>-479.5</b>	<b>-441.2</b>	<b>-487.9</b>	<b>-537.8</b>	<b>-535.1</b>	<b>-561.3</b>	<b>-582.3</b>	<b>-629.6</b>	<b>-628.5</b>	<b>-648.9</b>	<b>-671.5</b>
<i>Previous Tealbook</i>	-512.1	-468.1	-473.9	-491.4	-532.5	-535.9	-568.8	-596.8	-641.1	-632.9	-654.1	-673.3
Current account as percent of GDP	-2.9	-2.6	-2.4	-2.6	-2.8	-2.8	-2.9	-3.0	-3.2	-3.1	-3.2	-3.3
<i>Previous Tealbook</i>	-2.8	-2.5	-2.5	-2.6	-2.8	-2.8	-2.9	-3.0	-3.2	-3.2	-3.2	-3.3
Net goods & services	-500.9	-501.0	-487.4	-510.1	-551.4	-566.2	-582.3	-599.3	-626.8	-629.2	-638.9	-652.2
Investment income, net	147.0	183.1	210.3	185.0	185.4	191.9	188.0	180.0	169.0	161.5	156.9	143.6
Direct, net	219.6	253.0	271.0	255.0	264.9	282.5	292.1	298.7	303.1	311.9	325.2	330.3
Portfolio, net	-72.6	-69.8	-60.8	-69.9	-79.6	-90.6	-104.2	-118.8	-134.1	-150.4	-168.3	-186.7
Other income and transfers, net	-173.5	-161.7	-164.1	-162.9	-171.8	-160.8	-166.9	-162.9	-171.8	-160.8	-166.9	-162.9
<i>Annual Data</i>												
	2011	2012	2013	2014	2015	2016	2017	2018	2019			
<b>U.S. current account balance</b>	<b>-460.4</b>	<b>-446.5</b>	<b>-366.4</b>	<b>-392.1</b>	<b>-463.0</b>	<b>-484.0</b>	<b>-554.1</b>	<b>-644.6</b>	<b>-738.1</b>			
<i>Previous Tealbook</i>	-460.4	-446.5	-366.4	-392.1	-463.0	-486.4	-558.5	-650.3	-718.8			
Current account as percent of GDP	-3.0	-2.8	-2.2	-2.3	-2.6	-2.6	-2.9	-3.2	-3.5			
<i>Previous Tealbook</i>	-3.0	-2.8	-2.2	-2.3	-2.6	-2.6	-2.9	-3.2	-3.4			
Net goods & services	-548.6	-536.8	-461.9	-490.2	-500.4	-499.8	-574.8	-636.8	-682.4			
Investment income, net	229.0	224.4	228.4	234.3	193.4	181.4	186.3	157.7	109.8			
Direct, net	298.6	293.8	296.3	289.0	265.4	249.7	284.6	317.6	342.3			
Portfolio, net	-69.5	-69.4	-67.9	-54.8	-72.0	-68.3	-98.3	-159.9	-232.5			
Other income and transfers, net	-140.8	-134.2	-132.9	-136.1	-156.0	-165.5	-165.6	-165.6	-165.6			