Output Growth Decomposition

Contributions to real growth, annual rate, percentage points

- 2.5 for Real GDP in 2018Q3:2019Q2 avg.
- 2.1 for PCE in 2018Q3:2019Q2 avg.
- -0.3 for Residential Fixed Investment in 2018Q3:2019Q2 avg.
- 0.2 for Government Spending in 2018Q3:2019Q2 avg.
- 0.3 for Net Exports in 2018Q3:2019Q2 avg.
- 0.7 for Private Inventories in 2018Q3:2019Q2 avg.

- 2.1 for PCE in 2019Q3
- 0.2 for Residential Fixed Investment in 2019Q3
- 0.3 for Government Spending in 2019Q3
- 0.0 for Net Exports in 2019Q3
- -0.1 for Private Inventories in 2019Q3

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.
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

Dec 2019

55.0

47.2


Unemployment Rate

Percent

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

Percent

Unemployment gap
Labor force participation gap
Employment gap

Jobless Claims

Initial Claims, 4-Week Moving Average

SOURCE: Department of Labor.
Percent, year-over-year

Wage Growth

Wage Phillips Curve

- Detrended ECI wage growth*
- Unemployment gap**

*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

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: Inflation

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

Percent

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

SOURCES: Bureau of Economic Analysis; Federal Reserve Board.