

National Economic Trends

Stockholding Is Still Highly Concentrated

The 1990s turned out to be an exceptionally good period for stock market investors. The Standard and Poor's 500 index, which measures the value of the largest 500 firms, reported increases eight years during that decade and climbed 15 percent per year on average. Many observers have noted that the stock market boom in the 1990s coincided with a surge in the number of households that owned stocks, either directly or indirectly—through mutual funds, retirement accounts and other managed assets. As shown in the accompanying chart, the stock market participation rate rose sharply from 32 percent in 1989 to 49 percent in 1998. Thus, the proposition that a large influx of new investors propelled the stock market in the 1990s is worth examining.

Economic theory suggests that if an increase in the number of shareholders spreads stock-market risk over a larger pool of investors, then the rate of return required to compensate shareholders for the risk they bear ought to fall—causing a one-time increase in stock prices. It is tempting, then, to argue that the increase in stock market participation played a significant role in the recent stock market boom. A close examination of the data shows, however, that most new shareholders own a relatively small amount of stocks, so that aggregate stockholdings remain highly concentrated in the hands of the wealthiest 10 percent of households. As shown in the accompanying chart, the share of stocks held by the richest 10 percent of U.S. households remained between 78 and 82 percent for the period 1989 to 1998. Hence, the economic argument discussed above does not apply because, even though the number of shareholders has increased, a relatively small pool of wealthy investors still bears most of the risk in the stock market.

Given that stocks have outperformed government bonds by a large margin on average, it is puzzling that a large fraction of U.S. households holds few or no stocks. In the current issue of the Federal Reserve Bank of St. Louis *Review*, I give a brief survey of possible explanations.¹ First, it is costly to collect and process information about stocks, and such information costs may be prohibitive for small investors. Second, a house is the most important asset held by the average household, and volatile housing prices pose a considerable risk, which could lead to conservative financial investing. Third, stock market returns are volatile in the short run and tend to be negative during business cycle downturns—just when workers face an increased risk of being unemployed. Thus, working people—who face considerable labor income risk and have a limited ability to borrow—often choose to put their savings into relatively safe assets instead of stocks.

Although information costs arguably have become less important due to the information technology revolution, patterns of home ownership and reliance on labor income help explain why stock ownership remains highly concentrated in the hands of a few wealthy households, despite the large increase in the number of shareholders in the last decade.

—Hui Guo

¹Guo, Hui. "A Simple Model of Limited Stock Market Participation." Federal Reserve Bank of St. Louis *Review*, V. 83, No. 3, May/June 2001.

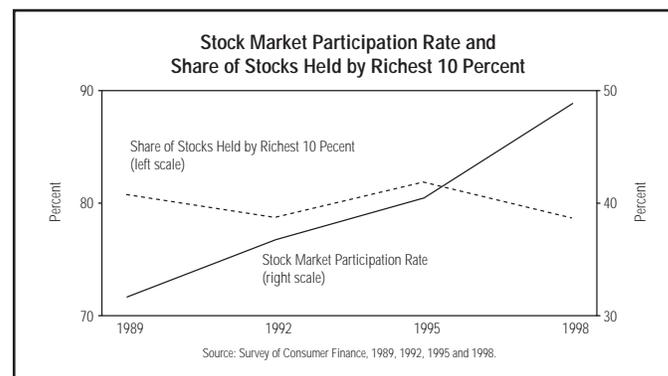


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Conventions used in this publication:

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 in the previous year. The *percent change at annual rate* 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 percent change at annual rate of X between the previous quarter $t-1$ and the current quarter t is:

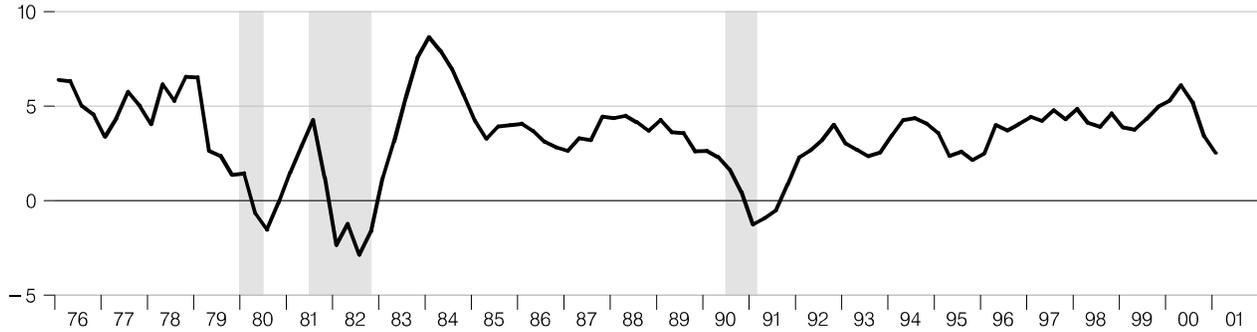
$$100 \times \left[\left(\frac{X_t}{X_{t-1}} \right)^4 - 1 \right]$$

For monthly data replace 4 with 12.

3. All data with significant seasonal patterns are seasonally adjusted, unless labeled NSA.

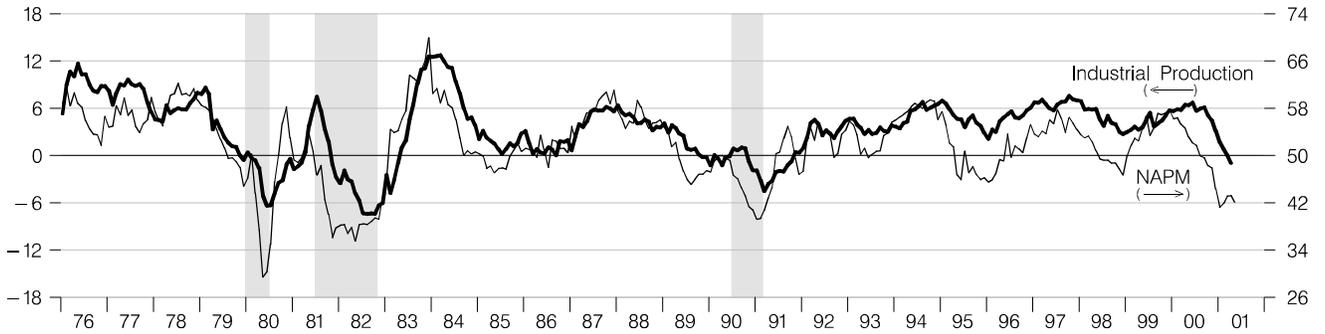
Real Gross Domestic Product

Percent change from year ago



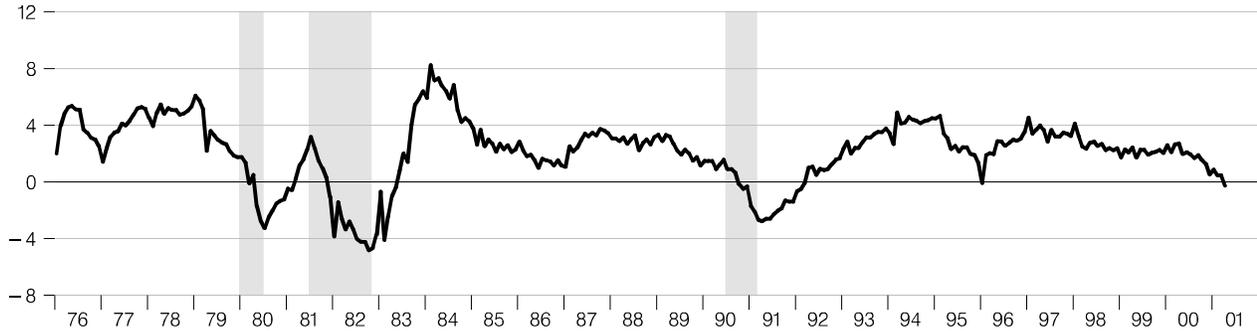
Industrial Production and Purchasing Managers' (NAPM) Indexes

Percent change from year ago



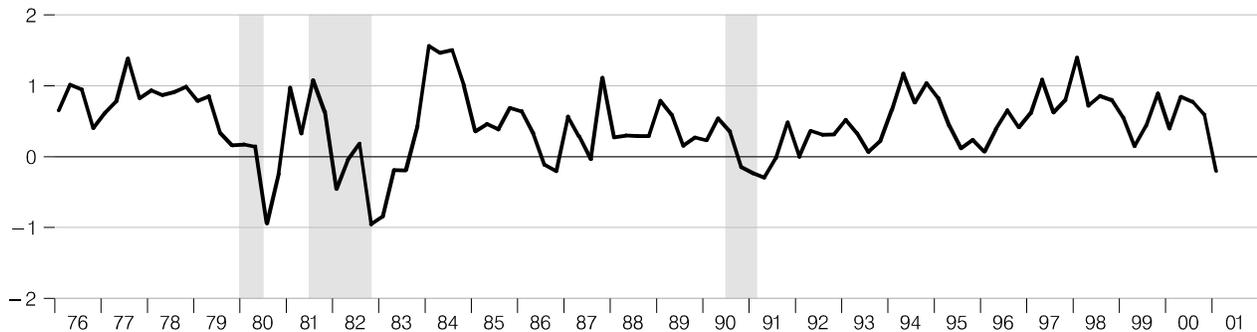
Aggregate Private Nonfarm Hours

Percent change from year ago

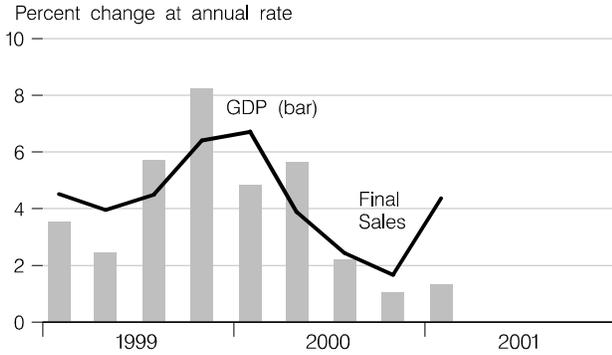


Real Change in Private Inventories

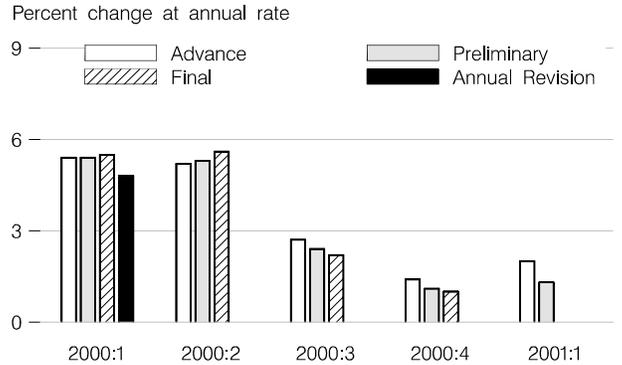
Percent of GDP



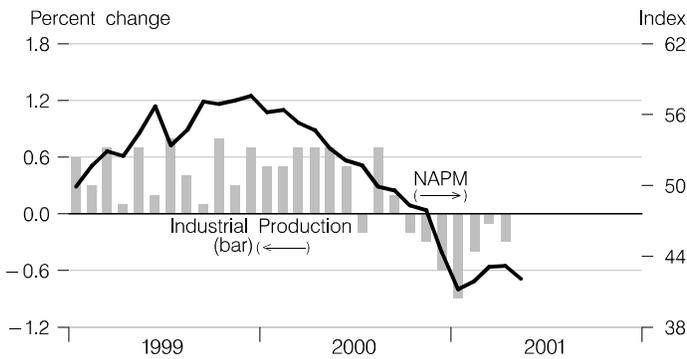
Real Final Sales and GDP



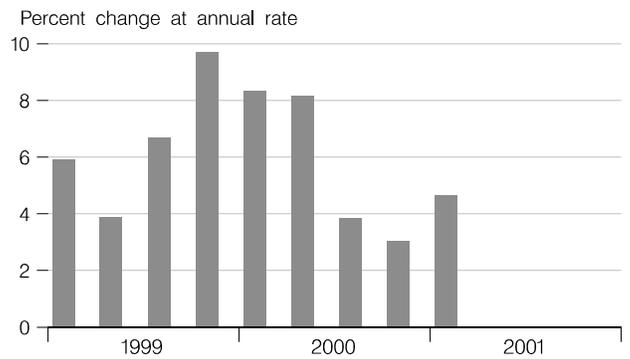
Real GDP Revisions



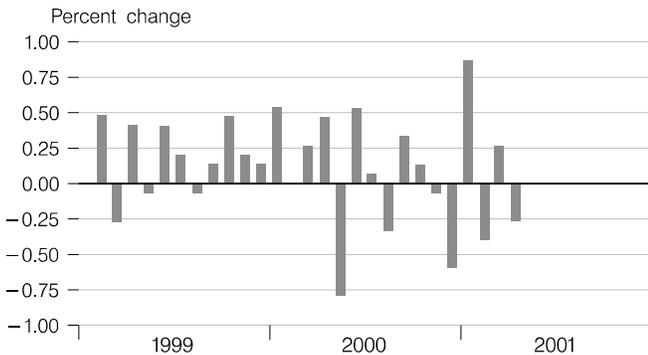
Industrial Production and NAPM Index



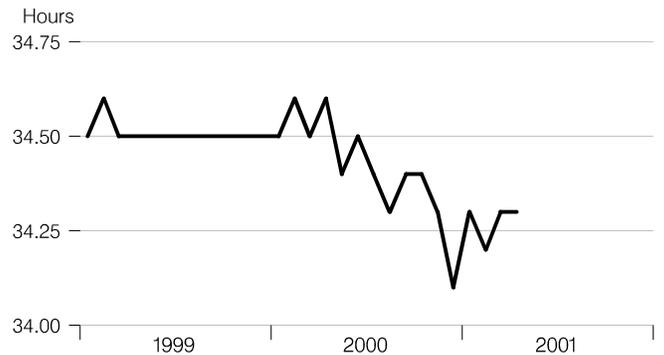
Nominal Gross Domestic Product



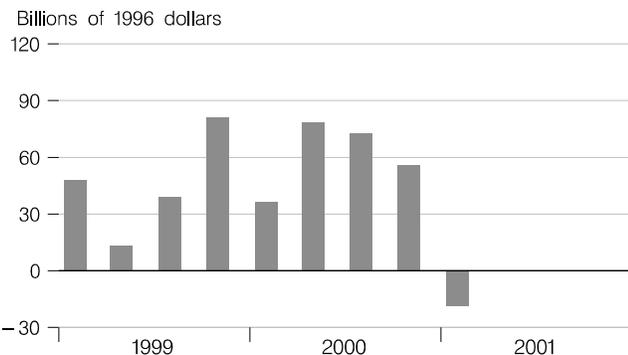
Aggregate Private Nonfarm Hours



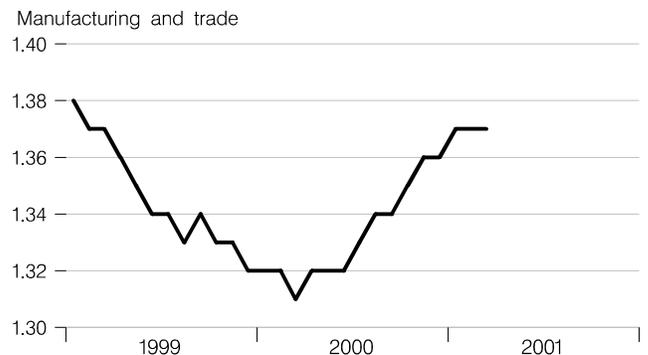
Average Weekly Private Nonfarm Hours



Real Change in Private Inventories

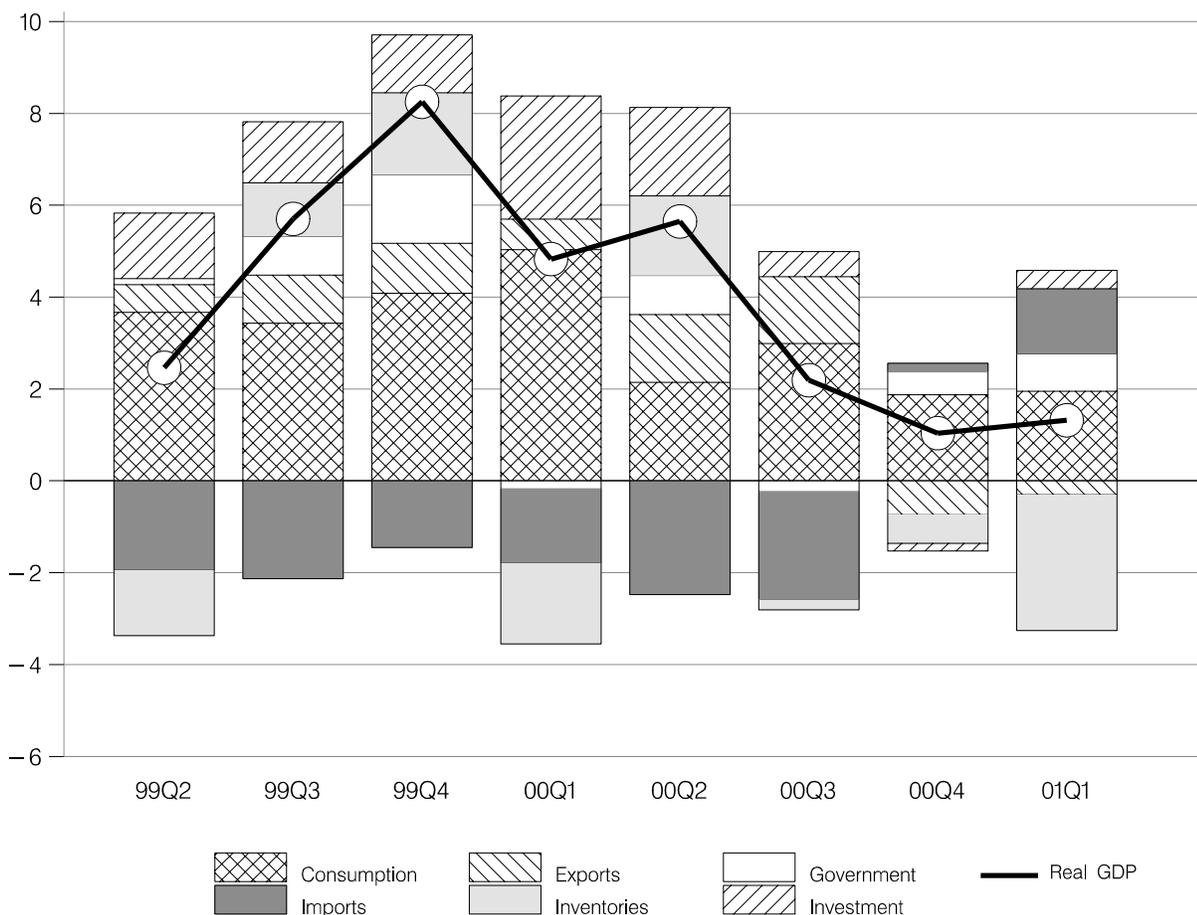


Inventory-Sales Ratio



Contribution of Components to Real GDP Growth

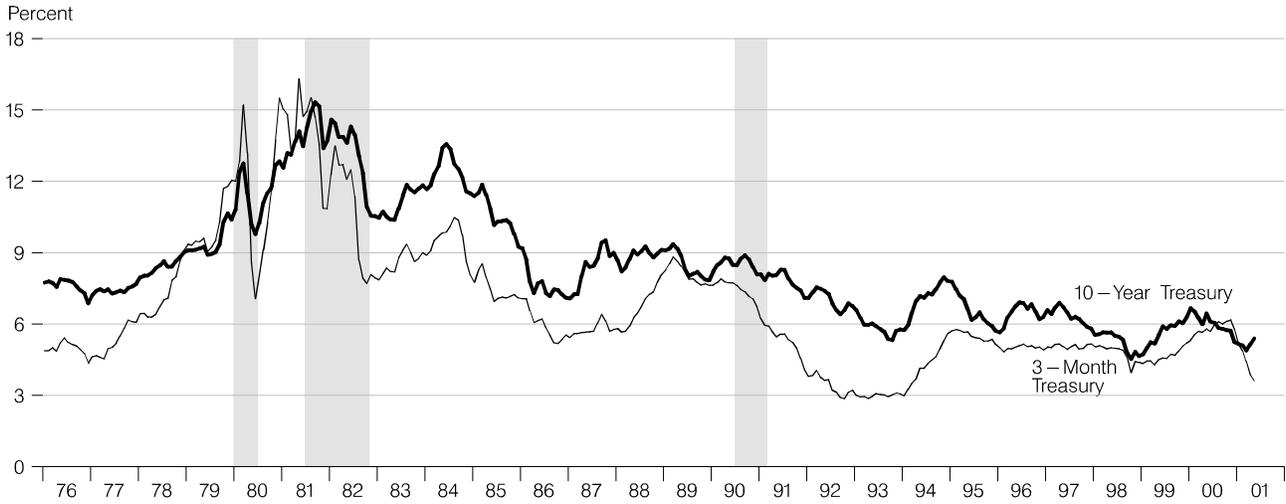
Percent change at annual rate



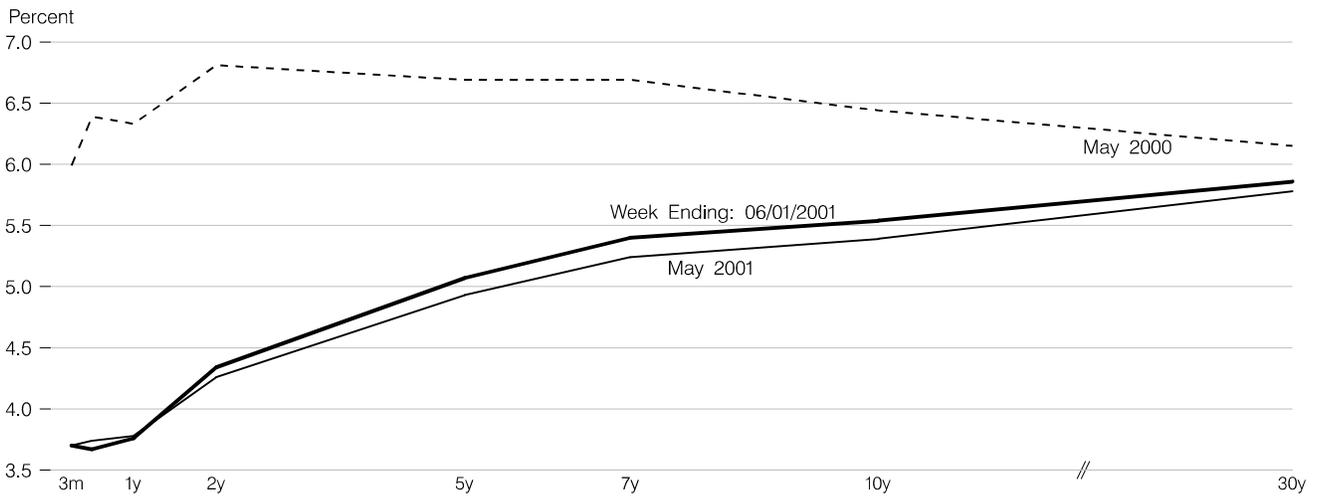
Contributions to Real GDP Growth Rate

| | 1999 | | | 2000 | | | | 2001 |
|---------------------|-------|-------|-------|-------|-------|-------|-------|-------|
| | 2nd | 3rd | 4th | 1st | 2nd | 3rd | 4th | 1st |
| Real GDP | 2.46 | 5.70 | 8.25 | 4.83 | 5.65 | 2.19 | 1.04 | 1.32 |
| Final Sales | 3.88 | 4.53 | 6.47 | 6.59 | 3.92 | 2.41 | 1.66 | 4.28 |
| Change in Inventory | -1.42 | 1.17 | 1.78 | -1.76 | 1.73 | -0.22 | -0.62 | -2.96 |
| Consumption | 3.67 | 3.43 | 4.08 | 5.03 | 2.14 | 2.99 | 1.87 | 1.95 |
| Fixed Investment | 1.43 | 1.33 | 1.26 | 2.68 | 1.93 | 0.55 | -0.17 | 0.40 |
| Nonresidential | 1.18 | 1.47 | 1.22 | 2.54 | 1.87 | 1.02 | -0.02 | 0.28 |
| Residential | 0.25 | -0.13 | 0.03 | 0.14 | 0.06 | -0.47 | -0.15 | 0.12 |
| Government | 0.13 | 0.84 | 1.50 | -0.18 | 0.85 | -0.24 | 0.50 | 0.82 |
| Federal | 0.12 | 0.41 | 0.79 | -0.93 | 0.97 | -0.57 | 0.22 | 0.29 |
| State and Local | 0.01 | 0.43 | 0.71 | 0.75 | -0.12 | 0.33 | 0.28 | 0.53 |
| Net Exports | -1.35 | -1.08 | -0.37 | -0.94 | -1.00 | -0.90 | -0.55 | 1.11 |
| Exports | 0.60 | 1.05 | 1.09 | 0.67 | 1.48 | 1.45 | -0.74 | -0.30 |
| Imports | -1.95 | -2.13 | -1.45 | -1.61 | -2.48 | -2.35 | 0.19 | 1.41 |
| Residual | 0.31 | 0.05 | -0.11 | 0.10 | -0.12 | 0.06 | 0.18 | 0.07 |

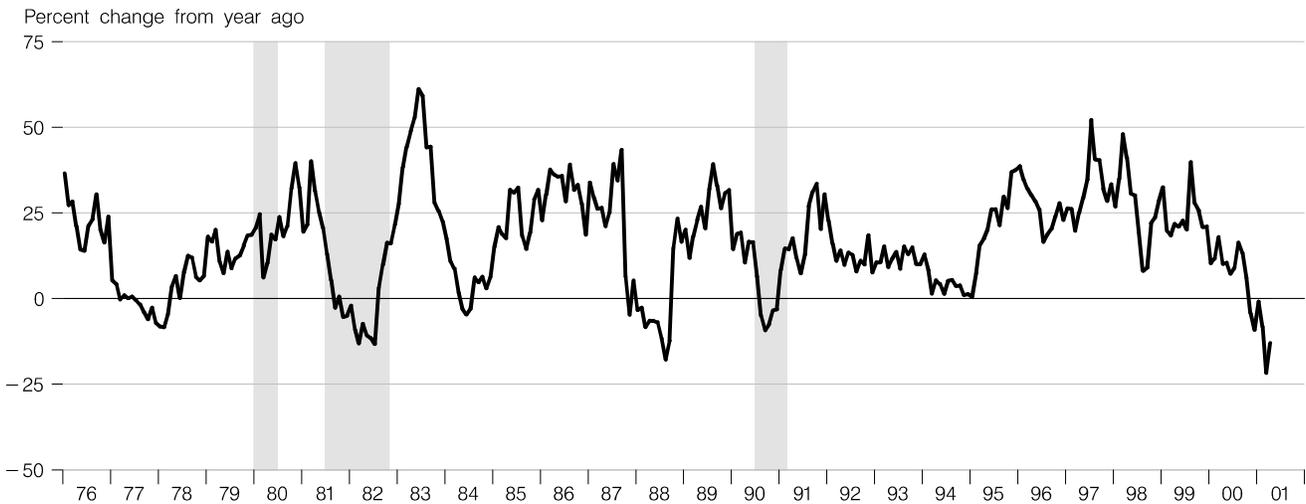
Interest Rates



Treasury Yield Curve

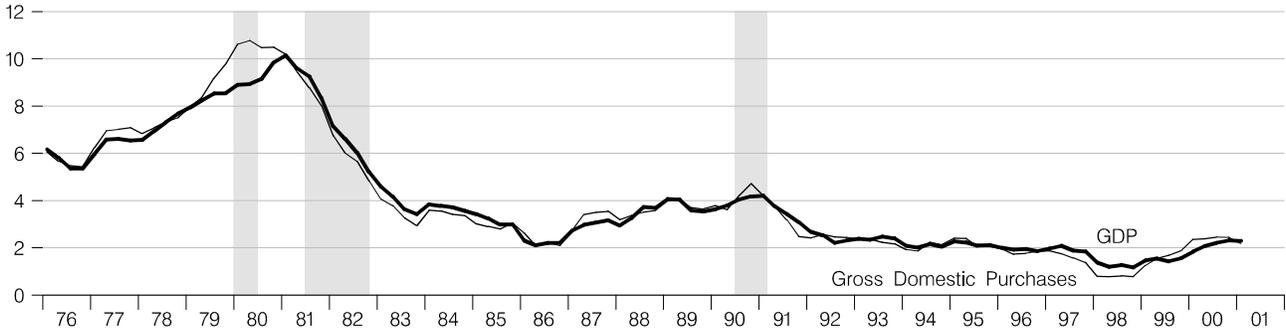


Standard and Poor's 500 Index with Reinvested Dividends



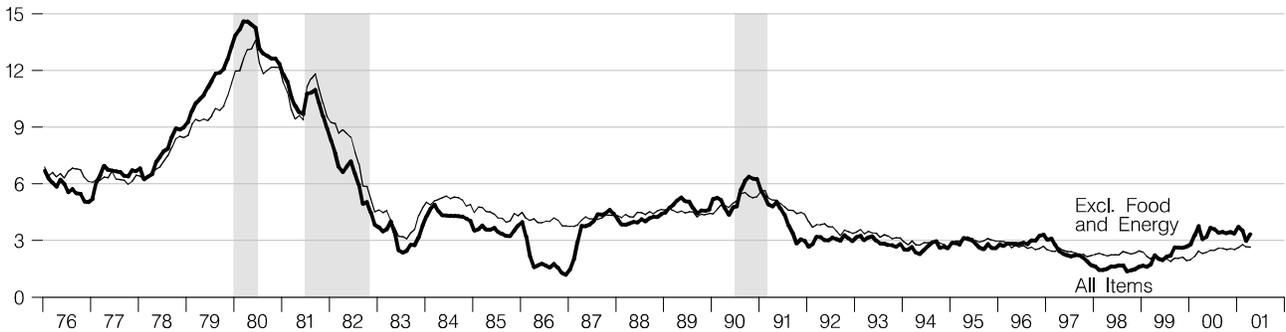
NIPA Chain Price Indexes

Percent change from year ago



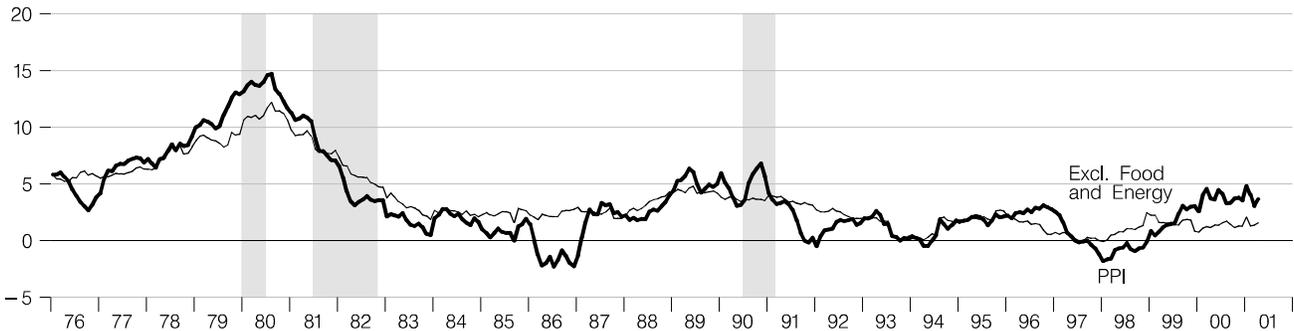
Consumer Price Index

Percent change from year ago



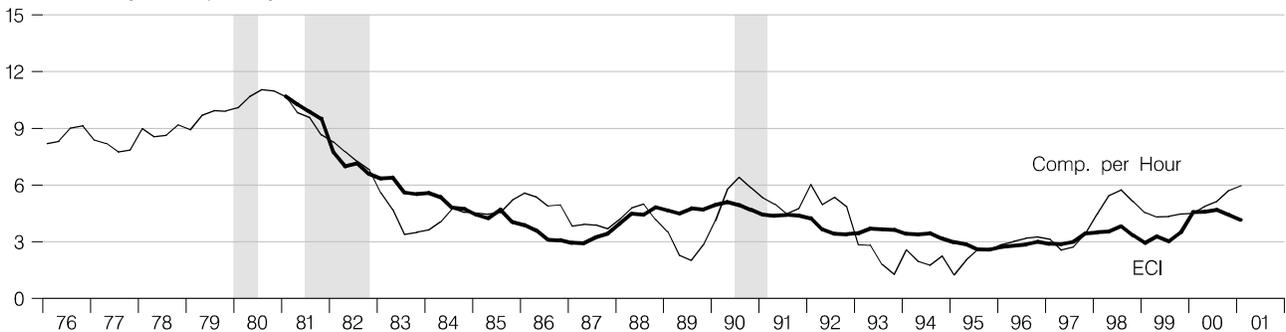
Producer Price Index, Finished Goods

Percent change from year ago

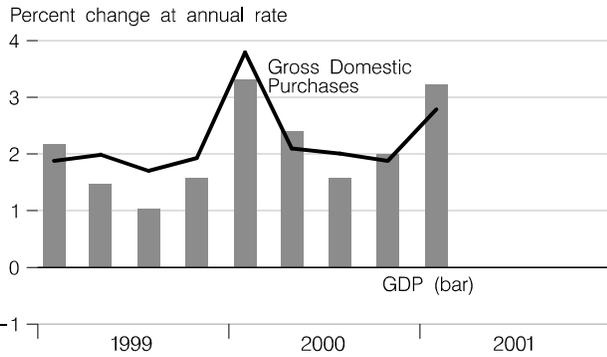


Employment Cost Index and Compensation per Hour

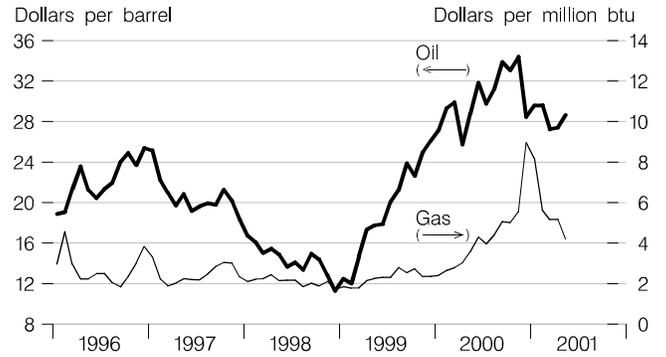
Percent change from year ago



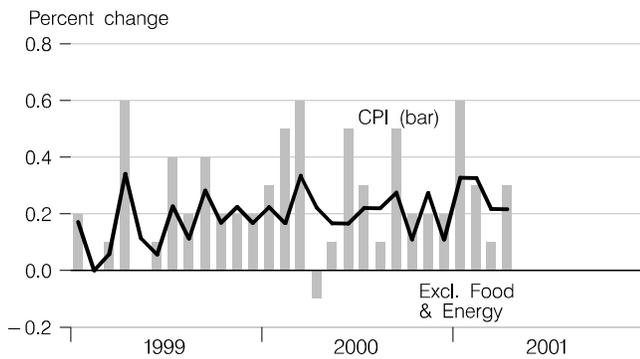
NIPA Chain Price Indexes



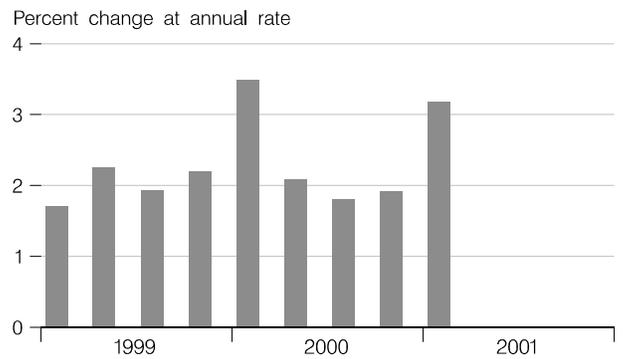
Crude Oil and Natural Gas Prices



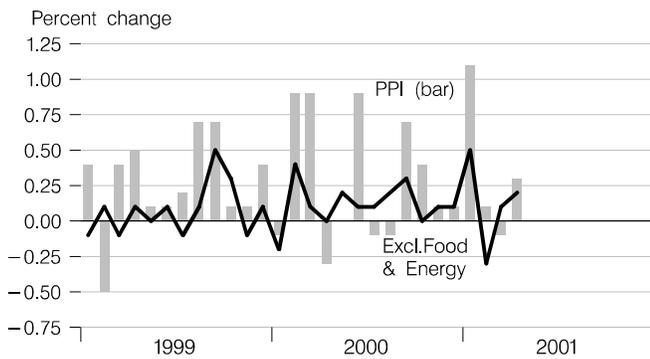
Consumer Price Index



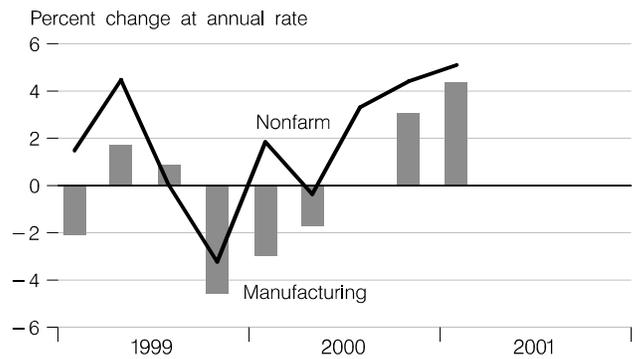
Consumption Chain Price Index



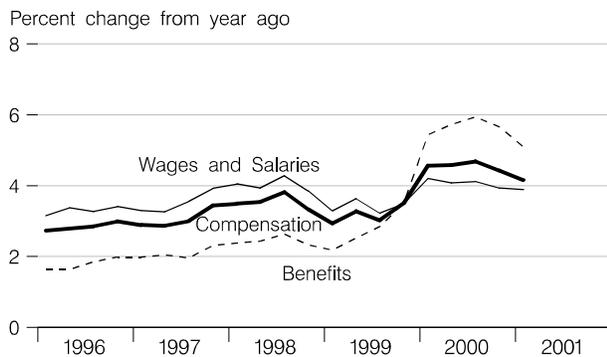
Producer Price Index, Finished Goods



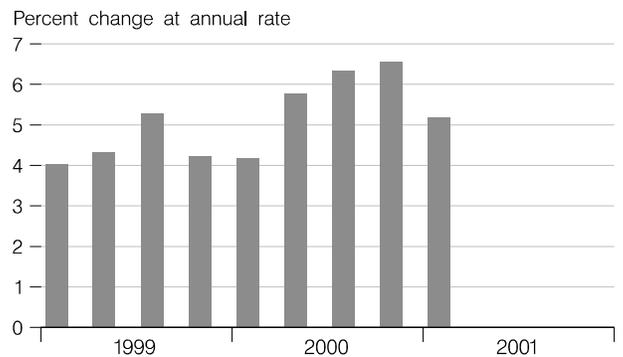
Unit Labor Cost



Employment Cost Index

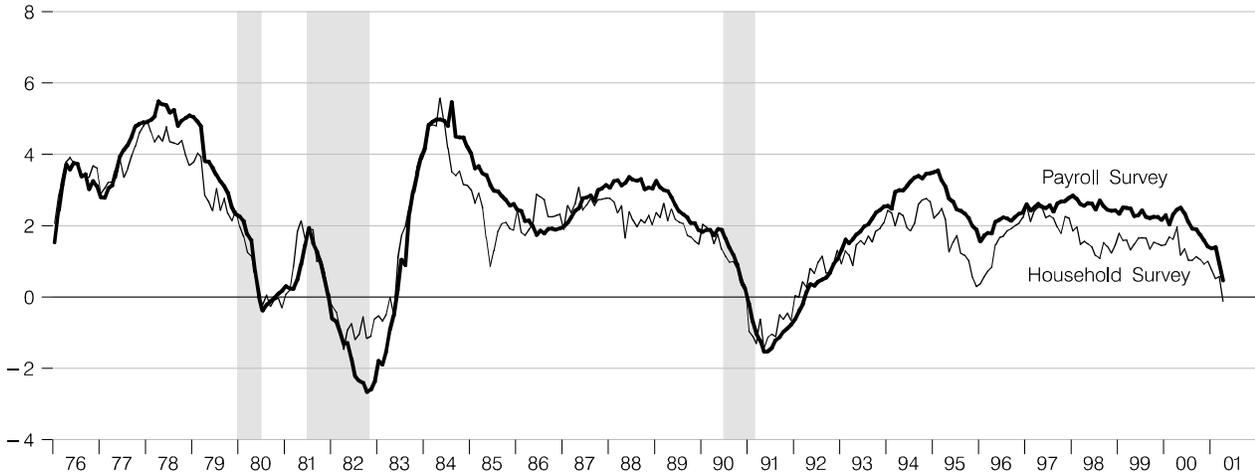


Compensation per Hour



Employment

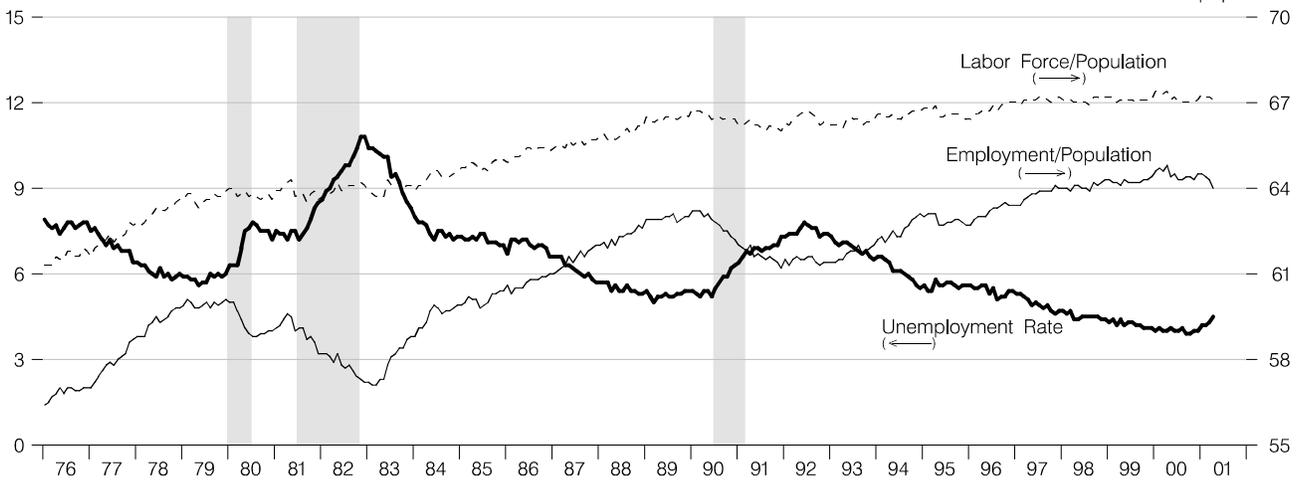
Percent change from year ago



Unemployment, Labor Force Participation and Employment Rates

Percent of labor force

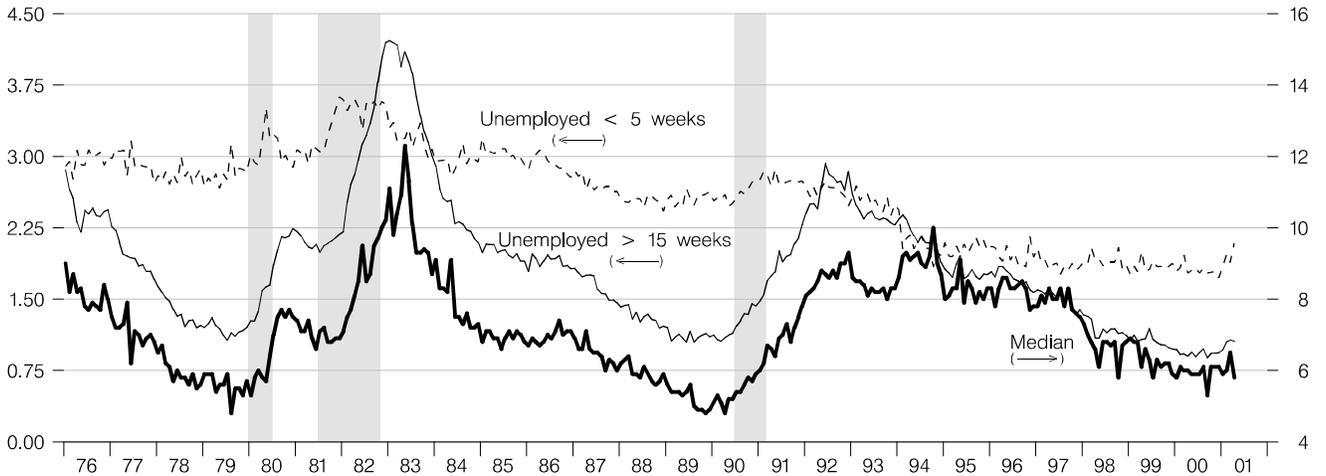
Percent of population



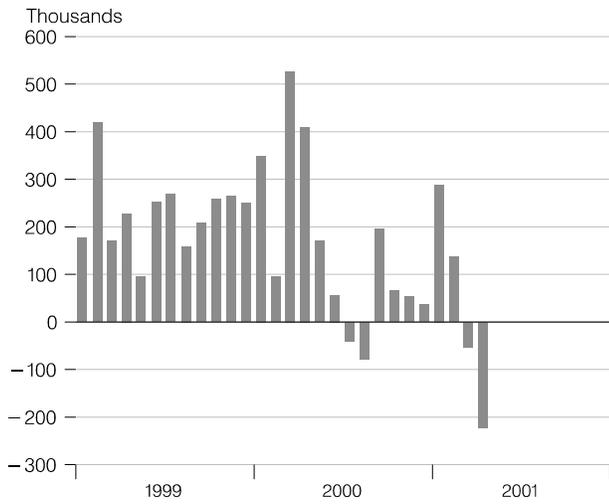
Duration of Unemployment

Percent of labor force

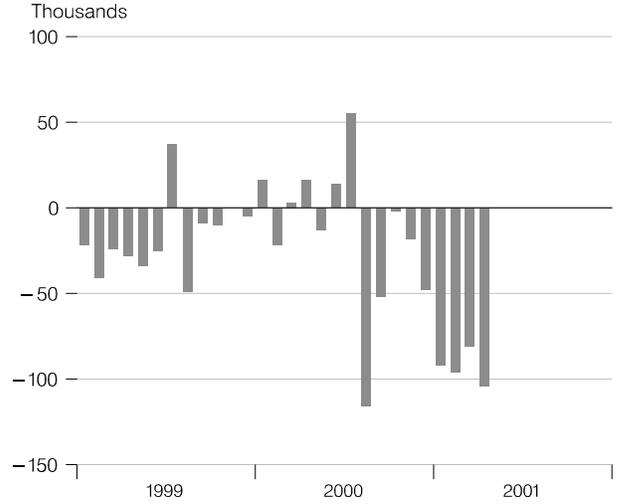
Weeks



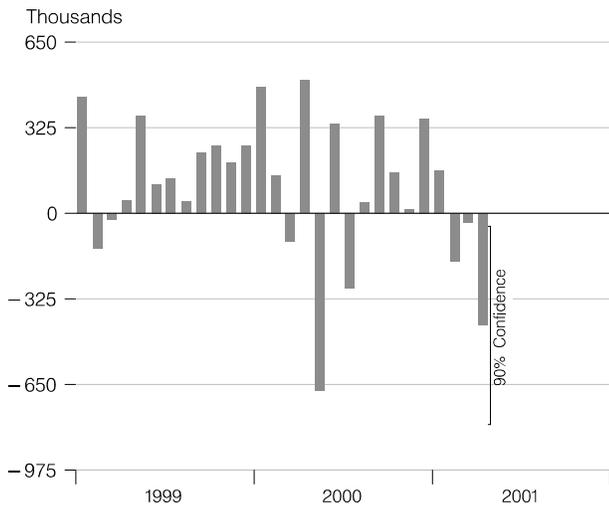
Change in Nonfarm Payrolls



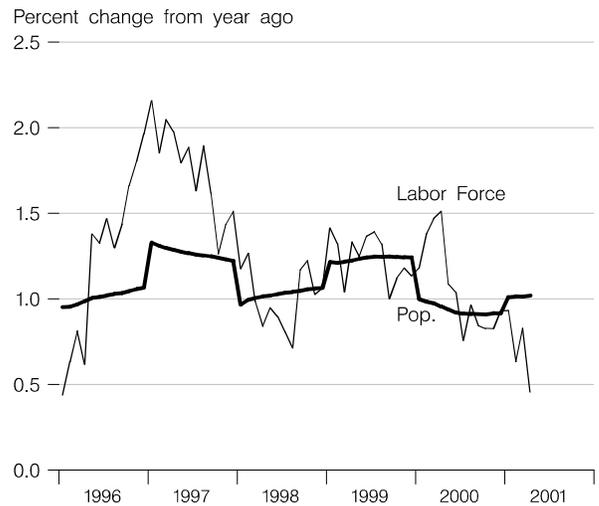
Change in Manufacturing Payrolls



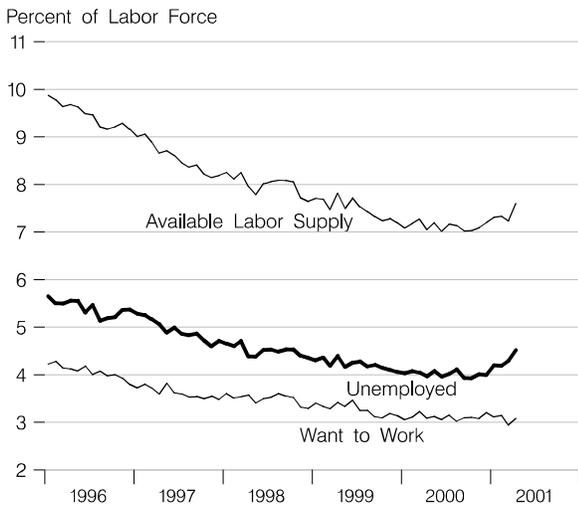
Change in Household Employment



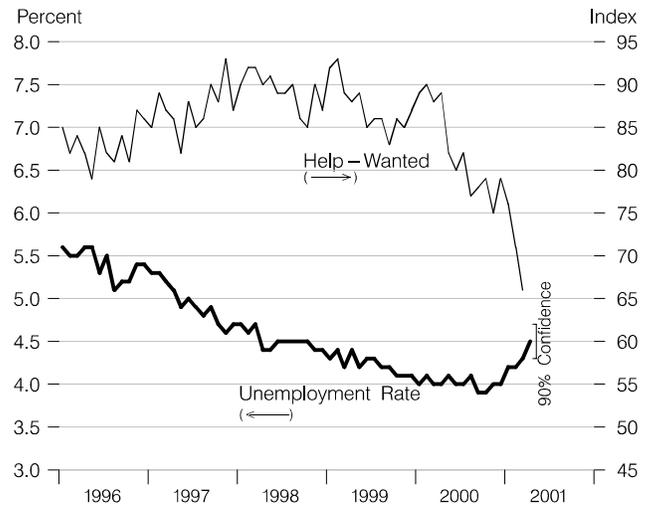
Labor Force and Population



Available Labor Supply and Components

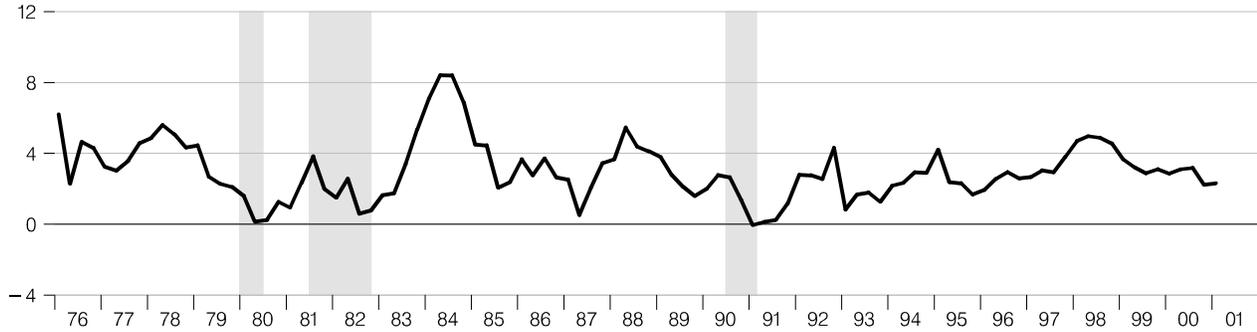


Unemployment Rate and Help-Wanted Advertising Index



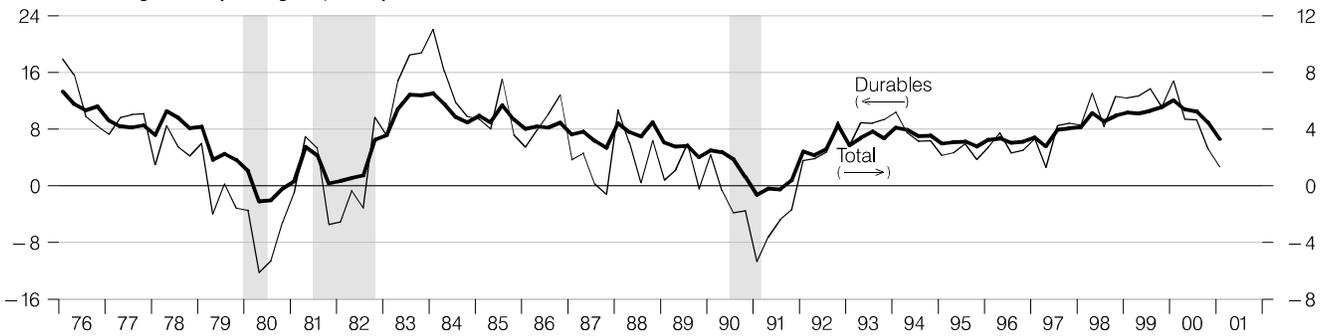
Real Disposable Personal Income

Percent change from year ago, quarterly data



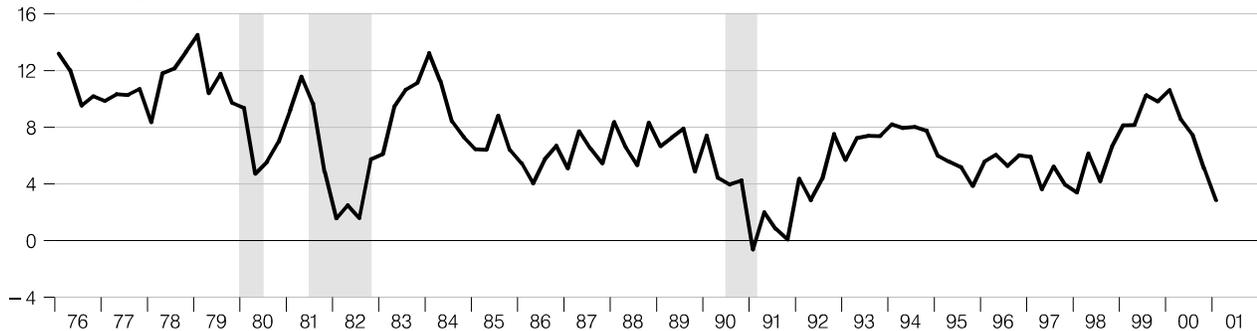
Real Consumption

Percent change from year ago, quarterly data



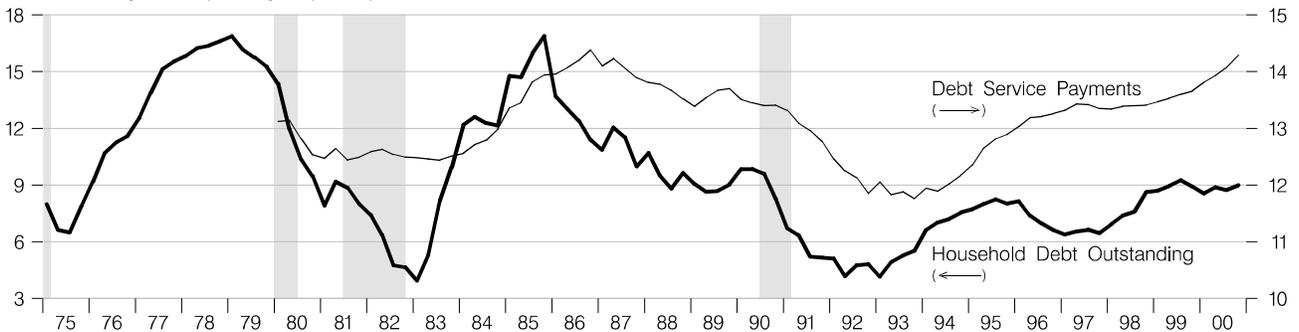
Retail Sales

Percent change from year ago, quarterly average

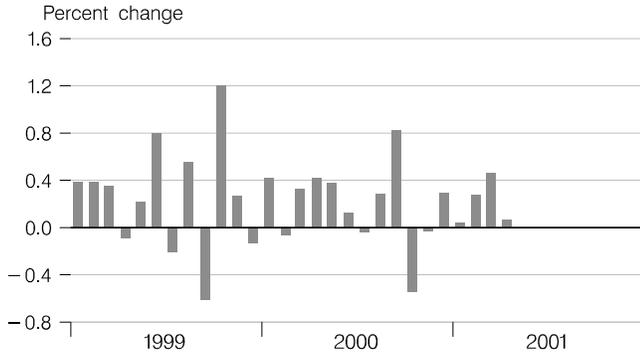


Debt Service Payments as a Percent of Disposable Income and Household Debt Outstanding

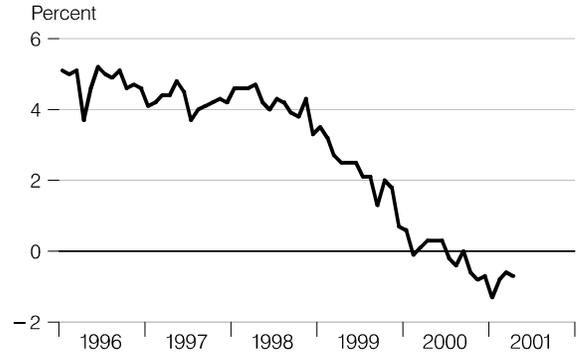
Percent change from year ago, quarterly data



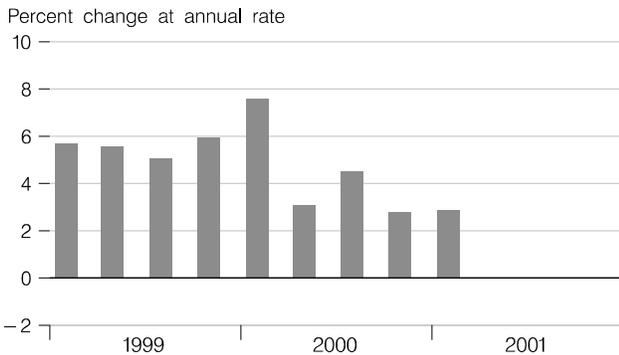
Real Disposable Personal Income



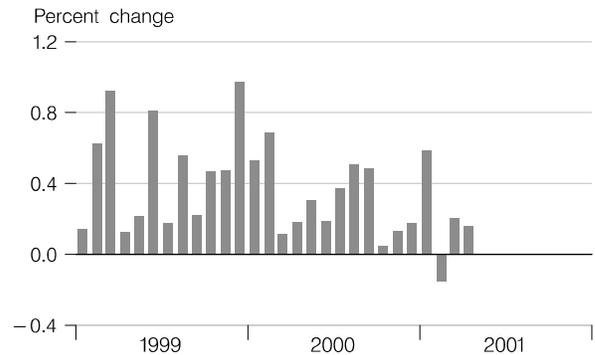
Personal Saving Rate



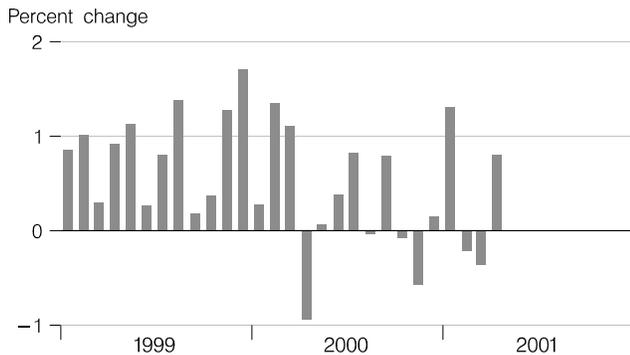
Real Consumption



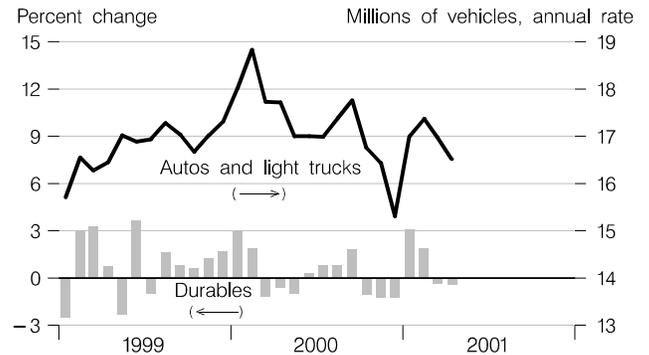
Real Consumption



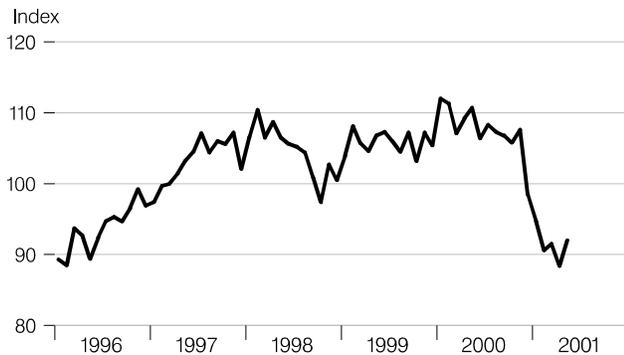
Retail Sales



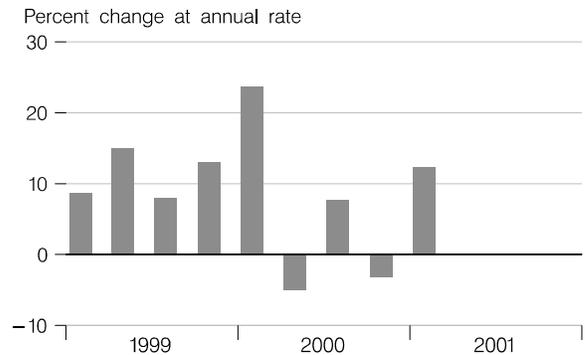
Real Durables Consumption and Vehicle Sales



Consumer Sentiment (U. of Michigan)

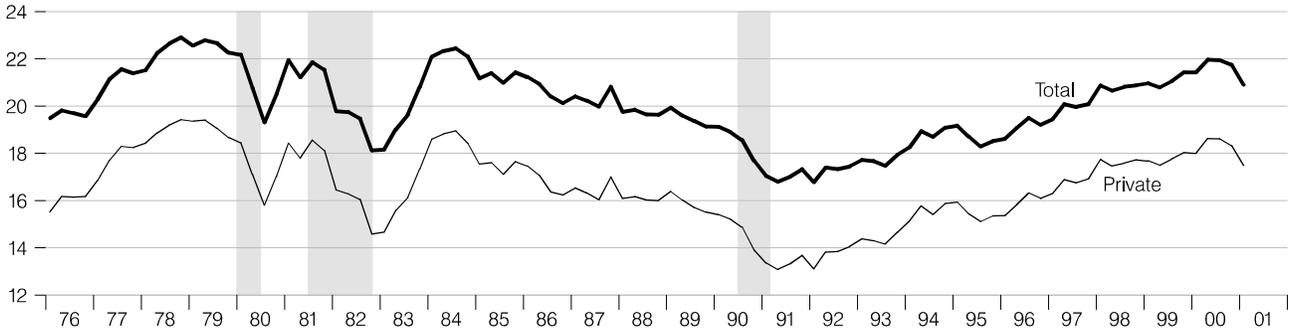


Real Durables Consumption



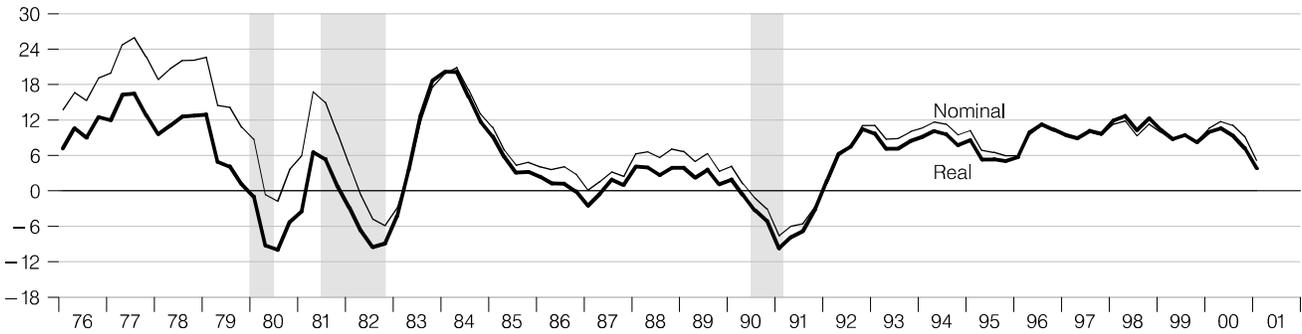
Investment

Percent of Nominal GDP



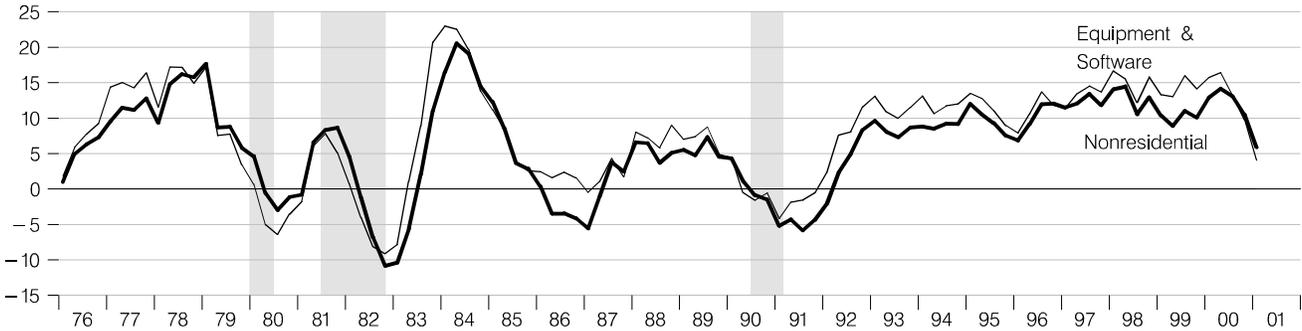
Private Fixed Investment

Percent change from year ago



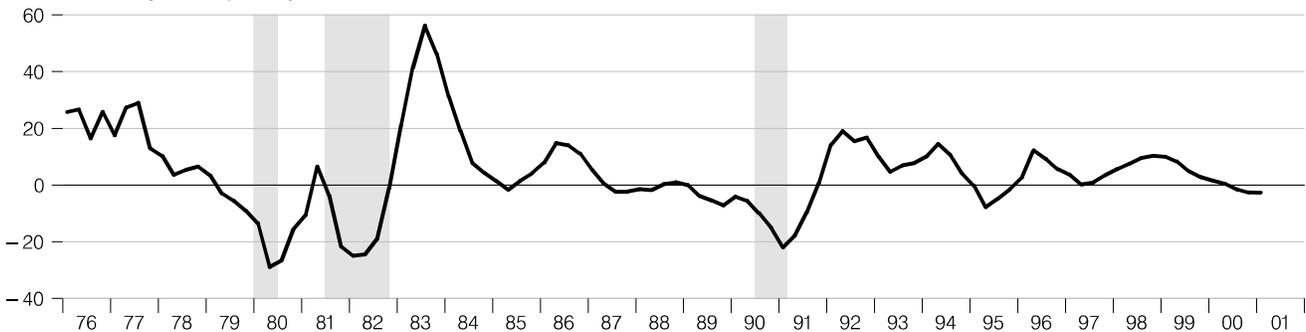
Real Nonresidential Fixed and Equipment & Software Investment

Percent change from year ago

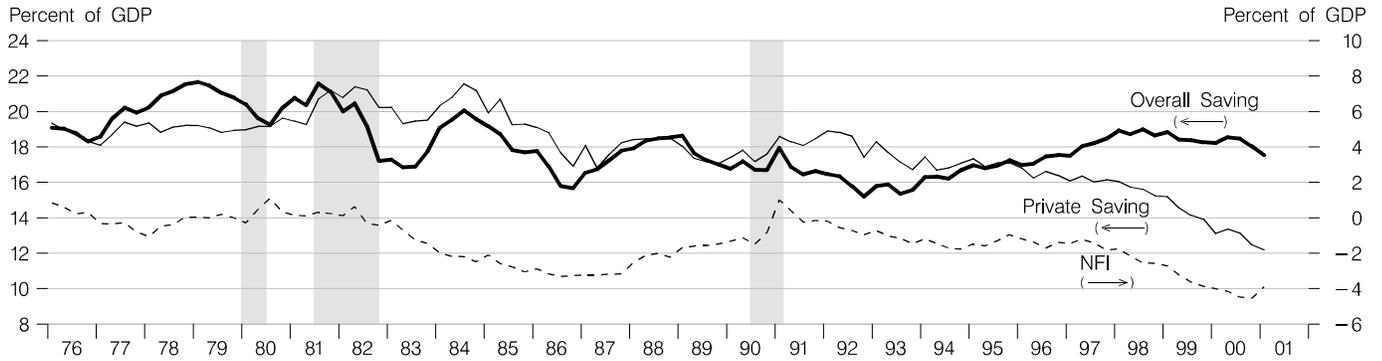


Real Residential Fixed Investment

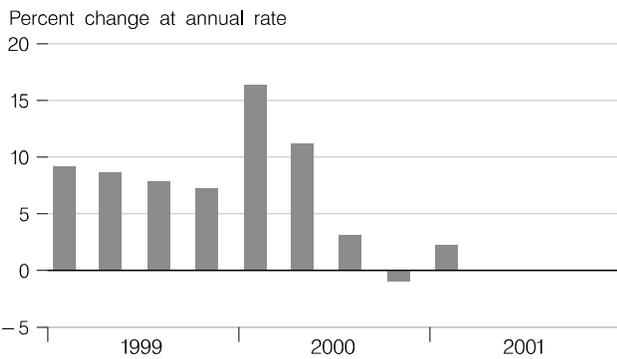
Percent change from year ago



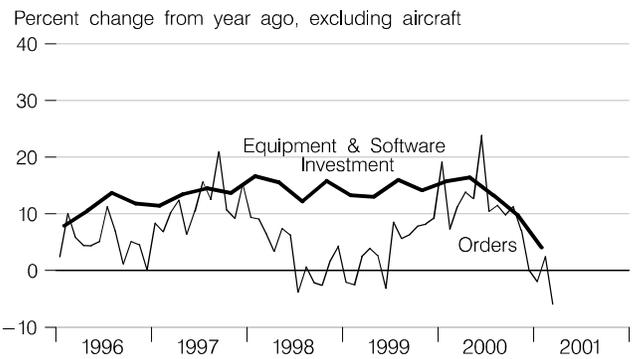
Gross Saving Rates and Net Foreign Investment



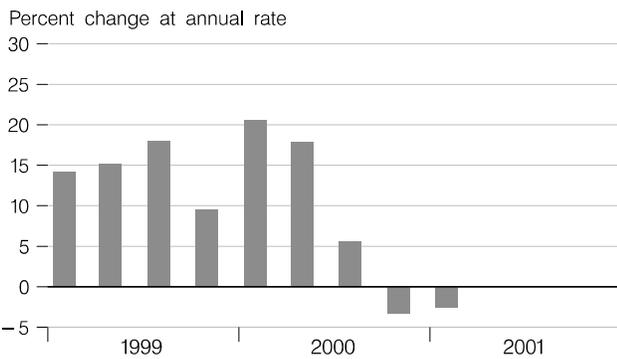
Real Private Fixed Investment



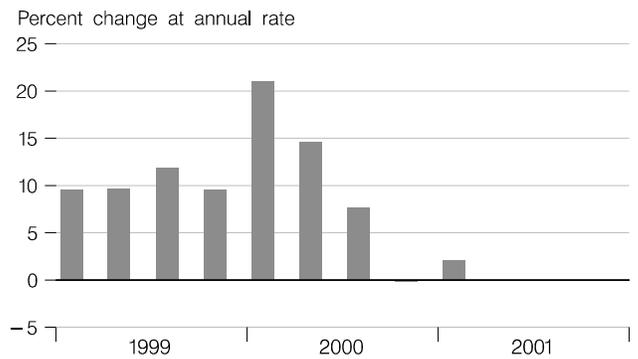
Nondefense Capital Goods Orders



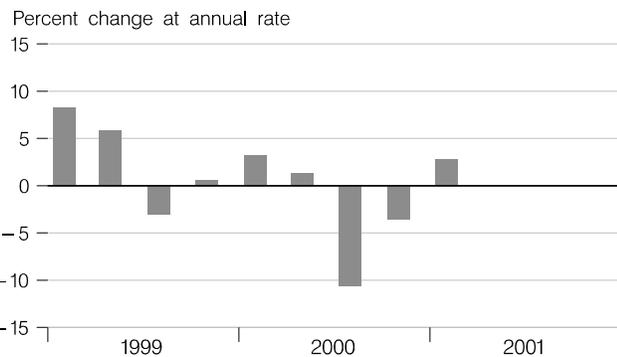
Real Equipment & Software Investment



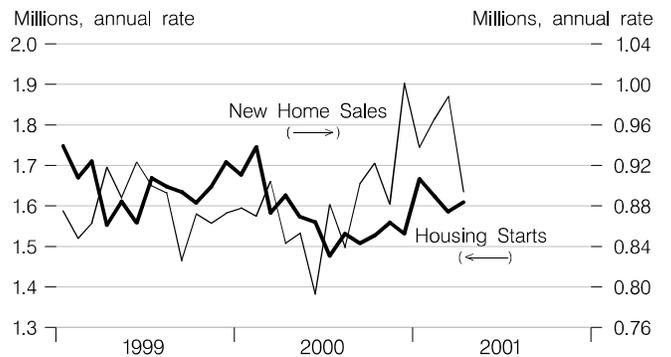
Real Nonresidential Fixed Investment



Real Residential Fixed Investment

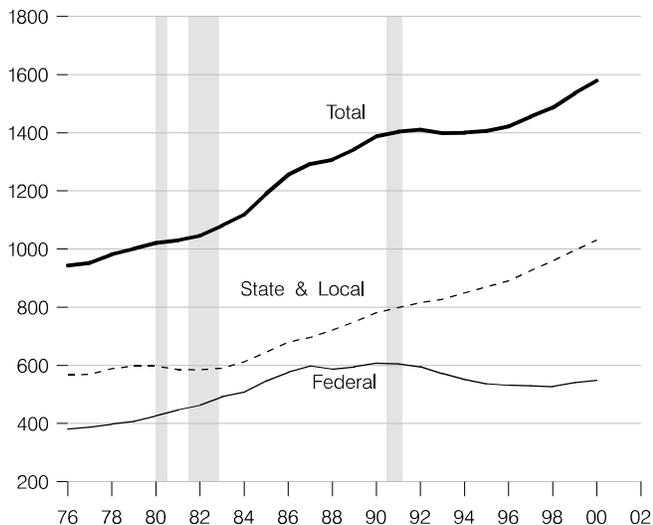


Housing Starts and New Home Sales



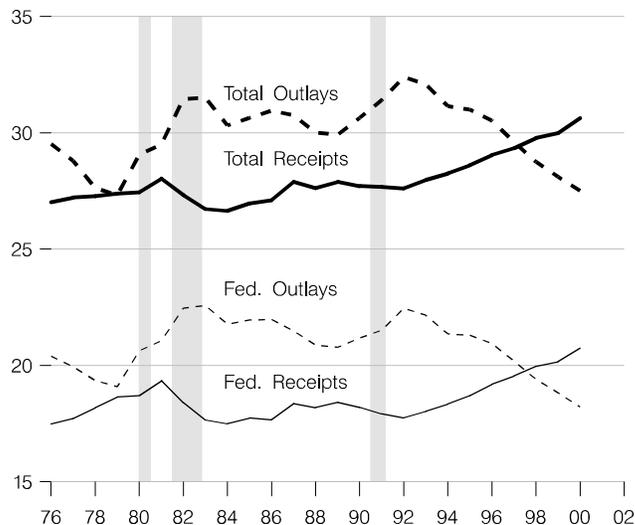
Govt. Consumption and Investment

Billions of 1996 dollars



Government Receipts and Outlays

Percent of GDP



Government Budgets

Billions of dollars

National Income Accounts

Calendar Years

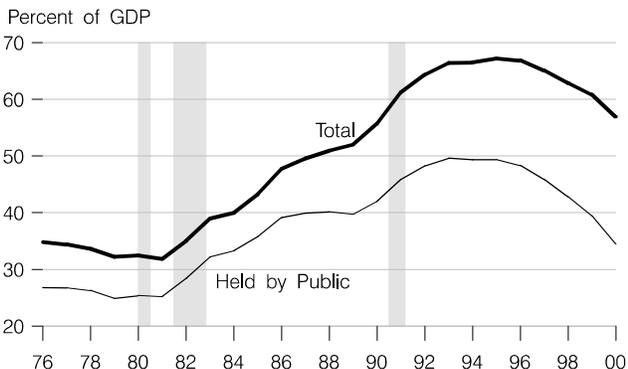
| | State and Local | | | Federal | | |
|------|-----------------|--------------|-----------------------|----------|--------------|-----------------------|
| | Receipts | Expenditures | Surplus or Deficit(-) | Receipts | Expenditures | Surplus or Deficit(-) |
| 1980 | 316.6 | 307.8 | 8.8 | 522.8 | 576.6 | -53.8 |
| 1981 | 344.4 | 336.9 | 7.5 | 605.6 | 659.3 | -53.7 |
| 1982 | 360.3 | 362.5 | -2.2 | 599.5 | 732.1 | -132.6 |
| 1983 | 392.1 | 387.3 | 4.8 | 623.9 | 797.8 | -173.9 |
| 1984 | 436.4 | 412.6 | 23.8 | 688.1 | 856.1 | -168.0 |
| 1985 | 469.2 | 447.0 | 22.2 | 747.4 | 924.6 | -177.2 |
| 1986 | 507.9 | 487.2 | 20.7 | 786.4 | 978.5 | -192.1 |
| 1987 | 536.0 | 523.8 | 12.2 | 870.5 | 1018.4 | -147.9 |
| 1988 | 573.7 | 558.1 | 15.6 | 928.9 | 1066.2 | -137.3 |
| 1989 | 618.9 | 599.6 | 19.3 | 1010.3 | 1140.3 | -130.0 |
| 1990 | 663.4 | 660.8 | 2.6 | 1055.7 | 1228.7 | -173.0 |
| 1991 | 716.0 | 723.8 | -7.8 | 1072.3 | 1287.6 | -215.3 |
| 1992 | 772.2 | 777.2 | -5.0 | 1121.3 | 1418.9 | -297.6 |
| 1993 | 823.2 | 821.7 | 1.5 | 1197.3 | 1471.5 | -274.2 |
| 1994 | 873.8 | 865.2 | 8.6 | 1293.7 | 1506.0 | -212.3 |
| 1995 | 917.9 | 902.5 | 15.4 | 1383.7 | 1575.7 | -192.0 |
| 1996 | 960.4 | 939.0 | 21.4 | 1499.1 | 1635.9 | -136.8 |
| 1997 | 1011.3 | 980.3 | 31.0 | 1625.5 | 1678.8 | -53.3 |
| 1998 | 1072.3 | 1030.6 | 41.7 | 1754.0 | 1705.0 | 49.0 |
| 1999 | 1142.7 | 1092.7 | 50.0 | 1874.6 | 1750.2 | 124.4 |
| 2000 | 1230.1 | 1170.5 | 59.6 | 2065.7 | 1813.9 | 251.8 |

Unified Budget

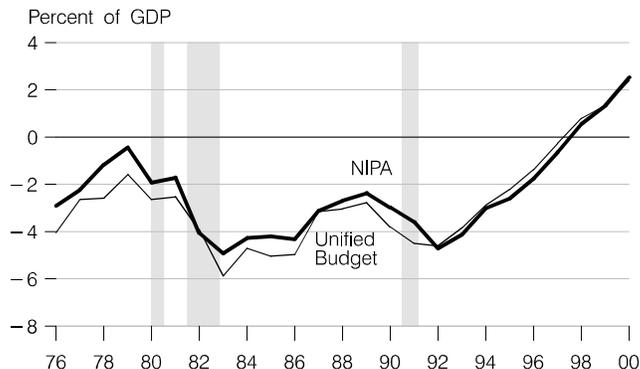
Fiscal Years

| | Federal | | |
|------|----------|---------|-----------------------|
| | Receipts | Outlays | Surplus or Deficit(-) |
| 1980 | 517.1 | 590.9 | -73.8 |
| 1981 | 599.3 | 678.2 | -79.0 |
| 1982 | 617.8 | 745.8 | -128.0 |
| 1983 | 600.6 | 808.4 | -207.8 |
| 1984 | 666.5 | 851.9 | -185.4 |
| 1985 | 734.1 | 946.4 | -212.3 |
| 1986 | 769.2 | 990.5 | -221.2 |
| 1987 | 854.4 | 1004.1 | -149.8 |
| 1988 | 909.3 | 1064.5 | -155.2 |
| 1989 | 991.2 | 1143.7 | -152.5 |
| 1990 | 1032.0 | 1253.2 | -221.2 |
| 1991 | 1055.0 | 1324.4 | -269.4 |
| 1992 | 1091.3 | 1381.7 | -290.4 |
| 1993 | 1154.4 | 1409.5 | -255.1 |
| 1994 | 1258.6 | 1461.9 | -203.3 |
| 1995 | 1351.8 | 1515.8 | -164.0 |
| 1996 | 1453.1 | 1560.6 | -107.5 |
| 1997 | 1579.3 | 1601.3 | -22.0 |
| 1998 | 1721.8 | 1652.6 | 69.2 |
| 1999 | 1827.5 | 1703.0 | 124.4 |
| 2000 | 2025.0 | 1788.0 | 237.0 |

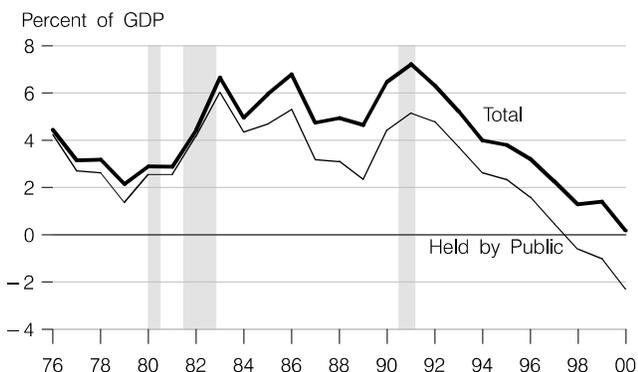
Federal Debt



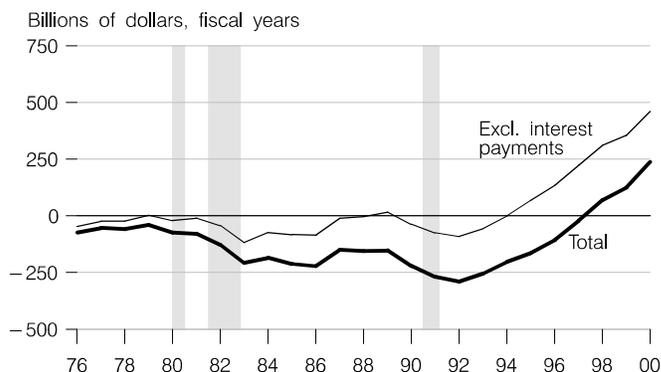
Federal Surplus (+) / Deficit (-)



Change in Federal Debt



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

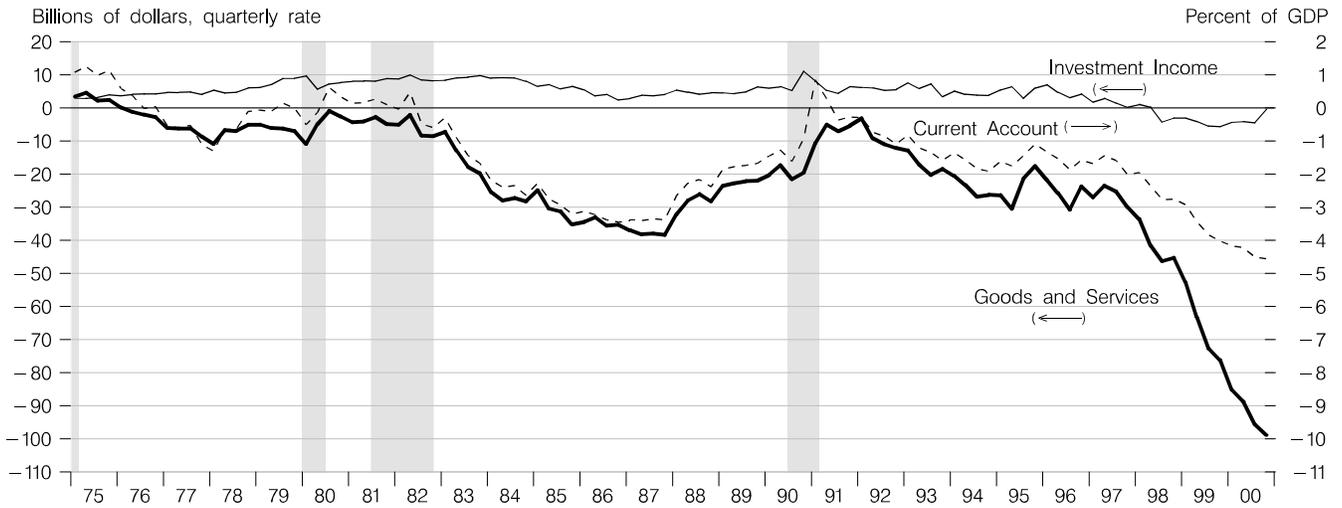


Federal Government Debt

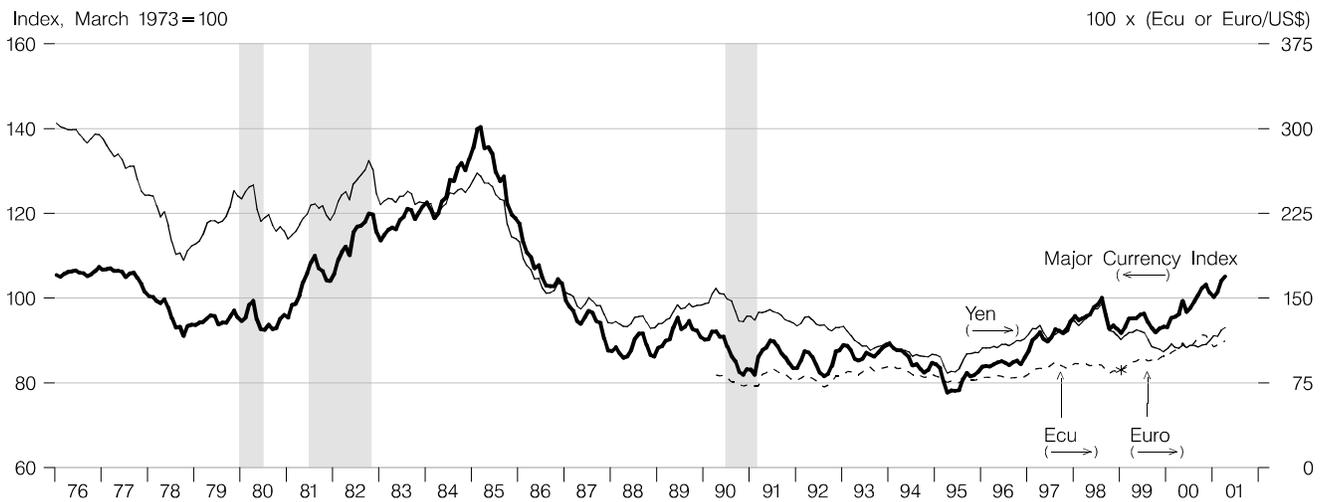
Billions of dollars, end of month or fiscal year, excluding agency-issued debt

| | | Total Public Debt | Held by Agencies and Trusts | Held by Public | | Held by Private Investors | |
|------|-----------|-------------------|-----------------------------|----------------|-----------------------|---------------------------|---------------------------|
| | | | | Total | Federal Reserve Banks | Total | Foreign and International |
| 1998 | | 5526.2 | 1763.9 | 3762.3 | 458.1 | 3313.2 | 1224.2 |
| 1999 | | 5656.3 | 1988.7 | 3667.6 | 496.5 | 3175.4 | 1281.3 |
| 2000 | | 5674.2 | 2235.7 | 3438.5 | 511.4 | 2936.2 | 1225.2 |
| 1997 | March | 5380.9 | 1506.8 | 3874.1 | 395.1 | 3452.2 | 1157.6 |
| | June | 5376.2 | 1571.6 | 3804.6 | 410.9 | 3377.3 | 1182.7 |
| | September | 5413.1 | 1596.8 | 3816.4 | 436.5 | 3401.6 | 1230.5 |
| | December | 5502.4 | 1655.7 | 3846.7 | 430.7 | 3414.6 | 1241.6 |
| 1998 | March | 5542.4 | 1670.4 | 3872.1 | 433.2 | 3437.5 | 1250.5 |
| | June | 5547.9 | 1757.6 | 3790.4 | 439.8 | 3349.3 | 1256.0 |
| | September | 5526.2 | 1763.9 | 3762.3 | 458.1 | 3313.2 | 1224.2 |
| | December | 5614.2 | 1826.8 | 3787.4 | 452.1 | 3334.0 | 1278.7 |
| 1999 | March | 5651.6 | 1857.1 | 3794.6 | 465.7 | 3327.5 | 1272.1 |
| | June | 5638.8 | 1953.6 | 3685.2 | 484.9 | 3199.2 | 1258.6 |
| | September | 5656.3 | 1988.7 | 3667.6 | 496.5 | 3175.4 | 1281.3 |
| | December | 5776.1 | 2060.6 | 3715.5 | 477.7 | 3233.9 | 1268.8 |
| 2000 | March | 5773.4 | 2085.4 | 3688.0 | 501.7 | 3182.8 | 1273.8 |
| | June | 5685.9 | 2190.2 | 3495.7 | 505.0 | 2987.4 | 1248.8 |
| | September | 5674.2 | 2235.7 | 3438.5 | 511.4 | 2936.2 | 1225.2 |
| | December | 5662.2 | 2248.7 | 3413.5 | 532.8 | 2880.4 | 1220.8 |

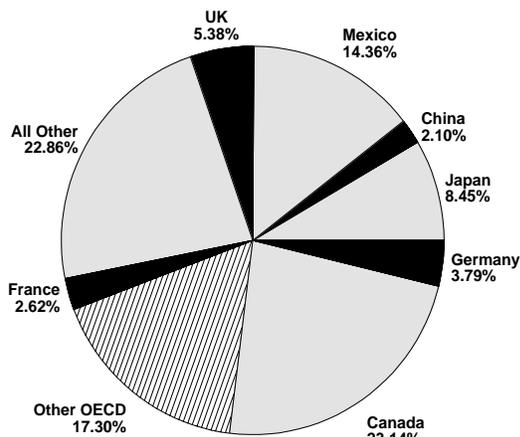
Current Account, Trade and Investment Income Balances



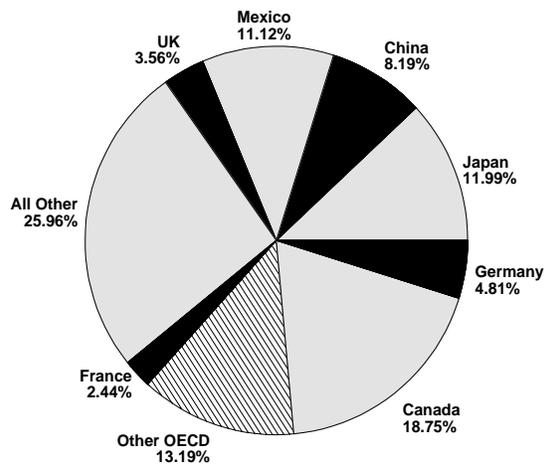
Exchange Rates



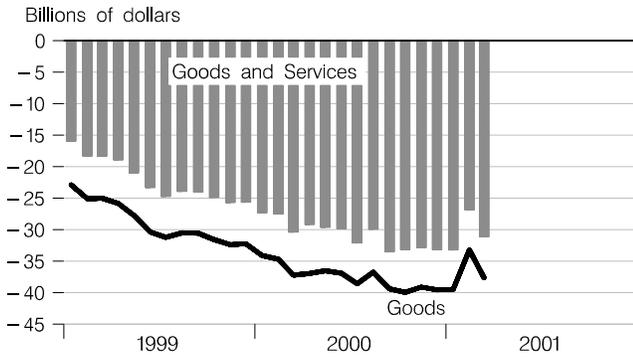
Goods Export Shares, 2000



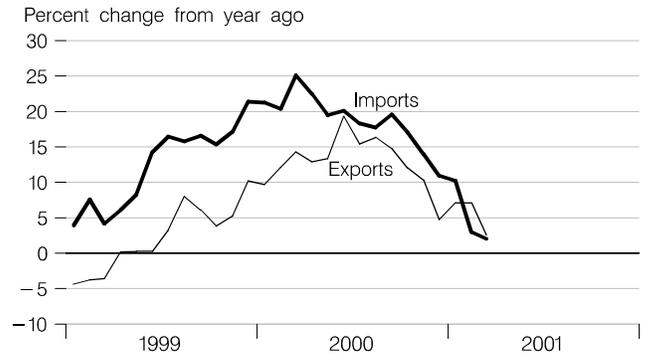
Goods Import Shares, 2000



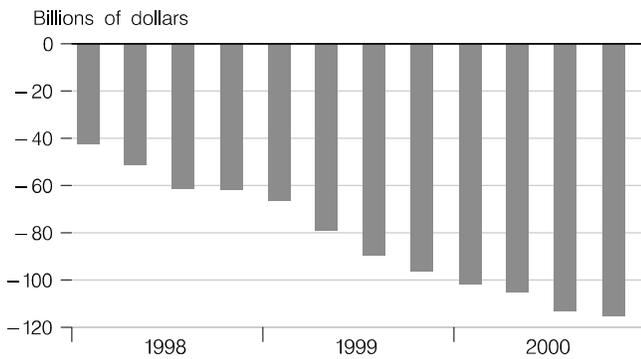
Trade Balance



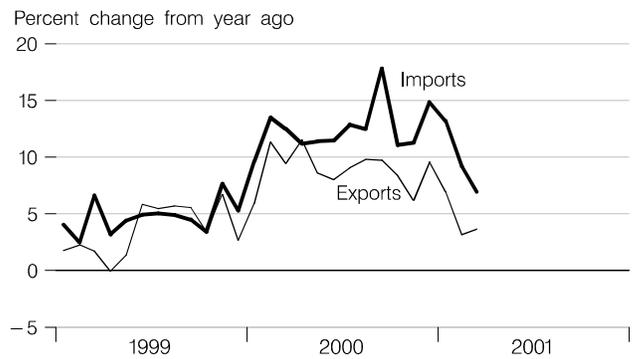
Goods Trade



Current Account Balance



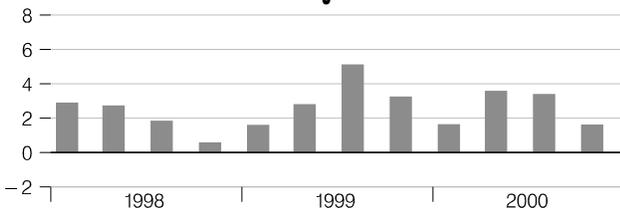
Services Trade



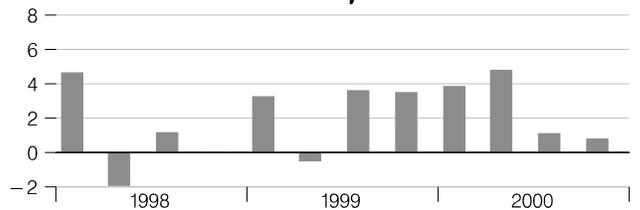
Real GDP Growth of Major Trading Partners

Percent change at annual rate

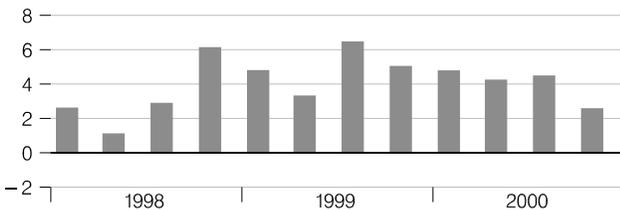
United Kingdom



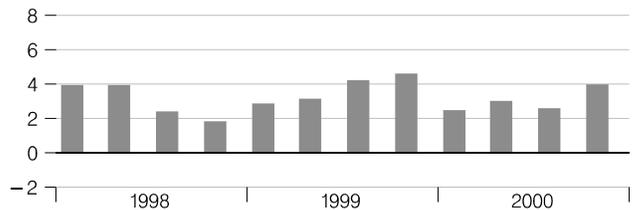
Germany



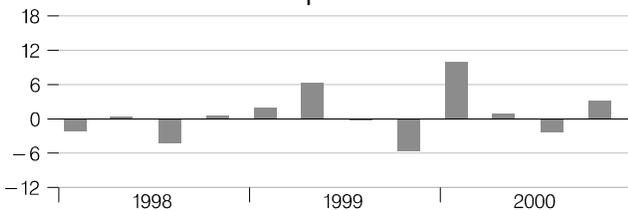
Canada



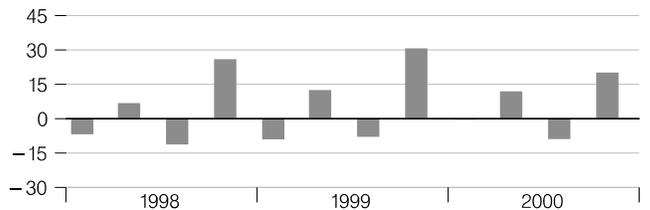
France



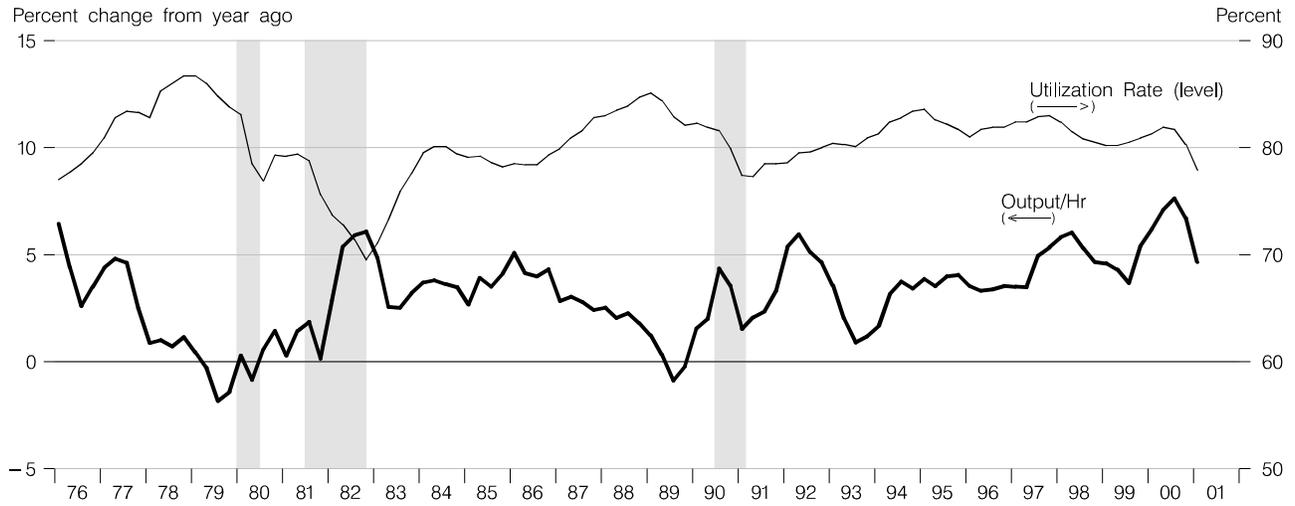
Japan



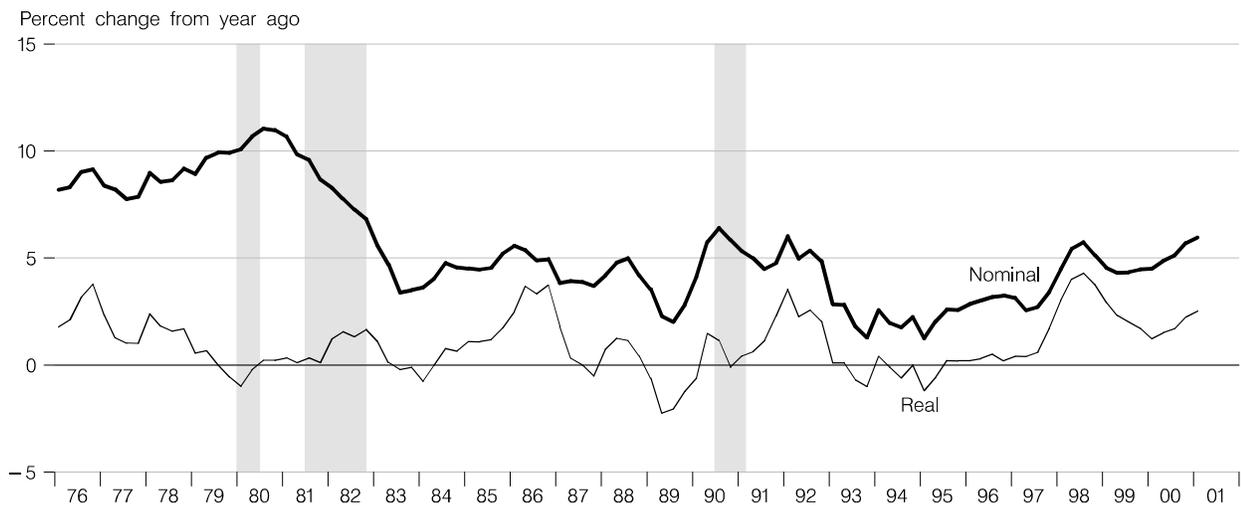
Mexico



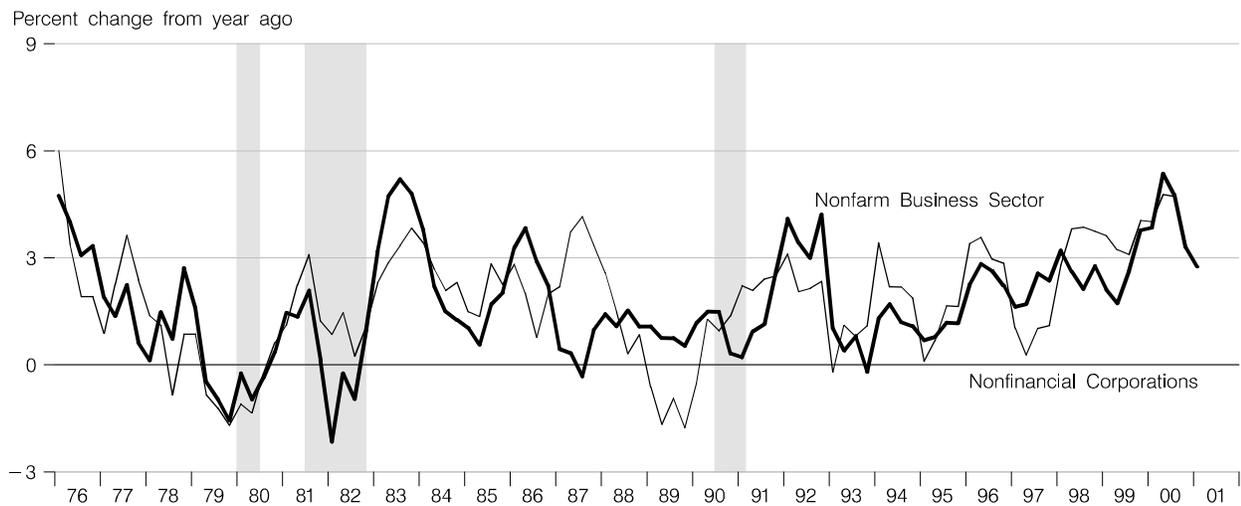
Output per Hour and Capacity Utilization, Manufacturing



Nonfarm Compensation per Hour

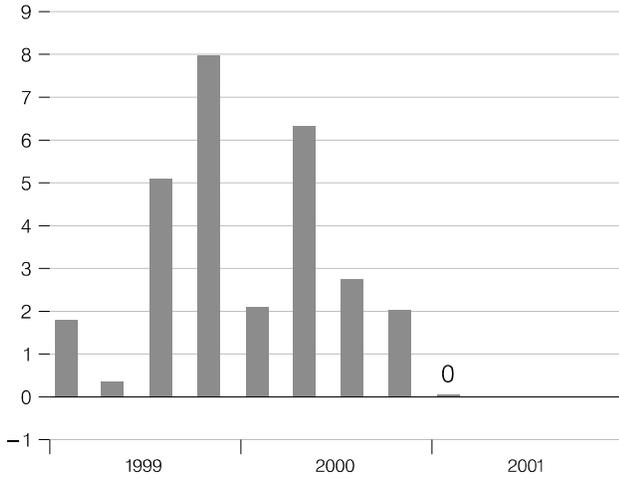


Output per Hour, Nonfarm Business and Nonfarm, Nonfinancial Corporations



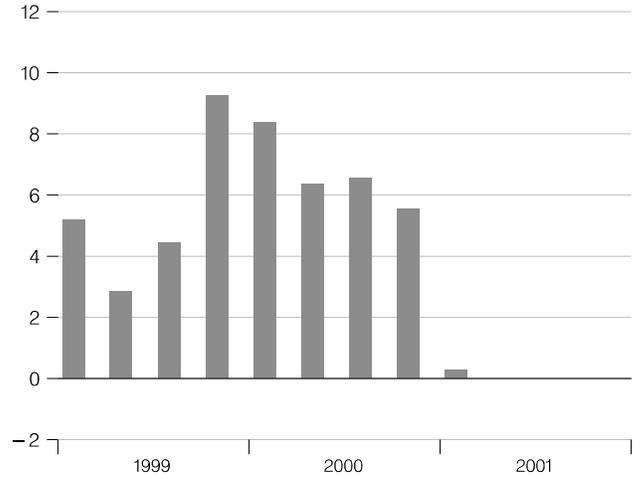
Nonfarm Output per Hour

Percent change at annual rate



Manufacturing Output per Hour

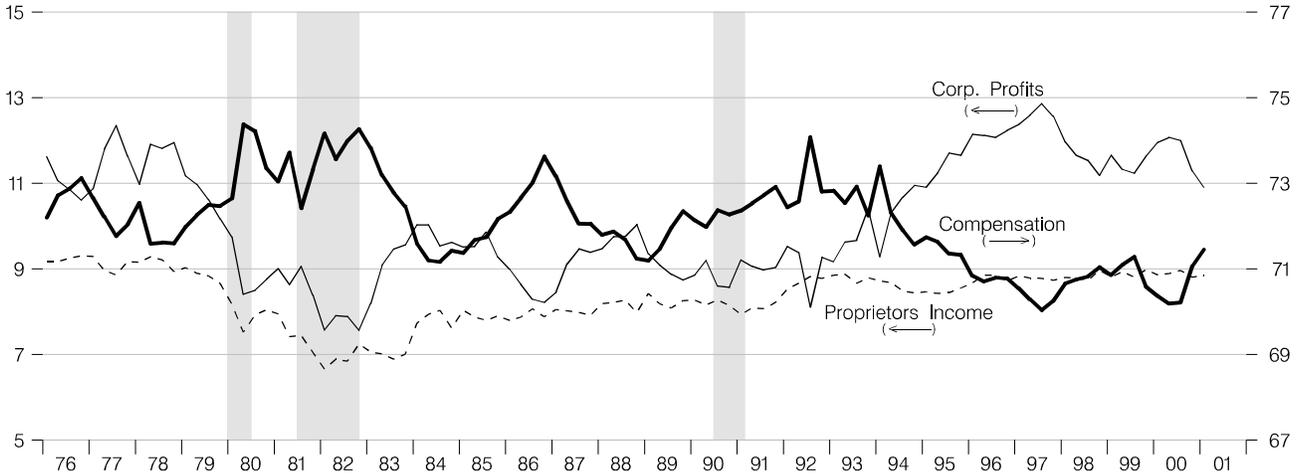
Percent change at annual rate



Selected Component Shares of National Income

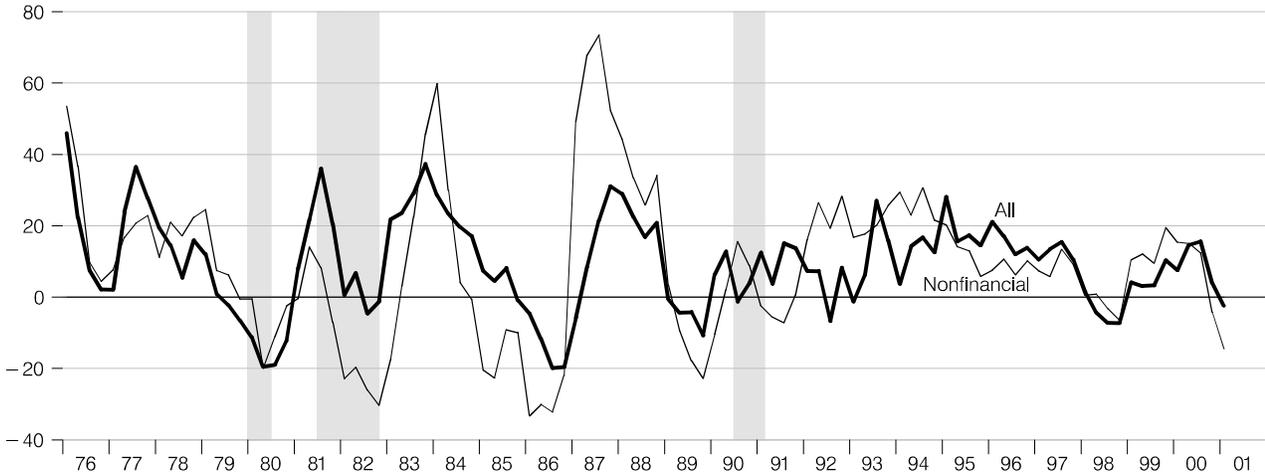
Percent

Percent



Corporate Profits after Tax (with IVA and CCAdj)

Percent change from year ago



| | Nominal GDP | | | Real GDP | | | Final Sales | | | Change in Private Inventories | |
|--------|----------------|----------------|----------|---------------------|----------------|----------|---------------------|----------------|----------|-------------------------------|---------------|
| | Billions of \$ | Percent change | | Billions of 1996 \$ | Percent change | | Billions of 1996 \$ | Percent change | | Billions of 1996 \$ | |
| | | Annual rate | Year ago | | Annual rate | Year ago | | Annual rate | Year ago | Last qtr | Year/Year ago |
| 1997 | 8318.4 | | 6.5 | 8159.450 | | 4.4 | 8095.204 | | 4.0 | | 63.757 |
| 1998 | 8790.2 | | 5.7 | 8515.652 | | 4.4 | 8435.173 | | 4.2 | | 80.169 |
| 1999 | 9299.2 | | 5.8 | 8875.761 | | 4.2 | 8826.900 | | 4.6 | | 45.287 |
| 2000 | 9963.1 | | 7.1 | 9318.475 | | 5.0 | 9250.947 | | 4.8 | | 60.872 |
| 1998 1 | 8634.7 | 7.6 | 6.3 | 8404.861 | 6.5 | 4.8 | 8289.394 | 4.1 | 4.1 | 117.319 | 80.766 |
| 2 | 8722.0 | 4.1 | 5.3 | 8465.570 | 2.9 | 4.1 | 8402.717 | 5.6 | 4.5 | 60.914 | 73.918 |
| 3 | 8829.1 | 5.0 | 5.2 | 8537.607 | 3.4 | 3.9 | 8463.426 | 2.9 | 3.7 | 73.069 | 79.351 |
| 4 | 8974.9 | 6.8 | 5.9 | 8654.492 | 5.6 | 4.6 | 8584.999 | 5.9 | 4.6 | 69.374 | 80.169 |
| 1999 1 | 9104.5 | 5.9 | 5.4 | 8729.967 | 3.5 | 3.9 | 8680.265 | 4.5 | 4.7 | 48.073 | 62.858 |
| 2 | 9191.5 | 3.9 | 5.4 | 8783.175 | 2.5 | 3.8 | 8764.868 | 4.0 | 4.3 | 13.101 | 50.904 |
| 3 | 9340.9 | 6.7 | 5.8 | 8905.764 | 5.7 | 4.3 | 8861.769 | 4.5 | 4.7 | 39.096 | 42.411 |
| 4 | 9559.7 | 9.7 | 6.5 | 9084.060 | 8.3 | 5.0 | 9000.543 | 6.4 | 4.8 | 80.878 | 45.287 |
| 2000 1 | 9752.7 | 8.3 | 7.1 | 9191.804 | 4.8 | 5.3 | 9148.034 | 6.7 | 5.4 | 36.634 | 42.427 |
| 2 | 9945.7 | 8.2 | 8.2 | 9318.924 | 5.6 | 6.1 | 9235.283 | 3.9 | 5.4 | 78.603 | 58.803 |
| 3 | 10039.4 | 3.8 | 7.5 | 9369.475 | 2.2 | 5.2 | 9290.933 | 2.4 | 4.8 | 72.517 | 67.158 |
| 4 | 10114.4 | 3.0 | 5.8 | 9393.696 | 1.0 | 3.4 | 9329.537 | 1.7 | 3.7 | 55.734 | 60.872 |
| 2001 1 | 10229.4 | 4.6 | 4.9 | 9424.480 | 1.3 | 2.5 | 9429.707 | 4.4 | 3.1 | -18.853 | 47.000 |

| | Consumption | | | Durables Consumption | | | Private Fixed Investment | | | Nonresidential Fixed Investment | | |
|--------|---------------------|----------------|----------|----------------------|----------------|----------|--------------------------|----------------|----------|---------------------------------|----------------|----------|
| | Billions of 1996 \$ | Percent change | | Billions of 1996 \$ | Percent change | | Billions of 1996 \$ | Percent change | | Billions of 1996 \$ | Percent change | |
| | | Annual rate | Year ago | | Annual rate | Year ago | | Annual rate | Year ago | | Annual rate | Year ago |
| 1997 | 5423.902 | | 3.6 | 657.347 | | 6.6 | 1328.630 | | 9.6 | 1009.344 | | 12.2 |
| 1998 | 5678.654 | | 4.7 | 727.268 | | 10.6 | 1485.274 | | 11.8 | 1140.256 | | 13.0 |
| 1999 | 5978.815 | | 5.3 | 817.779 | | 12.4 | 1621.375 | | 9.2 | 1255.285 | | 10.1 |
| 2000 | 6294.308 | | 5.3 | 896.017 | | 9.6 | 1771.734 | | 9.3 | 1413.727 | | 12.6 |
| 1998 1 | 5572.385 | 4.8 | 4.1 | 696.376 | 9.4 | 8.6 | 1427.367 | 17.4 | 11.9 | 1095.977 | 20.1 | 14.1 |
| 2 | 5651.576 | 5.8 | 5.1 | 719.352 | 13.9 | 13.0 | 1477.585 | 14.8 | 12.7 | 1136.398 | 15.6 | 14.5 |
| 3 | 5710.969 | 4.3 | 4.6 | 726.670 | 4.1 | 8.4 | 1496.394 | 5.2 | 10.3 | 1146.336 | 3.5 | 10.5 |
| 4 | 5779.790 | 4.9 | 5.0 | 766.673 | 23.9 | 12.6 | 1539.748 | 12.1 | 12.3 | 1182.332 | 13.2 | 12.9 |
| 1999 1 | 5860.238 | 5.7 | 5.2 | 782.677 | 8.6 | 12.4 | 1574.043 | 9.2 | 10.3 | 1209.432 | 9.5 | 10.4 |
| 2 | 5940.214 | 5.6 | 5.1 | 810.480 | 15.0 | 12.7 | 1607.125 | 8.7 | 8.8 | 1237.494 | 9.6 | 8.9 |
| 3 | 6013.801 | 5.0 | 5.3 | 826.150 | 8.0 | 13.7 | 1637.758 | 7.8 | 9.4 | 1272.464 | 11.8 | 11.0 |
| 4 | 6101.005 | 5.9 | 5.6 | 851.802 | 13.0 | 11.1 | 1666.560 | 7.2 | 8.2 | 1301.758 | 9.5 | 10.1 |
| 2000 1 | 6213.455 | 7.6 | 6.0 | 898.223 | 23.6 | 14.8 | 1730.930 | 16.4 | 10.0 | 1365.267 | 21.0 | 12.9 |
| 2 | 6260.644 | 3.1 | 5.4 | 886.688 | -5.0 | 9.4 | 1777.643 | 11.2 | 10.6 | 1412.488 | 14.6 | 14.1 |
| 3 | 6329.832 | 4.5 | 5.3 | 903.161 | 7.6 | 9.3 | 1791.273 | 3.1 | 9.4 | 1438.805 | 7.7 | 13.1 |
| 4 | 6373.303 | 2.8 | 4.5 | 895.997 | -3.1 | 5.2 | 1787.089 | -0.9 | 7.2 | 1438.346 | -0.1 | 10.5 |
| 2001 1 | 6418.817 | 2.9 | 3.3 | 922.259 | 12.2 | 2.7 | 1797.118 | 2.3 | 3.8 | 1445.776 | 2.1 | 5.9 |

| | | 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 |
| 1996 | | 126720 | 1812 | | 1.5 | 119597 | 2409 | | 2.1 | 136.6 | | | 2.4 |
| 1997 | | 129572 | 2852 | | 2.3 | 122677 | 3080 | | 2.6 | 141.4 | | | 3.5 |
| 1998 | | 131471 | 1898 | | 1.5 | 125845 | 3168 | | 2.6 | 145.2 | | | 2.7 |
| 1999 | | 133501 | 2030 | | 1.5 | 128772 | 2926 | | 2.3 | 148.3 | | | 2.1 |
| 2000 | | 135215 | 1714 | | 1.3 | 131408 | 2637 | | 2.0 | 151.1 | | | 1.9 |
| 1999 | 1 | 132923 | 632 | 1.9 | 1.7 | 127800 | 833 | 2.6 | 2.4 | 147.1 | 0.5 | 1.9 | 2.0 |
| | 2 | 133192 | 269 | 0.8 | 1.5 | 128430 | 630 | 2.0 | 2.3 | 147.8 | 0.5 | 1.9 | 2.1 |
| | 3 | 133627 | 435 | 1.3 | 1.6 | 129073 | 644 | 2.0 | 2.3 | 148.5 | 0.5 | 1.8 | 2.1 |
| | 4 | 134263 | 636 | 1.9 | 1.5 | 129783 | 710 | 2.2 | 2.2 | 149.6 | 0.7 | 2.9 | 2.1 |
| 2000 | 1 | 135036 | 774 | 2.3 | 1.6 | 130626 | 843 | 2.6 | 2.2 | 150.7 | 0.8 | 3.2 | 2.4 |
| | 2 | 135181 | 145 | 0.4 | 1.5 | 131552 | 926 | 2.9 | 2.4 | 151.2 | 0.3 | 1.2 | 2.3 |
| | 3 | 135049 | -132 | -0.4 | 1.1 | 131619 | 67 | 0.2 | 2.0 | 151.2 | 0.0 | 0.2 | 1.8 |
| | 4 | 135593 | 544 | 1.6 | 1.0 | 131836 | 217 | 0.7 | 1.6 | 151.2 | 0.0 | 0.0 | 1.1 |
| 2001 | 1 | 135865 | 272 | 0.8 | 0.6 | 132240 | 404 | 1.2 | 1.2 | 151.6 | 0.3 | 1.1 | 0.6 |
| 1999 | Apr | 132909 | 48 | 0.4 | 1.3 | 128282 | 228 | 2.2 | 2.5 | 147.7 | 0.4 | 5.0 | 2.4 |
| | May | 133279 | 370 | 3.4 | 1.5 | 128377 | 95 | 0.9 | 2.3 | 147.6 | -0.1 | -0.8 | 1.7 |
| | Jun | 133388 | 109 | 1.0 | 1.6 | 128630 | 253 | 2.4 | 2.3 | 148.2 | 0.4 | 5.0 | 2.3 |
| | Jul | 133521 | 133 | 1.2 | 1.7 | 128898 | 268 | 2.5 | 2.4 | 148.5 | 0.2 | 2.5 | 2.3 |
| | Aug | 133565 | 44 | 0.4 | 1.7 | 129057 | 159 | 1.5 | 2.2 | 148.4 | -0.1 | -0.8 | 1.9 |
| | Sep | 133795 | 230 | 2.1 | 1.3 | 129265 | 208 | 2.0 | 2.2 | 148.6 | 0.1 | 1.6 | 2.1 |
| | Oct | 134049 | 254 | 2.3 | 1.5 | 129523 | 258 | 2.4 | 2.2 | 149.3 | 0.5 | 5.8 | 2.1 |
| | Nov | 134241 | 192 | 1.7 | 1.5 | 129788 | 265 | 2.5 | 2.2 | 149.6 | 0.2 | 2.4 | 2.3 |
| | Dec | 134498 | 257 | 2.3 | 1.4 | 130038 | 250 | 2.3 | 2.2 | 149.8 | 0.1 | 1.6 | 2.0 |
| 2000 | Jan | 134976 | 478 | 4.3 | 1.5 | 130387 | 349 | 3.3 | 2.3 | 150.6 | 0.5 | 6.6 | 2.6 |
| | Feb | 135120 | 144 | 1.3 | 1.7 | 130482 | 95 | 0.9 | 2.0 | 150.6 | 0.0 | 0.0 | 2.1 |
| | Mar | 135013 | -107 | -0.9 | 1.6 | 131009 | 527 | 5.0 | 2.3 | 151.0 | 0.3 | 3.2 | 2.7 |
| | Apr | 135517 | 504 | 4.6 | 2.0 | 131419 | 410 | 3.8 | 2.4 | 151.7 | 0.5 | 5.7 | 2.7 |
| | May | 134843 | -674 | -5.8 | 1.2 | 131590 | 171 | 1.6 | 2.5 | 150.5 | -0.8 | -9.1 | 2.0 |
| | Jun | 135183 | 340 | 3.1 | 1.3 | 131647 | 57 | 0.5 | 2.3 | 151.3 | 0.5 | 6.6 | 2.1 |
| | Jul | 134898 | -285 | -2.5 | 1.0 | 131607 | -40 | -0.4 | 2.1 | 151.4 | 0.1 | 0.8 | 2.0 |
| | Aug | 134939 | 41 | 0.4 | 1.0 | 131528 | -79 | -0.7 | 1.9 | 150.9 | -0.3 | -3.9 | 1.7 |
| | Sep | 135310 | 371 | 3.3 | 1.1 | 131723 | 195 | 1.8 | 1.9 | 151.4 | 0.3 | 4.0 | 1.9 |
| | Oct | 135464 | 154 | 1.4 | 1.1 | 131789 | 66 | 0.6 | 1.7 | 151.6 | 0.1 | 1.6 | 1.5 |
| | Nov | 135478 | 14 | 0.1 | 0.9 | 131842 | 53 | 0.5 | 1.6 | 151.5 | -0.1 | -0.8 | 1.3 |
| | Dec | 135836 | 358 | 3.2 | 1.0 | 131878 | 36 | 0.3 | 1.4 | 150.6 | -0.6 | -6.9 | 0.5 |
| 2001 | Jan | 135999 | 163 | 1.4 | 0.8 | 132167 | 289 | 2.7 | 1.4 | 151.9 | 0.9 | 10.9 | 0.9 |
| | Feb | 135815 | -184 | -1.6 | 0.5 | 132303 | 136 | 1.2 | 1.4 | 151.3 | -0.4 | -4.6 | 0.5 |
| | Mar | 135780 | -35 | -0.3 | 0.6 | 132250 | -53 | -0.5 | 0.9 | 151.7 | 0.3 | 3.2 | 0.5 |
| | Apr | 135354 | -426 | -3.7 | -0.1 | 132027 | -223 | -2.0 | 0.5 | 151.3 | -0.3 | -3.1 | -0.3 |

| | Unempl. Rate | Retail Sales | | | | Industrial Production | | | | Treasury Yields | | |
|------|-----------------|------------------------|-----------------------|----------------|-------------|-----------------------|-----------------------|----------------|-------------|--------------------|-------|------|
| | | Billions of dollars | Percent change | | | Index | Percent change | | | 3-mo | 10-yr | |
| | | | Monthly/ quarterly | Annual rate | Year ago | | Monthly/ quarterly | Annual rate | Year ago | | | |
| 1996 | 5.4 | 2496.503 | | | 5.7 | 119.556 | | | 4.6 | 5.01 | 6.44 | |
| 1997 | 5.0 | 2612.931 | | | 4.7 | 127.586 | | | 6.7 | 5.06 | 6.35 | |
| 1998 | 4.5 | 2745.714 | | | 5.1 | 133.669 | | | 4.8 | 4.78 | 5.26 | |
| 1999 | 4.2 | 2995.795 | | | 9.1 | 139.203 | | | 4.1 | 4.64 | 5.64 | |
| 2000 | 4.0 | 3231.531 | | | 7.9 | 146.989 | | | 5.6 | 5.82 | 6.03 | |
| 1999 | 1 | 4.3 | 723.050 | 2.4 | 9.9 | 8.1 | 136.506 | 1.0 | 3.9 | 3.3 | 4.41 | 4.98 |
| | 2 | 4.3 | 739.876 | 2.3 | 9.6 | 8.2 | 138.137 | 1.2 | 4.9 | 3.8 | 4.45 | 5.54 |
| | 3 | 4.2 | 757.371 | 2.4 | 9.8 | 10.3 | 140.114 | 1.4 | 5.8 | 4.4 | 4.65 | 5.88 |
| | 4 | 4.1 | 775.498 | 2.4 | 9.9 | 9.8 | 142.056 | 1.4 | 5.7 | 5.1 | 5.04 | 6.14 |
| 2000 | 1 | 4.0 | 799.781 | 3.1 | 13.1 | 10.6 | 144.365 | 1.6 | 6.7 | 5.8 | 5.52 | 6.48 |
| | 2 | 4.0 | 803.074 | 0.4 | 1.7 | 8.5 | 147.130 | 1.9 | 7.9 | 6.5 | 5.71 | 6.18 |
| | 3 | 4.0 | 813.908 | 1.3 | 5.5 | 7.5 | 148.406 | 0.9 | 3.5 | 5.9 | 6.02 | 5.89 |
| | 4 | 4.0 | 814.768 | 0.1 | 0.4 | 5.1 | 148.055 | -0.2 | -0.9 | 4.2 | 6.02 | 5.57 |
| 2001 | 1 | 4.2 | 822.578 | 1.0 | 3.9 | 2.9 | 145.607 | -1.7 | -6.5 | 0.9 | 4.82 | 5.05 |
| 1999 | May | 4.2 | 247.325 | 1.1 | 14.5 | 8.6 | 138.373 | 0.7 | 8.5 | 3.6 | 4.50 | 5.54 |
| | Jun | 4.3 | 247.995 | 0.3 | 3.3 | 7.8 | 138.605 | 0.2 | 2.0 | 4.5 | 4.57 | 5.90 |
| | Jul | 4.3 | 250.003 | 0.8 | 10.2 | 9.5 | 139.671 | 0.8 | 9.6 | 5.4 | 4.55 | 5.79 |
| | Aug | 4.2 | 253.458 | 1.4 | 17.9 | 11.1 | 140.278 | 0.4 | 5.3 | 3.7 | 4.72 | 5.94 |
| | Sep | 4.2 | 253.910 | 0.2 | 2.2 | 10.1 | 140.392 | 0.1 | 1.0 | 4.1 | 4.68 | 5.92 |
| | Oct | 4.1 | 254.867 | 0.4 | 4.6 | 9.0 | 141.481 | 0.8 | 9.7 | 4.4 | 4.86 | 6.11 |
| | Nov | 4.1 | 258.115 | 1.3 | 16.4 | 9.7 | 141.879 | 0.3 | 3.4 | 5.1 | 5.07 | 6.03 |
| | Dec | 4.1 | 262.516 | 1.7 | 22.5 | 10.7 | 142.808 | 0.7 | 8.1 | 5.7 | 5.20 | 6.28 |
| 2000 | Jan | 4.0 | 263.234 | 0.3 | 3.3 | 10.1 | 143.569 | 0.5 | 6.6 | 5.6 | 5.32 | 6.66 |
| | Feb | 4.1 | 266.799 | 1.4 | 17.5 | 10.4 | 144.291 | 0.5 | 6.2 | 5.9 | 5.55 | 6.52 |
| | Mar | 4.0 | 269.748 | 1.1 | 14.1 | 11.3 | 145.234 | 0.7 | 8.1 | 5.8 | 5.69 | 6.26 |
| | Apr | 4.0 | 267.221 | -0.9 | -10.7 | 9.3 | 146.266 | 0.7 | 8.9 | 6.4 | 5.66 | 5.99 |
| | May | 4.1 | 267.417 | 0.1 | 0.9 | 8.1 | 147.228 | 0.7 | 8.2 | 6.4 | 5.79 | 6.44 |
| | Jun | 4.0 | 268.436 | 0.4 | 4.7 | 8.2 | 147.896 | 0.5 | 5.6 | 6.7 | 5.69 | 6.10 |
| | Jul | 4.0 | 270.645 | 0.8 | 10.3 | 8.3 | 147.595 | -0.2 | -2.4 | 5.7 | 5.96 | 6.05 |
| | Aug | 4.1 | 270.549 | -0.0 | -0.4 | 6.7 | 148.650 | 0.7 | 8.9 | 6.0 | 6.09 | 5.83 |
| | Sep | 3.9 | 272.714 | 0.8 | 10.0 | 7.4 | 148.973 | 0.2 | 2.6 | 6.1 | 6.00 | 5.80 |
| | Oct | 3.9 | 272.490 | -0.1 | -1.0 | 6.9 | 148.660 | -0.2 | -2.5 | 5.1 | 6.11 | 5.74 |
| | Nov | 4.0 | 270.931 | -0.6 | -6.7 | 5.0 | 148.206 | -0.3 | -3.6 | 4.5 | 6.17 | 5.72 |
| | Dec | 4.0 | 271.347 | 0.2 | 1.9 | 3.4 | 147.300 | -0.6 | -7.1 | 3.1 | 5.77 | 5.24 |
| 2001 | Jan | 4.2 | 274.912 | 1.3 | 17.0 | 4.4 | 146.013 | -0.9 | -10.0 | 1.7 | 5.15 | 5.16 |
| | Feb | 4.2 | 274.329 | -0.2 | -2.5 | 2.8 | 145.480 | -0.4 | -4.3 | 0.8 | 4.88 | 5.10 |
| | Mar | 4.3 | 273.337 | -0.4 | -4.3 | 1.3 | 145.328 | -0.1 | -1.2 | 0.1 | 4.42 | 4.89 |
| | Apr | 4.5 | 275.549 | 0.8 | 10.2 | 3.1 | 144.866 | -0.3 | -3.7 | -1.0 | 3.87 | 5.14 |
| | May | | | | | | | | | | 3.62 | 5.39 |

| | Consumer Price Index | | | | | Consumer Price Index less Food and Energy | | | | | Producer Price Index Finished Goods | | | | |
|------|----------------------|-----------------------|----------------|-------------|-----------------|--|-----------------------|----------------|-------------|-----------------|--|-----------------------|----------------|-------------|-----|
| | Index | Percent change | | | | Index | Percent change | | | | Index | Percent change | | | |
| | | Monthly/ quarterly | Annual rate | Year ago | Year to date | | Monthly/ quarterly | Annual rate | Year ago | Year to date | | Monthly/ quarterly | Annual rate | Year ago | |
| 1996 | 157.0 | | | 2.9 | | 165.8 | | | 2.7 | | 131.3 | | | 2.6 | |
| 1997 | 160.6 | | | 2.3 | | 169.7 | | | 2.4 | | 131.8 | | | 0.4 | |
| 1998 | 163.1 | | | 1.5 | | 173.6 | | | 2.3 | | 130.7 | | | -0.9 | |
| 1999 | 166.7 | | | 2.2 | | 177.2 | | | 2.1 | | 133.0 | | | 1.8 | |
| 2000 | 172.3 | | | 3.4 | | 181.5 | | | 2.4 | | 138.0 | | | 3.7 | |
| 1999 | 1 | 164.9 | 0.4 | 1.6 | 1.7 | 1.6 | 175.9 | 0.5 | 1.9 | 2.2 | 1.9 | 131.4 | 0.3 | 1.2 | 0.7 |
| | 2 | 166.0 | 0.7 | 2.9 | 2.1 | 2.2 | 176.8 | 0.5 | 1.9 | 2.1 | 1.9 | 132.3 | 0.7 | 2.8 | 1.3 |
| | 3 | 167.2 | 0.7 | 2.8 | 2.3 | 2.4 | 177.6 | 0.5 | 1.9 | 2.0 | 1.9 | 133.6 | 1.0 | 4.0 | 2.3 |
| | 4 | 168.5 | 0.8 | 3.2 | 2.6 | 2.6 | 178.7 | 0.6 | 2.4 | 2.0 | 2.0 | 134.8 | 0.9 | 3.7 | 2.9 |
| 2000 | 1 | 170.3 | 1.0 | 4.2 | 3.3 | 4.2 | 179.8 | 0.6 | 2.6 | 2.2 | 2.6 | 136.3 | 1.1 | 4.4 | 3.7 |
| | 2 | 171.5 | 0.7 | 3.0 | 3.3 | 3.6 | 181.0 | 0.7 | 2.7 | 2.4 | 2.6 | 137.5 | 0.9 | 3.6 | 3.9 |
| | 3 | 173.0 | 0.9 | 3.5 | 3.5 | 3.6 | 182.1 | 0.6 | 2.5 | 2.6 | 2.6 | 138.4 | 0.7 | 2.6 | 3.6 |
| | 4 | 174.3 | 0.7 | 2.9 | 3.4 | 3.4 | 183.2 | 0.6 | 2.4 | 2.5 | 2.5 | 139.8 | 1.0 | 4.1 | 3.7 |
| 2001 | 1 | 176.1 | 1.0 | 4.2 | 3.4 | 4.2 | 184.6 | 0.8 | 3.2 | 2.7 | 3.2 | 141.7 | 1.4 | 5.5 | 4.0 |
| 1999 | Apr | 166.0 | 0.6 | 7.5 | 2.2 | 2.8 | 176.6 | 0.3 | 4.2 | 2.2 | 1.7 | 132.2 | 0.5 | 6.6 | 1.1 |
| | May | 166.0 | 0.0 | 0.0 | 2.0 | 2.2 | 176.8 | 0.1 | 1.4 | 2.1 | 1.6 | 132.3 | 0.1 | 0.9 | 1.4 |
| | Jun | 166.1 | 0.1 | 0.7 | 2.0 | 2.0 | 176.9 | 0.1 | 0.7 | 2.0 | 1.5 | 132.4 | 0.1 | 0.9 | 1.5 |
| | Jul | 166.7 | 0.4 | 4.4 | 2.1 | 2.3 | 177.3 | 0.2 | 2.7 | 2.0 | 1.7 | 132.7 | 0.2 | 2.8 | 1.5 |
| | Aug | 167.1 | 0.2 | 2.9 | 2.2 | 2.4 | 177.5 | 0.1 | 1.4 | 1.9 | 1.6 | 133.6 | 0.7 | 8.4 | 2.4 |
| | Sep | 167.8 | 0.4 | 5.1 | 2.6 | 2.7 | 178.0 | 0.3 | 3.4 | 2.1 | 1.8 | 134.5 | 0.7 | 8.4 | 3.1 |
| | Oct | 168.2 | 0.2 | 2.9 | 2.6 | 2.7 | 178.3 | 0.2 | 2.0 | 2.1 | 1.8 | 134.6 | 0.1 | 0.9 | 2.7 |
| | Nov | 168.5 | 0.2 | 2.2 | 2.6 | 2.7 | 178.7 | 0.2 | 2.7 | 2.1 | 1.9 | 134.7 | 0.1 | 0.9 | 3.0 |
| | Dec | 168.9 | 0.2 | 2.9 | 2.7 | 2.7 | 179.0 | 0.2 | 2.0 | 1.9 | 1.9 | 135.2 | 0.4 | 4.5 | 3.0 |
| 2000 | Jan | 169.4 | 0.3 | 3.6 | 2.8 | 3.6 | 179.4 | 0.2 | 2.7 | 2.0 | 2.7 | 135.1 | -0.1 | -0.9 | 2.6 |
| | Feb | 170.2 | 0.5 | 5.8 | 3.3 | 4.7 | 179.7 | 0.2 | 2.0 | 2.2 | 2.4 | 136.3 | 0.9 | 11.2 | 4.0 |
| | Mar | 171.2 | 0.6 | 7.3 | 3.8 | 5.6 | 180.3 | 0.3 | 4.1 | 2.4 | 2.9 | 137.5 | 0.9 | 11.1 | 4.6 |
| | Apr | 171.1 | -0.1 | -0.7 | 3.1 | 4.0 | 180.7 | 0.2 | 2.7 | 2.3 | 2.9 | 137.1 | -0.3 | -3.4 | 3.7 |
| | May | 171.3 | 0.1 | 1.4 | 3.2 | 3.4 | 181.0 | 0.2 | 2.0 | 2.4 | 2.7 | 137.1 | 0.0 | 0.0 | 3.6 |
| | Jun | 172.2 | 0.5 | 6.5 | 3.7 | 3.9 | 181.3 | 0.2 | 2.0 | 2.5 | 2.6 | 138.3 | 0.9 | 11.0 | 4.5 |
| | Jul | 172.7 | 0.3 | 3.5 | 3.6 | 3.9 | 181.7 | 0.2 | 2.7 | 2.5 | 2.6 | 138.2 | -0.1 | -0.9 | 4.1 |
| | Aug | 172.8 | 0.1 | 0.7 | 3.4 | 3.5 | 182.1 | 0.2 | 2.7 | 2.6 | 2.6 | 138.0 | -0.1 | -1.7 | 3.3 |
| | Sep | 173.6 | 0.5 | 5.7 | 3.5 | 3.7 | 182.6 | 0.3 | 3.3 | 2.6 | 2.7 | 139.0 | 0.7 | 9.1 | 3.3 |
| | Oct | 173.9 | 0.2 | 2.1 | 3.4 | 3.6 | 182.8 | 0.1 | 1.3 | 2.5 | 2.6 | 139.6 | 0.4 | 5.3 | 3.7 |
| | Nov | 174.3 | 0.2 | 2.8 | 3.4 | 3.5 | 183.3 | 0.3 | 3.3 | 2.6 | 2.6 | 139.8 | 0.1 | 1.7 | 3.8 |
| | Dec | 174.6 | 0.2 | 2.1 | 3.4 | 3.4 | 183.5 | 0.1 | 1.3 | 2.5 | 2.5 | 140.0 | 0.1 | 1.7 | 3.6 |
| 2001 | Jan | 175.7 | 0.6 | 7.8 | 3.7 | 7.8 | 184.1 | 0.3 | 4.0 | 2.6 | 4.0 | 141.6 | 1.1 | 14.6 | 4.8 |
| | Feb | 176.2 | 0.3 | 3.5 | 3.5 | 5.6 | 184.7 | 0.3 | 4.0 | 2.8 | 4.0 | 141.8 | 0.1 | 1.7 | 4.0 |
| | Mar | 176.3 | 0.1 | 0.7 | 3.0 | 4.0 | 185.1 | 0.2 | 2.6 | 2.7 | 3.5 | 141.7 | -0.1 | -0.8 | 3.1 |
| | Apr | 176.8 | 0.3 | 3.5 | 3.3 | 3.8 | 185.5 | 0.2 | 2.6 | 2.7 | 3.3 | 142.1 | 0.3 | 3.4 | 3.6 |

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 1996 dollars. The **Purchasing Managers' Index** is a weighted average of diffusion indexes for new orders, production, supplier deliveries, inventories, and employment. The National Association of Purchasing Management (NAPM) surveys over 300 firms in 20 manufacturing industries, weighting responses by industry share of GDP. **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: Beginning with the October 1999 **comprehensive revision** to the National Income and Product Accounts (NIPA), a new formula is used to calculate the **contribution** of a component to the overall GDP growth rate. The new formula produces estimates roughly equivalent to the old formula. For more information, 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, but all rates used in the yield curves are adjusted to constant maturity. **Standard and Poor's 500 Index with Reinvested Dividends** shows the total return: capital gains plus dividends.

Pages 8,9: **Oil** (West Texas intermediate crude) and **Natural Gas** (Henry Hub) prices are monthly averages of daily spot prices listed in the *Wall Street Journal*. **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: **Nonfarm payroll employment** is counted in a survey of about 390,000 establishments (Current Employment Survey). 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 50,000 households provides estimates of civilian employment, unemployment rate, labor force participation rate, and employment-population ratio. **Population** is civilian, noninstitutional, 16 years and over. New population controls introduced in January 2000 affect levels and growth rates of household survey employment, labor force and population. The unemployment rate and other series were minimally affected. 90 percent confidence intervals for the unemployment rate (± 0.2 percentage points) and change in household survey employment ($\pm 376,000$) measure uncertainty due to sample size. The **available labor supply** is the sum of the unemployed and those persons not in the labor force but who want to work now. The household survey was significantly changed in January 1994, so care should be exercised in making short-term comparisons around this date, particularly with the duration data shown on page 10.

Pages 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.

Pages 14, 15: Overall **gross saving** includes government saving, which is the sum of the government surplus and capital consumption (see notes for pages 16 and 17). **Net foreign investment (NFI)** is U.S. investment abroad minus foreign investment in the U.S. Aside from a statistical discrepancy, NFI also equals the difference between gross domestic investment and saving. The comprehensive revision introduced the **equipment & software** component of business investment.

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 76 percent of the value of GDP in 1996, 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 (CCAdj)** 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

The Conference Board

Help-wanted advertising index

Organization for Economic Cooperation and Development (OECD)

GDP for major trading partners (not available on FRED)