Output Growth Decomposition

Contributions to real growth, annual rate, percentage points

<table>
<thead>
<tr>
<th>Component</th>
<th>2022Q4</th>
<th>2023Q1</th>
<th>2023Q2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Real GDP</td>
<td>2.6</td>
<td>2.0</td>
<td>2.4</td>
</tr>
<tr>
<td>PCE</td>
<td>2.8</td>
<td>1.1</td>
<td>0.7</td>
</tr>
<tr>
<td>Business Fixed Investment</td>
<td>0.5</td>
<td>1.0</td>
<td>0.1</td>
</tr>
<tr>
<td>Residential Fixed Investment</td>
<td>-1.2</td>
<td>-0.2</td>
<td>-0.2</td>
</tr>
<tr>
<td>Government Spending</td>
<td>0.7</td>
<td>0.8</td>
<td>0.5</td>
</tr>
<tr>
<td>Net Exports</td>
<td>0.4</td>
<td>0.6</td>
<td>0.4</td>
</tr>
<tr>
<td>Private Inventories</td>
<td>1.5</td>
<td>0.1</td>
<td>-2.1</td>
</tr>
</tbody>
</table>

SOURCE: Bureau of Economic Analysis.
Level of Actual and Potential GDP

Tril. chained 2012 dollars

- Real GDP
- CBO Potential

1Q % change, ann.

SOURCES: National Bureau of Economic Research; Congressional Budget Office; Bureau of Economic Analysis.
Weekly Economic Index

Year-over-year percent change

Quarterly GDP, Q2 2023 = 2.6
Weekly Economic Index

Week ended Aug 12 1.1

SOURCES: Lewis, Mertens and Stock; Bureau of Economic Analysis.
NOTE: WEI is an aggregate of 10 weekly indicators relevant to the current level of economic activity. It is scaled to match the 4-quarter change in real GDP growth.
Retail Sales

Level (Billions)

SOURCE: Census Bureau/Haver Analytics.

Jul 2023
32.5% above
Feb 2020
New Residential Construction

Thousands

SOURCES: Census Bureau.

Federal Reserve Bank of Dallas
ISM Purchasing Manager Indices

Level of Employment

[SOCRATES: Bureau of Labor Statistics.]

Jul 2023
2.6% above
Feb 2020
Unemployment Rate

Percent

- Unemployment rate, Jul 2023 = 3.5
- SEP longer run projection, Jul 2023 = 4.0
- CBO estimate of natural rate, Q3 2023 = 4.4

SOURCES: Federal Reserve Board; Bureau of Labor Statistics.
Labor Force Participation

Potential Labor Force Participation

SOURCE: Bureau of Labor Statistics; Congressional Budget Office.
Combined Unemployment and Participation Gaps

Jobless Claims

Week ending Aug 12
239.0

SOURCE: Department of Labor.
Wage Growth

Percent, year-over-year

- Atlanta Fed Wage Growth Tracker
- Average Hourly Earnings
- ECI: Wages and Salaries

PCE Inflation

SOURCES: Bureau of Economic Analysis; Federal Reserve Bank of Dallas.
Core Inflation

Treasury Yield Curve

SOURCE: Federal Reserve Board.