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# Report to the FOMC on Economic Conditions and Monetary Policy



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

July 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	06/08/16	07/20/16	06/08/16	07/20/16	06/08/16	07/20/16	06/08/16	07/20/16	06/08/16	07/20/16
<i>Quarterly</i>										
2015:Q1	.8	.8	.6	.6	-1.9	-1.9	1.0	1.0	5.5	5.5
Q2	6.1	6.1	3.9	3.9	2.2	2.2	1.9	1.9	5.4	5.4
Q3	3.3	3.3	2.0	2.0	1.3	1.3	1.4	1.4	5.1	5.1
Q4	2.3	2.3	1.4	1.4	.3	.3	1.3	1.3	5.0	5.0
2016:Q1	1.9	1.4	1.2	1.1	.3	.2	2.1	2.0	4.9	4.9
Q2	3.4	3.5	1.9	1.8	2.0	1.9	1.6	1.7	4.8	4.9
Q3	3.1	2.9	2.1	1.9	1.4	1.1	1.3	1.4	4.8	4.9
Q4	3.9	3.7	2.4	2.1	1.3	1.4	1.3	1.3	4.8	4.9
2017:Q1	3.8	4.1	1.9	2.1	1.8	1.8	1.7	1.7	4.8	4.9
Q2	4.4	4.5	2.6	2.6	1.7	1.7	1.6	1.6	4.7	4.8
Q3	4.1	4.3	2.4	2.5	1.6	1.6	1.6	1.6	4.6	4.7
Q4	4.4	4.6	2.8	2.8	1.6	1.6	1.5	1.5	4.5	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	2.8	2.8	1.7	1.7	.8	.8	1.3	1.3	-.4	-.4
2016:Q2	2.7	2.5	1.5	1.4	1.2	1.1	1.9	1.9	-.2	-.1
Q4	3.5	3.3	2.3	2.0	1.4	1.2	1.3	1.3	.0	.0
2017:Q2	4.1	4.3	2.3	2.3	1.7	1.8	1.6	1.6	-.1	-.1
Q4	4.3	4.4	2.6	2.7	1.6	1.6	1.5	1.5	-.2	-.2
<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	3.1	3.1	2.0	2.0	.5	.5	1.4	1.4	-.7	-.7
2016:Q4	3.1	2.9	1.9	1.7	1.3	1.1	1.6	1.6	-.2	-.1
2017:Q4	4.2	4.3	2.4	2.5	1.7	1.7	1.6	1.6	-.3	-.3
2018:Q4	4.0	4.0	2.1	2.1	1.8	1.8	1.8	1.8	-.2	-.3
<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	3.5	2.4	2.4	.3	.3	1.3	1.3	5.3	5.3
2016	3.0	2.8	1.8	1.7	1.1	1.0	1.6	1.6	4.9	4.9
2017	3.9	4.0	2.3	2.2	1.6	1.6	1.5	1.5	4.7	4.8
2018	4.1	4.2	2.3	2.3	1.7	1.8	1.7	1.7	4.3	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	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	Q1				
Real GDP <i>Previous Tealbook</i>	3.9	2.0	1.4	1.1	1.8	1.9	2.1	2.1	2.6	2.5	2.8	2.0	1.7	2.5	2.1	2.1
Final sales <i>Previous Tealbook</i>	3.9	2.7	1.6	1.3	2.1	1.9	2.4	1.9	2.7	2.5	2.8	2.0	1.9	2.5	2.3	2.3
Priv. dom. final purch. <i>Previous Tealbook</i>	3.9	3.2	2.0	1.4	2.2	2.1	2.6	1.9	2.7	2.5	2.8	2.0	2.1	2.5	2.3	2.3
Personal cons. expend. <i>Previous Tealbook</i>	3.6	3.0	2.4	1.5	4.2	2.8	2.4	2.8	2.8	2.8	2.8	2.7	2.7	2.7	2.6	2.6
Durables	8.0	6.6	3.8	-1.6	14.5	8.0	4.2	5.1	5.2	4.9	5.5	5.1	6.1	5.2	4.4	4.4
Nondurables	4.3	4.2	.6	1.0	7.4	3.5	2.3	2.6	2.4	2.4	2.7	2.4	3.5	2.5	2.8	2.8
Services	2.7	2.1	2.8	2.1	1.7	2.2	2.4	2.5	2.6	2.4	2.4	2.4	1.9	2.5	2.2	2.2
Residential investment <i>Previous Tealbook</i>	9.3	8.2	10.1	15.6	-3.5	-7	1.3	7.0	8.3	10.3	9.6	9.4	2.9	8.8	6.4	5.6
Nonres. priv. fixed invest. <i>Previous Tealbook</i>	4.1	2.6	-2.1	-4.5	-2.8	3.1	3.2	2.9	3.5	3.6	4.2	1.5	-3	3.6	3.0	3.0
Equipment & intangibles <i>Previous Tealbook</i>	3.5	5.5	-1.3	-3.5	-.6	2.8	3.8	3.1	3.0	3.9	3.9	1.5	-1	3.5	3.0	3.0
Nonres. structures <i>Previous Tealbook</i>	3.5	5.5	-1.3	-5.6	.1	4.5	2.9	2.9	3.6	3.8	4.7	3.0	.9	3.8	3.4	3.4
Gov't. cons. & invest. <i>Previous Tealbook</i>	2.6	2.6	-2.1	-1.6	-.7	3.4	3.6	3.1	3.0	4.0	4.3	3.0	.5	3.6	3.3	3.3
Federal	.0	.2	2.3	2.8	-.3	-13.1	-2.4	4.7	2.9	3.1	2.4	-3.5	-4.9	2.9	1.5	1.5
Defense	.3	-1.4	2.8	1.5	-.5	-8.2	-.6	4.3	3.1	3.1	2.7	-3.5	-2.3	3.0	1.7	1.7
Nondefense	-.5	4.3	2.8	-1.2	3.2	-3.7	1.6	3.5	3.7	2.3	2.6	.7	.7	1.3	1.7	1.7
State & local	4.3	114	85	78	71	59	62	56	56	51	47	45	46	98	55	47
Change in priv. inventories <sup>2</sup> <i>Previous Tealbook</i> <sup>2</sup>	114	114	85	78	71	59	62	56	56	51	47	45	46	98	62	49

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	2.0	1.7	2.5	2.1
Final sales <i>Previous Tealbook</i>	-4	2.0	1.5	1.7	1.9	2.6	2.0	1.9	2.5	2.3
Priv. dom. final purch. <i>Previous Tealbook</i>	-2.4	3.5	2.6	2.3	2.6	3.6	2.8	2.3	2.5	2.3
Personal cons. expend. <i>Previous Tealbook</i>	-.2	3.1	1.5	1.3	2.3	3.2	2.7	2.7	2.8	2.7
Durables	2.5	9.3	4.8	7.2	4.6	7.5	5.1	6.1	5.2	4.4
Nondurables	.2	3.3	.4	.8	2.6	2.3	2.4	3.5	2.5	2.8
Services	-.8	2.0	1.4	.6	1.8	2.8	2.4	1.9	2.5	2.2
Residential investment <i>Previous Tealbook</i>	-10.8	-5.2	6.0	15.7	3.5	5.1	9.4	2.9	8.8	6.4
Nonres. priv. fixed invest. <i>Previous Tealbook</i>	-12.2	8.1	9.0	5.2	4.2	5.5	1.5	-.3	3.6	3.0
Equipment & intangibles <i>Previous Tealbook</i>	-6.0	12.0	9.2	5.5	3.6	5.7	3.0	.9	3.8	3.4
Nonres. structures <i>Previous Tealbook</i>	-6.0	12.0	9.2	5.5	3.6	5.7	3.0	.5	3.6	3.3
Net exports <sup>1</sup> <i>Previous Tealbook</i>	-27.1	-4.0	8.0	4.1	6.5	5.0	-3.5	-4.9	2.9	1.5
Exports	-395	-459	-459	-447	-417	-443	-543	-569	-654	-709
Imports	.8	10.1	4.2	2.2	5.2	2.4	-.6	.8	1.9	3.3
Gov't. cons. & invest. <i>Previous Tealbook</i>	-395	-459	-459	-447	-417	-443	-543	-573	-643	-679
Federal	-6.2	12.0	3.5	.3	2.4	5.4	2.9	2.1	4.5	4.0
Defense	2.3	-1.1	-3.0	-2.2	-2.9	.4	1.1	1.2	1.4	.6
Nondefense	3.9	3.2	-4.0	-2.1	-6.8	-.8	.9	1.1	1.3	.7
State & local	3.6	2.0	-4.1	-3.9	-7.4	-2.9	.7	-.4	1.1	-.7
Change in priv. inventories <sup>1</sup> <i>Previous Tealbook</i>	-148	58	38	55	61	68	98	55	47	22
	-148	58	38	55	61	68	98	62	49	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	1.4	1.1	1.8	1.9	2.1	2.1	2.6	2.5	2.8	2.0	1.7	2.5	2.1
Final sales <i>Previous Tealbook</i>	3.9	2.7	1.6	1.3	2.1	1.9	2.4	1.9	2.7	2.5	2.8	2.0	1.9	2.4	2.1
Priv. dom. final purch. <i>Previous Tealbook</i>	3.3	2.6	1.7	1.0	2.4	2.3	2.1	2.5	2.7	2.8	2.8	2.0	1.9	2.5	2.3
Personal cons. expend. <i>Previous Tealbook</i>	2.4	2.0	1.7	1.0	2.9	1.9	1.7	1.9	1.9	1.9	1.9	1.8	1.8	1.9	1.8
Durables	.6	.5	.3	-.1	1.0	.6	.3	.4	.4	.4	.4	.4	.4	.4	.3
Nondurables	.6	.6	.1	.2	1.0	.5	.3	.4	.4	.4	.4	.5	.4	.4	.4
Services	1.2	1.0	1.3	1.0	.8	.8	1.0	1.1	1.2	1.2	1.1	.9	1.2	1.1	1.1
Residential investment <i>Previous Tealbook</i>	.3	.3	.3	.5	-.1	0	.0	.2	.3	.4	.4	.3	.1	.3	.3
Nonres. priv. fixed invest. <i>Previous Tealbook</i>	.5	.3	-.3	-.6	-.4	-.4	.4	.4	.4	.4	.4	.5	.2	.0	.4
Equipment & intangibles <i>Previous Tealbook</i>	.4	.5	-.1	-.4	-.0	.0	.5	.4	.4	.4	.4	.5	.2	.0	.4
Nonres. structures <i>Previous Tealbook</i>	.4	.5	-.1	-.6	-.1	.3	.3	.3	.3	.4	.4	.3	.1	.4	.3
Nonres. structures <i>Previous Tealbook</i>	.2	-.2	-.1	-.2	-.4	-.1	.1	.1	.1	.1	.1	.1	.0	.4	.3
Net exports <i>Previous Tealbook</i>	.2	-.3	-.1	-.1	-.8	-.1	-.8	-.1	-.8	-.4	-.4	-.5	-.1	-.2	-.4
Exports	.6	-.3	-.1	-.1	-.3	-.7	-.1	-.7	-.3	-.4	-.1	-.5	-.2	-.3	-.1
Imports	-.5	-.4	-.1	-.1	-.0	-.9	-.4	-.6	-.7	-.7	-.6	-.5	-.3	-.7	-.6
Gov't. cons. & invest. <i>Previous Tealbook</i>	.5	.3	.0	.2	-.2	-.4	.4	.2	.4	.2	.2	.1	.2	.2	.1
Federal Defense	.5	.3	.0	.2	-.1	-.0	.2	.1	.1	.1	.1	.0	.1	.1	.0
Nondefense	.0	-.1	.1	-.2	-.1	-.1	.1	.1	.1	.1	.1	.0	.0	.0	.0
State & local	.0	.1	-.1	.0	-.1	.2	.2	.1	.3	.1	.1	.1	.1	.2	.2
Change in priv. inventories <i>Previous Tealbook</i>	0	-.7	-.2	-.2	-.3	0	-.3	.1	-.1	0	0	0	-.2	.0	-.2
	0	-.7	-.2	-.2	-.3	.1	-.1	.0	-.1	0	0	0	-.1	-.1	-.2

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	.9	.4	1.7	.9	1.6	2.0	1.8	1.7	1.7	1.1	1.2	1.8	1.9	
<i>Previous Tealbook</i>	2.1	1.3	.9	.6	1.5	.9	1.4	1.9	1.7	1.7	1.6	1.1	1.1	1.7	1.9	
PCE chain-wt. price index	2.2	1.3	.3	.2	1.9	1.1	1.4	1.8	1.7	1.6	1.6	.5	1.1	1.7	1.8	
<i>Previous Tealbook</i>	2.2	1.3	.3	.3	2.0	1.4	1.3	1.8	1.7	1.6	1.6	.5	1.3	1.7	1.8	
Energy	15.1	-1.9	-17.2	-30.4	15.6	-3.8	3.0	5.3	3.4	2.6	2.5	-15.1	-5.5	3.4	1.8	
<i>Previous Tealbook</i>	15.1	-1.9	-17.2	-30.4	17.3	5.1	1.0	3.7	2.1	1.5	1.7	-15.1	-3.5	2.3	1.5	
Food	-1.1	2.2	0	-1.8	-1.7	-.2	1.4	1.8	1.9	2.0	2.0	.2	-.6	1.9	2.0	
<i>Previous Tealbook</i>	-1.1	2.2	.0	-1.8	.0	1.4	1.9	2.0	2.0	2.0	2.0	.2	.4	2.0	2.0	
Ex. food & energy	1.9	1.4	1.3	2.0	1.7	1.4	1.3	1.7	1.6	1.6	1.5	1.4	1.6	1.6	1.8	
<i>Previous Tealbook</i>	1.9	1.4	1.3	2.1	1.6	1.3	1.3	1.7	1.6	1.6	1.5	1.4	1.6	1.6	1.8	
Ex. food & energy, market based	1.8	1.2	1.3	1.8	1.7	1.4	1.3	1.7	1.6	1.6	1.5	1.2	1.5	1.6	1.8	
<i>Previous Tealbook</i>	1.8	1.2	1.3	1.9	1.4	1.3	1.3	1.7	1.6	1.6	1.5	1.2	1.5	1.6	1.8	
CPI	2.4	1.4	.8	-.3	2.5	1.7	2.0	2.3	2.2	2.2	2.2	.4	1.5	2.3	2.2	
<i>Previous Tealbook</i>	2.4	1.4	.8	-.3	2.7	2.1	1.9	2.3	2.2	2.2	2.2	.4	1.6	2.2	2.2	
Ex. food & energy	2.3	1.8	2.2	2.7	2.1	2.1	1.9	2.1	2.2	2.2	2.2	2.3	2.0	2.2	2.3	
<i>Previous Tealbook</i>	2.3	1.8	2.2	2.7	2.0	2.0	1.9	2.1	2.2	2.2	2.2	2.3	2.0	2.1	2.2	
ECI, hourly compensation <sup>2</sup>	.0	2.6	1.9	2.6	2.1	2.1	2.2	2.3	2.4	2.4	2.4	1.9	2.3	2.3	2.4	
<i>Previous Tealbook</i>	.0	2.6	1.9	2.6	2.1	2.1	2.2	2.3	2.4	2.4	2.4	1.9	2.3	2.3	2.4	
Business sector	3.4	2.4	-1.8	-.4	.8	1.5	.8	.8	1.4	1.2	1.7	.7	.7	1.3	1.3	
Output per hour	3.4	2.4	-1.8	-.3	.9	1.9	1.1	.6	1.4	1.1	1.6	.7	.9	1.2	1.2	
<i>Previous Tealbook</i>	5.5	2.4	3.3	3.8	2.7	2.8	2.9	3.1	2.8	2.8	2.9	3.2	3.0	2.9	3.1	
Compensation per hour	5.5	2.4	3.3	3.8	2.7	2.8	2.9	3.1	2.8	2.8	2.9	3.2	3.0	2.9	3.1	
<i>Previous Tealbook</i>	2.1	0	5.3	4.2	1.9	1.2	2.1	2.3	1.4	1.6	1.3	2.5	2.3	1.6	1.8	
Unit labor costs	2.1	.0	5.3	4.1	1.7	.9	1.8	2.5	1.4	1.7	1.3	2.5	2.1	1.7	1.9	
<i>Previous Tealbook</i>	2.1	-2.1	-3.7	-2.4	1.0	1.8	.7	1.1	.9	.9	.9	-3.4	.3	1.0	1.0	
Core goods imports chain-wt. price index <sup>3</sup>	-3.1	-2.1	-3.7	-2.4	.9	2.2	.9	1.0	.9	.9	.9	-3.4	.4	.9	1.0	
<i>Previous Tealbook</i>	-3.1	-2.1	-3.7	-2.4	.9	2.2	.9	1.0	.9	.9	.9	-3.4	.4	.9	1.0	

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	1.2	1.8	1.9
PCE chain-wt. price index <i>Previous Tealbook</i>	1.2	1.3	2.7	1.8	1.2	1.1	.5	1.1	1.7	1.8
Energy <i>Previous Tealbook</i>	1.2	1.3	2.7	1.8	1.2	1.1	.5	1.3	1.7	1.8
Food <i>Previous Tealbook</i>	2.3	6.4	12.0	2.3	-2.5	-6.4	-15.1	-5.5	3.4	1.8
Ex. food & energy <i>Previous Tealbook</i>	1.4	1.0	1.9	1.8	1.5	1.4	1.4	1.6	1.6	1.8
Ex. food & energy; market based <i>Previous Tealbook</i>	1.8	.7	1.9	1.5	1.2	1.2	1.2	1.5	1.6	1.8
CPI <i>Previous Tealbook</i>	1.5	1.2	3.3	1.9	1.2	1.2	.4	1.5	2.3	2.2
Ex. food & energy <i>Previous Tealbook</i>	1.8	.6	2.2	1.9	1.7	1.7	2.0	2.2	2.2	2.3
ECL, hourly compensation <sup>1</sup> <i>Previous Tealbook</i>	1.2	2.1	2.2	1.8	2.0	2.3	1.9	2.3	2.3	2.4
Business sector										
Output per hour <i>Previous Tealbook</i>	5.6	1.7	.0	-2	1.6	-.1	.7	.7	1.3	1.3
Compensation per hour <i>Previous Tealbook</i>	5.6	1.7	.0	-.2	1.6	-.1	.7	.9	1.2	1.2
Unit labor costs <i>Previous Tealbook</i>	1.2	1.3	.6	5.8	-.1	2.7	3.2	3.0	2.9	3.1
Core goods imports chain-wt. price index <sup>2</sup> <i>Previous Tealbook</i>	-1.9	2.3	4.3	.1	-1.1	.5	-3.4	.3	1.0	1.0

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	Q1				
<i>Employment and production</i>																
Nonfarm payroll employment <sup>2</sup>	.7	.7	.7	.7	4.9	4.9	.5	.5	4.9	4.8	.6	.6	2.8	2.1	2.2	1.8
Unemployment rate <sup>3</sup>	5.4	5.1	5.0	4.9	4.8	4.8	.4	.4	4.8	4.7	4.6	4.6	5.0	4.9	4.6	4.3
<i>Previous Tealbook</i> <sup>3</sup>	5.4	5.1	5.0	4.9	4.8	4.8	.4	.4	4.8	4.7	4.6	4.6	5.0	4.8	4.5	4.3
Natural rate of unemployment <sup>3</sup>	5.1	5.0	5.0	5.0	5.0	5.0	.5	.5	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
<i>Previous Tealbook</i> <sup>3</sup>	5.1	5.0	5.0	5.0	5.0	5.0	.5	.5	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
Employment-to-Population Ratio <sup>3</sup>	59.4	59.3	59.4	59.8	59.7	59.6	.5	.5	59.6	59.5	.6	.6	2.8	2.1	2.2	1.8
Employment-to-Population Trend <sup>3</sup>	60.0	59.9	59.9	59.8	59.7	59.6	.5	.5	59.6	59.4	.5	.5	2.8	2.1	2.2	1.8
GDP gap <sup>4</sup>	-4	-1	0	-2	-1	0	.1	.1	2	.5	.7	.7	.0	.1	1.0	1.4
<i>Previous Tealbook</i> <sup>4</sup>	-4	-1	0	-1	-1	0	.1	.1	2	.4	.6	.8	.1	.3	1.1	1.5
Industrial production <sup>5</sup>	-2.7	1.5	-3.3	-1.8	-1.0	.9	.4	.8	1.1	1.2	1.9	1.9	-1.6	-4	1.3	1.6
<i>Previous Tealbook</i> <sup>5</sup>	-2.7	1.5	-3.3	-1.6	0	1.1	.9	.9	1.5	1.4	2.3	2.3	-1.6	-1	1.5	1.8
Manufacturing industr. prod. <sup>5</sup>	.6	1.7	-.7	.4	-1.0	1.2	.5	.4	1.2	1.4	1.8	1.8	.0	.2	1.2	1.5
<i>Previous Tealbook</i> <sup>5</sup>	.6	1.7	-.7	.5	.4	1.8	.7	.5	1.5	1.7	2.2	2.2	.0	.9	1.5	1.8
Capacity utilization rate - mfg. <sup>3</sup>	75.5	75.6	75.4	75.3	75.0	75.1	.7	.7	74.9	75.0	75.1	75.3	75.4	75.0	75.3	75.9
<i>Previous Tealbook</i> <sup>3</sup>	75.5	75.6	75.4	75.3	75.2	75.4	.7	.7	75.3	75.5	75.7	75.9	75.4	75.0	75.3	76.7
Housing starts <sup>6</sup>	1.2	1.2	1.1	1.2	1.2	1.2	1.2	1.2	1.2	1.3	1.3	1.4	1.1	1.2	1.3	1.5
Light motor vehicle sales <sup>6</sup>	17.1	17.8	17.8	17.1	17.1	17.2	17.2	17.2	17.1	17.0	16.9	16.8	17.4	17.1	16.9	16.7
<i>Income and saving</i>																
Nominal GDP <sup>5</sup>	6.1	3.3	2.3	1.4	3.5	2.9	3.7	4.1	4.5	4.3	4.6	4.6	3.1	2.9	4.3	4.0
Real disposable pers. income <sup>5</sup>	2.6	3.2	3.3	4.0	2.9	1.8	2.5	3.1	2.1	2.4	2.3	2.3	3.3	2.8	2.5	2.4
<i>Previous Tealbook</i> <sup>5</sup>	2.6	3.2	3.3	4.0	1.7	3.1	1.9	3.2	2.3	2.6	2.3	2.3	3.3	2.7	2.6	2.4
Personal saving rate <sup>3</sup>	5.0	5.0	5.2	5.8	5.5	5.3	5.3	5.4	5.2	5.1	5.0	5.0	5.2	5.3	5.0	4.7
<i>Previous Tealbook</i> <sup>3</sup>	5.0	5.0	5.2	5.7	5.3	5.4	5.3	5.4	5.3	5.2	5.1	5.1	5.2	5.3	5.1	5.0
Corporate profits <sup>7</sup>	14.7	-6.2	-27.7	7.6	1.6	2.0	1.1	4.2	5	7.3	6.6	6.6	-11.5	3.0	4.6	3.7
Profit share of GNP <sup>3</sup>	11.5	11.2	10.3	10.5	10.4	10.4	10.3	10.3	10.2	10.3	10.4	10.4	10.3	10.3	10.4	10.4
Gross national saving rate <sup>3</sup>	18.7	18.3	18.4	18.7	18.1	18.1	18.1	18.0	18.0	18.0	18.0	18.0	18.4	18.1	18.0	17.8
Net national saving rate <sup>3</sup>	3.8	3.3	3.4	3.6	3.2	3.1	3.1	3.0	3.0	3.0	3.0	3.0	3.4	3.1	3.0	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	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	2.1	2.4	2.8	2.8	2.1	2.2	1.8
Unemployment rate <sup>2</sup>	9.9	9.5	8.7	7.8	7.0	5.7	5.0	4.9	4.6	4.3
<i>Previous Tealbook</i> <sup>2</sup>	9.9	9.5	8.7	7.8	7.0	5.7	5.0	4.8	4.5	4.3
Natural rate of unemployment <sup>2</sup>	5.9	5.9	5.9	5.6	5.4	5.1	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>	58.4	58.3	58.5	58.7	58.5	59.2	59.4	59.6	59.6	59.5
Employment-to-Population Trend <sup>2</sup>	61.5	61.1	60.7	60.3	60.2	60.1	59.9	59.6	59.3	59.0
GDP gap <sup>3</sup>	-5.5	-4.2	-3.7	-3.7	-2.5	-2.5	-.9	.0	.1	1.4
<i>Previous Tealbook</i> <sup>3</sup>	-5.5	-4.2	-3.7	-3.7	-2.5	-2.5	-.9	.0	.3	1.1
Industrial production <sup>4</sup>	-5.6	5.9	2.6	2.3	2.0	3.5	-1.6	-4	1.3	1.6
<i>Previous Tealbook</i> <sup>4</sup>	-5.6	5.9	2.6	2.3	2.0	3.5	-1.6	-1	1.5	1.8
Manufacturing industr. prod. <sup>4</sup>	-6.3	5.9	2.5	1.7	.8	2.0	0	.2	1.2	1.5
<i>Previous Tealbook</i> <sup>4</sup>	-6.3	5.9	2.5	1.7	.8	2.0	0	.9	1.5	1.8
Capacity utilization rate - mfg. <sup>2</sup>	67.0	72.4	74.4	74.3	74.6	76.0	75.4	75.0	75.3	75.9
<i>Previous Tealbook</i> <sup>2</sup>	67.0	72.4	74.4	74.3	74.6	76.0	75.4	75.9	75.9	76.7
Housing starts <sup>5</sup>	.6	11.6	12.7	14.4	.8	.9	1.0	1.1	1.2	1.3
Light motor vehicle sales <sup>5</sup>	10.4	11.6	12.7	14.4	15.5	16.4	17.4	17.1	16.9	16.7
<i>Income and saving</i>										
Nominal GDP <sup>4</sup>	.1	4.6	3.6	3.2	4.1	3.9	3.1	2.9	4.3	4.0
Real disposable pers. income <sup>4</sup>	-.7	2.6	1.7	5.1	-2.9	3.6	3.3	2.8	2.5	2.4
<i>Previous Tealbook</i> <sup>4</sup>	-.7	2.6	1.7	5.1	-2.9	3.6	3.3	2.7	2.6	2.4
Personal saving rate <sup>2</sup>	5.6	5.5	5.8	9.2	4.4	4.7	5.2	5.3	5.0	4.7
<i>Previous Tealbook</i> <sup>2</sup>	5.6	5.5	5.8	9.2	4.4	4.7	5.2	5.3	5.1	5.0
Corporate profits <sup>6</sup>	53.7	18.0	6.8	6	4.1	3.4	-11.5	3.0	4.6	3.7
Profit share of GNP <sup>2</sup>	10.6	12.0	12.3	12.0	12.0	11.9	10.3	10.3	10.4	10.4
Gross national saving rate <sup>2</sup>	14.6	15.2	16.1	18.0	18.1	18.8	18.4	18.1	18.0	17.8
Net national saving rate <sup>2</sup>	-1.7	-.3	.8	2.9	3.1	3.9	3.4	3.1	3.0	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.

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 <sup>a</sup>	Q1 <sup>a</sup>	Q2	Q3	Q4	Q1	Q2	Q3	Q4
<b>Unified budget</b>																
Receipts	3,249	3,321	3,515	3,649	680	1,027	802	766	711	993	852	787	746	1,113	870	816
Outlays	3,688	3,844	4,046	4,191	943	904	925	981	956	932	974	991	1,068	1,005	983	1,035
Surplus/deficit	-439	-523	-531	-542	-263	-123	-123	-216	-245	60	-122	-204	-323	108	-113	-219
<i>Previous Tealbook</i>	-439	-507	-565	-564	-263	-123	-123	-216	-245	90	-135	-219	-327	96	-115	-221
Means of financing:																
Borrowing	337	927	656	664	67	-16	46	552	251	8	117	240	352	-74	138	250
Cash decrease	-40	-128	-5	-1	123	-154	56	-135	20	-42	29	-6	0	-5	.5	-1
Other <sup>1</sup>	142	-276	-120	-120	73	47	21	-202	-25	-25	-24	-30	-30	-30	-30	-30
Cash operating balance, end of period	199	327	332	333	100	254	199	333	314	356	327	333	332	337	332	334
<b>NIPA federal sector</b>																
Receipts	3,390	3,509	3,654	3,828	3,356	3,440	3,468	3,475	3,493	3,520	3,550	3,588	3,635	3,674	3,720	3,764
Expenditures	3,988	4,122	4,304	4,503	3,936	4,015	4,080	4,063	4,101	4,150	4,175	4,222	4,309	4,308	4,375	4,415
Consumption expenditures	956	969	1,004	1,025	957	957	961	967	965	967	977	987	1,002	1,002	1,016	1,020
Defense	594	595	607	617	595	595	595	595	593	592	596	600	607	610	612	613
Nondefense	362	374	397	408	362	362	362	366	369	372	375	381	387	395	400	404
Other spending	3,032	3,153	3,300	3,478	2,979	3,057	3,118	3,095	3,136	3,183	3,197	3,235	3,309	3,359	3,396	3,396
Current account surplus	-598	-613	-649	-675	-579	-574	-612	-588	-608	-630	-625	-634	-674	-634	-655	-652
Gross investment	263	270	281	286	262	264	263	268	270	270	274	277	280	283	285	285
Gross saving less gross investment <sup>2</sup>	-590	-606	-650	-677	-569	-567	-603	-580	-602	-623	-621	-632	-674	-636	-658	-654
<b>Fiscal indicators</b>																
High-employment (HEB) surplus/deficit <sup>3</sup>	-546.5	-613.2	-677.9	-762.7	-502.8	-538.8	-597.7	-584.2	-606.3	-630.4	-632.0	-648.0	-689.8	-667.2	-706.5	-723.9
Change in HEB, percent of potential GDP	.5	.3	.2	.3	-.3	.2	.3	-.1	.1	.1	.0	.1	.2	-.1	.2	.1
Fiscal impetus (FI), percent of GDP <sup>4</sup>	.4	.4	.4	.1	.0	.7	.6	.3	.4	.0	.6	.6	.3	.5	.4	.2
<i>Previous Tealbook</i>	.4	.5	.4	.2	.0	.7	.5	.3	.4	.4	.6	.6	.3	.5	.4	.2
Federal purchases	.1	.1	.1	.0	.1	.0	.0	.2	.0	.2	.0	.2	.2	.1	.1	.0
State and local purchases	.1	.1	.2	.1	.2	.2	.1	.2	.2	.3	.3	.2	.2	.2	.1	.1
Taxes and transfers	.2	.2	.1	.0	.0	.2	.2	.2	.2	.3	.2	.2	.2	.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	1.8	1.3	2.4	1.6	2.7	1.5	2.6	2.4	2.7	2.7	2.7	2.7
<i>Previous Tealbook</i>	1.7	1.3	2.4	1.5	2.5	1.8	2.8	2.7	2.8	2.8	2.8	2.8
Advanced foreign economies	.9	.3	1.9	1.0	2.3	.3	2.1	1.7	1.9	1.8	1.8	1.8
Canada	-1.0	-.5	2.2	.5	2.4	-1.0	3.3	2.2	2.6	2.5	2.2	2.0
Japan	5.2	-1.7	1.7	-1.8	1.9	.6	1.0	.8	.8	.9	.7	.8
United Kingdom	1.1	1.7	1.8	2.8	1.8	1.8	.9	.9	.9	1.4	1.4	1.6
Euro area	2.2	1.5	1.3	1.7	2.2	1.3	1.1	1.2	1.3	1.6	1.7	1.8
Germany	1.6	1.6	1.1	1.1	2.7	1.6	1.4	1.6	1.5	1.7	1.7	1.7
Emerging market economies	2.6	2.3	2.9	2.2	3.1	2.7	3.0	3.1	3.4	3.5	3.5	3.6
Asia	4.6	4.2	4.7	4.1	4.1	4.8	4.8	4.7	4.7	4.7	4.7	4.7
Korea	3.2	1.7	5.0	2.7	2.1	3.0	3.4	3.2	3.4	3.4	3.4	3.4
China	6.7	7.2	6.8	6.5	6.5	7.1	6.8	6.5	6.2	6.1	6.0	6.0
Latin America	.9	.7	1.5	.8	2.1	1.0	1.6	1.9	2.4	2.5	2.6	2.7
Mexico	1.8	2.5	3.2	2.2	3.3	2.1	2.3	2.4	2.6	2.7	2.7	2.8
Brazil	-4.5	-7.7	-6.2	-5.2	-1.1	-3.0	-1.0	.5	1.1	1.5	1.8	2.0
<i>Consumer prices<sup>2</sup></i>												
Total foreign	.4	2.5	2.0	1.1	1.5	2.0	2.5	2.5	2.5	2.5	2.5	2.5
<i>Previous Tealbook</i>	.4	2.5	1.9	1.0	1.5	2.4	2.6	2.6	2.5	2.5	2.5	2.5
Advanced foreign economies	-.6	1.7	.6	.2	-.4	1.1	1.4	1.5	1.5	1.5	1.5	1.6
Canada	-1	2.4	2.0	.9	.9	1.8	2.0	2.1	2.2	2.2	2.2	2.2
Japan	0	1.2	0	-.1	-.6	-.2	.7	.4	.4	.5	.6	.6
United Kingdom	-1.3	.9	.9	-.2	-.1	.8	2.2	2.3	2.5	2.3	2.2	2.1
Euro area	-1.0	1.9	-.2	-.1	-1.4	1.3	1.3	1.3	1.3	1.3	1.4	1.4
Germany	-1.0	1.9	-.3	.2	-1.3	1.3	1.4	1.4	1.5	1.5	1.5	1.5
Emerging market economies	1.1	3.0	3.0	1.7	3.0	2.7	3.2	3.3	3.2	3.2	3.2	3.2
Asia	.2	2.6	2.6	.7	2.4	2.3	2.7	2.9	2.8	2.8	2.8	2.8
Korea	.1	1.5	.9	1.9	.0	.7	2.5	3.1	3.1	3.1	3.1	3.1
China	.3	2.6	3.1	-.2	3.1	2.3	2.7	2.8	2.6	2.5	2.5	2.5
Latin America	2.5	3.9	4.1	3.9	4.6	3.8	4.5	4.3	4.2	4.1	4.1	4.1
Mexico	1.1	2.7	2.8	2.4	2.9	2.1	3.3	3.2	3.2	3.2	3.2	3.2
Brazil	12.8	11.5	8.0	9.3	11.8	7.5	6.5	6.2	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	3.2	2.3	2.8	2.5	1.7	2.3	2.7	2.7
<i>Previous Tealbook</i>	4.8	3.2	2.3	2.8	2.5	1.7	2.5	2.8	2.8
Advanced foreign economies	3.1	1.8	.2	2.1	1.7	1.0	1.6	1.9	1.8
Canada	3.6	3.1	.7	3.1	2.4	.3	1.7	2.3	1.9
Japan	3.6	.3	.0	2.1	-.9	.8	1.1	.8	.8
United Kingdom	2.3	1.3	1.3	2.4	3.5	1.8	1.4	1.2	1.8
Euro area	2.4	.5	-1.0	.6	1.0	1.7	1.5	1.6	1.8
Germany	4.5	2.4	.1	1.3	1.5	1.3	1.8	1.6	1.6
Emerging market economies	6.6	4.6	4.3	3.4	3.2	2.5	3.0	3.5	3.6
Asia	8.2	5.1	5.7	5.3	4.9	4.4	4.6	4.7	4.6
Korea	6.1	2.9	2.1	3.5	2.7	3.1	2.9	3.4	3.4
China	9.9	8.7	8.0	7.6	7.1	6.8	6.7	6.1	5.8
Latin America	4.8	4.1	3.4	1.6	1.8	1.0	1.7	2.5	2.7
Mexico	4.5	4.2	3.4	1.1	2.6	2.4	2.5	2.7	2.8
Brazil	5.7	2.6	2.6	2.5	-.6	-5.9	-1.2	1.6	2.1
Consumer prices <sup>2</sup>									
Total foreign	3.2	3.4	2.3	2.4	2.0	1.5	2.1	2.5	2.5
<i>Previous Tealbook</i>	3.2	3.4	2.3	2.4	2.0	1.5	2.3	2.5	2.5
Advanced foreign economies	1.7	2.2	1.3	1.0	1.1	.5	.9	1.5	1.6
Canada	2.2	2.7	1.0	1.0	1.9	1.3	1.7	2.2	2.0
Japan	-.3	-.3	-.2	1.4	2.5	.3	.1	.5	.9
United Kingdom	3.4	4.6	2.6	2.1	.9	.1	1.3	2.3	2.0
Euro area	2.0	2.9	2.3	.8	.1	.2	.6	1.3	1.4
Germany	1.5	2.6	1.9	1.4	.4	.2	.7	1.5	1.6
Emerging market economies									
Asia	4.3	4.3	3.1	3.4	2.7	2.2	3.1	3.2	3.2
Korea	4.3	4.4	2.6	3.1	1.8	1.5	2.6	2.8	2.8
China	3.2	3.9	1.7	1.1	1.0	1.1	1.5	3.1	3.0
Latin America	4.6	4.6	2.0	2.9	1.5	1.5	2.7	2.6	2.5
Mexico	4.4	4.0	4.3	4.1	4.9	3.6	4.3	4.1	4.1
Brazil	4.3	3.5	4.1	3.6	4.2	2.3	2.9	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>-458.2</b>	<b>-447.6</b>	<b>-492.4</b>	<b>-453.6</b>	<b>-498.7</b>	<b>-483.3</b>	<b>-527.7</b>	<b>-539.2</b>	<b>-598.4</b>	<b>-601.2</b>	<b>-640.7</b>	<b>-671.5</b>
<i>Previous Tealbook</i>	-440.9	-406.9	-467.9	-463.1	-504.1	-484.1	-528.3	-544.6	-605.2	-591.5	-615.5	-643.5
Current account as percent of GDP	-2.6	-2.5	-2.7	-2.5	-2.7	-2.5	-2.6	-2.8	-2.9	-3.2	-3.3	-3.4
<i>Previous Tealbook</i>	-2.5	-2.3	-2.6	-2.5	-2.8	-2.6	-2.6	-2.8	-3.2	-3.1	-3.2	-3.3
Net goods & services	-506.1	-496.1	-502.4	-496.8	-487.5	-496.0	-530.4	-540.1	-589.2	-597.6	-618.3	-632.5
Investment income, net	203.9	191.0	178.7	199.9	162.1	170.1	166.0	163.0	161.8	153.7	140.9	123.1
Direct, net	280.4	262.1	245.2	273.9	234.4	235.6	239.6	242.5	252.7	259.0	263.2	264.3
Portfolio, net	-76.6	-71.0	-66.5	-74.0	-72.3	-65.5	-73.7	-79.5	-91.0	-105.3	-122.2	-141.1
Other income and transfers, net	-156.0	-142.5	-168.7	-156.7	-173.3	-157.4	-163.3	-162.1	-171.0	-157.4	-163.3	-162.1
<i>Annual Data</i>												
	2010	2011	2012	2013	2014	2015	2016	2017	2017	2017	2018	
<b>U.S. current account balance</b>	<b>-442.0</b>	<b>-460.4</b>	<b>-446.5</b>	<b>-366.4</b>	<b>-392.1</b>	<b>-463.0</b>	<b>-444.7</b>	<b>-512.2</b>	<b>-627.9</b>	<b>-738.1</b>		
<i>Previous Tealbook</i>	-442.0	-460.4	-449.7	-360.2	-371.4	-444.7	-515.3	-613.9	-690.5			
Current account as percent of GDP	-3.0	-3.0	-2.8	-2.2	-2.3	-2.6	-2.5	-2.8	-3.3	-3.7		
<i>Previous Tealbook</i>	-3.0	-3.0	-2.8	-2.2	-2.1	-2.5	-2.5	-2.8	-3.2	-3.5		
Net goods & services	-494.7	-548.6	-536.8	-461.9	-490.2	-500.4	-513.5	-609.4				
Investment income, net	185.7	229.0	224.4	228.4	234.3	193.4	165.3	144.9	97.6			
Direct, net	288.0	298.6	293.8	296.3	289.0	265.4	238.0	259.8	290.2			
Portfolio, net	-102.3	-69.5	-69.4	-67.9	-54.8	-72.0	-72.8	-114.9	-192.6			
Other income and transfers, net	-133.0	-140.8	-134.2	-132.9	-136.1	-156.0	-164.0	-163.4	-164.8			