U.S. Economic Activity

March 16, 2020
Output Growth Decomposition

Contributions to real growth, annual rate, percentage points

- PCE: 2.0 (2018Q4:2019Q3 avg.), 1.2 (2019Q4)
- Business Fixed Investment: 0.0
- Residential Fixed Investment: -0.3
- Government Spending: 0.2, 0.5 (2018Q4:2019Q3 avg.), 0.5 (2019Q4)
- Net Exports: 1.5 (2018Q4:2019Q3 avg.), 0.0 (2019Q4)
- Private Inventories: -1.0

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

Tril. chained 2012 dollars

Real GDP
CBO Potential

Q % change, ann.

2019Q1 2019Q2 2019Q3 2019Q4
3.1 2.1 2.0 2.1 2.1 2.1 2.1 2.1

SOURCE: Congressional Budget Office; Bureau of Economic Analysis.

Federal Reserve Bank of Dallas
Retail Sales Control

Percent, annualized

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

SOURCE: Census Bureau/Haver Analytics.
Consumer Confidence

SOURCES: University of Michigan; The Conference Board.
Nonfarm Payroll Employment Growth

Thousands


M/M nonfarm payroll gains
Annual averages

Feb 2020
273

Stable UR range

Unemployment Rate

Percent

- Unemployment rate, Feb 2020 = 3.5
- SEP longer run projection, Feb 2020 = 4.1
- CBO estimate of natural rate, Q1 2020 = 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

Thous.

800

700

600

500

400

300

200

200

Apr
Jul
Oct
Jan
2019
Apr
Jul
Oct
Jan
2020

Initial Claims, 4-Week Moving Average

SOURCE: Department of Labor.
Wage Growth

Percent, year-over-year

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


Jan 2020 4.2
Feb 2020 3.0
Q4 2019 2.9

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

Percent


Sources: Bureau of Labor Statistics; Federal Reserve Bank of Cleveland; Bureau of Economic Analysis; Federal Reserve Bank of Dallas.
Treasury Yield Curve

SOURCE: Federal Reserve Board.
FOMC Summary of Economic Projections: GDP
FOMC Summary of Economic Projections: Unemployment

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

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

SOURCES: Federal Reserve Board; Bureau of Economic Analysis.