U.S. Economic Activity
Output Growth Decomposition

Contributions to real growth, annual rate, percentage points

- Real GDP: 2.3, 1.9
- PCE: 1.8, 1.9
- Business Fixed Investment: 0.3, -0.4
- Residential Fixed Investment: -0.1
- Government Spending: 0.4, 0.3
- Net Exports: -0.6, -0.1
- Private Inventories: 0.5, -0.1

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


Oct 2019 4.0
Oct 2019 3.2

SOURCE: Census Bureau/Haver Analytics.
Consumer Confidence

Index


SOURCES: The Conference Board; University of Michigan.

Consumer confidence (Conference Board)

Consumer sentiment (University of Michigan)

Oct 2019 125.9

95.5
New Residential Construction

- Single family housing permits (3M moving average)
- Single family new houses sold (3M moving average)

Sources: Census Bureau.

Federal Reserve Bank of Dallas
ISM Purchasing Manager Indices

Diffusion index, 50+=expansion


Oct 2019 54.7
48.3


Federal Reserve Bank of Dallas
Nonfarm Payroll Employment Growth

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: 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

Thous.

Week ending Nov 16 221.0

Initial Claims, 4-Week Moving Average

SOURCE: Department of Labor.
Wage Growth

Wage Phillips Curve

*Detrended ECI wage growth*

*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.
<table>
<thead>
<tr>
<th>Year</th>
<th>Core CPI</th>
<th>Median CPI</th>
<th>Core PCE</th>
<th>Trimmed-mean PCE</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2008</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2009</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2010</td>
<td>2.1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2011</td>
<td>1.7</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2012</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2013</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2014</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2015</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2016</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2017</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2018</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2019</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Treasury Yield Curve

Percent

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

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

FOMC Summary of Economic Projections: Core Inflation

SOURCES: Bureau of Economic Analysis; Federal Reserve Board.