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>1.9</td>
</tr>
<tr>
<td>PCE</td>
<td>1.8</td>
<td>1.9</td>
</tr>
<tr>
<td>Business Fixed Investment</td>
<td>0.3</td>
<td>-0.4</td>
</tr>
<tr>
<td>Residential Fixed Investment</td>
<td>-0.1</td>
<td></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>-0.1</td>
</tr>
</tbody>
</table>

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

Tril. chained 2012 dollars

- Real GDP
- CBO Potential

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

Percent, annualized

- Retail sales control, 1M%
- 3M% of 3M moving average

SOURCE: Census Bureau/Haver Analytics.

Federal Reserve Bank of Dallas
Consumer Confidence

Index

Consumer confidence (Conference Board)

Consumer sentiment (University of Michigan)

SOURCES: The Conference Board; University of Michigan.

Federal Reserve Bank of Dallas
New Residential Construction

![Graph showing new residential construction](image)

SOURCES: Census Bureau.

Federal Reserve Bank of Dallas
Nonfarm Payroll Employment Growth

Thousands

M/M nonfarm payroll gains
Annual averages

Unemployment Rate

Percent

- Unemployment rate, Oct 2019 = 3.6
- SEP longer run projection, Oct 2019 = 4.2
- CBO estimate of natural rate, Q3 2019 = 4.6

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

Potential Labor Force Participation

SOURCE: Bureau of Labor Statistics; Congressional Budget Office.

Federal Reserve Bank of Dallas
Combined Unemployment and Participation Gaps

Jobless Claims

Thous.

SOURCE: Department of Labor.

Federal Reserve Bank of Dallas
Wage Growth

Percent, year-over-year

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


Oct 2019 3.7
Q3 2019 2.9

Wage Phillips Curve

*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

Percent


Core CPI  Median CPI  Core PCE  Trimmed-mean PCE

Sep 2019  Oct 2019

3.0  2.3

1.7

FOMC Summary of Economic Projections: GDP

SOURCEs: Bureau of Economic Analysis; Federal Reserve Board.
FOMC Summary of Economic Projections: Unemployment

 SOURCES: Bureau of Labor Statistics; Federal Reserve Board.
FOMC Summary of Economic Projections: Core Inflation

Percent

Core PCE inflation (4-quarter rate)
FOMC median projection
Central tendency
Range

Q3 19 1.7
1.8 1.9 2.0 2.0


SOURCES: Bureau of Economic Analysis; Federal Reserve Board.

Federal Reserve Bank of Dallas