

## U.S. Migration Over the Life Cycle

The U.S. population is highly mobile. Between 1995 and 2000, 45.9 percent of U.S. residents moved at least once. Excluding those who moved from abroad, about 40 percent of residents moved outside their original county.<sup>1</sup> With relatively stable U.S. birth and death rates (about 14.2 births per 1,000<sup>2</sup> and 8.1 deaths per 1,000<sup>3</sup> in 2006), the domestic migration of households is a primary driver of regional shifts in the supply of labor and the distribution of local human capital, which ultimately determine a city's opportunities for economic growth.

Migration also has an effect on the age distribution of the population. Recent evidence shows that migration incentives for working-age and retired individuals are quite different and are sensitive to the level of human capital within the family. Economists Yong Chen and Stuart Rosenthal found that highly educated individuals between the ages of 20 and 35, regardless of marital status, tend to move to high-quality business environments.<sup>4</sup> This tendency is especially pronounced for so-called power couples with two college degrees for whom productive locations, often large metropolitan areas, provide job opportunities for both partners.<sup>5</sup> The pattern is also present among college-educated singles in the same age group, regardless of gender. In contrast, Chen and Rosenthal found that after age 55, regardless of education levels, married couples move from places with favorable business environments to places with high levels of consumer amenities, whereas single retired individuals show no such tendency. The authors offer a possible explanation—marriage enhances enjoyment from local consumer amenities. An alternative explanation is that retired singles may face higher moving costs because of their established social network of friends.

Chen and Rosenthal developed measures of quality of life and quality of business environment to rank geographic areas according to their attributes—consumer amenities and business environment; the

table shows the top five and bottom five areas. The locations most preferred by firms, and therefore by working-age individuals, tend to be large, growing metropolitan areas. In contrast, the locations most highly ranked in terms of consumer amenities, and therefore favored by retirees, tend to be nonmetropolitan areas and cities in warm, coastal locations. These rankings yield implicit forecasts of which U.S. areas are likely to thrive or decline in coming years. If a location is to thrive, firms must want to do business there or households must want to live there, suggesting stratification of cities and regions into working areas and areas more heavily populated by retirees. Because the migration incentives seem more pronounced for both highly educated workers and retirees, locations unable to retain skilled individuals will attract individuals with lower levels of education, and therefore income, who cannot afford to move from declining cities or are pushed away from growing cities by higher living costs.

—Rubén Hernández-Murillo

<sup>1</sup> Schachter, Jason P.; Franklin, Rachel S. and Perry, Marc J. "Migration and Geographic Mobility in Metropolitan and Nonmetropolitan America: 1995 to 2000." *Census 2000 Special Reports*, U.S. Census Bureau, August 2003.

<sup>2</sup> Martin, Joyce A.; Hamilton, Brady E., Sutton, Paul D., et al. "Births: Final Data for 2006." *National Vital Statistics Reports*. Volume 57, No. 7. Hyattsville, MD: National Center for Health Statistics, 2009.

<sup>3</sup> Heron, Melanie P.; Hoyert, Donna L., Murphy, Sherry L., et al. "Deaths: Final Data for 2006." *National Vital Statistics Reports*. Volume 57, No. 14. Hyattsville, MD: National Center for Health Statistics, 2009.

<sup>4</sup> Chen, Yong and Rosenthal, Stuart S. "Local Amenities and Life-Cycle Migration: Do People Move for Jobs or Fun?" *Journal of Urban Economics*, 2008, 64, pp. 519-37.

<sup>5</sup> Costa, Dora L. and Khan, Matthew E. "Power Couples: Change in the Locational Choice of the College Educated, 1940-1990." *Quarterly Journal of Economics*, November 2000, 115(4), pp. 1287-315.

Consumer amenities			Business amenities		
Location	Rank C	Rank B	Location	Rank C	Rank B
<b>Top five</b>			<b>Top five</b>		
Santa Cruz, CA	1	5	San Jose, CA	6	1
Honolulu, HI	2	13	Stamford, CT	44	2
San Francisco–Vallejo, CA	3	3	San Francisco–Vallejo, CA	3	3
Salinas–Sea Side–Monterey, CA	4	19	Oakland, CA	45	4
Santa Barbara–Santa Maria–Lompoc, CA	5	18	Santa Cruz, CA	1	5
<b>Bottom five</b>			<b>Bottom five</b>		
Detroit, MI	342	46	Nebraska, Non-MSA	52	342
Waterbury, CT	343	58	McAllen–Edinburg–Pharr, TX	145	343
Flint, MI	344	188	Oklahoma, Non-MSA	84	344
Wilmington, DE/NJ/MD	345	45	North Dakota Non-MSA	104	345
Kokomo, IN	346	92	South Dakota, Non-MSA	46	346

NOTE: Rank C denotes consumer amenities ranking; Rank B denotes business environment ranking; MSA, Metropolitan Statistical Area.

SOURCE: Chen and Rosenthal (2008, Table 2a).

Views expressed do not necessarily reflect official positions of the Federal Reserve System.

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## Conventions used in this publication:

1. Shaded areas indicate recessions, as determined by the National Bureau of Economic Research.
2. *Percent change* refers to simple percent changes. *Percent change from year ago* refers to the percent change from the same month or quarter during the previous year. *Compounded annual rate of change* shows what the growth rate would be over an entire year if the same simple percent change continued for four quarters or twelve months. The compounded annual rate of change of  $x$  between the previous quarter  $t-1$  and the current quarter  $t$  is:  $[(x_t/x_{t-1})^4 - 1] \times 100$ . For monthly data replace 4 with 12.
3. All data with significant seasonal patterns are adjusted accordingly, unless labeled NSA.

We welcome your comments addressed to:

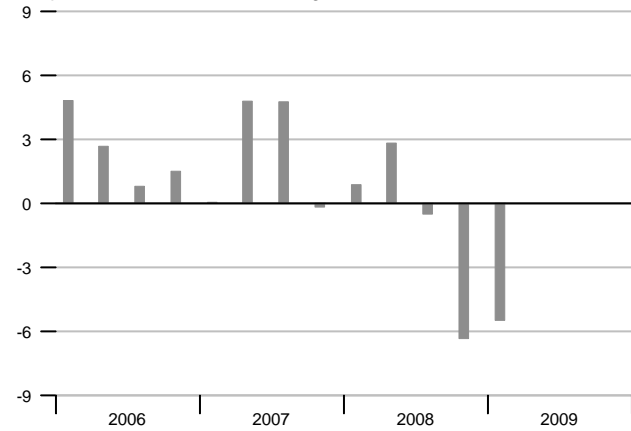
Editor, *National Economic Trends*  
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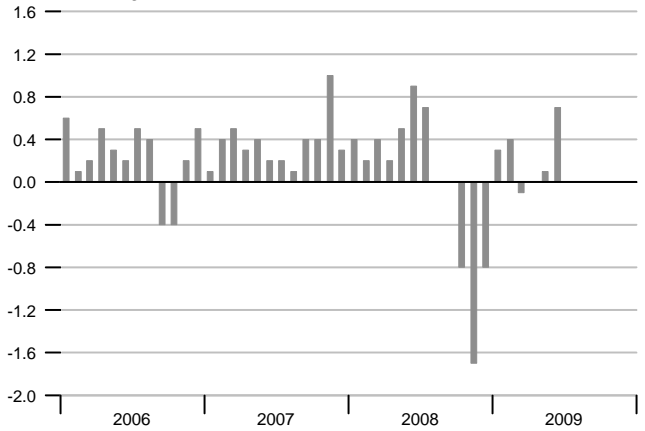
### Real GDP Growth

Compounded annual rates of change



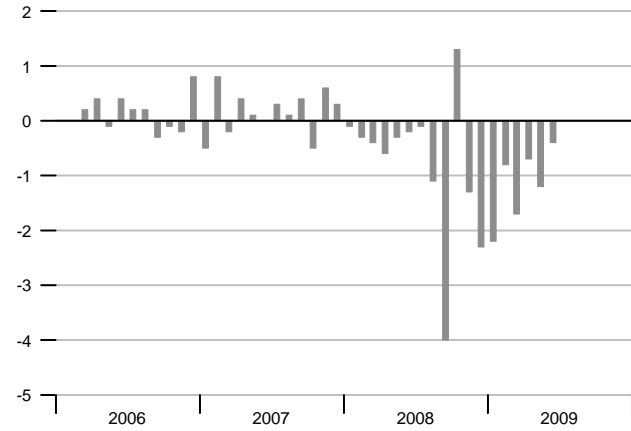
### Consumer Price Index

Percent change



### Industrial Production

Percent change



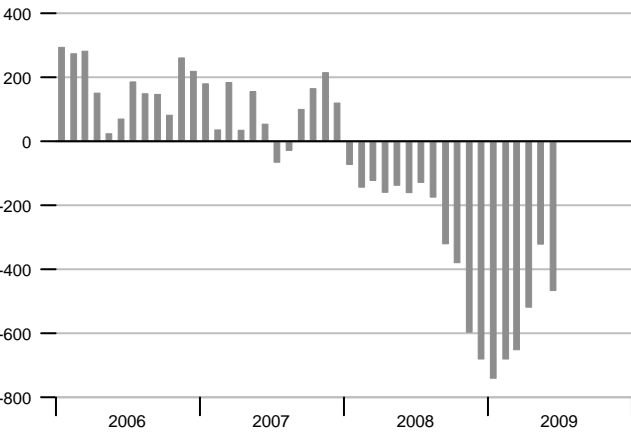
### Interest Rates

Percent



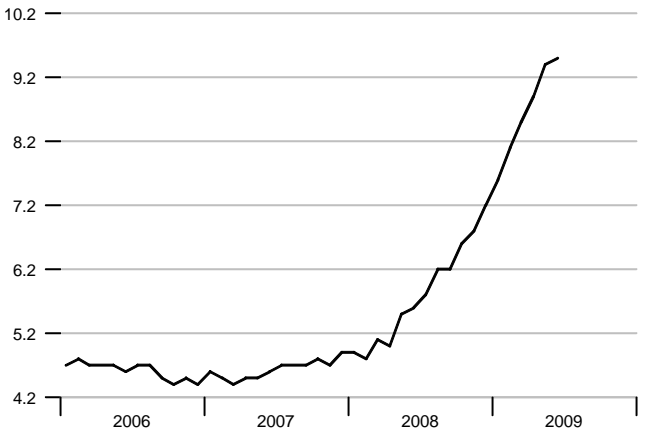
### Change in Nonfarm Payrolls

Thousands



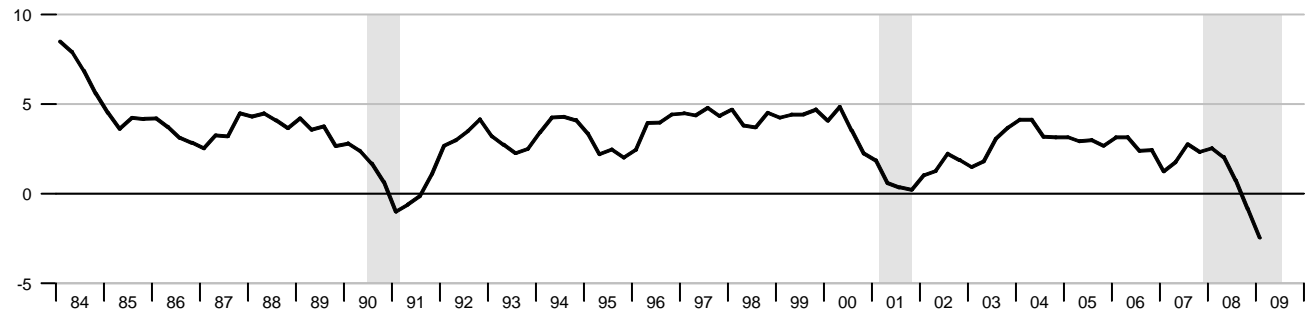
### Unemployment Rate

Percent of labor force



### Real Gross Domestic Product

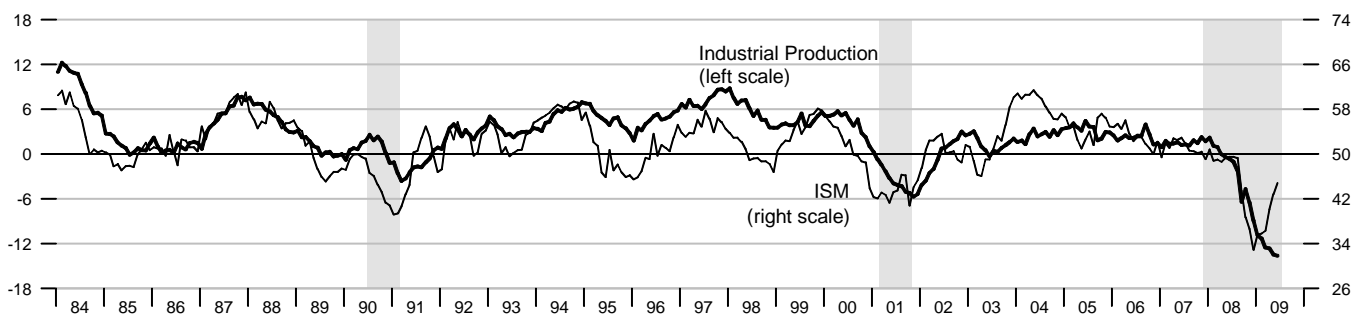
Percent change from year ago



### Industrial Production and Institute for Supply Management (ISM) Indexes

Percent change from year ago

Index



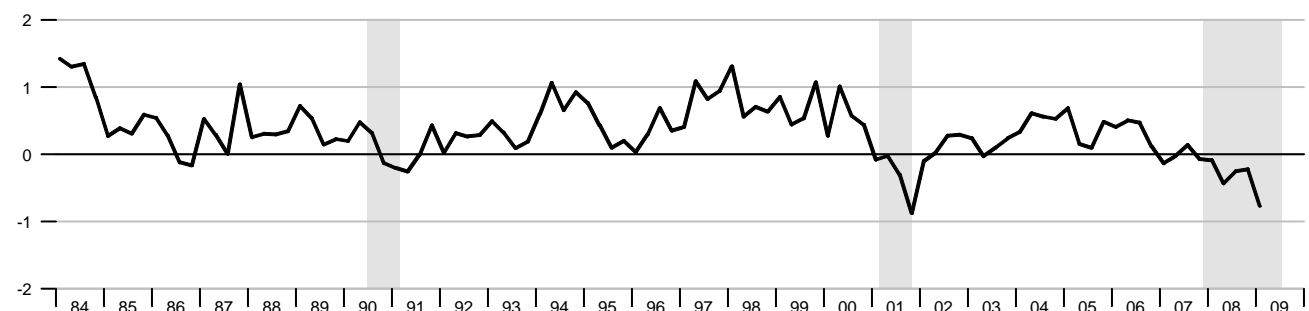
### Aggregate Private Nonfarm Hours

Percent change from year ago

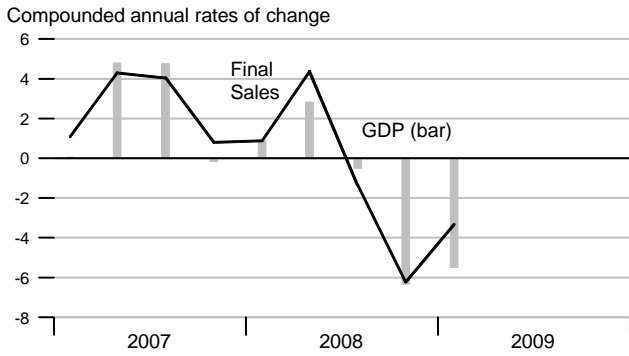


### Real Change in Private Inventories

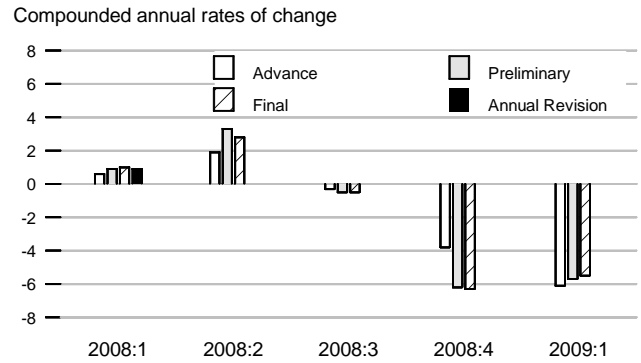
Percent of GDP



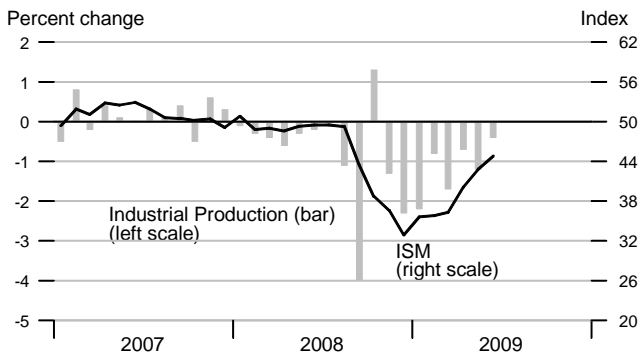
### Real Final Sales and GDP



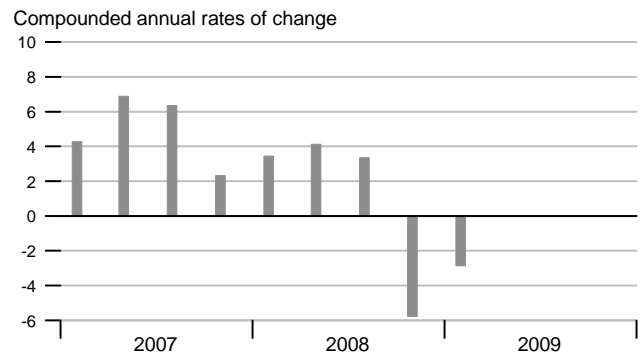
### Real GDP Revisions



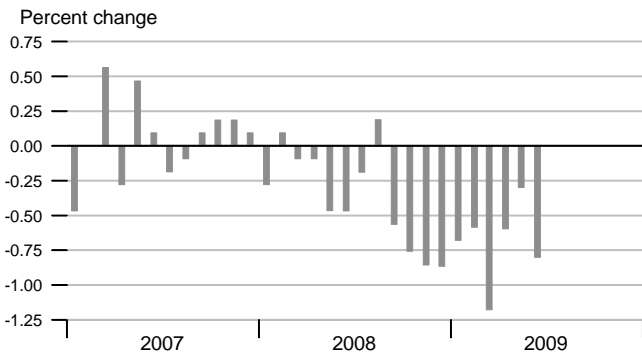
### Industrial Production and ISM Index



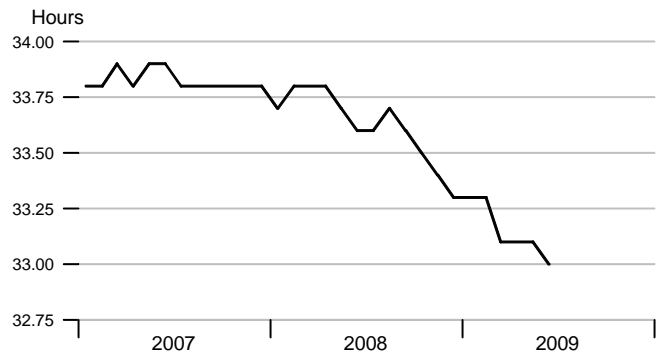
### Nominal Gross Domestic Product



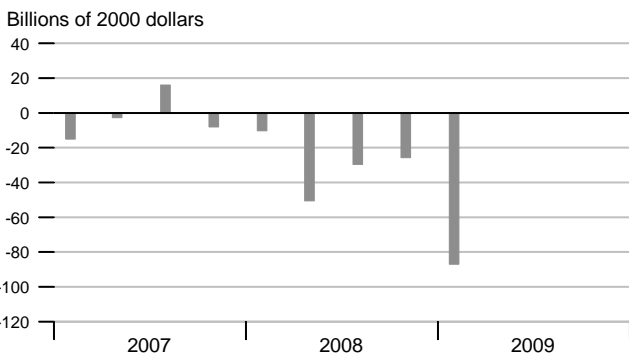
### Aggregate Private Nonfarm Hours



### Average Weekly Private Nonfarm Hours



### Real Change in Private Inventories

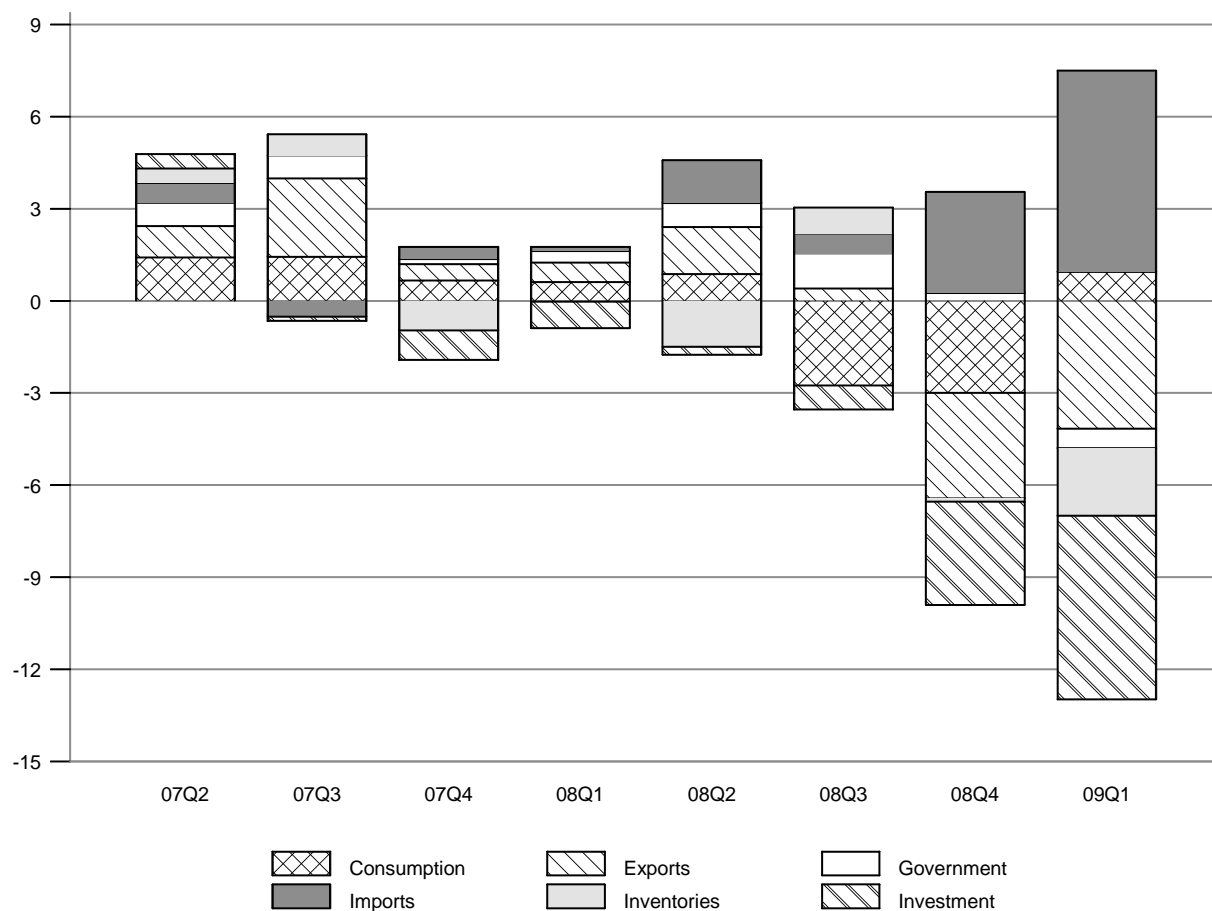


### Inventory-Sales Ratio



### Contribution of Components to Real GDP Growth

Percentage points at compounded annual rates



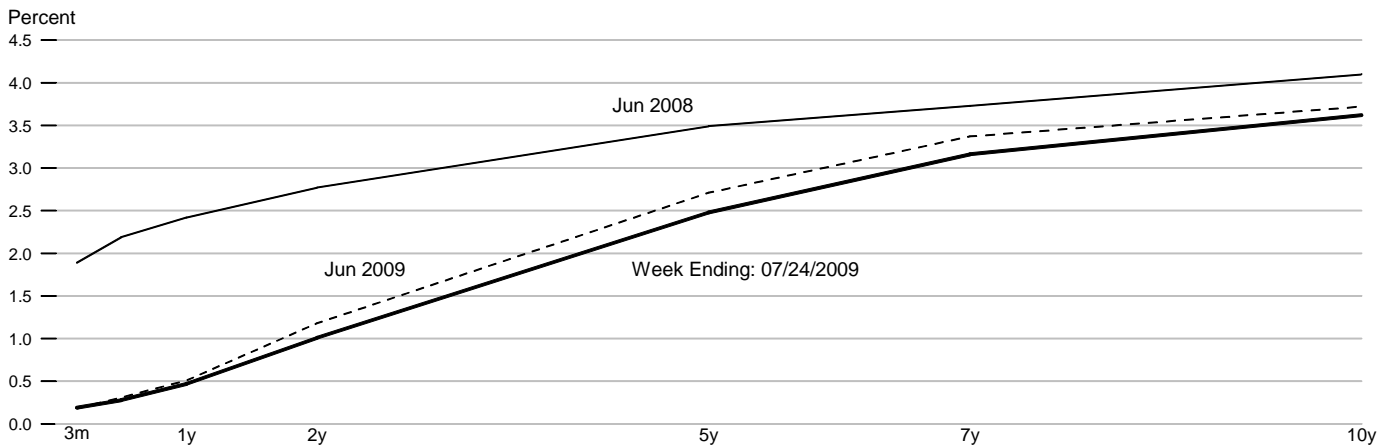
### Contributions to Real GDP Growth Rate

	2007			2008				2009
	2nd	3rd	4th	1st	2nd	3rd	4th	1st
<b>Final Sales</b>	4.32	4.07	0.79	0.89	4.33	-1.35	-6.23	-3.29
<b>Consumption</b>	1.42	1.44	0.67	0.61	0.87	-2.75	-2.99	0.95
<b>Fixed Investment</b>	0.47	-0.15	-0.97	-0.86	-0.25	-0.79	-3.36	-5.99
Nonresidential	1.07	0.91	0.36	0.26	0.27	-0.19	-2.56	-4.59
Residential	-0.60	-1.06	-1.33	-1.12	-0.52	-0.60	-0.80	-1.40
<b>Government</b>	0.77	0.75	0.16	0.38	0.78	1.14	0.26	-0.63
Federal	0.47	0.51	-0.04	0.41	0.47	0.97	0.52	-0.35
State and Local	0.30	0.24	0.19	-0.03	0.31	0.17	-0.25	-0.28
<b>Net Exports</b>	1.66	2.03	0.94	0.77	2.93	1.05	-0.15	2.39
Exports	1.01	2.54	0.53	0.63	1.54	0.40	-3.44	-4.16
Imports	0.65	-0.51	0.40	0.14	1.39	0.65	3.29	6.55
<b>Change in Inventory</b>	0.47	0.69	-0.96	-0.02	-1.50	0.84	-0.11	-2.20
<b>Residual</b>	-0.15	-0.24	-0.34	-0.10	0.02	0.28	0.24	0.25
<b>Real GDP Growth</b>	4.79	4.76	-0.17	0.87	2.83	-0.51	-6.34	-5.49

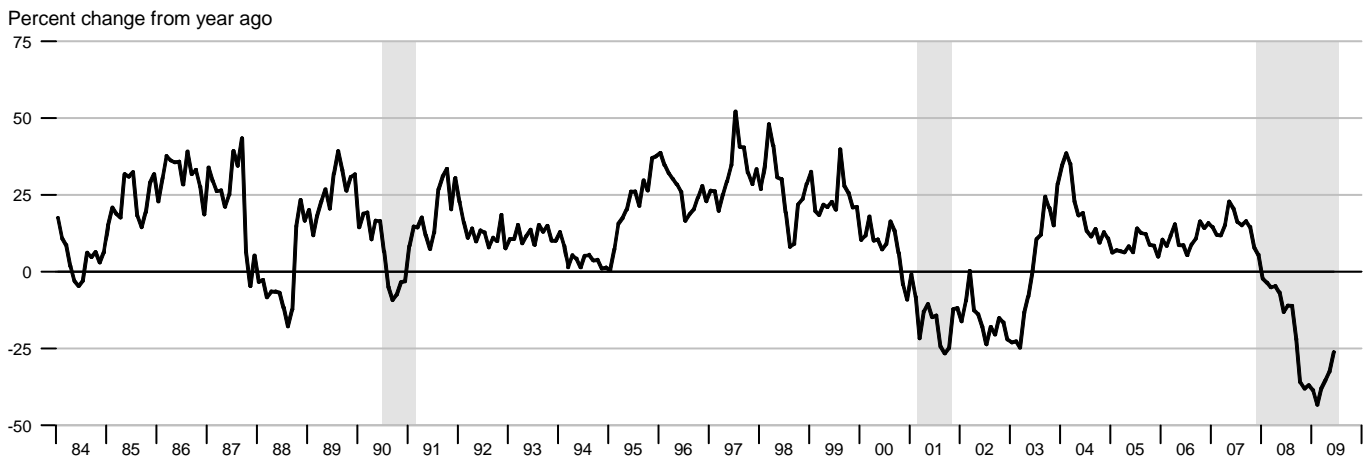
### Interest Rates



### Treasury Yield Curve

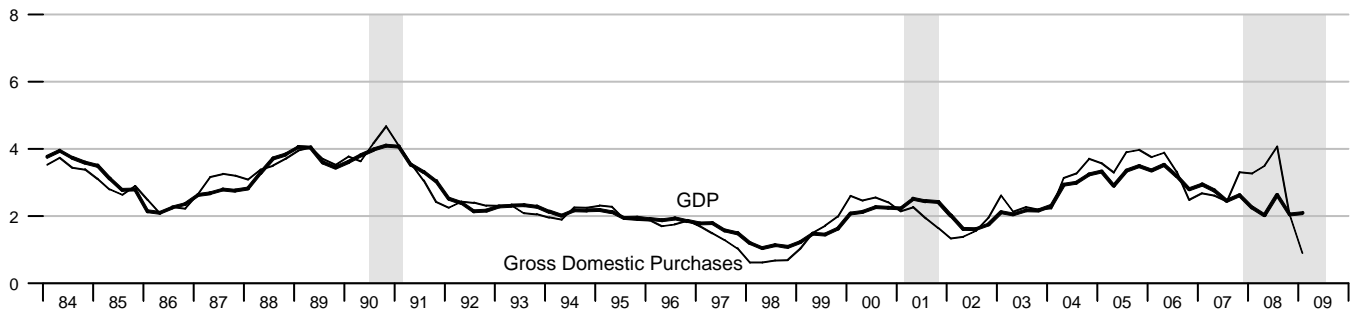


### Standard and Poor's 500 Index with Reinvested Dividends



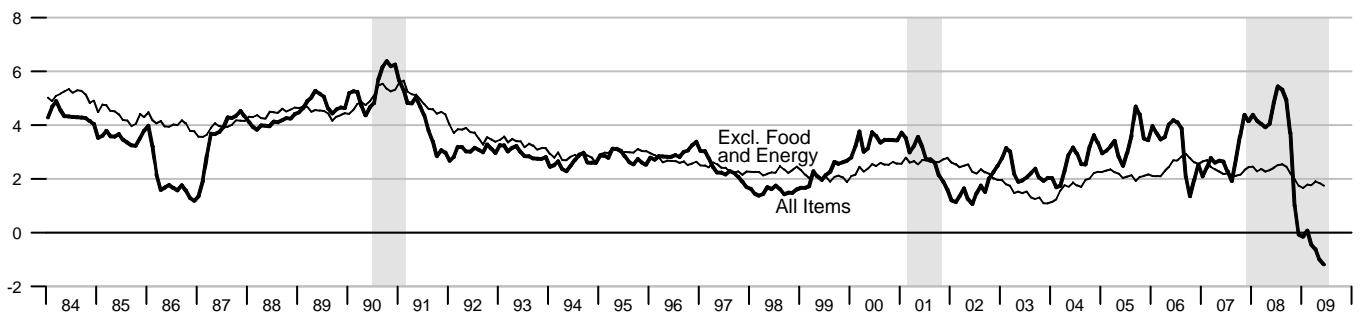
### NIPA Chain Price Indexes

Percent change from year ago



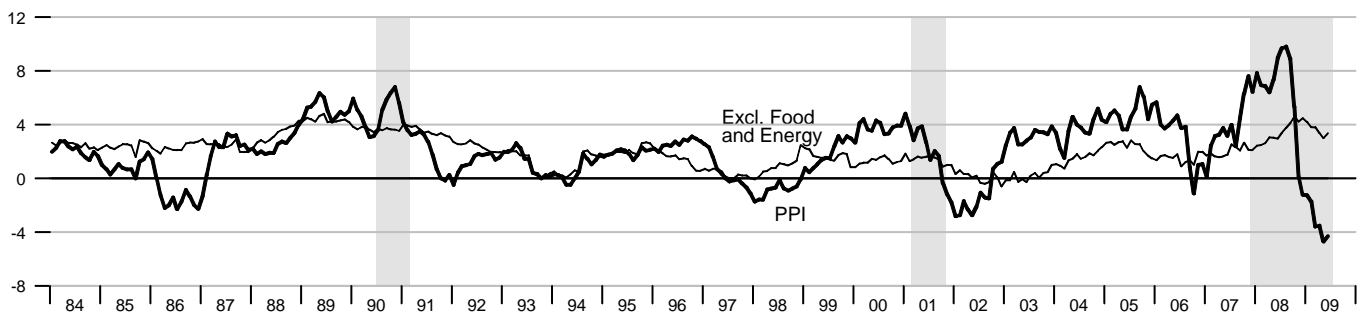
### Consumer Price Index

Percent change from year ago



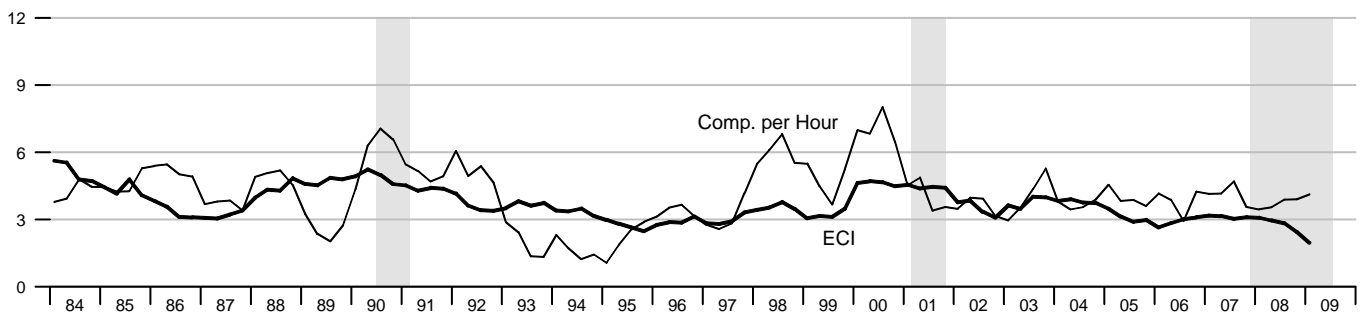
### Producer Price Index, Finished Goods

Percent change from year ago

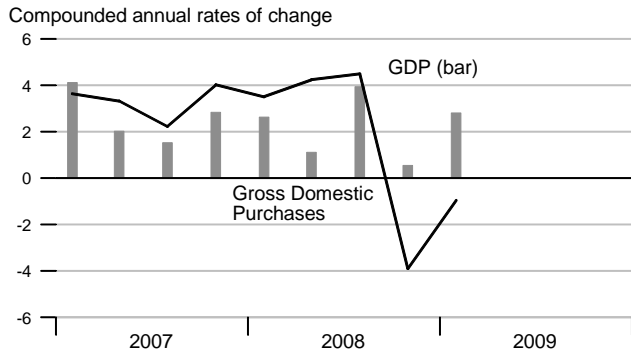


### Employment Cost Index and Compensation per Hour

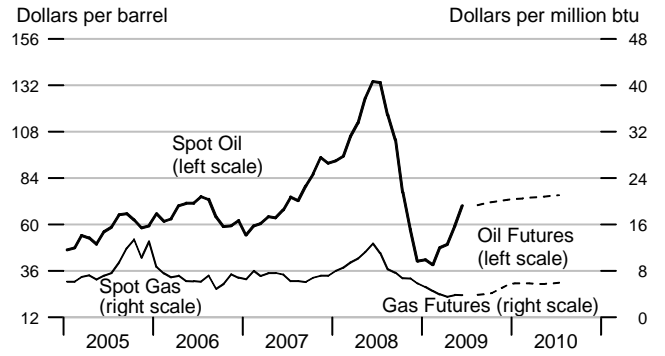
Percent change from year ago



### NIPA Chain Price Indexes

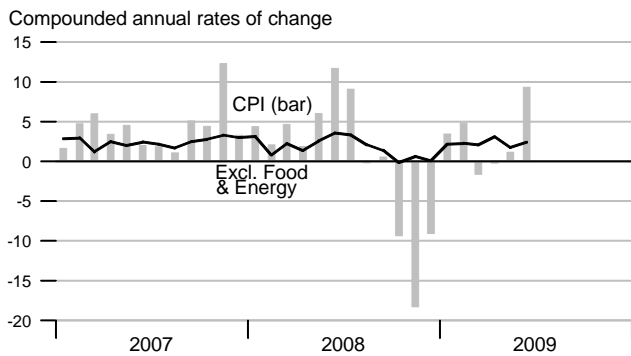


### Oil & Natural Gas Prices: Spot & Futures

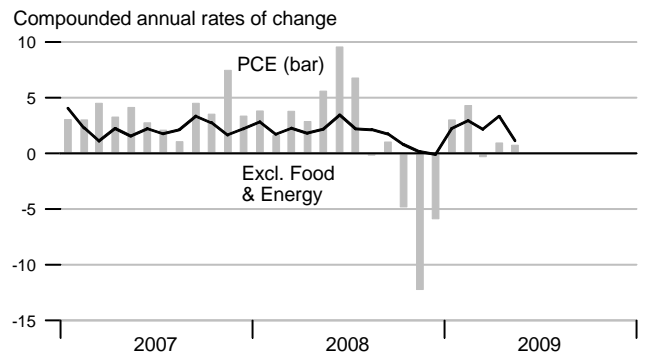


Note: Futures prices as of 6/30/2009.

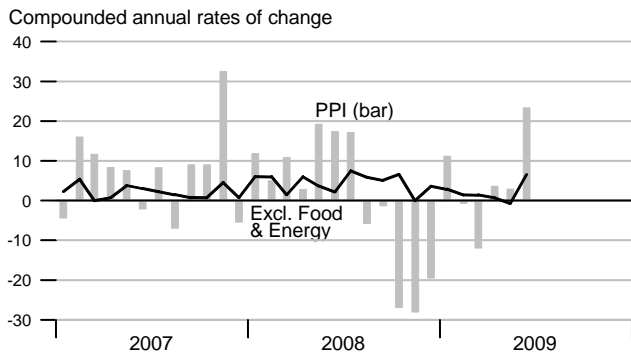
### Consumer Price Index



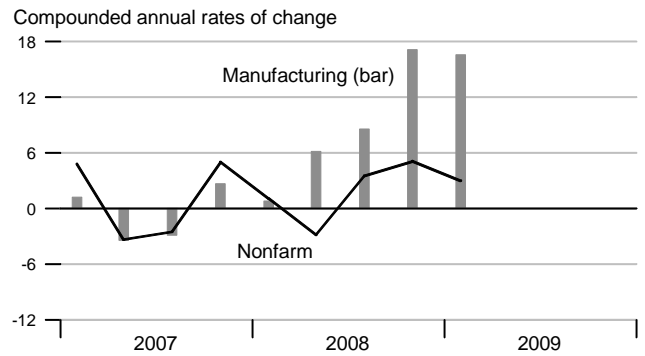
### Consumption Chain Price Index



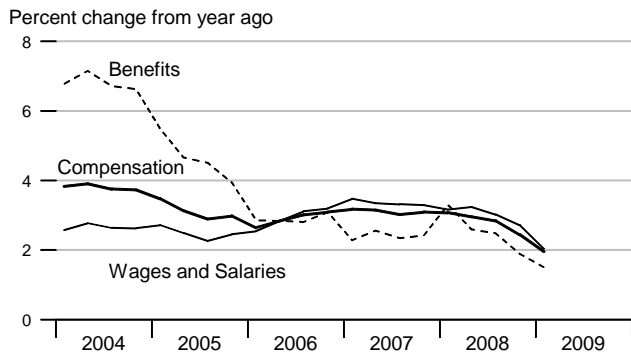
### Producer Price Index, Finished Goods



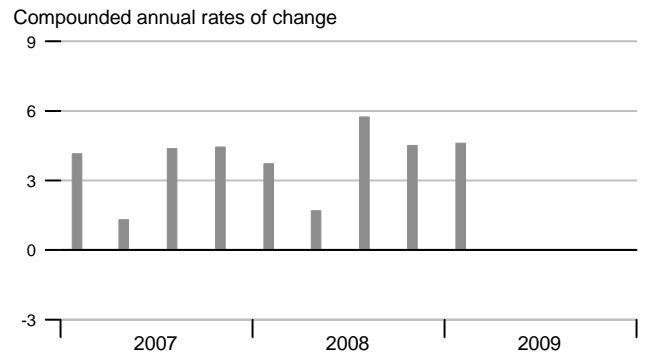
### Unit Labor Cost



### Employment Cost Index

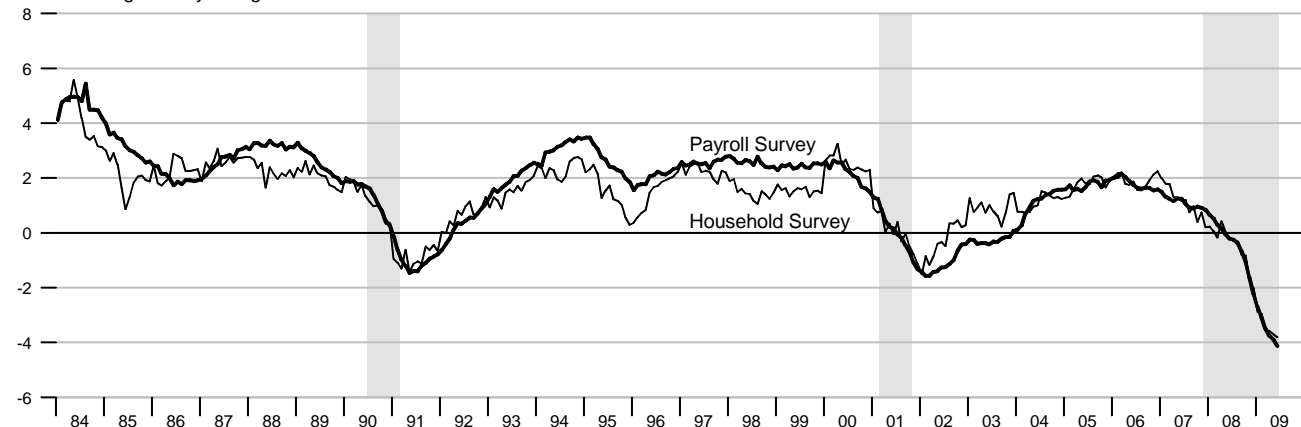


### Compensation per Hour



### Employment

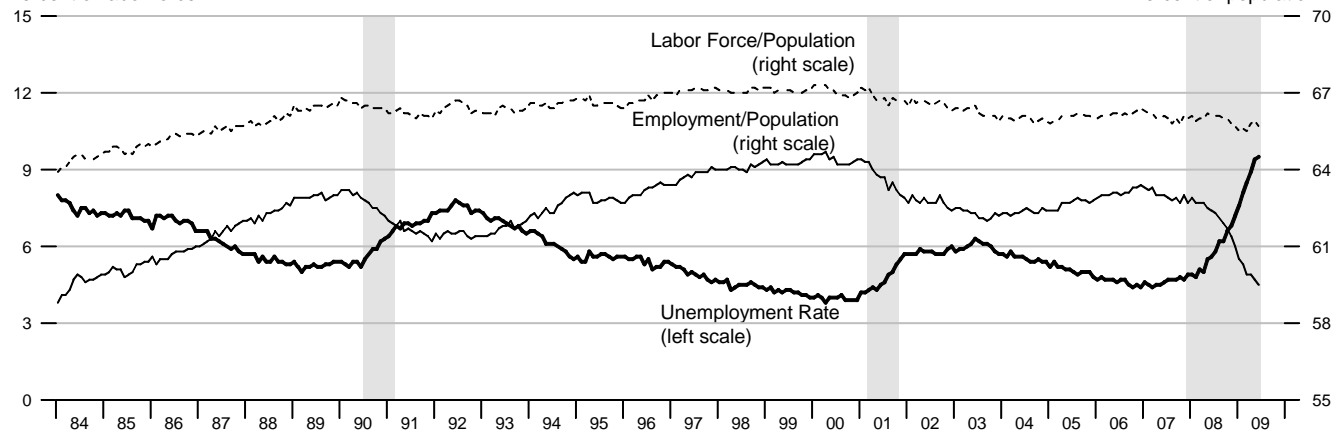
Percent change from year ago



### Unemployment, Labor Force Participation, and Employment Rates

Percent of labor force

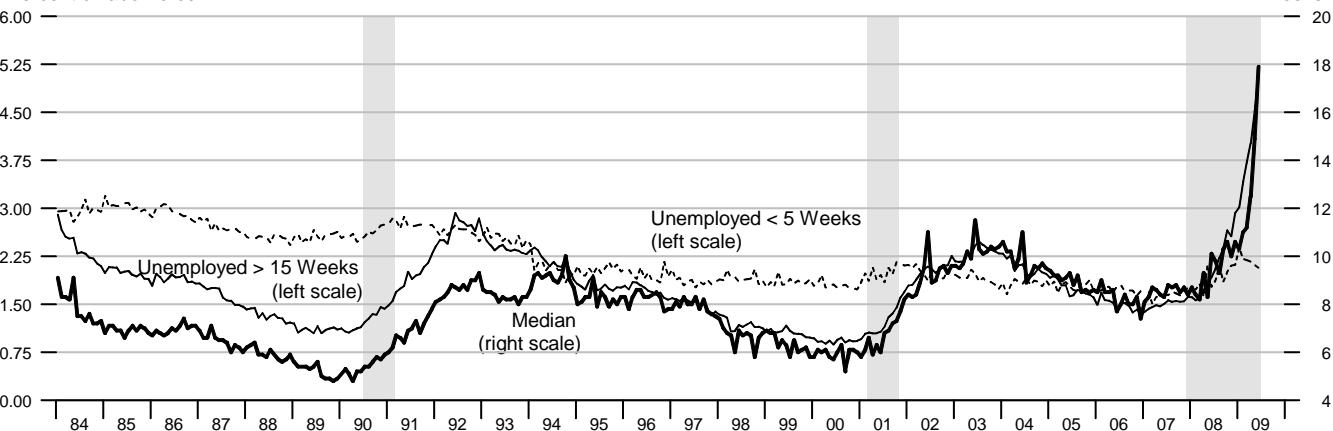
Percent of population



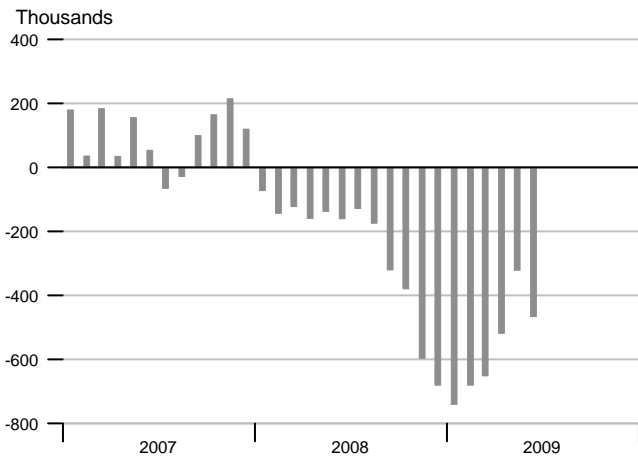
### Duration of Unemployment

Percent of labor force

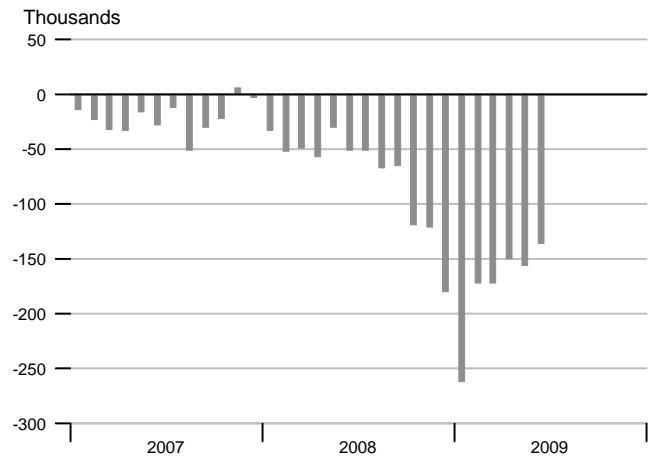
Weeks



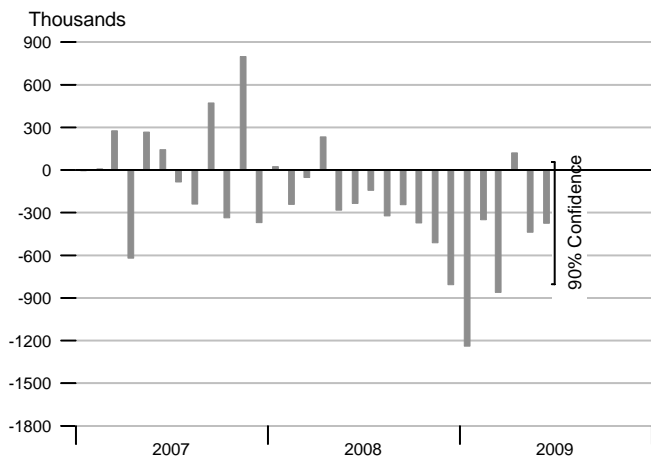
### Change in Nonfarm Payrolls



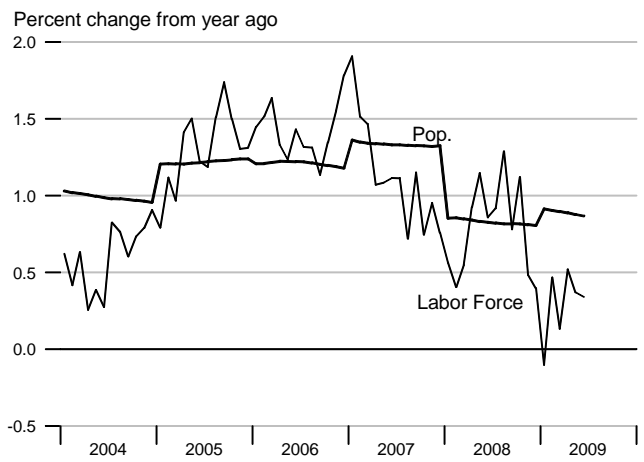
### Change in Manufacturing Payrolls



### Change in Household Employment



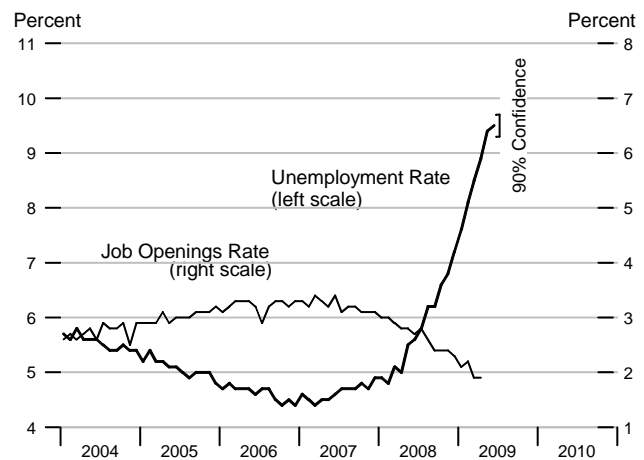
### Labor Force and Population



### Available Labor Supply and Components

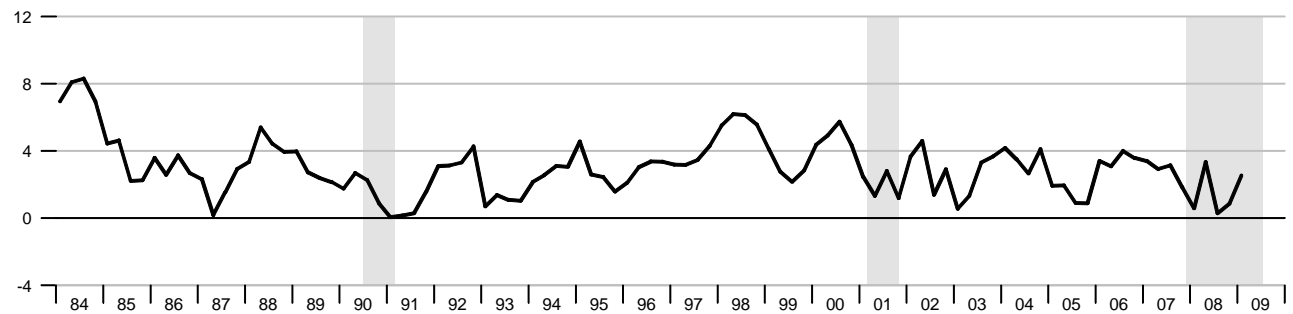


### Unemployment Rate & Job Openings Rate



### Real Disposable Personal Income

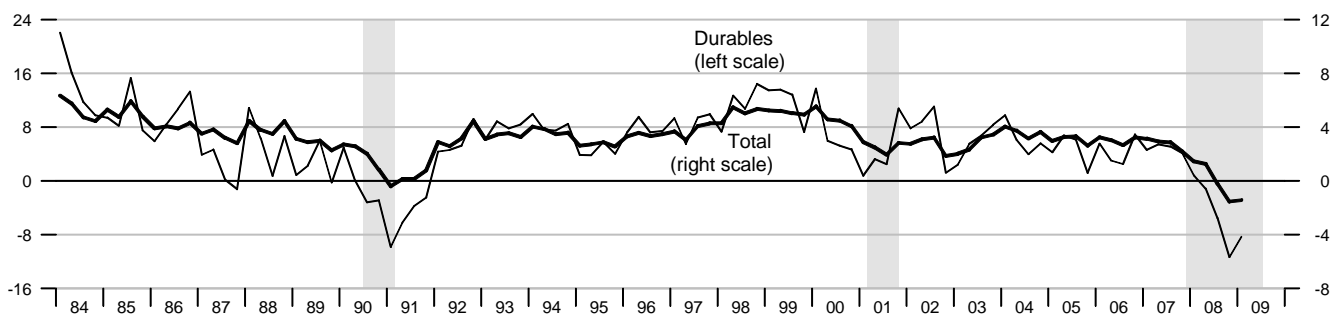
Percent change from year ago, quarterly data



### Real Consumption

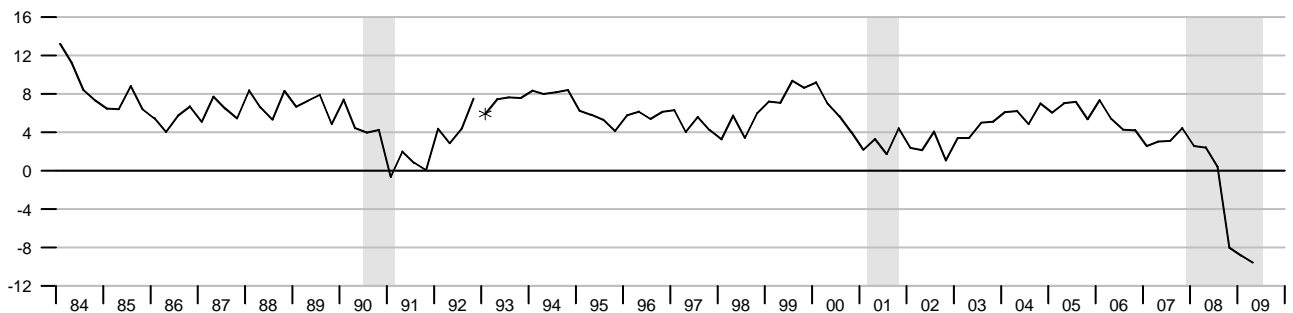
Percent change from year ago, quarterly data

Percent change from year ago, quarterly data



### Retail and Food Services Sales

Percent change from year ago, quarterly average

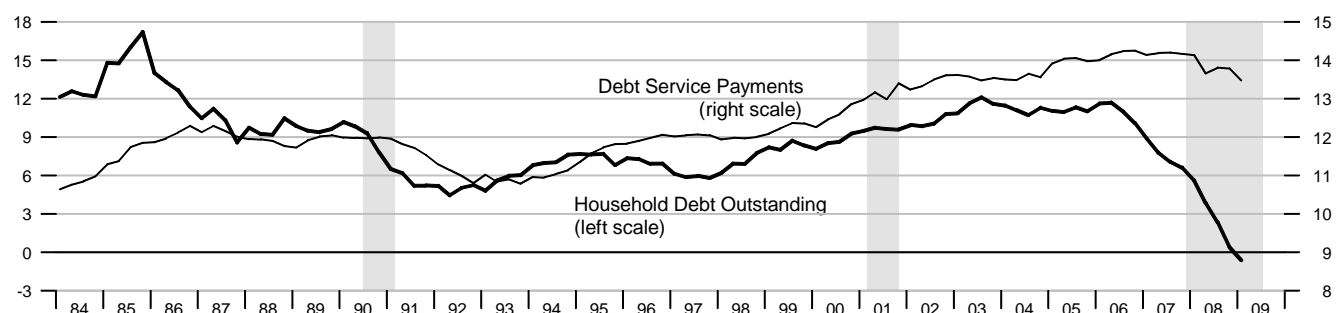


\*Data from Jan. 1992 to the present are on a NAICS basis; data prior to Jan. 1992 are on an SIC basis and are not strictly comparable (see End Note).

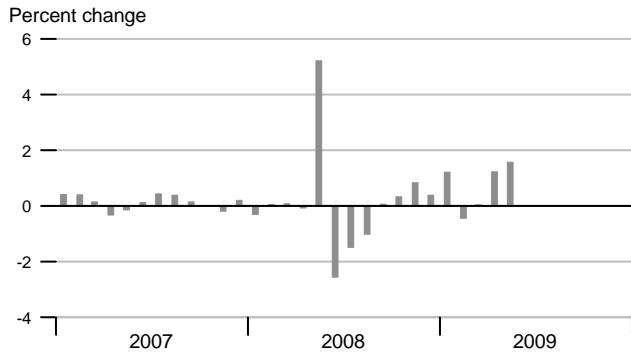
### Debt Service Payments and Household Debt Outstanding

Percent change from year ago, quarterly data

Percent of disposable personal income



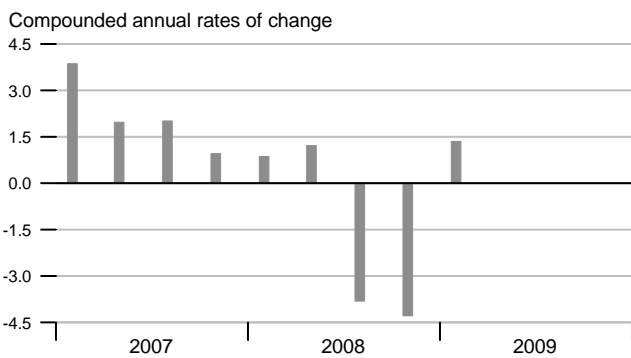
### Real Disposable Personal Income



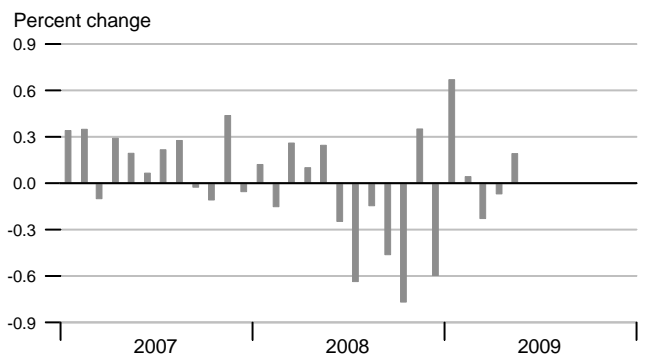
### Personal Saving Rate



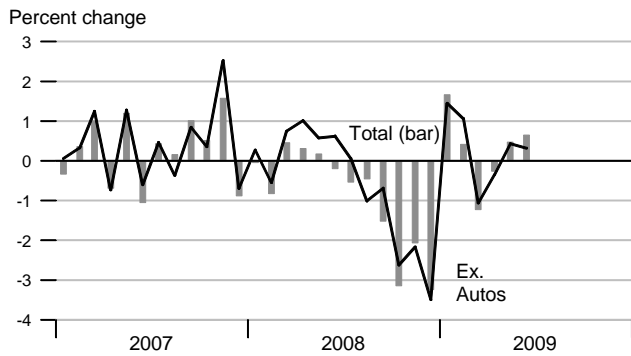
### Real Consumption



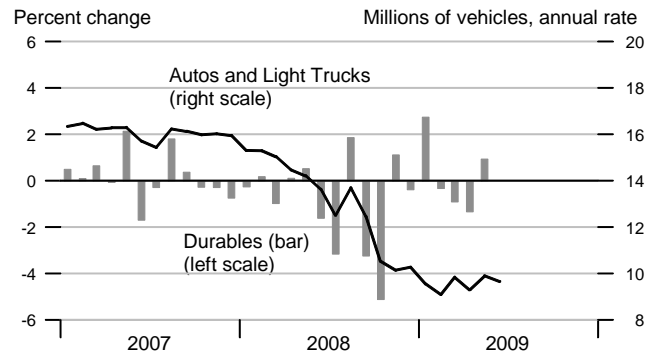
### Real Consumption



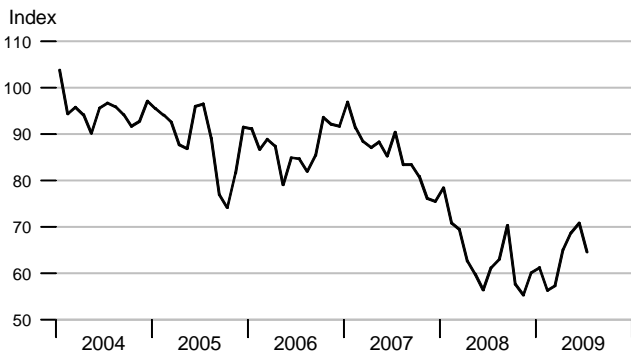
### Retail & Food Services



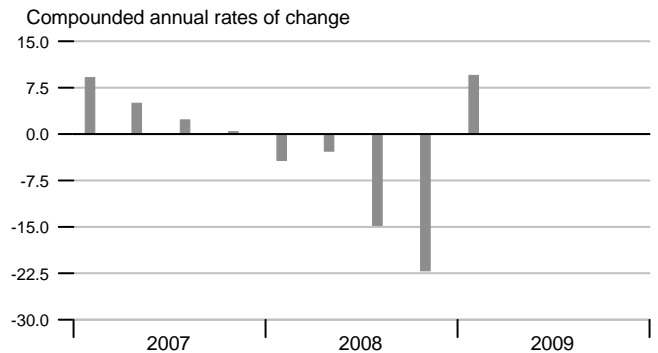
### Real Durables Consumption & Vehicle Sales



### Consumer Sentiment (U. of Michigan)

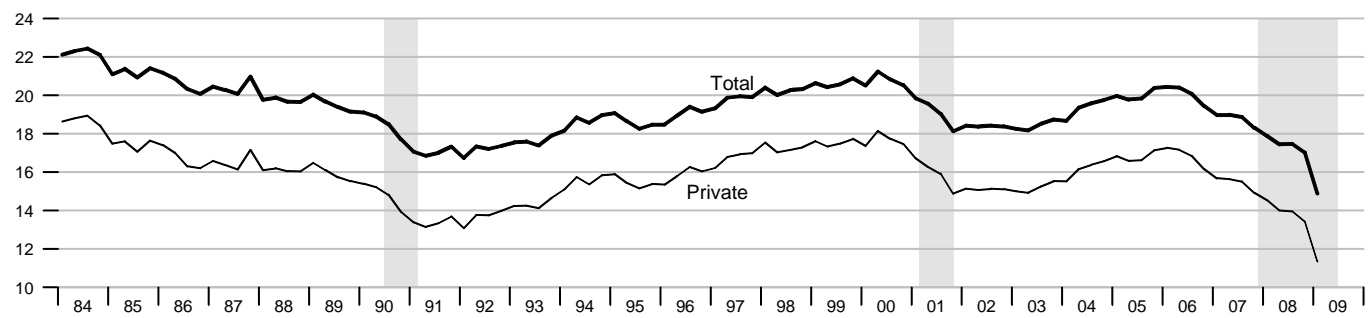


### Real Durables Consumption



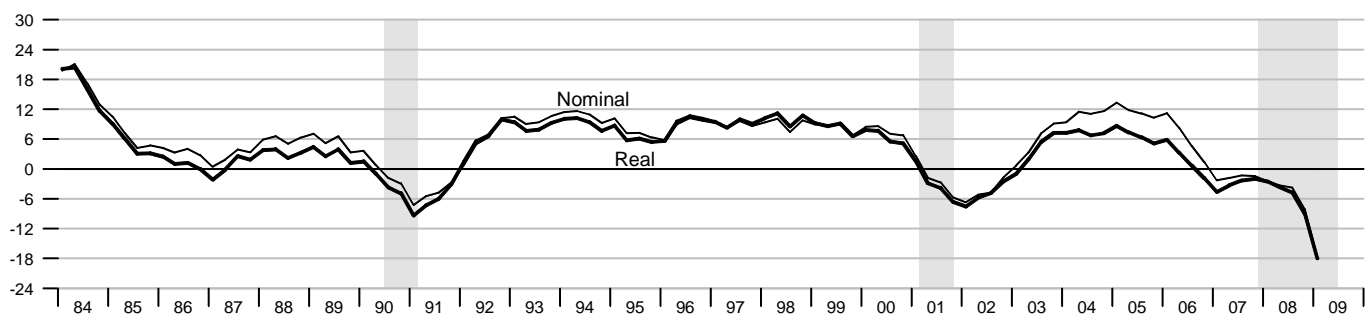
### Investment

Percent of nominal GDP



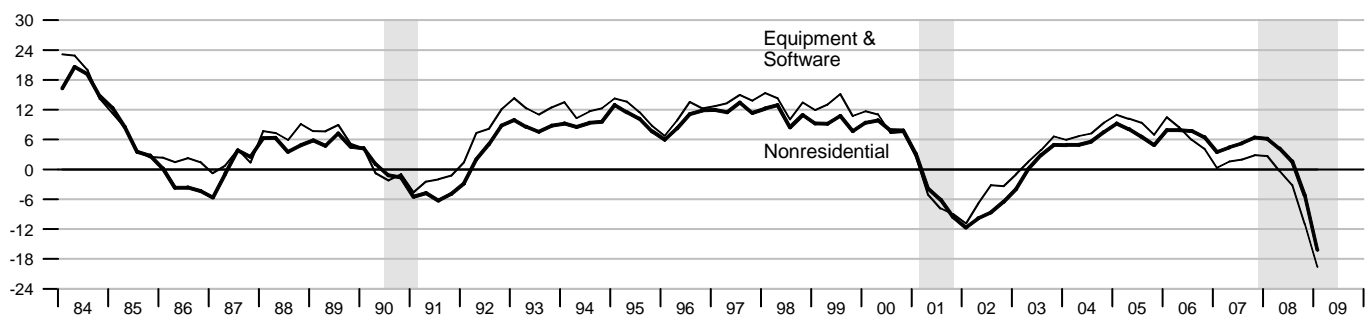
### Private Fixed Investment

Percent change from year ago



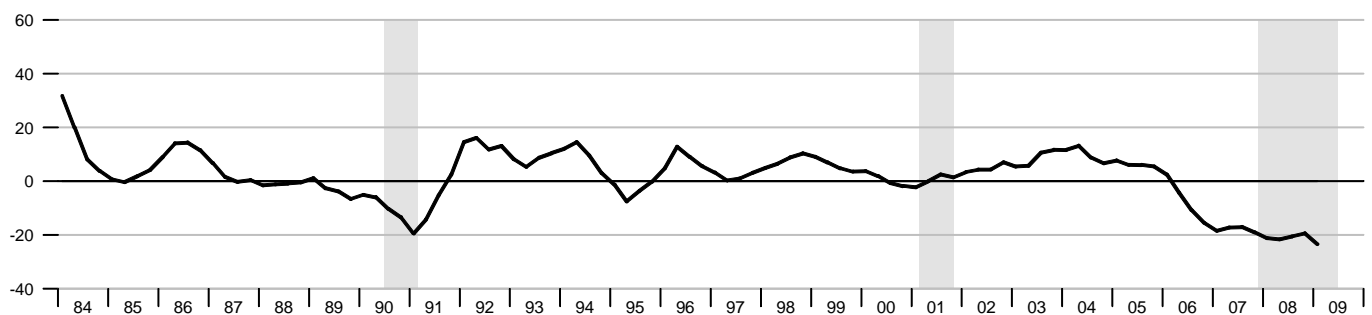
### Real Nonresidential Fixed and Equipment & Software Investment

Percent change from year ago

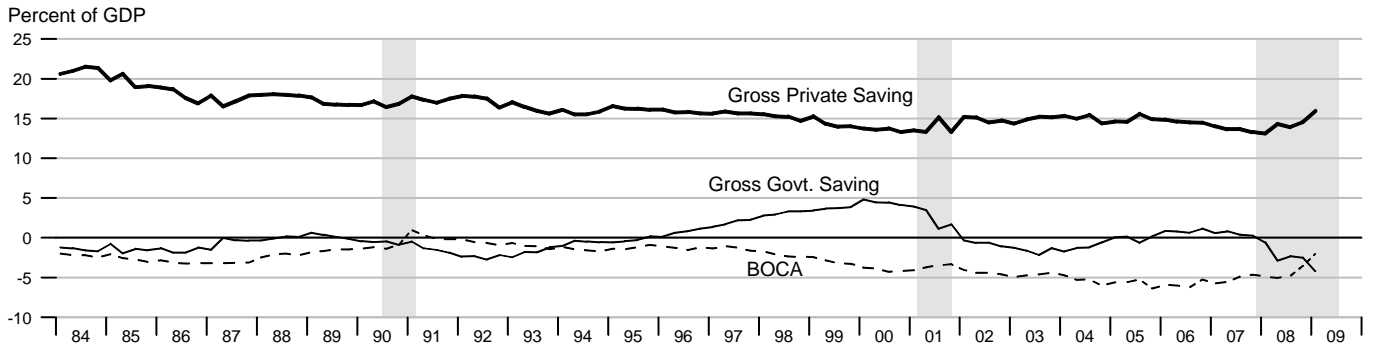


### Real Residential Fixed Investment

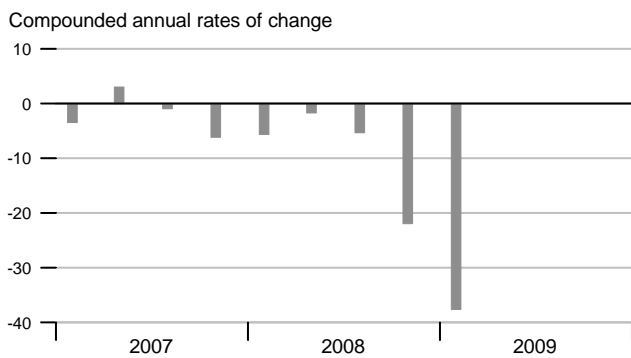
Percent change from year ago



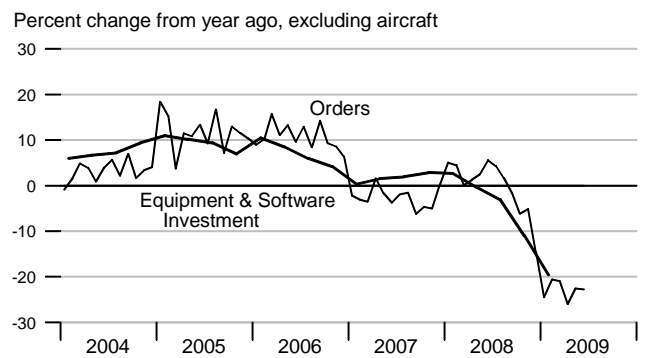
### Gross Saving Rates and Balance on Current Account (NIPA)



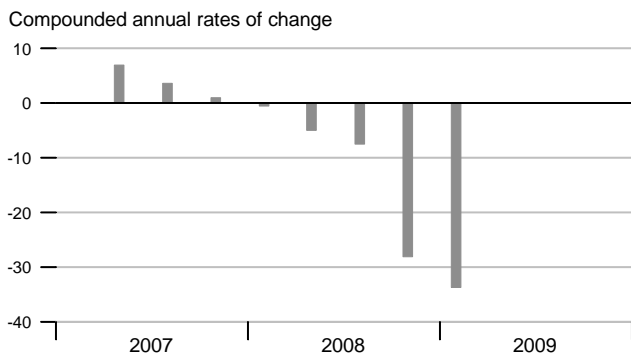
### Real Private Fixed Investment



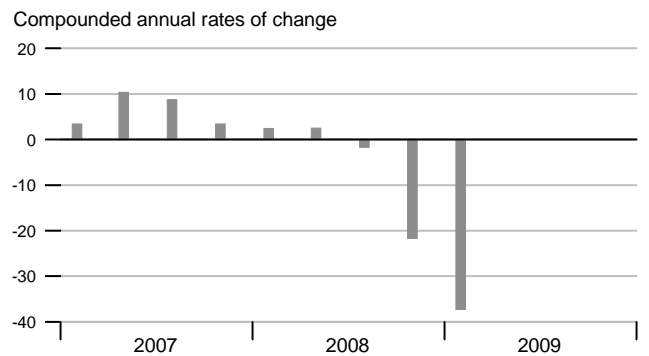
### Nondefense Capital Goods Orders



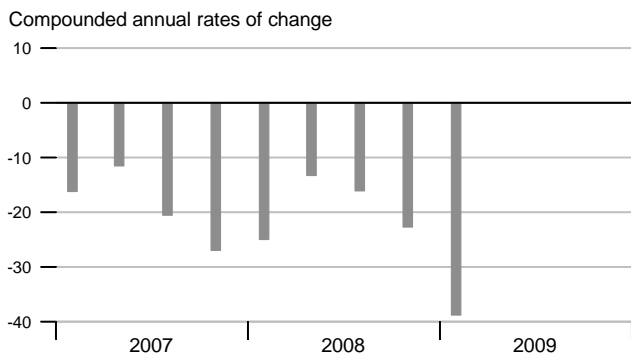
### Real Equipment & Software Investment



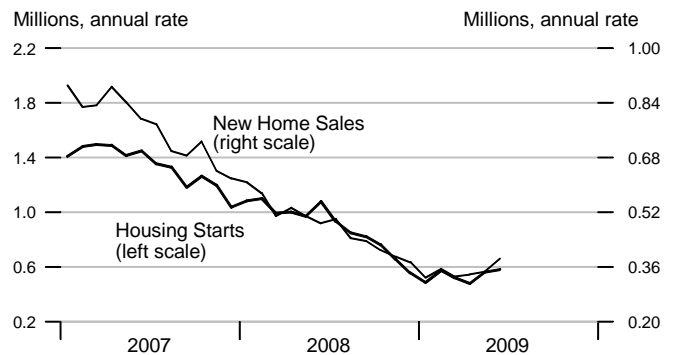
### Real Nonresidential Fixed Investment



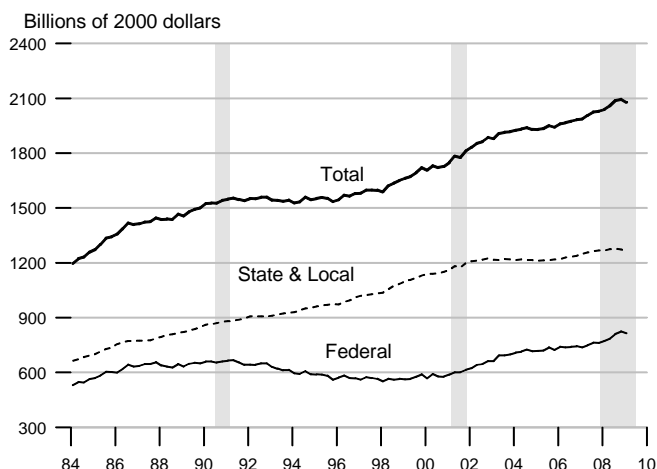
### Real Residential Fixed Investment



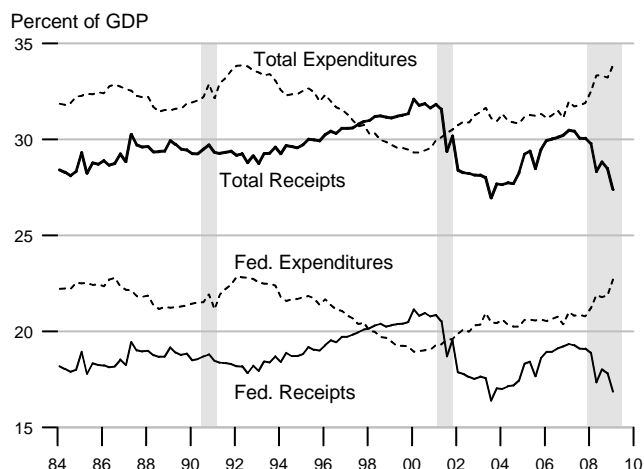
### Housing Starts and New Home Sales



### Govt. Consumption and Investment



### Govt. Current Receipts and Expenditures



### Government Budgets

Billions of dollars

#### National Income Accounts

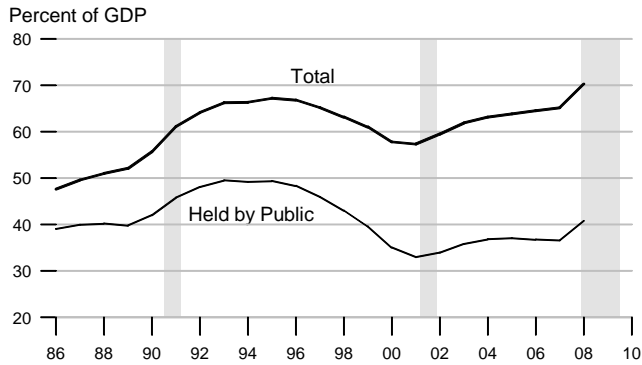
Calendar Years

#### Unified Budget

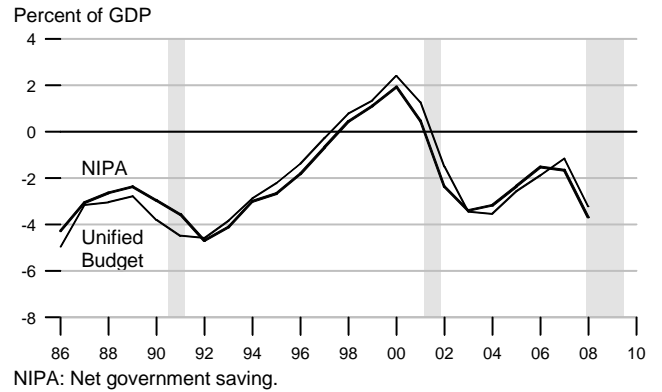
Fiscal Years

	State and Local			Federal			Federal		
	Receipts	Expenditures	Surplus or Deficit (-)	Receipts	Expenditures	Surplus or Deficit (-)	Receipts	Outlays	Surplus or Deficit (-)
1992	845.7	845.0	0.7	1147.2	1444.6	-297.4	1091.3	1381.6	-290.3
1993	886.9	886.0	0.9	1222.5	1496.0	-273.5	1154.5	1409.5	-255.1
1994	942.9	932.4	10.5	1320.8	1533.1	-212.3	1258.7	1461.9	-203.2
1995	990.2	978.2	12.0	1406.5	1603.5	-197.0	1351.9	1515.9	-164.0
1996	1043.3	1017.5	25.8	1524.0	1665.8	-141.8	1453.2	1560.6	-107.4
1997	1097.4	1058.3	39.1	1653.1	1708.9	-55.8	1579.4	1601.3	-21.9
1998	1163.2	1111.2	52.0	1773.8	1734.9	38.9	1722.0	1652.7	69.3
1999	1236.7	1186.3	50.4	1891.2	1787.6	103.6	1827.6	1702.0	125.6
2000	1319.5	1269.5	50.0	2053.8	1864.4	189.4	2025.5	1789.2	236.2
2001	1373.0	1368.2	4.8	2016.2	1969.5	46.7	1991.4	1863.2	128.2
2002	1410.1	1444.3	-34.2	1853.2	2101.1	-247.9	1853.4	2011.2	-157.8
2003	1494.2	1514.5	-20.3	1879.9	2252.1	-372.2	1782.5	2160.1	-377.6
2004	1594.3	1592.8	1.5	2008.9	2379.5	-370.6	1880.3	2293.0	-412.7
2005	1714.4	1684.9	29.5	2266.9	2558.6	-291.7	2153.9	2472.2	-318.3
2006	1811.4	1765.3	46.1	2510.4	2711.6	-201.2	2407.3	2655.4	-248.2
2007	1902.8	1892.4	10.4	2651.2	2880.5	-229.3	2568.2	2728.9	-160.7
2008	1935.1	2015.2	-80.1	2569.3	3094.3	-525.0	2524.3	2982.9	-458.6
2007Q2	1909.8	1874.0	35.8	2648.1	2859.5	-211.4	824.4	686.9	137.5
2007Q3	1905.5	1900.7	4.8	2664.9	2909.2	-244.3	622.3	662.9	-40.6
2007Q4	1918.4	1940.7	-22.3	2679.2	2915.6	-236.4	606.2	713.0	-106.8
2008Q1	1922.9	1975.3	-52.4	2672.5	3003.2	-330.7	539.8	745.7	-205.9
2008Q2	1955.4	2022.3	-66.9	2478.8	3128.4	-649.6	787.9	761.0	26.9
2008Q3	1944.9	2048.5	-103.6	2595.7	3139.8	-544.1	589.7	758.7	-168.9
2008Q4	1917.3	2014.8	-97.5	2530.3	3105.9	-575.6	547.4	879.9	-332.5
2009Q1	1920.7	2006.2	-85.5	2377.6	3205.8	-828.2	442.4	891.3	-448.9

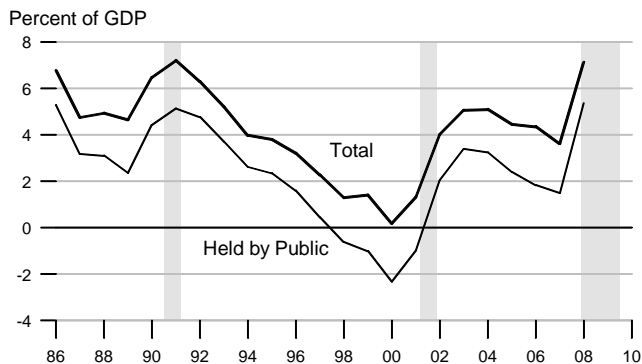
### Federal Debt



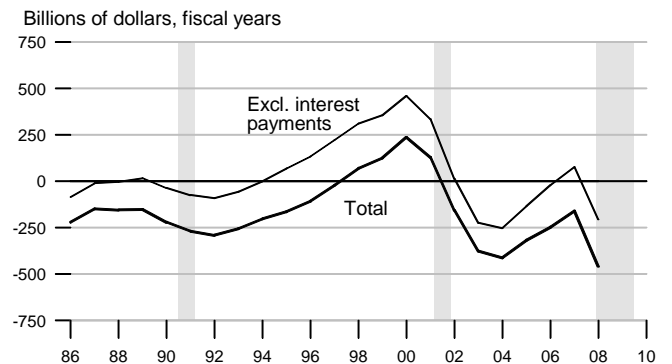
### Federal Surplus (+) / Deficit (-)



### Change in Federal Debt



### Federal Surplus (+) / Deficit (-), Unified Basis

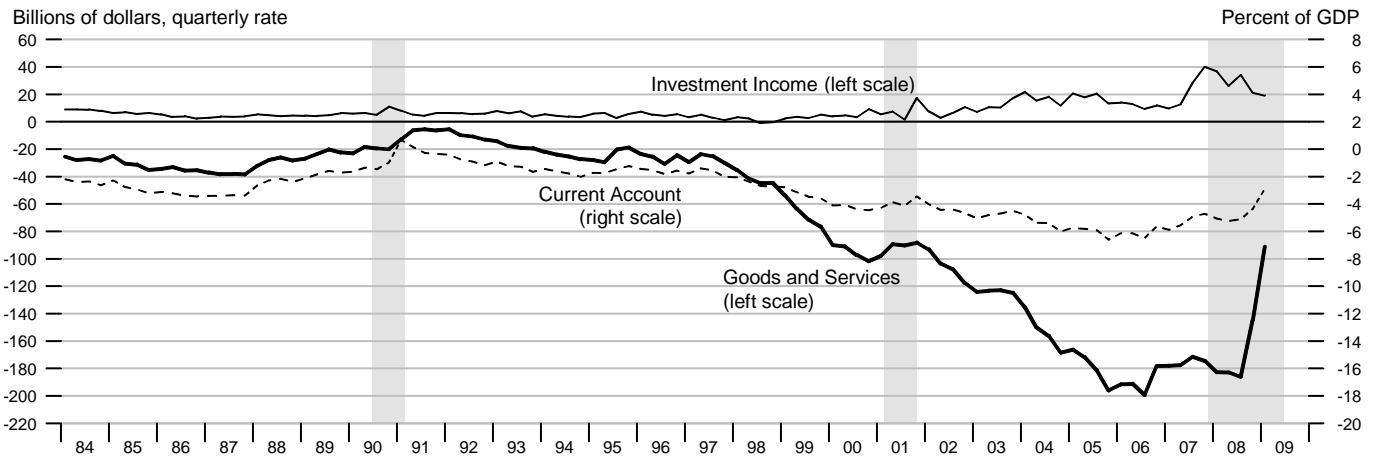


### Federal Government Debt

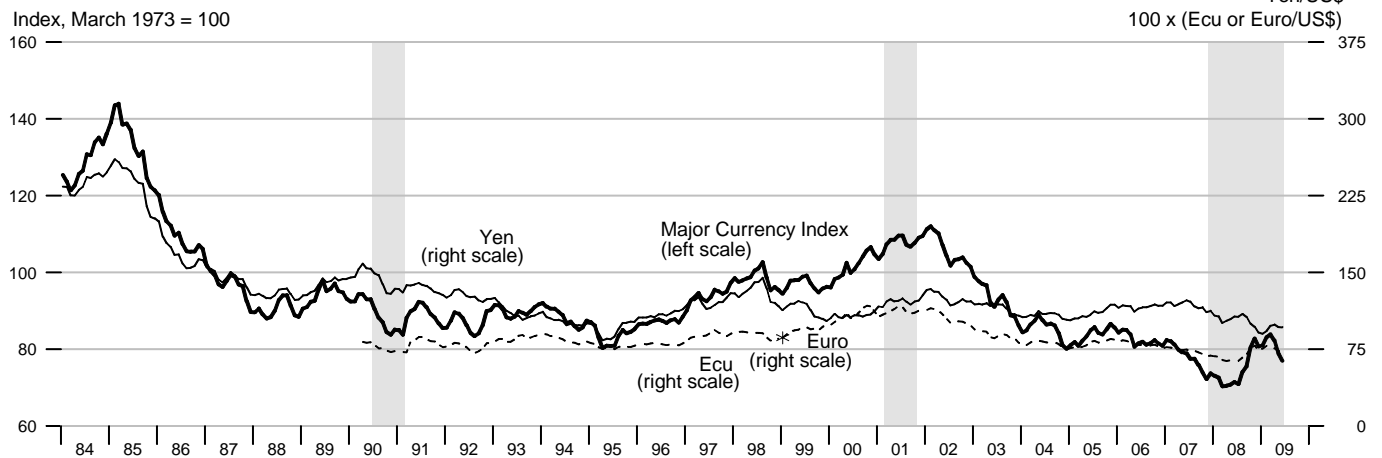
Billions of dollars, end of month or fiscal year  
Excludes Agency-issued debt

		Total Public Debt	Held by Agencies and Trusts	Held by Public		Held by Private Investors	
				Total	Federal Reserve Banks	Total	Foreign and International
2006		8507.0	3663.8	4843.2	768.9	4074.2	2027.3
2007		9007.7	3958.4	5049.2	779.6	4269.7	2237.2
2008		10024.7	4210.5	5814.2	476.6	5332.0	2801.9
2006	March	8371.2	3498.4	4872.8	758.5	4114.0	2084.5
	June	8420.0	3622.6	4797.5	766.4	4030.8	1979.8
	September	8507.0	3663.8	4843.2	768.9	4074.2	2027.3
	December	8680.2	3779.0	4901.2	778.9	4122.1	2105.0
2007	March	8849.7	3795.4	5054.3	780.9	4273.1	2196.7
	June	8867.7	3924.7	4943.0	790.5	4152.6	2193.9
	September	9007.7	3958.4	5049.2	779.6	4269.7	2237.2
	December	9229.2	4092.9	5136.3	740.6	4395.7	2352.9
2008	March	9437.6	4103.6	5334.0	591.2	4742.9	2507.5
	June	9492.0	4207.0	5285.0	478.8	4806.2	2635.3
	September	10024.7	4210.5	5814.2	476.6	5332.0	2801.9
	December	10699.8	4327.2	6372.7	475.9	5893.4	3078.7
2009	March	11126.9	4290.6	6836.3	492.3	6341.7	3267.0

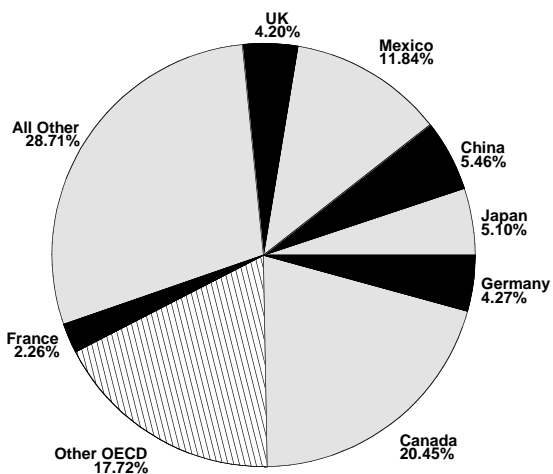
### Current Account, Trade and Investment Income Balances



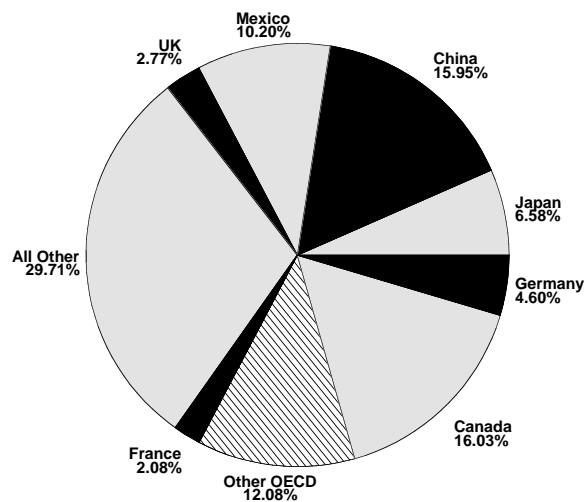
### Exchange Rates



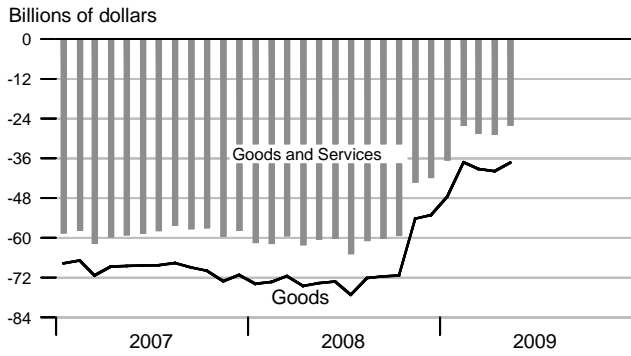
### Goods Export Shares, 2008



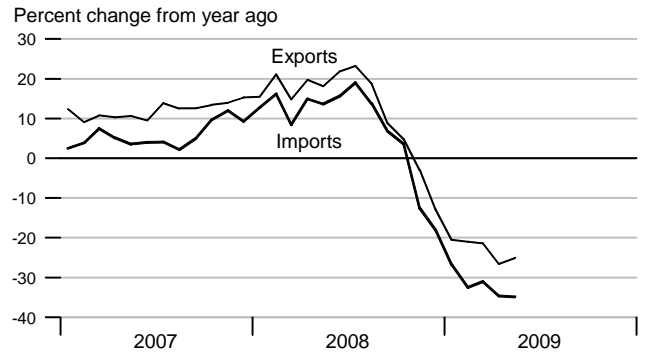
### Goods Import Shares, 2008



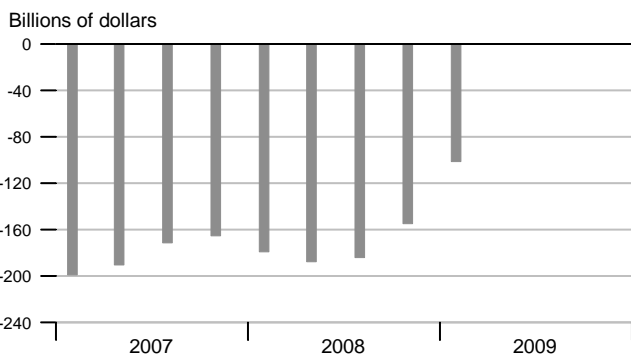
### Trade Balance



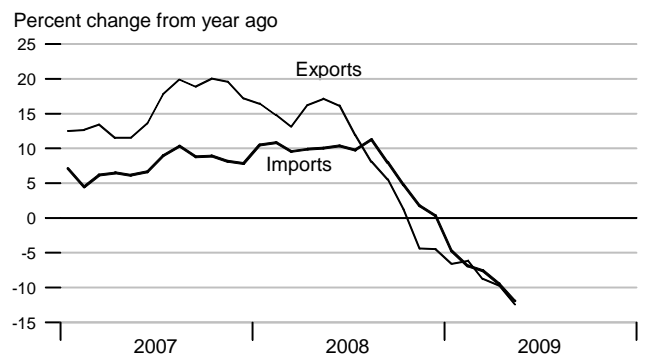
### Goods Trade



### Current Account Balance

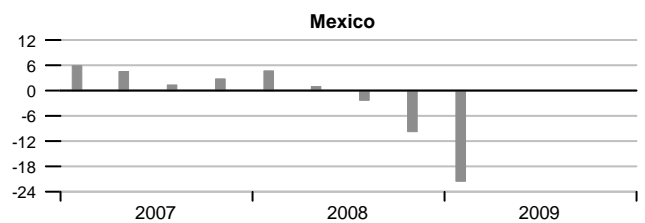
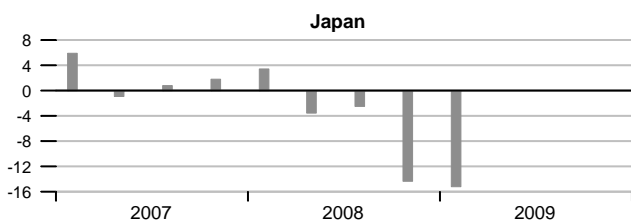
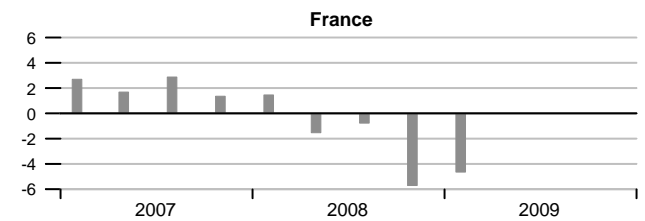
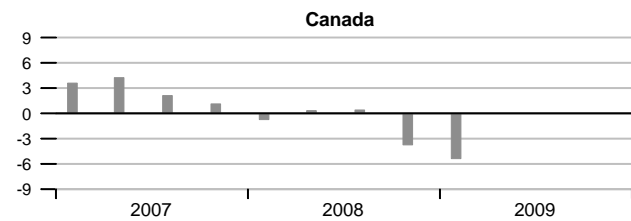
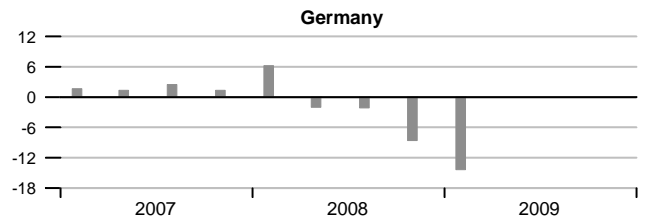
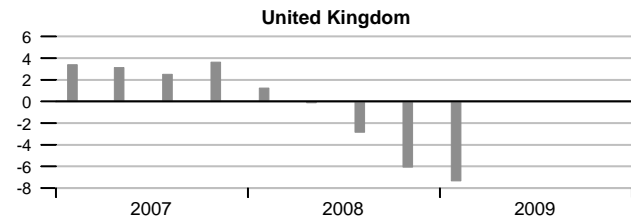


### Services Trade

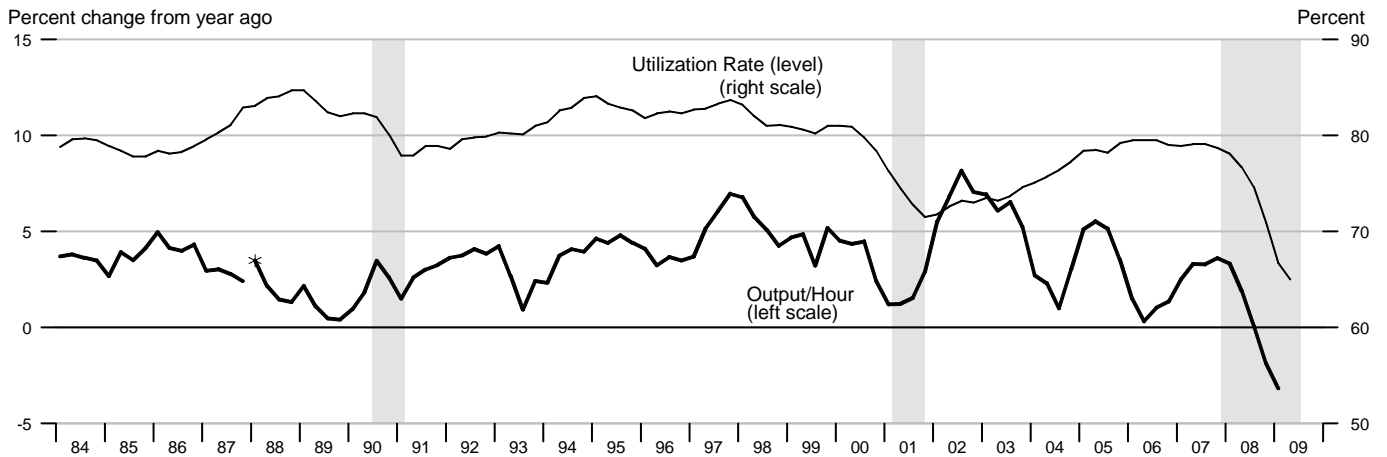


### Real GDP Growth of Major Trading Partners

Compounded annual rates of change

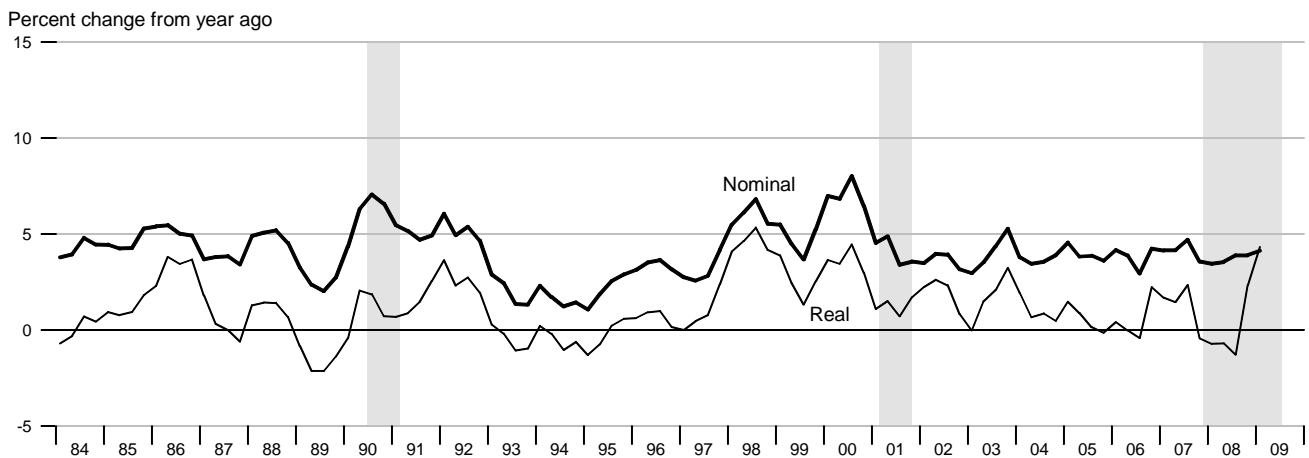


### Output per Hour and Capacity Utilization, Manufacturing

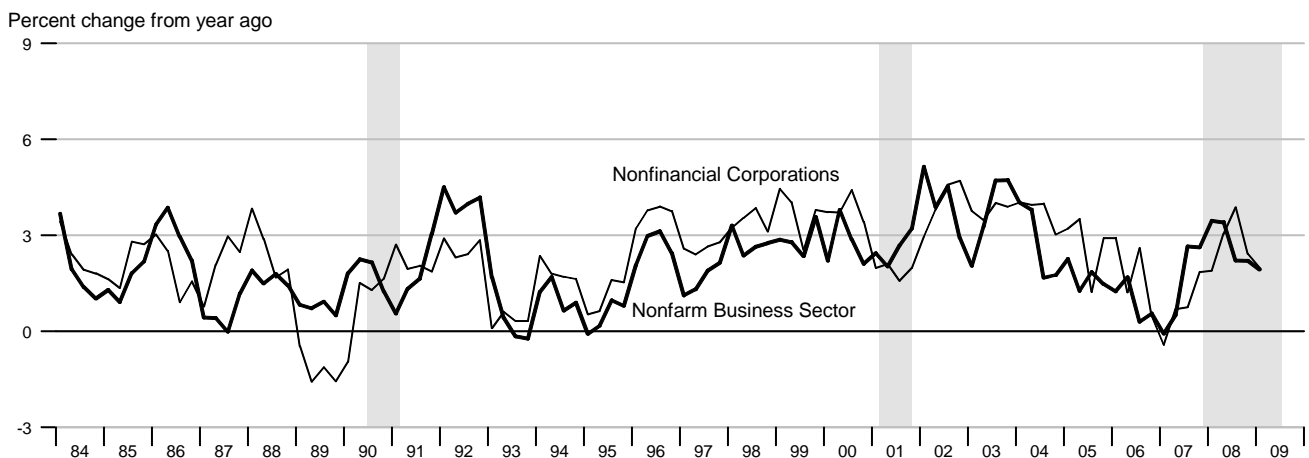


\*Data from 1987 to the present are on a NAICS basis; data prior to 1987 are on an SIC basis and are not strictly comparable (see End Note).

### Nonfarm Compensation per Hour

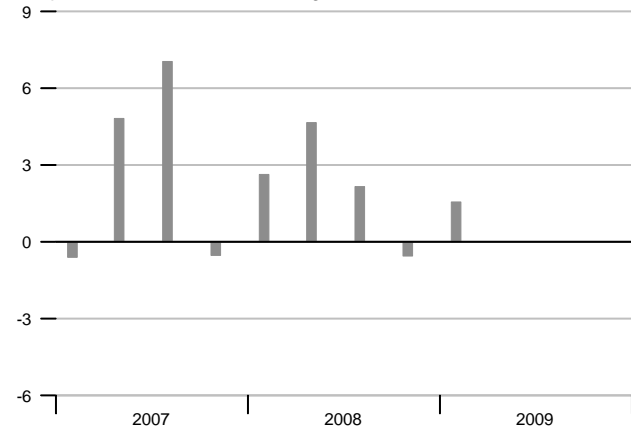


### Output per Hour, Nonfarm Business and Nonfinancial Corporations



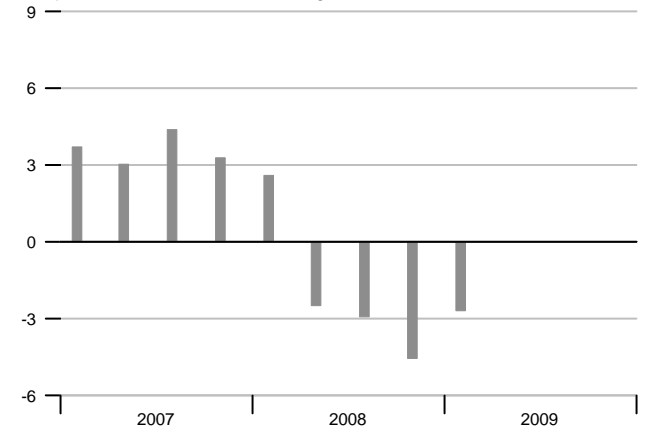
### Nonfarm Output per Hour

Compounded annual rates of change

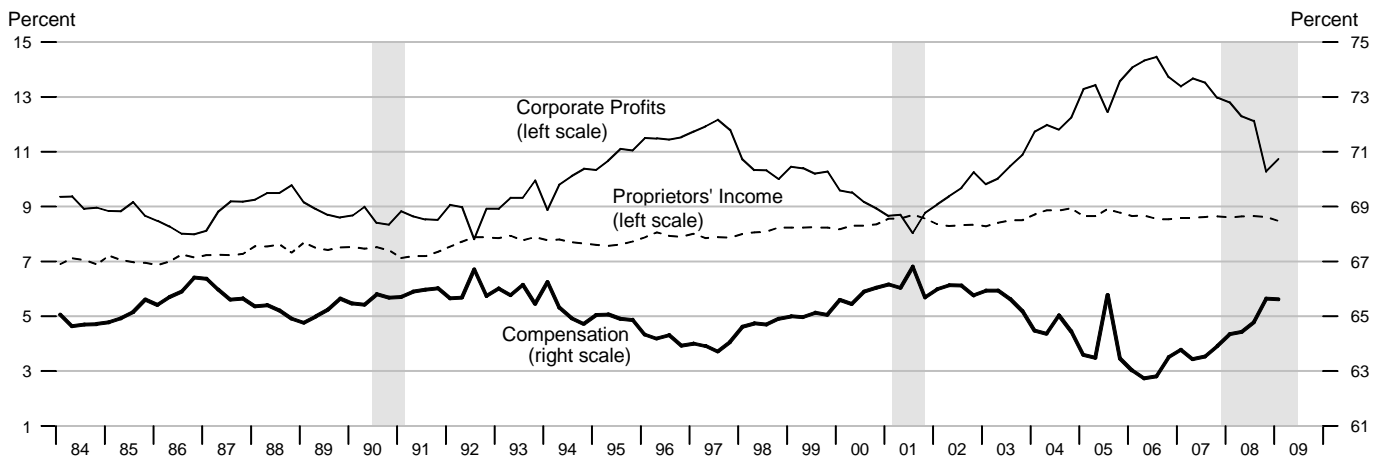


### Manufacturing Output per Hour

Compounded annual rates of change

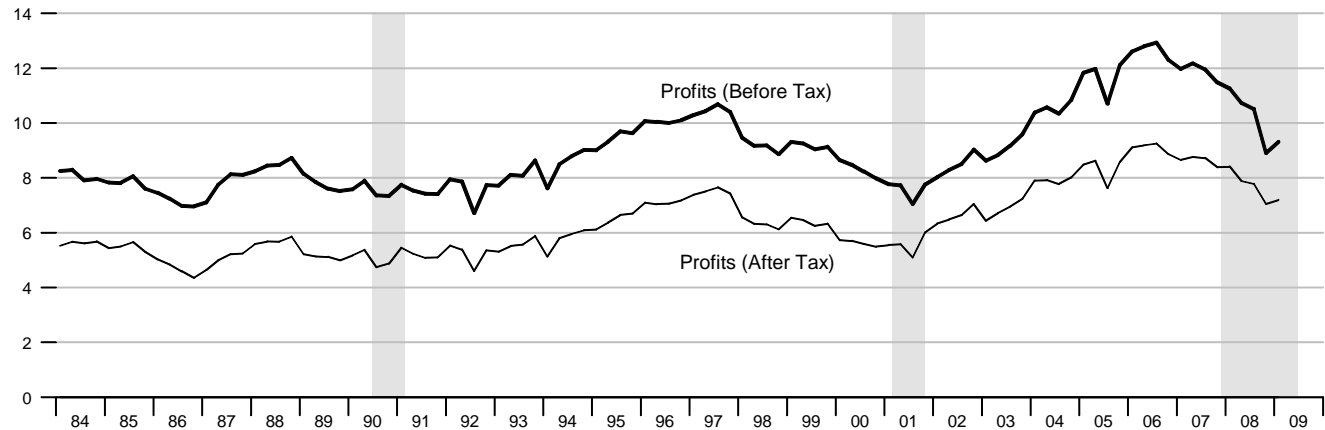


### Selected Component Shares of National Income



### Corporate Profits

Percent of GDP



	Nominal GDP			Real GDP			Final Sales			Change in Private Inventories		
	Billions of \$	Percent change		Billions of 2000 \$	Percent change		Billions of 2000 \$	Percent change		Billions of 2000 \$		
		Annual rate	Year ago		Annual rate	Year ago		Annual rate	Year ago	Last qtr	Year/Year ago	
2005	12421.9		6.3	10989.508		2.9	10947.255		3.1		38.946	
2006	13178.4		6.1	11294.816		2.8	11249.341		2.8		42.301	
2007	13807.5		4.8	11523.944		2.0	11523.416		2.4		-2.480	
2008	14264.6		3.3	11651.957		1.1	11680.998		1.4		-29.022	
2006 1	12959.6	8.6	6.6	11217.261	4.8	3.1	11167.646	5.1	3.4	45.924	31.778	
2	13134.1	5.5	6.8	11291.674	2.7	3.2	11232.065	2.3	2.8	56.922	41.828	
3	13249.6	3.6	5.7	11314.057	0.8	2.4	11257.833	0.9	2.0	53.270	52.395	
4	13370.1	3.7	5.3	11356.368	1.5	2.4	11339.723	2.9	2.8	13.086	42.301	
2007 1	13510.9	4.3	4.3	11357.840	0.1	1.3	11370.469	1.1	1.8	-15.044	27.059	
2	13737.5	6.9	4.6	11491.351	4.8	1.8	11490.523	4.3	2.3	-2.821	12.123	
3	13950.6	6.4	5.3	11625.746	4.8	2.8	11605.013	4.0	3.1	16.001	2.806	
4	14031.2	2.3	4.9	11620.739	-0.2	2.3	11627.950	0.8	2.5	-8.058	-2.481	
2008 1	14150.8	3.5	4.7	11645.968	0.9	2.5	11653.718	0.9	2.5	-10.182	-1.265	
2	14294.5	4.1	4.1	11727.351	2.8	2.1	11778.847	4.4	2.5	-50.550	-13.197	
3	14412.8	3.4	3.3	11712.429	-0.5	0.7	11739.220	-1.3	1.2	-29.588	-24.595	
4	14200.3	-5.8	1.2	11522.078	-6.3	-0.8	11552.209	-6.2	-0.7	-25.769	-29.022	
2009 1	14097.2	-2.9	-0.4	11360.491	-5.5	-2.5	11454.604	-3.3	-1.7	-87.085	-48.248	
	Consumption			Durables Consumption			Private Fixed Investment			Nonresidential Fixed Investment		
	Billions of 2000 \$	Percent change		Billions of 2000 \$	Percent change		Billions of 2000 \$	Percent change		Billions of 2000 \$	Percent change	
		Annual rate	Year ago		Annual rate	Year ago		Annual rate	Year ago		Annual rate	Year ago
2005	7791.732		3.0	1134.384		4.6	1829.815		6.8	1226.160		7.2
2006	8028.958		3.0	1185.122		4.5	1865.493		1.9	1318.159		7.5
2007	8252.773		2.8	1242.395		4.8	1808.543		-3.1	1382.929		4.9
2008	8272.115		0.2	1188.509		-4.3	1718.852		-5.0	1405.418		1.6
2006 1	7947.412	4.3	3.2	1173.061	18.9	5.5	1895.228	8.3	5.8	1295.218	15.9	7.9
2	8002.135	2.8	3.0	1178.310	1.8	3.0	1883.072	-2.5	3.3	1315.436	6.4	7.9
3	8046.346	2.2	2.7	1188.386	3.5	2.5	1859.953	-4.8	0.7	1332.661	5.3	7.7
4	8119.940	3.7	3.2	1200.722	4.2	6.9	1823.721	-7.6	-1.8	1329.322	-1.0	6.5
2007 1	8197.173	3.9	3.1	1227.322	9.2	4.6	1807.821	-3.4	-4.6	1340.423	3.4	3.5
2	8237.272	2.0	2.9	1242.274	5.0	5.4	1821.269	3.0	-3.3	1373.787	10.3	4.4
3	8278.517	2.0	2.9	1249.405	2.3	5.1	1816.954	-0.9	-2.3	1402.876	8.7	5.3
4	8298.196	1.0	2.2	1250.580	0.4	4.2	1788.160	-6.2	-1.9	1414.655	3.4	6.4
2008 1	8316.055	0.9	1.5	1237.008	-4.3	0.8	1762.404	-5.6	-2.5	1423.095	2.4	6.2
2	8341.328	1.2	1.3	1228.280	-2.8	-1.1	1754.899	-1.7	-3.6	1431.818	2.5	4.2
3	8260.590	-3.8	-0.2	1180.123	-14.8	-5.5	1731.058	-5.3	-4.7	1425.682	-1.7	1.6
4	8170.485	-4.3	-1.5	1108.623	-22.1	-11.4	1627.045	-22.0	-9.0	1341.076	-21.7	-5.2
2009 1	8198.049	1.4	-1.4	1134.117	9.5	-8.3	1445.867	-37.6	-18.0	1193.412	-37.3	-16.1

	GDP Chain Price Index			Employment Cost Index			ECI: Wages			ECI: Benefits		
	Index	Percent change		Index	Percent change		Index	Percent change		Index	Percent change	
		Annual rate	Year ago		Annual rate	Year ago		Annual rate	Year ago		Annual rate	Year ago
2005	113.039		3.3	99.2		3.1	99.2		2.5	99.2		4.6
2006	116.676		3.2	102.1		2.9	102.1		2.9	102.1		2.9
2007	119.819		2.7	105.2		3.1	105.5		3.4	104.5		2.4
2008	122.500		2.2	108.2		2.8	108.7		3.0	107.2		2.6
2006 1	115.536	3.5	3.4	100.8	2.4	2.6	100.8	2.8	2.5	100.8	2.0	2.9
2	116.317	2.7	3.5	101.6	3.2	2.8	101.6	3.2	2.8	101.6	3.2	2.8
3	117.109	2.8	3.2	102.5	3.6	3.0	102.5	3.6	3.1	102.5	3.6	2.8
4	117.742	2.2	2.8	103.3	3.2	3.1	103.3	3.2	3.2	103.4	3.6	3.1
2007 1	118.935	4.1	2.9	104.0	2.7	3.2	104.3	3.9	3.5	103.1	-1.2	2.3
2	119.531	2.0	2.8	104.8	3.1	3.1	105.0	2.7	3.3	104.2	4.3	2.6
3	119.984	1.5	2.5	105.6	3.1	3.0	105.9	3.5	3.3	104.9	2.7	2.3
4	120.826	2.8	2.6	106.5	3.5	3.1	106.7	3.1	3.3	105.9	3.9	2.4
2008 1	121.613	2.6	2.3	107.2	2.7	3.1	107.6	3.4	3.2	106.5	2.3	3.3
2	121.951	1.1	2.0	107.9	2.6	3.0	108.4	3.0	3.2	106.9	1.5	2.6
3	123.134	3.9	2.6	108.6	2.6	2.8	109.1	2.6	3.0	107.5	2.3	2.5
4	123.302	0.5	2.0	109.1	1.9	2.4	109.6	1.8	2.7	107.9	1.5	1.9
2009 1	124.160	2.8	2.1	109.3	0.7	2.0	109.8	0.7	2.0	108.1	0.7	1.5
	Exports			Imports			Nonfarm Output per Hour			Nonfarm Compensation per Hour		
	Billions of 2000 \$	Percent change		Billions of 2000 \$	Percent change		Index	Percent change		Index	Percent change	
		Annual rate	Year ago		Annual rate	Year ago		Annual rate	Year ago		Annual rate	Year ago
2005	1205.274		7.0	1821.900		5.9	133.862		1.7	162.132		4.0
2006	1314.848		9.1	1930.515		6.0	135.123		0.9	168.293		3.8
2007	1425.912		8.4	1972.412		2.2	137.049		1.4	175.248		4.1
2008	1514.086		6.2	1904.284		-3.5	140.897		2.8	181.704		3.7
2006 1	1284.261	16.7	9.0	1920.229	10.3	6.6	134.832	1.9	1.3	166.506	4.5	4.2
2	1301.418	5.5	8.2	1920.864	0.1	6.5	135.642	2.4	1.7	167.026	1.3	3.9
3	1312.622	3.5	9.0	1935.666	3.1	7.1	135.086	-1.6	0.3	167.961	2.3	2.9
4	1361.067	15.6	10.1	1945.317	2.0	3.8	134.938	-0.4	0.6	171.651	9.1	4.2
2007 1	1363.150	0.6	6.1	1981.783	7.7	3.2	134.731	-0.6	-0.1	173.407	4.2	4.1
2	1392.190	8.8	7.0	1963.366	-3.7	2.2	136.326	4.8	0.5	173.973	1.3	4.2
3	1466.244	23.0	11.7	1978.005	3.0	2.2	138.665	7.0	2.6	175.845	4.4	4.7
4	1482.053	4.4	8.9	1966.509	-2.3	1.1	138.482	-0.5	2.6	177.765	4.4	3.6
2008 1	1500.591	5.1	10.1	1962.628	-0.8	-1.0	139.385	2.6	3.5	179.396	3.7	3.5
2	1544.749	12.3	11.0	1926.000	-7.3	-1.9	140.980	4.7	3.4	180.150	1.7	3.6
3	1556.096	3.0	6.1	1909.146	-3.5	-3.5	141.732	2.2	2.2	182.680	5.7	3.9
4	1454.909	-23.6	-1.8	1819.361	-17.5	-7.5	141.533	-0.6	2.2	184.704	4.5	3.9
2009 1	1327.740	-30.6	-11.5	1624.576	-36.4	-17.2	142.079	1.6	1.9	186.797	4.6	4.1

	Household Survey Employment				Nonfarm Payroll Employment				Nonfarm Aggregate Hours				
	Thousands	Change	Percent change		Thousands	Change	Percent change		Index	Percent change			
			Annual rate	Year ago			Annual rate	Year ago		Monthly rate	Annual rate	Year ago	
2004	139240	1511		1.1	131419	1423		1.1	100.2			1.6	
2005	141714	2474		1.8	133699	2280		1.7	102.7			2.6	
2006	144420	2707		1.9	136098	2398		1.8	105.8			3.0	
2007	146050	1629		1.1	137604	1507		1.1	107.3			1.4	
2008	145368	-681		-0.5	137046	-558		-0.4	106.2			-1.0	
2007	1	146081	459	1.3	1.9	137265	498	1.5	1.4	106.8	0.2	0.8	1.8
	2	145873	-208	-0.6	1.3	137557	292	0.9	1.2	107.3	0.4	1.8	1.5
	3	145969	96	0.3	1.0	137595	38	0.1	1.0	107.3	0.0	0.0	1.3
	4	146275	306	0.8	0.4	138000	406	1.2	0.9	107.7	0.4	1.5	1.0
2008	1	146138	-137	-0.4	0.0	137943	-57	-0.2	0.5	107.5	-0.1	-0.5	0.7
	2	145990	-149	-0.4	0.1	137509	-434	-1.3	-0.0	106.9	-0.6	-2.3	-0.3
	3	145299	-690	-1.9	-0.5	137004	-505	-1.5	-0.4	106.1	-0.7	-2.8	-1.1
	4	144046	-1253	-3.4	-1.5	135727	-1277	-3.7	-1.6	104.1	-1.9	-7.4	-3.3
2009	1	141578	-2468	-6.7	-3.1	133662	-2065	-5.9	-3.1	101.7	-2.3	-8.9	-5.4
	2	140591	-987	-2.8	-3.7	132111	-1551	-4.6	-3.9	99.6	-2.0	-7.9	-6.8
2007	Jun	146057	142	1.2	1.2	137645	54	0.5	1.2	107.5	0.1	1.1	1.6
	Jul	145972	-85	-0.7	1.2	137580	-65	-0.6	1.1	107.3	-0.2	-2.2	1.3
	Aug	145732	-240	-2.0	0.8	137552	-28	-0.2	0.9	107.2	-0.1	-1.1	1.0
	Sep	146203	471	3.9	1.0	137652	100	0.9	0.9	107.3	0.1	1.1	1.4
	Oct	145867	-336	-2.7	0.4	137817	165	1.4	1.0	107.5	0.2	2.3	1.2
	Nov	146665	798	6.8	0.7	138032	215	1.9	0.9	107.7	0.2	2.3	1.1
	Dec	146294	-371	-3.0	0.2	138152	120	1.0	0.8	107.8	0.1	1.1	0.7
2008	Jan	146317	23	0.2	0.2	138080	-72	-0.6	0.7	107.5	-0.3	-3.3	0.8
	Feb	146075	-242	-2.0	0.1	137936	-144	-1.2	0.5	107.6	0.1	1.1	0.9
	Mar	146023	-52	-0.4	-0.2	137814	-122	-1.1	0.3	107.5	-0.1	-1.1	0.3
	Apr	146257	234	1.9	0.4	137654	-160	-1.4	0.2	107.4	-0.1	-1.1	0.5
	May	145974	-283	-2.3	0.0	137517	-137	-1.2	-0.1	106.9	-0.5	-5.4	-0.5
	Jun	145738	-236	-1.9	-0.2	137356	-161	-1.4	-0.2	106.4	-0.5	-5.5	-1.0
	Jul	145596	-142	-1.2	-0.3	137228	-128	-1.1	-0.3	106.2	-0.2	-2.2	-1.0
	Aug	145273	-323	-2.6	-0.3	137053	-175	-1.5	-0.4	106.4	0.2	2.3	-0.7
	Sep	145029	-244	-2.0	-0.8	136732	-321	-2.8	-0.7	105.8	-0.6	-6.6	-1.4
	Oct	144657	-372	-3.0	-0.8	136352	-380	-3.3	-1.1	105.0	-0.8	-8.7	-2.3
	Nov	144144	-513	-4.2	-1.7	135755	-597	-5.1	-1.6	104.1	-0.9	-9.8	-3.3
	Dec	143338	-806	-6.5	-2.0	135074	-681	-5.9	-2.2	103.2	-0.9	-9.9	-4.3
2009	Jan	142099	-1239	-9.9	-2.9	134333	-741	-6.4	-2.7	102.5	-0.7	-7.8	-4.7
	Feb	141748	-351	-2.9	-3.0	133652	-681	-5.9	-3.1	101.9	-0.6	-6.8	-5.3
	Mar	140887	-861	-7.1	-3.5	133000	-652	-5.7	-3.5	100.7	-1.2	-13.3	-6.3
	Apr	141007	120	1.0	-3.6	132481	-519	-4.6	-3.8	100.1	-0.6	-6.9	-6.8
	May	140570	-437	-3.7	-3.7	132159	-322	-2.9	-3.9	99.8	-0.3	-3.5	-6.6
	Jun	140196	-374	-3.1	-3.8	131692	-467	-4.2	-4.1	99.0	-0.8	-9.2	-7.0

		Unempl. Rate	Retail and Food Services Sales				Industrial Production				Treasury Yields	
			Billions of dollars	Percent change			Index	Percent change			(Percent)	
				Monthly/ quarterly	Annual rate	Year ago			Monthly/ quarterly	Annual rate	Year ago	3-mo
2004		5.5	3833.094			6.1	103.8293			2.5	1.37	4.27
2005		5.1	4078.223			6.4	107.2289			3.3	3.15	4.29
2006		4.6	4294.467			5.3	109.6790			2.3	4.73	4.79
2007		4.6	4435.842			3.3	111.3193			1.5	4.35	4.63
2008		5.8	4404.659			-0.7	108.8185			-2.2	1.37	3.67
2007	1	4.5	1095.943	1.3	5.2	2.6	110.4694	0.5	1.8	1.3	4.98	4.68
	2	4.5	1101.816	0.5	2.2	3.0	111.1307	0.6	2.4	1.4	4.74	4.85
	3	4.7	1108.003	0.6	2.3	3.1	111.7206	0.5	2.1	1.4	4.30	4.73
	4	4.8	1130.080	2.0	8.2	4.4	111.9566	0.2	0.8	1.8	3.39	4.26
2008	1	4.9	1124.247	-0.5	-2.0	2.6	112.0106	0.0	0.2	1.4	2.04	3.66
	2	5.4	1128.585	0.4	1.6	2.4	110.7109	-1.2	-4.6	-0.4	1.63	3.89
	3	6.1	1112.645	-1.4	-5.5	0.4	108.1232	-2.3	-9.0	-3.2	1.49	3.86
	4	6.9	1039.182	-6.6	-23.9	-8.0	104.4294	-3.4	-13.0	-6.7	0.30	3.25
2009	1	8.1	1024.683	-1.4	-5.5	-8.9	99.0433	-5.2	-19.1	-11.6	0.21	2.74
	2	9.3	1020.414	-0.4	-1.7	-9.6	96.0396	-3.0	-11.6	-13.3	0.17	3.31
2007	Jun	4.6	366.129	-1.1	-11.9	3.0	111.1951	0.0	0.6	1.2	4.61	5.10
	Jul	4.7	367.715	0.4	5.3	2.6	111.5406	0.3	3.8	1.3	4.82	5.00
	Aug	4.7	368.282	0.2	1.9	2.6	111.6142	0.1	0.8	1.2	4.20	4.67
	Sep	4.7	372.006	1.0	12.8	4.2	112.0071	0.4	4.3	1.8	3.89	4.52
	Oct	4.8	373.893	0.5	6.3	4.5	111.4196	-0.5	-6.1	1.5	3.90	4.53
	Nov	4.7	379.767	1.6	20.6	5.6	112.0541	0.6	7.1	2.3	3.27	4.15
	Dec	4.9	376.420	-0.9	-10.1	3.3	112.3962	0.3	3.7	1.7	3.00	4.10
2008	Jan	4.9	376.262	-0.0	-0.5	3.6	112.3389	-0.1	-0.6	2.2	2.75	3.74
	Feb	4.8	373.140	-0.8	-9.5	2.4	112.0435	-0.3	-3.1	1.1	2.12	3.74
	Mar	5.1	374.845	0.5	5.6	1.8	111.6495	-0.4	-4.1	0.9	1.26	3.51
	Apr	5.0	376.009	0.3	3.8	2.8	111.0012	-0.6	-6.7	-0.0	1.29	3.68
	May	5.5	376.662	0.2	2.1	1.8	110.6820	-0.3	-3.4	-0.4	1.73	3.88
	Jun	5.6	375.914	-0.2	-2.4	2.7	110.4494	-0.2	-2.5	-0.7	1.86	4.10
	Jul	5.8	373.898	-0.5	-6.2	1.7	110.3760	-0.1	-0.8	-1.0	1.63	4.01
	Aug	6.2	372.192	-0.5	-5.3	1.1	109.1570	-1.1	-12.5	-2.2	1.72	3.89
	Sep	6.2	366.555	-1.5	-16.7	-1.5	104.8367	-4.0	-38.4	-6.4	1.13	3.69
	Oct	6.6	355.037	-3.1	-31.8	-5.0	106.1626	1.3	16.3	-4.7	0.67	3.81
	Nov	6.8	347.707	-2.1	-22.1	-8.4	104.7607	-1.3	-14.7	-6.5	0.19	3.53
	Dec	7.2	336.438	-3.2	-32.7	-10.6	102.3650	-2.3	-24.2	-8.9	0.03	2.42
2009	Jan	7.6	342.017	1.7	21.8	-9.1	100.1154	-2.2	-23.4	-10.9	0.13	2.52
	Feb	8.1	343.438	0.4	5.1	-8.0	99.3593	-0.8	-8.7	-11.3	0.30	2.87
	Mar	8.5	339.228	-1.2	-13.8	-9.5	97.6552	-1.7	-18.7	-12.5	0.21	2.82
	Apr	8.9	338.344	-0.3	-3.1	-10.0	96.9476	-0.7	-8.4	-12.7	0.16	2.93
	May	9.4	339.932	0.5	5.8	-9.8	95.7749	-1.2	-13.6	-13.5	0.18	3.29
	Jun	9.5	342.138	0.6	8.1	-9.0	95.3964	-0.4	-4.6	-13.6	0.18	3.72

		Consumer Price Index					Consumer Price Index less Food and Energy					Producer Price Index Finished Goods			
		Percent change					Percent change					Percent change			
		Index	Monthly/ quarterly	Annual rate	Year ago	Year to date	Index	Monthly/ quarterly	Annual rate	Year ago	Year to date	Index	Monthly/ quarterly	Annual rate	Year ago
2004		188.908			2.7		196.642			1.8		148.5			3.6
2005		195.292			3.4		200.883			2.2		155.8			4.9
2006		201.583			3.2		205.933			2.5		160.3			2.9
2007		207.348			2.9		210.730			2.3		166.6			3.9
2008		215.224			3.8		215.570			2.3		177.3			6.4
2007	1	204.426	1.0	3.9	2.4	3.9	208.993	0.6	2.3	2.6	2.3	162.6	1.6	6.4	1.9
	2	206.542	1.0	4.2	2.6	4.0	210.097	0.5	2.1	2.3	2.2	166.0	2.0	8.5	3.4
	3	207.747	0.6	2.4	2.3	3.5	211.204	0.5	2.1	2.1	2.2	166.9	0.6	2.4	3.6
	4	210.679	1.4	5.8	4.0	4.0	212.627	0.7	2.7	2.3	2.3	171.0	2.4	10.1	6.8
2008	1	213.007	1.1	4.5	4.2	4.5	213.942	0.6	2.5	2.4	2.5	174.4	2.0	8.1	7.2
	2	215.358	1.1	4.5	4.3	4.5	215.007	0.5	2.0	2.3	2.3	178.5	2.4	9.9	7.6
	3	218.620	1.5	6.2	5.2	5.1	216.493	0.7	2.8	2.5	2.4	182.7	2.4	9.7	9.5
	4	213.910	-2.2	-8.3	1.5	1.5	216.836	0.2	0.6	2.0	2.0	173.4	-5.1	-19.0	1.4
2009	1	212.632	-0.6	-2.4	-0.2	-2.4	217.659	0.4	1.5	1.7	1.5	170.5	-1.6	-6.4	-2.2
	2	213.335	0.3	1.3	-0.9	-0.5	218.949	0.6	2.4	1.8	2.0	171.1	0.3	1.3	-4.2
2007	Jun	207.023	0.2	2.0	2.6	3.7	210.492	0.2	2.4	2.2	2.3	166.1	-0.2	-2.1	3.2
	Jul	207.338	0.2	1.8	2.3	3.4	210.866	0.2	2.2	2.2	2.3	167.2	0.7	8.2	4.0
	Aug	207.520	0.1	1.1	1.9	3.1	211.159	0.1	1.7	2.1	2.2	166.2	-0.6	-6.9	2.4
	Sep	208.382	0.4	5.1	2.8	3.3	211.587	0.2	2.5	2.1	2.2	167.4	0.7	9.0	4.5
	Oct	209.133	0.4	4.4	3.6	3.5	212.070	0.2	2.8	2.2	2.3	168.6	0.7	8.9	6.3
	Nov	211.166	1.0	12.3	4.4	4.2	212.644	0.3	3.3	2.3	2.4	172.6	2.4	32.5	7.6
	Dec	211.737	0.3	3.3	4.2	4.2	213.166	0.2	3.0	2.4	2.4	171.8	-0.5	-5.4	6.4
2008	Jan	212.495	0.4	4.4	4.4	4.4	213.714	0.3	3.1	2.5	3.1	173.4	0.9	11.8	7.8
	Feb	212.860	0.2	2.1	4.2	3.2	213.859	0.1	0.8	2.3	2.0	174.1	0.4	5.0	6.9
	Mar	213.667	0.4	4.6	4.1	3.7	214.252	0.2	2.2	2.4	2.1	175.6	0.9	10.8	6.9
	Apr	213.997	0.2	1.9	3.9	3.2	214.496	0.1	1.4	2.3	1.9	176.0	0.2	2.8	6.4
	May	215.044	0.5	6.0	4.0	3.8	214.950	0.2	2.6	2.3	2.0	178.6	1.5	19.2	7.3
	Jun	217.034	0.9	11.7	4.8	5.1	215.575	0.3	3.5	2.4	2.3	181.0	1.3	17.4	9.0
	Jul	218.610	0.7	9.1	5.4	5.6	216.162	0.3	3.3	2.5	2.4	183.4	1.3	17.1	9.7
	Aug	218.576	-0.0	-0.2	5.3	4.9	216.534	0.2	2.1	2.5	2.4	182.5	-0.5	-5.7	9.8
	Sep	218.675	0.0	0.5	4.9	4.4	216.784	0.1	1.4	2.5	2.3	182.3	-0.1	-1.3	8.9
	Oct	216.889	-0.8	-9.4	3.7	2.9	216.758	-0.0	-0.1	2.2	2.0	177.6	-2.6	-26.9	5.3
	Nov	213.263	-1.7	-18.3	1.0	0.8	216.868	0.1	0.6	2.0	1.9	172.8	-2.7	-28.0	0.1
	Dec	211.577	-0.8	-9.1	-0.1	-0.1	216.882	0.0	0.1	1.7	1.7	169.7	-1.8	-19.5	-1.2
2009	Jan	212.174	0.3	3.4	-0.2	3.4	217.265	0.2	2.1	1.7	2.1	171.2	0.9	11.1	-1.3
	Feb	213.007	0.4	4.8	0.1	4.1	217.670	0.2	2.3	1.8	2.2	171.1	-0.1	-0.7	-1.7
	Mar	212.714	-0.1	-1.6	-0.4	2.2	218.042	0.2	2.1	1.8	2.2	169.3	-1.1	-11.9	-3.6
	Apr	212.671	-0.0	-0.2	-0.6	1.6	218.594	0.3	3.1	1.9	2.4	169.8	0.3	3.6	-3.5
	May	212.876	0.1	1.2	-1.0	1.5	218.910	0.1	1.7	1.8	2.3	170.2	0.2	2.9	-4.7
	Jun	214.459	0.7	9.3	-1.2	2.7	219.344	0.2	2.4	1.7	2.3	173.2	1.8	23.3	-4.3

## Notes

Pages 4, 5: **Final Sales** is gross domestic product (GDP) minus change in private inventories. **Advance, Preliminary, and Final GDP Growth Rates** are released during the first, second, and third months of the following quarter. Changes result from incorporation of more complete information. Real GDP is measured in 2000 dollars. The **ISM** (formerly Purchasing Managers') **Index** is a weighted average of diffusion indexes for new orders, production, supplier deliveries, inventories, and employment. **Aggregate and Average Weekly Hours** are paid hours of production and nonsupervisory employees. The **Inventory-Sales Ratio** uses nominal (current-dollar) inventory and sales data.

Page 6: For information on how to calculate the **Contribution** of a component to the overall GDP growth rate, see the October 1999 issue of the Survey of Current Business, p. 16. The sign is changed for **Imports**.

Page 7: Ten-year **Treasury Yields** are adjusted to constant maturity; three-month yields are secondary market averages. All rates used in the yield curves are adjusted to constant maturity. The 30-year constant maturity series was discontinued by the Treasury Department as of Feb. 18, 2002. **Standard and Poor's 500 Index with Reinvested Dividends** shows the total return: capital gains plus dividends.

Pages 8, 9: **Oil** (West Texas intermediate) and **Natural Gas** (Henry Hub) spot and futures **prices** are listed in the *Wall Street Journal*. Spot prices are monthly averages of daily prices; futures prices are usually taken from the last trading day of the month. **Consumer Price Index** is for all urban consumers. The **Consumption Chain Price Index** is the index associated with the personal consumption expenditures component of GDP. The **Employment Cost Index (ECI)** covers private nonfarm employers. **ECI Compensation** refers to a fixed sample of jobs, while **Compensation per Hour** covers all workers in the nonfarm business sector in a given quarter. In both cases, compensation is wages and salaries plus benefits.

Pages 10, 11: Effective with the January 2008 **Employment Situation**, the establishment survey data for employment, hours, and earnings have been converted from the 2002 NAICS system to the 2007 NAICS system. For more information see <http://www.bls.gov/ces/>. **Nonfarm Payroll Employment** is counted in a survey of about 400,000 establishments (Current Employment Statistics). It excludes self-employed individuals and workers in private households, but double-counts individuals with more than one job. The **Household Survey** (Current Population Survey) of about 60,000 households provides estimates of civilian employment, unemployment rate, labor force participation rate, and employment-population ratio. **Population** is civilian, noninstitutional, 16 years and over. The 90 percent confidence intervals for the unemployment rate ( $\pm 0.2$  percentage points) and change in household survey employment ( $\pm 430,000$ ) measure uncertainty due to sample size. Because the household survey was changed in January 1994, data prior to this date are not strictly comparable. The Bureau of Labor Statistics announced several revisions to the Household Survey on Feb. 7, 2003, with the release of the January 2003 data. For more information, see [www.bls.gov/cps/](http://www.bls.gov/cps/). The **Job Openings rate** is the number of job openings on the last business day of the month as a percent of total employment plus job openings.

Page 13: The **Michigan Consumer Sentiment Index** shows changes in a summary measure of consumers' answers to five questions about their current and expected financial situation, expectations about future economic conditions, and attitudes about making large purchases. The survey is based on a representative sample of U.S. households.

Page 15: **Gross Private Saving** is the sum of personal saving, undistributed corporate profits with IVA and CCAj (see notes for pp. 18-19), and private wage accruals less disbursements. **Gross Government Saving** is net government saving (surplus/deficit) plus consumption of fixed capital. **Balance on Current Account (NIPA)** is net capital transfer payments to the rest of the world plus net lending or net borrowing (international trade and income flows).

Pages 16, 17: **Government Consumption and Investment** is current expenditures on goods and services, including capital consumption (depreciation) and gross investment, as reported in the NIPAs. The **Unified Federal Budget Surplus/Deficit** differs from **NIPA Basis** in four main ways: (1) NIPA excludes transactions involving existing assets; (2) NIPA outlays exclude government investment and include consumption of government capital, while unified budget outlays do the reverse; (3) NIPA accounts exclude Puerto Rico and U.S. territories; and (4) various timing issues are handled differently. **Outlays and Receipts** are from the NIPAs, except as noted. Since 1977, the federal **Fiscal Year** starts on October 1. Excluded agency debt was 0.6 percent of federal debt at the end of fiscal 1997. **Federal Debt Held by the Public** includes holdings of the Federal Reserve System and excludes holdings of the social security and other federal trust funds. Federal grants in aid to state and local governments appear in both state and local receipts and federal outlays.

Pages 18, 19: The **Trade Balance** (shown on a balance of payments basis) is the difference between exports and imports of goods (merchandise) and services. It is nearly identical in concept to the **Net Exports** component of GDP, but differs slightly in accounting details. The **Investment Income Balance** equals income received from U.S.-owned assets in other countries minus income paid on foreign-owned assets in the U.S. The investment income balance is nearly identical in concept to the difference between gross national product and gross domestic product, but differs in accounting details. The **Current Account Balance** is the trade balance plus the balance on investment income plus net unilateral transfers to the U.S. from other countries.

Pages 20, 21: **Output per Hour (Y/H)**, **Unit Labor Cost (C/Y)**, and **Compensation per Hour (C/H)** are indexes which approximately obey the following relationship:  $\%(Y/H) + \%(C/Y) = \%(C/H)$  with  $\%( )$  meaning percent changes. Unit labor cost is shown on page 9. **Real Compensation per Hour** uses the CPI to adjust for the effects of inflation. Nonfarm business accounted for about 77 percent of the value of GDP in 2000, while nonfinancial corporations accounted for about 54 percent. **Inventory Valuation Adjustments (IVA)** remove the effect of changes in the value of existing inventories from corporate profits and proprietors' income. (This change in value does not correspond to current production and therefore is not part of GDP). **Capital Consumption Adjustments (CCAj)** increase profits and proprietors' income by the difference between estimates of economic depreciation and depreciation allowed by the tax code. Components of national income not shown are rental income of persons and net interest.

## Sources

*Bureau of Economic Analysis (BEA), U.S. Dept. of Commerce*

National income and product accounts, international trade and investment data (except by country), auto and light truck sales.

*Census Bureau, U.S. Dept. of Commerce*

Inventory-sales ratios, retail sales, capital goods orders, housing starts, exports and imports by country.

*Bureau of Labor Statistics (BLS), U.S. Dept. of Labor*

All employment-related data, employment cost index, consumer and producer price indexes, unit labor cost, output per hour, compensation per hour, multifactor productivity.

*United States Department of Treasury*

Unified budget receipts, outlays, deficit, debt.

*Federal Reserve Board*

Index of industrial production, treasury yields, exchange rates, capacity utilization, household debt.

*The Survey Research Center, The University of Michigan*

Consumer sentiment index.

*Organization for Economic Cooperation and Development (OECD)*

GDP for major trading partners (not available on FRED).