U.S. Economic Activity
Output Growth Decomposition

Contributions to real growth, annual rate, percentage points

- Real GDP: 2.5, 2.1 (2018Q3:2019Q2 avg.)
- PCE: 1.9, 2.1 (2019Q3)
- Business Fixed Investment: 0.2, -0.3
- Residential Fixed Investment: -0.1, 0.2
- Government Spending: 0.7, 0.3
- Net Exports: 0.0, -0.1
- Private Inventories: -0.2, -0.0

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

 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.
ISM Purchasing Manager Indices

Diffusion index, 50+=expansion


Federal Reserve Bank of Dallas
Nonfarm Payroll Employment Growth

Thousands

- M/M nonfarm payroll gains
- Annual averages

Unemployment Rate

Unemployment rate, Dec 2019 = 3.5
SEP longer run projection, Dec 2019 = 4.1
CBO estimate of natural rate, Q0 2020 = 4.6

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

Potential Labor Force Participation

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

Jobless Claims

Initial Claims, 4-Week Moving Average

Week ending Jan 11: 216.25

SOURCE: Department of Labor.
Wage Growth

Percent, year-over-year

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

Wage Phillips Curve

Detrended ECI wage growth*

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

Unemployment gap**

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

FOMC Summary of Economic Projections: GDP

Real GDP growth (4-quarter)
FOMC median projection
Central tendency
Range

Percent


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

Percent


Q4 19 3.5 3.5 3.6 3.7

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

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

SOURCES: Federal Reserve Board; Bureau of Economic Analysis.