

Executive Summary: US Economic Outlook

November 2021



Contacts

Joel Prakken

VP & Co-Head US Economics
joel.prakken@ihsmarkit.com

Chris Varvares

VP & Co-Head US Economics
chris.varvares@ihsmarkit.com

Ben Herzon

Executive Director
ben.herzon@ihsmarkit.com

Ken Matheny

Executive Director
ken.matheny@ihsmarkit.com

Patrick Newport

Executive Director
patrick.newport@ihsmarkit.com

James Bohnaker

Director
james.bohnaker@ihsmarkit.com

Kathleen Navin

Director
kathleen.navin@ihsmarkit.com

Michael Konidaris

Associate Director
michael.konidaris@ihsmarkit.com

Mike Montgomery

Associate Director
mike.montgomery@ihsmarkit.com

Juan Turcios

Principal Economist
juan.turcios@ihsmarkit.com

Akshat Goel

Senior Economist
akshat.goel@ihsmarkit.com

Gordon Greer III

Senior Economist
gordon.greer@ihsmarkit.com

Lawrence Nelson

Senior Economist
lawrence.nelson@ihsmarkit.com

William Magee

Economist
william.magee@ihsmarkit.com

Forecast overview

Delta, supply issues slow Q3 growth, but recovery remains on track; transition to restocking in 2022

- Our updated forecast of real GDP growth for 2021 is 5.5%, and for 2022 is 4.3%, both little changed from last month.¹
- GDP growth slowed from 6.7% in Q2 to 2.0% in Q3. Third-quarter growth was more than accounted for by an increase in inventory investment. While still declining, inventories did so at a slower rate than in Q2. Final sales (-0.1%) declined outright as sales to domestic purchasers decelerated sharply and net exports posted a large decline.
- PCE-services at risk of COVID decelerated during the summer surge of infections.² Vehicle sales, constrained by low inventories, fell from 16.9 million to 13.3 million units in Q3, and tumbling motor vehicle output, constrained by chip shortages, subtracted 1.4 percentage points from Q3 growth.
- A subsiding rate of COVID infections, anticipated further progress on vaccinations (including vaccinations of children), the gradual resolution of supply disruptions and labor shortages, and accommodative financial conditions will support the resumption of firm growth heading into 2022. We expect the unemployment rate, which fell to 4.6% in October, to reach 3.5% by late 2022.
- We revised up our forecast of CPI inflation for 2021 from 4.3% to 4.5%, and for 2022 from 3.0% to 3.3%, mostly the result of higher projected near-term energy costs. As supply chains mend, and with long-run inflation expectations anchored near the Fed's 2% objective, we expect core PCE inflation to subside to moderately above 2% by 2023.
- The FOMC met on 2–3 November and, as expected, announced it will begin tapering its purchases of assets this month at a pace that will complete the taper by mid-2022. We continue to assume “lift off” of the federal funds rate in March of 2023.
- The House passed the Infrastructure Investment and Jobs Act (IIJA) and sent it to President Biden's desk for signing. This was as we previously assumed, with no new impact on the forecast. We estimate the peak effect of IIJA, reached in 2025-26, is to raise the level of real GDP 0.5% and employment 750,000. These impacts wane after 2026 as the increase in spending unwinds.

Rebound in motor vehicle output to boost Q4 growth

- We project GDP growth to tick up to 4.4% in Q4. Our automotive group sees Q3 as the trough in unit vehicle production, and we project that growth of motor vehicle output, after subtracting 1.4 points from Q3 GDP growth, will add 0.6 point to Q4 growth, accounting for nearly all our projected acceleration of overall GDP.

2022: transition to restocking

- The forecast shows GDP growth, measured Q4-to-Q4, slowing from 4.8% this year to 4.1% in 2022. Growth of final sales slows more dramatically, from 5.1% to 3.2%, as demand approaches its pre-pandemic trend. However, with inventories near record low levels relative to sales, and shortages in certain industries starting easing, restocking of inventories will add 1.0 percentage point to growth in 2022.

Near-term price pressures to ease by 2023

- We expect inflation to ease late next year and into 2023 as supply chains recover and workers return to the labor force. A softening of vehicle prices helps restrain core PCE inflation close to 2.2% in 2023-24. Partial reversals of recent surges in the prices of farm product and crude oil push headline inflation below core inflation in both 2022 and 2023.

Taper begins without a tantrum

- The Fed announced it will reduce its current rate of asset purchases (\$120 billion per month) by \$15 billion per month

(\$10 billion of Treasury issues, \$5 billion of mortgage-backed securities). This would reduce purchases to zero by the end of next June. The taper was well-signaled, so there was little market reaction to the announcement. The timing and pace of the taper was as we had assumed, so the announcement had no implications for our forecast.

IIJA a modest stimulus

- The impact of IIJA on the forecast is modest because most of the “new” contract authority for the highway trust fund was assumed in previous forecasts, other new appropriations are spread over five years, the spend-out of each year's authority itself is spread out over several years, and the rescission of some COVID relief funds offsets some of the stimulus from infrastructure investments in 2022 and 2023.

Build Back Better update

- To secure the vote of progressives on IIJA, Speaker Pelosi promised a House vote on BBB by 15 November. Moderates insist they will not vote on it without a score. CBO has not yet produced a cost. Informal estimates suggest a 10-year cost near \$2 trillion. While the odds that some version of BBB will be enacted this year have risen, we still consider it too uncertain to assume it in our base forecast.

1. This forecast was issued on 8 November 2021. Unless otherwise noted, all quarterly growth rates are stated as compound annual rates, all expenditure components of GDP are chained 2012 dollars, and all annual growth rates are full-year over full-year percent changes.

2. PCE is the acronym for personal consumption expenditures.

Forecast at a glance

Base forecast (November 2021) 2021:Q4 - 2025:Q4

| | Major economic indicators | | | | | | | | | | | | | | | | | |
|--|---------------------------------------|--------|--------|--------|--------|--------|--|-------|-------|-------|-------|-------|--|--------|--------|--------|--------|--------|
| | % ch. from prior quarter, annual rate | | | | | | % ch. from prior year, or annual average | | | | | | % ch. from fourth quarter of prior year, or fourth-quarter average | | | | | |
| | 2021.2 | 2021.3 | 2021.4 | 2022.1 | 2022.2 | 2022.3 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2020.4 | 2021.4 | 2022.4 | 2023.4 | 2024.4 | 2025.4 |
| Key indicators of real activity | | | | | | | | | | | | | | | | | | |
| Real gross domestic product | 6.7 | 2.0 | 4.4 | 5.0 | 4.7 | 4.0 | -3.4 | 5.5 | 4.3 | 2.9 | 2.7 | 2.6 | -2.3 | 4.8 | 4.1 | 2.5 | 2.7 | 2.6 |
| Contributions to growth (% points): | | | | | | | | | | | | | | | | | | |
| Final sales to domestic purchasers | 8.2 | 1.1 | 3.5 | 3.8 | 3.1 | 2.9 | -2.6 | 6.9 | 3.3 | 2.4 | 2.8 | 2.8 | -1.3 | 5.8 | 3.0 | 2.4 | 2.8 | 2.9 |
| Net exports of goods & services | -0.2 | -1.1 | 0.1 | 0.0 | 0.3 | 0.2 | -0.3 | -1.3 | 0.0 | 0.2 | 0.0 | -0.2 | -1.2 | -0.7 | 0.2 | 0.2 | -0.1 | -0.2 |
| Change in private inventories | -1.3 | 2.1 | 0.8 | 1.2 | 1.3 | 0.9 | -0.5 | -0.2 | 1.0 | 0.2 | -0.1 | -0.1 | 0.3 | -0.6 | 1.0 | -0.1 | 0.0 | -0.1 |
| Major components of real GDP | | | | | | | | | | | | | | | | | | |
| Personal consumption expend. | 12.0 | 1.6 | 4.5 | 2.9 | 2.5 | 2.4 | -3.8 | 8.0 | 3.4 | 2.3 | 2.9 | 3.2 | -2.4 | 7.3 | 2.4 | 2.5 | 3.1 | 3.3 |
| Nonres. fixed investment | 9.2 | 1.8 | 5.9 | 9.3 | 7.5 | 6.9 | -5.3 | 7.6 | 6.8 | 5.1 | 4.5 | 4.0 | -3.8 | 7.4 | 7.3 | 4.4 | 4.4 | 3.8 |
| Residential investment | -11.7 | -7.7 | -8.1 | -6.9 | -1.3 | -1.4 | 6.8 | 8.5 | -5.6 | -2.2 | 0.4 | 0.1 | 15.7 | -4.0 | -3.1 | -1.6 | 0.8 | -0.2 |
| Change in private inventories * | -168.5 | -77.7 | -34.4 | 28.0 | 93.3 | 142.6 | -42.3 | -92.2 | 107.1 | 154.6 | 140.7 | 124.2 | 88.8 | -34.4 | 164.8 | 144.9 | 135.8 | 119.1 |
| Exports of goods & services | 7.6 | -2.5 | 2.4 | 5.6 | 9.3 | 9.7 | -13.6 | 3.7 | 5.5 | 8.3 | 5.9 | 4.8 | -10.7 | 1.1 | 8.5 | 7.2 | 5.4 | 4.5 |
| Imports of goods & services | 7.1 | 6.1 | 1.0 | 4.1 | 4.7 | 5.7 | -8.9 | 13.1 | 4.3 | 4.5 | 4.5 | 4.9 | 0.3 | 5.8 | 4.9 | 4.1 | 4.9 | 4.9 |
| Gov't consump. & gross invest. | -2.0 | 0.8 | 0.1 | 5.0 | 2.6 | 2.2 | 2.5 | 0.6 | 2.0 | 1.3 | 0.9 | 0.9 | 1.2 | 0.7 | 2.7 | 1.1 | 0.8 | 1.0 |
| Pvt. housing starts (thous. units) | 1588 | 1566 | 1533 | 1493 | 1454 | 1415 | 1397 | 1571 | 1435 | 1333 | 1327 | 1329 | 1575 | 1533 | 1377 | 1332 | 1321 | 1325 |
| Light vehicle sales (mil. units) | 16.9 | 13.3 | 12.8 | 13.7 | 15.1 | 16.1 | 14.5 | 14.9 | 15.3 | 17.1 | 17.7 | 17.5 | 16.2 | 12.8 | 16.4 | 17.4 | 17.8 | 17.2 |
| Industrial production, total | 6.4 | 4.3 | 2.7 | 4.5 | 5.1 | 5.0 | -7.2 | 5.5 | 4.4 | 3.2 | 2.2 | 1.9 | -4.3 | 4.3 | 4.6 | 2.4 | 2.1 | 1.9 |
| Industrial production, mfg | 5.0 | 5.3 | 3.9 | 4.9 | 6.3 | 6.0 | -6.6 | 6.3 | 5.1 | 3.7 | 2.6 | 2.2 | -2.5 | 4.2 | 5.4 | 2.7 | 2.5 | 2.1 |
| Capacity utilization (mfg, %) | 75.4 | 76.4 | 77.0 | 77.9 | 78.6 | 79.2 | 71.1 | 75.8 | 78.8 | 79.2 | 78.7 | 77.8 | 74.0 | 77.0 | 79.4 | 79.0 | 78.4 | 77.5 |
| Nonfarm payroll employ. (mil.) | 145.1 | 147.4 | 148.7 | 150.1 | 151.4 | 152.6 | 142.3 | 146.1 | 151.9 | 154.7 | 156.1 | 157.1 | 142.6 | 148.7 | 153.5 | 155.3 | 156.6 | 157.4 |
| Average monthly chg. (thous.) | 615 | 629 | 453 | 477 | 405 | 369 | -785 | 554 | 380 | 139 | 105 | 69 | 213 | 453 | 269 | 109 | 81 | 75 |
| Private nonfarm hours | 5.9 | 7.0 | 3.2 | 3.7 | 3.7 | 3.3 | -6.6 | 5.4 | 4.0 | 1.7 | 0.8 | 0.6 | -5.0 | 5.0 | 3.2 | 0.9 | 0.8 | 0.5 |
| Civilian unemployment rate (%) | 5.9 | 5.1 | 4.5 | 4.2 | 3.9 | 3.6 | 8.1 | 5.4 | 3.8 | 3.5 | 3.6 | 3.8 | 6.7 | 4.5 | 3.5 | 3.5 | 3.7 | 3.8 |
| Prices, Productivity, & Costs | | | | | | | | | | | | | | | | | | |
| CPI, all items, all urban | 8.4 | 6.6 | 4.6 | 1.4 | 2.1 | 2.2 | 1.2 | 4.5 | 3.3 | 2.1 | 2.2 | 2.2 | 1.2 | 5.8 | 1.9 | 2.1 | 2.2 | 2.2 |
| CPI excl food & energy, all urban | 8.1 | 5.3 | 2.6 | 2.7 | 2.8 | 2.6 | 1.7 | 3.4 | 3.3 | 2.5 | 2.5 | 2.5 | 1.6 | 4.3 | 2.6 | 2.5 | 2.5 | 2.4 |
| PCE price index | 6.5 | 5.3 | 3.6 | 1.8 | 2.0 | 2.1 | 1.2 | 3.7 | 2.9 | 1.9 | 2.1 | 2.1 | 1.2 | 4.8 | 1.9 | 1.9 | 2.2 | 2.1 |
| PCE price excl food & energy | 6.1 | 4.5 | 2.6 | 2.7 | 2.5 | 2.4 | 1.4 | 3.1 | 3.0 | 2.3 | 2.2 | 2.2 | 1.4 | 3.9 | 2.5 | 2.2 | 2.3 | 2.2 |
| PPI finished goods | 11.6 | 11.9 | 11.6 | 1.2 | 0.7 | 2.0 | -1.3 | 8.7 | 5.0 | 1.4 | 1.8 | 1.8 | -1.2 | 12.3 | 1.4 | 1.5 | 1.9 | 1.8 |
| Compensation per hour | 3.5 | 2.9 | 3.0 | 4.2 | 4.0 | 4.3 | 7.0 | 3.8 | 3.7 | 4.5 | 4.5 | 4.4 | 8.5 | 2.7 | 4.2 | 4.6 | 4.4 | 4.4 |
| Output per hour | 2.4 | -5.0 | 1.5 | 1.9 | 1.7 | 1.4 | 2.4 | 1.5 | 0.8 | 1.5 | 2.4 | 2.4 | 2.5 | 0.7 | 1.5 | 2.0 | 2.4 | 2.5 |
| Unit labor cost | 1.1 | 8.3 | 1.5 | 2.2 | 2.3 | 2.8 | 4.5 | 2.3 | 2.9 | 2.9 | 2.0 | 2.0 | 5.8 | 1.9 | 2.7 | 2.6 | 2.0 | 1.9 |
| CoreLogic house price index ** | 5.7 | 4.2 | 2.2 | 2.2 | 1.8 | 1.6 | 6.2 | 16.0 | 10.0 | 4.5 | 2.3 | 1.3 | 8.6 | 17.2 | 7.0 | 3.3 | 1.8 | 1.2 |
| Price of WTI crude oil (\$/barrel) | 66.09 | 70.64 | 81.39 | 75.44 | 72.76 | 74.36 | 39.25 | 68.98 | 73.80 | 67.26 | 64.98 | 62.96 | 42.53 | 81.39 | 72.63 | 65.86 | 64.12 | 62.74 |
| Price of Brent crude oil (\$/barrel) | 68.83 | 73.49 | 84.34 | 78.67 | 76.00 | 77.67 | 41.77 | 71.87 | 77.08 | 70.65 | 68.59 | 66.82 | 44.29 | 84.34 | 76.00 | 69.33 | 67.83 | 66.66 |
| Selected Financial Variables | | | | | | | | | | | | | | | | | | |
| Federal funds rate (%) | 0.07 | 0.09 | 0.09 | 0.09 | 0.09 | 0.09 | 0.38 | 0.08 | 0.09 | 0.37 | 0.97 | 1.66 | 0.09 | 0.09 | 0.09 | 0.61 | 1.18 | 1.93 |
| Yield on 10-Yr Treasury Notes (%) | 1.59 | 1.32 | 1.63 | 1.70 | 1.76 | 1.91 | 0.89 | 1.47 | 1.85 | 2.25 | 2.55 | 2.80 | 0.86 | 1.63 | 2.03 | 2.35 | 2.66 | 2.87 |
| Baa corporate bond yield (%) | 3.61 | 3.30 | 3.46 | 3.55 | 3.68 | 3.86 | 3.69 | 3.47 | 3.77 | 4.28 | 4.62 | 4.87 | 3.36 | 3.46 | 3.98 | 4.41 | 4.73 | 4.93 |
| Broad trade-wtd US\$ (Jan 2006=100) | 112.1 | 113.6 | 114.4 | 114.5 | 113.8 | 113.0 | 117.9 | 113.2 | 113.4 | 111.9 | 111.2 | 111.3 | 114.2 | 114.4 | 112.4 | 111.7 | 111.2 | 111.4 |
| S&P 500 stock index, period end | 4297 | 4308 | 4704 | 4705 | 4730 | 4639 | 3756 | 4704 | 4596 | 4632 | 4611 | 4639 | 3756 | 4704 | 4596 | 4632 | 4611 | 4639 |
| S&P 500 stock index, average | 4183 | 4421 | 4615 | 4705 | 4718 | 4685 | 3219 | 4270 | 4681 | 4593 | 4618 | 4619 | 3554 | 4615 | 4618 | 4622 | 4608 | 4632 |
| Incomes & Related Measures | | | | | | | | | | | | | | | | | | |
| Corporate profits w/ IVA & CCAdj | 49.1 | -9.9 | -22.6 | 16.4 | 8.9 | 4.6 | -5.2 | 19.2 | 2.2 | 1.4 | 4.4 | 4.5 | 0.9 | 6.2 | 6.7 | 1.9 | 4.8 | 4.6 |
| Real disposable personal income | -30.2 | -5.6 | -5.8 | -0.1 | 3.6 | 3.6 | 6.2 | 1.7 | -3.0 | 2.9 | 3.1 | 3.1 | 4.0 | -1.0 | 2.3 | 2.9 | 3.1 | 3.2 |
| Personal saving rate (%) | 10.5 | 8.9 | 6.5 | 5.7 | 5.9 | 6.2 | 16.4 | 11.6 | 6.0 | 6.5 | 6.6 | 6.6 | 13.6 | 6.5 | 6.2 | 6.5 | 6.6 | 6.6 |
| Fed. surplus (unified, FY, bil. \$) | -2127 | -2137 | -1473 | -1613 | -667 | -869 | -3132 | -2772 | -1156 | -707 | -789 | -819 | -2292 | -1473 | -995 | -1085 | -1112 | -1164 |

* billions of chained 2012 \$

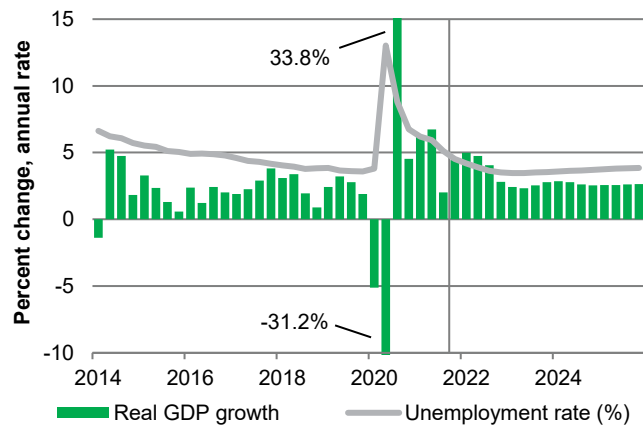
** % change, not annualized

Source: IHS Markit

© 2021 IHS Markit

Forecast at a glance

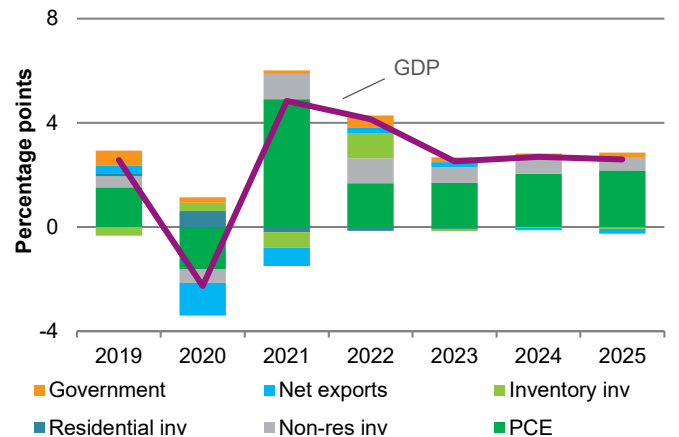
Recovery slowed in Q3



Source: IHS Markit, BEA, BLS

© 2021 IHS Markit

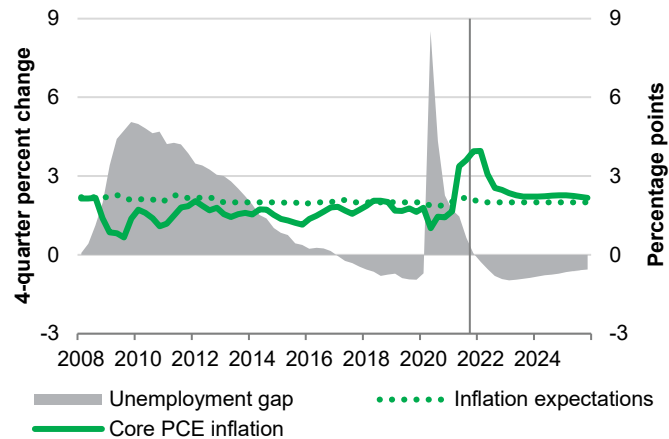
Contributions to GDP growth (Q4/Q4)



Source: IHS Markit, BEA

© 2021 IHS Markit

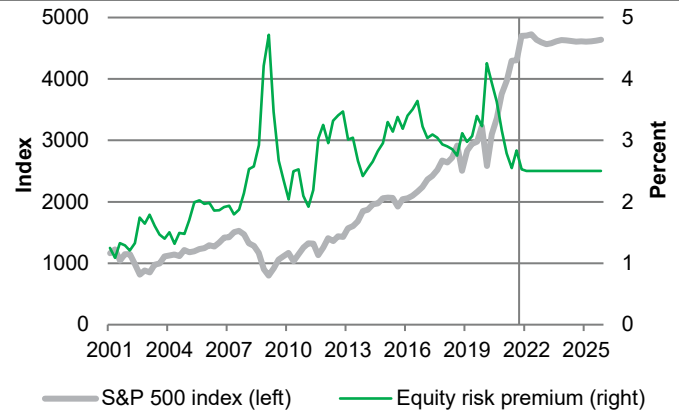
Core PCE inflation declines to about 2% after surge



Source: IHS Markit, Philly Fed, BEA, BLS

© 2021 IHS Markit

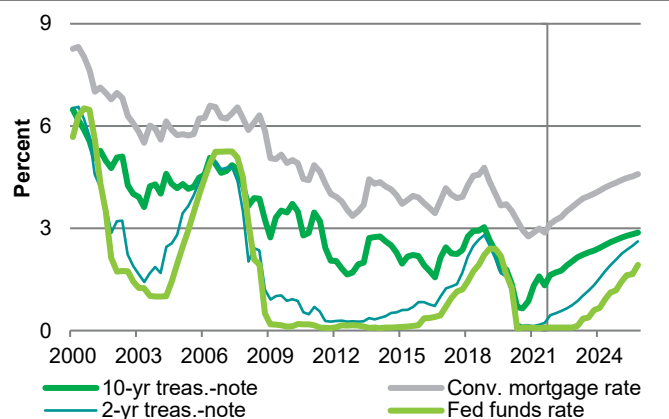
Equities continue rising through Q4 but moderate beginning in 2022



Source: IHS Markit, S&P

© 2021 IHS Markit

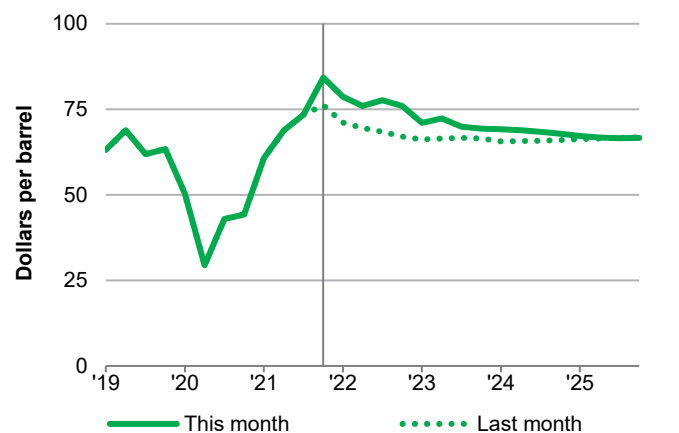
Fed keeps funds rate pinned at 0 until March 2023, term yields rise gradually



Source: IHS Markit, FRB

© 2021 IHS Markit

Price of Brent crude oil



Source: IHS Markit

© 2021 IHS Markit

What's new

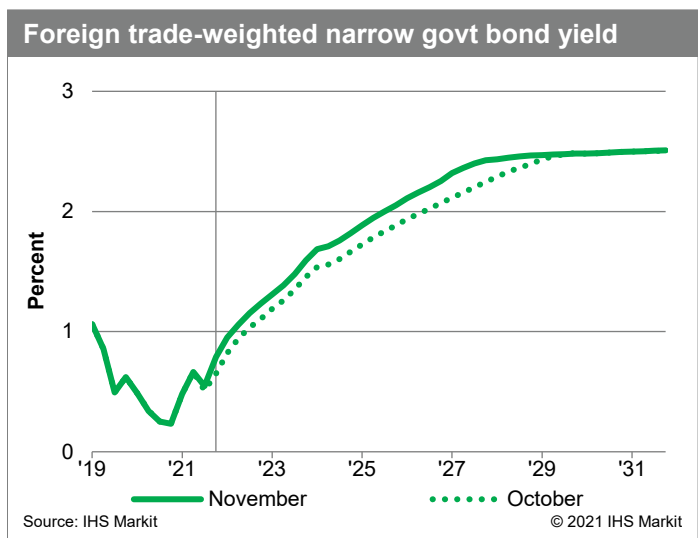
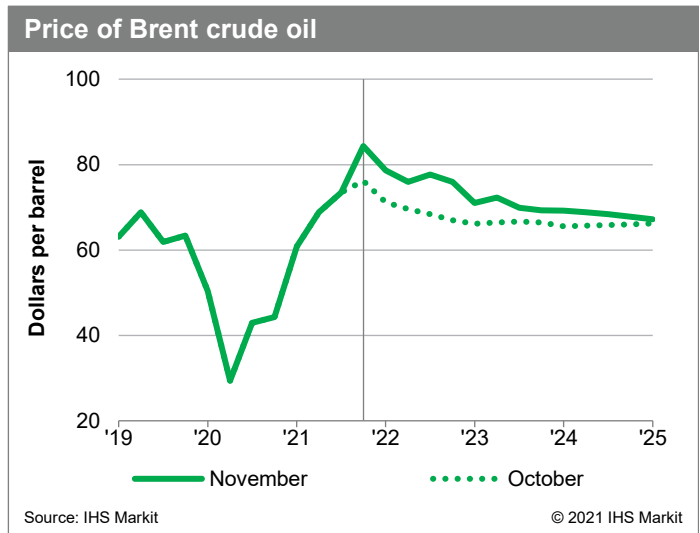
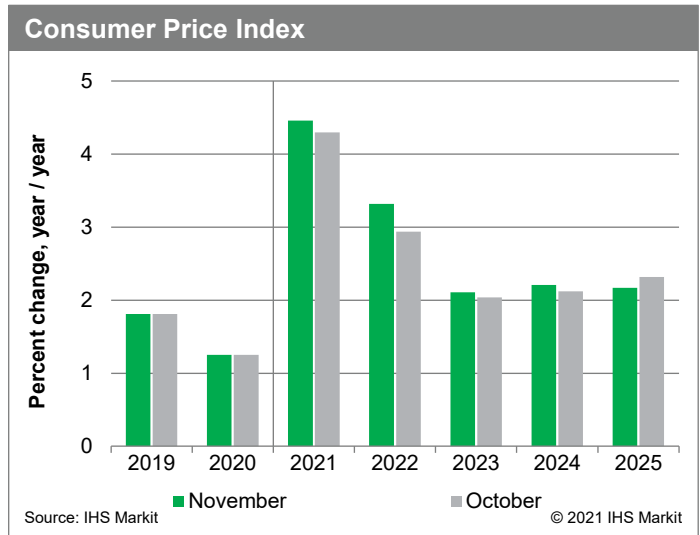
Q3 review; higher oil prices boost inflation; higher foreign yields lower USD; policy assumptions validated

The November forecast is the first to include the third quarter as history for the National Accounts. BEA estimates real GDP grew 2.0% in Q3 after advancing at a 6.5% rate over the first half of the year. This was 0.6 percentage point above our October forecast and 0.4 percentage point above our final tracking estimate, but 1.6 percentage points below the October Blue Chip consensus. Final sales contracted (-0.1%) as growth of sales to domestic purchasers slowed sharply, from 8.0% in Q2 to 1.0% in Q3, while net exports subtracted 1.1 points from GDP growth as exports declined (-2.5%) and imports rose firmly (6.1%). Spending on consumer durables plunged (-26.2%) as light vehicle sales, constrained by lean inventories, tumbled from 16.9 million units in Q2 to 13.3 million units in Q3. PCE for services other than healthcare, housing, and utilities continued to recover, growing 13%. However, spending on activities at risk to COVID decelerated sharply, partly in response to the summer wave of infections. Expenditures on business equipment (-3.2%), nonresidential structures (-7.3%), and residential investment (-7.7%) all declined outright. Investment in intellectual property products was a bright spot, growing 12.2%. Inventories continued declining, but more slowly than in Q2. Consequently, inventory investment contributed 2.1 points to Q3 growth, more than accounting for the rise in GDP. Motor vehicle output, constrained by chip shortages, contracted 41.6%, subtracting 1.4 points from GDP growth. The GDP price index rose at a 5.7% pace.

Our forecast for core consumer inflation is little changed this month, but our projection for headline CPI inflation in 2021 is revised from 4.3% to 4.5%, and in 2022 from 3.0% to 3.3% (chart, top). This results partly from an upward revision in our energy group's projection of the price of crude oil (chart, middle) to reflect market sentiment that soaring natural gas prices in Europe and Asia may induce switching to oil that might draw down inventories of crude. However, we also adjusted upwards modestly our projection of headline CPI inflation relative to the core rate.

Most of our country analysts have raised their projections of interest rates for the countries they cover (chart, bottom). This is in response to the global uptick in inflation that has fostered expectations of an earlier, and perhaps faster, removal of monetary accommodation by the world's major central banks. The most notable consequence is a downward revision of the US dollar averaging of 2% - 3% over the 10 years of the forecast.

Finally, two of our longstanding policy assumptions were validated when the Fed, following the recent FOMC meeting, announced the "taper" will begin this month, and the House passed the Infrastructure Investment and Jobs Act, sending it to President Biden for enactment within weeks.



The view just ahead

Pick-up in Q4 growth tied to weakness in July; trend in monthly GDP does not firm until Q1

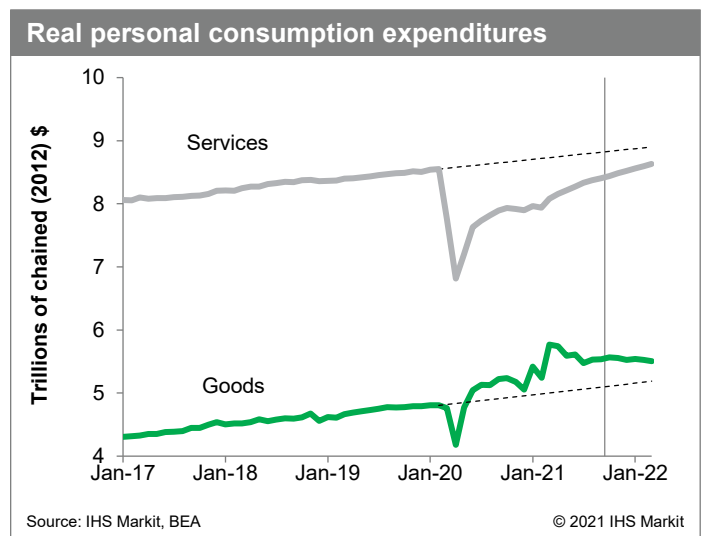
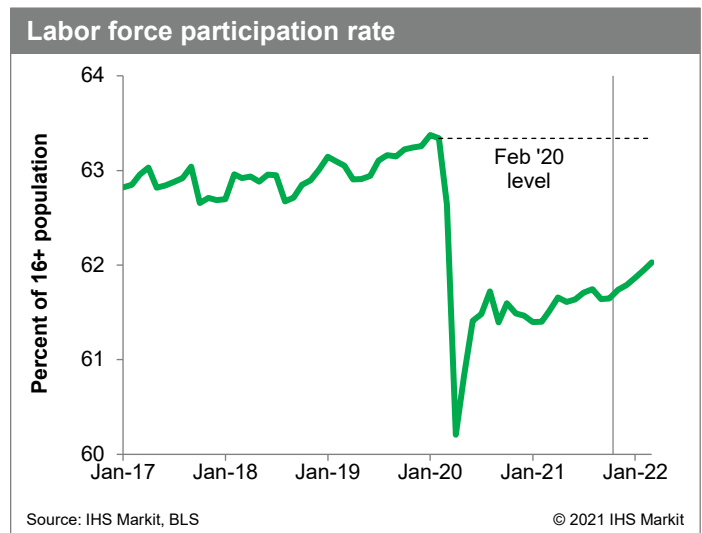
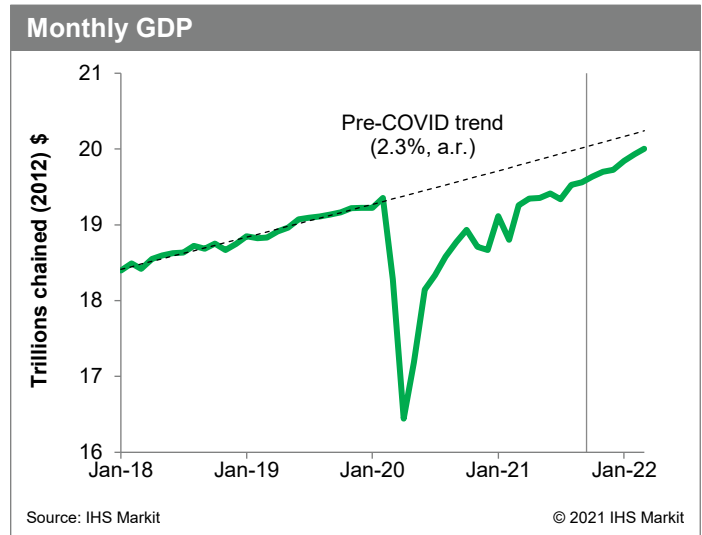
GDP growth picks up in our near-term forecast from 2.0% in the third quarter to 4.4% and 5.0% in the fourth and first quarters, respectively. The step-up in growth from the third to the fourth quarters, though, is not so much about what happens in the fourth quarter but rather what happened in July, as the Delta wave of new infections was ramping up. After rising an average of 0.3% per month from April through June, monthly GDP declined 0.4% in July before rebounding 1.0% in August, setting monthly GDP back on the prior trend. In our near-term forecast, monthly GDP then rises an average of 0.3% per month from September through December, exactly the trend along which GDP was rising prior to July. The divot in activity in July had the effect of lowering third-quarter growth and boosting fourth-quarter growth.

The trend in monthly GDP growth doesn't pick up in our near-term forecast until the first quarter of next year, when GDP advances at an average monthly rate of 0.5% per month. On the demand side, the primary driver of this acceleration is inventory investment, which turns from negative to positive in the first quarter. On the supply side, we assume that after trending generally sideways since mid-2020, the labor-force participation rate turns up in the forecast. Combined with the implicit assumption of mitigation of other supply-chain constraints, this helps to put monthly GDP on a stronger trend.

Contributing to the amelioration of supply conditions in our near-term forecast is a continued "re-normalization" of consumer spending patterns, as spending on goods drifts lower, giving way to rising spending on services. By March, real PCE on goods remains above the pre-pandemic trend, but to a lesser extent than recently, easing pressure on the supply chains that are supporting the production and distributions of these goods.

Following increases averaging 442 thousand per month over the last three months, payroll gains are assumed to average 452 thousand per month from November through March (2022). Even with a rising labor-force participation rate, this is sufficient to keep the unemployment rate on a downward track; we assume the unemployment rate declines from 4.6% in October to 4.0% by March.

Following outsized increases in the spring, the core PCE price index has decelerated in recent months, with one-month increases declining steadily from 0.6% in April and May to 0.2% by September. Going forward, this forecast assumes that monthly increases remain around 0.2% per month (although the October CPI report suggests a larger October gain). This keeps core PCE inflation on a twelve-month change basis close to 4.0% from November through March.



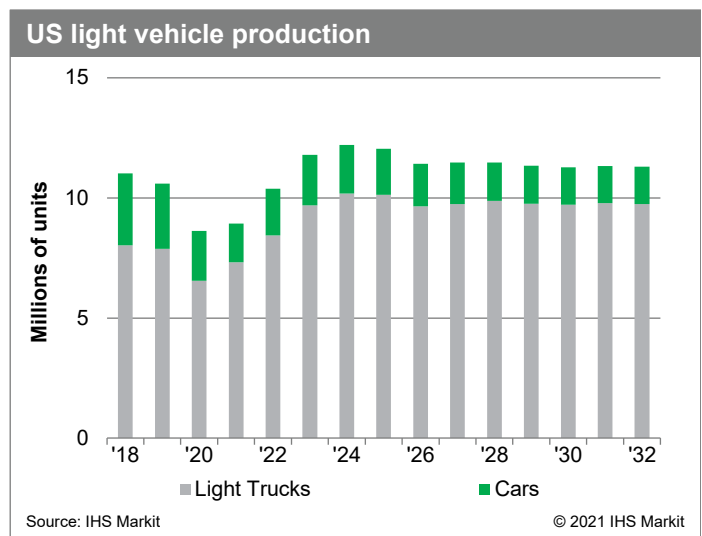
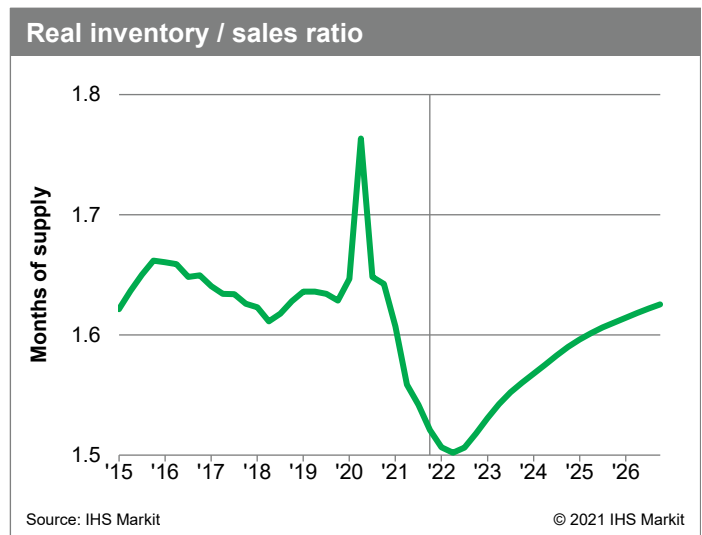
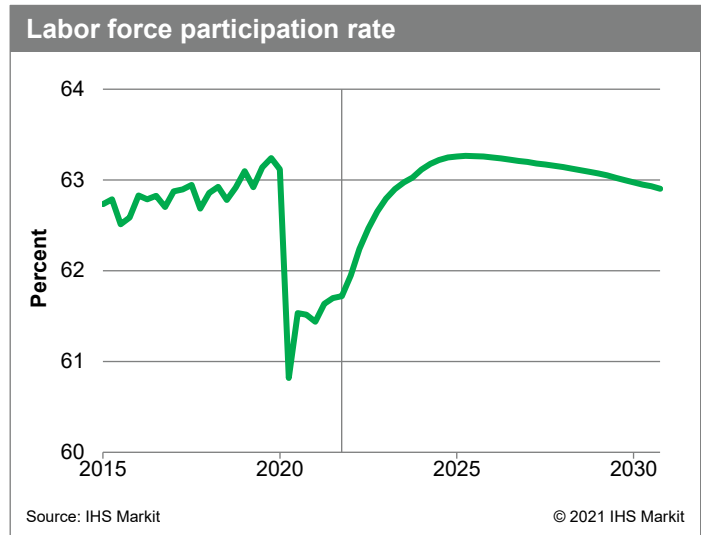
Growth

Gradual recovery in participation, rebuilding of inventories; chip shortage in auto sector eases by 2023

While much of the recent discussion of supply-chain disruptions has focused on shortages of certain commodities, labor is part of the supply chain as well. During the pandemic the participation rate fell far more than could be accounted for by normal cyclical variation. Among the reasons for this are concern about safety in the workplace, the sudden lack of availability of daycare services, the shift of schools to virtual learning, a surge in wealth that may have encouraged early retirements and emergency unemployment benefits that may have discouraged work. We expect participation to recover, but progress has been halting. Over the summer, half of states dropped out of the emergency unemployment programs, and in early September those programs expired for all states. Yet early evidence suggests termination of these programs may not result in a surge in hiring. Daycare services remain unavailable to many. Concerns about workplace safety persist as the Delta strain of the coronavirus spreads. Some elderly or medically vulnerable persons may retire rather than return to the workforce. Finally, during the pandemic some people may have reassessed their view of the work-leisure trade-off. In the forecast, it takes two more years for the participation rate to approach its pre-pandemic level (chart, top) before resuming a secular decline driven by the aging of the population.

An important issue in the forecast is the extent to which supply shortages are constraining current growth, and how quickly those shortages will resolve. One manifestation of supply shortages has been a sharp drawdown of inventories that has pushed the aggregate inventory/sales ratio to record low levels (chart, middle). The forecast shows inventory investment making a positive contribution to GDP growth in 2022 as firms raise production and start rebuilding depleted stocks. However, the extent to which supply shortages linger is partially reflected in the time required—several years—to restore inventories to their pre-pandemic relationship with sales.

One sector experiencing significant supply disruptions is the automotive industry, where shortages of microprocessors have sharply curtailed production. Early in the pandemic domestic sales and assemblies both fell, but sales then recovered quickly as auto loan rates fell and demand shifted from public to private transportation. In the meantime, the surging tech sector absorbed much of the available supply of chips, supply that itself was constrained by labor shortages in producing countries. In addition, the production of microprocessors shifted towards high-margin chips favored by the tech industry. As a result, 2021 will witness only a modest rise in US light vehicle production, from 8.6 million to 8.9 million units. We do not expect a full recovery until 2023, when a rising supply of chips will allow assemblies temporarily to exceed the pre-pandemic pace as producers rebuild depleted stocks (chart, bottom).



Sector highlights

Consumer spending slowed in Q3; October employment report surprised to the upside

Consumer markets: According to the first estimate from BEA, real personal consumption expenditures (PCE) increased 1.6% in Q3, a sharp slowdown from 12.0% in Q2. Consumer spending sputtered over the summer months as the fading impact of fiscal stimulus coincided with a worrying spread of the Delta variant. High-frequency indicators on consumer activities such as air travel and hotel revenues remained subdued in October, suggesting some ongoing hesitancy on behalf of consumers. According to the Opportunity Insights Economic tracker, average consumer credit- and debit-card spending during the week ending 17 October was 23.0% above the January 2020 level, which was up materially from September and early October, setting up October for a healthy increase in retail and food services sales. As a result, we expect a solid rebound in real PCE growth of 4.5% in Q4, even though supply chain bottlenecks and high prices for some goods may disrupt retail trade over the holiday shopping period. On an annual average basis, we expect real PCE to grow 8.0% in 2021 and 3.4% in 2022.

Labor markets: The October employment report surprised to the upside, setting the labor market on a solid trajectory early in Q4. Nonfarm payroll employment rose 531 thousand in October, beating expectations, and the unemployment rate declined 0.2 percentage point to 4.6%. Combined with upward revisions to payroll gains for prior months, these developments reveal a labor market on a solid footing. The gain in overall payroll employment was more than accounted for by a 604 thousand increase in private payrolls. Notable gains there included leisure and hospitality (164 thousand), professional and business services (100 thousand), manufacturing (60 thousand), and transportation and warehousing (54 thousand). The recovery in payroll employment has come a long way, but the count of jobs remains 4.2 million below the February 2020 level and further below the rising pre-pandemic trend. This is not for a lack of trying, at least on the part of businesses, as labor demand remains strong. As of August, there were considerably more job openings than job seekers, and the labor-force participation rate has barely budged since spring. The labor force participation rate remained at 61.6% in October, down from 63.3% in February 2020. At some point, continued robust job growth will likely require a rising labor-force participation rate.

Business investment: Real nonresidential (business) fixed investment is forecast to grow 7.6% this year and 6.8% next year before moderating to growth averaging 4.5% over the following three years. The ongoing expansion and easing bank lending standards are supporting investment spending. Borrowing costs are rising, but they would be higher throughout

the forecast were it not for accommodative monetary policy, also helping to support the investment outlook. The increase in overall investment spending this year reflects robust increases in equipment spending (13.1%) and intellectual property products (10.7%) that are partially offset by an 8.1% decline in investment in structures. Beginning in 2023, all three major components of investment spending are forecast to rise.

Housing and construction: Builders, facing headwinds that show no signs of letting up, are putting up new houses at a furious pace. In September, the number of homes under construction moved up to 1.426 million (seasonally adjusted), the highest total since January 1974. The headwinds include rising material costs, labor shortages, and issues with the supply chain for building materials—on top of the pre-pandemic headwinds: lack of buildable lots and skilled labor.

Single-family permits have slid 18% since January; their year-to-date totals, nonetheless, are the highest since 2007. Multifamily permits totaled 600 thousand in Q3, the highest since Q4 1986. Despite steady declines from January and headwinds, total housing starts and single-family housing starts are on track for having their strongest year since 2006. Multifamily starts will post their highest totals since 1986. The four-quarter growth of the CoreLogic HPI reaches 18.5% in Q3 2021 (previously 18.6%) and 7.9% in Q3 2022 (previously 7.1%). We forecast home sales to rise to a 14-year high of 6.9 million in 2021 (previously 6.8 million) and 6.7 million in 2022 (previously 6.5 million).

International trade: The broad trade-weighted foreign exchange rate index is weaker in this month's forecast than in October's starting with the first quarter of 2022; by 2026, it is 3% lower. An upward revision in foreign government bond yields (relative to those in the US) is behind this change. Real imports in services and non-petroleum goods products—are also weaker; slower domestic growth accounts for this revision. The import price index, which grew at a 13% annual rate in both the first and second quarters, is expected to slow to a rounded 4% in the fourth quarter; an easing of bottlenecks and other disruptions will subsequently eliminate trade as a source of inflation.

Despite a weaker dollar, we downgraded the near-term outlook for exports: real exports grow 3.7% this year (previously 4.3%) and 5.5% in 2022 (previously 7.3%.) Slower economic growth abroad is behind this downgrade. Progress for real exports over the next few quarters will be a slog—in the forecast, real exports, which bounced halfway back from the pandemic last year and then sputtered, attain pre-pandemic levels in Q2 2023.

Key forecast assumptions

COVID emergency relief waning; IIJA passes; taper begins November, Fed “lift-off” in March of 2023

COVID-19: The summer surge of coronavirus infections, while now slowing, delays the recovery in consumer spending on services and exacerbates supply issues, including labor force participation. We do not expect a recurrence of the national lockdown that precipitated the 2020 recession, nor a complete vanquishing of COVID. Rather, US society moves towards managing the risks of living alongside the virus for an extended period.

Federal fiscal policy: The forecast reflects all pandemic relief measures of 2020 and the \$1.9 trillion American Recovery Plan (ARP) enacted in March. The support to incomes from these measures, which averaged \$2.7 trillion (annual rate) over the first half of 2021, drops sharply to less than \$0.5 trillion by the fourth quarter of the year (chart, top), and even less in 2022. The forecast includes the Infrastructure Investment and Jobs Act (IIJA) now awaiting the President’s signature; it does not yet include the “Build Back Better” reconciliation bill, the size, scope, and timing of which remain uncertain.

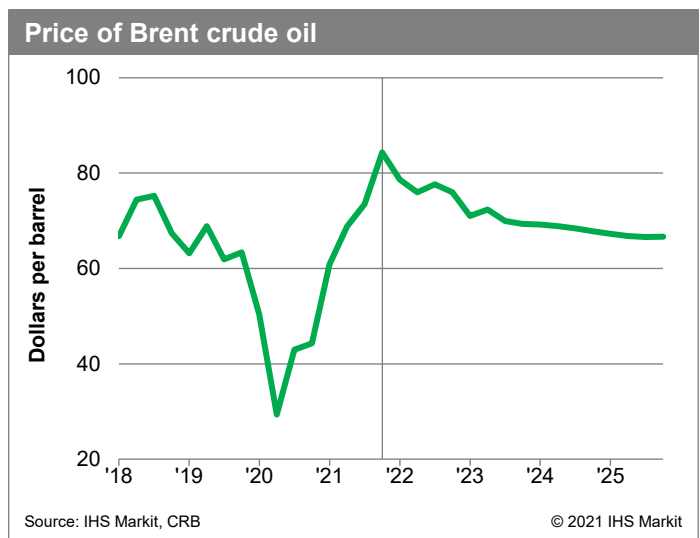
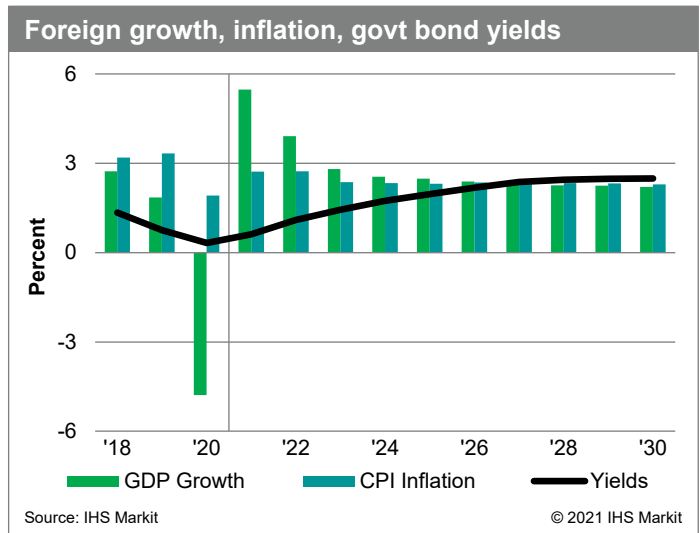
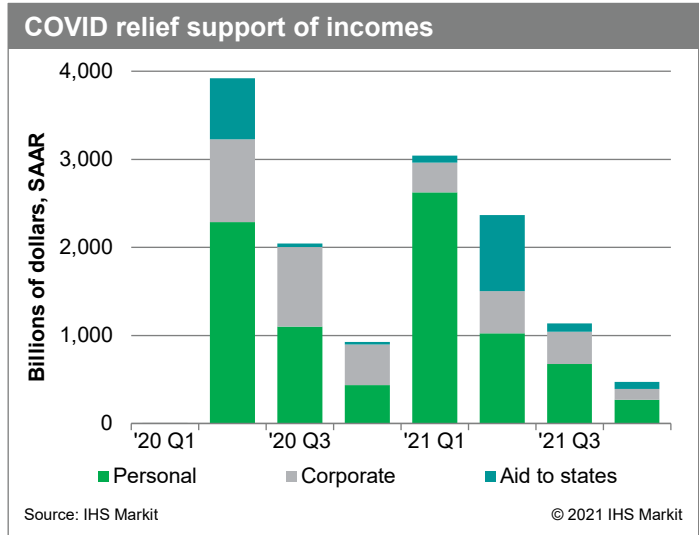
State and local fiscal policy: Strong revenues, reinforced by financial support provided under ARP, limit the usual cyclical state and local fiscal contraction. State and local employment rebounds unevenly with the re-opening of schools. States and localities receive unrestricted ARP funding in two tranches: the first in 2021 Q2, the second in 2022 Q2. The portion of IIJA funding that passes through to states and localities is reflected in state and local gross investment. The temporary 6 point increase in the Federal Medical Assistance Percentage for Medicaid ends in the fourth quarter of 2022.

Monetary policy: the Fed tapers its purchases of Treasury and mortgage-backed securities to zero by mid-2022; begins raising its policy rate in March of 2023; and tolerates inflation modestly above 2% after 2023 to affirm its long-run 2% objective is an average, not a ceiling.

Tariffs and trade: Tariffs and trade agreements enacted by the US and China since 2017 remain in effect.

Global growth: Real, trade-weighted foreign GDP contracted 4.8% in 2020 but rebounds to grow 5.5% in 2021 and 3.9% in 2022 as the COVID-19 pandemic recedes (chart, middle). Foreign CPI inflation recedes from 2.7% in 2021-22 to 2.4% by 2024. The foreign government bond yield dipped to 0.3% in 2020 but gradually climbs to 2.5% by 2028.

Oil prices: With the rebound in global growth, the price of Brent crude oil surges to \$84/barrel in the fourth quarter of this year, then eases unevenly to \$67 by early 2025, before resuming a gradual secular rise (chart, bottom).



Alternative scenarios

Two alternative outcomes for the US economy

Our assessment of the economic risks around the baseline forecast as reflected in these alternative scenarios has not changed compared to last month. Relative to our updated base forecast, we continue to see the risks as being tilted to the downside. Posing upside risks are the persistent rise in productivity that firms achieved during the pandemic, the possible passage of more fiscal stimulus, and a growing share of the population that is vaccinated, potentially facilitating a full return to pre-pandemic in-person services consumption sooner than in the base forecast. Downside risks stem largely from a potential fall/winter resurgence in cases and hospitalizations due to the Delta or other variant of the coronavirus along with the possibility that the supply-chain issues persist for an extended period of time. As a result, we assign a 50% probability to our baseline forecast, 30% to the Pessimistic, and 20% to the Optimistic scenario.

Pessimistic Scenario: Recovery stumbles as supply issues persist and consumers slow spending (30% probability)

This pessimistic scenario is characterized by a weaker recovery in consumer spending than in the baseline forecast. Underlying this narrative is the assumption that a resurgent virus this fall and winter, with an alarming rise in cases and hospitalizations leads to more caution on the part of consumers, as they increasingly refrain from socially-dense consumer activities. In addition, worsening of ongoing supply-chain issues leads to a prolonged delay in the production and shipment of consumer durable goods. As a result, consumer spending increases 7.7% and 2.4% in 2021 and 2022, respectively, versus 8.0% and 3.4% in the base case, measured year-over-year.

GDP increases at a 1.3% annualized rate in the fourth quarter and 3.1% in the first quarter of 2022, compared to 4.4% and 5.0% rates of increase, respectively, in the baseline. On an annual basis, GDP grows 3.1% and 3.0% in 2022 and 2023, respectively, versus 4.3% and 2.9% in the base case.

Evidence of consumer hesitancy and a persistence of supply-chain issues lead businesses to scale back investment plans. Overall business fixed investment growth averages 5.5% over the four quarters of 2021, well below the baseline. Intellectual property investment rises while computer investment and investment in structures decline in 2021.

The unemployment rate peaked at 13.0% in the second quarter of 2020 and declined to 5.9% in the second quarter of 2021. It is expected to continue to decline, but at a slower pace than in the baseline, reaching 4.1% by late 2022, approximately where it remains through the end of the forecast horizon.

Core PCE inflation starts out elevated, but declines to 1.0% through 2023 before gradually rising again. Nevertheless, it remains well below the FOMC's 2% target through 2025.

As a result of the slower recovery, GDP remains 0.7% below the base case and personal consumption expenditures remain 0.6% lower than the baseline in 2025.

Optimistic Scenario: Return to “normal”, still more stimulus, and improving supply issues drive faster growth (20% probability)

The optimistic scenario is characterized by a quicker recovery of consumer spending and by stronger productivity relative to the baseline. We assume the consumer and business response to the upcoming Infrastructure Investment and Jobs act is more robust than in the baseline, while an effective response to the delta variant allows for continued strong growth in consumer spending. Furthermore, we assume that firms continue to capitalize on the productivity gains that they achieved during the pandemic, which improves corporate profitability.

This scenario assumes that the impact of the Infrastructure Investment and Jobs Act is more robust, which constitutes another source of modest upside risk, potentially adding several tenths of a percentage point to growth over 2023–2026.

GDP rises at a 7.2% annual rate in the fourth quarter of 2021 and at a 5.3% average pace over the four quarters of 2022, compared to 4.4% and 4.1% rates of increase, respectively, in the baseline.

The strength of this scenario early on is partly attributed to more front-loaded spending by households. This is in response to the prior stimulus, as consumers spend down some of the excess savings that accumulated over 2020, and a less threatening COVID environment. This allows consumer spending to rise 4.9% over 2022 compared to 3.4% in the baseline.

Business fixed investment rises more quickly and remains elevated relative to baseline thanks to an acceleration in productivity. Business fixed investment grows 9.3% over the four quarters of 2022, compared to 7.3% in the baseline.

As a result of the faster growth of GDP, the unemployment rate quickly falls below 4.0% by early 2022. Core PCE inflation declines to slightly above the FOMC's target by late 2023. The Fed begins to raise the federal funds rate in early 2022, four quarters earlier than in the base forecast.

US Macro Forecast Snapshot

| | Baseline (50%) | Pessimistic (30%) | Optimistic (20%) |
|------------------------------------|--|--|--|
| GDP growth | Real GDP rises 5.5% in 2021 as annualized growth increases from 2.0% in the third quarter to 4.4% in the fourth. Growth slows to 4.3% in 2022 and 2.9% in 2023. | Real GDP rises 5.3% in 2021 as return of pandemic-related hesitancy inhibits vigor of the rebound. Growth slows to 3.1% in 2022 and 3.0% in 2023. | Real GDP surges 5.7% in 2021 and 2022. Growth moderates to 3.5% in 2023. |
| Consumer spending | Spending jumps 8.0% in 2021 thanks to surges of more than 11% at annual rates in the first and second quarters. Growth slows to 3.4% in 2022 and 2.3% in 2023. | Spread of variants prompts extra caution by consumers versus baseline. Spending declines slightly in third quarter but rises 7.7% in 2021, before slipping to 2.4% in 2022 and 2.9% in 2023. | Surges 8.2% in 2021 and rises 4.9% in 2022, easing to 3.2% growth in 2023. |
| Business fixed investment | Jumps 7.6% in 2021 and remains strong at 6.8% growth in 2022 and 5.1% in 2023. | Grows 7.1% in 2021, 5.2% in 2022, and 5.5% in 2023. | Rises 8.0% in 2021, 9.3% in 2022, and 6.9% in 2023. |
| Housing | Housing starts rise from 1.40 million in 2020 to 1.57 million in 2021 before slipping to 1.43 million in 2022 and 1.33 million in 2023. | Housing starts rise from 1.40 million in 2020 to 1.56 million in 2021 but fall to 1.32 million in 2022 and 1.24 million in 2023. | Housing starts grow from 1.40 million in 2020 to 1.58 million in 2021 before settling back to 1.47 million in 2022 and 1.37 million in 2023. |
| Exports | Recover 3.7% in 2021 and 5.5% in 2022, surpassing prior peak in the second quarter of 2023 as the pandemic inhibits global trade. Exports rise 8.3% in 2023. | Grows 3.7% in 2021, 2.6% in 2022, and 6.9% in 2023. | Rise 3.8% in 2021, 6.7% in 2022, and 8.2% in 2023. |
| Fiscal policy | \$1.9 trillion ARP included. Income support drops from \$2.7 trillion (annualized) in first half of 2021 to \$0.7 trillion in second half. Forecast also includes the proposed infrastructure package. | Same fiscal assumptions as in baseline. | Consumers spend stimulus income to a greater degree than in the baseline. |
| Monetary policy | Fed keeps the funds rate at the zero bound through March 2023; current pace of asset purchases maintained through 2021 before tapering over 2022. | Fed keeps the federal funds rate at the zero bound till mid-2026; aggressive "quantitative easing" and liquidity enhancement measures. | Fed raises the federal funds rate at the start of 2022 in response to sustained inflation well above 2%. |
| Credit conditions | Rapidly ease in 2021 before stabilizing at a gentle pace of easing in 2022-2023. | Remain slightly tighter than in baseline. | Slightly looser than in baseline. |
| Productivity growth | Slips from 2.4% in 2020 to 1.5% in 2021 with labor markets tight, slowing to 0.8% in 2022 and 1.5% in 2023. | Decreases down to 1.4% in 2021 and slows to 0.3% in 2022 before picking up to 1.8% in 2023. | Falls to 1.5% in 2021 and remains there in 2022 before rising to 2.5% in 2023. |
| Consumer confidence | Rises steadily through the fourth quarter of 2022 before leveling out around pre-pandemic levels through late 2025. | Remains below the baseline over the entire forecast interval. | Outperforms baseline over the entire forecast interval. |
| Oil prices (Dollars/barrel) | Average price of Brent crude oil rises from \$42/barrel in 2020 to \$72 in 2021, \$77 in 2022, and \$71 in 2023. | Brent crude oil averages \$71 in 2021, \$75 in 2022, and \$69 in 2023. | Brent crude oil averages \$72 in 2021, \$79 in 2022, falling back to \$72 in 2023. |
| Stock markets | The year-end value of the S&P 500 rose 16.3% in 2020. It rises 25.2% in 2021, falls 2.3% in 2022, and increases 0.8% in 2023. | The year-end value of the S&P 500 rises 24.5% in 2021, then contracts 6.7% in 2022 before edging up 0.4% in 2023. | The year-end value of the S&P 500 surges 26.6% in 2021, with smaller gains of 4.8% in 2022 and slight decline of 0.3% in 2023. |
| Inflation (PCE) | Core personal consumption (PCE) price inflation rises from 1.4% in 2020 to 3.1% in 2021 as supply chains are stretched, but ticks down to 3.0% in 2022 and 2.3% in 2023. | Core PCE price inflation rises to 3.1% in 2021 but slows to 2.5% in 2022 and 1.1% in 2023. | Core PCE price inflation rises to 3.2% and remains there in 2022, slowing to 2.5% in 2023. |
| Foreign growth | Eurozone GDP rises 5.0% in 2021 and 4.0% in 2022 after a 6.4% drop in 2020, while China's growth rises from 2.3% to 8.2% in 2021 and slows to 5.7% in 2022 | Global economy continues to suffer COVID-19-related setbacks. | Global economy recovers more quickly than in baseline. |
| US dollar | The broad dollar increases slightly through 2022Q1, then depreciates gently through 2025. | Falls gently from 2022 through the end of the forecast. | The broad dollar strengthens slightly more than in the baseline. |

Alternative Scenarios of the US Economy

| | Annual rates | | | | | | Annual averages | | | | | | Q4/Q4 | | | | | |
|---|--------------|---------|---------|--------|--------|---------|-----------------|---------|---------|--------|--------|--------|---------|---------|---------|---------|---------|---------|
| | 2021.3 | 2021.4 | 2022.1 | 2022.2 | 2022.3 | 2022.4 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
| Pessimistic: Recovery stumbles as supply issues persist and consumers slow spending (Prob. = 30%) | | | | | | | | | | | | | | | | | | |
| Composition of Real GDP, Percent Change | | | | | | | | | | | | | | | | | | |
| Gross Domestic Product | 2.0 | 1.3 | 3.1 | 4.1 | 3.7 | 3.0 | -3.4 | 5.3 | 3.1 | 3.0 | 3.0 | 2.8 | -2.3 | 4.0 | 3.5 | 2.9 | 2.9 | 2.8 |
| Total Consumption | 1.6 | 0.7 | 1.0 | 2.8 | 3.1 | 2.7 | -3.8 | 7.7 | 2.4 | 2.9 | 3.0 | 3.2 | -2.4 | 6.3 | 2.4 | 2.9 | 3.0 | 3.3 |
| Nonresidential Fixed Investment | 1.8 | -1.2 | 6.4 | 8.5 | 8.3 | 7.1 | -5.3 | 7.1 | 5.2 | 5.5 | 4.1 | 3.8 | -3.8 | 5.5 | 7.6 | 4.1 | 4.0 | 3.7 |
| Residential Fixed Investment | -7.7 | -9.8 | -14.0 | -8.7 | -4.5 | -3.8 | 6.8 | 8.4 | -9.5 | -3.0 | 0.9 | 0.0 | 15.7 | -4.5 | -7.9 | -0.8 | 0.7 | -0.2 |
| Exports | -2.5 | 1.9 | 0.4 | 4.7 | 5.8 | 6.1 | -13.6 | 3.7 | 2.6 | 6.9 | 7.5 | 5.9 | -10.7 | 0.9 | 4.2 | 7.6 | 7.0 | 5.4 |
| Imports | 6.1 | -2.7 | -2.7 | 3.6 | 7.7 | 7.9 | -8.9 | 12.8 | 2.1 | 6.2 | 4.1 | 4.6 | 0.3 | 4.8 | 4.0 | 5.1 | 4.2 | 4.8 |
| Federal Government | -4.7 | -0.7 | 5.7 | -0.3 | 0.4 | -1.3 | 5.0 | 0.9 | 0.2 | -0.1 | 0.6 | 0.9 | 3.1 | -0.1 | 1.1 | 0.3 | 0.8 | 0.8 |
| State & Local Government | 4.4 | 0.6 | 4.5 | 4.5 | 3.3 | 2.7 | 0.9 | 0.5 | 3.2 | 2.2 | 1.1 | 0.9 | 0.0 | 1.2 | 3.7 | 1.5 | 0.8 | 1.1 |
| Prices & Wages, Percent Change | | | | | | | | | | | | | | | | | | |
| Consumer Prices | 6.6 | 4.2 | 0.9 | 1.7 | 1.3 | 1.0 | 1.2 | 4.4 | 2.9 | 1.0 | 1.2 | 1.5 | 1.2 | 5.7 | 1.2 | 1.0 | 1.3 | 1.6 |
| Producer Prices, Finished Goods | 11.9 | 10.7 | 0.4 | 0.3 | 1.1 | 0.6 | -1.3 | 8.6 | 4.4 | 0.4 | 0.8 | 1.1 | -1.2 | 12.1 | 0.6 | 0.3 | 1.0 | 1.2 |
| Compensation per hour | 2.9 | 2.6 | 3.3 | 3.2 | 3.1 | 2.8 | 7.0 | 3.8 | 3.0 | 3.0 | 3.3 | 3.6 | 8.5 | 2.6 | 3.1 | 3.1 | 3.4 | 3.7 |
| Other Key Measures, Percent Change | | | | | | | | | | | | | | | | | | |
| Productivity | -5.0 | -0.7 | 1.0 | 2.1 | 1.7 | 1.2 | 2.4 | 1.4 | 0.3 | 1.8 | 2.6 | 2.6 | 2.5 | 0.2 | 1.5 | 2.2 | 2.6 | 2.6 |
| Total Industrial Production | 4.3 | -0.1 | 1.9 | 3.7 | 5.8 | 4.9 | -7.2 | 5.3 | 3.1 | 3.9 | 2.6 | 1.9 | -4.3 | 3.6 | 4.1 | 3.0 | 2.3 | 1.7 |
| Payroll Employment | 6.7 | 3.0 | 3.5 | 3.0 | 2.5 | 1.8 | -5.7 | 2.7 | 3.6 | 1.6 | 0.8 | 0.5 | -6.0 | 4.1 | 2.7 | 1.0 | 0.7 | 0.5 |
| Incomes, Percent Change | | | | | | | | | | | | | | | | | | |
| Personal Income | 0.9 | -3.4 | 0.6 | 3.9 | 4.4 | 3.3 | 6.5 | 6.4 | -0.5 | 4.1 | 4.6 | 4.7 | 4.8 | 4.6 | 3.1 | 4.3 | 4.7 | 4.9 |
| After-Tax Profits (Four-qr.% change) | -9.9 | -33.7 | 12.3 | 15.1 | 5.7 | -1.2 | -5.2 | 18.1 | -0.5 | 1.9 | 4.4 | 5.0 | 0.9 | 2.1 | 7.8 | 1.5 | 5.2 | 5.5 |
| Other Key Measures | | | | | | | | | | | | | | | | | | |
| Levels | | | | | | | | | | | | | | | | | | |
| Brent Crude, Spot Price (\$/bbl) | 73.49 | 82.34 | 76.78 | 74.29 | 75.81 | 74.16 | 41.77 | 71.37 | 75.26 | 68.83 | 66.75 | 64.87 | 44.29 | 82.34 | 74.16 | 67.52 | 65.96 | 64.66 |
| Nonfarm Inven. Chg. (Bil. 2012 \$) | -53.7 | -16.6 | 20.5 | 62.2 | 95.3 | 126.1 | -35.3 | -73.1 | 76.0 | 144.4 | 152.4 | 141.7 | 90.2 | -16.6 | 126.1 | 146.7 | 151.8 | 136.2 |
| Light Vehicle Sales (Mil. units, saar) | 13.3 | 12.6 | 13.3 | 14.4 | 15.4 | 15.7 | 14.5 | 14.9 | 14.7 | 16.7 | 17.5 | 17.2 | 16.2 | 12.6 | 15.7 | 17.1 | 17.6 | 16.9 |
| Housing Starts (Mil. units, saar) | 1.6 | 1.5 | 1.4 | 1.3 | 1.3 | 1.3 | 1.4 | 1.6 | 1.3 | 1.2 | 1.2 | 1.2 | 1.6 | 1.5 | 1.3 | 1.3 | 1.2 | 1.2 |
| Unemployment Rate (%) | 5.1 | 4.7 | 4.5 | 4.3 | 4.2 | 4.1 | 8.1 | 5.5 | 4.3 | 4.1 | 4.2 | 4.2 | 6.7 | 4.7 | 4.1 | 4.1 | 4.2 | 4.2 |
| Federal Surplus (Unified, FY, bil. \$) | -2136.9 | -1485.3 | -1641.8 | -712.0 | -923.4 | -1052.8 | -3348.2 | -2570.6 | -1082.5 | -779.2 | -827.8 | -850.3 | -2291.6 | -1485.3 | -1052.8 | -1134.2 | -1143.6 | -1181.3 |
| Financial Markets, NSA, Quarter Average | | | | | | | | | | | | | | | | | | |
| Federal Funds Rate (%) | 0.09 | 0.09 | 0.10 | 0.10 | 0.10 | 0.10 | 0.38 | 0.08 | 0.10 | 0.10 | 0.10 | 0.10 | 0.09 | 0.09 | 0.10 | 0.10 | 0.10 | 0.10 |
| 10-Year Treasury Note Yield (%) | 1.32 | 1.57 | 1.62 | 1.68 | 1.74 | 1.81 | 0.89 | 1.45 | 1.71 | 1.93 | 2.14 | 2.37 | 0.86 | 1.57 | 1.81 | 1.99 | 2.22 | 2.44 |
| Optimistic: Return to "normal", still more stimulus, and improving supply issues drive faster growth (Prob. = 20%) | | | | | | | | | | | | | | | | | | |
| Composition of Real GDP, Percent Change | | | | | | | | | | | | | | | | | | |
| Gross Domestic Product | 2.0 | 7.2 | 7.2 | 5.8 | 4.9 | 3.3 | -3.4 | 5.7 | 5.7 | 3.5 | 2.7 | 2.4 | -2.3 | 5.5 | 5.3 | 3.0 | 2.6 | 2.3 |
| Total Consumption | 1.6 | 7.8 | 5.3 | 3.4 | 3.6 | 2.8 | -3.8 | 8.2 | 4.9 | 3.2 | 2.9 | 2.9 | -2.4 | 8.1 | 3.8 | 3.2 | 2.8 | 2.9 |
| Nonresidential Fixed Investment | 1.8 | 11.7 | 13.2 | 7.9 | 9.2 | 7.0 | -5.3 | 8.0 | 9.3 | 6.9 | 4.9 | 3.9 | -3.8 | 8.8 | 9.3 | 6.0 | 4.6 | 3.3 |
| Residential Fixed Investment | -7.7 | -6.1 | -5.2 | -1.2 | -0.8 | -2.4 | 6.8 | 8.7 | -4.7 | -1.9 | 0.3 | 0.4 | 15.7 | -3.5 | -2.5 | -1.5 | 0.7 | 0.3 |
| Exports | -2.5 | 3.1 | 7.2 | 11.1 | 12.3 | 10.2 | -13.6 | 3.8 | 6.7 | 8.2 | 5.6 | 4.5 | -10.7 | 1.2 | 10.2 | 6.2 | 5.5 | 4.1 |
| Imports | 6.1 | 4.2 | 9.5 | 6.7 | 6.8 | 6.6 | -8.9 | 13.3 | 6.9 | 5.4 | 4.0 | 4.8 | 0.3 | 6.6 | 7.4 | 4.3 | 4.3 | 4.8 |
| Federal Government | -4.7 | -0.8 | 5.7 | -0.3 | 0.4 | -1.3 | 5.0 | 0.9 | 0.2 | -0.2 | 0.6 | 0.8 | 3.1 | -0.1 | 1.1 | 0.2 | 0.8 | 0.8 |
| State & Local Government | 4.4 | 0.6 | 4.5 | 4.5 | 3.3 | 2.7 | 0.9 | 0.5 | 3.2 | 2.2 | 1.1 | 0.9 | 0.0 | 1.2 | 3.7 | 1.5 | 0.9 | 1.1 |
| Prices & Wages, Percent Change | | | | | | | | | | | | | | | | | | |
| Consumer Prices | 6.6 | 4.9 | 1.4 | 2.7 | 2.6 | 2.3 | 1.2 | 4.5 | 3.6 | 2.4 | 2.3 | 2.3 | 1.2 | 5.9 | 2.3 | 2.3 | 2.3 | 2.3 |
| Producer Prices, Finished Goods | 11.9 | 12.0 | 1.4 | 1.4 | 2.5 | 1.9 | -1.3 | 8.7 | 5.3 | 1.7 | 1.9 | 1.9 | -1.2 | 12.4 | 1.8 | 1.6 | 2.0 | 1.8 |
| Compensation per hour | 2.9 | 3.1 | 4.5 | 4.7 | 4.8 | 4.7 | 7.0 | 3.8 | 4.1 | 5.0 | 4.9 | 4.8 | 8.5 | 2.7 | 4.7 | 5.1 | 4.8 | 4.7 |
| Other Key Measures, Percent Change | | | | | | | | | | | | | | | | | | |
| Productivity | -5.0 | 1.9 | 3.3 | 2.2 | 2.9 | 1.5 | 2.4 | 1.5 | 1.5 | 2.5 | 2.6 | 2.4 | 2.5 | 0.8 | 2.5 | 2.8 | 2.4 | 2.3 |
| Total Industrial Production | 4.3 | 4.3 | 7.1 | 7.3 | 6.4 | 4.3 | -7.2 | 5.6 | 5.9 | 3.8 | 2.3 | 1.6 | -4.3 | 4.7 | 6.2 | 2.8 | 2.0 | 1.5 |
| Payroll Employment | 6.7 | 4.4 | 4.8 | 4.8 | 2.6 | 1.5 | -5.7 | 2.8 | 4.5 | 1.5 | 0.9 | 0.5 | -6.0 | 4.5 | 3.4 | 1.0 | 0.8 | 0.5 |
| Incomes, Percent Change | | | | | | | | | | | | | | | | | | |
| Personal Income | 0.9 | 0.5 | 4.3 | 7.0 | 7.2 | 5.2 | 6.5 | 6.6 | 2.2 | 5.9 | 5.6 | 5.4 | 4.8 | 5.7 | 5.9 | 5.6 | 5.6 | 5.3 |
| Corporate profits w/ IVA & CCAAdj | -9.9 | -14.0 | 20.5 | 9.6 | 8.9 | -2.4 | -5.2 | 19.9 | 5.8 | 2.8 | 1.8 | 2.4 | 0.9 | 9.0 | 8.8 | 2.4 | 1.9 | 2.5 |
| Other Key Measures | | | | | | | | | | | | | | | | | | |
| Levels | | | | | | | | | | | | | | | | | | |
| Brent Crude, Spot Price (\$/bbl) | 73.49 | 86.34 | 80.89 | 78.20 | 79.07 | 77.20 | 41.77 | 72.37 | 78.84 | 71.66 | 69.45 | 67.67 | 44.29 | 86.34 | 77.20 | 70.20 | 68.70 | 67.47 |
| Nonfarm Inven. Chg. (Bil. 2012 \$) | -53.7 | -15.9 | 52.2 | 132.3 | 162.2 | 175.4 | -35.3 | -72.9 | 130.5 | 160.6 | 130.5 | 113.2 | 90.2 | -15.9 | 175.4 | 146.9 | 122.7 | 107.7 |
| Light Vehicle Sales (Mil. units, saar) | 13.3 | 13.7 | 14.3 | 15.7 | 16.7 | 17.0 | 14.5 | 15.2 | 15.9 | 17.7 | 18.3 | 17.9 | 16.2 | 13.7 | 17.0 | 18.0 | 18.3 | 17.5 |
| Housing Starts (Mil. units, saar) | 1.566 | 1.551 | 1.521 | 1.484 | 1.443 | 1.416 | 1.4 | 1.6 | 1.5 | 1.4 | 1.4 | 1.4 | 1.6 | 1.6 | 1.4 | 1.4 | 1.4 | 1.4 |
| Unemployment Rate (%) | 5.1 | 4.3 | 3.9 | 3.6 | 3.3 | 3.1 | 8.1 | 5.4 | 3.5 | 3.1 | 3.4 | 3.6 | 6.7 | 4.3 | 3.1 | 3.3 | 3.5 | 3.6 |
| Federal Surplus (Unified, FY, bil. \$) | -2136.9 | -1462.9 | -1579.3 | -615.2 | -815.0 | -943.8 | -3348.2 | -2565.0 | -988.3 | -688.4 | -769.4 | -828.8 | -2291.6 | -1462.9 | -943.8 | -1046.0 | -1093.4 | -1168.8 |
| Financial Markets, NSA, Quarter Average | | | | | | | | | | | | | | | | | | |
| Federal Funds Rate (%) | 0.09 | 0.10 | 0.12 | 0.29 | 0.31 | 0.34 | 0.38 | 0.09 | 0.26 | 0.62 | 1.19 | 1.88 | 0.09 | 0.10 | 0.34 | 0.83 | 1.40 | 2.15 |
| 10-Year Treasury Note Yield (%) | 1.32 | 1.69 | 1.79 | 1.89 | 2.04 | 2.17 | 0.89 | 1.48 | 1.97 | 2.40 | 2.69 | 2.89 | 0.86 | 1.69 | 2.17 | 2.50 | 2.78 | 2.94 |

Source: IHS Markit

© 2021 IHS Markit

Monthly Economic Indicators

| | Sep. 2020 | Oct. 2020 | Mar. 2021 | Apr. 2021 | May. 2021 | Jun. 2021 | Jul. 2021 | Aug. 2021 | Sep. 2021 | Oct. 2021 | 2018 | 2019 | 2020 |
|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|---------|---------|---------|
| Industrial Markets | | | | | | | | | | | | | |
| Industrial Prod. Total (2017=100.0) | 95.6 | 96.6 | 99.2 | 99.2 | 99.9 | 100.4 | 101.4 | 101.3 | 100.0 | | 103.2 | 102.3 | 95.0 |
| Percent Change | -0.3 | 1.1 | 2.9 | 0.1 | 0.7 | 0.5 | 1.0 | -0.1 | -1.3 | | 3.2 | -0.8 | -7.2 |
| Percent Change Year Earlier | -6.6 | -4.7 | 1.8 | 17.9 | 16.4 | 10.2 | 6.9 | 5.7 | 4.6 | | | | |
| Capacity Utilization, Manufacturing (%) | 72.4 | 73.5 | 75.3 | 75.1 | 75.7 | 75.5 | 76.8 | 76.5 | 75.9 | | 77.7 | 75.8 | 71.1 |
| Unemployment Rate (%) | 7.8 | 6.9 | 6.0 | 6.1 | 5.8 | 5.9 | 5.4 | 5.2 | 4.8 | 4.6 | 3.9 | 3.7 | 8.1 |
| Payroll Employment (Mil.) | 141.865 | 142.545 | 144.057 | 144.326 | 144.940 | 145.902 | 146.993 | 147.476 | 147.788 | 148.319 | 148.893 | 150.900 | 142.252 |
| Change (Mil.) | 0.716 | 0.680 | 0.785 | 0.269 | 0.614 | 0.962 | 1.091 | 0.483 | 0.312 | 0.531 | 2.298 | 2.007 | -8.648 |
| Leading Indicator (2016=1.000) | 1.075 | 1.082 | 1.115 | 1.131 | 1.146 | 1.154 | 1.164 | 1.173 | 1.175 | | 1.097 | 1.115 | 1.061 |
| Percent Change | 0.9 | 0.7 | 1.3 | 1.4 | 1.3 | 0.7 | 0.9 | 0.8 | 0.2 | | 5.6 | 1.6 | -4.9 |
| New Orders, Mfg. (Bil. \$) | 449.1 | 453.1 | 488.1 | 487.4 | 498.6 | 506.1 | 509.5 | 514.6 | 515.9 | | 484.9 | 483.7 | 433.3 |
| Percent Change | 1.0 | 0.9 | 1.4 | -0.1 | 2.3 | 1.5 | 0.7 | 1.0 | 0.2 | | 5.7 | -0.2 | -10.4 |
| Inv. Chg., Mfg. & Trade (Bil. \$) | 16.8 | 17.4 | 4.7 | 1.3 | 12.2 | 18.6 | 11.4 | 13.4 | | | 85.4 | 48.6 | -52.3 |
| Merchandise Trade Bal. (Bil. \$) | -80.2 | -81.1 | -91.9 | -85.9 | -88.1 | -92.0 | -86.9 | -88.0 | -97.0 | | -870.4 | -850.9 | -911.1 |
| Consumer Markets | | | | | | | | | | | | | |
| Disposable Income (Bil. 2012\$) | 15643 | 15568 | 19119 | 16103 | 15598 | 15518 | 15618 | 15587 | 15335 | | 14429 | 14756 | 15677 |
| Percent Change | 0.6 | -0.5 | 23.0 | -15.8 | -3.1 | -0.5 | 0.6 | -0.2 | -1.6 | | 3.4 | 2.3 | 6.2 |
| Personal Income (Bil. \$) | 19675 | 19629 | 24142 | 20863 | 20414 | 20449 | 20667 | 20709 | 20493 | | 17706 | 18424 | 19628 |
| Percent Change | 0.7 | -0.2 | 21.0 | -13.6 | -2.2 | 0.2 | 1.1 | 0.2 | -1.0 | | 5.1 | 4.1 | 6.5 |
| Personal Saving Rate (%) | 14.3 | 13.6 | 26.6 | 12.4 | 10.0 | 9.0 | 9.9 | 9.2 | 7.5 | | 7.6 | 7.6 | 16.3 |
| Consumer Expenditures (Bil. \$) | 14482 | 14546 | 15459 | 15619 | 15624 | 15802 | 15812 | 15967 | 16060 | | 13914 | 14429 | 14048 |
| Percent Change | 1.5 | 0.4 | 5.2 | 1.0 | 0.0 | 1.1 | 0.1 | 1.0 | 0.6 | | 5.1 | 3.7 | -2.6 |
| Retail Sales (Bil. \$) | 548.9 | 550.0 | 623.1 | 628.8 | 620.1 | 625.4 | 615.3 | 620.9 | 625.4 | | 5988.8 | 6185.4 | 6202.4 |
| Percent Change | 2.0 | 0.2 | 11.3 | 0.9 | -1.4 | 0.9 | -1.6 | 0.9 | 0.7 | | 4.4 | 3.3 | 0.3 |
| Non-Auto. Retail Sales (Bil. \$) | 434.9 | 435.8 | 487.7 | 487.4 | 485.3 | 493.4 | 488.9 | 498.7 | 502.6 | | 4784.0 | 4946.0 | 4959.8 |
| Percent Change | 1.6 | 0.2 | 9.8 | -0.1 | -0.4 | 1.7 | -0.9 | 2.0 | 0.8 | | 5.1 | 3.4 | 0.3 |
| New Light-Vehicle Sales (Mil.) | 16.3 | 16.4 | 17.6 | 18.3 | 16.9 | 15.5 | 14.7 | 13.1 | 12.2 | 13.0 | 17.2 | 17.0 | 14.5 |
| Housing Starts (Mil.) | 1.448 | 1.514 | 1.725 | 1.514 | 1.594 | 1.657 | 1.562 | 1.58 | 1.555 | | 1.247 | 1.292 | 1.397 |
| New Home Sales (Mil.) | 0.971 | 0.969 | 0.873 | 0.796 | 0.733 | 0.683 | 0.712 | 0.702 | 0.8 | | 0.614 | 0.683 | 0.828 |
| Existing Home Sales (Mil.) | 6.440 | 6.730 | 6.010 | 5.850 | 5.780 | 5.870 | 6.000 | 5.880 | 6.290 | | 5.334 | 5.327 | 5.658 |
| Chg. Consumer Install. Credit (Bil. \$) | 16.8 | -0.2 | 19.4 | 16.1 | 32.7 | 35.5 | 16.6 | 13.8 | 29.9 | | 176.3 | 185.1 | -7.3 |
| Prices and Wages | | | | | | | | | | | | | |
| CPI, All Urban Consumers | 2.601 | 2.605 | 2.648 | 2.668 | 2.686 | 2.710 | 2.723 | 2.730 | 2.741 | 2.767 | 2.511 | 2.557 | 2.588 |
| Percent Change Year Earlier | 1.4 | 1.2 | 2.6 | 4.2 | 4.9 | 5.3 | 5.3 | 5.2 | 5.4 | 6.2 | 2.4 | 1.8 | 1.2 |
| Core Cons. Price Defl. (2012=100.0) | 114.1 | 114.1 | 115.4 | 116.1 | 116.8 | 117.3 | 117.7 | 118.0 | 118.3 | | 110.1 | 112.0 | 113.6 |
| Percent Change Year Earlier | 1.6 | 1.4 | 2.0 | 3.1 | 3.5 | 3.6 | 3.6 | 3.6 | 3.6 | | 2.0 | 1.7 | 1.4 |
| PPI, Finished Goods | 2.029 | 2.039 | 2.144 | 2.153 | 2.172 | 2.201 | 2.21 | 2.232 | 2.266 | 2.293 | 2.041 | 2.057 | 2.030 |
| Percent Change Year Earlier | -1.1 | -1.2 | 6.0 | 9.6 | 8.4 | 9.4 | 9.4 | 10.3 | 11.7 | 12.5 | 3.1 | 0.8 | -1.3 |
| PPI, Industrial Commodities (NSA) | 1.956 | 1.957 | 2.160 | 2.181 | 2.244 | 2.289 | 2.330 | 2.341 | 2.372 | 2.432 | 2.037 | 2.007 | 1.939 |
| Percent Change Year Earlier | -2.0 | -1.7 | 12.0 | 18.1 | 20.8 | 20.2 | 20.7 | 20.2 | 21.3 | 24.3 | 5.2 | -1.5 | -3.4 |
| Avg. Private Hourly Earnings (\$) | 24.79 | 24.83 | 25.27 | 25.45 | 25.6 | 25.72 | 25.86 | 26.01 | 26.16 | 26.26 | 22.70 | 23.51 | 24.68 |
| Percent Change Year Earlier | 4.6 | 4.5 | 4.6 | 1.2 | 2.4 | 3.8 | 4.8 | 4.8 | 5.5 | 5.8 | 3.0 | 3.5 | 5.0 |
| Brent Crude, Spot Price (\$/bbl.) | 40.91 | 40.19 | 65.41 | 64.79 | 68.53 | 73.16 | 75.12 | 70.87 | 74.49 | 83.54 | 70.96 | 64.34 | 41.77 |
| Percent Change Year Earlier | -34.9 | -34.9 | 104.9 | 250.9 | 133.0 | 81.7 | 73.7 | 58.3 | 82.1 | 107.9 | 29.4 | -9.3 | -35.1 |
| Henry Hub Spot Natural Gas (\$/mmbtu) | 1.92 | 2.39 | 2.62 | 2.66 | 2.91 | 3.26 | 3.84 | 4.07 | 5.16 | 5.53 | 3.17 | 2.57 | 2.03 |
| Percent Change Year Earlier | -24.9 | 2.5 | 46.2 | 53.0 | 66.6 | 99.7 | 117.6 | 77.0 | 168.5 | 131.4 | 6.8 | -18.9 | -20.8 |
| Financial Markets, Period Average | | | | | | | | | | | | | |
| Federal Funds Rate (%) | 0.09 | 0.09 | 0.07 | 0.07 | 0.06 | 0.08 | 0.10 | 0.09 | 0.08 | 0.08 | 1.83 | 2.16 | 0.38 |
| 3-Month T-Bill Rate (%) | 0.11 | 0.10 | 0.03 | 0.02 | 0.02 | 0.04 | 0.05 | 0.05 | 0.04 | 0.05 | 1.94 | 2.06 | 0.37 |
| Commercial Bank Prime Rate (%) | 3.25 | 3.25 | 3.25 | 3.25 | 3.25 | 3.25 | 3.25 | 3.25 | 3.25 | 3.25 | 4.90 | 5.28 | 3.54 |
| 10-Year Treasury Note Yield (%) | 0.68 | 0.79 | 1.61 | 1.64 | 1.62 | 1.52 | 1.32 | 1.28 | 1.37 | 1.58 | 2.91 | 2.14 | 0.89 |
| Conv. Mortgage Rate, FHLMC (%) | 2.89 | 2.83 | 3.08 | 3.06 | 2.96 | 2.98 | 2.87 | 2.84 | 2.87 | 3.06 | 4.54 | 3.94 | 3.12 |
| M1 Money Supply (Bil. \$) | 17157 | 17347 | 18669 | 18918 | 19197 | 19244 | 19408 | 19682 | 19862 | | 3680 | 3844 | 12793 |
| Percent Change | 1.6 | 1.1 | 1.5 | 1.3 | 1.5 | 0.2 | 0.9 | 1.4 | 0.9 | | 4.4 | 4.5 | 232.8 |
| M2 Money Supply (Bil. \$) | 18602 | 18748 | 19913 | 20129 | 20391 | 20418 | 20567 | 20820 | 20983 | | 14116 | 14836 | 17677 |
| Percent Change | 1.2 | 0.8 | 1.3 | 1.1 | 1.3 | 0.1 | 0.7 | 1.2 | 0.8 | | 3.9 | 5.1 | 19.1 |

Source: IHS Markit

© 2021 IHS Markit

Summary of the US Economy

| | 2021:2 | 2021:3 | 2021:4 | 2022:1 | 2022:2 | 2022:3 | 2022:4 | 2023:1 | 2023:2 | 2023:3 | 2023:4 | 2024:1 | 2024:2 |
|---|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| Composition of Real GDP, Percent Change, Annual Rate | | | | | | | | | | | | | |
| Gross Domestic Product | 6.7 | 2.0 | 4.4 | 5.0 | 4.7 | 4.0 | 2.8 | 2.4 | 2.3 | 2.5 | 2.8 | 2.9 | 2.8 |
| Final Sales of Domestic Product | 8.1 | -0.1 | 3.5 | 3.7 | 3.4 | 3.1 | 2.4 | 2.4 | 2.5 | 2.7 | 2.9 | 2.9 | 2.8 |
| Gross Domestic Income | 2.3 | 1.4 | 4.8 | 4.9 | 4.7 | 4.0 | 2.7 | 2.4 | 2.3 | 2.5 | 2.7 | 2.8 | 2.7 |
| Avg. of GDP and GDI | 4.5 | 1.5 | 4.9 | 4.9 | 4.7 | 4.0 | 2.8 | 2.4 | 2.3 | 2.5 | 2.8 | 2.8 | 2.8 |
| Total Consumption | 12.0 | 1.6 | 4.5 | 2.9 | 2.5 | 2.4 | 1.9 | 2.1 | 2.4 | 2.6 | 2.9 | 3.0 | 3.0 |
| Durables | 11.6 | -26.2 | 1.5 | -1.0 | -1.0 | -0.7 | -1.8 | -0.9 | 0.9 | 1.5 | 3.0 | 3.9 | 4.0 |
| Nondurables | 13.9 | 2.6 | 3.4 | -2.4 | -1.3 | -0.3 | 0.3 | 1.4 | 1.9 | 2.3 | 2.4 | 2.6 | 2.8 |
| Services | 11.5 | 7.9 | 5.4 | 5.5 | 4.5 | 3.9 | 3.1 | 2.9 | 2.8 | 3.0 | 3.0 | 3.0 | 3.0 |
| Nonresidential Fixed Investment | 9.2 | 1.8 | 5.9 | 9.3 | 7.5 | 6.9 | 5.4 | 4.5 | 4.2 | 4.4 | 4.7 | 4.7 | 4.6 |
| Equipment | 12.1 | -3.2 | 4.8 | 9.6 | 10.5 | 9.7 | 7.7 | 6.1 | 5.6 | 5.7 | 6.0 | 5.9 | 6.0 |
| Information Processing Equipment | -7.8 | -5.8 | 6.7 | 9.2 | 9.2 | 3.8 | 4.7 | 3.4 | 4.2 | 2.3 | 3.3 | 3.4 | 2.5 |
| Industrial Equipment | 32.9 | 11.2 | -6.7 | -4.3 | 22.2 | 22.7 | 4.8 | 5.8 | 13.3 | 12.3 | 6.3 | 6.4 | 3.7 |
| Transportation equipment | 52.1 | -18.6 | 27.2 | 77.8 | -15.6 | 0.8 | 23.4 | 7.2 | 6.2 | 4.9 | 6.8 | 3.5 | 12.8 |
| Aircraft | 119.1 | -9.1 | 57.2 | 37.7 | 35.6 | 29.3 | 27.3 | 6.9 | 4.6 | 1.9 | 6.8 | -3.5 | 2.9 |
| Other Equipment | 3.3 | 0.5 | -1.2 | -16.3 | 29.7 | 15.0 | 2.2 | 9.5 | -0.5 | 4.4 | 9.4 | 11.9 | 7.5 |
| Intellectual Property Products | 12.5 | 12.2 | 12.0 | 12.0 | 7.7 | 7.0 | 5.3 | 4.5 | 4.0 | 4.0 | 4.1 | 4.0 | 3.6 |
| Structures | -3.0 | -7.3 | -3.9 | 3.0 | 0.5 | 0.2 | 0.5 | 0.9 | 1.5 | 2.1 | 2.8 | 3.5 | 3.7 |
| Commercial & Health Care | -3.5 | -8.9 | -8.4 | -8.9 | -14.4 | -13.2 | -13.5 | -5.4 | -0.9 | 2.4 | 5.7 | 6.5 | 13.1 |
| Manufacturing | 12.7 | -13.6 | -20.2 | -4.6 | 23.1 | 18.0 | 13.5 | 6.6 | 0.3 | -2.3 | -6.5 | 1.3 | -10.8 |
| Power & Communication | -12.3 | -13.0 | -10.2 | 1.8 | -1.8 | -1.0 | 0.1 | -3.9 | -0.2 | -2.1 | 1.6 | 2.0 | 3.4 |
| Mining & Petroleum | 29.2 | 21.7 | 23.3 | 37.8 | 18.2 | 8.8 | 14.7 | 9.9 | 3.0 | 5.0 | 0.9 | -2.7 | -1.7 |
| Other | -20.8 | -13.9 | 3.7 | 5.2 | 2.1 | 6.6 | 2.2 | 3.1 | 6.7 | 6.5 | 9.1 | 9.1 | 6.3 |
| Residential Fixed Investment | -11.7 | -7.7 | -8.1 | -6.8 | -1.3 | -1.4 | -2.9 | -3.0 | -2.6 | -1.6 | 0.8 | 1.5 | 1.0 |
| Exports | 7.6 | -2.5 | 2.4 | 5.6 | 9.3 | 9.7 | 9.4 | 8.4 | 7.5 | 6.6 | 6.1 | 5.7 | 5.6 |
| Imports | 7.1 | 6.0 | 1.3 | 4.3 | 4.7 | 5.8 | 5.1 | 4.5 | 3.9 | 3.6 | 4.1 | 4.6 | 5.0 |
| Federal Government | -5.3 | -4.7 | -0.7 | 5.7 | -0.3 | 0.4 | -1.3 | 0.0 | 0.3 | 0.0 | 0.7 | 0.7 | 0.7 |
| State & Local Government | 0.2 | 4.4 | 0.6 | 4.5 | 4.5 | 3.3 | 2.7 | 2.0 | 1.5 | 1.5 | 1.2 | 1.1 | 1.1 |
| Billions of Dollars | | | | | | | | | | | | | |
| Real GDP | 19368.3 | 19465.2 | 19676.9 | 19918.1 | 20150.1 | 20350.6 | 20491.2 | 20613.7 | 20732.5 | 20863.3 | 21007.2 | 21155.4 | 21300.9 |
| Nominal GDP | 22741.0 | 23173.5 | 23661.5 | 24127.0 | 24546.0 | 24923.1 | 25226.9 | 25517.6 | 25812.5 | 26120.1 | 26460.0 | 26815.5 | 27169.2 |
| Prices & Wages, Percent Change, Annual Rate | | | | | | | | | | | | | |
| GDP Deflator | 6.1 | 5.7 | 3.6 | 3.0 | 2.3 | 2.2 | 2.1 | 2.2 | 2.3 | 2.2 | 2.5 | 2.6 | 2.5 |
| Consumer Prices | 8.4 | 6.6 | 4.6 | 1.4 | 2.1 | 2.2 | 2.1 | 2.0 | 2.3 | 2.0 | 2.2 | 2.3 | 2.2 |
| Producer Prices, Finished Goods | 11.6 | 11.9 | 11.6 | 1.2 | 0.7 | 2.0 | 1.7 | 0.9 | 1.8 | 1.5 | 1.7 | 1.9 | 1.9 |
| Employment Cost Index - Total Comp. | 3.1 | 5.7 | 5.8 | 5.6 | 5.3 | 5.2 | 4.8 | 4.4 | 4.3 | 4.1 | 4.1 | 4.0 | 4.0 |
| Other Key Measures | | | | | | | | | | | | | |
| Brent Crude, Spot Price (\$/bbl) | 68.83 | 73.49 | 84.34 | 78.67 | 76.00 | 77.67 | 76.00 | 71.00 | 72.33 | 69.92 | 69.33 | 69.21 | 68.88 |
| Productivity (%ch., saar) | 2.4 | -5.0 | 1.5 | 1.9 | 1.7 | 1.4 | 0.9 | 1.3 | 1.7 | 2.3 | 2.6 | 2.5 | 2.4 |
| Total Industrial Production (%ch., saar) | 6.4 | 4.3 | 2.7 | 4.5 | 5.1 | 5.0 | 3.6 | 2.9 | 2.3 | 2.1 | 2.2 | 2.3 | 2.2 |
| Factory Operating Rate | 75.4 | 76.4 | 77.0 | 77.9 | 78.6 | 79.2 | 79.4 | 79.3 | 79.3 | 79.1 | 79.0 | 78.9 | 78.8 |
| Nonfarm Inven. Chg. (Bil. 2012 \$) | -147.7 | -53.7 | -17.4 | 28.1 | 82.7 | 128.6 | 149.9 | 151.7 | 143.1 | 137.3 | 133.0 | 132.5 | 132.5 |
| Consumer Sentiment Index | 85.6 | 74.8 | 77.6 | 83.2 | 86.9 | 93.1 | 95.8 | 95.7 | 95.6 | 95.7 | 95.2 | 94.4 | 94.1 |
| Light Vehicle Sales (Mil. units, saar) | 16.89 | 13.32 | 12.75 | 13.69 | 15.06 | 16.05 | 16.42 | 16.70 | 16.99 | 17.22 | 17.39 | 17.53 | 17.69 |
| Housing Starts (Mil. units, saar) | 1.588 | 1.566 | 1.533 | 1.493 | 1.454 | 1.415 | 1.378 | 1.348 | 1.331 | 1.323 | 1.332 | 1.335 | 1.326 |
| Exist. House Sales (Total, Mil. saar) | 5.833 | 6.057 | 6.118 | 6.072 | 6.002 | 5.894 | 5.801 | 5.691 | 5.587 | 5.576 | 5.558 | 5.522 | 5.442 |
| Unemployment Rate (%) | 5.9 | 5.1 | 4.5 | 4.2 | 3.9 | 3.6 | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 | 3.6 | 3.6 |
| Payroll Employment (%ch., saar) | 4.8 | 6.7 | 3.6 | 3.6 | 3.6 | 3.1 | 2.4 | 1.7 | 1.2 | 0.9 | 0.8 | 1.0 | 0.9 |
| Federal Surplus (Unified, nsa, bil. \$) | -531.7 | -534.2 | -411.7 | -416.4 | -251.1 | -288.3 | -254.5 | -328.3 | -39.8 | -238.7 | -235.6 | -302.2 | 0.1 |
| Current Account Balance (Bil. \$) | -761.1 | -782.7 | -783.9 | -743.2 | -715.8 | -713.7 | -700.8 | -674.6 | -655.4 | -626.8 | -604.6 | -586.0 | -577.1 |
| Financial Markets, NSA, Quarter Average | | | | | | | | | | | | | |
| Federal Funds Rate (%) | 0.07 | 0.09 | 0.09 | 0.09 | 0.09 | 0.09 | 0.09 | 0.14 | 0.35 | 0.38 | 0.61 | 0.66 | 0.91 |
| 3-Month Treasury Bill Rate (%) | 0.03 | 0.05 | 0.06 | 0.06 | 0.06 | 0.07 | 0.07 | 0.12 | 0.31 | 0.33 | 0.54 | 0.59 | 0.81 |
| 10-Year Treasury Note Yield (%) | 1.59 | 1.32 | 1.63 | 1.70 | 1.76 | 1.91 | 2.03 | 2.15 | 2.23 | 2.29 | 2.35 | 2.43 | 2.51 |
| 30-Year Fixed Mortgage Rate (%) | 3.00 | 2.86 | 3.13 | 3.24 | 3.34 | 3.50 | 3.63 | 3.76 | 3.88 | 3.95 | 4.02 | 4.10 | 4.19 |
| S&P 500 Stock Index | 4183 | 4421 | 4615 | 4705 | 4718 | 4685 | 4618 | 4580 | 4573 | 4597 | 4622 | 4630 | 4622 |
| (Four-Quarter % change) | 42.8 | 33.1 | 29.8 | 21.8 | 12.8 | 6.0 | 0.1 | -2.7 | -3.1 | -1.9 | 0.1 | 1.1 | 1.1 |
| Exchange Rate, Broad Index of Partners | 1.223 | 1.240 | 1.249 | 1.249 | 1.242 | 1.234 | 1.227 | 1.226 | 1.221 | 1.220 | 1.219 | 1.217 | 1.213 |
| (% change, annual rate) | -1.7 | 5.5 | 3.0 | 0.0 | -2.3 | -2.7 | -2.2 | -0.4 | -1.4 | -0.3 | -0.3 | -0.7 | -1.3 |
| Incomes | | | | | | | | | | | | | |
| Personal Income (% ch., saar) | -21.6 | 0.9 | -1.3 | 2.4 | 5.8 | 6.0 | 4.2 | 4.9 | 5.0 | 4.9 | 5.0 | 5.7 | 5.3 |
| Real Disposable Income (%ch., saar) | -30.2 | -5.6 | -6.0 | -0.1 | 3.6 | 3.6 | 2.0 | 2.9 | 2.7 | 3.0 | 2.8 | 3.5 | 3.0 |
| Saving Rate (%) | 10.5 | 8.9 | 6.5 | 5.7 | 5.9 | 6.2 | 6.2 | 6.4 | 6.4 | 6.5 | 6.5 | 6.6 | 6.6 |
| After-Tax Profits (Billions of \$) | 2690 | 2560 | 2404 | 2412 | 2430 | 2457 | 2441 | 2489 | 2504 | 2525 | 2556 | 2656 | 2690 |
| (Four-quarter % change) | 70.5 | 19.2 | 11.1 | 1.9 | -9.7 | -4.0 | 1.6 | 3.2 | 3.0 | 2.8 | 4.7 | 6.7 | 7.4 |

Source: IHS Markit

© 2021 IHS Markit

| Summary of the US Economy | | | | | | | | | | | | | |
|--|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 |
| Composition of Real GDP, Percent Change | | | | | | | | | | | | | |
| Gross Domestic Product | 2.3 | 2.7 | 1.7 | 2.3 | 2.9 | 2.3 | -3.4 | 5.5 | 4.3 | 2.9 | 2.7 | 2.6 | 2.6 |
| Final Sales of Domestic Product | 2.4 | 2.4 | 2.2 | 2.3 | 2.8 | 2.2 | -2.9 | 5.4 | 3.2 | 2.6 | 2.8 | 2.7 | 2.6 |
| Gross Domestic Income | 3.1 | 2.5 | 0.9 | 2.4 | 2.9 | 2.0 | -2.9 | 6.2 | 4.0 | 2.8 | 2.7 | 2.5 | 2.5 |
| Avg. of GDP and GDI | 2.7 | 2.6 | 1.3 | 2.3 | 2.9 | 2.1 | -3.2 | 5.8 | 4.2 | 2.8 | 2.7 | 2.6 | 2.5 |
| Total Consumption | 2.7 | 3.3 | 2.5 | 2.4 | 2.9 | 2.2 | -3.8 | 8.0 | 3.4 | 2.3 | 2.9 | 3.2 | 3.3 |
| Durables | 7.2 | 7.6 | 5.4 | 6.3 | 7.0 | 4.3 | 7.7 | 17.7 | -3.4 | -0.2 | 3.3 | 4.6 | 5.3 |
| Nondurables | 2.6 | 3.4 | 2.5 | 2.7 | 2.5 | 2.9 | 3.1 | 9.3 | 0.9 | 1.0 | 2.6 | 2.9 | 2.9 |
| Services | 2.0 | 2.6 | 2.0 | 1.8 | 2.4 | 1.7 | -7.5 | 5.8 | 5.6 | 3.2 | 3.0 | 3.0 | 3.1 |
| Nonresidential Fixed Investment | 7.2 | 2.3 | 0.9 | 4.1 | 6.4 | 4.3 | -5.3 | 7.6 | 6.8 | 5.1 | 4.5 | 4.0 | 3.5 |
| Equipment | 7.0 | 3.0 | -1.8 | 2.8 | 6.4 | 3.3 | -8.3 | 13.1 | 7.3 | 6.9 | 5.8 | 5.3 | 5.0 |
| Information Processing Equipment | 5.2 | 6.2 | 4.4 | 6.8 | 7.6 | 3.7 | 6.8 | 12.6 | 4.7 | 4.0 | 3.0 | 4.0 | 4.5 |
| Industrial Equipment | 3.9 | 0.1 | -1.5 | 4.2 | 5.8 | 2.2 | -4.9 | 13.1 | 7.6 | 10.8 | 6.4 | 4.1 | 3.3 |
| Transportation equipment | 11.1 | 10.5 | -5.6 | -1.0 | 4.9 | 2.8 | -35.2 | 19.1 | 18.7 | 7.1 | 7.3 | 7.0 | 5.5 |
| Aircraft | 13.4 | 1.7 | -10.7 | 36.2 | -6.5 | -11.8 | -36.2 | 35.2 | 35.5 | 13.3 | 1.3 | 0.2 | 4.6 |
| Other Equipment | 7.9 | -6.6 | -5.8 | 0.0 | 6.9 | 4.3 | -1.6 | 9.2 | 2.5 | 7.2 | 8.1 | 7.0 | 7.2 |
| Intellectual Property Products | 4.8 | 3.8 | 8.8 | 5.7 | 8.1 | 7.2 | 2.8 | 10.7 | 10.1 | 5.0 | 3.8 | 2.8 | 2.2 |
| Structures | 11.0 | -0.9 | -4.3 | 4.2 | 4.0 | 2.0 | -12.5 | -8.1 | -1.0 | 1.1 | 3.1 | 3.4 | 3.1 |
| Commercial & Health Care | 12.9 | 12.1 | 16.7 | 3.2 | 1.3 | 1.5 | -1.4 | -7.8 | -10.3 | -6.3 | 6.8 | 7.7 | 5.2 |
| Manufacturing | 12.9 | 34.4 | -4.8 | -13.4 | -1.8 | 5.6 | -13.4 | -2.8 | 0.3 | 6.8 | -3.7 | -5.2 | -2.0 |
| Power & Communication | 15.0 | 3.4 | 2.2 | -4.6 | -5.7 | 7.4 | -4.7 | -14.3 | -4.6 | -1.4 | 1.5 | 5.1 | 4.3 |
| Mining & Petroleum | 8.0 | -28.6 | -41.8 | 39.0 | 26.9 | -1.6 | -37.5 | 13.3 | 23.3 | 8.5 | -0.4 | -3.1 | -1.4 |
| Other | 8.3 | 10.5 | 7.2 | 3.9 | 1.4 | -0.5 | -13.8 | -17.7 | -0.1 | 4.7 | 8.1 | 7.0 | 5.1 |
| Residential Fixed Investment | 3.8 | 10.2 | 6.6 | 4.0 | -0.6 | -0.9 | 6.8 | 8.5 | -5.6 | -2.2 | 0.4 | 0.1 | -0.7 |
| Exports | 3.9 | 0.3 | 0.4 | 4.1 | 2.8 | -0.1 | -13.6 | 3.7 | 5.5 | 8.3 | 5.9 | 4.8 | 4.2 |
| Imports | 5.2 | 5.2 | 1.5 | 4.4 | 4.1 | 1.2 | -8.9 | 13.1 | 4.4 | 4.5 | 4.5 | 4.9 | 5.0 |
| Federal Government | -2.6 | 0.0 | 0.5 | 0.3 | 3.0 | 3.8 | 5.0 | 0.9 | 0.2 | -0.1 | 0.6 | 0.8 | 0.5 |
| State & Local Government | 0.2 | 3.0 | 2.8 | 0.6 | 0.4 | 1.3 | 0.9 | 0.5 | 3.2 | 2.2 | 1.1 | 0.9 | 1.0 |
| Billions of Dollars | | | | | | | | | | | | | |
| Real GDP | 16932.1 | 17390.3 | 17680.3 | 18079.1 | 18606.8 | 19032.7 | 18384.7 | 19391.5 | 20227.5 | 20804.2 | 21367.2 | 21921.2 | 22482.2 |
| Nominal GDP | 17550.7 | 18206.0 | 18695.1 | 19479.6 | 20527.2 | 21372.6 | 20893.7 | 22903.5 | 24705.7 | 25977.6 | 27340.5 | 28741.5 | 30182.2 |
| Prices & Wages, Percent Change | | | | | | | | | | | | | |
| GDP Deflator | 1.9 | 1.0 | 1.0 | 1.9 | 2.4 | 1.8 | 1.3 | 3.9 | 3.3 | 2.2 | 2.5 | 2.5 | 2.4 |
| Consumer Prices | 1.6 | 0.1 | 1.3 | 2.1 | 2.4 | 1.8 | 1.2 | 4.5 | 3.3 | 2.1 | 2.2 | 2.2 | 2.3 |
| Producer Prices, Finished Goods | 1.9 | -3.3 | -1.0 | 3.2 | 3.1 | 0.8 | -1.3 | 8.7 | 5.0 | 1.4 | 1.8 | 1.8 | 1.9 |
| Employment Cost Index - Total Comp. | 2.1 | 2.1 | 2.1 | 2.5 | 2.9 | 2.7 | 2.6 | 3.7 | 5.3 | 4.6 | 4.0 | 3.9 | 3.9 |
| Other Key Measures | | | | | | | | | | | | | |
| Brent Crude, Spot Price (\$/bbl) | 99.83 | 52.68 | 44.24 | 54.83 | 70.96 | 64.34 | 41.77 | 71.87 | 77.08 | 70.65 | 68.59 | 66.82 | 67.39 |
| Productivity (%ch.) | 0.7 | 1.2 | 0.4 | 1.2 | 1.5 | 2.0 | 2.4 | 1.5 | 0.8 | 1.5 | 2.4 | 2.4 | 2.4 |
| Total Industrial Production (%ch.) | 3.0 | -1.4 | -2.2 | 1.3 | 3.2 | -0.8 | -7.2 | 5.5 | 4.4 | 3.2 | 2.2 | 1.9 | 1.8 |
| Factory Operating Rate | 75.7 | 76.0 | 75.2 | 76.2 | 77.7 | 75.8 | 71.1 | 75.8 | 78.8 | 79.2 | 78.7 | 77.8 | 77.0 |
| Nonfarm Inven. Chg. (Bil. 2012 \$) | 90.1 | 136.5 | 41.2 | 38.6 | 72.7 | 89.0 | -35.3 | -73.3 | 97.3 | 141.3 | 130.6 | 116.8 | 108.3 |
| Consumer Sentiment Index | 84.1 | 92.9 | 91.8 | 96.8 | 98.4 | 96.0 | 81.5 | 79.5 | 89.8 | 95.5 | 94.1 | 94.7 | 95.6 |
| Light Vehicle Sales (Mil. units) | 16.45 | 17.41 | 17.48 | 17.15 | 17.22 | 16.96 | 14.47 | 14.94 | 15.31 | 17.08 | 17.70 | 17.50 | 17.01 |
| Housing Starts (Mil. units) | 1.000 | 1.107 | 1.177 | 1.205 | 1.247 | 1.292 | 1.397 | 1.571 | 1.435 | 1.333 | 1.327 | 1.329 | 1.296 |
| Exist. House Sales (Total, Mil. units) | 4.923 | 5.228 | 5.437 | 5.527 | 5.334 | 5.327 | 5.658 | 6.078 | 5.942 | 5.603 | 5.442 | 5.398 | 5.411 |
| Unemployment Rate (%) | 6.2 | 5.3 | 4.9 | 4.4 | 3.9 | 3.7 | 8.1 | 5.4 | 3.8 | 3.5 | 3.6 | 3.8 | 3.9 |
| Payroll Employment (%ch.) | 1.9 | 2.1 | 1.8 | 1.6 | 1.6 | 1.3 | -5.7 | 2.7 | 3.9 | 1.9 | 0.9 | 0.6 | 0.6 |
| Federal Surplus (Unified, FY, bil. \$) | -487.4 | -475.4 | -581.6 | -680.9 | -873.0 | -1022.0 | -3348.2 | -2611.0 | -1210.3 | -842.3 | -738.6 | -810.2 | -845.8 |
| Current Account Balance (Bil. \$) | -370.0 | -408.9 | -397.6 | -361.7 | -438.2 | -472.1 | -616.1 | -771.4 | -718.4 | -640.3 | -576.1 | -560.5 | -575.9 |
| Financial Markets, NSA, Quarter Average | | | | | | | | | | | | | |
| Federal Funds Rate (%) | 0.09 | 0.13 | 0.40 | 1.00 | 1.83 | 2.16 | 0.38 | 0.08 | 0.09 | 0.37 | 0.97 | 1.66 | 2.26 |
| 3-Month Treasury Bill Rate (%) | 0.03 | 0.05 | 0.32 | 0.93 | 1.94 | 2.06 | 0.37 | 0.05 | 0.06 | 0.32 | 0.86 | 1.49 | 2.04 |
| 10-Year Treasury Note Yield (%) | 2.54 | 2.14 | 1.84 | 2.33 | 2.91 | 2.14 | 0.89 | 1.47 | 1.85 | 2.25 | 2.55 | 2.80 | 2.95 |
| 30-Year Fixed Mortgage Rate (%) | 4.17 | 3.85 | 3.65 | 3.99 | 4.54 | 3.94 | 3.12 | 2.97 | 3.43 | 3.90 | 4.23 | 4.50 | 4.68 |
| S&P 500 Stock Index | 1931 | 2061 | 2092 | 2448 | 2745 | 2912 | 3219 | 4270 | 4681 | 4593 | 4618 | 4619 | 4689 |
| (Percent change) | 17.5 | 6.8 | 1.5 | 17.0 | 12.1 | 6.1 | 10.5 | 32.7 | 9.6 | -1.9 | 0.5 | 0.0 | 1.5 |
| Exchange Rate, Broad Index of Partners | 1.044 | 1.180 | 1.235 | 1.232 | 1.223 | 1.263 | 1.287 | 1.235 | 1.238 | 1.222 | 1.214 | 1.215 | 1.216 |
| (% change, annual rate) | 3.1 | 13.1 | 4.6 | -0.3 | -0.7 | 3.3 | 1.9 | -4.0 | 0.2 | -1.3 | -0.6 | 0.1 | 0.1 |
| Incomes | | | | | | | | | | | | | |
| Personal Income (% ch.) | 5.5 | 4.7 | 2.6 | 4.7 | 5.1 | 4.1 | 6.5 | 6.5 | 1.0 | 5.0 | 5.3 | 5.3 | 5.3 |
| Real Disposable Income (%ch.) | 3.8 | 4.0 | 1.8 | 2.8 | 3.4 | 2.3 | 6.2 | 1.7 | -3.0 | 2.9 | 3.1 | 3.1 | 3.1 |
| Saving Rate (%) | 7.0 | 7.5 | 7.0 | 7.3 | 7.6 | 7.7 | 16.4 | 11.6 | 6.0 | 6.5 | 6.6 | 6.6 | 6.4 |
| After-Tax Profits (Billions of \$) | 1857 | 1732 | 1758 | 1882 | 1977 | 1952 | 1908 | 2505 | 2435 | 2518 | 2702 | 2876 | 3055 |
| (Percent change) | 3.8 | -6.8 | 1.5 | 7.1 | 5.0 | -1.3 | -2.3 | 31.3 | -2.8 | 3.4 | 7.3 | 6.4 | 6.2 |

Source: IHS Markit

© 2021 IHS Markit

Summary of the US Economy

| | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 |
|--|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| Composition of Real GDP, Percent Change (Q4/Q4) | | | | | | | | | | | | | |
| Gross Domestic Product | 2.6 | 1.9 | 2.0 | 2.7 | 2.3 | 2.6 | -2.3 | 4.8 | 4.1 | 2.5 | 2.7 | 2.6 | 2.5 |
| Final Sales of Domestic Product | 2.8 | 1.8 | 2.2 | 2.8 | 2.1 | 2.9 | -2.6 | 5.1 | 3.1 | 2.6 | 2.8 | 2.7 | 2.5 |
| Gross Domestic Income | 4.0 | 1.2 | 1.2 | 2.9 | 2.9 | 1.8 | -0.2 | 3.7 | 4.1 | 2.5 | 2.6 | 2.5 | 2.5 |
| Avg. of GDP and GDI | 3.3 | 1.5 | 1.6 | 2.8 | 2.6 | 2.2 | -1.2 | 4.3 | 4.1 | 2.5 | 2.7 | 2.6 | 2.5 |
| Total Consumption | 3.5 | 2.6 | 2.3 | 2.8 | 2.6 | 2.3 | -2.4 | 7.3 | 2.4 | 2.5 | 3.1 | 3.3 | 3.3 |
| Durables | 9.2 | 6.0 | 6.3 | 7.9 | 3.9 | 5.8 | 13.5 | 5.8 | -1.1 | 1.1 | 4.0 | 5.1 | 5.4 |
| Nondurables | 3.2 | 2.8 | 2.0 | 3.7 | 2.0 | 2.7 | 4.7 | 8.8 | -1.0 | 2.0 | 2.8 | 2.9 | 2.9 |
| Services | 2.7 | 2.1 | 1.8 | 1.8 | 2.5 | 1.6 | -6.9 | 7.1 | 4.2 | 2.9 | 3.0 | 3.1 | 3.2 |
| Nonresidential Fixed Investment | 6.9 | -0.1 | 2.5 | 4.7 | 6.1 | 3.1 | -3.8 | 7.4 | 7.2 | 4.4 | 4.4 | 3.8 | 3.4 |
| Equipment | 5.6 | 1.5 | -2.2 | 6.4 | 6.0 | -0.9 | -0.3 | 6.7 | 9.4 | 5.8 | 5.7 | 5.1 | 4.9 |
| Information Processing Equipment | 6.4 | 6.5 | 3.3 | 9.2 | 4.8 | 2.9 | 15.4 | 3.9 | 6.7 | 3.3 | 3.0 | 4.8 | 4.1 |
| Industrial Equipment | 4.3 | 1.0 | -1.7 | 6.6 | 5.7 | -2.1 | 1.3 | 10.3 | 10.8 | 9.4 | 4.3 | 3.9 | 3.2 |
| Transportation equipment | 9.4 | 6.6 | -6.4 | 4.3 | 6.6 | -6.2 | -26.2 | 14.1 | 16.9 | 6.3 | 8.5 | 5.2 | 6.2 |
| Aircraft | -0.9 | -14.1 | 17.2 | 21.1 | 4.2 | -22.1 | -26.8 | 34.7 | 32.4 | 5.0 | -0.7 | 1.6 | 5.8 |
| Other Equipment | 1.7 | -10.1 | -5.3 | 4.8 | 7.7 | 1.1 | 5.3 | 2.5 | 6.3 | 5.6 | 8.6 | 7.2 | 6.9 |
| Intellectual Property Products | 6.9 | 3.3 | 8.4 | 5.8 | 9.2 | 6.3 | 2.5 | 13.1 | 8.0 | 4.1 | 3.4 | 2.5 | 2.0 |
| Structures | 9.3 | -7.3 | 3.6 | 0.0 | 1.8 | 5.8 | -20.0 | -2.3 | 1.0 | 1.9 | 3.6 | 3.3 | 3.0 |
| Commercial & Health Care | 13.8 | 8.3 | 19.9 | -2.6 | -1.6 | 8.4 | -9.9 | -5.1 | -12.5 | 0.3 | 8.5 | 6.6 | 5.0 |
| Manufacturing | 29.4 | 9.8 | -6.3 | -12.4 | 1.4 | 3.0 | -16.6 | -2.0 | 12.0 | -0.6 | -3.3 | -4.5 | -3.7 |
| Power & Communication | -16.1 | 20.0 | 12.3 | -18.1 | -5.9 | 27.8 | -21.1 | -10.5 | -0.2 | -1.2 | 2.1 | 6.6 | 4.3 |
| Mining & Petroleum | 16.3 | -44.2 | -27.0 | 47.5 | 19.0 | -10.8 | -38.8 | 37.0 | 19.4 | 4.6 | -2.1 | -3.6 | -0.5 |
| Other | 12.5 | 4.7 | 8.9 | 1.7 | -0.7 | 0.7 | -20.7 | -12.1 | 4.0 | 6.3 | 8.4 | 5.9 | 4.6 |
| Residential Fixed Investment | 7.7 | 9.2 | 4.0 | 4.5 | -3.9 | 2.2 | 15.7 | -4.0 | -3.1 | -1.6 | 0.8 | -0.2 | -1.2 |
| Exports | 2.4 | -1.5 | 1.3 | 5.9 | 0.2 | 0.3 | -10.7 | 1.1 | 8.5 | 7.2 | 5.4 | 4.5 | 4.0 |
| Imports | 6.5 | 3.3 | 2.2 | 5.1 | 3.4 | -2.0 | 0.3 | 5.9 | 5.0 | 4.0 | 4.9 | 4.9 | 5.0 |
| Federal Government | -1.0 | 1.2 | 0.1 | 1.3 | 3.0 | 4.3 | 3.1 | -0.1 | 1.1 | 0.2 | 0.8 | 0.8 | 0.3 |
| State & Local Government | 1.2 | 2.8 | 2.5 | 0.4 | -0.3 | 2.5 | 0.0 | 1.2 | 3.7 | 1.5 | 0.9 | 1.1 | 0.9 |
| Billions of Dollars | | | | | | | | | | | | | |
| Real GDP | 16932.1 | 17390.3 | 17680.3 | 18079.1 | 18606.8 | 19032.7 | 18384.7 | 19391.5 | 20227.5 | 20804.2 | 21367.2 | 21921.2 | 22482.2 |
| Nominal GDP | 17550.7 | 18206.0 | 18695.1 | 19479.6 | 20527.2 | 21372.6 | 20893.7 | 22903.5 | 24705.7 | 25977.6 | 27340.5 | 28741.5 | 30182.2 |
| Prices & Wages, Percent Change (Q4/Q4) | | | | | | | | | | | | | |
| GDP Deflator | 1.5 | 0.8 | 1.5 | 2.1 | 2.3 | 1.6 | 1.5 | 4.9 | 2.4 | 2.3 | 2.5 | 2.4 | 2.4 |
| Consumer Prices | 1.2 | 0.4 | 1.8 | 2.1 | 2.2 | 2.0 | 1.2 | 5.8 | 1.9 | 2.1 | 2.2 | 2.2 | 2.3 |
| Producer Prices, Finished Goods | 0.6 | -3.4 | 1.0 | 3.5 | 2.3 | 0.9 | -1.2 | 12.3 | 1.4 | 1.5 | 1.9 | 1.8 | 2.0 |
| Employment Cost Index - Total Comp. | 2.3 | 1.8 | 2.2 | 2.6 | 3.0 | 2.7 | 2.6 | 4.6 | 5.2 | 4.2 | 4.0 | 3.9 | 3.9 |
| Other Key Measures | | | | | | | | | | | | | |
| Brent Crude, Spot Price (\$/bbl) | 99.83 | 52.68 | 44.24 | 54.83 | 70.96 | 64.34 | 41.77 | 71.87 | 77.08 | 70.65 | 68.59 | 66.82 | 67.39 |
| Productivity (%ch.) | 0.3 | 0.7 | 1.3 | 1.2 | 1.0 | 2.3 | 2.5 | 0.7 | 1.5 | 2.0 | 2.4 | 2.5 | 2.3 |
| Total Industrial Production (%ch.) | 3.0 | -1.4 | -2.2 | 1.3 | 3.2 | -0.8 | -7.2 | 5.5 | 4.4 | 3.2 | 2.2 | 1.9 | 1.8 |
| Factory Operating Rate | 75.7 | 76.0 | 75.2 | 76.2 | 77.7 | 75.8 | 71.1 | 75.8 | 78.8 | 79.2 | 78.7 | 77.8 | 77.0 |
| Nonfarm Inven. Chg. (Bil. 2012 \$) | 90.1 | 136.5 | 41.2 | 38.6 | 72.7 | 89.0 | -35.3 | -73.3 | 97.3 | 141.3 | 130.6 | 116.8 | 108.3 |
| Consumer Sentiment Index | 84.1 | 92.9 | 91.8 | 96.8 | 98.4 | 96.0 | 81.5 | 79.5 | 89.8 | 95.5 | 94.1 | 94.7 | 95.6 |
| Light Vehicle Sales (Mil. units) | 16.45 | 17.41 | 17.48 | 17.15 | 17.22 | 16.96 | 14.47 | 14.94 | 15.31 | 17.08 | 17.70 | 17.50 | 17.01 |
| Housing Starts (Mil. units) | 1.000 | 1.107 | 1.177 | 1.205 | 1.247 | 1.292 | 1.397 | 1.571 | 1.435 | 1.333 | 1.327 | 1.329 | 1.296 |
| Exist. House Sales (Total, Mil. units) | 4.923 | 5.228 | 5.437 | 5.527 | 5.334 | 5.327 | 5.658 | 6.078 | 5.942 | 5.603 | 5.442 | 5.398 | 5.411 |
| Unemployment Rate (%) | 6.2 | 5.3 | 4.9 | 4.4 | 3.9 | 3.7 | 8.1 | 5.4 | 3.8 | 3.5 | 3.6 | 3.8 | 3.9 |
| Payroll Employment (%ch.) | 2.1 | 2.0 | 1.7 | 1.5 | 1.6 | 1.3 | -6.0 | 4.3 | 3.2 | 1.2 | 0.8 | 0.5 | 0.6 |
| Federal Surplus (Unified, FY, bil. \$) | -487.4 | -475.4 | -581.6 | -680.9 | -873.0 | -1022.0 | -3348.2 | -2611.0 | -1210.3 | -842.3 | -738.6 | -810.2 | -845.8 |
| Current Account Balance (Bil. \$) | -370.0 | -408.9 | -397.6 | -361.7 | -438.2 | -472.1 | -616.1 | -771.4 | -718.4 | -640.3 | -576.1 | -560.5 | -575.9 |
| Financial Markets, NSA, Quarter Average | | | | | | | | | | | | | |
| Federal Funds Rate (%) | 0.09 | 0.13 | 0.40 | 1.00 | 1.83 | 2.16 | 0.38 | 0.08 | 0.09 | 0.37 | 0.97 | 1.66 | 2.26 |
| 3-Month Treasury Bill Rate (%) | 0.03 | 0.05 | 0.32 | 0.93 | 1.94 | 2.06 | 0.37 | 0.05 | 0.06 | 0.32 | 0.86 | 1.49 | 2.04 |
| 10-Year Treasury Note Yield (%) | 2.54 | 2.14 | 1.84 | 2.33 | 2.91 | 2.14 | 0.89 | 1.47 | 1.85 | 2.25 | 2.55 | 2.80 | 2.95 |
| 30-Year Fixed Mortgage Rate (%) | 4.17 | 3.85 | 3.65 | 3.99 | 4.54 | 3.94 | 3.12 | 2.97 | 3.43 | 3.90 | 4.23 | 4.50 | 4.68 |
| S&P 500 Stock Index | 1931 | 2061 | 2092 | 2448 | 2745 | 2912 | 3219 | 4270 | 4681 | 4593 | 4618 | 4619 | 4689 |
| (Percent change, Q4/Q4) | 13.6 | 2.0 | 6.4 | 19.2 | 3.3 | 14.7 | 15.2 | 29.8 | 0.1 | 0.1 | -0.3 | 0.5 | 2.1 |
| Exchange Rate, Broad Index of Partners | 1.044 | 1.180 | 1.235 | 1.232 | 1.223 | 1.263 | 1.287 | 1.235 | 1.238 | 1.222 | 1.214 | 1.215 | 1.216 |
| (% change, Q4/Q4) | 6.7 | 12.2 | 3.9 | -4.2 | 4.3 | 0.6 | -1.9 | 0.2 | -1.8 | -0.6 | -0.5 | 0.2 | -0.1 |
| Incomes | | | | | | | | | | | | | |
| Personal Income (%ch., Q4/Q4) | 6.6 | 3.5 | 3.0 | 5.3 | 4.8 | 3.6 | 4.8 | 5.2 | 4.6 | 4.9 | 5.4 | 5.3 | 5.2 |
| Real Disposable Income (%ch., Q4/Q4) | 5.2 | 2.8 | 1.6 | 3.1 | 3.7 | 1.7 | 4.0 | -1.1 | 2.3 | 2.9 | 3.1 | 3.2 | 3.0 |
| Saving Rate (%) | 7.0 | 7.5 | 7.0 | 7.3 | 7.6 | 7.7 | 16.4 | 11.6 | 6.0 | 6.5 | 6.6 | 6.6 | 6.4 |
| After-Tax Profits (Billions of \$) | 1857 | 1732 | 1758 | 1882 | 1977 | 1952 | 1908 | 2505 | 2435 | 2518 | 2702 | 2876 | 3055 |
| (Percent change, Q4/Q4) | 2.2 | -13.0 | 11.5 | -2.7 | 13.0 | -2.1 | 10.2 | 11.1 | 1.6 | 4.7 | 7.4 | 6.4 | 6.1 |

Source: IHS Markit

© 2021 IHS Markit

| Alternative Scenarios of the US Economy | | | | | | | | | | | | | |
|---|--------|--------|--------|--------|--------|--------|---------|---------|---------|--------|--------|--------|--------|
| | 2021:2 | 2021:3 | 2021:4 | 2022:1 | 2022:2 | 2022:3 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 |
| Pessimistic: Recovery stumbles as supply issues persist and consumers slow spending (30% probability) | | | | | | | | | | | | | |
| Composition of Real GDP, Percent Change, Annual Rate | | | | | | | | | | | | | |
| Gross Domestic Product | 6.7 | 2.0 | 1.3 | 3.2 | 4.1 | 3.7 | -3.4 | 5.3 | 3.1 | 3.0 | 3.0 | 2.8 | 2.7 |
| Total Consumption | 12.0 | 1.6 | 0.7 | 1.0 | 2.8 | 3.1 | -3.8 | 7.7 | 2.4 | 2.9 | 3.0 | 3.2 | 3.5 |
| Nonresidential Fixed Investment | 9.2 | 1.8 | -1.4 | 6.4 | 8.5 | 8.3 | -5.3 | 7.1 | 5.2 | 5.5 | 4.1 | 3.8 | 3.7 |
| Residential Fixed Investment | -11.7 | -7.7 | -9.8 | -14.0 | -8.8 | -4.6 | 6.8 | 8.4 | -9.6 | -3.0 | 0.9 | 0.0 | -0.5 |
| Exports | 7.6 | -2.5 | 1.9 | 0.4 | 4.7 | 5.8 | -13.6 | 3.7 | 2.6 | 6.9 | 7.5 | 5.9 | 4.9 |
| Imports | 7.1 | 6.0 | -2.7 | -2.7 | 3.6 | 7.7 | -8.9 | 12.8 | 2.1 | 6.2 | 4.1 | 4.6 | 5.0 |
| Federal Government | -5.3 | -4.7 | -0.6 | 5.7 | -0.3 | 0.4 | 5.0 | 0.9 | 0.2 | -0.1 | 0.6 | 0.8 | 0.5 |
| State & Local Government | 0.2 | 4.4 | 0.6 | 4.5 | 4.5 | 3.3 | 0.9 | 0.5 | 3.2 | 2.2 | 1.1 | 0.9 | 1.0 |
| Prices & Wages, Percent Change, Annual Rate | | | | | | | | | | | | | |
| Consumer Prices | 8.4 | 6.6 | 4.2 | 0.9 | 1.7 | 1.3 | 1.2 | 4.4 | 2.9 | 1.0 | 1.2 | 1.5 | 1.9 |
| Producer Prices, Finished Goods | 11.6 | 11.9 | 10.7 | 0.4 | 0.3 | 1.1 | -1.3 | 8.6 | 4.4 | 0.4 | 0.8 | 1.1 | 1.5 |
| Employment Cost Index - Total Comp. | 3.1 | 5.7 | 5.4 | 5.0 | 4.7 | 4.5 | 2.6 | 3.6 | 4.9 | 3.6 | 2.8 | 2.6 | 2.6 |
| Other Key Measures | | | | | | | | | | | | | |
| Brent Crude, Spot Price (\$/bbl) | 68.83 | 73.49 | 82.34 | 76.78 | 74.29 | 75.81 | 41.77 | 71.37 | 75.26 | 68.83 | 66.75 | 64.87 | 65.35 |
| Productivity (%ch., saar) | 2.4 | -5.0 | -0.7 | 1.0 | 2.1 | 1.7 | 2.4 | 1.4 | 0.3 | 1.8 | 2.6 | 2.6 | 2.5 |
| Total Industrial Production (%ch., saar) | 6.4 | 4.3 | -0.1 | 1.9 | 3.7 | 5.8 | -7.2 | 5.3 | 3.1 | 3.9 | 2.6 | 1.9 | 1.5 |
| Nonfarm Inven. Chg. (Bil. 2012 \$) | -147.7 | -53.7 | -16.6 | 20.5 | 62.2 | 95.3 | -35.3 | -73.1 | 76.0 | 144.4 | 152.4 | 141.7 | 126.8 |
| Consumer Sentiment Index | 85.6 | 74.8 | 73.4 | 79.0 | 82.7 | 88.9 | 81.5 | 78.5 | 85.6 | 93.8 | 93.3 | 93.9 | 94.8 |
| Light Vehicle Sales (Mil. units, saar) | 16.89 | 13.32 | 12.53 | 13.13 | 13.87 | 14.83 | 14.47 | 14.88 | 14.23 | 15.96 | 16.70 | 16.38 | 15.65 |
| Housing Starts (Mil. units, saar) | 1.588 | 1.566 | 1.504 | 1.384 | 1.345 | 1.296 | 1.397 | 1.564 | 1.322 | 1.240 | 1.241 | 1.237 | 1.210 |
| Unemployment Rate (%) | 5.9 | 5.1 | 4.7 | 4.5 | 4.3 | 4.2 | 8.1 | 5.5 | 4.3 | 4.1 | 4.2 | 4.2 | 4.2 |
| Payroll Employment (%ch., saar) | 4.8 | 6.7 | 3.0 | 3.5 | 3.0 | 2.5 | -5.7 | 2.7 | 3.6 | 1.6 | 0.8 | 0.5 | 0.6 |
| Federal Surplus (Unified, FY, bil. \$) | -531.7 | -534.2 | -421.6 | -430.2 | -270.2 | -311.3 | -3131.9 | -2772.2 | -1433.3 | -946.0 | -766.1 | -794.3 | -781.8 |
| Financial Markets, NSA, Quarter Average | | | | | | | | | | | | | |
| Federal Funds Rate (%) | 0.07 | 0.09 | 0.09 | 0.10 | 0.10 | 0.10 | 0.38 | 0.08 | 0.10 | 0.10 | 0.10 | 0.10 | 0.37 |
| 10-Year Treasury Note Yield (%) | 1.59 | 1.32 | 1.57 | 1.62 | 1.68 | 1.74 | 0.89 | 1.45 | 1.71 | 1.93 | 2.14 | 2.37 | 2.52 |
| Incomes | | | | | | | | | | | | | |
| Personal Income (% ch., saar) | -21.6 | 0.9 | -3.4 | 0.6 | 3.9 | 4.3 | 6.5 | 6.4 | -0.5 | 4.0 | 4.5 | 4.7 | 5.0 |
| After-Tax Profits (Four-qr.% change) | 70.5 | 19.2 | 7.0 | -2.7 | -12.6 | -7.1 | -2.3 | 30.1 | -5.4 | 2.5 | 6.1 | 6.2 | 7.4 |
| Optimistic: Return to "normal", still more stimulus, and improving supply issues drive faster growth (20% probability) | | | | | | | | | | | | | |
| Composition of Real GDP, Percent Change, Annual Rate | | | | | | | | | | | | | |
| Gross Domestic Product | 6.7 | 2.0 | 8.2 | 6.6 | 5.8 | 4.9 | -3.4 | 5.7 | 5.7 | 3.5 | 2.7 | 2.4 | 2.1 |
| Total Consumption | 12.0 | 1.6 | 7.8 | 5.3 | 3.4 | 3.6 | -3.8 | 8.2 | 4.9 | 3.2 | 2.9 | 2.9 | 2.8 |
| Nonresidential Fixed Investment | 9.2 | 1.8 | 19.2 | 8.7 | 8.1 | 8.9 | -5.3 | 8.4 | 9.5 | 6.8 | 5.2 | 3.7 | 2.4 |
| Residential Fixed Investment | -11.7 | -7.7 | -6.1 | -5.2 | -1.3 | -0.8 | 6.8 | 8.7 | -4.7 | -1.9 | 0.3 | 0.4 | -0.9 |
| Exports | 7.6 | -2.5 | 3.1 | 7.2 | 11.1 | 12.3 | -13.6 | 3.8 | 6.7 | 8.2 | 5.6 | 4.5 | 3.9 |
| Imports | 7.1 | 6.0 | 4.2 | 9.5 | 6.7 | 6.8 | -8.9 | 13.3 | 6.9 | 5.4 | 4.0 | 4.8 | 4.5 |
| Federal Government | -5.3 | -4.7 | -0.7 | 5.7 | -0.4 | 0.3 | 5.0 | 0.9 | 0.2 | -0.2 | 0.6 | 0.8 | 0.5 |
| State & Local Government | 0.2 | 4.4 | 0.6 | 4.5 | 4.5 | 3.3 | 0.9 | 0.5 | 3.2 | 2.2 | 1.1 | 0.9 | 1.0 |
| Prices & Wages, Percent Change, Annual Rate | | | | | | | | | | | | | |
| Consumer Prices | 8.4 | 6.6 | 4.9 | 1.4 | 2.7 | 2.6 | 1.2 | 4.5 | 3.6 | 2.4 | 2.3 | 2.3 | 2.3 |
| Producer Prices, Finished Goods | 11.6 | 11.9 | 12.0 | 1.4 | 1.4 | 2.5 | -1.3 | 8.7 | 5.3 | 1.7 | 1.9 | 1.9 | 2.0 |
| Employment Cost Index - Total Comp. | 3.1 | 5.7 | 5.7 | 5.6 | 5.5 | 5.4 | 2.6 | 3.7 | 5.4 | 4.8 | 4.3 | 4.2 | 4.1 |
| Other Key Measures | | | | | | | | | | | | | |
| Brent Crude, Spot Price (\$/bbl) | 68.83 | 73.49 | 86.34 | 80.89 | 78.20 | 79.07 | 41.77 | 72.37 | 78.84 | 71.66 | 69.45 | 67.67 | 68.18 |
| Productivity (%ch., saar) | 2.4 | -5.0 | 1.9 | 3.3 | 2.2 | 2.9 | 2.4 | 1.5 | 1.5 | 2.5 | 2.6 | 2.4 | 2.1 |
| Total Industrial Production (%ch., saar) | 6.4 | 4.3 | 4.3 | 7.1 | 7.3 | 6.4 | -7.2 | 5.6 | 5.9 | 3.8 | 2.3 | 1.6 | 1.2 |
| Nonfarm Inven. Chg. (Bil. 2012 \$) | -147.7 | -53.7 | -15.9 | 52.2 | 132.3 | 162.2 | -35.3 | -72.9 | 130.5 | 160.6 | 130.5 | 113.2 | 102.0 |
| Consumer Sentiment Index | 85.6 | 74.8 | 81.2 | 86.8 | 90.5 | 96.1 | 81.5 | 80.5 | 92.7 | 96.7 | 95.3 | 95.8 | 96.7 |
| Light Vehicle Sales (Mil. units, saar) | 16.89 | 13.32 | 14.26 | 14.45 | 15.86 | 16.83 | 14.47 | 15.31 | 16.07 | 17.89 | 18.70 | 18.24 | 17.34 |
| Housing Starts (Mil. units, saar) | 1.588 | 1.566 | 1.551 | 1.521 | 1.484 | 1.443 | 1.397 | 1.576 | 1.466 | 1.370 | 1.363 | 1.374 | 1.347 |
| Unemployment Rate (%) | 5.9 | 5.1 | 4.3 | 3.9 | 3.6 | 3.3 | 8.1 | 5.4 | 3.5 | 3.1 | 3.4 | 3.6 | 3.7 |
| Payroll Employment (%ch., saar) | 4.8 | 6.7 | 4.4 | 4.8 | 4.8 | 2.6 | -5.7 | 2.8 | 4.5 | 1.5 | 0.9 | 0.5 | 0.5 |
| Federal Surplus (Unified, FY, bil. \$) | -531.7 | -534.2 | -404.6 | -403.0 | -233.5 | -265.4 | -3131.9 | -2772.2 | -1306.5 | -745.8 | -607.3 | -692.6 | -740.9 |
| Financial Markets, NSA, Quarter Average | | | | | | | | | | | | | |
| Federal Funds Rate (%) | 0.07 | 0.09 | 0.10 | 0.12 | 0.29 | 0.31 | 0.38 | 0.09 | 0.26 | 0.62 | 1.19 | 1.88 | 2.48 |
| 10-Year Treasury Note Yield (%) | 1.59 | 1.32 | 1.69 | 1.79 | 1.89 | 2.04 | 0.89 | 1.48 | 1.97 | 2.40 | 2.69 | 2.89 | 3.00 |
| Incomes | | | | | | | | | | | | | |
| Personal Income (% ch., saar) | -21.6 | 0.9 | 0.5 | 4.4 | 7.1 | 7.2 | 6.5 | 6.6 | 2.2 | 5.9 | 5.6 | 5.4 | 5.1 |
| After-Tax Profits (Four-qr.% change) | 70.5 | 19.2 | 16.0 | 6.4 | -5.1 | 2.0 | -2.3 | 32.7 | 1.4 | 4.8 | 4.9 | 3.8 | 3.6 |

Source: IHS Markit

© 2021 IHS Markit

Alternative Scenarios of the US Economy

| | 2021:2 | 2021:3 | 2021:4 | 2022:1 | 2022:2 | 2022:3 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 |
|---|--------|--------|--------|--------|--------|--------|---------|---------|---------|--------|--------|--------|--------|
| Pessimistic: Recovery stumbles as supply issues persist and consumers slow spending (30% probability) | | | | | | | | | | | | | |
| Composition of Real GDP, Percent Change, Annual Rate | | | | | | | | | | | | | |
| (Q4/Q4 for Annual Values) | | | | | | | | | | | | | |
| Gross Domestic Product | 6.7 | 2.0 | 1.3 | 3.2 | 4.1 | 3.7 | -2.3 | 4.1 | 3.5 | 2.8 | 2.9 | 2.8 | 2.7 |
| Total Consumption | 12.0 | 1.6 | 0.7 | 1.0 | 2.8 | 3.1 | -2.4 | 6.3 | 2.4 | 2.9 | 3.0 | 3.3 | 3.6 |
| Nonresidential Fixed Investment | 9.2 | 1.8 | -1.4 | 6.4 | 8.5 | 8.3 | -3.8 | 5.5 | 7.6 | 4.1 | 4.0 | 3.7 | 3.8 |
| Residential Fixed Investment | -11.7 | -7.7 | -9.8 | -14.0 | -8.8 | -4.6 | 15.7 | -4.5 | -7.9 | -0.8 | 0.7 | -0.2 | -0.8 |
| Exports | 7.6 | -2.5 | 1.9 | 0.4 | 4.7 | 5.8 | -10.7 | 0.9 | 4.2 | 7.6 | 7.0 | 5.4 | 4.5 |
| Imports | 7.1 | 6.0 | -2.7 | -2.7 | 3.6 | 7.7 | 0.3 | 4.8 | 4.0 | 5.1 | 4.2 | 4.8 | 5.0 |
| Federal Government | -5.3 | -4.7 | -0.6 | 5.7 | -0.3 | 0.4 | 3.1 | 0.0 | 1.1 | 0.2 | 0.8 | 0.8 | 0.3 |
| State & Local Government | 0.2 | 4.4 | 0.6 | 4.5 | 4.5 | 3.3 | 0.0 | 1.2 | 3.7 | 1.5 | 0.8 | 1.1 | 0.9 |
| Prices & Wages, Percent Change, Annual Rate | | | | | | | | | | | | | |
| (Q4/Q4 for Annual Values) | | | | | | | | | | | | | |
| Consumer Prices | 8.4 | 6.6 | 4.2 | 0.9 | 1.7 | 1.3 | 1.2 | 5.7 | 1.2 | 1.0 | 1.3 | 1.6 | 2.0 |
| Producer Prices, Finished Goods | 11.6 | 11.9 | 10.7 | 0.4 | 0.3 | 1.1 | -1.2 | 12.1 | 0.6 | 0.3 | 1.0 | 1.2 | 1.7 |
| Employment Cost Index - Total Comp. | 3.1 | 5.7 | 5.4 | 5.0 | 4.7 | 4.5 | 2.6 | 4.5 | 4.5 | 3.1 | 2.6 | 2.6 | 2.7 |
| Other Key Measures | | | | | | | | | | | | | |
| Brent Crude, Spot Price (\$/bbl) | 68.83 | 73.49 | 82.34 | 76.78 | 74.29 | 75.81 | 41.77 | 71.37 | 75.26 | 68.83 | 66.75 | 64.87 | 65.35 |
| Productivity (%ch., saar) | 2.4 | -5.0 | -0.7 | 1.0 | 2.1 | 1.7 | 2.5 | 0.2 | 1.5 | 2.2 | 2.6 | 2.6 | 2.5 |
| Total Industrial Production (%ch., saar) | 6.4 | 4.3 | -0.1 | 1.9 | 3.7 | 5.8 | -4.3 | 3.6 | 4.1 | 3.0 | 2.3 | 1.7 | 1.3 |
| Nonfarm Inven. Chg. (Bil.2012 \$) | -147.7 | -53.7 | -16.6 | 20.5 | 62.2 | 95.3 | -35.3 | -73.1 | 76.0 | 144.4 | 152.4 | 141.7 | 126.8 |
| Consumer Sentiment Index | 85.6 | 74.8 | 73.4 | 79.0 | 82.7 | 88.9 | 81.5 | 78.5 | 85.6 | 93.8 | 93.3 | 93.9 | 94.8 |
| Light Vehicle Sales (Mil. units, saar) | 16.89 | 13.32 | 12.53 | 13.13 | 13.87 | 14.83 | 14.47 | 14.88 | 14.23 | 15.96 | 16.70 | 16.38 | 15.65 |
| Housing Starts (Mil. units, saar) | 1.588 | 1.566 | 1.504 | 1.384 | 1.345 | 1.296 | 1.397 | 1.564 | 1.322 | 1.240 | 1.241 | 1.237 | 1.210 |
| Unemployment Rate (%) | 5.9 | 5.1 | 4.7 | 4.5 | 4.3 | 4.2 | 8.1 | 5.5 | 4.3 | 4.1 | 4.2 | 4.2 | 4.2 |
| Payroll Employment (%ch., saar) | 4.8 | 6.7 | 3.0 | 3.5 | 3.0 | 2.5 | -6.0 | 4.1 | 2.7 | 1.0 | 0.7 | 0.5 | 0.7 |
| Federal Surplus (Unified, FY, bil. \$) | -531.7 | -534.2 | -421.6 | -430.2 | -270.2 | -311.3 | -3131.9 | -2772.2 | -1433.3 | -946.0 | -766.1 | -794.3 | -781.8 |
| Financial Markets, NSA, Quarter Average | | | | | | | | | | | | | |
| Federal Funds Rate (%) | 0.07 | 0.09 | 0.09 | 0.10 | 0.10 | 0.10 | 0.38 | 0.08 | 0.10 | 0.10 | 0.10 | 0.10 | 0.37 |
| 10-Year Treasury Note Yield (%) | 1.59 | 1.32 | 1.57 | 1.62 | 1.68 | 1.74 | 0.89 | 1.45 | 1.71 | 1.93 | 2.14 | 2.37 | 2.52 |
| Incomes | | | | | | | | | | | | | |
| Personal Income (% ch., saar) | -21.6 | 0.9 | -3.4 | 0.6 | 3.9 | 4.3 | 4.8 | 4.6 | 3.0 | 4.2 | 4.6 | 4.8 | 5.1 |
| After-Tax Profits (Four-qr.% change) | 70.5 | 19.2 | 7.0 | -2.7 | -12.6 | -7.1 | 10.2 | 7.0 | 1.9 | 2.8 | 6.8 | 6.7 | 7.8 |
| Optimistic: Return to "normal", still more stimulus, and improving supply issues drive faster growth (20% probability) | | | | | | | | | | | | | |
| Composition of Real GDP, Percent Change, Annual Rate | | | | | | | | | | | | | |
| (Q4/Q4 for Annual Values) | | | | | | | | | | | | | |
| Gross Domestic Product | 6.7 | 2.0 | 8.2 | 6.6 | 5.8 | 4.9 | -2.3 | 5.8 | 5.1 | 3.0 | 2.6 | 2.3 | 2.0 |
| Total Consumption | 12.0 | 1.6 | 7.8 | 5.3 | 3.4 | 3.6 | -2.4 | 8.1 | 3.8 | 3.2 | 2.8 | 2.9 | 2.8 |
| Nonresidential Fixed Investment | 9.2 | 1.8 | 19.2 | 8.7 | 8.1 | 8.9 | -3.8 | 10.6 | 8.0 | 6.2 | 4.7 | 3.1 | 2.1 |
| Residential Fixed Investment | -11.7 | -7.7 | -6.1 | -5.2 | -1.3 | -0.8 | 15.7 | -3.5 | -2.5 | -1.5 | 0.7 | 0.3 | -1.6 |
| Exports | 7.6 | -2.5 | 3.1 | 7.2 | 11.1 | 12.3 | -10.7 | 1.2 | 10.2 | 6.2 | 5.5 | 4.1 | 3.8 |
| Imports | 7.1 | 6.0 | 4.2 | 9.5 | 6.7 | 6.8 | 0.3 | 6.6 | 7.4 | 4.3 | 4.3 | 4.8 | 4.3 |
| Federal Government | -5.3 | -4.7 | -0.7 | 5.7 | -0.4 | 0.3 | 3.1 | 0.0 | 1.0 | 0.2 | 0.8 | 0.8 | 0.2 |
| State & Local Government | 0.2 | 4.4 | 0.6 | 4.5 | 4.5 | 3.3 | 0.0 | 1.2 | 3.7 | 1.6 | 0.9 | 1.1 | 0.9 |
| Prices & Wages, Percent Change, Annual Rate | | | | | | | | | | | | | |
| (Q4/Q4 for Annual Values) | | | | | | | | | | | | | |
| Consumer Prices | 8.4 | 6.6 | 4.9 | 1.4 | 2.7 | 2.6 | 1.2 | 5.9 | 2.3 | 2.3 | 2.3 | 2.3 | 2.4 |
| Producer Prices, Finished Goods | 11.6 | 11.9 | 12.0 | 1.4 | 1.4 | 2.5 | -1.2 | 12.4 | 1.8 | 1.6 | 2.0 | 1.8 | 2.1 |
| Employment Cost Index - Total Comp. | 3.1 | 5.7 | 5.7 | 5.6 | 5.5 | 5.4 | 2.6 | 4.6 | 5.4 | 4.5 | 4.2 | 4.2 | 4.1 |
| Other Key Measures | | | | | | | | | | | | | |
| Brent Crude, Spot Price (\$/bbl) | 68.83 | 73.49 | 86.34 | 80.89 | 78.20 | 79.07 | 41.77 | 72.37 | 78.84 | 71.66 | 69.45 | 67.67 | 68.18 |
| Productivity (%ch., saar) | 2.4 | -5.0 | 1.9 | 3.3 | 2.2 | 2.9 | 2.5 | 0.8 | 2.5 | 2.8 | 2.4 | 2.3 | 2.0 |
| Total Industrial Production (%ch., saar) | 6.4 | 4.3 | 4.3 | 7.1 | 7.3 | 6.4 | -4.3 | 4.7 | 6.2 | 2.8 | 2.0 | 1.5 | 1.0 |
| Nonfarm Inven. Chg. (Bil. 2012 \$) | -147.7 | -53.7 | -15.9 | 52.2 | 132.3 | 162.2 | -35.3 | -72.9 | 130.5 | 160.6 | 130.5 | 113.2 | 102.0 |
| Consumer Sentiment Index | 85.6 | 74.8 | 81.2 | 86.8 | 90.5 | 96.1 | 81.5 | 80.5 | 92.7 | 96.7 | 95.3 | 95.8 | 96.7 |
| Light Vehicle Sales (Mil. units, saar) | 16.89 | 13.32 | 14.26 | 14.45 | 15.86 | 16.83 | 14.47 | 15.31 | 16.07 | 17.89 | 18.70 | 18.24 | 17.34 |
| Housing Starts (Mil. units, saar) | 1.588 | 1.566 | 1.551 | 1.521 | 1.484 | 1.443 | 1.397 | 1.576 | 1.466 | 1.370 | 1.363 | 1.374 | 1.347 |
| Unemployment Rate (%) | 5.9 | 5.1 | 4.3 | 3.9 | 3.6 | 3.3 | 8.1 | 5.4 | 3.5 | 3.1 | 3.4 | 3.6 | 3.7 |
| Payroll Employment (%ch., saar) | 4.8 | 6.7 | 4.4 | 4.8 | 4.8 | 2.6 | -6.0 | 4.5 | 3.4 | 1.0 | 0.8 | 0.5 | 0.5 |
| Federal Surplus (Unified, FY, bil. \$) | -531.7 | -534.2 | -404.6 | -403.0 | -233.5 | -265.4 | -3131.9 | -2772.2 | -1306.5 | -745.8 | -607.3 | -692.6 | -740.9 |
| Financial Markets, NSA, Quarter Average | | | | | | | | | | | | | |
| Federal Funds Rate (%) | 0.07 | 0.09 | 0.10 | 0.12 | 0.29 | 0.31 | 0.38 | 0.09 | 0.26 | 0.62 | 1.19 | 1.88 | 2.48 |
| 10-Year Treasury Note Yield (%) | 1.59 | 1.32 | 1.69 | 1.79 | 1.89 | 2.04 | 0.89 | 1.48 | 1.97 | 2.40 | 2.69 | 2.89 | 3.00 |
| Incomes | | | | | | | | | | | | | |
| Personal Income (% ch., saar) | -21.6 | 0.9 | 0.5 | 4.4 | 7.1 | 7.2 | 4.8 | 5.7 | 6.0 | 5.6 | 5.6 | 5.3 | 5.0 |
| After-Tax Profits (Four-qr.% change) | 70.5 | 19.2 | 16.0 | 6.4 | -5.1 | 2.0 | 10.2 | 16.0 | 3.1 | 5.2 | 4.4 | 3.6 | 3.7 |

Source: IHS Markit

© 2021 IHS Markit

Summary of the US Economy

| | Annual rates | | | | | Annual averages | | | | | Q4/Q4 | | | | |
|---|--------------|--------|--------|--------|--------|-----------------|---------|-----------------|--------|--------|--------|--------|-----------|--------|--------|
| | 2021:3 | 2021:4 | 2022:1 | 2022:2 | 2022:3 | 2020 | 2021 | 2022 | 2023 | 2024 | 2020 | 2021 | 2022 | 2023 | 2024 |
| Composition of Real GDP, Percent Change | | | | | | | | | | | | | | | |
| Gross Domestic Product | 2.0 | 4.4 | 5.0 | 4.7 | 4.0 | -3.4 | 5.5 | 4.3 | 2.9 | 2.7 | -2.3 | 4.8 | 4.1 | 2.5 | 2.7 |
| Final Sales of Domestic Product | -0.1 | 3.5 | 3.7 | 3.4 | 3.1 | -2.9 | 5.4 | 3.2 | 2.6 | 2.8 | -2.6 | 5.1 | 3.1 | 2.6 | 2.8 |
| Gross Domestic Income | 1.4 | 4.8 | 4.9 | 4.7 | 4.0 | -2.9 | 6.2 | 4.0 | 2.8 | 2.7 | -0.2 | 3.7 | 4.1 | 2.5 | 2.6 |
| Avg. of GDP and GDI | 1.5 | 4.9 | 4.9 | 4.7 | 4.0 | -3.2 | 5.8 | 4.2 | 2.8 | 2.7 | -1.2 | 4.3 | 4.1 | 2.5 | 2.7 |
| Total Consumption | 1.6 | 4.5 | 2.9 | 2.5 | 2.4 | -3.8 | 8.0 | 3.4 | 2.3 | 2.9 | -2.4 | 7.3 | 2.4 | 2.5 | 3.1 |
| Durables | -26.2 | 1.5 | -1.0 | -1.0 | -0.7 | 7.7 | 17.7 | -3.4 | -0.2 | 3.3 | 13.5 | 5.8 | -1.1 | 1.1 | 4.0 |
| Nondurables | 2.6 | 3.4 | -2.4 | -1.3 | -0.3 | 3.1 | 9.3 | 0.9 | 1.0 | 2.6 | 4.7 | 8.8 | -1.0 | 2.0 | 2.8 |
| Services | 7.9 | 5.4 | 5.5 | 4.5 | 3.9 | -7.5 | 5.8 | 5.6 | 3.2 | 3.0 | -6.9 | 7.1 | 4.2 | 2.9 | 3.0 |
| Nonresidential Fixed Investment | 1.8 | 5.9 | 9.3 | 7.5 | 6.9 | -5.3 | 7.6 | 6.8 | 5.1 | 4.5 | -3.8 | 7.4 | 7.2 | 4.4 | 4.4 |
| Equipment | -3.2 | 4.8 | 9.6 | 10.5 | 9.7 | -8.3 | 13.1 | 7.3 | 6.9 | 5.8 | -0.3 | 6.7 | 9.4 | 5.8 | 5.7 |
| Information Processing Equipment | -5.8 | 6.7 | 9.2 | 9.2 | 3.8 | 6.8 | 12.6 | 4.7 | 4.0 | 3.0 | 15.4 | 3.9 | 6.7 | 3.3 | 3.0 |
| Industrial Equipment | 11.2 | -6.7 | -4.3 | 22.2 | 22.7 | -4.9 | 13.1 | 7.6 | 10.8 | 6.4 | 1.3 | 10.3 | 10.8 | 9.4 | 4.3 |
| Transportation equipment | -18.6 | 27.2 | 77.8 | -15.6 | 0.8 | -35.2 | 19.1 | 18.7 | 7.1 | 7.3 | -26.2 | 14.1 | 16.9 | 6.3 | 8.5 |
| Aircraft | -9.1 | 57.2 | 37.7 | 35.6 | 29.3 | -36.2 | 35.2 | 35.5 | 13.3 | 1.3 | -26.8 | 34.7 | 32.4 | 5.0 | -0.7 |
| Other Equipment | 0.5 | -1.2 | -16.3 | 29.7 | 15.0 | -1.6 | 9.2 | 2.5 | 7.2 | 8.1 | 5.3 | 2.5 | 6.3 | 5.6 | 8.6 |
| Intellectual Property Products | 12.2 | 12.0 | 12.0 | 7.7 | 7.0 | 2.8 | 10.7 | 10.1 | 5.0 | 3.8 | 2.5 | 13.1 | 8.0 | 4.1 | 3.4 |
| Structures | -7.3 | -3.9 | 3.0 | 0.5 | 0.2 | -12.5 | -8.1 | -1.0 | 1.1 | 3.1 | -20.0 | -2.3 | 1.0 | 1.9 | 3.6 |
| Commercial & Health Care | -8.9 | -8.4 | -8.9 | -14.4 | -13.2 | -1.4 | -7.8 | -10.3 | -6.3 | 6.8 | -9.9 | -5.1 | -12.5 | 0.3 | 8.5 |
| Manufacturing | -13.6 | -20.2 | -4.6 | 23.1 | 18.0 | -13.4 | -2.8 | 0.3 | 6.8 | -3.7 | -16.6 | -2.0 | 12.0 | -0.6 | -3.3 |
| Power & Communication | -13.0 | -10.2 | 1.8 | -1.8 | -1.0 | -4.7 | -14.3 | -4.6 | -1.4 | 1.5 | -21.1 | -10.5 | -0.2 | -1.2 | 2.1 |
| Mining & Petroleum | 21.7 | 23.3 | 37.8 | 18.2 | 8.8 | -37.5 | 13.3 | 23.3 | 8.5 | -0.4 | -38.8 | 37.0 | 19.4 | 4.6 | -2.1 |
| Other | -13.9 | 3.7 | 5.2 | 2.1 | 6.6 | -13.8 | -17.7 | -0.1 | 4.7 | 8.1 | -20.7 | -12.1 | 4.0 | 6.3 | 8.4 |
| Residential Fixed Investment | -7.7 | -8.1 | -6.8 | -1.3 | -1.4 | 6.8 | 8.5 | -5.6 | -2.2 | 0.4 | 15.7 | -4.0 | -3.1 | -1.6 | 0.8 |
| Exports | -2.5 | 2.4 | 5.6 | 9.3 | 9.7 | -13.6 | 3.7 | 5.5 | 8.3 | 5.9 | -10.7 | 1.1 | 8.5 | 7.2 | 5.4 |
| Imports | 6.0 | 1.3 | 4.3 | 4.7 | 5.8 | -8.9 | 13.1 | 4.4 | 4.5 | 4.5 | 0.3 | 5.9 | 5.0 | 4.0 | 4.9 |
| Federal Government | -4.7 | -0.7 | 5.7 | -0.3 | 0.4 | 5.0 | 0.9 | 0.2 | -0.1 | 0.6 | 3.1 | -0.1 | 1.1 | 0.2 | 0.8 |
| State & Local Government | 4.4 | 0.6 | 4.5 | 4.5 | 3.3 | 0.9 | 0.5 | 3.2 | 2.2 | 1.1 | 0.0 | 1.2 | 3.7 | 1.5 | 0.9 |
| Prices & Wages, Percent Change | | | | | | | | | | | | | | | |
| GDP Deflator | 5.7 | 3.6 | 3.0 | 2.3 | 2.2 | 1.3 | 3.9 | 3.3 | 2.2 | 2.5 | 1.5 | 4.9 | 2.4 | 2.3 | 2.5 |
| Consumer Prices | 6.6 | 4.6 | 1.4 | 2.1 | 2.2 | 1.2 | 4.5 | 3.3 | 2.1 | 2.2 | 1.2 | 5.8 | 1.9 | 2.1 | 2.2 |
| Producer Prices, Finished Goods | 11.9 | 11.6 | 1.2 | 0.7 | 2.0 | -1.3 | 8.7 | 5.0 | 1.4 | 1.8 | -1.2 | 12.3 | 1.4 | 1.5 | 1.9 |
| Employment Cost Index - Total Comp. | 5.7 | 5.8 | 5.6 | 5.3 | 5.2 | 2.6 | 3.7 | 5.3 | 4.6 | 4.0 | 2.6 | 4.6 | 5.2 | 4.2 | 4.0 |
| Other Key Measures, Percent Change | | | | | | | | | | | | | | | |
| Total Industrial Production | 4.3 | 2.7 | 4.5 | 5.1 | 5.0 | -7.2 | 5.5 | 4.4 | 3.2 | 2.2 | -4.3 | 4.3 | 4.6 | 2.4 | 2.1 |
| Payroll Employment | 6.7 | 3.6 | 3.6 | 3.6 | 3.1 | -5.7 | 2.7 | 3.9 | 1.9 | 0.9 | -6.0 | 4.3 | 3.2 | 1.2 | 0.8 |
| Financial Markets, NSA, Quarter Average | | | | | | | | | | | | | | | |
| S&P 500 Stock Index (four-quarter % change) | | | | | | | | | | | | | | | |
| (Average of period) | 24.9 | 18.7 | 8.0 | 1.1 | -2.8 | 10.5 | 32.7 | 9.6 | -1.9 | 0.5 | 15.2 | 29.8 | 0.1 | 0.1 | -0.3 |
| (End of period) | 28.1 | 25.2 | 18.4 | 10.1 | 7.7 | 6.8 | 35.0 | 8.0 | -1.5 | 0.4 | 16.3 | 25.2 | -2.3 | 0.8 | -0.5 |
| Exchange Rate, Broad Index (%change, annual rate) | 5.5 | 3.0 | 0.0 | -2.3 | -2.7 | 1.9 | -4.0 | 0.2 | -1.3 | -0.6 | -1.9 | 0.2 | -1.8 | -0.6 | -0.5 |
| Incomes, Percent Change | | | | | | | | | | | | | | | |
| Personal Income | 0.9 | -1.3 | 2.4 | 5.8 | 6.0 | 6.5 | 6.5 | 1.0 | 5.0 | 5.3 | 4.8 | 5.2 | 4.6 | 4.9 | 5.4 |
| Real Disposable Income | -5.6 | -6.0 | -0.1 | 3.6 | 3.6 | 6.2 | 1.7 | -3.0 | 2.9 | 3.1 | 4.0 | -1.1 | 2.3 | 2.9 | 3.1 |
| | | | Levels | | | | | Annual averages | | | | | Q4 values | | |
| Billions of Dollars | | | | | | | | | | | | | | | |
| Real GDP | 19465 | 19677 | 19918 | 20150 | 20351 | 18385 | 19392 | 20228 | 20804 | 21367 | 18768 | 19677 | 20491 | 21007 | 21574 |
| Nominal GDP | 23173 | 23662 | 24127 | 24546 | 24923 | 20894 | 22904 | 24706 | 25978 | 27341 | 21478 | 23662 | 25227 | 26460 | 27862 |
| Other Key Measures | | | | | | | | | | | | | | | |
| Brent Crude, Spot Price (\$/bbl) | 73.49 | 84.34 | 78.67 | 76.00 | 77.67 | 41.77 | 71.87 | 77.08 | 70.65 | 68.59 | 44.29 | 84.34 | 76.00 | 69.33 | 67.83 |
| Factory Operating Rate | 76.4 | 77.0 | 77.9 | 78.6 | 79.2 | 71.1 | 75.8 | 78.8 | 79.2 | 78.7 | 74.0 | 77.0 | 79.4 | 79.0 | 78.4 |
| Nonfarm Inven. Chg. (Bil. 2012 \$) | -53.7 | -17.4 | 28.1 | 82.7 | 128.6 | -35.3 | -73.3 | 97.3 | 141.3 | 130.6 | 90.2 | -17.4 | 149.9 | 133.0 | 126.8 |
| Light Vehicle Sales (Mil. units, saar) | 13.32 | 12.75 | 13.69 | 15.06 | 16.05 | 14.47 | 14.94 | 15.31 | 17.08 | 17.70 | 16.19 | 12.75 | 16.42 | 17.39 | 17.79 |
| Housing Starts (Mil. units, saar) | 1.566 | 1.533 | 1.493 | 1.454 | 1.415 | 1.397 | 1.571 | 1.435 | 1.333 | 1.327 | 1.575 | 1.533 | 1.378 | 1.332 | 1.321 |
| Exist. House Sales (Total, Mil. saar) | 6.057 | 6.118 | 6.072 | 6.002 | 5.894 | 5.658 | 6.078 | 5.942 | 5.603 | 5.442 | 6.657 | 6.118 | 5.801 | 5.558 | 5.383 |
| Unemployment Rate (%) | 5.1 | 4.5 | 4.2 | 3.9 | 3.6 | 8.1 | 5.4 | 3.8 | 3.5 | 3.6 | 6.7 | 4.5 | 3.5 | 3.5 | 3.7 |
| Federal Surplus (Unified, nsa, bil. \$) | -534.2 | -411.7 | -416.4 | -251.1 | -288.3 | -3348.2 | -2611.0 | -1210.3 | -842.3 | -738.6 | -572.9 | -411.7 | -254.5 | -235.6 | -250.2 |
| Current Account Balance (Bil. \$) | -782.7 | -783.9 | -743.2 | -715.8 | -713.7 | -616.1 | -771.4 | -718.4 | -640.3 | -576.1 | -700.3 | -783.9 | -700.8 | -604.6 | -568.6 |
| Financial Markets, NSA, Quarter Average | | | | | | | | | | | | | | | |
| Federal Funds Rate (%) | 0.09 | 0.09 | 0.09 | 0.09 | 0.09 | 0.38 | 0.08 | 0.09 | 0.37 | 0.97 | 0.09 | 0.09 | 0.09 | 0.61 | 1.18 |
| 3-Month Treasury Bill Rate (%) | 0.05 | 0.06 | 0.06 | 0.06 | 0.07 | 0.37 | 0.05 | 0.06 | 0.32 | 0.86 | 0.09 | 0.06 | 0.07 | 0.54 | 1.05 |
| 10-Year Treasury Note Yield (%) | 1.32 | 1.63 | 1.70 | 1.76 | 1.91 | 0.89 | 1.47 | 1.85 | 2.25 | 2.55 | 0.86 | 1.63 | 2.03 | 2.35 | 2.66 |
| 30-Year Fixed Mortgage Rate (%) | 2.86 | 3.13 | 3.24 | 3.34 | 3.50 | 3.12 | 2.97 | 3.43 | 3.90 | 4.23 | 2.76 | 3.13 | 3.63 | 4.02 | 4.34 |
| S&P 500 Stock Index (average of period) | 4421 | 4615 | 4705 | 4718 | 4685 | 3219 | 4270 | 4681 | 4593 | 4618 | 3554 | 4615 | 4618 | 4622 | 4608 |
| S&P 500 Stock Index (end of period) | 4308 | 4704 | 4705 | 4730 | 4639 | 3201 | 4321 | 4668 | 4597 | 4615 | 3756 | 4704 | 4596 | 4632 | 4611 |
| Incomes | | | | | | | | | | | | | | | |
| After-Tax Profits (Billions of \$) | -18.1 | -22.2 | 1.4 | 3.0 | 4.4 | -2.3 | 31.3 | -2.8 | 3.4 | 7.3 | 10.2 | 11.1 | 1.6 | 4.7 | 7.4 |

Source: IHS Markit

© 2021 IHS Markit

IHS Markit Customer Care

CustomerCare@ihsmarkit.com

Americas: +1 800 IHS CARE (+1 800 447 2273)

Europe, Middle East, and Africa: +44 (0) 1344 328 300

Asia and the Pacific Rim: +604 291 3600

Disclaimer

The information contained in this report is confidential. Any unauthorized use, disclosure, reproduction, or dissemination, in full or in part, in any media or by any means, without the prior written permission of IHS Markit or any of its affiliates ("IHS Markit") is strictly prohibited. IHS Markit owns all IHS Markit logos and trade names contained in this report that are subject to license. Opinions, statements, estimates, and projections in this report (including other media) are solely those of the individual author(s) at the time of writing and do not necessarily reflect the opinions of IHS Markit. Neither IHS Markit nor the author(s) has any obligation to update this report in the event that any content, opinion, statement, estimate, or projection (collectively, "information") changes or subsequently becomes inaccurate. IHS Markit makes no warranty, expressed or implied, as to the accuracy, completeness, or timeliness of any information in this report, and shall not in any way be liable to any recipient for any inaccuracies or omissions. Without limiting the foregoing, IHS Markit shall have no liability whatsoever to any recipient, whether in contract, in tort (including negligence), under warranty, under statute or otherwise, in respect of any loss or damage suffered by any recipient as a result of or in connection with any information provided, or any course of action determined, by it or any third party, whether or not based on any information provided. The inclusion of a link to an external website by IHS Markit should not be understood to be an endorsement of that website or the site's owners (or their products/services). IHS Markit is not responsible for either the content or output of external websites. Copyright © 2021, IHS Markit®. All rights reserved and all intellectual property rights are retained by IHS Markit.

