Output Growth Decomposition

Contributions to real growth, annual rate, percentage points

<table>
<thead>
<tr>
<th>Component</th>
<th>2018Q3:2019Q2 avg.</th>
<th>2019Q3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Real GDP</td>
<td>2.3</td>
<td>2.1</td>
</tr>
<tr>
<td>PCE</td>
<td>1.8</td>
<td>2.1</td>
</tr>
<tr>
<td>Business Fixed Investment</td>
<td>0.3</td>
<td>-0.3</td>
</tr>
<tr>
<td>Residential Fixed Investment</td>
<td>-0.1</td>
<td>0.2</td>
</tr>
<tr>
<td>Government Spending</td>
<td>0.4</td>
<td>0.3</td>
</tr>
<tr>
<td>Net Exports</td>
<td>-0.6</td>
<td>-0.1</td>
</tr>
<tr>
<td>Private Inventories</td>
<td>0.5</td>
<td>-0.0</td>
</tr>
</tbody>
</table>

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

Tril. chained 2012 dollars

- Real GDP
- CBO Potential

SOURCES: Bureau of Economic Analysis; Congressional Budget Office.
Retail Sales Control

Source: Census Bureau/Haver Analytics.
Consumer Confidence

Index

Consumer confidence (Conference Board)

Consumer sentiment (University of Michigan)


SOURCES: The Conference Board; University of Michigan.
ISM Purchasing Manager Indices

Diffusion index, 50+=expansion

Nov 2019

53.9

48.1


Federal Reserve Bank of Dallas
Nonfarm Payroll Employment Growth

Thousands

Unemployment Rate

Percent

- Unemployment rate, Nov 2019 = 3.5
- SEP longer run projection, Dec 2019 = 4.1
- CBO estimate of natural rate, Q3 2019 = 4.6

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

[Sacred Labour Force Participation chart showing trends from 1989 to 2019, with a peak around 2007 and a slight decrease after 2009.]

Sources: Bureau of Labor Statistics.
Potential Labor Force Participation

![Chart showing the decline in potential labor force participation rate from 1989 to 2019. The black line represents the civilian participation rate, while the red line indicates the potential civilian participation rate. The chart highlights significant declines in participation, with a notable dip in early 2009 and another in 2016. The data source is the Bureau of Labor Statistics and the Congressional Budget Office.](chart.png)
Combined Unemployment and Participation Gaps

Percent


Unemployment gap
Labor force participation gap
Employment gap


Federal Reserve Bank of Dallas
Wage Growth

Percent, year-over-year

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

Wage Phillips Curve

Detrended ECI wage growth*

Unemployment gap**

Periods of declining unemployment, 1984-2008
Current expansion, 2011-2019

Fitted curve: 1984-2019

*Four-quarter ECI wages and salaries growth less SPF 4-quarter-laged 10 year inflation expectations.
**Unemployment rate less CBO natural rate, lagged 4 quarters.
PCE Inflation

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

FOMC Summary of Economic Projections: GDP
FOMC Summary of Economic Projections: Unemployment
FOMC Summary of Economic Projections: Inflation
FOMC Summary of Economic Projections: Core Inflation